

COVID-19 Dashboard

3 July 2020



Internal and key client use only

Summary

- **Equities:** In Europe, the STOXX 600 is down -0.6%, while the FTSE 250 and the DAX have seen decreases of -0.2% and -0.4%. In Asia, the CSI 300 closed at the benchmark's highest level since June 2015 after increasing +1.9%. This comes as the Chinese Caixin/Markit services PMI increased from 55 in May to 58.4 in June, a 10-year high. A figure above 50 is considered expansionary. In the US, futures for the S&P 500 and the Dow Jones Industrial Average are -0.2% and -0.3%.
- **VIX:** The CBOE market volatility index and the Euro Stoxx 50 volatility price index remain below 30, sitting at 29.2 and 27.2 respectively. Both indices remain above their long term averages however, indicating further expectations of near-term volatility.
- **Bonds:** The UK 10-year gilt yield, US 10-year treasury yield and German 10-year bund yield are currently 0.18%, 0.67% and -0.44%.
- **Currency:** Both sterling and the euro have slightly depreciated this morning to \$1.24 and \$1.12, respectively. Hedging benefits for US dollar denominated investors into the UK and the eurozone are currently 0.27% and 1.10% per annum on a five-year basis.
- **Baltic Dry:** The Baltic Dry has increased for 24 consecutive sessions, currently up +1.1% to 1,823. The index was last this high on 22nd October and has recovered by 1,430 points since mid-May. This indicates improving demand for raw materials and subsequently manufacturing, as well as some adjustment to the supply side.
- **Oil:** Brent Crude and the West Texas Intermediate (WTI) both remain above \$40, currently at \$42.72 and \$40.19 per barrel, respectively.
- **US Unemployment:** Unemployment applications increased by 1.43 million in the week to June 27th, above expectations of 1.36 million, taking the increase in US jobless claims since 21st March 2020 to 48.7 million. The US unemployment rate has declined from 13.3% in May to 11.1% in June. Pay roll has also increased over the month, with an additional 4.8 million jobs being reported.

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COVID-19 Dashboard

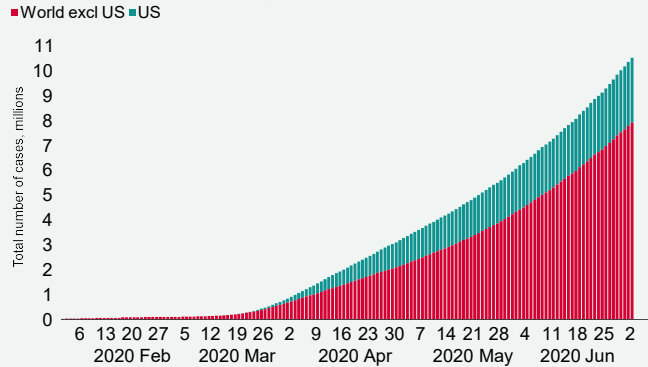
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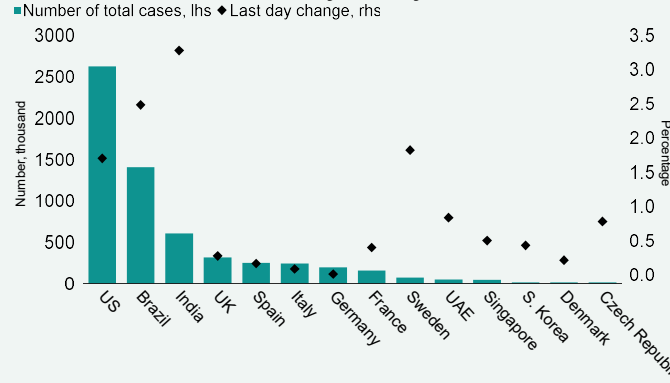
Cumulative number of global cases



Source: Knight Frank, Macrobond. Last modified: 02 July 2020 19:53, 02 July 2020 19:53 GMT.

The number of total confirmed cases reached 10.5 million on the 2 July, an increase of 176k new cases over the day prior.

