

# Economic Dashboard



04 February 2021

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## Summary

- **Equities:** In Europe, stocks are higher this morning, with the FTSE 250, DAX and CAC 40 all up +0.3%, while the STOXX 600 has added +0.1%. In Asia, the KOSPI (-1.3%), S&P / ASX 200 (-0.9%), Hang Seng (-0.7%), TOPIX (-0.3%) and CSI 300 (-0.2%) were all down on close. In the US, futures for the S&P 500 are currently +0.1%, while the Dow Jones Industrial Average (DJIA) is flat.
- **VIX:** Following a -9% decrease over Wednesday, the CBOE market volatility index has increased +1.2% this morning to 23.2, remaining above its long term average (LTA) of 19.5. Meanwhile, the Euro Stoxx 50 volatility index is lower, down -4.2% to 21.8, remaining below its LTA of 23.9.
- **Bonds:** The UK 10-year gilt yield, US 10-year treasury yield and German 10-year bund yield have all held steady this morning at 0.37%, 1.14% and -0.47%. The UK 10-year gilt yield is the highest it has been since November 2020, while the US 10-year treasury yield is at its highest since 12<sup>th</sup> January 2021.
- **Currency:** Sterling depreciated to \$1.36, while the euro is currently \$1.20. Hedging benefits for US dollar denominated investors into the UK and the eurozone are at 0.57% and 1.37% per annum on a five-year basis.
- **Baltic Dry:** The Baltic Dry decreased for the ninth consecutive session on Wednesday, down -3.8% to 1,327, its lowest level since 22<sup>nd</sup> December. The index is now -29% below the four-month high seen in mid January. The capesize index continues to push prices down, contracting -8.9% yesterday to a new 7 week low.
- **Oil:** The West Texas Intermediate (WTI) and Brent Crude continue to increase, up +0.7% and +0.5% this morning to \$56.05 and \$58.73, their highest prices since January and February 2020, respectively. This comes as Royal Dutch Shell (\$21.7bn), BP (\$18.1bn) and Exxon Mobil (\$22.4bn) all posted annual losses in 2020.
- **Electric Vehicles:** Despite total European car sales declining -24% over 2020, sales of fully electric and plug in hybrids across the European Union totalled 1.046 million vehicles in 2020, up from 387,808 in 2019, accounting for more than 10% of overall sales. While petrol and diesel vehicle sales declined -37% and -32%, respectively over 2020, petrol cars remain the largest sellers, accounting for circa 48% of all European car sales.

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# Economic Dashboard



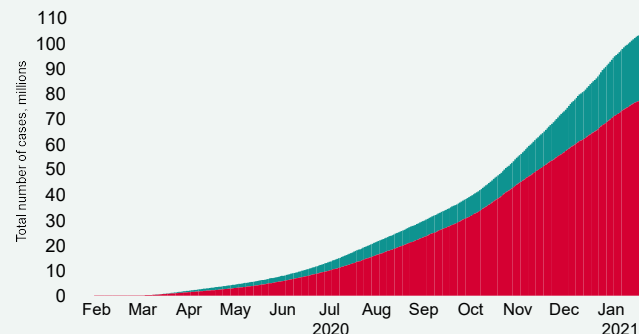
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## COVID-19

### Cumulative number of global cases

■ World excl US ■ US

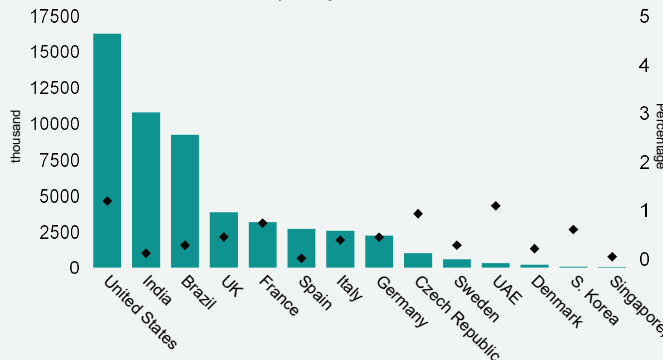


Source: Knight Frank, Macrobond. Last modified: 03 February 2021 10:11 GMT.

The number of total confirmed cases reached 103.2 million on the 3 February, an increase of 257k new cases over the day prior.

