

COVID-19 Dashboard

07 May 2020



Internal and key client use only

Summary

- **Equities:** European equity markets saw moderate gains this morning, in the wake of Chancellor Merkel announcing the re-opening of shops in Germany with timing controlled by individual federal states. This is with a caveat of an “emergency break”, should there be an increase in the rate of transmissions above a certain level. Beijing also announced a 3.5% increase in exports for April, according to Reuters. Frankfurt’s DAX has added 0.8% over the morning, followed by STOXX 600 (+0.5%) and the FTSE 100 (+0.5%).
- **Baltic Dry:** Despite the above, the Baltic Dry declined for the 12th consecutive session yesterday, falling -7.1% to \$534. Pricing is now at a level comparable to that seen in the wake of the UK’s EU referendum result in 2016. The continued contraction in the Baltic Dry indicates the extent of subdued demand for raw materials and subsequently manufacturing.
- **Oil:** Prices continue to oscillate. Despite a -6.8% decline yesterday, Brent Crude barrel prices are up +18.8% over the week. According to Baker Hughes, as at the start of May, there were 408 active rigs in the US, 582 less than one year ago. Despite this, West Texas Intermediate (WTI) is currently \$24.48 a barrel, compared to \$62.12 one year ago.
- **Bonds:** The yield gap between German and Italian 10-year bonds is currently 246bps, with the 10-year German bund yield at -0.50%. Italy’s bonds were downgraded to the lowest investment grade by Fitch last week. Markets await whether there will be any further changes in outlook by the credit rating agencies
- **BoE monetary policy report:** The Bank of England (BoE) Monetary Policy Committee (MPC) has held the base rate at 0.1%, with the next review on June 18th. The MPC stated it was ready to provide more money to the economy, should it be required, amid the BoE forecast that the UK economy could contract by -25% in Q2 2020, contributing to an overall -14% reduction in GDP for 2020. According to the BoE, this “scenario is conditioned on social distancing measures and government support schemes remaining as they are until early June, before being gradually unwound by the end of Q3”.
- **Currency:** Sterling is currently \$1.24, up +0.2% over the morning. The euro is stable at \$1.08.

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COVID-19 Dashboard



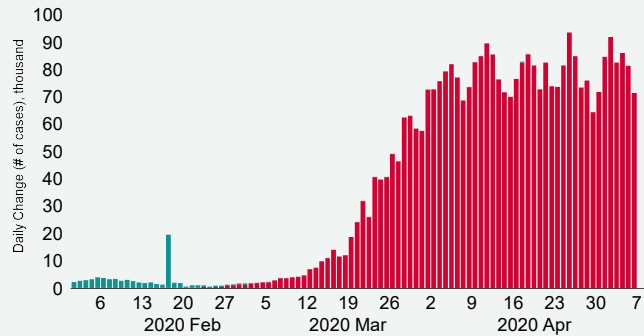
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COVID-19

New cases per day

■ World (ex-China) ■ China

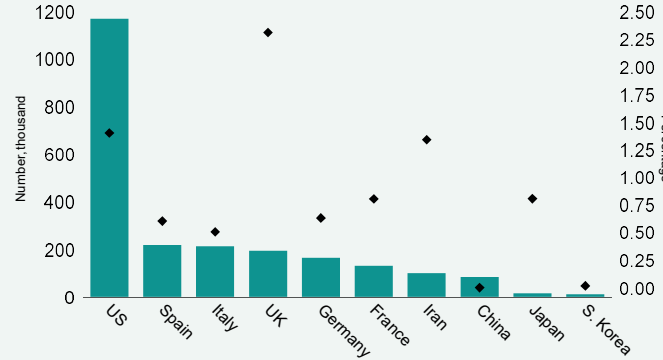


Source: Knight Frank, Macrobond. Last modified: 06 May 2020 19:51, 06 May 2020 19:51 GMT.

The number of total confirmed cases reached 3589k on the 6 May, an increase of 71k new cases over the day prior.