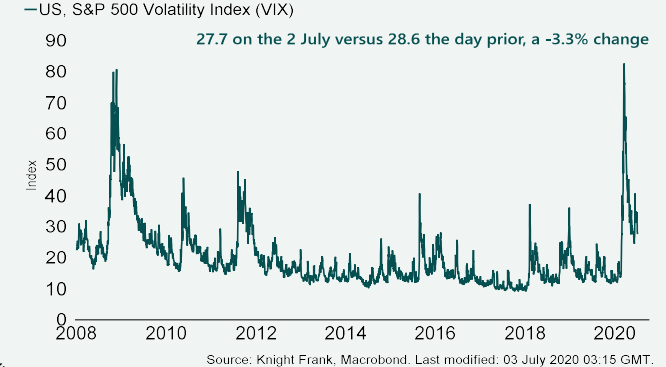
Cumulative number of cases by country



Source: Knight Frank, Macrobond. Last modified: 02 July 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

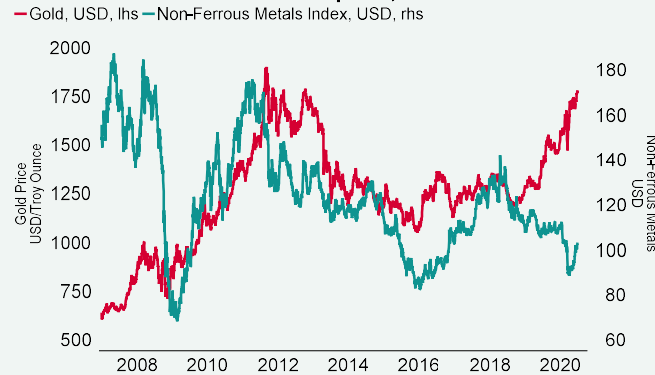


Source: Knight Frank, Macrobond. Last modified: 03 July 2020 03:15 GMT.

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

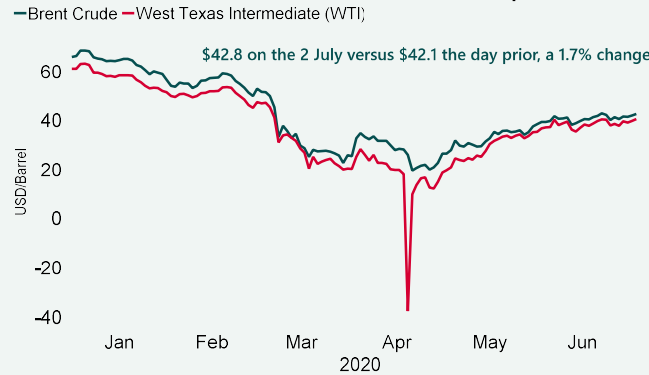
Gold and non-ferrous metals price, USD



Source: Knight Frank, Macrobond. Last modified: 03 July 2020 00:00 GMT.

	2 Jul	D/D (%)	YTD (%)
Gold, USD	1775	-0.3	17.0
Non-Ferrous Metals, USD	103	0.9	-6.8

Brent Crude and West Texas Intermediate oil price



Source: Knight Frank, Macrobond. Last modified: 02 July 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: 02 July 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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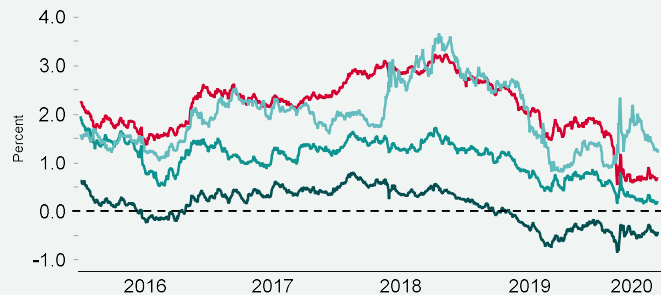


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Bonds and currencies

10y Government Bond Yield (%)

