

COVID-19 Dashboard

11 August 2020



Internal and key client use only

Summary

- **Equities:** In Europe, the CAC 40 is +2.7% over the morning, the DAX +2.5%, STOXX 600 +2.0% and the FTSE 250 +1.5%. In the US, futures for the S&P 500 are up +0.7%. In Asia, the Hang Seng (+2.1%), Kospi (+1.4%) and the S&P / ASX 200 (+0.5%) all closed higher, while the CSI 300 was -0.9% down.
- **VIX:** The CBOE market volatility index and the Euro Stoxx 50 volatility price index have decreased -3.7% and -5.7% over the morning, to 22.9 and 22.7. Over the month, the European 'investor fear gauge' has contracted -16.2% to below the long term average of 23.9. The US VIX has also declined significantly (-28.1%) over the month but remains above the long term average of 19.8, indicating further expectations of near-term volatility.
- **Bonds:** The UK 10-year gilt yield has softened +3bps to 0.16%, while both the US 10-year treasury yield and the German 10-year bund yield are up +1bp to 0.59% and -0.51%.
- **Currency:** Sterling and the euro remain steady at \$1.31 and \$1.18, respectively. Hedging benefits for US dollar denominated investors into the UK and the eurozone are 0.28% and 1.09% per annum on a five-year basis.
- **Baltic Dry:** The Baltic Dry index gained a further +0.3% yesterday, lifting the index to 1,506. This brings the cumulative gains over the last nine trading sessions to +19%.
- **Oil:** Brent Crude and the West Texas Intermediate (WTI) are up +0.9% and +1.2% over the morning, to \$45.38 per barrel and \$42.45 per barrel. Both Brent Crude and the WTI are the highest they have been since early March. In the US, the number of active oil rigs reduced by 4 over the last month, bringing the total to 247.
- **UK Employment:** Early indicators for July outline that the number of employees in the UK on payrolls declined by 730,000 or -2.5% compared to March 2020, according to the ONS. The decrease in employment in the three months to July was the largest quarterly decline since May to July 2009. However, unemployment held steady at 3.9% in Q2 2020, below market expectations of 4.2%. Circa 7.5 million people were furloughed in June, with over 3 million of these away from work for three months or more. Vacancies in May to July are 10% higher than the record low in the three months to June 2020, largely driven by smaller businesses.

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COVID-19 Dashboard

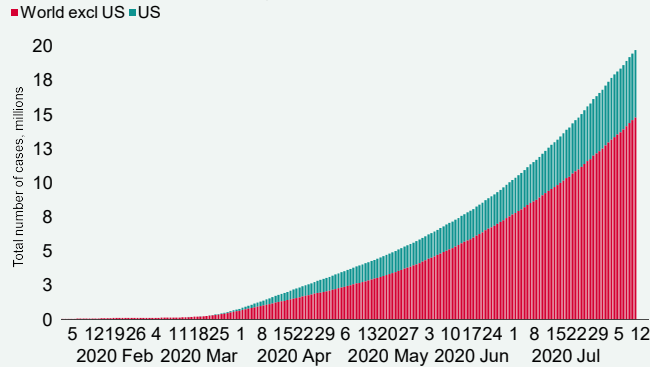
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COVID-19

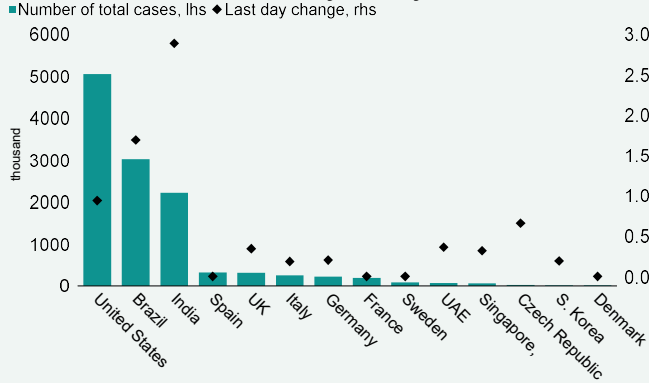
Cumulative number of global cases



Source: Knight Frank, Macrobond. Last modified: 10 August 2020 22:01 GMT.