Cumulative number of cases

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



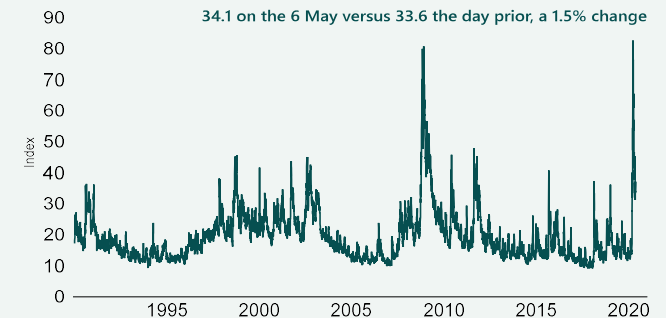
Source: Knight Frank, Macrobond. Last modified: 06 May 2020 00:00 GMT.

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: 07 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

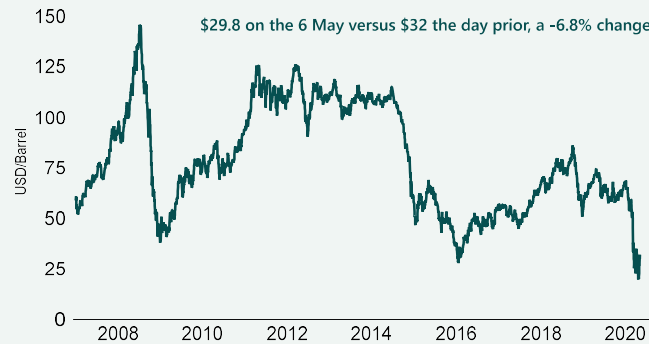


Source: Knight Frank, Macrobond. Last modified: 07 May 2020 06:30 GMT.

	6 May	D/D (%)	YTD (%)
Gold, USD	1685	-0.9	11.1
Silver, USD	14.8	0.5	-16.8

Brent crude and global commodity price index

—Crude Oil, Brent

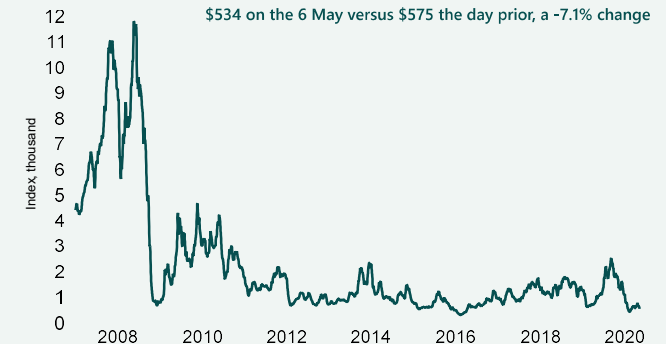


Source: Knight Frank, Macrobond. Last modified: 07 May 2020 02:30 GMT.

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: 06 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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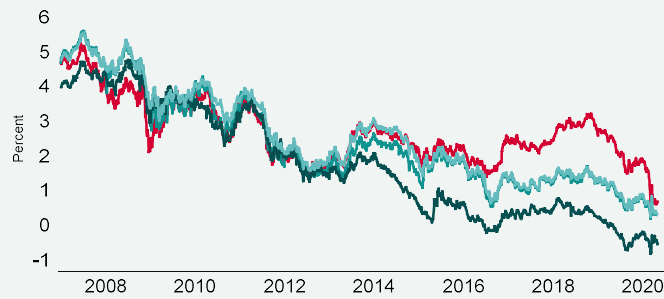


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Bonds and currencies

10y Government Bond Yield (%)

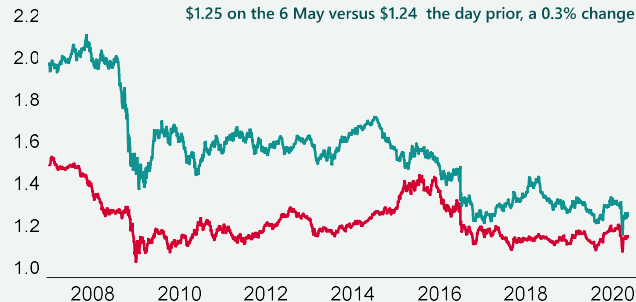
—US —UK —Germany —United Kingdom, Bank of England