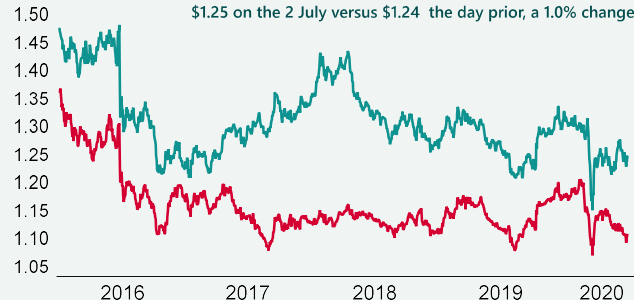
—US —UK —Germany —Italy



	2 Jul	1 d ago	1st Jan
Germany	-0.42	-0.46	-0.19
Italy	1.21	1.27	1.40
UK	0.23	0.25	0.74
US	0.68	0.69	1.92

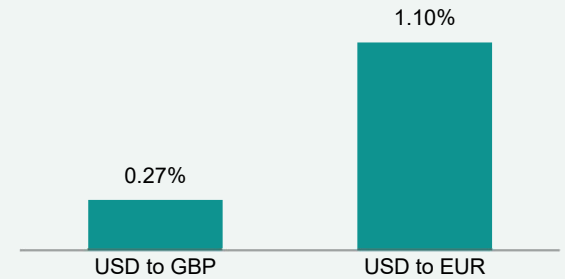
FX Spot Rates

—EUR per GBP —USD per GBP



	2 Jul	1 d ago	1st Jan
EUR per GBP	1.11	1.10	1.18
USD per GBP	1.25	1.24	1.32

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



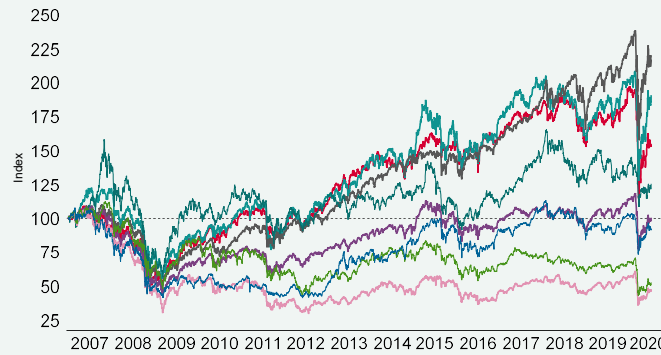
Source: Knight Frank, Investing.com

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)

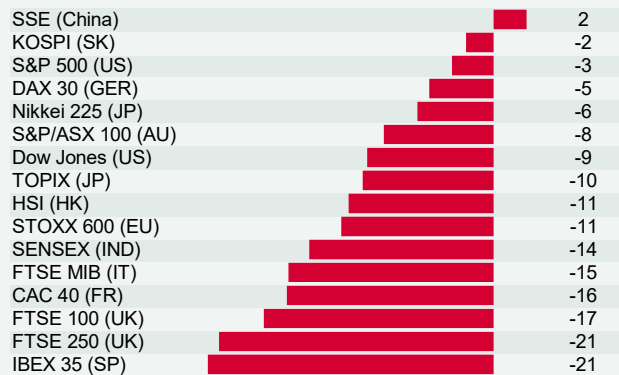
—FTSE 250 —DAX —S&P 500 —STOXX 600 —Hang Seng —MIB —IBEX 35 —TOPIX



Source: Knight Frank, Macrobond. Last modified: 02 July 2020 19:05 GMT.

Equity performance: YTD (%)

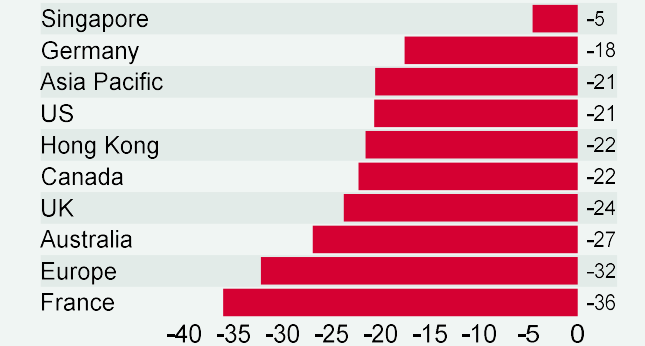
Local currencies



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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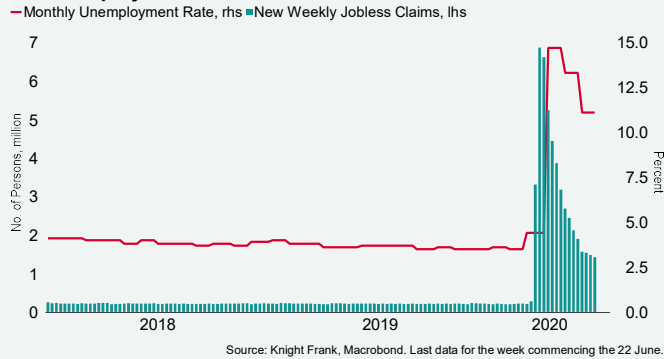
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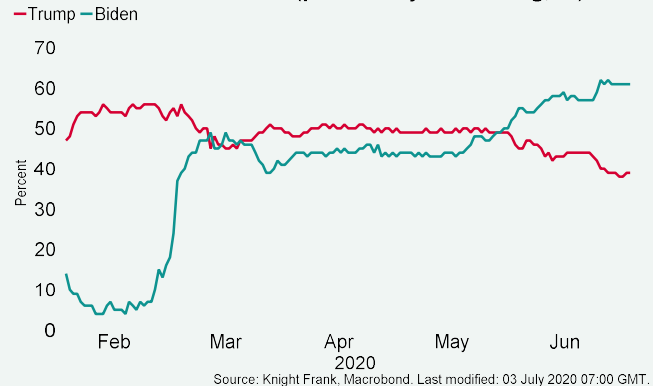
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US indicators

