

COVID-19 Dashboard

4 November 2020



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Summary

- **Equities:** Markets saw volatility overnight. In Europe this morning, stocks are higher, with gains recorded by the CAC 40 and the STOXX 600 (both +0.9%), as well as the FTSE 250 and the DAX (both +0.6%). In Asia, stocks were mixed on close, with the CSI 300 (+0.8%) and the Kospi (+0.6%) up, while the Hang Seng (-0.2%) and the S&P / ASX 200 (-0.1%) were lower. In the US, futures for the S&P 500 are +0.8% higher.
- **VIX:** After contracting -4.3% over yesterday, the CBOE market volatility index continues to decline this morning, down -3.2% to 34.4. The Euro Stoxx 50 volatility index has also decreased, contracting -8.0% to 30.1. Both indices remain elevated compared to their long term averages of 19.9 and 24.0.
- **Bonds:** The US 10-year treasury yield has compressed -10bps this morning to 0.79%, while the UK 10-year gilt yield has contracted -4bps to 0.23% and the German 10-year bund yield is -3bps lower at -0.65%.
- **Currency:** Sterling and the euro are currently \$1.30 and \$1.17, respectively. Hedging benefits for US dollar denominated investors into the UK and the eurozone are at 0.39% and 1.23% per annum on a five-year basis.
- **Baltic Dry:** The Baltic Dry decreased -1.6% yesterday to 1,263, the lowest the index has been since 8th September. The Baltic Dry is now -35% lower than it was at the peak seen in July, and over the last 21 sessions, the index has seen cumulative declines of -40%. However the Baltic Dry remains +16% higher than it was in January.
- **Oil:** Both Brent Crude and the West Texas Intermediate (WTI) have increased +2.7% over the morning to \$40.77 and \$38.69, respectively. The WTI has remained below \$40 per barrel since 23rd October.
- **US Election:** The most recent probability of President Trump being re-elected is 37%, while Joe Biden's likelihood of winning the election is currently 79%, according to Predictit. The probability has sharply switched over the day, as this morning, President Trump had a 72% likelihood of being re-elected, whereas Joe Biden had a 30% probability of winning. This compares to yesterday's 43% likelihood of President Trump being re-elected and a 63% probability of Joe Biden winning the presidency.

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COVID-19 Dashboard

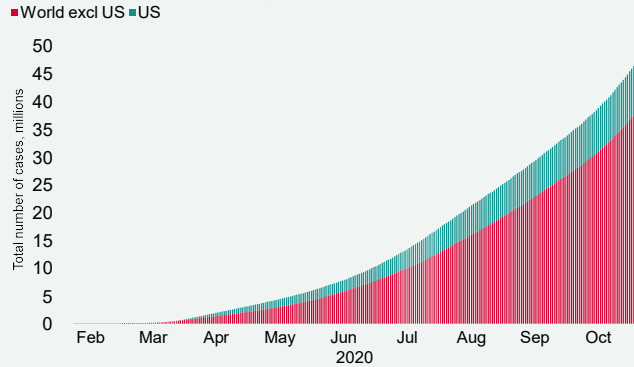
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COVID-19

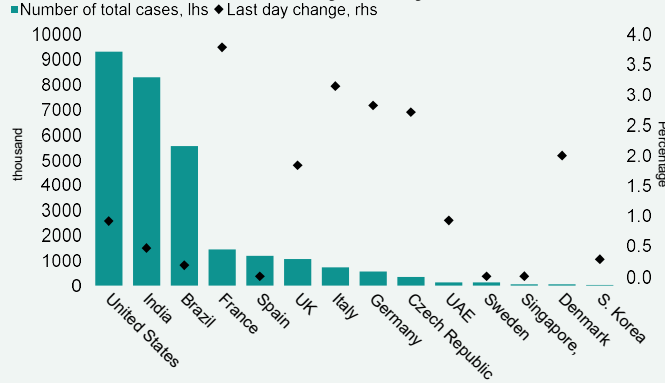
Cumulative number of global cases



Source: Knight Frank, Macrobond. Last modified: 03 November 2020 10:05 GMT.

The number of total confirmed cases reached 46.8 million on the 3 November, an increase of 429k new cases over the day prior.

