

COVID-19 Dashboard

9 June 2020



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Summary

- **Equities:** Despite the National Bureau of Economic Research (NBER) declaring the first official US recession in over one decade, stocks continued to rally over the course of yesterday. The S&P 500 recovered all YTD losses, led by significant weighting to tech and communication companies. Amazon, the third largest constituent is currently up +37% YTD and Microsoft, the largest index constituent is up +19%. The remaining top 5 constituents of Apple, Facebook and Alphabet A are up +14%, +13% and +8%, respectively. However, some of the global gains seen yesterday have pared back over the course of the morning, with the STOXX 600 down -0.2%, DAX -0.6% and the FTSE 100 down -0.5%.
- **VIX:** The “investor fear gauge”, the CBOE market volatility index, has increased to 26.3, albeit remains below 30. Similarly, the Euro Stoxx 50 volatility price index is currently 29.1. Both of these indices remain elevated, 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 have all seen reductions over the morning to 0.32%, 0.83% and -0.32% respectively.
- **Currency:** Sterling and the euro are currently \$1.27 and \$1.13. Hedging benefits for US dollar denominated investors into the UK have decreased to 0.32% per annum on a five-year basis. The currency hedging benefit of US dollar denominated investors into the Eurozone similarly decreased to 1.17% per annum on a five-year basis.
- **Baltic Dry:** The Baltic Dry Index increased for its sixth consecutive session yesterday, up +2.8% to 698. This indicates improving demand for raw materials and subsequently manufacturing, as COVID-19 containment measures continue to ease. However, the index has yet to recover to the 757 seen on 20th April, prior to the 18 session rout that followed or 1,090 seen at the end of last year.
- **UK Employment:** 8.9 million workers, more than one quarter of the workforce, are now part of the UK furlough scheme, with a further 2.5 million claims made by self-employed workers, according to the Treasury. Collectively, these schemes reflect £27.1 billion of support.

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COVID-19 Dashboard



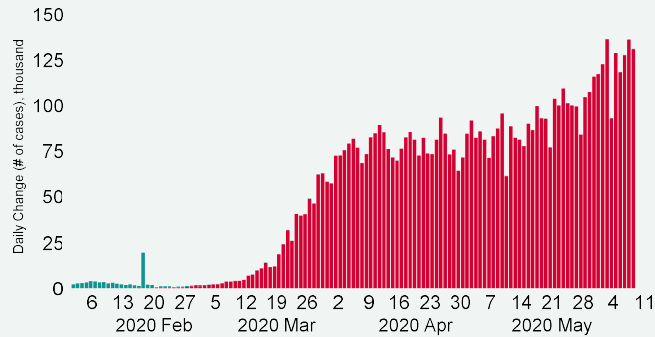
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COVID-19

New cases per day

■ World (ex-China) ■ China

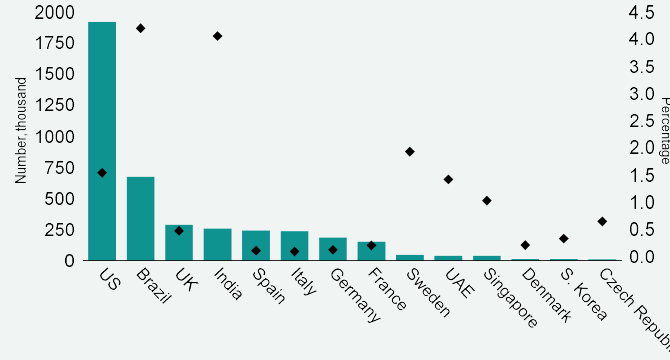


Source: Knight Frank, Macrobond. Last modified: 08 June 2020 22:05 GMT.

The number of total confirmed cases reached 6931k on the 8 June, an increase of 131k new cases over the day prior.

Cumulative number of cases

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

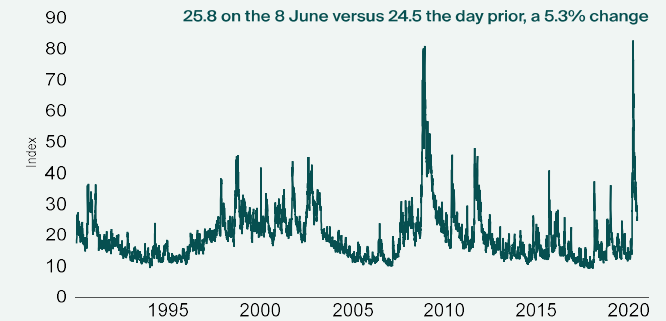


Source: Knight Frank, Macrobond. Last modified: 08 June 2020 00:00 GMT.

