

COVID-19 Dashboard

30 April 2020



Internal and key client use only

Summary

- **Equities:** European equities were broadly subdued this morning, with both the FTSE 100 and STOXX 600 falling -0.1%, while the DAX remained flat. However, the MSCI All-World Index, a measure of developed and emerging market shares, is up 11.7% this month, and on track for its best month since its inception in the 1980s, according to the Financial Times. This further indicates equities remaining largely immune to new data releases.
- **VIX:** The “investor fear gauge”, the VIX volatility index, has increased slightly this morning, currently at 32.2, after closing yesterday at 31.2. This comes as major economies, including the US, are starting to see the effects of COVID-19 play out in economic data. Levels remain elevated, which suggests continued near term equity market volatility.
- **Currency:** Sterling has remained stable at \$1.25 this morning, for the third consecutive day. Hedging benefits for US dollar denominated investors into the UK are at circa 0.13% per annum on a five-year basis, while the hedging benefit of US dollar denominated investors into the Eurozone remains above 1.00% at 1.06% over the same time period.
- **Oil:** Both the West Texas Intermediate (WTI) and Brent Crude are up by 15% this morning, currently priced at \$17.34 a barrel and \$25.98 a barrel, respectively. Despite the market positivity this morning, one of the US’ biggest oil refiners, Valero Energy, reported a \$1.9 billion net loss in Q1 2020. Meanwhile, Royal Dutch Shell has announced that it has cut its dividend for the first time since WWII, after it’s quarterly earnings halved in Q1 2020.
- **US Economy:** In Q1 2020, the US economy contracted by its fastest rate since the 2008 GFC at -4.8% on an annualised basis, ending the country’s longest expansionary period on record. Taking into account that containment measures only came in during March, next quarter should see a bigger impact from COVID-19. The number of additional Americans applying for unemployment benefits was 3.8 million last week, above expectations of 3.5 million. This increases the total number reported over the past six weeks to 30.3 million.

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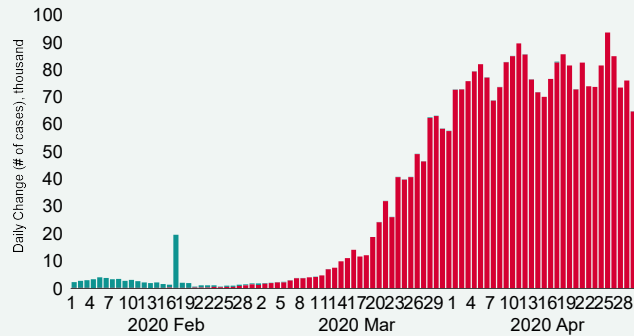


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COVID-19

New cases per day

■ World (ex-China) ■ China

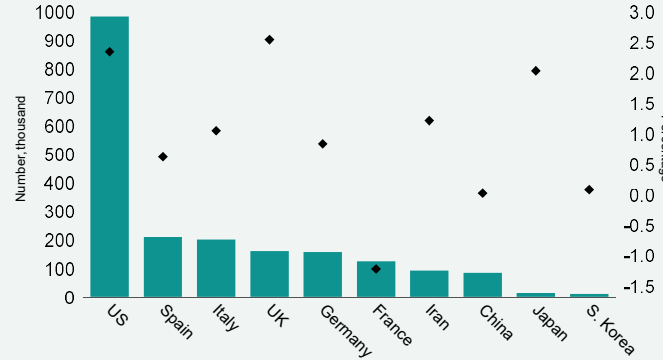


Source: Knight Frank, Macrobond. Last modified: 29 April 2020 22:17, 29 April 2020 22:17 GMT.

The number of total confirmed cases reached 3019k on the 29 April, an increase of 65k new cases over the day prior.

Cumulative number of cases

■ Number of total cases, lhs ◆ Last day change, rhs



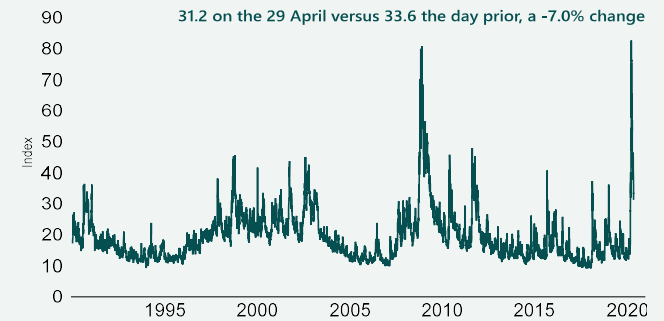
Source: Knight Frank, Macrobond. Last modified: 29 April 2020 00:00 GMT.

