

# COVID-19 Dashboard

12 June 2020



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## Summary

- **Equities:** A sharp global sell off yesterday saw European and US equity markets record their worst one-day declines since March. This came following the Federal Reserve's COVID-19 adjusted US economic projections, compounded by US jobless claims increasing by 1.5 million in the week to June 6<sup>th</sup>, bringing the total number of claims to 44.2 million since the pandemic started. The S&P 500 contracted -5.9% yesterday, while the Nasdaq Composite fell -5.3%. Meanwhile, Frankfurt's DAX (-4.5%), the STOXX 600 (-4.1%) and the FTSE 100 (-4.0%) all closed down. This morning, European equities are broadly flat, with the DAX and STOXX 600 both seeing modest gains of +0.2%. In the US, futures for the S&P 500 and the Dow Jones Industrial Average point to increases of +1.3% and +1.5%, respectively, upon open.
- **VIX:** The "investor fear gauge", the CBOE market volatility index increased by +48.0% yesterday, to 40.8, compared to 27.6 the day prior. This is the highest the index has been since 23<sup>rd</sup> April and is the largest daily increase since 5<sup>th</sup> February 2018. This morning, the index has slightly moderated, now below 40.0, currently at 36.3. The index remains elevated, indicating further expectations of near-term volatility.
- **Bonds:** Bonds have softened this morning, with the UK 10-year gilt yield, US 10-year treasury yield and German 10-year bund yield increasing to 0.19%, 0.69% and -0.43%, respectively.
- **Currency:** Both sterling and the euro have depreciated slightly, currently as \$1.26 and \$1.14, respectively.
- **Baltic Dry:** The Baltic Dry Index increased for its ninth consecutive session yesterday, up +9.8% to 839. While the index has now surpassed its losses from the 20<sup>th</sup> April, it is still some way away from the 1,090 seen at the end of last year.
- **UK Economy:** GDP declined by -20.4% over the month to April or the equivalent of £30 billion in Gross Value Added. This is the largest contraction since monthly records began in 1997 and 3x greater than any fall recorded during the GFC, according to the ONS. The decline in GDP reflects the significant impact of a full month of lockdown measures on the services, production and construction sectors, which declined -19%, -20.3% and -40.1%, respectively.

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# COVID-19 Dashboard



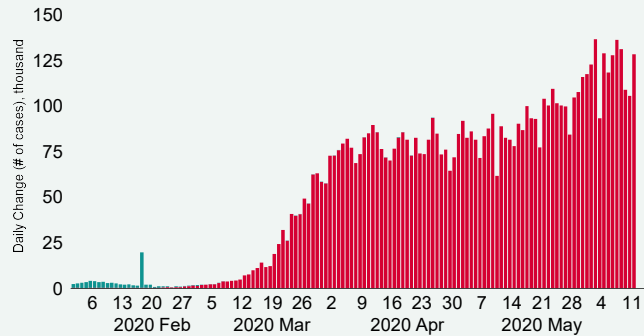
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## COVID-19

### New cases per day

■ World (ex-China) ■ China

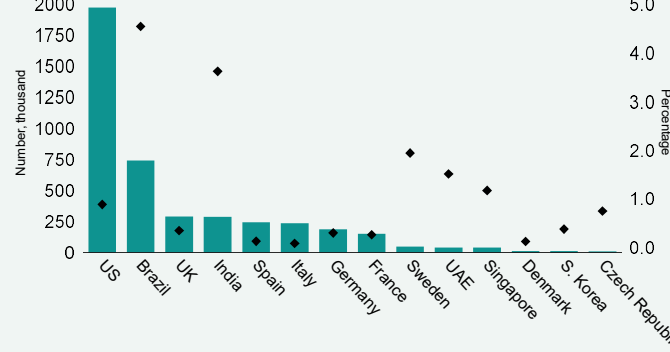


Source: Knight Frank, Macrobond. Last modified: 11 June 2020 21:30 GMT.

The number of total confirmed cases reached 7274k on the 11 June, an increase of 128k new cases over the day prior.

### Cumulative number of cases

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

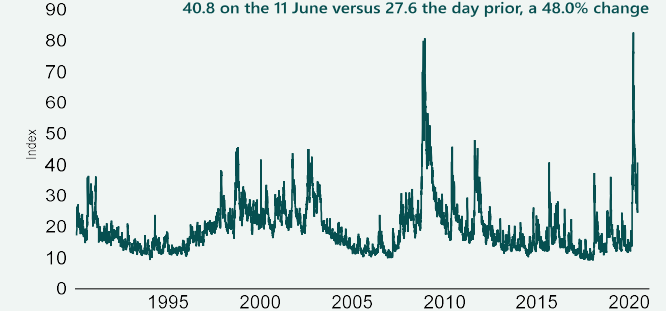


Source: Knight Frank, Macrobond. Last modified: 11 June 2020 00:00 GMT.

