

COVID-19 Dashboard

29 May 2020



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Summary

- **Equities:** Global equities lost momentum this morning, with markets opening lower as US-China tensions overshadowed investor optimism over the easing of lockdowns. Despite Boris Johnson announcing further easing to the UK's COVID-19 containment measures, the FTSE 100 and the FTSE 250 fell by -1.0% and -0.9%, respectively this morning. Declines were also recorded by Frankfurt's DAX (-1.6%), STOXX 600 (-1.2%), Japan's Topix (-0.9%) and Hong Kong's Hang Seng (-0.8%). Overnight, the S&P 500 reversed gains of 1%, to close -0.2% down. DJIA and S&P 500 futures indicate further losses, both down -0.7%.
- **Bonds:** The US 10-year treasury yield has fallen by -3bps to 0.67%. Both the UK 10-year government bond yield and the German 10-year bund yield contracted by -1bp to 0.19% and -0.43%, respectively.
- **Currency:** Sterling remains at \$1.23, while the euro has appreciated slightly to \$1.11. Hedging benefits for US dollar investors into the UK have decreased slightly to circa 0.27% per annum on a five-year basis.
- **Oil:** Oil prices have slightly moderated this morning, albeit remain above \$30 a barrel. The West Texas Intermediate (WTI) declined by -1.1% to \$32.59 a barrel, while Brent Crude was down -0.7% to \$35.04 a barrel.
- **US Unemployment:** Unemployment applications increased by 2.1 million in the week to May 23rd, the lowest increase since the coronavirus crisis began, but marginally above expectations. The total number of US jobless claims has increased by 40.7 million since 21st March 2020. This comes as the US GDP was reported to have contracted by -5.0% in Q1 2020, below the preliminary estimates of -4.8%.
- **UK Business:** According to the ONS, 24% of businesses who have currently paused trading expect to start trading again in the next four weeks, while 31% expect to start trading in more than 4 weeks time. 79% of responding businesses had applied for the Coronavirus Job Retention Scheme, with 27% of the workforce in these businesses, furloughed. Of the 14% of businesses that reported they paused trading but are expecting to restart trading in 2 weeks, they anticipate 31% of their workforce to return from furlough leave.

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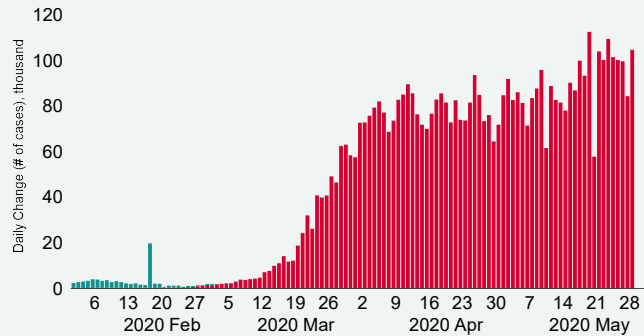


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COVID-19

New cases per day

■ World (ex-China) ■ China

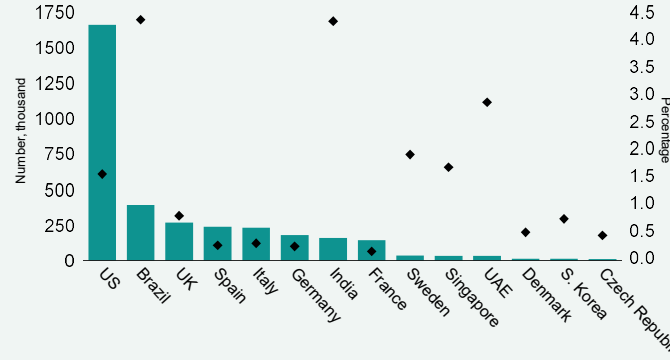


Source: Knight Frank, Macrobond. Last modified: 28 May 2020 20:05 GMT.