The number of total confirmed cases reached 19.7 million on the 10 August, an increase of 256k new cases over the day prior.

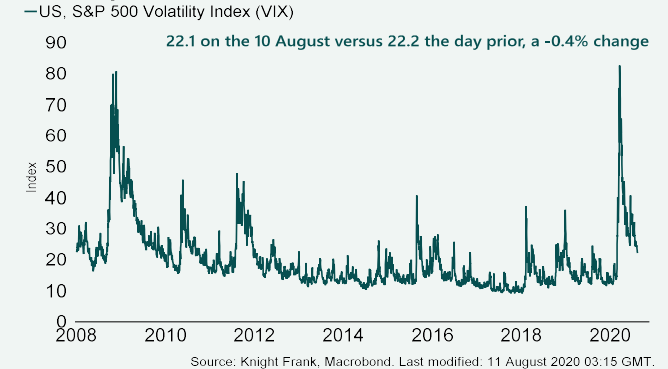
Cumulative number of cases by country



Source: Knight Frank, Macrobond. Last modified: 10 August 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).

Volatility Index

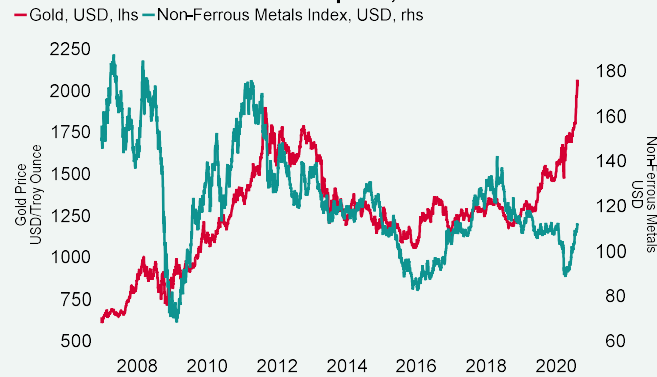


Source: Knight Frank, Macrobond. Last modified: 11 August 2020 03:15 GMT.

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

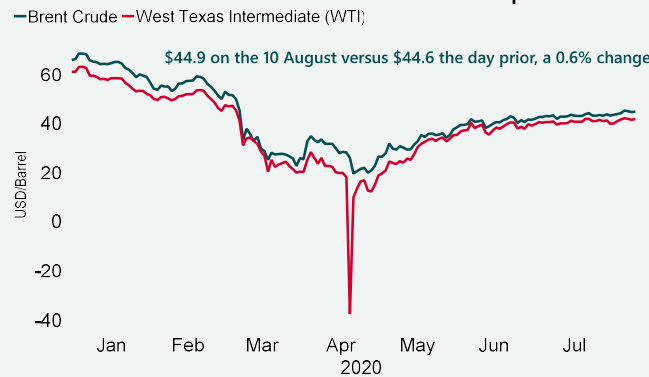
Gold and non-ferrous metals price, USD



Source: Knight Frank, Macrobond. Last modified: 11 August 2020 00:00 GMT.

	10 Aug	D/D (%)	YTD (%)
Gold, USD	2025	-1.8	33.5
Non-Ferrous Metals, USD	112	-0.2	1.1

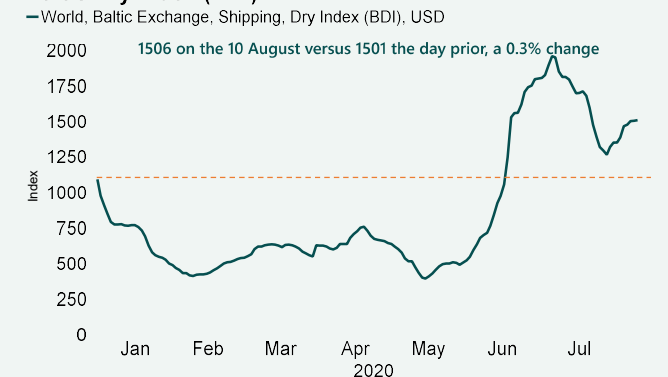
Brent Crude and West Texas Intermediate oil price



