

COVID-19 Dashboard

16 December 2020



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Summary

- **Equities:** Globally, stocks are higher. In Europe, the DAX (+1.7%), FTSE 250 (+1.4%), STOXX 600 (+0.9%) and the CAC 40 (+0.8%) are all up over the morning. In Asia, the Hang Seng (+1.0%), S&P / ASX 200 (+0.7%), Kospi (+0.5%), Topix (+0.3%) and CSI 300 (+0.2%) all closed higher. In the US, futures for the S&P 500 are up +0.1%.
- **VIX:** Following a -3.7% decline over yesterday, the CBOE market volatility has decreased a further -2.5% this morning to 22.3, which remains above its long term average (LTA) of 19.9. The Euro Stoxx 50 volatility index has also decreased, down -5.4% to 20.6, remaining below its LTA of 24.0.
- **Bonds:** Both the UK 10-year gilt yield and the German 10-year bund yield have softened +3bps to 0.28% and -0.58%, while the US 10-year treasury yield is up +1bp to 0.92%.
- **Currency:** Sterling has appreciated to \$1.35, the highest it has been since April 2018, while the euro is currently \$1.22. Hedging benefits for US dollar denominated investors into the UK and the eurozone are 0.41% and 1.32% per annum on a five-year basis.
- **Baltic Dry:** The Baltic Dry increased for the fifth consecutive session on Tuesday, up +3.1% to 1273, the highest the index has been in six weeks. Recent gains in the index have largely been driven by capesize rates, which increased +6.9% yesterday. Year to date gains in the Baltic Dry are currently at +17%, following cumulative declines of -39% since 6th October. When compared to the peak of 1956 seen on 6th July, the index is down -35%.
- **Oil:** Both Brent Crude and the West Texas Intermediate (WTI) increased +0.4% this morning to \$50.94 and \$47.79.
- **Gold:** The price of gold increased +1.4% over Tuesday to \$1,853, the highest daily increase since the beginning of November.
- **Brexit:** There is currently a 77% likelihood of a trade deal between the UK and the European Union being signed in 2020, according to Oddschecker. This compares to 71% yesterday and 64% one week ago.
- **Lockdown:** From today in England, London, parts of Essex and Hertfordshire will be moved to a 'very high' alert level. Restrictions have also been tightened in Germany, France, Greece, Italy, Netherlands and Czech Republic.

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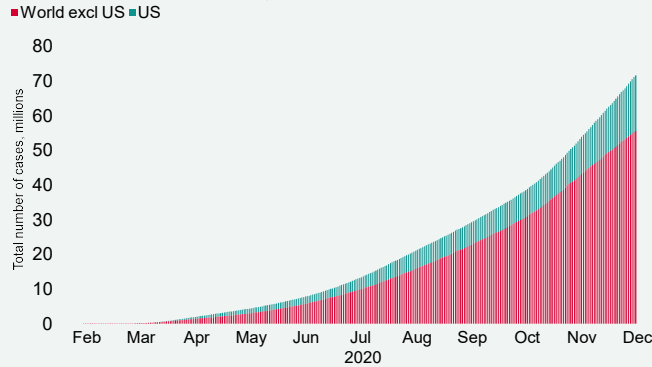
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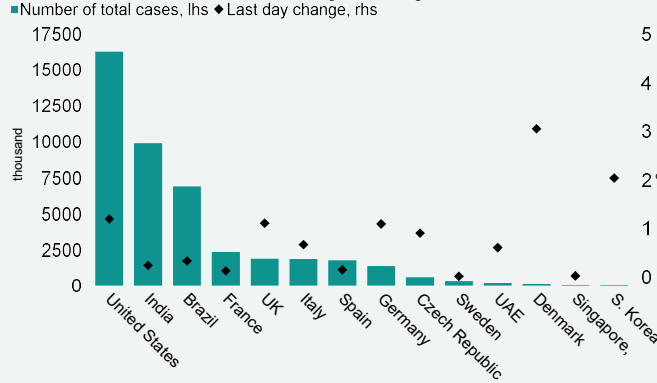
COVID-19

Cumulative number of global cases



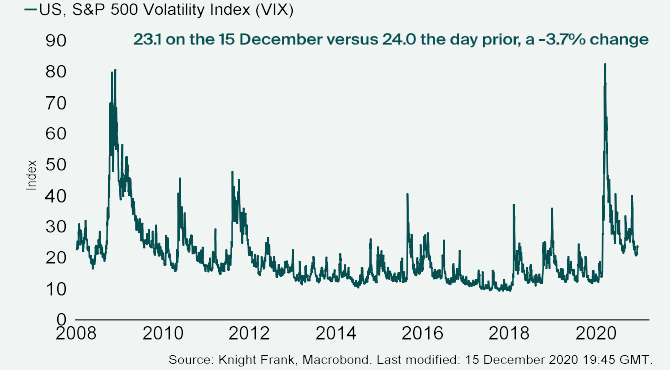
The number of total confirmed cases reached 71.6 million on the 15 December, an increase of 496k new cases over the day prior.