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: 12 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

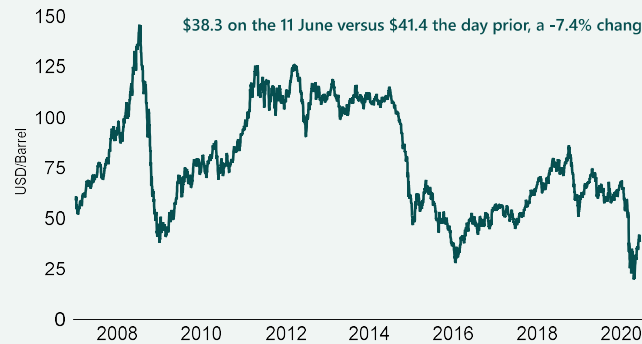


Source: Knight Frank, Macrobond. Last modified: 12 June 2020 06:30 GMT.

	11 June	D/D (%)	YTD (%)
Gold, USD	1727	0.7	13.8
Silver, USD	17.6	0.6	-1.1

### Brent crude and global commodity price index

—Crude Oil, Brent

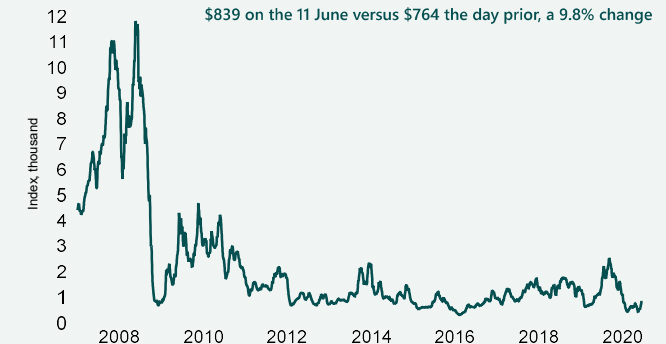


Source: Knight Frank, Macrobond. Last modified: 12 June 2020 02:30 GMT.

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: 11 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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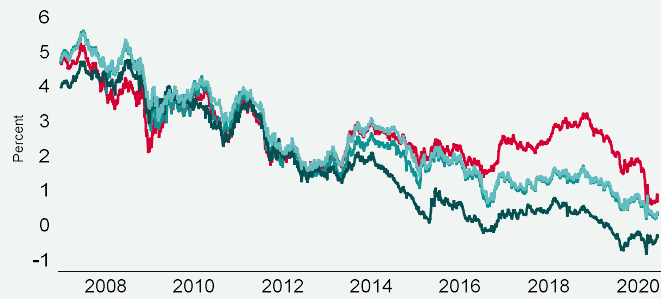


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## Bonds and currencies

### 10y Government Bond Yield (%)

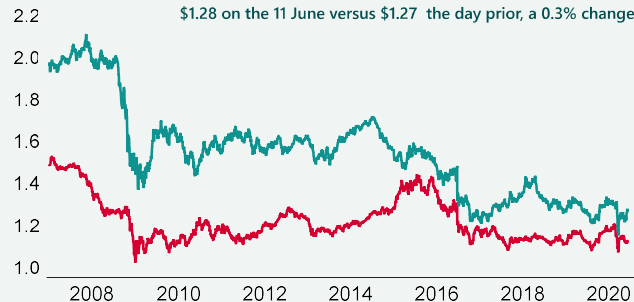
—US —UK —Germany —United Kingdom, Bank of England



	11 Jun	1 d ago	1st Jan
Germany	-0.37	-0.30	-0.19
UK	0.19	0.27	0.74
US	0.66	0.75	1.92

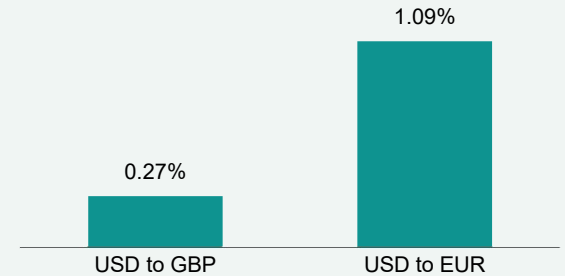
### FX Spot Rates

—EUR per GBP —USD per GBP



	11 Jun	1 d ago	1st Jan
EUR per GBP	1.12	1.12	1.18
USD per GBP	1.28	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)