The chart presents the number of cumulative cases (left axis) and the percentage change of new cases against the day before (right axis).

Investor sentiment

Volatility Index

—US, S&P 500 Volatility Index (VIX)



Source: Knight Frank, Macrobond. Last modified: 30 April 2020 03:15 GMT.

The CBOE VIX (colloquially known as the Investor fear gauge) is an indication of near term S&P 500 stock price volatility based on underlying options.

Commodities

Gold and silver price, USD

—Gold, USD, lhs —Silver, USD, rhs

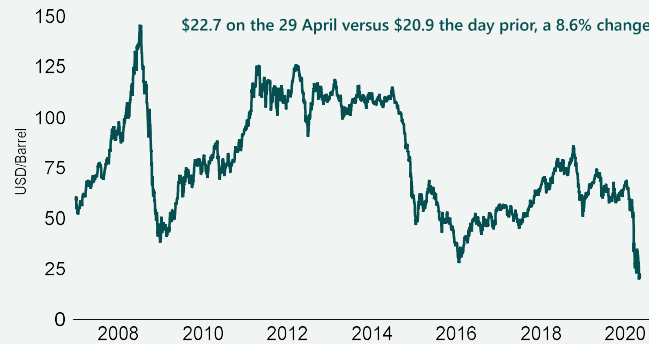


Source: Knight Frank, Macrobond. Last modified: 30 April 2020 06:30 GMT.

	29 April	D/D (%)	YTD (%)
Gold, USD	1712	-0.1	12.9
Silver, USD	15.3	0.7	-14.2

Brent crude and global commodity price index

—Crude Oil, Brent

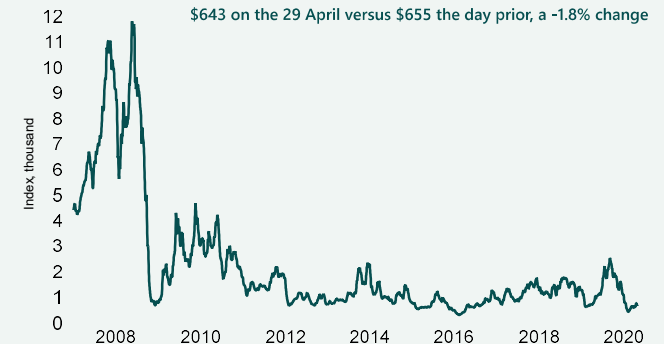


Source: Knight Frank, Macrobond. Last modified: 30 April 2020 02:30 GMT.

Brent crude monitors the level of demand for raw materials and is a measure of economic activity. Lately also influenced by Saudi-Russia price war.

Baltic Dry Index (BDI)

—World, Baltic Exchange, Shipping, Dry Index (BDI), USD



Source: Knight Frank, Macrobond. Last modified: 29 April 2020 13:00 GMT.

Baltic Dry Index is a measure of what it costs to ship raw materials and is a leading indicator of global demand. A lower value means lower demand.

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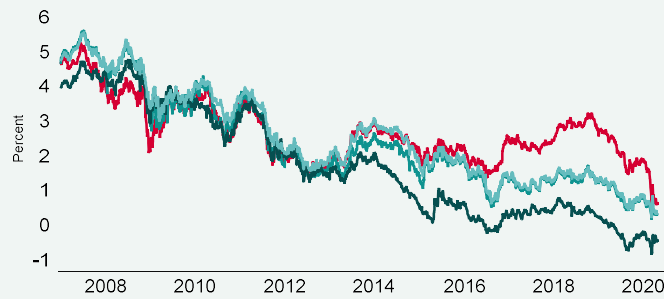


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Bonds and currencies

10y Government Bond Yield (%)

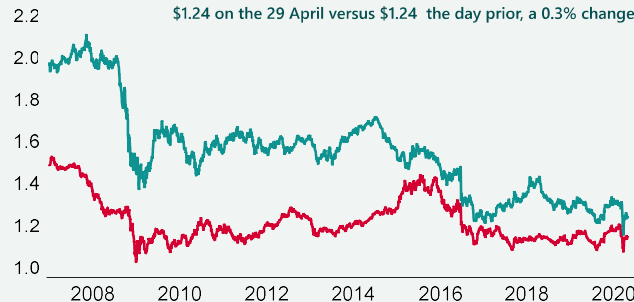
—US —UK —Germany —United Kingdom, Bank of England