### Cumulative number of cases by country

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

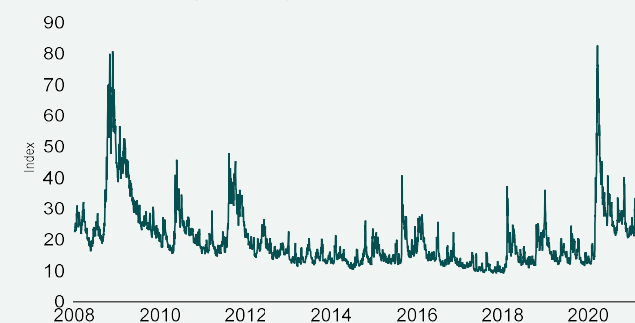


Source: Knight Frank, Macrobond.

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)



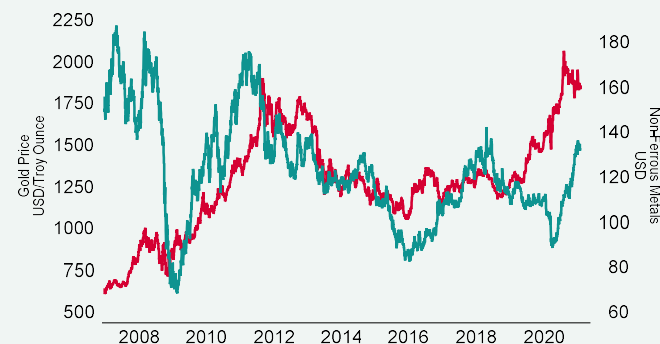
Source: Knight Frank, Macrobond. Last modified: 03 February 2021 19:45 GMT.

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

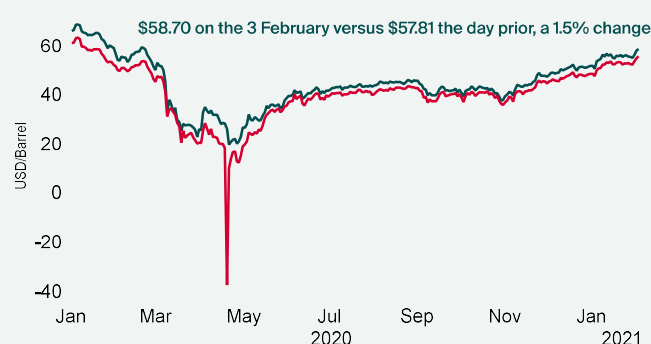


Source: Knight Frank, Macrobond. Last modified: 03 February 2021 23:00 GMT.

	3 Feb	D/D (%)	YTD (%)
Gold, USD	1833	-1.3	-3.4
Non-Ferrous Metals, USD	133	-0.4	2.3

### Brent Crude and West Texas Intermediate oil price

—Brent Crude —West Texas Intermediate (WTI)

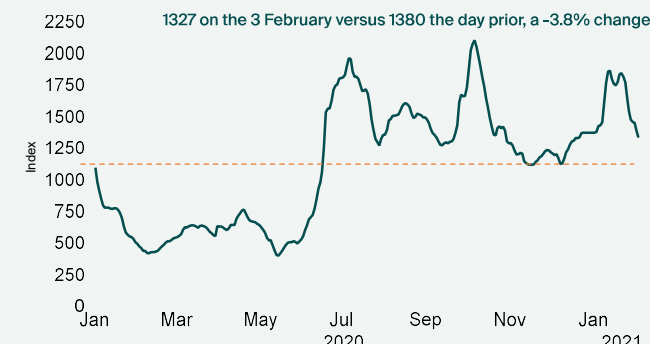


Source: Knight Frank, Macrobond. Last modified: 03 February 2021 23:45 GMT.

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: 03 February 2021 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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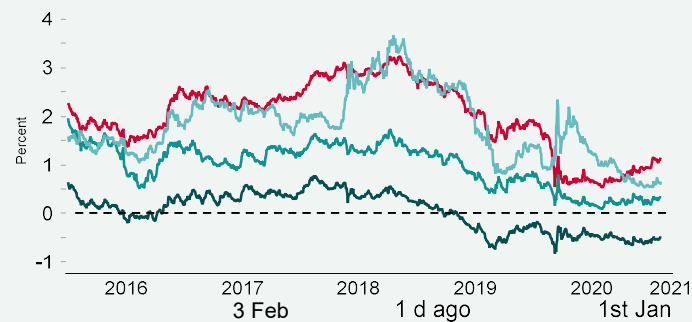