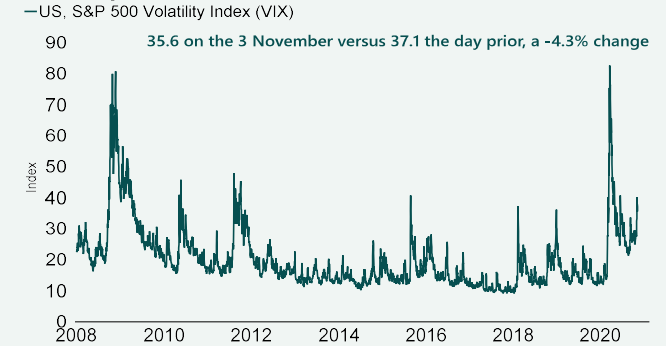
Cumulative number of cases by country



Source: Knight Frank, Macrobond.

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

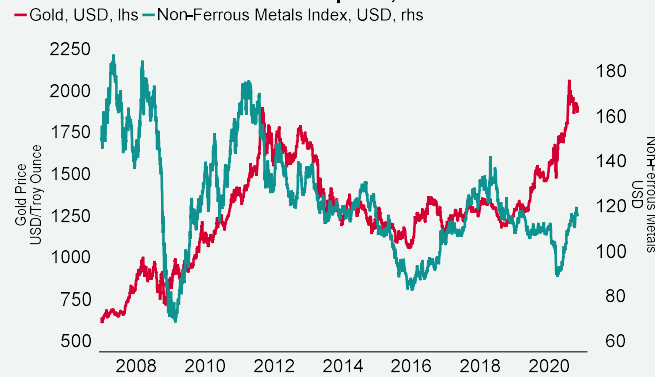


Source: Knight Frank, Macrobond. Last modified: 04 November 2020 03:15 GMT.

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

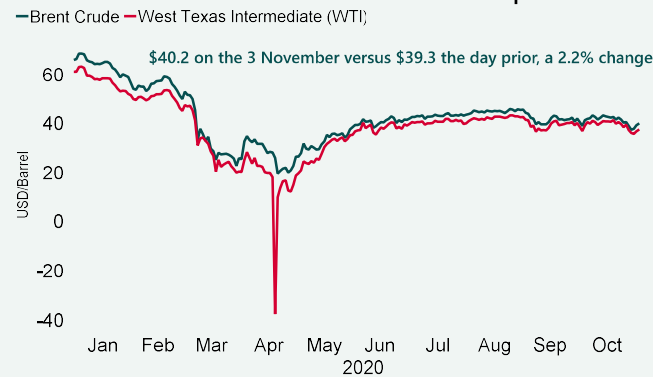
Gold and non-ferrous metals price, USD



Source: Knight Frank, Macrobond. Last modified: 03 November 2020 23:00 GMT.

	3 Nov	D/D (%)	YTD (%)
Gold, USD	1907	1.5	25.7
Non-Ferrous Metals, USD	116	0.0	5.0

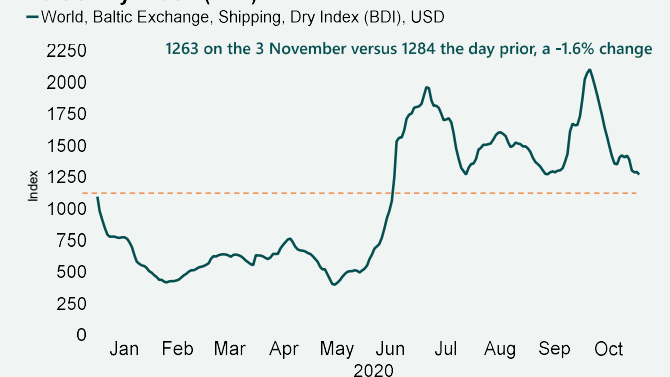
Brent Crude and West Texas Intermediate oil price



Source: Knight Frank, Macrobond. Last modified: 04 November 2020 00:30 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)