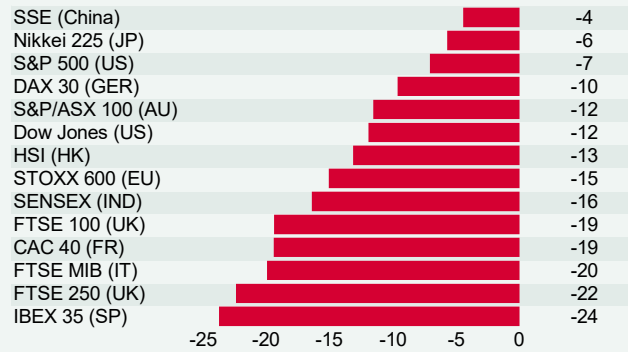
—FTSE 250 —DAX —FTSE 100 —S&P 500 —STOXX 600



Source: Knight Frank, Macrobond. Last modified: 11 June 2020 19:05 GMT.

### Equity performance: YTD (%)

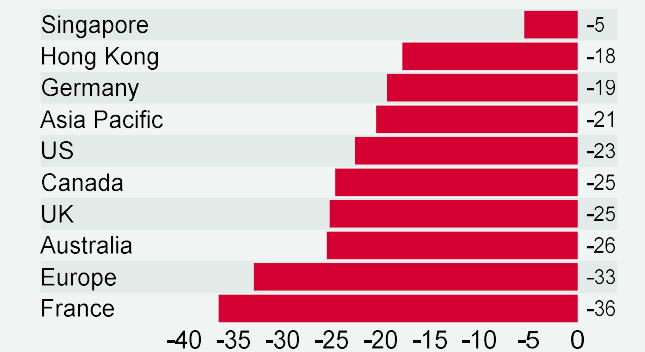
Local currencies



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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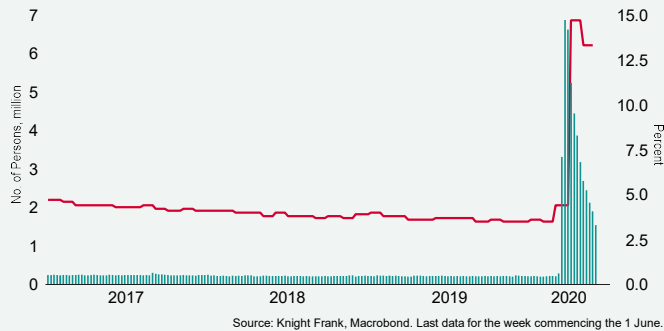


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## US indicator

### US Unemployment

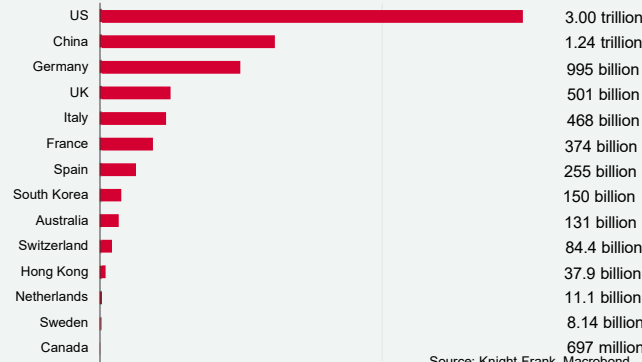
— Monthly Unemployment Rate, rhs ■ New Weekly Jobless Claims, lhs



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

<b>UK</b>	<b>£330bn+</b> : 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.
<b>USA</b>	<b>\$3.0tn</b> : 2 <sup>nd</sup> package passed 23 <sup>rd</sup> April, worth \$483 billion, increasing US stimulus to \$3 trillion (15% GDP).
<b>EU</b>	<b>€1.35tn</b> : This includes €240bn to the European Stability Mechanism, and €200bn in EIB guarantees. On 4 <sup>th</sup> June, the ECB extended the pandemic purchase programme (PEPP) until June 2021, purchasing an additional €600bn in bonds, taking total stimulus to €1.35tn
<b>Germany</b>	<b>€880bn</b> : The emergency aid measure approved by the German Cabinet on Monday 23 <sup>rd</sup> 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.
<b>Italy</b>	<b>€400bn</b> : The stimulus announced on the 7 April to help businesses hurt by a national lockdown. <b>€25bn</b> : Emergency package to support businesses and families.
<b>France</b>	<b>€45bn</b> : The aid package for SMEs and other hard-hit sectors announced by the French government on 17 <sup>th</sup> of March. Includes deferred corporate tax, social security charges and two months state payments to laid off workers. <b>€300bn</b> : government backed loans.
<b>Spain</b>	<b>€200bn</b> : 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.
<b>Japan</b>	<b>\$10bn</b> : The aid package issued in early March for SMEs and self-employed workers. Additional economic stimulus measures are expected.
<b>Hong Kong</b>	<b>HK\$10k</b> 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
<b>Advanced Economies</b>			
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
<b>Developing Economies</b>			
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 (%)
<b>Advanced Economies</b>			
Australia	191 bn	11.4%	48.6%
Canada	278 bn	103.7%	223.1%
Euro Area	6.34 tn	7.8%	20.5%
France	1.49 tn	7.7%	20.5%
Germany	2.26 tn	6.2%	12.1%
Italy	1.27 tn	4.7%	16.6%
Sweden	134 bn	10.0%	37.8%
Japan	6.01 tn	3.3%	14.5%
United Kingdom	795 bn	0.2%	2.5%
United States	7.17 tn	4.8%	86.2%
<b>Developing Economies</b>			
Brazil	480 bn	-0.6%	-14.3%
China	5.09 tn	-1.2%	-1.7%
India	351 bn	8.6%	33.2%
Mexico	218 bn	5.7%	6.4%
Russia	642 bn	-6.1%	4.5%
Saudi Arabia	461 bn	-5.1%	-9.9%
South Korea	433 bn	3.8%	1.0%
Turkey	108 bn	8.1%	13.9%

