

# Economic Dashboard



01 February 2021

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## Summary

- **Equities:** Globally, equities are higher. In Europe, gains have been recorded by the DAX (+1.5%), STOXX 600 (+1.4%), CAC 40 (+1.4%) and FTSE 250 (+0.9%). In Asia, the KOSPI (+2.7%), Hang Seng (+2.2%), CSI 300 (+1.2%), TOPIX (+1.2%) and S&P / ASX 200 (+0.8%) were all up on close. In the US, futures for the S&P 500 and Dow Jones Industrial Average (DJIA) are currently +1.0% and +0.8%.
- **VIX:** Following a +16% increase over Friday, the CBOE market volatility index has decreased -4.8% this morning to 31.6. The Euro Stoxx 50 volatility index is also lower, down -5.6% to 27.4. Both indexes remain above their long term average.
- **Bonds:** The UK 10-year gilt yield has compressed -1bp to 0.32%, while the US 10-year treasury yield has softened +1bp to 1.08%. The German 10-year bund yield has held steady at -0.52%.
- **Currency:** Sterling and euro are currently \$1.37 and \$1.21. Hedging benefits for US dollar denominated investors into the UK and the eurozone are at 0.55% and 1.36% per annum on a five-year basis.
- **Baltic Dry:** The Baltic Dry decreased for the sixth successive session on Friday, down -1.2% to 1,452, which is remains -22% lower than the four-month high seen in mid January.
- **Oil:** The West Texas Intermediate (WTI) has increased +0.8% this morning to \$52.63, while Brent Crude has declined -0.5% to \$55.63.
- **Silver:** The price of silver has increased to levels last seen in 2013, with prices up +11% this morning to \$30 per troy ounce. iShares, the world's largest silver-backed exchange traded fund, had recorded circa \$1 billion in inflows on Friday. The increase in volume is supported by interest from retail traders.
- **South Korean Exports:** South Korea's exports increased +11.4% year on year in January to US\$48.0 billion, marking the third consecutive month of gains, following a +12.6% annual increase in December. The growth in exports was driven by a robust shipment of semiconductors and automobiles, which increased +21.7% and +40.2% over the year, respectively.

## Research

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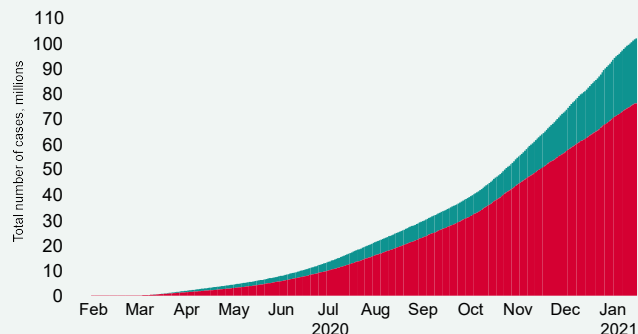
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## COVID-19

### Cumulative number of global cases

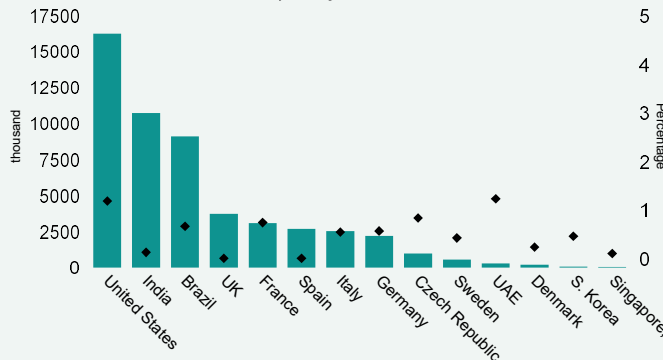
■ World excl US ■ US



The number of total confirmed cases reached 101.9 million on the 31 January, an increase of 356k new cases over the day prior.

### Cumulative number of cases by country

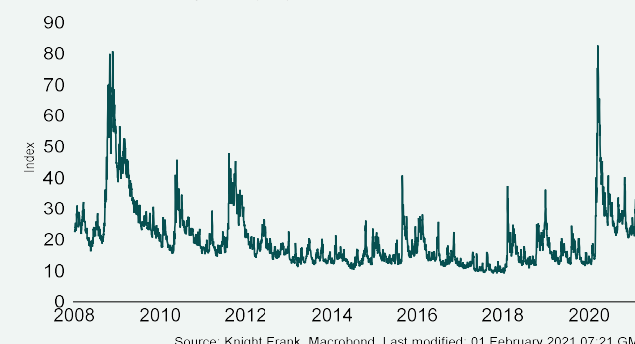
■ Number of total cases, lhs ◆ Last day change, rhs



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)