Source: Knight Frank, Macrobond. Last modified: 03 November 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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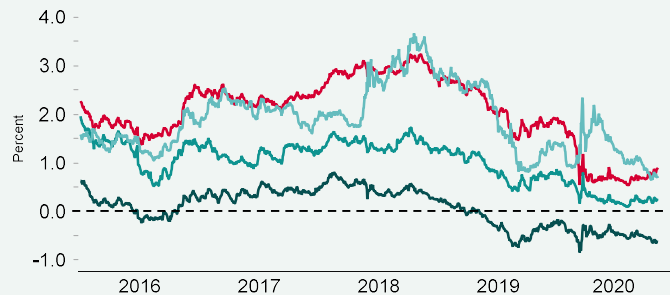
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Bonds and currencies

10y Government Bond Yield (%)

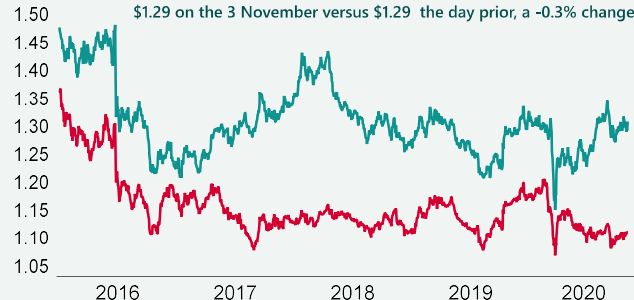
—US —UK —Germany —Italy



	3 Nov	1 d ago	1st Jan
Germany	-0.63	-0.62	-0.19
Italy	0.69	0.72	1.40
UK	0.27	0.22	0.74
US	0.90	0.87	1.92

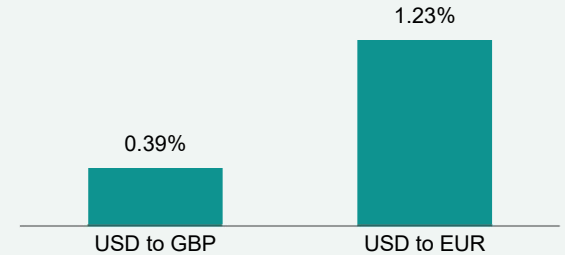
FX Spot Rates

—EUR per GBP —USD per GBP



	3 Nov	1 d ago	1st Jan
EUR per GBP	1.11	1.11	1.18
USD per GBP	1.29	1.29	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)

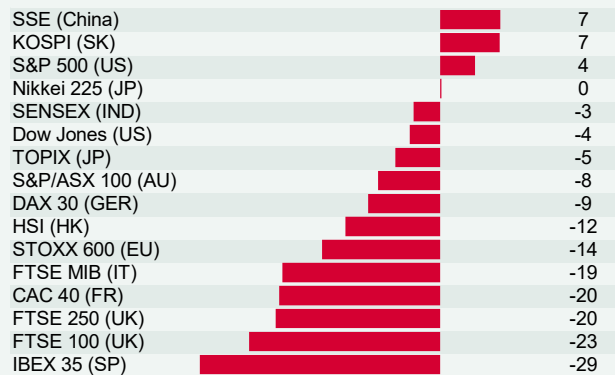
—FTSE 250 —DAX —S&P 500 —STOXX 600 —Hang Seng —MIB —IBEX 35 —TOPIX



Source: Knight Frank, Macrobond. Last modified: 03 November 2020 18:05 GMT.

Equity performance: YTD (%)