Cumulative number of cases by country



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

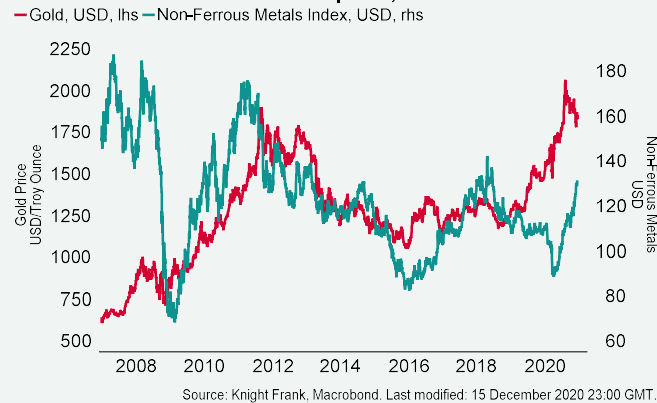
Volatility Index



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.

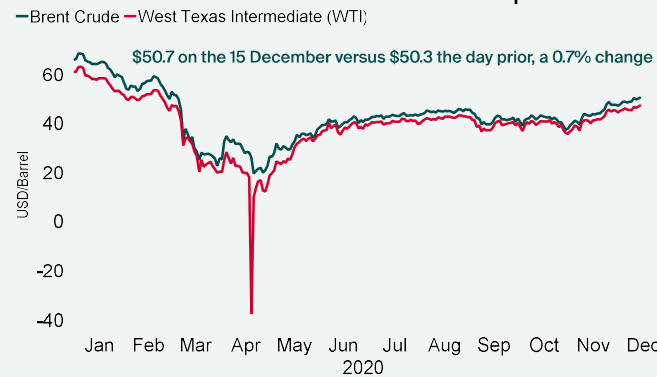
Commodities

Gold and non-ferrous metals price, USD



	15 Dec	D/D (%)	YTD (%)
Gold, USD	1853	0.7	22.2
Non-Ferrous Metals, USD	131	0.8	18.6

Brent Crude and West Texas Intermediate oil price



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)



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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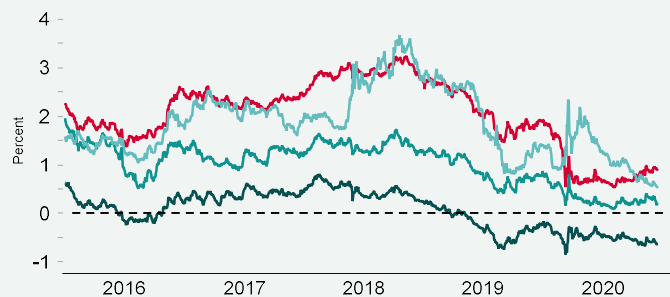


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Bonds and currencies

10y Government Bond Yield (%)

—US —UK —Germany —Italy



	15 Dec	1 d ago	1st Jan
Germany	-0.63	-0.63	-0.19
Italy	0.52	0.54	1.40
UK	0.26	0.22	0.74
US	0.92	0.90	1.92

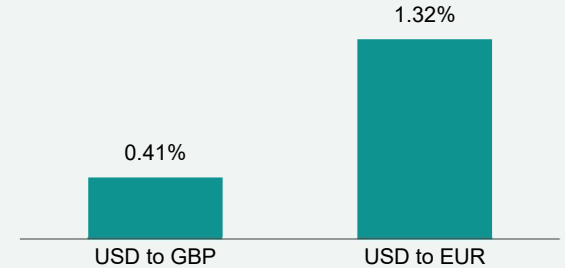
FX Spot Rates

—EUR per GBP —USD per GBP



	15 Dec	1 d ago	1st Jan
EUR per GBP	1.11	1.10	1.18
USD per GBP	1.34	1.33	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

