

COVID-19 Dashboard

26 May 2020



Internal and key client use only

Summary

- **UK Transport:** The Secretary of State for Transport announced additional funding for roads and the reversal of some of the Beeching rail cuts. Public transport under social distancing will be circa 1/5 of previous capacity. Grant Shapps announced initiatives for edge-of town parking with journeys being completed by walking, cycling or e-scooter (currently illegal on public land in the UK).
- **Lockdown:** 11 European countries have agreed a coordinated approach to re-opening Schengen, including Germany, Italy, Portugal and Spain. Spain will no longer require 2-week quarantine for arrivals from 1st July. Conversely, the UK will introduce 14-day quarantine for most arrivals from 8th June to be reviewed every three weeks. The UK Prime Minister has announced outdoor retail and car showrooms will be able to open from 1st June and gave notice for other non-essential retail, which can implement suitable social distancing measures, should be able to open from 15th June.
- **Equities:** Global equities are up this morning, based on the above continued easing. Japan's Hang Seng index added 1.9% following the end of the country's state of emergency. Other increases were seen with the FTSE 100 (+1.8%), STOXX 600 (+1.1%) and Frankfurt's DAX (+0.8%). The DJIA and S&P 500 are up +1.1% and +0.9%, respectively.
- **Oil:** The West Texas Intermediate (WTI) is up +2.50% this morning at \$34.08 a barrel, while Brent Crude is up +1.8% to \$36.16 a barrel. On the supply-side, the latest Baker Hughes rig count found there are 318 active oil rigs in the US as at 22nd May 2020, compared to 983 one year ago. Internationally, the number of active oil rigs in April stood at 915, a decline of -147 rigs compared to April 2019.
- **Non Performing Loans (NPL):** The European Banking Authority has undertaken a sensitivity assessment, suggesting most European banks should be able to absolve losses arising from the pandemic, assuming bad loans increased by between €169 billion – €291 billion. For context, NPLs for the largest European banks halved over the last six years to €506 billion (3.2% of loan book). Some Greek, Portuguese and Italian banks do have NPLs >6.0%. ECB capital relief equates to circa \$162 billion, according to the FT, to help offset the effects of an anticipated rise in bad debts, which could impede lending capability.

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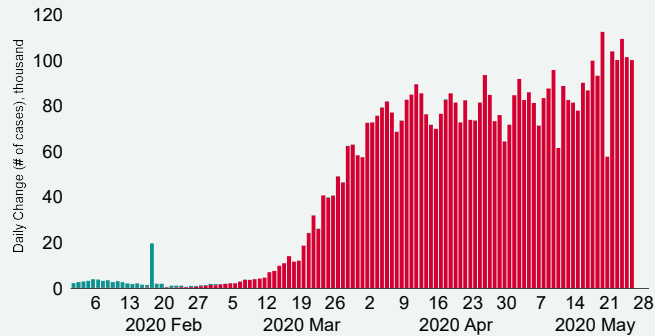


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COVID-19

New cases per day

■ World (ex-China) ■ China

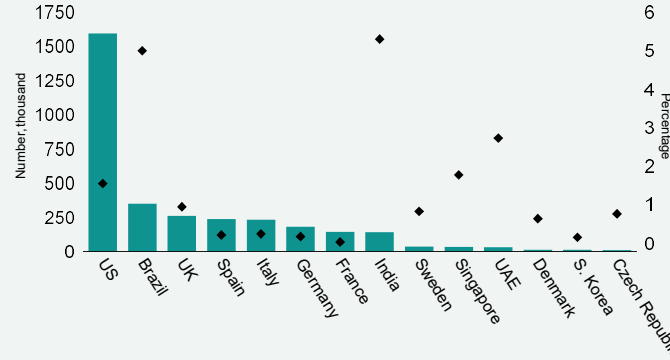


Source: Knight Frank, Macrobond. Last modified: 25 May 2020 20:40 GMT.

The number of total confirmed cases reached 5305k on the 25 May, an increase of 100k new cases over the day prior.