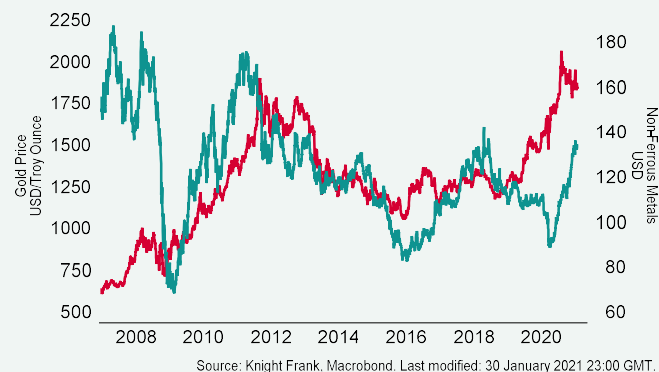


The CBOE VIX (colloquially known as the Investor fear gauge) is an indication of near term S&P 500 stock price volatility based on underlying options.

## Commodities

### Gold and non-ferrous metals price, USD

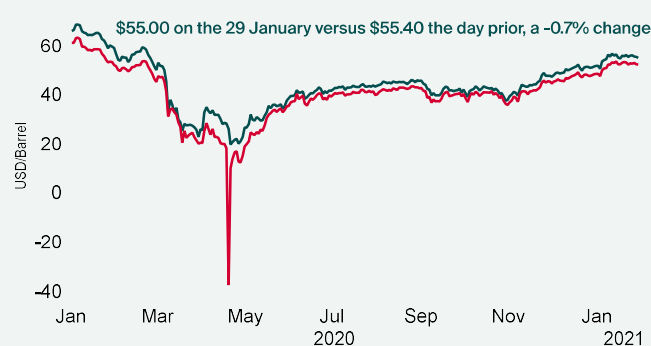
—Gold, USD, lhs —Non-Ferrous Metals Index, USD, rhs



	29 Jan	D/D (%)	YTD (%)
Gold, USD	1846	0.5	-2.7
Non-Ferrous Metals, USD	132	-0.8	1.8

### Brent Crude and West Texas Intermediate oil price

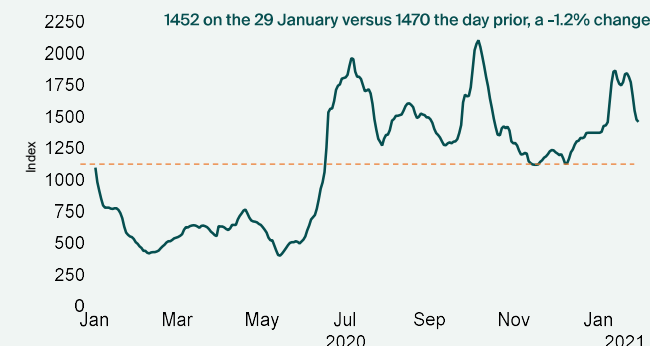
—Brent Crude —West Texas Intermediate (WTI)



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



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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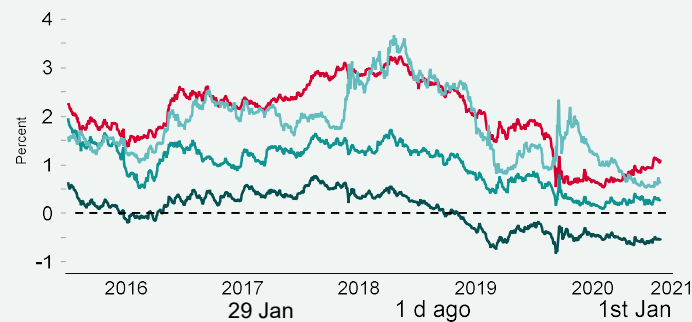