	6 May	1 d ago	1st Jan
Germany	-0.54	-0.52	-0.19
UK	0.23	0.20	0.74
US	0.72	0.66	1.92

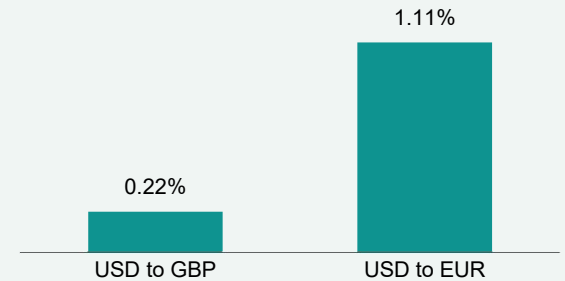
FX Spot Rates

—EUR per GBP —USD per GBP



	6 May	1 d ago	1st Jan
EUR per GBP	1.14	1.15	1.18
USD per GBP	1.25	1.24	1.32

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



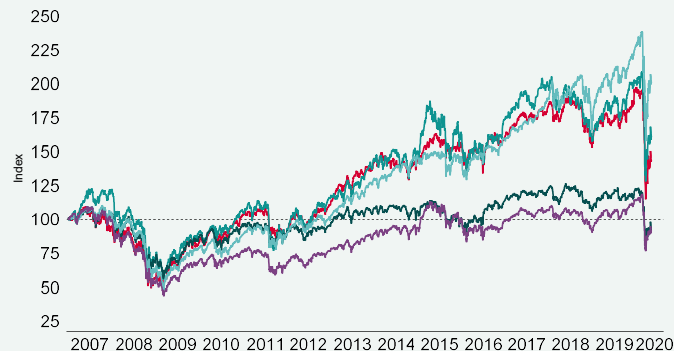
Source: Knight Frank, Investing.com

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)

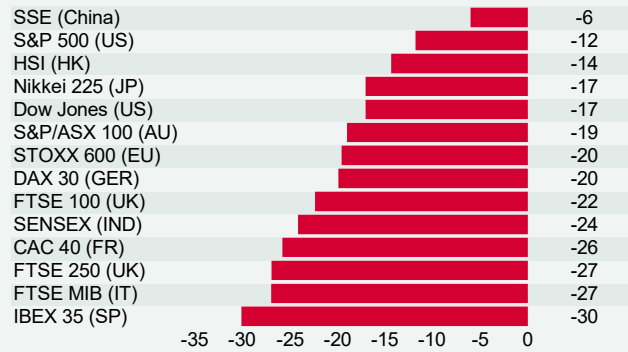
—FTSE 250 —DAX —FTSE 100 —S&P 500 —STOXX 600



Source: Knight Frank, Macrobond. Last modified: 06 May 2020 19:06 GMT.

Equity performance: YTD (%)

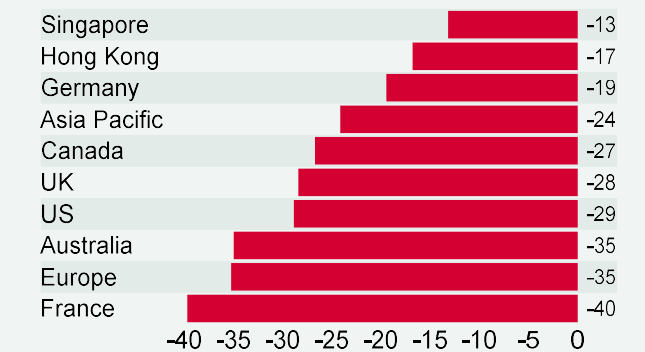
Local currencies



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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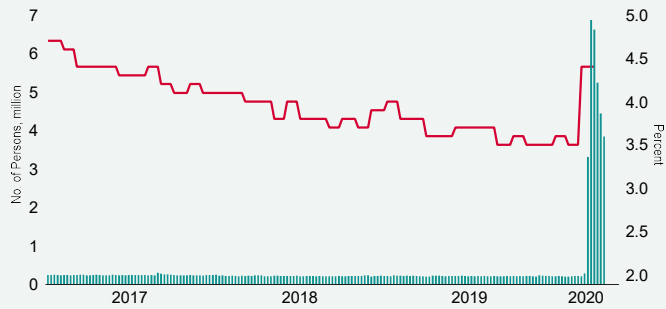