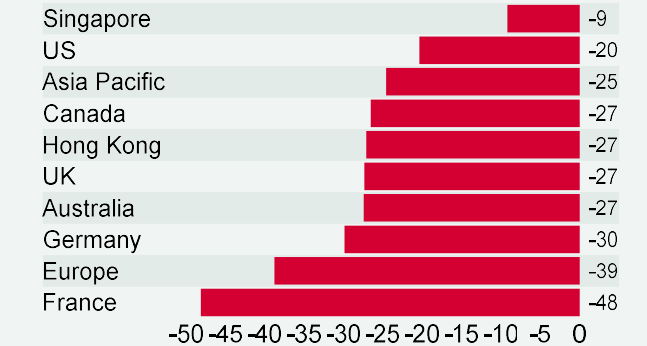
Local currencies



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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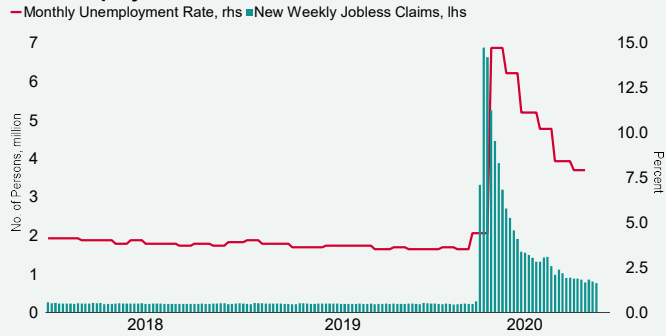


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US indicators

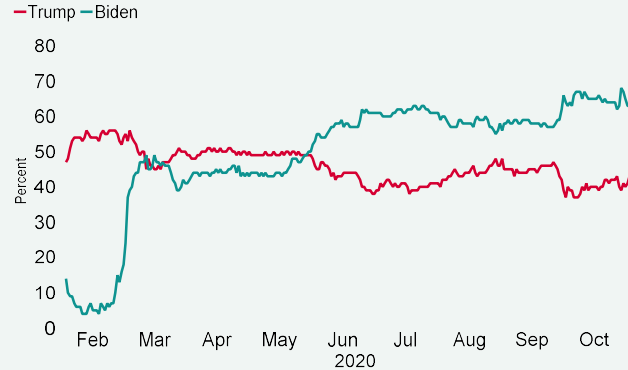
US Unemployment



Source: Knight Frank, Macrobond. Last data for the week commencing the 19 October.

The chart presents the number of Americans that each week file for unemployment benefits (left axis) and the overall monthly unemployment rate (right axis)

2020 Presidential Winner (probability of winning, %)



Source: Knight Frank, Macrobond. Last modified: 04 November 2020 09:00 GMT.

	4 Nov	1 week ago	1 month ago
Trump	37%	40%	39%
Biden	79%	63%	64%

Monetary policy

Central Banks Policy Rates

	Current Rate	Rate at 1/1/2020	YTD Change
Advanced Economies			
Australia	0.10%	0.75%	-65 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	2.00%	4.50%	-250 bps
China	4.35%	4.35%	0 bps
India	4.00%	5.15%	-115 bps
Mexico	4.25%	7.25%	-300 bps
Russia	4.25%	6.25%	-200 bps
Saudi Arabia	1.00%	2.25%	-125 bps
South Korea	0.50%	1.25%	-75 bps
Turkey	10.25%	12.00%	-175 bps

Central Bank Assets Purchasing Programme

	Lastest (\$)	MoM (%)	YoY (%)
Advanced Economies			
Australia	209 bn	-3.1%	83.5%
Canada	398 bn	-3.7%	351.6%
Euro Area	7.96 tn	2.6%	53.1%
France	1.91 tn	2.6%	55.4%
Germany	2.79 tn	3.2%	44.7%
Italy	1.53 tn	1.4%	36.7%
Sweden	152 bn	5.6%	58.9%
Japan	6.68 tn	2.1%	25.4%
United Kingdom	773 bn	-0.2%	-2.7%
United States	7.15 tn	1.1%	78.4%
Developing Economies			
Brazil	513 bn	1.8%	2.7%
China	5.5 tn	3.9%	8.3%
India	366 bn	-3.0%	33.9%
Mexico	216 bn	-2.0%	6.2%
Russia	686 bn	1.3%	5.8%
Saudi Arabia	486 bn	-0.7%	-5.1%
South Korea	453 bn	2.3%	9.6%
Turkey	98.7 bn	1.8%	-9.4%

Fiscal policy

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. €750bn : a new recovery package for EU member states announced in July including €390bn in grants and €360 in interest free loans.
Germany	€880bn : The emergency aid measure approved 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 th April €25bn : Emergency package to support businesses and families.
France	€100bn : The stimulus announced on the 3 rd September €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	\$2.2tn : Further stimulus announced in late May added \$1.1 trillion to the country's stimulus package, bringing total stimulus to \$2.18 trillion or 40% of GDP.
Hong Kong	HK\$10k for every adult citizen (c.£7bn).

