

COVID-19 Dashboard

7 September 2020



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Summary

- **COVID-19:** The total number of global recorded cases has reached 27.1 million, with 889k reported deaths according to Johns Hopkins University & Medicine. On Friday, France recorded 9,000 new reported cases, the most since the pandemic began and in the UK, there were 2,988 new reported cases on Sunday, the highest daily increase since 22nd May.
- **Equities:** Equity market performance in Europe has been positive this morning, with the FTSE 250 adding +1.4% and the DAX +1.2%. The STOXX 600 and the CAC 40 are also higher, both up +1.0%. In Asia stocks were mixed, with the Kospi (+0.7%) and the S&P / ASX 200 (+0.3%) both higher on close, while the TOPIX (-0.4%), Hang Seng (-0.4%) and CSI 300 (-2.1%) were down on close. In the US, markets remain closed due to a national holiday, however, futures for the S&P 500 are marginally lower (-0.3%).
- **VIX:** The CBOE market volatility index is down -9.3% to 30.7, partially offsetting the sharp increase of last week amid a tech-based sell-off in US equity markets. The Euro Stoxx 50 volatility price index is currently 28.4.
- **Bonds:** The UK 10-year gilt yield and the German 10-year bund yield are currently at 0.25% and -0.48% respectively.
- **Currency:** Sterling and the euro have slightly depreciated to \$1.32 and \$1.18. Hedging benefits for US dollar denominated investors into the UK and the eurozone are 0.31% and 1.16% per annum on a five-year basis.
- **Oil:** Following Saudi Aramco's announcement on Sunday that it would cut prices on crude shipments to Asia, Brent Crude and the West Texas Intermediate (WTI) have decreased -1.7% and -1.9% to \$41.92 and \$39.00 per barrel.
- **Baltic Dry:** Following a decline of -8.4% over the previous seven trading sessions, the Baltic Dry lost a further -2.4% on Friday, down to 1,362, its lowest level since the end of July.
- **UK house prices:** The Halifax house price index rose +5.2% in August, compared to the same month a year prior. This is the largest annual gain since late 2016, driven by an increase in market activity over the post-lockdown summer period.

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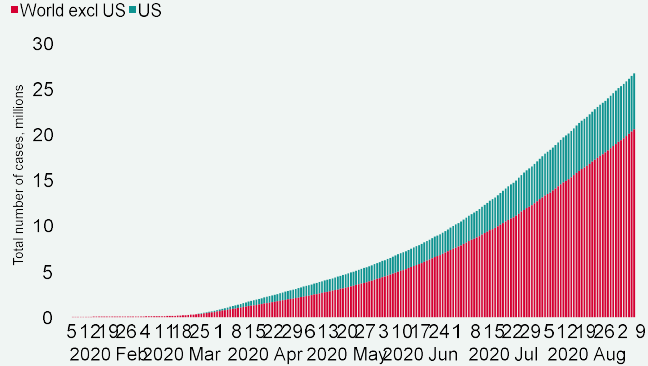
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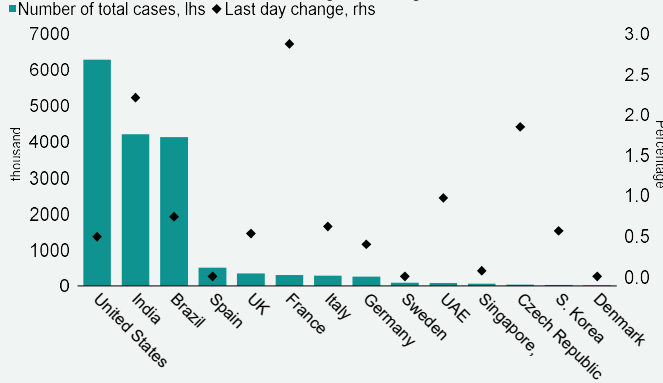
COVID-19