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US indicator

US Unemployment

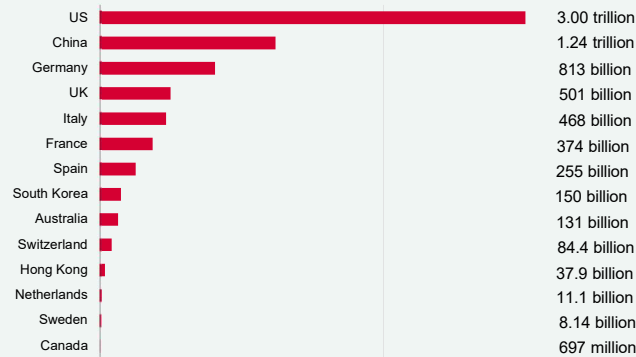
— Monthly Unemployment Rate, rhs — New Weekly Jobless Claims, lhs



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 equal to 80% of salary up to £2,500 per month. A taxable grant for self-employed with less than £50k trading profit, worth 80% of monthly profits up to £2.5k, paid as a lump sum in June.
USA	\$3.0tn : An additional stimulus package was passed on the 23 rd April, worth \$483 billion. This increased the total US stimulus response to \$3 trillion or 15% of 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 : The emergency package passed by the Italian government to support businesses and families in March.
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	4.40%	5.15%	-75 bps
Mexico	6.00%	7.25%	-125 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	8.75%	12.00%	-325 bps

Central Bank Assets Purchasing Programme

	Latest (\$)	MoM (%)	YoY (%)
Advanced Economies			
Australia	133 bn	0.8%	40.2%
Canada	92.4 bn	49.6%	62.1%
Euro Area	5.31 tn	4.1%	11.6%
France	1.24 tn	11.7%	11.6%
Germany	1.98 tn	3.5%	6.9%
Italy	1.1 tn	7.3%	7.2%
Japan	5.67 tn	8.5%	14.8%
United Kingdom	800 bn	-1.4%	-1.9%
United States	4.31 tn	17.8%	70.6%
Developing Economies			
Brazil	487 bn	-0.9%	-12.8%
China	5.15 tn	0.0%	-0.8%
India	308 bn	8.6%	23.6%
Mexico	206 bn	-2.9%	6.4%
Russia	707 bn	-0.6%	12.9%
Saudi Arabia	510 bn	-3.8%	-3.8%
South Korea	417 bn	-0.7%	-6.1%
Turkey	106 bn	-3.4%	5.9%

Source: Knight Frank, Macrobond

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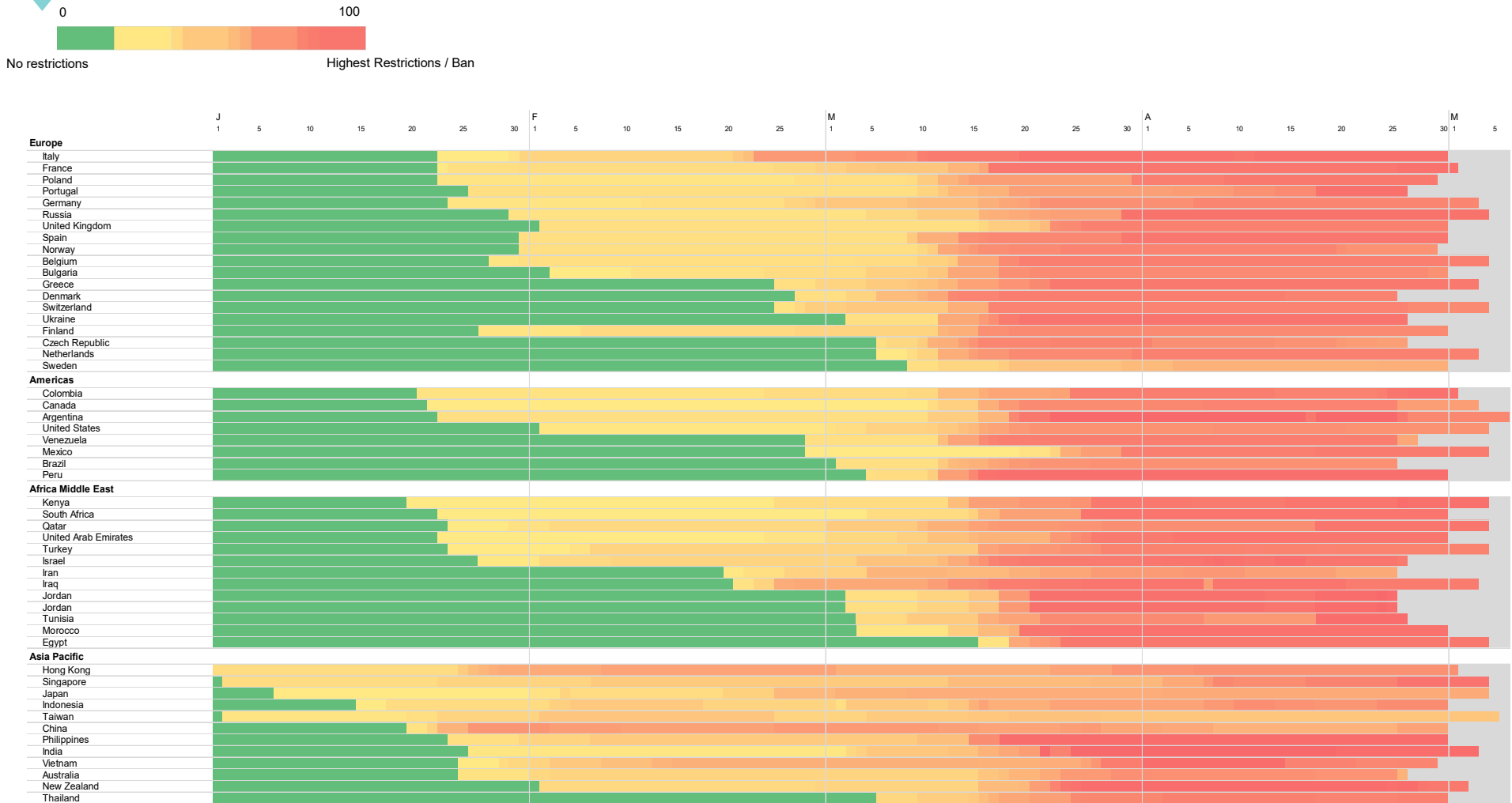
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Timeline of Covid-19 containment measures and their stringency