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

—US, S&P 500 Volatility Index (VIX)



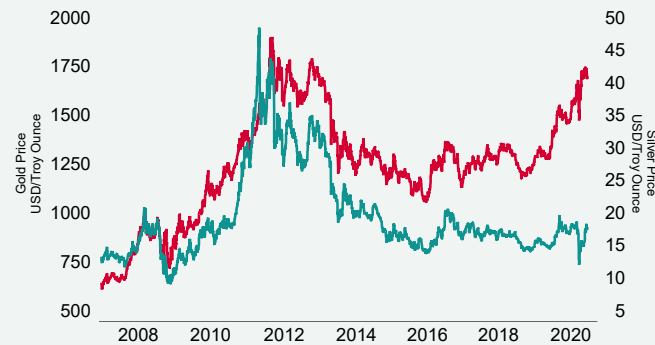
Source: Knight Frank, Macrobond. Last modified: 09 June 2020 03:15 GMT.

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

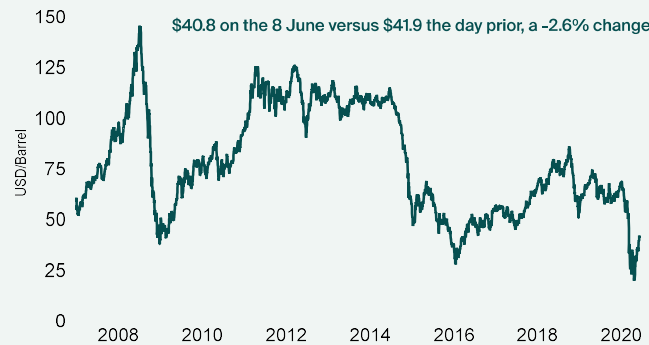


Source: Knight Frank, Macrobond. Last modified: 09 June 2020 06:30 GMT.

| | 8 June | D/D (%) | YTD (%) |
|-------------|--------|---------|---------|
| Gold, USD | 1698 | -0.9 | 11.9 |
| Silver, USD | 17.8 | 0.3 | -0.5 |

Brent crude and global commodity price index

—Crude Oil, Brent

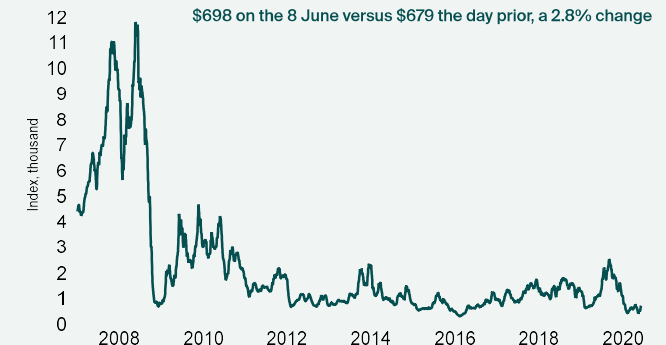


Source: Knight Frank, Macrobond. Last modified: 09 June 2020 02:30 GMT.

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: 08 June 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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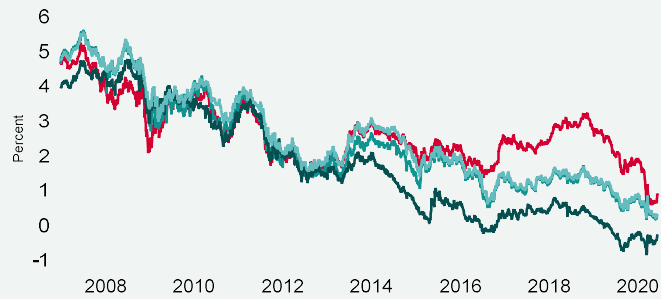


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Bonds and currencies

10y Government Bond Yield (%)

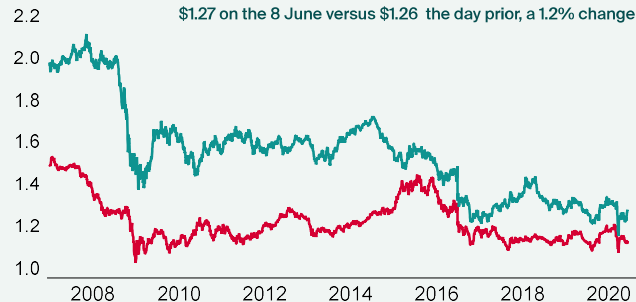
—US —UK —Germany —United Kingdom, Bank of England



| | 8 Jun | 1 d ago | 1st Jan |
|---------|-------|---------|---------|
| Germany | -0.26 | -0.29 | -0.19 |
| UK | 0.34 | 0.36 | 0.74 |
| US | 0.88 | 0.91 | 1.92 |