The number of total confirmed cases reached 5594k on the 28 May, an increase of 105k new cases over the day prior.

Cumulative number of cases

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



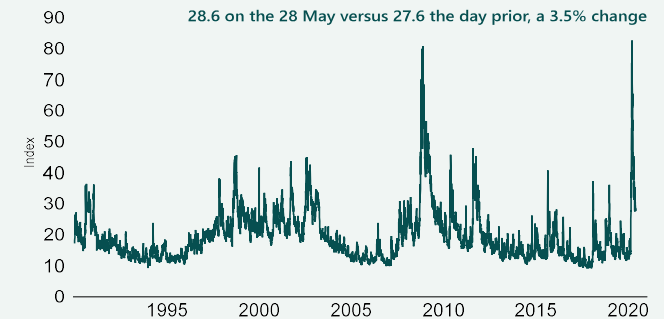
Source: Knight Frank, Macrobond. Last modified: 28 May 2020 00:00 GMT.

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: 29 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

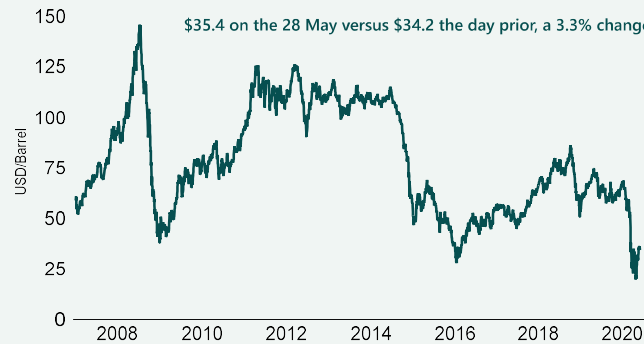


Source: Knight Frank, Macrobond. Last modified: 29 May 2020 06:30 GMT.

	28 May	D/D (%)	YTD (%)
Gold, USD	1718	0.5	13.3
Silver, USD	17.4	1.6	-2.6

Brent crude and global commodity price index

—Crude Oil, Brent

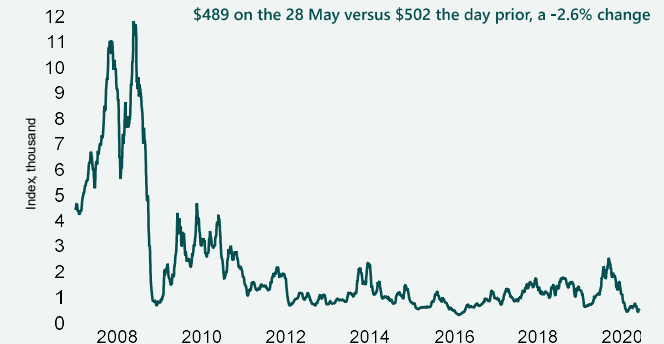


Source: Knight Frank, Macrobond. Last modified: 29 May 2020 02:30 GMT.

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: 28 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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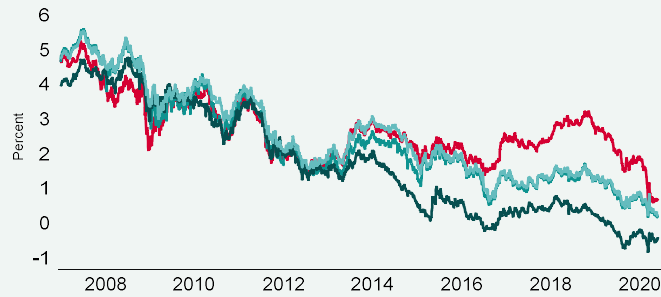


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Bonds and currencies

10y Government Bond Yield (%)

