

# COVID-19 Dashboard

25 September 2020



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## Summary

- **Equities:** In Europe, equities are mostly lower, with declines recorded this morning by the CAC 40 (-1.0%), the DAX (-0.9%) and the STOXX 600 (-0.3%). However, the FTSE 250 has seen gains of +0.3%. In Asia, the S&P / ASX 200 (+1.5%), Topix (+0.5%), Kospi (+0.3%) and the CSI 300 (+0.2%) all closed higher. Whereas, the Hang Seng was -0.3% lower on close. In the US, futures for the S&P 500 are down -0.1%.
- **VIX:** The CBOE market volatility index is up +2.1% this morning to 29.1 and the Euro Stoxx 50 vix has increased +2.0% to 28.9. Both indices remain elevated compared to their long term averages of 19.8 and 23.9.
- **Bonds:** The UK 10-year gilt yield, German 10-year bund yield and the Italian 10-year bond yield have all compressed -2bps to 0.19%, -0.52% and 0.86%. Meanwhile, the US 10-year treasury yield is flat at 0.66%.
- **Currency:** The euro has appreciated to \$1.17 and sterling is currently \$1.28. Hedging benefits for US dollar denominated investors into the UK and the eurozone remains at 0.33% and 1.11% per annum on a five-year basis.
- **Baltic Dry:** The Baltic Dry increased for the sixth consecutive session yesterday, up +12.6% to 1,605. This is the highest the index has been in over two months and the index's largest daily increase since June. Yesterday's rise was predominantly driven by a +22.8% increase in capesize rates, reflecting greater demand of iron ore shipments out of Brazil and Australia, according to Reuters.
- **Gold:** Gold was stable yesterday at \$1,865 per troy ounce. While this remains +22% higher than it was at the start of January, the price of gold is -10% lower than the record price reached on 6<sup>th</sup> August.
- **US Unemployment:** There were 870k new unemployment applications in the week to 19<sup>th</sup> September, above expectations of 840k and higher than the previous week's reading of 866k.
- **UK Debt:** The UK government borrowed £35.9bn in August, below market expectations of £38bn, but £30.5bn higher than the same month one year ago. Public sector net debt excluding public sector banks (PSND ex) at the end of August was just over £2tn, £249.5bn more than the same point last year. PSND ex now equates to circa 101.9% of GDP.

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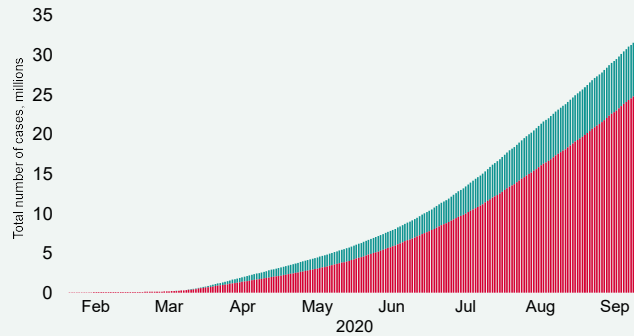


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## COVID-19

### Cumulative number of global cases

■ World excl US ■ US

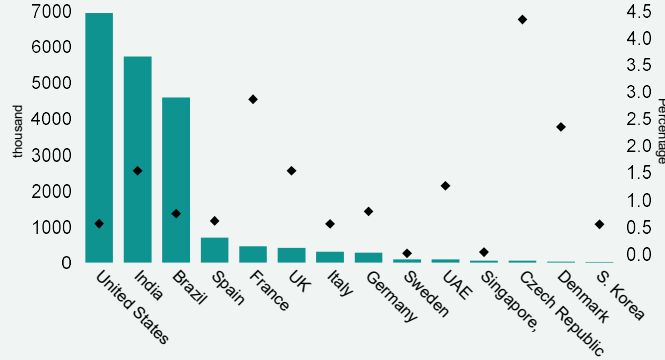


Source: Knight Frank, Macrobond. Last modified: 24 September 2020 11:01 GMT.

The number of total confirmed cases reached 31.8 million on the 24 September, an increase of 298k new cases over the day prior.