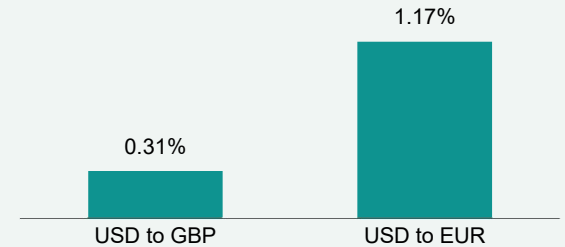
FX Spot Rates

—EUR per GBP —USD per GBP



| | 8 Jun | 1 d ago | 1st Jan |
|-------------|-------|---------|---------|
| EUR per GBP | 1.12 | 1.12 | 1.18 |
| USD per GBP | 1.27 | 1.27 | 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)

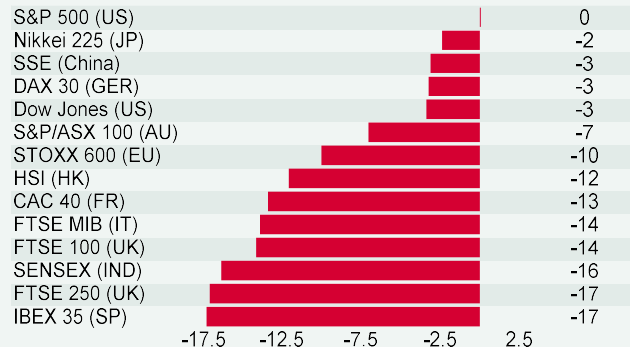
—FTSE 250 —DAX —FTSE 100 —S&P 500 —STOXX 600



Source: Knight Frank, Macrobond. Last modified: 08 June 2020 19:05 GMT.

Equity performance: YTD (%)

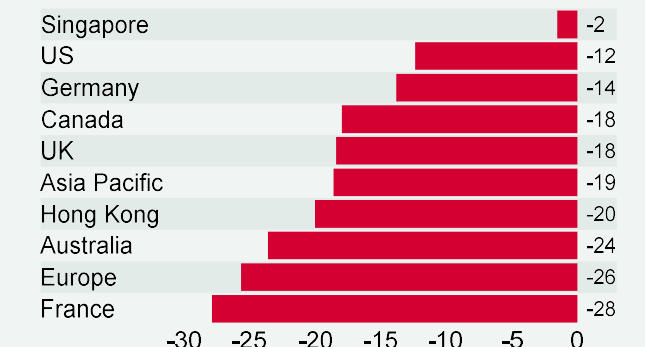
Local currencies



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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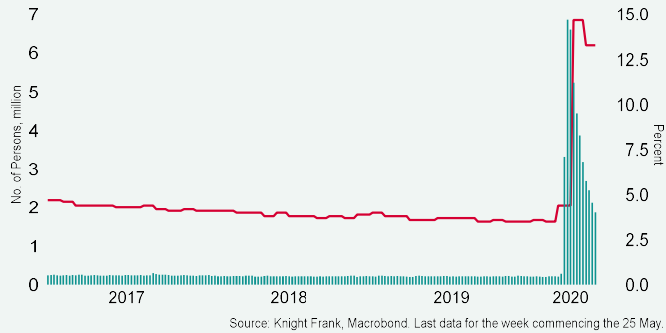
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US indicator

US Unemployment

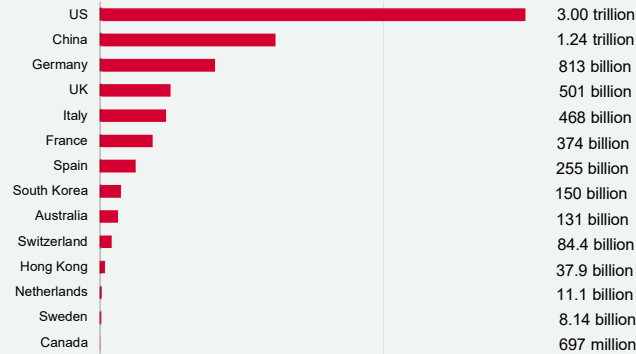
— Monthly Unemployment Rate, rhs ■ New Weekly Jobless Claims, lhs