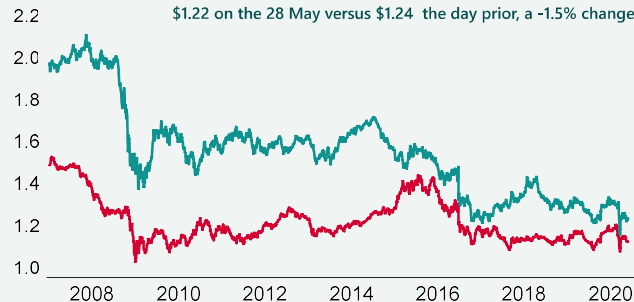
—US —UK —Germany —United Kingdom, Bank of England



	28 May	1 d ago	1st Jan
Germany	-0.40	-0.44	-0.19
UK	0.21	0.18	0.74
US	0.70	0.68	1.92

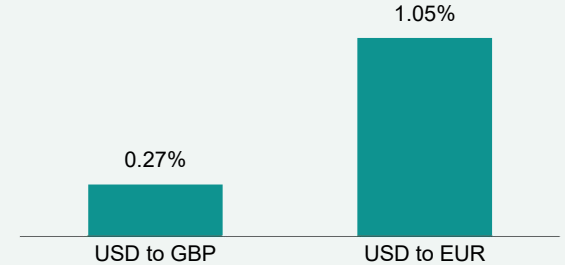
FX Spot Rates

—EUR per GBP —USD per GBP



	28 May	1 d ago	1st Jan
EUR per GBP	1.11	1.13	1.18
USD per GBP	1.22	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)

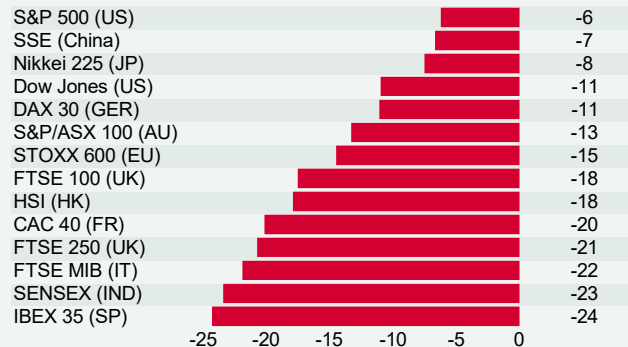
—FTSE 250 —DAX —FTSE 100 —S&P 500 —STOXX 600



Source: Knight Frank, Macrobond. Last modified: 28 May 2020 19:05 GMT.

Equity performance: YTD (%)

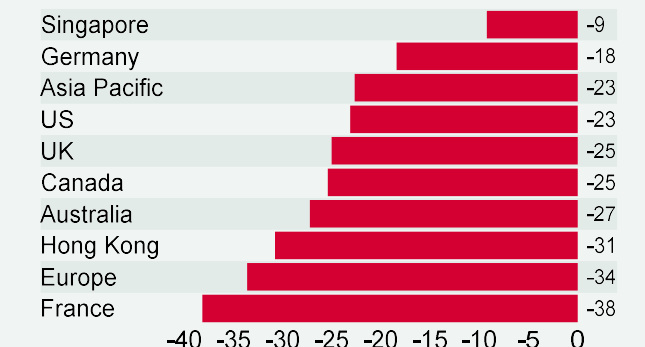
Local currencies



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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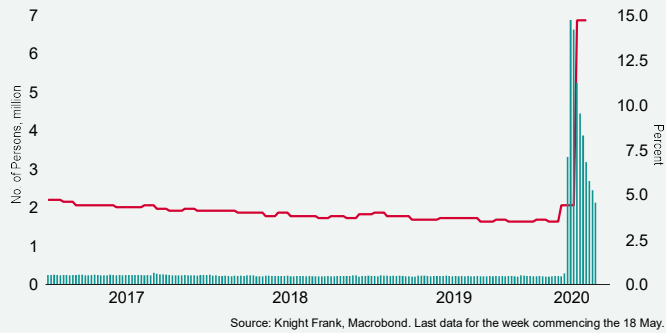