Source: Knight Frank, Macrobond. Last modified: 10 August 2020 23:10 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)



Source: Knight Frank, Macrobond. Last modified: 10 August 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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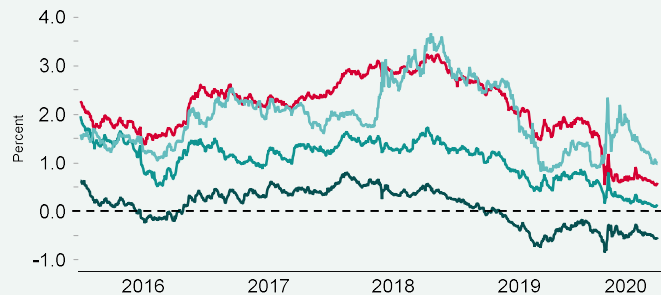


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Bonds and currencies

10y Government Bond Yield (%)

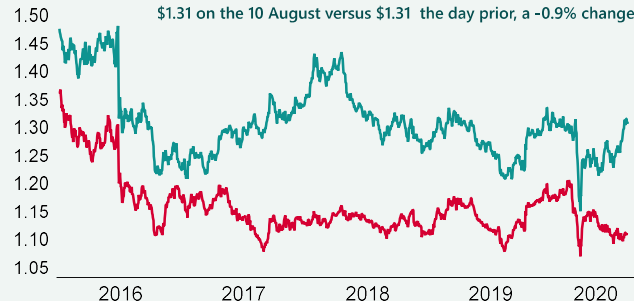
—US —UK —Germany —Italy



	10 Aug	1 d ago	1st Jan
Germany	-0.54	-0.56	-0.19
Italy	0.98	0.98	1.40
UK	0.14	0.14	0.82
US	0.59	0.57	1.92

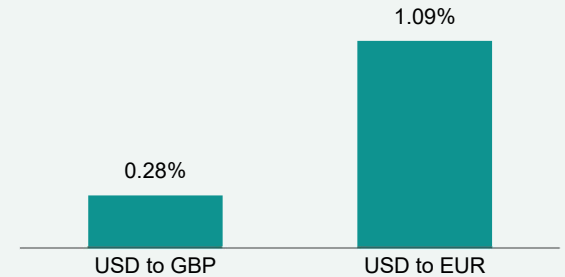
FX Spot Rates

—EUR per GBP —USD per GBP



	10 Aug	1 d ago	1st Jan
EUR per GBP	1.11	1.11	1.18
USD per GBP	1.31	1.31	1.32

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

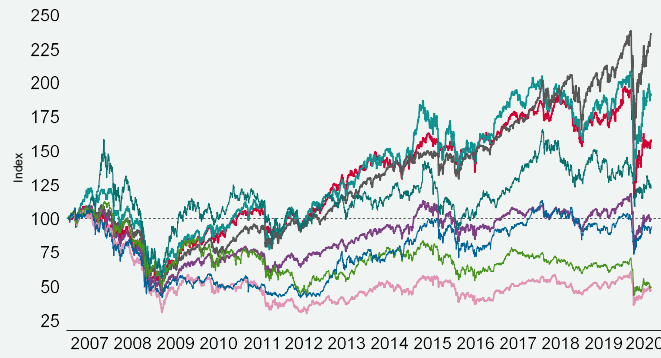


Source: Knight Frank, Investing.com
Approximate additional return per annum that dollar denominated investors may obtain based on five year currency hedge.