Cumulative number of cases

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



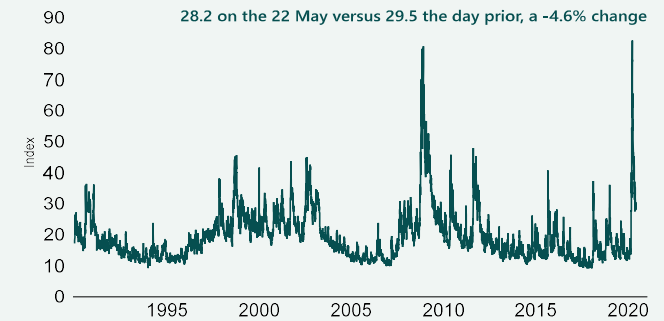
Source: Knight Frank, Macrobond. Last modified: 25 May 2020 00:00 GMT.

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

Investor sentiment

Volatility Index

—US, S&P 500 Volatility Index (VIX)



Source: Knight Frank, Macrobond. Last modified: 23 May 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

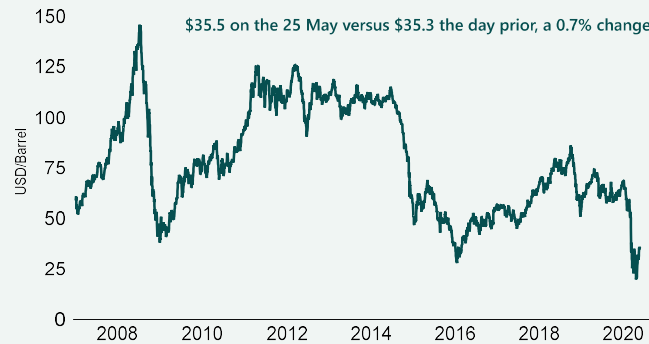


Source: Knight Frank, Macrobond. Last modified: 22 May 2020 06:30 GMT.

	25 May	D/D (%)	YTD (%)
Gold, USD	1727	0.1	13.9
Silver, USD	16.9	-1.2	-5.3

Brent crude and global commodity price index

—Crude Oil, Brent

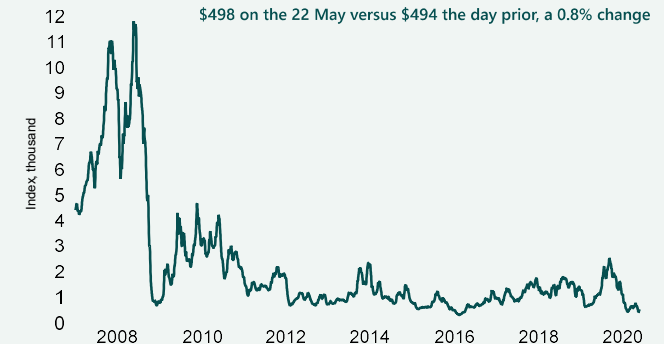


Source: Knight Frank, Macrobond. Last modified: 26 May 2020 02:30 GMT.

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: 22 May 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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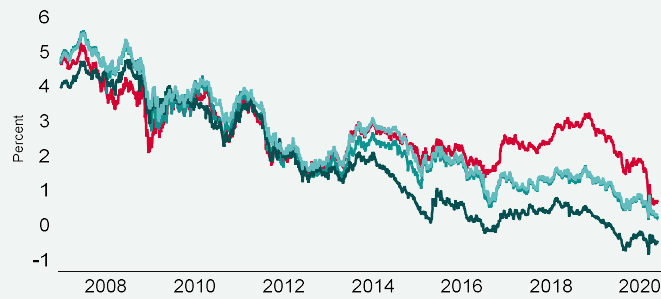


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Bonds and currencies

10y Government Bond Yield (%)

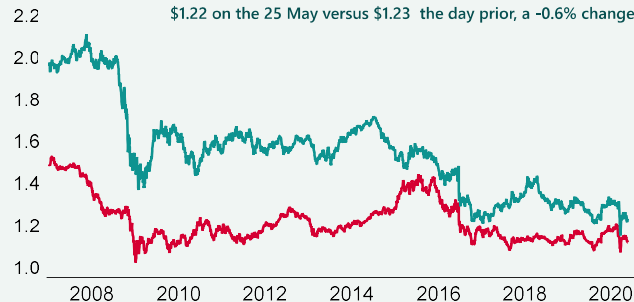
—US —UK —Germany —United Kingdom, Bank of England