Source: Knight Frank, various sources

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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, Macrobond, Oxford University

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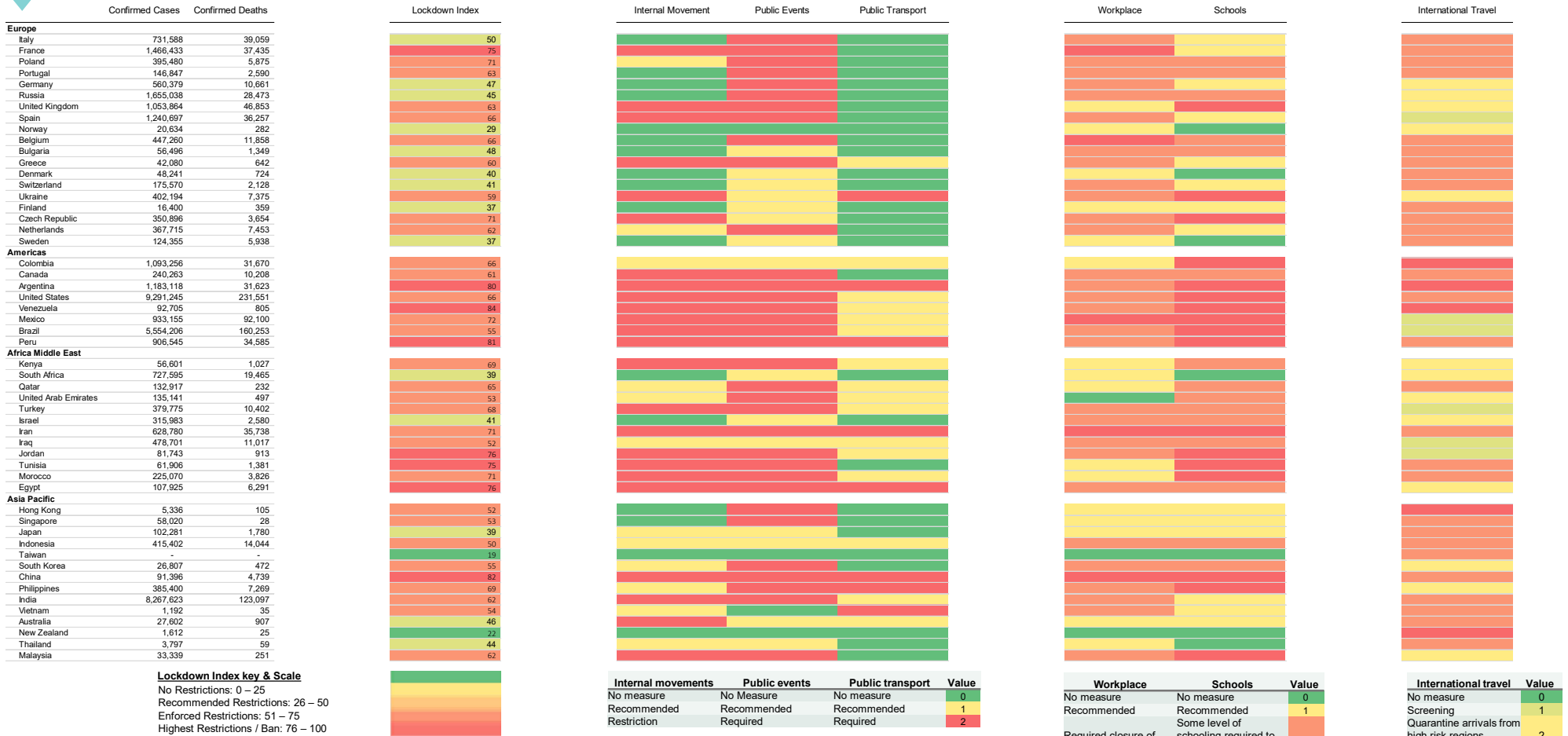
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Overview of the severity of Covid-19 and the resulting containment measures



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

For most countries, public transport has the most relaxed restrictions. Tunisia, Poland, Norway, and Greece 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, France is the exception, where international travel is freely permitted with no measures implemented.

Source: Knight Frank, Macrobond, Oxford University

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