Cumulative number of global cases



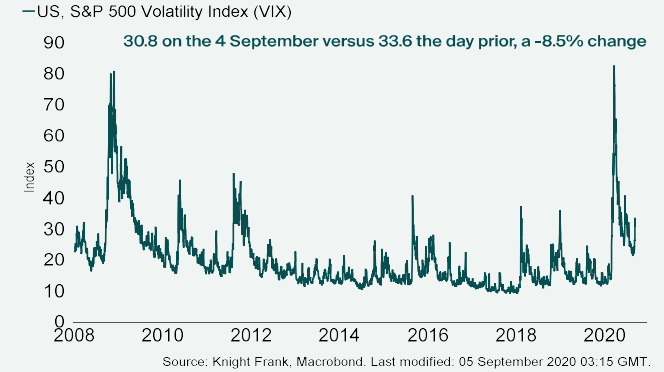
The number of total confirmed cases reached 26.8 million on the 6 September, an increase of 295k new cases over the day prior.

Cumulative number of cases by country



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

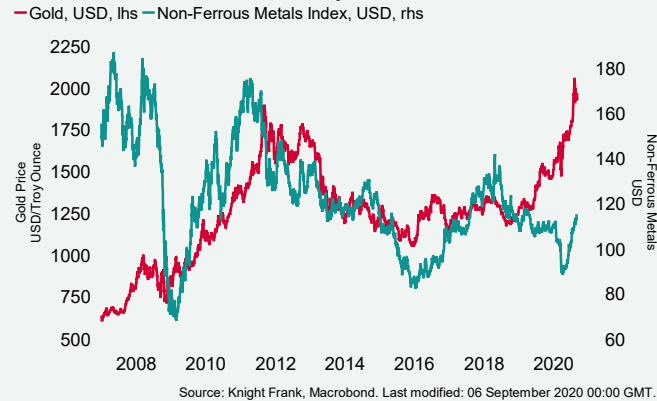
Volatility Index



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.

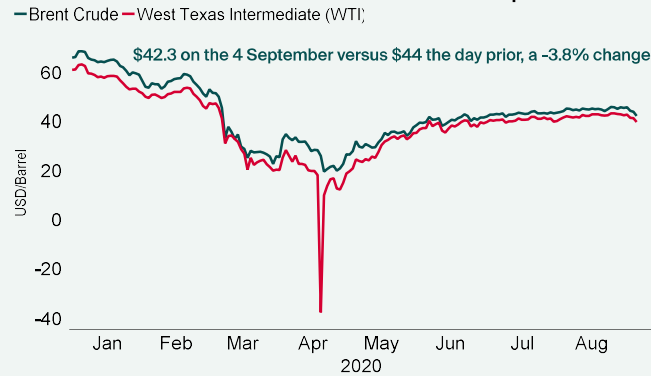
Commodities

Gold and non-ferrous metals price, USD



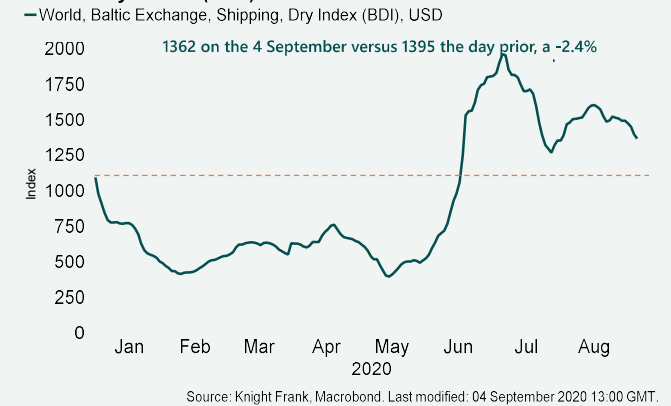
	4 Sep	D/D (%)	YTD (%)
Gold, USD	1933	-0.5	27.4
Non-Ferrous Metals, USD	116	1.8	4.2

Brent Crude and West Texas Intermediate oil price



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)