US Unemployment



2020 Presidential Winner (probability of winning, %)



	3 Jul	1 week ago	1 month ago
Trump	39%	40%	45%
Biden	61%	61%	55%

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 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
Germany	€880bn : The emergency aid measure approved by the German Cabinet 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 April to help businesses hurt by a national lockdown. €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	2.25%	4.50%	-225 bps
China	4.35%	4.35%	0 bps
India	4.00%	5.15%	-115 bps
Mexico	5.00%	7.25%	-225 bps
Russia	4.50%	6.25%	-175 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	194 bn	3.1%	53.4%
Canada	340 bn	22.2%	293.3%
Euro Area	7.01 tn	14.7%	31.9%
France	1.54 tn	3.8%	25.8%
Germany	2.46 tn	13.2%	23.2%
Italy	1.27 tn	4.7%	16.6%
Sweden	133 bn	4.9%	35.6%
Japan	6.02 tn	2.4%	14.7%
United Kingdom	739 bn	-0.6%	-7.0%
United States	7.01 tn	-1.9%	83.6%
Developing Economies			
Brazil	517 bn	7.6%	-7.0%
China	5.15 tn	1.2%	-0.9%
India	349 bn	-2.0%	33.7%
Mexico	218 bn	5.7%	6.4%
Russia	642 bn	-6.1%	4.5%
Saudi Arabia	468 bn	1.5%	-10.6%
South Korea	433 bn	3.8%	1.0%
Turkey	107 bn	0.2%	13.8%

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

Confirmed Cases	Confirmed Deaths	Lockdown Index	Internal Movement	Public Events	Public Transport	Workplace	Schools	International Travel
Europe								
Italy	240,578	34,767						
France	164,801	29,843						
Poland	34,393	1,463						
Portugal	42,141	1,576						
Germany	194,725	8,985						
Russia	647,849	9,320						
United Kingdom	312,654	43,730						
Spain	249,271	28,355						
Norway	8,865	250						
Belgium	61,509	9,754						
Bulgaria	4,989	230						
Greece	3,409	192						
Denmark	12,768	605						
Switzerland	31,631	1,683						
Ukraine	44,998	1,173						
Finland	7,214	328						
Czech Republic	11,954	349						
Netherlands	50,273	6,113						
Sweden	68,451	5,333						
Americas								
Colombia	97,846	3,334						
Canada	104,193	8,591						
Argentina	64,517	1,307						
United States	2,634,432	127,410						
Venezuela	5,832	51						
Mexico	226,089	27,769						
Brazil	1,402,041	59,594						
Peru	285,213	9,677						
Africa Middle East								
Kenya	6,366	148						
South Africa	151,209	2,657						
Qatar	96,088	113						
United Arab Emirates	48,667	315						
Turkey	199,906	5,131						
Israel	25,244	320						
Iran	227,662	10,817						
Iraq	49,109	1,943						
Jordan	1,132	9						
Tunisia	1,174	50						
Morocco	12,533	228						
Egypt	68,311	2,953						
Asia Pacific								
Hong Kong	1,205	7						
Singapore	43,907	26						
Japan	18,723	29						
Indonesia	56,385	2,876						
Taiwan	445	7						
South Korea	12,850	282						
China	84,785	4,641						
Philippines	37,514	1,266						
India	585,493	17,400						
Vietnam	355	-						
Australia	7,834	104						
New Zealand	1,178	22						
Thailand	3,173	58						
Malaysia	8,639	121						

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	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, New Zealand and Taiwan have 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, Hong Kong 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, Italy and Iran are the exceptions, where international travel is freely permitted with no measures implemented.

Source: Knight Frank, Macrobond, Oxford University, Last Updated: 03/07/2020

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