Equity and REIT

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

—FTSE 250 —DAX —S&P 500 —STOXX 600 —Hang Seng —MIB —IBEX 35 —TOPIX

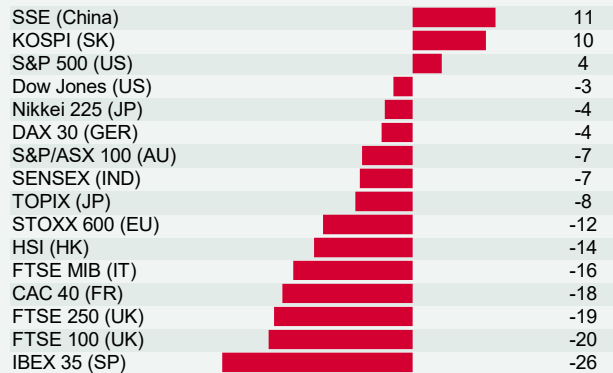


Source: Knight Frank, Macrobond. Last modified: 10 August 2020 19:05 GMT.

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

Equity performance: YTD (%)

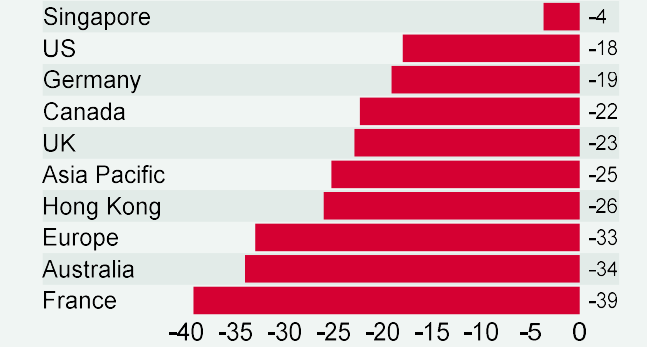
Local currencies



Source: Knight Frank, Macrobond

REIT performance: YTD (%)

Local currencies



Source: Knight Frank, Macrobond

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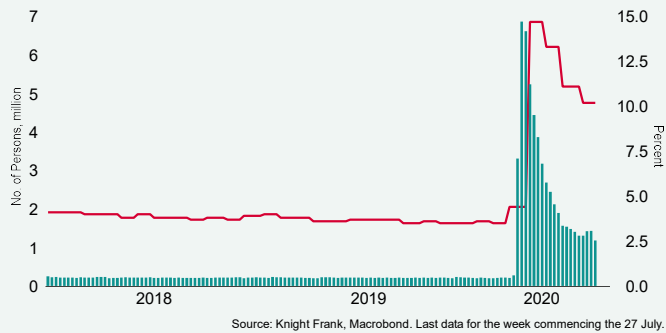


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US indicators

US Unemployment

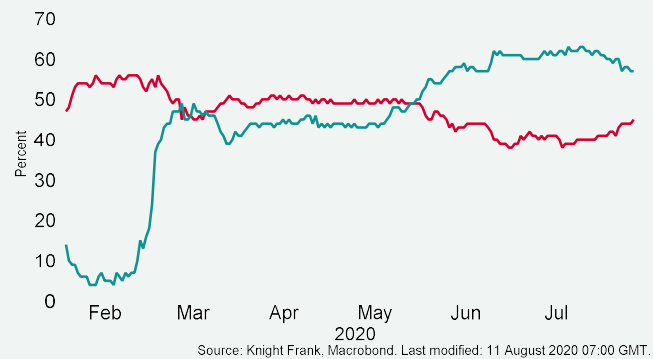
— Monthly Unemployment Rate, rhs — New Weekly Jobless Claims, lhs