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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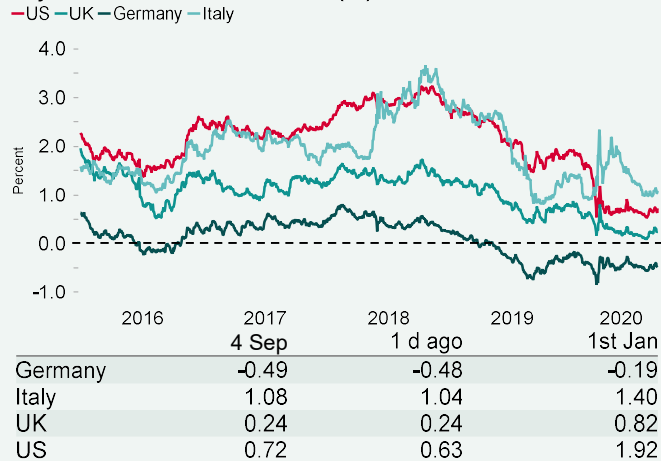
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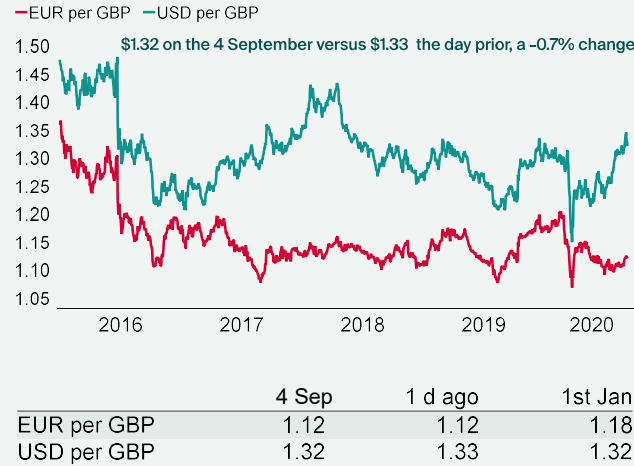
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Bonds and currencies

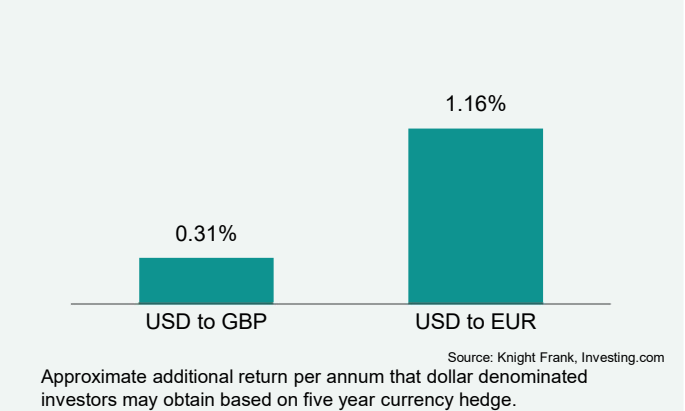
10y Government Bond Yield (%)