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 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 | €750bn : 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 | \$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 |
| 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 | 3.00% | 4.50% | -150 bps |
| China | 4.35% | 4.35% | 0 bps |
| India | 4.00% | 5.15% | -115 bps |
| Mexico | 5.50% | 7.25% | -175 bps |
| Russia | 5.50% | 6.25% | -75 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 | 190 bn | 12.5% | 47.4% |
| Canada | 278 bn | 103.7% | 223.1% |
| Euro Area | 6.15 tn | 5.5% | 17.6% |
| France | 1.49 tn | 7.7% | 20.5% |
| Germany | 2.2 tn | 6.7% | 9.9% |
| Italy | 1.27 tn | 4.7% | 16.6% |
| Sweden | 130 bn | 8.0% | 35.3% |
| Japan | 5.93 tn | 2.4% | 13.6% |
| United Kingdom | 795 bn | 0.2% | 2.5% |
| United States | 7.17 tn | 7.0% | 86.2% |
| Developing Economies | | | |
| Brazil | 480 bn | -0.6% | -14.3% |
| China | 5.09 tn | -1.2% | -1.7% |
| India | 351 bn | 8.6% | 33.2% |
| Mexico | 206 bn | 3.2% | 4.5% |
| Russia | 642 bn | -6.1% | 4.5% |
| Saudi Arabia | 461 bn | -5.1% | -9.9% |
| South Korea | 417 bn | 0.7% | -5.4% |
| Turkey | 109 bn | 12.2% | 15.0% |

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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 | 234,998 | 33,899 | | | | | | |
| France | 153,977 | 29,155 | | | | | | |
| Poland | 26,561 | 1,157 | | | | | | |
| Portugal | 34,493 | 1,479 | | | | | | |
| Germany | 184,193 | 8,674 | | | | | | |
| Russia | 467,673 | 5,859 | | | | | | |
| United Kingdom | 286,194 | 40,542 | | | | | | |
| Spain | 241,550 | 27,136 | | | | | | |
| Norway | 8,504 | 238 | | | | | | |
| Belgium | 59,226 | 9,595 | | | | | | |
| Bulgaria | 2,727 | 160 | | | | | | |
| Greece | 2,952 | 180 | | | | | | |
| Denmark | 11,948 | 589 | | | | | | |
| Switzerland | 30,882 | 1,690 | | | | | | |
| Ukraine | 26,999 | 788 | | | | | | |
| Finland | 6,981 | 323 | | | | | | |
| Czech Republic | 9,628 | 327 | | | | | | |
| Netherlands | 47,574 | 6,013 | | | | | | |
| Sweden | 44,730 | 4,659 | | | | | | |
| Americas | | | | | | | | |
| Colombia | 39,236 | 1,259 | | | | | | |
| Canada | 95,688 | 7,800 | | | | | | |
| Argentina | 22,781 | 664 | | | | | | |
| United States | 1,942,363 | 110,514 | | | | | | |
| Venezuela | 2,377 | 22 | | | | | | |
| Mexico | 117,103 | 13,689 | | | | | | |
| Brazil | 672,846 | 35,930 | | | | | | |
| Peru | 196,515 | 5,465 | | | | | | |
| Africa Middle East | | | | | | | | |
| Kenya | 2,767 | 84 | | | | | | |
| South Africa | 48,285 | 998 | | | | | | |
| Qatar | 68,790 | 54 | | | | | | |
| United Arab Emirates | 38,808 | 276 | | | | | | |
| Turkey | 170,132 | 4,692 | | | | | | |
| Israel | 17,915 | 298 | | | | | | |
| Iran | 171,789 | 8,281 | | | | | | |
| Iraq | 12,366 | 346 | | | | | | |
| Jordan | 808 | 9 | | | | | | |
| Tunisia | 1,087 | 49 | | | | | | |
| Morocco | 8,224 | 208 | | | | | | |
| Egypt | 34,079 | 1,237 | | | | | | |
| Asia Pacific | | | | | | | | |
| Hong Kong | 1,106 | 4 | | | | | | |
| Singapore | 37,910 | 25 | | | | | | |
| Japan | 17,174 | 916 | | | | | | |
| Indonesia | 31,186 | 1,851 | | | | | | |
| Taiwan | 443 | 7 | | | | | | |
| South Korea | 11,814 | 273 | | | | | | |
| China | 84,191 | 4,638 | | | | | | |
| Philippines | 21,895 | 1,003 | | | | | | |
| India | 256,611 | 7,135 | | | | | | |
| Vietnam | 331 | - | | | | | | |
| Australia | 7,260 | 102 | | | | | | |
| New Zealand | 1,154 | 22 | | | | | | |
| Thailand | 3,119 | 58 | | | | | | |
| Malaysia | 8,322 | 117 | | | | | | |

| 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 | Required closure for all schools required to close | 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, Taiwan has the lowest 'lockdown index' score at 22, indicating the restrictions in place are generally recommendations and are not enforced. Countries including Peru, Argentina and Kenya have some of the highest 'lockdown index' scores.

For most countries, public transport has the most relaxed restrictions. Taiwan is the only country with no measures implemented on public events. Meanwhile, across the world, there is some measure of restriction on international travel. However, the UK and Iran are the exceptions, where international travel is freely permitted with no measures implemented.

Source: Knight Frank, Macrobond, Oxford University, Last Updated: 09/06/2020

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