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## Bonds and currencies

### 10y Government Bond Yield (%)

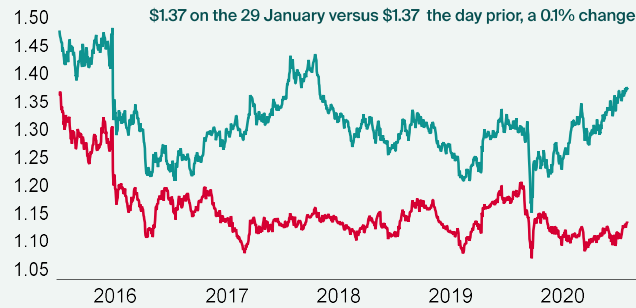
—US —UK —Germany —Italy



	29 Jan	1 d ago	1st Jan
Germany	-0.52	-0.55	-0.21
Italy	0.64	0.63	1.40
UK	0.32	0.28	0.74
US	1.11	1.07	1.92

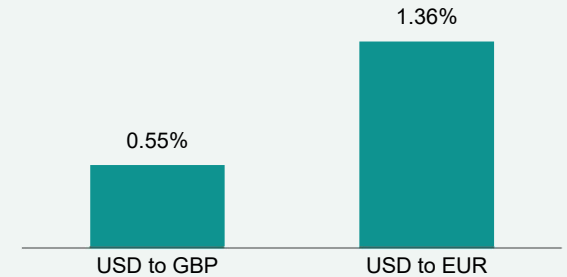
### FX Spot Rates

—EUR per GBP —USD per GBP



	29 Jan	1 d ago	1st Jan
EUR per GBP	1.13	1.10	1.18
USD per GBP	1.37	1.37	1.32

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

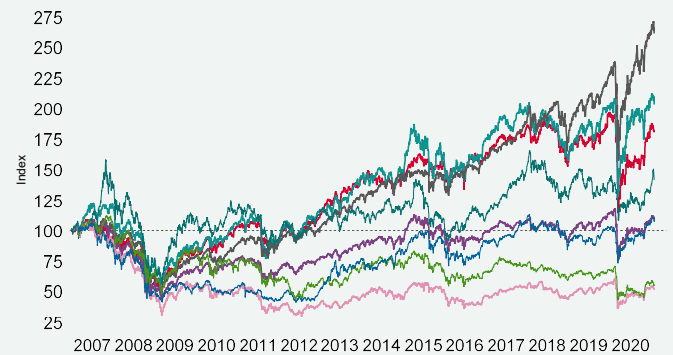


Source: Knight Frank, Investing.com  
Approximate additional return per annum that dollar denominated investors may obtain based on five year currency hedge.

## Equity and REIT

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

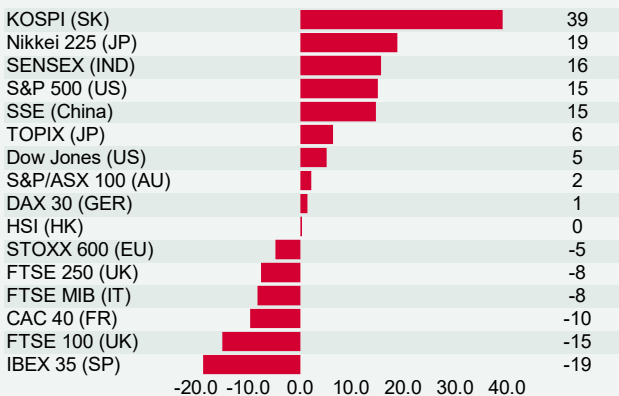
—FTSE 250 —DAX —S&P 500 —STOXX 600 —Hang Seng —MIB —IBEX 35 —TOPIX



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

### Equity performance: since 1st Jan 2020 (%)

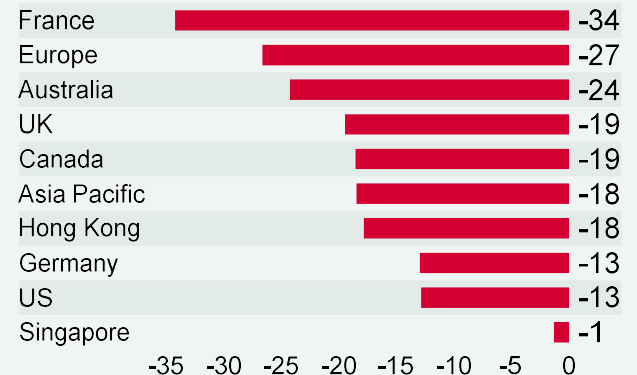
Local currencies



Source: Knight Frank, Macrobond

### REIT performance: since 1st Jan 2020 (%)

Local currencies



Source: Knight Frank, Macrobond

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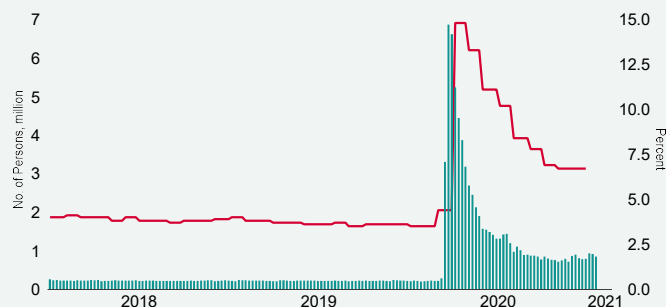


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## US unemployment

### US Unemployment

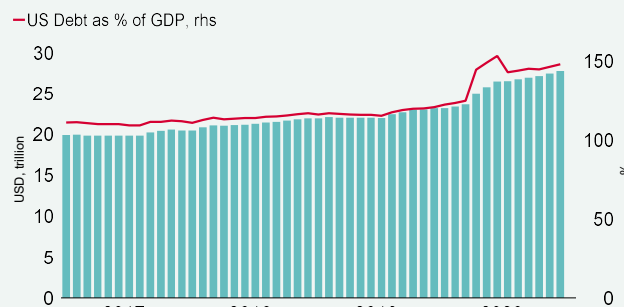
— Monthly Unemployment Rate, rhs — New Weekly Jobless Claims, lhs



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

### US Public Debt

■ Public Debt, All, Marketable & Non-Marketable, Total, lhs — US Debt as % of GDP, rhs



The chart presents the amount of American government debt (left axis) compared to debt as a percentage of total US GDP (right axis).