	29 Apr	1 d ago	1st Jan
Germany	-0.47	-0.44	-0.19
UK	0.24	0.24	0.74
US	0.63	0.62	1.92

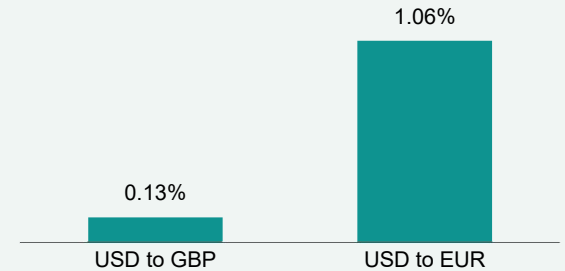
FX Spot Rates

—EUR per GBP —USD per GBP



	29 Apr	1 d ago	1st Jan
EUR per GBP	1.15	1.15	1.18
USD per GBP	1.24	1.24	1.32

Currency hedging benefit p.a. based on a five year forward



Source: Knight Frank, Investing.com

Approximate additional return per annum that dollar denominated investors may obtain based on five year currency hedge.

Equity and REIT

Equity performance: since previous cycle (1st Jan 2007 = 100)

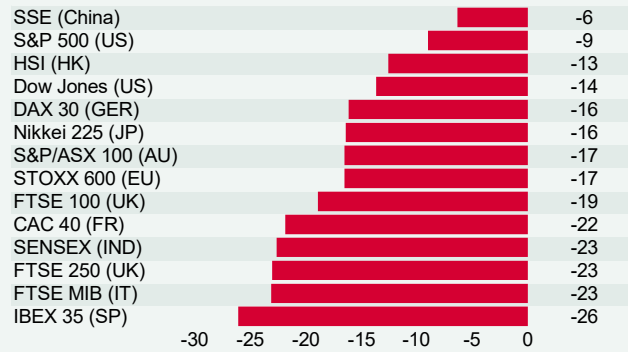
—FTSE 250 —DAX —FTSE 100 —S&P 500 —STOXX 600



Source: Knight Frank, Macrobond. Last modified: 29 April 2020 19:06 GMT.

Equity performance: YTD (%)

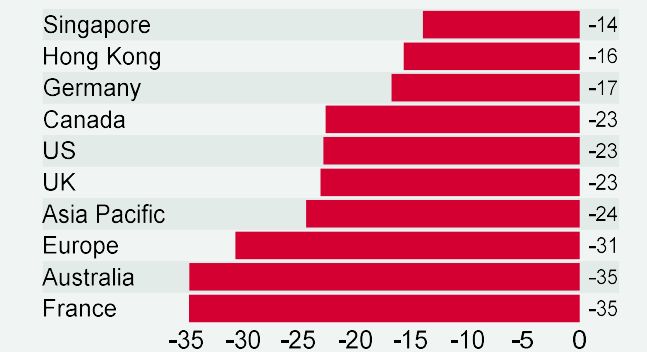
Local currencies



Source: Knight Frank, Macrobond

REIT performance: YTD (%)

Local currencies



Source: Knight Frank, Macrobond

The chart presents the performance of selected equity indexes since the months prior to the global financial crisis (2007).

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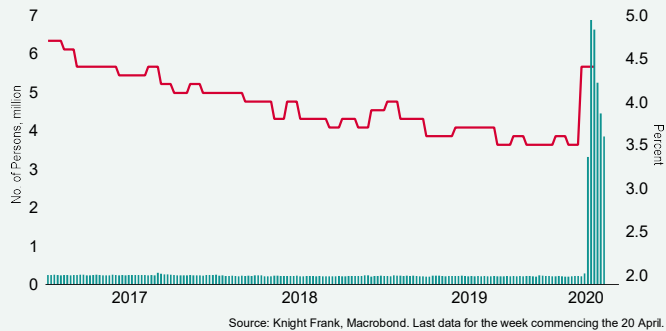