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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			
<b>Europe</b>																								
Italy	235,763	34,114			48																			
France	155,136	29,319			60																			
Poland	27,757	1,206			54																			
Portugal	35,600	1,495			71																			
Germany	185,416	8,755			50																			
Russia	493,657	6,358			75																			
United Kingdom	290,143	41,128			70																			
Spain	242,280	27,136			61																			
Norway	8,576	239			40																			
Belgium	59,569	9,629			50																			
Bulgaria	2,889	167			44																			
Greece	3,068	183			62																			
Denmark	12,016	593			63																			
Switzerland	30,928	1,674			39																			
Ukraine	28,381	833			73																			
Finland	7,040	324			42																			
Czech Republic	9,824	330			40																			
Netherlands	48,087	6,042			63																			
Sweden	46,814	4,795			46																			
<b>Americas</b>																								
Colombia	43,682	1,433			87																			
Canada	97,114	7,960			71																			
Argentina	25,987	735			93																			
United States	2,000,464	112,924			73																			
Venezuela	2,738	23			81																			
Mexico	129,184	15,357			73																			
Brazil	772,416	39,680			77																			
Peru	208,823	5,903			90																			
<b>Africa Middle East</b>																								
Kenya	3,094	89			94																			
South Africa	55,421	1,210			81																			
Qatar	73,595	66			83																			
United Arab Emirates	40,507	284			72																			
Turkey	173,036	4,746			79																			
Israel	18,355	299			75																			
Iran	177,938	8,506			53																			
Iraq	15,414	426			93																			
Jordan	863	9			56																			
Tunisia	1,087	49			52																			
Morocco	8,455	210			94																			
Egypt	38,284	1,342			71																			
<b>Asia Pacific</b>																								
Hong Kong	1,107	4			53																			
Singapore	38,965	25			78																			
Japan	17,292	920			31																			
Indonesia	34,316	1,959			58																			
Taiwan	443	7			22																			
South Korea	11,947	276			57																			
China	84,209	4,638			78																			
Philippines	23,732	1,027			78																			
India	286,579	8,102			75																			
Vietnam	332	-			66																			
Australia	7,276	102			59																			
New Zealand	1,154	22			22																			
Thailand	3,125	58			69																			
Malaysia	8,338	118			79																			

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				Workplace				Schools				International travel			
No measure	No measure	No measure	No measure	No measure	No measure	No measure	No measure	No measure	No measure	No measure	No measure	No measure	No measure	No measure	No measure	No measure	No measure	No measure	No measure	No measure	No measure	No measure	No measure
Recommended	Recommended	Recommended	Recommended	Recommended	Recommended	Recommended	Recommended	Recommended	Recommended	Recommended	Recommended	Recommended	Recommended	Recommended	Recommended	Recommended	Recommended	Recommended	Recommended	Recommended	Recommended	Recommended	Recommended
Restriction	Required	Required	Required	Restriction	Required	Required	Required	Restriction	Required	Required	Required	Restriction	Required	Required	Required	Restriction	Required	Required	Required	Restriction	Required	Required	Required
			Value				Value				Value				Value				Value				Value
			0				0				0				0				0				0
			1				1				1				1				1				1
			2				2				2				2				2				2
			3				3				3				3				3				3
			4				4				4				4				4				4

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

For most countries, public transport has the most relaxed restrictions. Taiwan, Norway 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: 12/06/2020

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