## Monetary policy

### Central Banks Policy Rates

	Current Rate	Rate at 1/1/2020	YTD Change
<b>Advanced Economies</b>			
Australia	0.10%	0.75%	0 bps
Canada	0.25%	1.75%	0 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%	0 bps
Japan	-0.10%	-0.10%	0 bps
United Kingdom	0.10%	0.75%	0 bps
United States	0.25%	1.75%	0 bps
<b>Developing Economies</b>			
Brazil	2.00%	4.50%	0 bps
China	4.35%	4.35%	0 bps
India	4.00%	5.15%	0 bps
Mexico	4.25%	7.25%	0 bps
Russia	4.25%	6.25%	0 bps
Saudi Arabia	1.00%	2.25%	0 bps
South Korea	0.50%	1.25%	0 bps
Turkey	17.00%	12.00%	0 bps

### Central Bank Assets Purchasing Programme

	Lastest (\$)	MoM (%)	YoY (%)
<b>Advanced Economies</b>			
Australia	257 bn	4.0%	122.4%
Canada	411 bn	4.3%	365.4%
Euro Area	8.52 tn	-0.3%	64.5%
France	2.14 tn	6.4%	66.7%
Germany	3 tn	-0.4%	59.9%
Italy	1.67 tn	4.5%	50.0%
Sweden	158 bn	-1.3%	68.3%
Japan	6.77 tn	-1.6%	30.0%
United Kingdom	1.03 tn	2.3%	76.4%
United States	7.4 tn	0.3%	78.4%
<b>Developing Economies</b>			
Brazil	460 bn	-4.3%	-1.2%
China	5.94 tn	2.2%	11.8%
India	398 bn	0.9%	38.4%
Mexico	231 bn	-1.2%	14.3%
Russia	669 bn	-1.5%	0.0%
Saudi Arabia	492 bn	-0.7%	-3.5%
South Korea	491 bn	4.3%	17.3%
Turkey	114 bn	-1.1%	0.6%

## 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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## 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		2,553,032	88,516														
France		3,186,354	75,673														
Poland		1,513,385	37,180														
Portugal		720,516	12,482														
Germany		2,225,659	57,163														
Russia		3,808,348	72,029														
United Kingdom		3,817,176	106,158														
Spain		2,743,119	58,319														
Norway		62,966	564														
Belgium		710,153	21,092														
Bulgaria		218,748	9,045														
Greece		156,957	5,796														
Denmark		198,472	2,125														
Switzerland		521,320	9,381														
Ukraine		1,261,546	23,860														
Finland		45,238	671														
Czech Republic		984,774	16,308														
Netherlands		978,475	13,998														
Sweden		566,957	11,591														
Americas																	
Colombia		2,094,884	53,983														
Canada		782,467	20,005														
Argentina		1,927,239	47,974														
United States		26,185,355	441,319														
Venezuela		126,927	1,189														
Mexico		1,864,260	158,536														
Brazil		9,204,731	224,504														
Peru		1,138,239	41,026														
Africa Middle East																	
Kenya		100,773	1,763														
South Africa		1,453,761	44,164														
Qatar		151,335	248														
United Arab Emirates		303,609	850														
Turkey		2,477,463	25,993														
Israel		643,435	4,796														
Iran		1,417,999	57,959														
Iraq		619,636	13,047														
Jordan		326,855	4,316														
Tunisia		208,885	6,754														
Morocco		471,157	8,275														
Egypt		165,951	9,316														
Asia Pacific																	
Hong Kong, China		10,452	181														
Singapore		59,536	29														
Japan		390,166	5,753														
Indonesia		1,078,314	29,998														
South Korea		78,508	1,425														
China		89,564	4,636														
Philippines		525,618	10,749														
India		10,757,610	154,392														
Vietnam		1,817	35														
Australia		28,818	909														
New Zealand		2,304	25														
Thailand		19,618	77														
Malaysia		214,959	760														
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		Workplace		Schools		Value		International travel		Value	
No measure		No Measure		No measure		0		No measure		No measure		0		No measure		0	
Recommended		Recommended		Recommended		1		Recommended		Recommended		1		Screening		1	
Restriction		Required		Required		2		Required closure of some sectors		schooling required to close		2		Quarantine arrivals from high risk regions		2	
								Required closure for all but essential work		All schools required to close		3		Ban on high risk regions		3	
														Total border closure		4	