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US indicator

US Unemployment

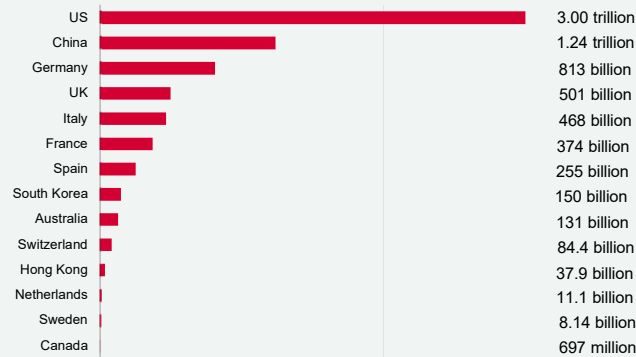
— Monthly Unemployment Rate, rhs — New Weekly Jobless Claims, lhs



The chart presents the number of Americans that each week file for unemployment benefits (left axis) and the overall monthly unemployment rate (right axis)

Fiscal policy

Fiscal measures by selected governments (YTD total, \$)



Fiscal measures details

UK	£330bn+ : Government backed loans and guarantees equivalent to 15% of UK GDP. SMEs will be granted access to cash grants of more than £25k to tackle the crisis. Support for furloughed employees equal to 80% of salary up to £2,500 per month. A taxable grant for self-employed with less than £50k trading profit, worth 80% of monthly profits up to £2.5k, paid as a lump sum in June.
USA	\$3.0tn : An additional stimulus package was passed on the 23 rd April, worth \$483 billion. This increased the total US stimulus response to \$3 trillion or 15% of GDP.
EU	€500bn : The EU member states passed this stimulus package, which includes €240bn to the European Stability Mechanism, as well as €200bn in guarantees from the European Investment Bank.
Germany	€750bn : The emergency aid measure approved by the German Cabinet on Monday 23 rd of March.
Italy	€400bn : The stimulus announced on the 7 April to help businesses hurt by a national lockdown. €25bn : The emergency package passed by the Italian government to support businesses and families in March.
France	€45bn : The aid package for SMEs and other hard-hit sectors announced by the French government on 17 th of March. Includes deferred corporate tax, social security charges and two months state payments to laid off workers. €300bn : government backed loans.
Spain	€200bn : the aid package includes government loan guarantees to ensure liquidity for SMEs (the government said it would provide businesses with "all the liquidity they need"), other government commitments and private money.
Japan	\$10bn : The aid package issued in early March for SMEs and self-employed workers. Additional economic stimulus measures are expected.
Hong Kong	HK\$10k for every adult citizen (c.£7bn). Source: Knight Frank, various sources

Monetary policy

Central Banks Policy Rates

	Current Rate	Rate at 1/1/2020	YTD Change
Advanced Economies			
Australia	0.25%	0.75%	-50 bps
Canada	0.25%	1.75%	-150 bps
Euro Area	0.00%	0.00%	0 bps
France	0.00%	0.00%	0 bps
Germany	0.00%	0.00%	0 bps
Italy	0.00%	0.00%	0 bps
Japan	-0.10%	-0.10%	0 bps
United Kingdom	0.10%	0.75%	-65 bps
United States	0.25%	1.75%	-150 bps
Developing Economies			
Brazil	3.75%	4.50%	-75 bps
China	4.35%	4.35%	0 bps
India	4.40%	5.15%	-75 bps
Mexico	6.00%	7.25%	-125 bps
Russia	5.50%	6.25%	-75 bps
Saudi Arabia	1.00%	2.25%	-125 bps
South Korea	0.75%	1.25%	-50 bps
Turkey	8.75%	12.00%	-325 bps

Source: Knight Frank, Macrobond

Central Bank Assets Purchasing Programme

	Latest (\$)	MoM (%)	YoY (%)
Advanced Economies			
Australia	133 bn	14.6%	42.9%
Canada	92.4 bn	49.6%	62.1%
Euro Area	5.31 tn	6.7%	9.7%
France	1.24 tn	11.7%	11.6%
Germany	1.98 tn	4.8%	3.5%
Italy	1.1 tn	7.3%	7.2%
Japan	5.67 tn	6.7%	13.7%
United Kingdom	800 bn	-1.4%	-1.9%
United States	4.31 tn	31.4%	67.3%
Developing Economies			
Brazil	487 bn	-0.9%	-12.8%
China	5.15 tn	0.0%	-0.8%
India	308 bn	8.6%	23.6%
Mexico	206 bn	-2.9%	6.4%
Russia	707 bn	-2.7%	16.7%
Saudi Arabia	510 bn	-3.8%	-3.8%
South Korea	417 bn	-0.7%	-6.1%
Turkey	106 bn	-3.4%	9.5%

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Timeline of Covid-19 containment measures and their stringency