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US indicator

US Unemployment

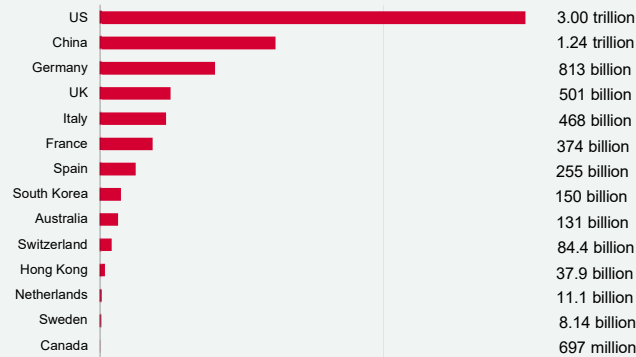
— Monthly Unemployment Rate, rhs ■ New Weekly Jobless Claims, lhs



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	0.50%	1.25%	-75 bps
Turkey	8.25%	12.00%	-375 bps

Central Bank Assets Purchasing Programme

	Lastest (\$)	MoM (%)	YoY (%)
Advanced Economies			
Australia	179 bn	7.7%	45.0%
Canada	278 bn	103.7%	223.1%
Euro Area	6.08 tn	5.1%	15.9%
France	1.49 tn	7.7%	20.5%
Germany	2.17 tn	4.8%	9.1%
Italy	1.22 tn	3.0%	11.2%
Sweden	127 bn	8.9%	32.7%
Japan	5.88 tn	3.2%	14.7%
United Kingdom	795 bn	0.2%	2.5%
United States	7.1 tn	7.2%	84.2%
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	107 bn	8.4%	16.1%

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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	231,139	33,072			64						
France	145,746	28,596			72						
Poland	22,473	1,028			83						
Portugal	31,292	1,356			69						
Germany	179,717	8,411			50						
Russia	370,680	3,968			78						
United Kingdom	267,240	37,460			67						
Spain	236,769	27,118			79						
Norway	8,383	235			55						
Belgium	57,592	9,364			74						
Bulgaria	2,460	133			59						
Greece	2,903	173			69						
Denmark	11,480	565			66						
Switzerland	30,678	1,647			66						
Ukraine	21,584	644			80						
Finland	6,692	313			64						
Czech Republic	9,086	317			55						
Netherlands	45,768	5,871			69						
Sweden	35,088	4,220			41						
Americas											
Colombia	24,104	803			87						
Canada	87,508	6,765			71						
Argentina	13,920	500			91						
United States	1,699,933	100,442			73						
Venezuela	1,245	11			85						
Mexico	78,023	8,597			82						
Brazil	411,821	25,598			70						
Peru	135,905	3,983			96						
Africa Middle East											
Kenya	1,471	55			94						
South Africa	25,937	552			84						
Qatar	48,947	30			83						
United Arab Emirates	31,989	255			74						
Turkey	158,762	4,397			79						
Israel	16,793	281			75						
Iran	141,591	7,564			56						
Iraq	5,135	175			82						
Jordan	720	9			78						
Tunisia	1,051	48			69						
Morocco	7,601	202			94						
Egypt	19,666	816			84						
Asia Pacific											
Hong Kong	1,066	4			60						
Singapore	32,876	23			81						
Japan	16,651	858			41						
Indonesia	23,851	1,473			68						
Taiwan	441	7			22						
South Korea	11,344	269			40						
China	84,106	4,638			82						
Philippines	15,049	904			94						
India	158,333	4,531			79						
Vietnam	-	-			-						
Australia	7,139	103			64						
New Zealand	1,154	22			36						
Thailand	3,054	57			69						
Malaysia	7,619	115			69						

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 and Iran are the exceptions, where international travel is freely permitted with no measures implemented.

Source: Knight Frank, Macrobond, Oxford University, Last Updated: 29/05/2020

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