### Cumulative number of cases by country

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

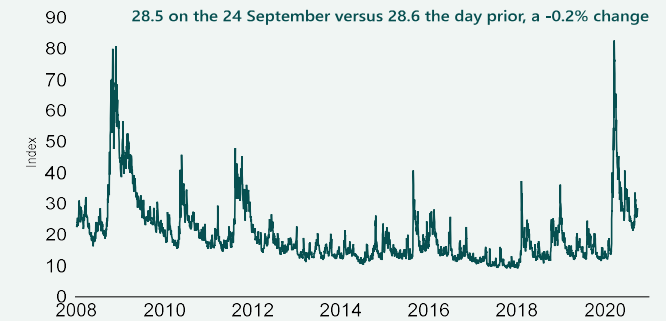


Source: Knight Frank, Macrobond. Last modified: 24 September 2020 00:00 GMT.

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

### Volatility Index

—US, S&P 500 Volatility Index (VIX)



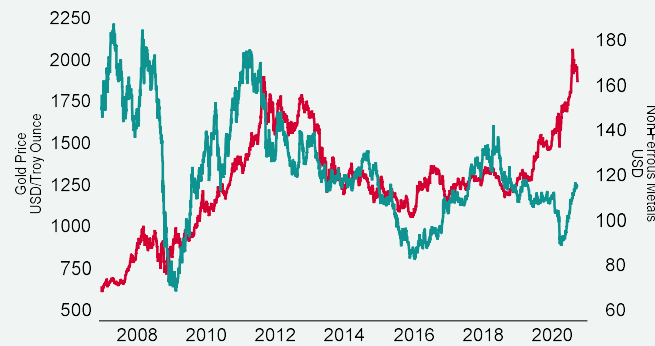
Source: Knight Frank, Macrobond. Last modified: 25 September 2020 03:15 GMT.

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

—Gold, USD, lhs —Non-Ferrous Metals Index, USD, rhs

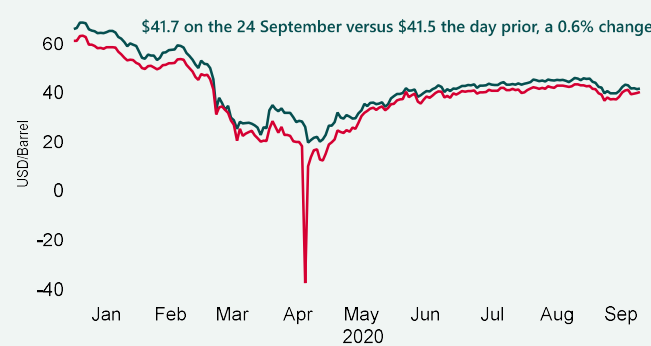


Source: Knight Frank, Macrobond. Last modified: 25 September 2020 00:00 GMT.

	24 Sep	D/D (%)	YTD (%)
Gold, USD	1865	-1.8	22.9
Non-Ferrous Metals, USD	115	-0.2	4.0

### Brent Crude and West Texas Intermediate oil price

—Brent Crude —West Texas Intermediate (WTI)

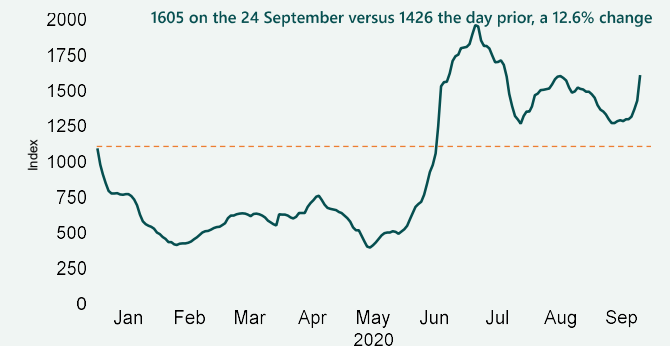


Source: Knight Frank, Macrobond. Last modified: 24 September 2020 23:10 GMT.

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: 24 September 2020 13:30 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.