	25 May	1 d ago	1st Jan
Germany	-0.47	-0.48	-0.19
UK	0.17	0.17	0.74
US	0.66	0.66	1.92

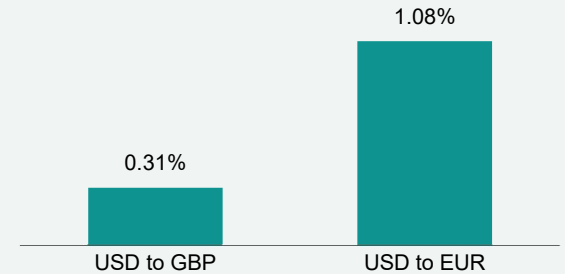
FX Spot Rates

—EUR per GBP —USD per GBP



	25 May	1 d ago	1st Jan
EUR per GBP	1.12	1.12	1.18
USD per GBP	1.22	1.23	1.32

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



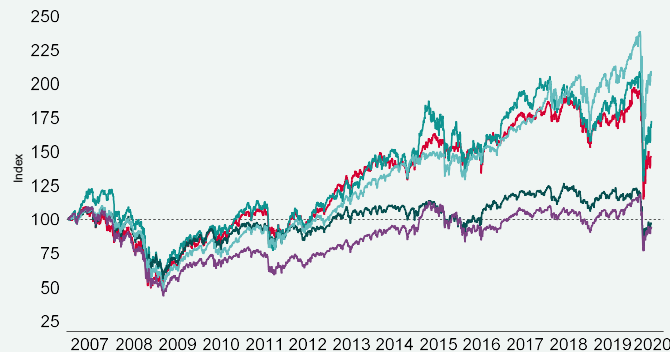
Source: Knight Frank, Investing.com

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)

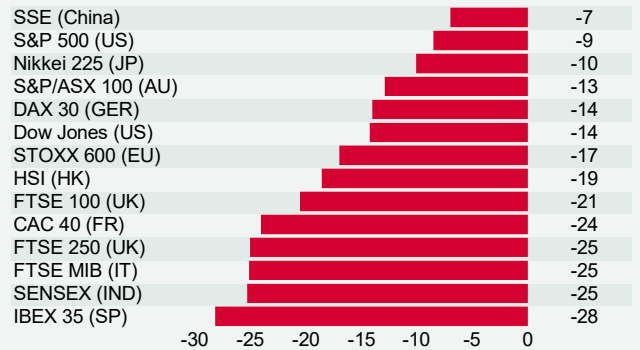
—FTSE 250 —DAX —FTSE 100 —S&P 500 —STOXX 600



Source: Knight Frank, Macrobond. Last modified: 22 May 2020 19:05 GMT.

Equity performance: YTD (%)

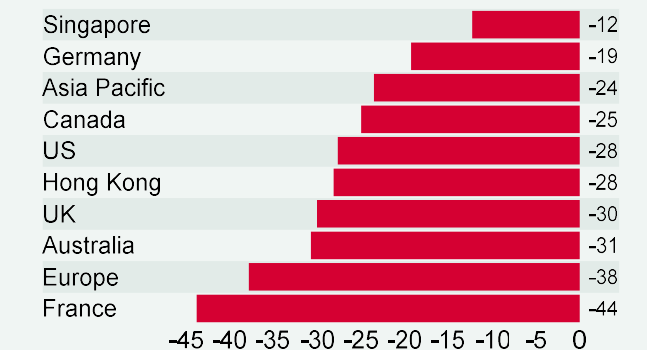
Local currencies



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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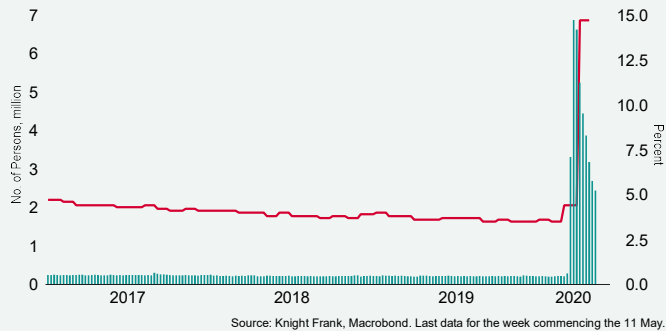