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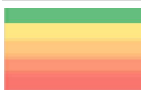
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Overview of the severity of Covid-19 and the resulting containment measures

	Confirmed Cases		Confirmed Deaths		Lockdown index	Internal Movement	Public Events	Public Transport	Workplace	Schools	International Travel
Europe											
Italy	199,414	26,977			92						
France	128,339	23,293			89						
Poland	10,511	454			95						
Portugal	22,353	820			100						
Germany	156,337	5,913			79						
Russia	87,147	795			83						
United Kingdom	157,149	21,092			82						
Spain	209,465	23,190			91						
Norway	7,345	180			86						
Belgium	46,687	7,207			88						
Bulgaria	1,097	52			91						
Greece	2,463	125			76						
Denmark	8,698	427			85						
Switzerland	28,414	1,267			81						
Ukraine	7,647	193			95						
Finland	4,284	172			90						
Czech Republic	7,188	213			81						
Netherlands	35,729	4,177			86						
Sweden	16,755	2,021			62						
Americas											
Colombia	4,561	215			81						
Canada	48,469	2,707			79						
Argentina	3,423	165			95						
United States	988,451	56,245			53						
Venezuela	298	10			86						
Mexico	15,529	1,434			84						
Brazil	66,501	4,543			71						
Peru	20,914	572			71						
Africa Middle East											
Kenya	320	14			81						
South Africa	4,793	90			97						
Qatar	7,764	10			95						
United Arab Emirates	8,756	56			96						
Turkey	112,261	2,900			75						
Israel	14,882	193			100						
Iran	91,472	5,806			52						
Iraq	1,677	83			76						
Jordan	437	7			95						
Jordan	437	7			95						
Tunisia	918	38			86						
Morocco	3,568	155			81						
Egypt	3,659	276			100						
Asia Pacific											
Hong Kong	1,035	4			86						
Singapore	14,423	14			78						
Japan	13,576	376			51						
Indonesia	9,096	765			74						
Taiwan	429	6			29						
China	83,938	4,637			39						
Philippines	6,981	462			86						
India	29,435	934			100						
Vietnam	268	-			100						
Australia	6,725	84			68						
New Zealand	1,114	17			100						
Thailand	2,839	50			86						

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 38, indicating the restrictions in place are generally recommendations and are not enforced. Meanwhile, countries including Portugal, India and Israel have scores of 100, indicating the highest levels of restrictions or complete bans.

For most countries, Public Transport has the most relaxed restrictions. However, with the exception of Japan, Taiwan and Germany, all public events have been 'required' to cease. 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: 04/05/2020

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