FX Spot Rates

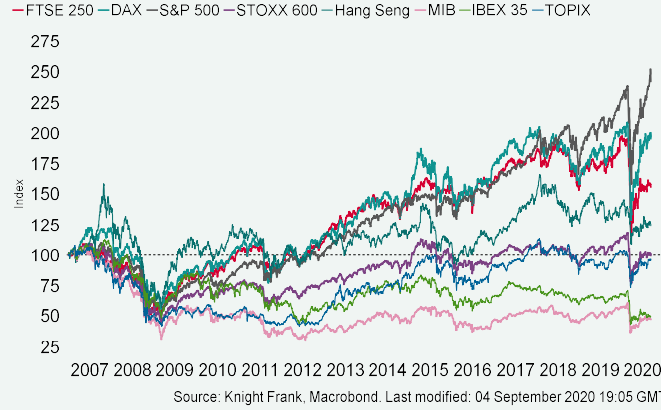


Currency hedging benefit p.a. based on a five year forward



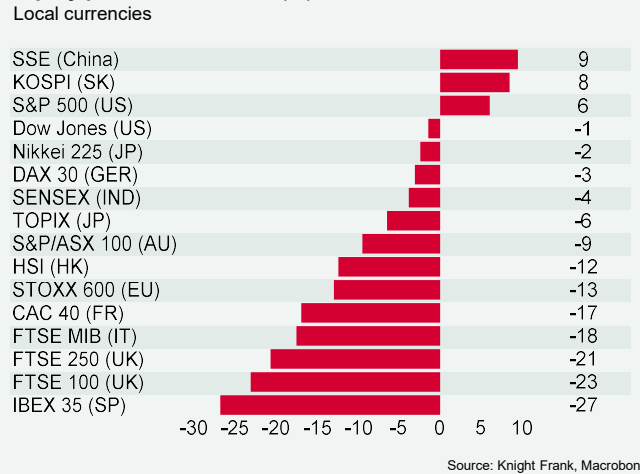
Equity and REIT

Equity performance: since previous cycle (1st Jan 2007 = 100)

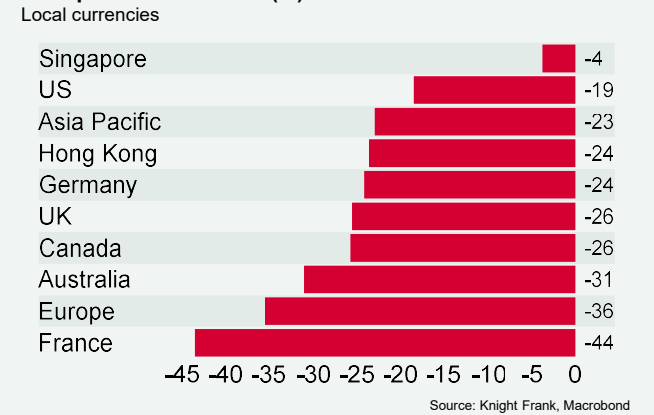


The chart presents the performance of selected equity indexes since the months prior to the global financial crisis (2007).

Equity performance: YTD (%)



REIT performance: YTD (%)



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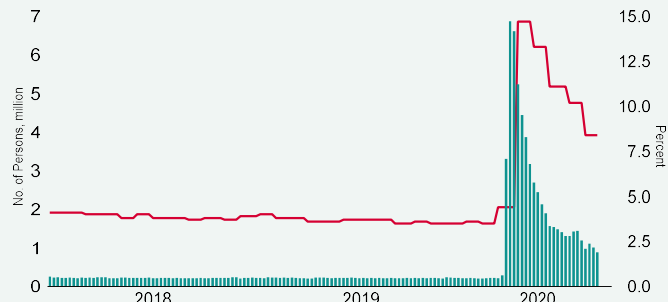


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US indicators

US Unemployment

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



Source: Knight Frank, Macrobond. Last data for the week commencing the 24 August.

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, %)

— Trump — Biden



Source: Knight Frank, Macrobond. Last modified: 07 September 2020 07:00 GMT.

	7 Sep	1 week ago	1 month ago
Trump	44%	46%	44%
Biden	59%	58%	57%

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

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	2.00%	4.50%	-250 bps
China	4.35%	4.35%	0 bps
India	4.00%	5.15%	-115 bps
Mexico	4.50%	7.25%	-275 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	8.25%	12.00%	-375 bps

Central Bank Assets Purchasing Programme

	Lastest (\$)	MoM (%)	YoY (%)
Advanced Economies			
Australia	217 bn	9.9%	82.7%
Canada	405 bn	4.8%	351.0%
Euro Area	7.61 tn	2.4%	46.7%
France	1.87 tn	4.8%	44.3%
Germany	2.73 tn	5.8%	39.2%
Italy	1.49 tn	7.3%	33.1%
Sweden	147 bn	4.0%	58.4%
Japan	6.44 tn	2.2%	19.4%
United Kingdom	795 bn	0.0%	0.1%
United States	7.02 tn	1.0%	86.6%
Developing Economies			
Brazil	571 bn	7.9%	3.9%
China	5.11 tn	-0.6%	-1.7%
India	377 bn	6.1%	31.3%
Mexico	218 bn	3.7%	13.2%
Russia	650 bn	2.9%	3.1%
Saudi Arabia	483 bn	0.3%	-6.1%
South Korea	471 bn	5.9%	8.2%
Turkey	97.6 bn	-7.5%	-7.3%