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US indicator

US Unemployment

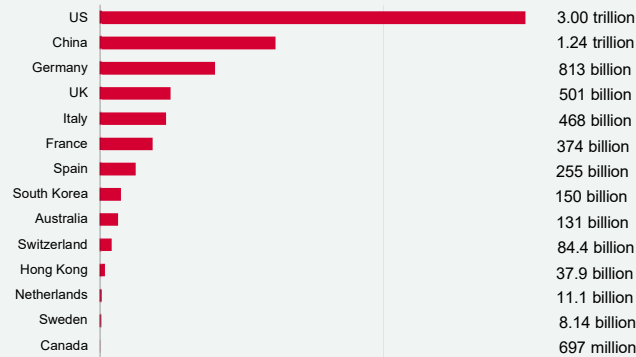
— Monthly Unemployment Rate, rhs ■ New Weekly Jobless Claims, lhs



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 will be granted access to cash grants of more than £25k to tackle the crisis. Support for furloughed employees of 80% salary ≤£2,500 per month. Furlough has been extended until October 2020, with employers to start 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 in June.
USA	\$3.0tn : 2 nd package passed 23 rd April, worth \$483 billion, increasing US stimulus to \$3 trillion (15% GDP).
EU	€500bn : The EU member states passed this stimulus package, which includes €240bn to the European Stability Mechanism, as well as €200bn in guarantees from the European Investment Bank.
Germany	€750bn : The emergency aid measure approved by the German Cabinet on Monday 23 rd of March.
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	0.75%	1.25%	-50 bps
Turkey	8.25%	12.00%	-375 bps

Central Bank Assets Purchasing Programme

	Lastest (\$)	MoM (%)	YoY (%)
Advanced Economies			
Australia	175 bn	5.1%	43.4%
Canada	278 bn	103.7%	223.1%
Euro Area	5.96 tn	3.7%	13.5%
France	1.39 tn	11.7%	11.6%
Germany	2.16 tn	2.5%	8.3%
Italy	1.22 tn	3.0%	11.2%
Sweden	123 bn	6.4%	28.7%
Japan	5.88 tn	3.2%	14.7%
United Kingdom	795 bn	0.2%	2.5%
United States	7.04 tn	8.0%	82.2%
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	684 bn	-0.6%	12.9%
Saudi Arabia	485 bn	-3.8%	-3.8%
South Korea	417 bn	0.7%	-5.4%
Turkey	109 bn	10.8%	19.7%

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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.

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Source: Knight Frank, various sources

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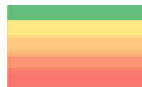
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Overview of the severity of Covid-19 and the resulting containment measures

Confirmed Cases	Confirmed Deaths	Lockdown Index	Internal Movement	Public Events	Public Transport	Workplace	Schools	International Travel
Europe								
Italy	229,858	32,785						
France	144,921	28,367						
Poland	21,326	996						
Portugal	30,623	1,316						
Germany	178,570	8,257						
Russia	344,481	3,541						
United Kingdom	259,559	36,793						
Spain	236,772	28,752						
Norway	8,309	235						
Belgium	57,092	9,280						
Bulgaria	2,433	130						
Greece	2,878	171						
Denmark	11,360	562						
Switzerland	30,653	1,641						
Ukraine	20,986	617						
Finland	6,579	307						
Czech Republic	8,957	315						
Netherlands	45,236	5,822						
Sweden	33,459	3,998						
Americas								
Colombia	21,175	727						
Canada	84,688	6,424						
Argentina	12,063	452						
United States	1,643,238	97,720						
Venezuela	1,121	10						
Mexico	68,620	7,394						
Brazil	363,211	22,666						
Peru	119,959	3,456						
Africa Middle East								
Kenya	1,214	51						
South Africa	22,583	429						
Qatar	43,714	23						
United Arab Emirates	29,485	245						
Turkey	156,827	4,340						
Israel	16,720	280						
Iran	135,701	7,417						
Iraq	4,469	160						
Jordan	708	9						
Tunisia	1,051	48						
Morocco	7,433	199						
Egypt	17,265	764						
Asia Pacific								
Hong Kong	1,065	4						
Singapore	31,616	23						
Japan	16,581	830						
Indonesia	22,271	1,372						
Taiwan	441	7						
South Korea	11,206	267						
China	84,095	4,638						
Philippines	14,035	868						
India	138,845	4,021						
Vietnam	325	-						
Australia	7,109	102						
New Zealand	1,154	21						
Thailand	3,042	57						

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
Required closure of some sectors	Some level of schooling required to close	2
Required closure for all but essential work	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, the Philippines and Kenya have some of the highest 'lockdown index' scores.

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

Source: Knight Frank, Macrobond, Oxford University, Last Updated: 26/05/2020

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