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

2020 Presidential Winner (probability of winning, %)

— Trump — Biden



	11 Aug	1 week ago	1 month ago
Trump	45%	42%	41%
Biden	57%	59%	61%

Fiscal policy

Fiscal measures details

UK	£330bn+ : Government backed loans and guarantees equivalent to 15% of UK GDP. SMEs given access to cash grants. Support for furloughed employees of 80% salary ≤£2,500 per month. Furlough scheme extended until October 2020 with employers sharing the cost from August. Taxable grant for self-employed <£50k trading profit, worth 80% of monthly profits up to £2.5k, paid as a lump sum.
USA	\$3.0tn : 2 nd package passed 23 rd April, worth \$483 billion, increasing US stimulus to \$3 trillion (15% GDP).
EU	€1.35tn : This includes €240bn to the European Stability Mechanism, and €200bn in EIB guarantees. On 4 th June, the ECB extended the pandemic purchase programme (PEPP) until June 2021, purchasing an additional €600bn in bonds, taking total stimulus to €1.35tn. €750bn : a new recovery package for EU member states announced in July including €390bn in grants and €360 in interest free loans.
Germany	€880bn : The emergency aid measure approved on Monday 23 rd of March. In June an additional €130bn fiscal stimulus programme including VAT rate cut to 16% from 19% and one off 'children's bonus' payment.
Italy	€400bn : The stimulus announced on the 7 th April €25bn : Emergency package to support businesses and families.
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	\$2.2tn : Further stimulus announced in late May added \$1.1 trillion to the country's stimulus package, bringing total stimulus to \$2.18 trillion or 40% of GDP.
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
Sweden	0.00%	-0.25%	25 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	2.00%	4.50%	-250 bps
China	4.35%	4.35%	0 bps
India	4.00%	5.15%	-115 bps
Mexico	5.00%	7.25%	-225 bps
Russia	4.25%	6.25%	-200 bps
Saudi Arabia	1.00%	2.25%	-125 bps
South Korea	0.50%	1.25%	-75 bps
Turkey	8.25%	12.00%	-375 bps

Central Bank Assets Purchasing Programme

	Lastest (\$)	MoM (%)	YoY (%)
Advanced Economies			
Australia	198 bn	1.8%	69.5%
Canada	387 bn	14.3%	335.9%
Euro Area	7.49 tn	6.3%	43.7%
France	1.78 tn	15.4%	40.7%
Germany	2.67 tn	8.5%	38.2%
Italy	1.49 tn	7.3%	33.1%
Sweden	142 bn	8.2%	49.5%
Japan	6.3 tn	4.7%	20.3%
United Kingdom	783 bn	-0.1%	-1.5%
United States	6.95 tn	-0.2%	83.7%
Developing Economies			
Brazil	529 bn	2.6%	-4.1%
China	5.14 tn	-0.2%	-2.7%
India	357 bn	1.2%	32.2%
Mexico	218 bn	3.7%	13.2%
Russia	650 bn	2.9%	3.1%
Saudi Arabia	481 bn	2.9%	-7.8%
South Korea	445 bn	2.9%	7.7%
Turkey	104 bn	-2.8%	-4.2%

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Timeline of Covid-19 containment measures and their stringency



This chart shows the change in severity of containment measures over time, up to the latest data. Green indicates a score of zero or no restrictions, while the darkest red indicates the highest restrictions or complete bans. Where grey, no new data is available.