## Research

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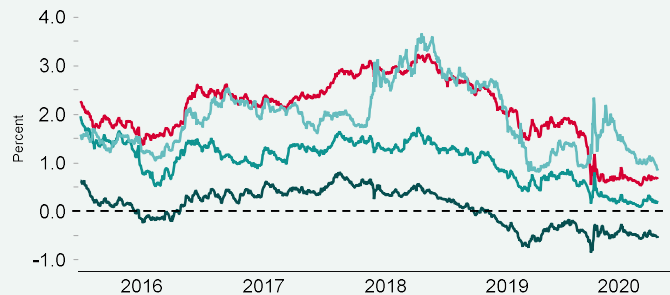


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## Bonds and currencies

### 10y Government Bond Yield (%)

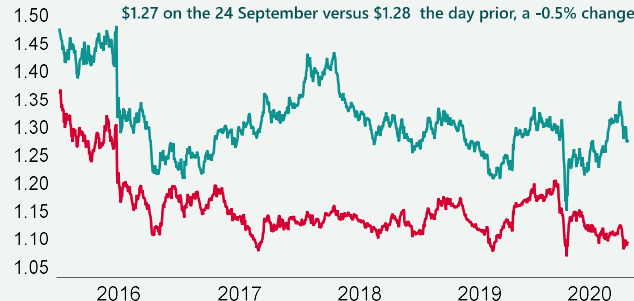
—US —UK —Germany —Italy



	24 Sep	1 d ago	1st Jan
Germany	-0.54	-0.52	-0.19
Italy	0.88	0.85	1.40
UK	0.22	0.22	0.74
US	0.67	0.68	1.92

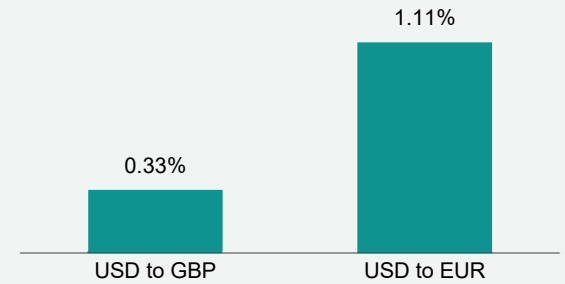
### FX Spot Rates

—EUR per GBP —USD per GBP



	24 Sep	1 d ago	1st Jan
EUR per GBP	1.09	1.09	1.18
USD per GBP	1.27	1.28	1.32

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

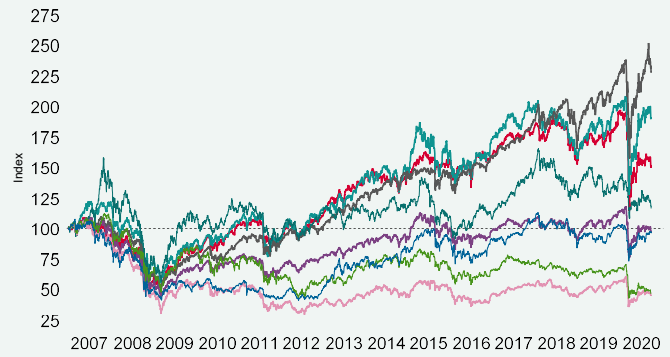


Source: Knight Frank, Investing.com  
Approximate additional return per annum that dollar denominated investors may obtain based on five year currency hedge.

## 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

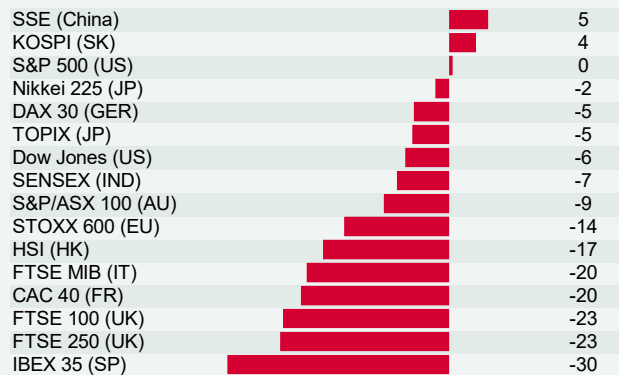


Source: Knight Frank, Macrobond. Last modified: 24 September 2020 19:05 GMT.