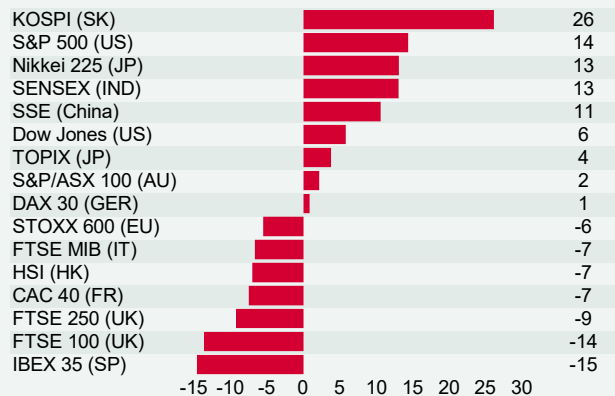


Source: Knight Frank, Macrobond. Last modified: 15 December 2020 18:06 GMT.

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

Equity performance: YTD (%)

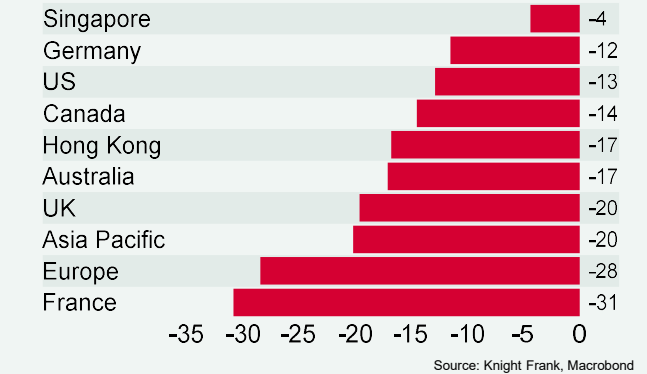
Local currencies



Source: Knight Frank, Macrobond

REIT performance: YTD (%)

Local currencies



Source: Knight Frank, Macrobond

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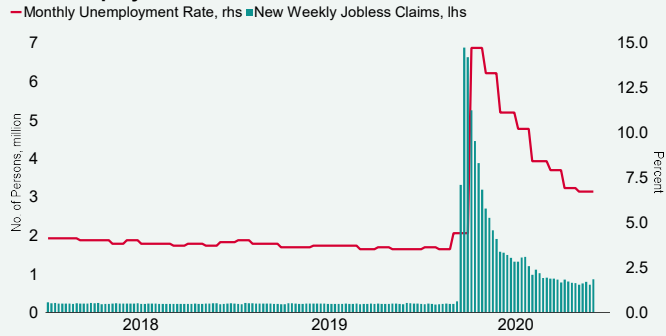
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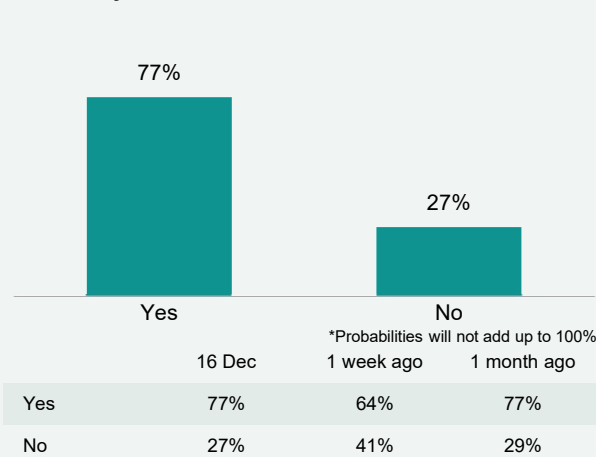
US unemployment and Brexit odds

US Unemployment



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

Probability of a Brexit Deal in 2020



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	€100bn : The stimulus announced on the 3 rd September €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	0.10%	0.75%	-65 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	4.25%	7.25%	-300 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	15.00%	12.00%	300 bps

Central Bank Assets Purchasing Programme

	Lastest (\$)	MoM (%)	YoY (%)
Advanced Economies			
Australia	234 bn	8.4%	96.5%
Canada	411 bn	4.3%	365.4%
Euro Area	8.42 tn	4.6%	61.1%
France	1.99 tn	4.1%	61.4%
Germany	2.97 tn	5.3%	52.9%
Italy	1.59 tn	1.6%	43.1%
Sweden	156 bn	0.3%	59.8%
Japan	6.8 tn	2.5%	27.2%
United Kingdom	984 bn	4.0%	68.8%
United States	7.24 tn	1.0%	77.2%
Developing Economies			
Brazil	480 bn	-3.1%	-1.8%
China	5.81 tn	4.9%	12.5%
India	393 bn	1.8%	39.0%
Mexico	233 bn	4.6%	11.0%
Russia	679 bn	-1.1%	2.3%
Saudi Arabia	486 bn	-0.1%	-3.0%
South Korea	471 bn	1.4%	12.2%
Turkey	106 bn	6.7%	-1.3%