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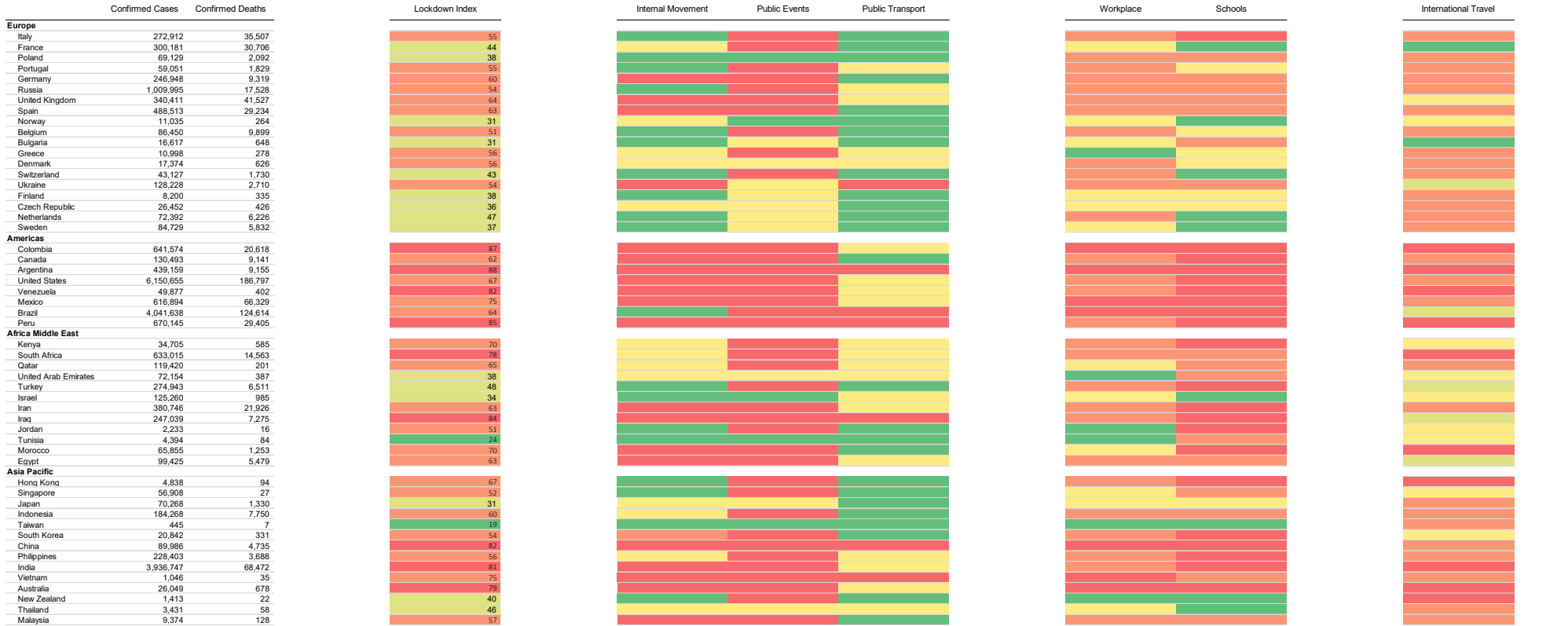
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Overview of the severity of Covid-19 and the resulting containment measures



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
Some level of	Some level of	
Required closure of some sectors	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 19, 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. Taiwan, Tunisia, Norway, Poland, Netherlands 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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