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

### Equity performance: YTD (%)

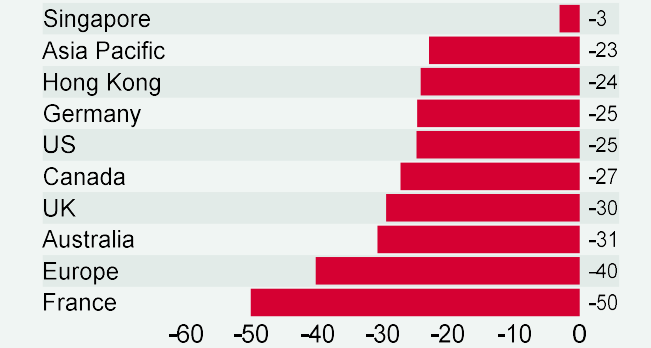
Local currencies



Source: Knight Frank, Macrobond

### REIT performance: YTD (%)

Local currencies



Source: Knight Frank, Macrobond

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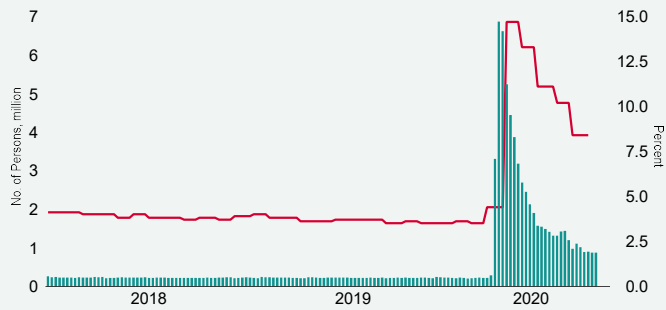


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## US indicators

### US Unemployment

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



Source: Knight Frank, Macrobond. Last data for the week commencing the 14 September.

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: 25 September 2020 05:00 GMT.

	25 Sep	1 week ago	1 month ago
Trump	46%	45%	45%
Biden	58%	59%	59%

## Monetary policy

### Central Banks Policy Rates

	Current Rate	Rate at 1/1/2020	YTD Change
<b>Advanced Economies</b>			
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
<b>Developing Economies</b>			
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 (%)
<b>Advanced Economies</b>			
Australia	215 bn	5.2%	80.3%
Canada	413 bn	1.9%	357.1%
Euro Area	7.71 tn	1.4%	49.5%
France	1.86 tn	-0.2%	48.9%
Germany	2.74 tn	1.7%	40.9%
Italy	1.51 tn	1.5%	32.7%
Sweden	144 bn	0.7%	53.0%
Japan	6.61 tn	4.9%	25.6%
United Kingdom	763 bn	-0.4%	-4.0%
United States	7.09 tn	1.3%	84.0%
<b>Developing Economies</b>			
Brazil	502 bn	-12.1%	-4.8%
China	5.3 tn	3.7%	5.2%
India	377 bn	0.7%	37.4%
Mexico	220 bn	1.1%	11.1%
Russia	684 bn	5.3%	5.6%
Saudi Arabia	483 bn	0.3%	-6.1%
South Korea	443 bn	-6.0%	5.7%
Turkey	98.2 bn	-4.9%	-6.5%

## Fiscal policy

### Fiscal measures details

<b>UK</b>	<b>£330bn+</b> : 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.
<b>USA</b>	<b>\$3.0tn</b> : 2 <sup>nd</sup> package passed 23 <sup>rd</sup> April, worth \$483 billion, increasing US stimulus to \$3 trillion (15% GDP).
<b>EU</b>	<b>€1.35tn</b> : This includes €240bn to the European Stability Mechanism, and €200bn in EIB guarantees. On 4 <sup>th</sup> June, the ECB extended the pandemic purchase programme (PEPP) until June 2021, purchasing an additional €600bn in bonds, taking total stimulus to €1.35tn. <b>€750bn</b> : a new recovery package for EU member states announced in July including €390bn in grants and €360 in interest free loans.
<b>Germany</b>	<b>€880bn</b> : The emergency aid measure approved on Monday 23 <sup>rd</sup> 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.
<b>Italy</b>	<b>€400bn</b> : The stimulus announced on the 7 <sup>th</sup> April <b>€25bn</b> : Emergency package to support businesses and families.
<b>France</b>	<b>€100bn</b> : The stimulus announced on the 3 <sup>rd</sup> September <b>€45bn</b> : The aid package for SMEs and other hard-hit sectors announced by the French government on 17 <sup>th</sup> of March. Includes deferred corporate tax, social security charges and two months state payments to laid off workers. <b>€300bn</b> : government backed loans.
<b>Spain</b>	<b>€200bn</b> : 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.
<b>Japan</b>	<b>\$2.2tn</b> : 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.
<b>Hong Kong</b>	<b>HK\$10k</b> 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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