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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, Macrobond, Oxford University

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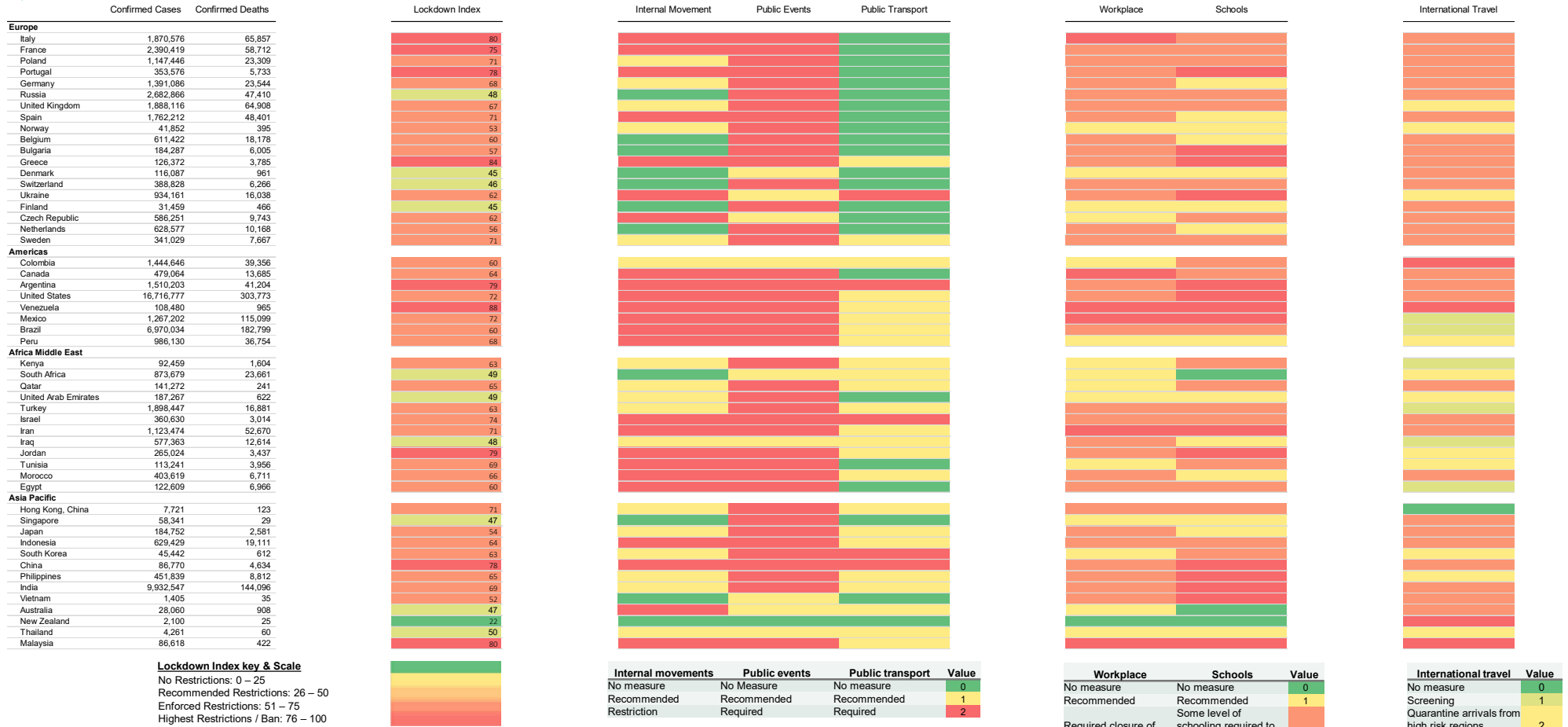
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Overview of the severity of Covid-19 and the resulting containment measures



In line with some of the fewest reported cases and the smallest reported deaths attributed to COVID-19, New Zealand has the lowest 'lockdown index' score at 22, indicating the restrictions in place are generally recommendations and are not enforced. Countries including Iraq, Argentina and Colombia have some of the highest 'lockdown index' scores.

For most countries, public transport has the most relaxed restrictions. Tunisia, Poland, Norway, Poland, Netherlands and Greece 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 is the exception, where international travel is freely permitted with no measures implemented.

Source: Knight Frank, Macrobond, Oxford University

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