Source: Knight Frank, various sources

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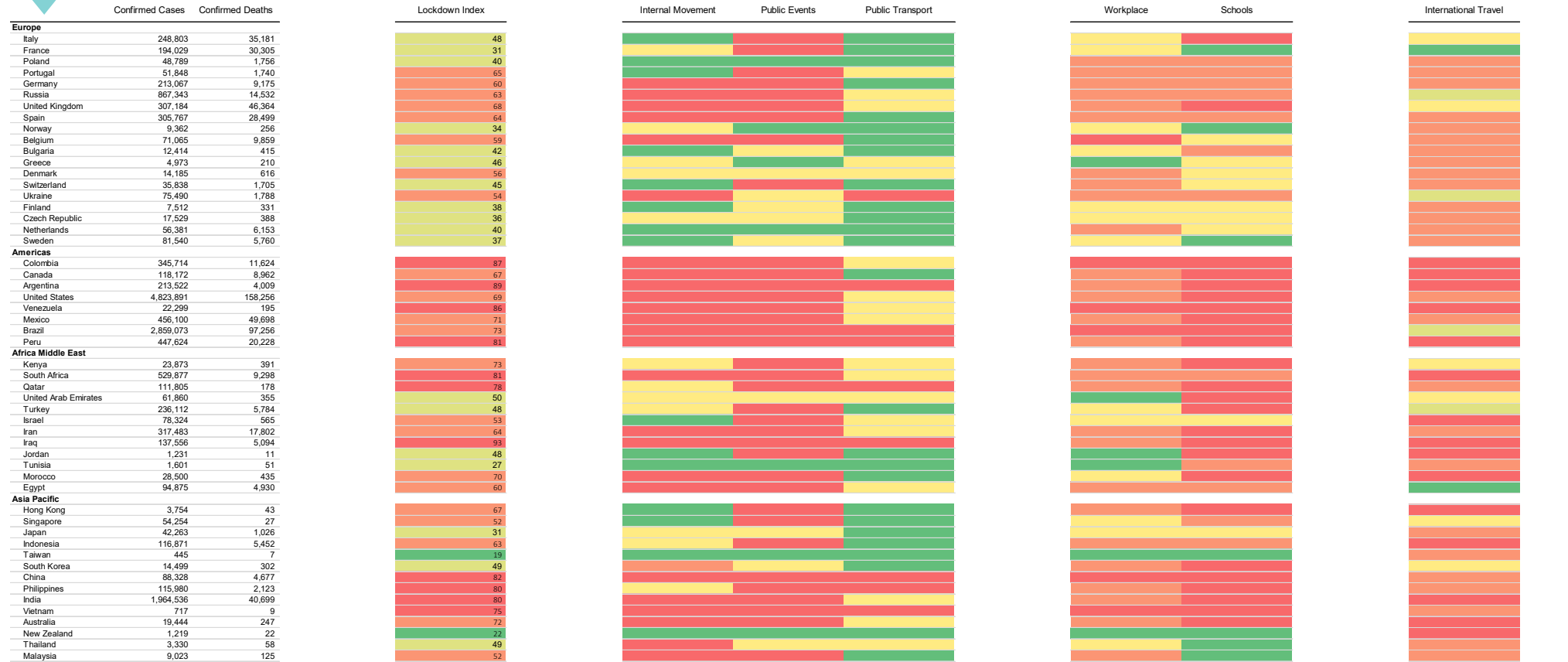
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Overview of the severity of Covid-19 and the resulting containment measures



Lockdown Index key & Scale

No Restrictions: 0 – 25
 Recommended Restrictions: 26 – 50
 Enforced Restrictions: 51 – 75
 Highest Restrictions / Ban: 76 – 100

Internal movements	Public events	Public transport	Value
No measure	No Measure	No measure	0
Recommended	Recommended	Recommended	1
Restriction	Required	Required	2

Workplace	Schools	Value
No measure	No measure	0
Recommended	Recommended	1
Some level of schooling required to close	Some level of schooling required to close	2
Required closure of some sectors	All schools required to close	3
Required closure for all but essential work		3

International travel	Value
No measure	0
Screening arrivals from high risk regions	1
Quarantine arrivals from high risk regions	2
Ban on high risk regions	3
Total border closure	4

In line with some of the fewest reported cases and the smallest reported deaths attributed to COVID-19, Taiwan has the lowest 'lockdown index' score at 19, indicating the restrictions in place are generally recommendations and are not enforced. Countries including Iraq, Kenya and Peru have some of the highest 'lockdown index' scores.

For most countries, public transport has the most relaxed restrictions. Taiwan, Tunisia, Norway, Poland, Netherlands, Ukraine, and New Zealand are the only countries with no measures implemented on public events. Meanwhile, across the world, there is some measure of restriction on international travel. However, France and Egypt are the exceptions, where international travel is freely permitted with no measures implemented.

Source: Knight Frank, Macrobond, Oxford University, Last Updated: 11/08/2020

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