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## Bonds and currencies

### 10y Government Bond Yield (%)

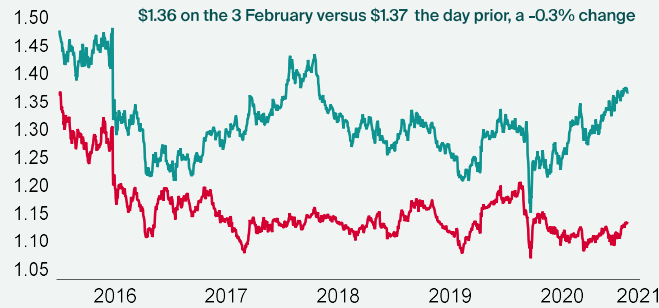
—US —UK —Germany —Italy



	3 Feb	1 d ago	1st Jan
Germany	-0.47	-0.50	-0.21
Italy	0.59	0.65	1.40
UK	0.37	0.35	0.74
US	1.15	1.12	1.92

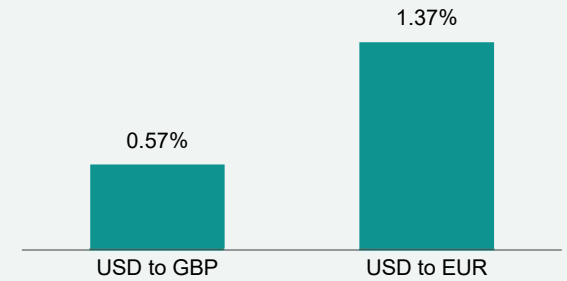
### FX Spot Rates

—EUR per GBP —USD per GBP



	3 Feb	1 d ago	1st Jan
EUR per GBP	1.13	1.10	1.18
USD per GBP	1.36	1.37	1.32

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

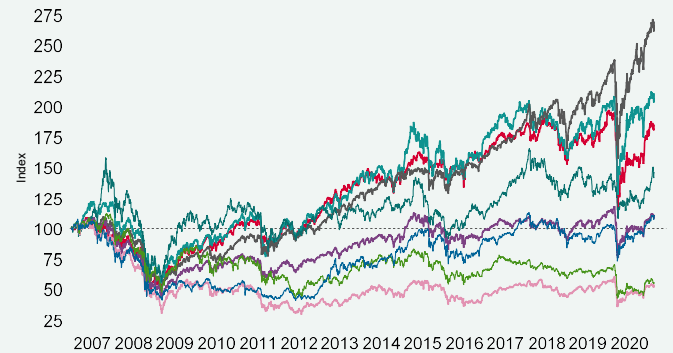


Source: Knight Frank, Investing.com  
Approximate additional return per annum that dollar denominated investors may obtain based on five year currency hedge.

## 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

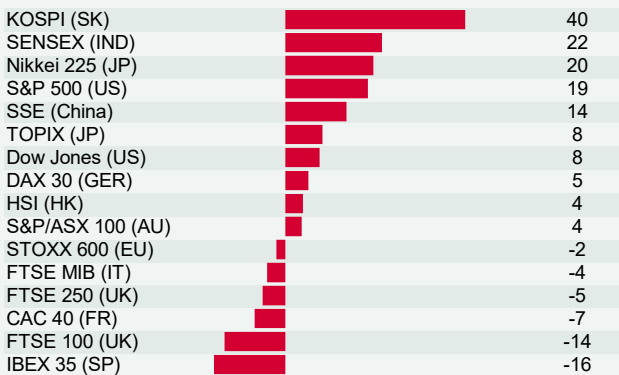


Source: Knight Frank, Macrobond. Last modified: 03 February 2021 18:06 GMT.

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

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

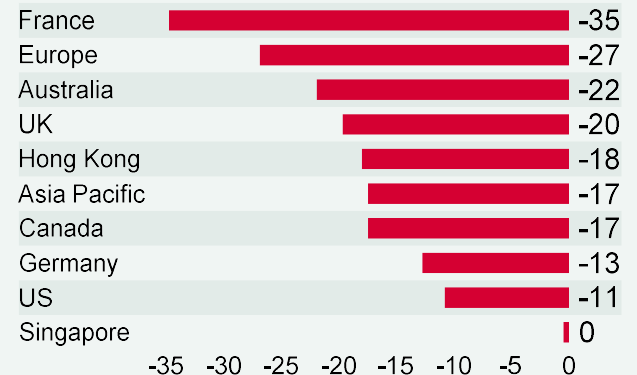
Local currencies



Source: Knight Frank, Macrobond

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

Local currencies



Source: Knight Frank, Macrobond

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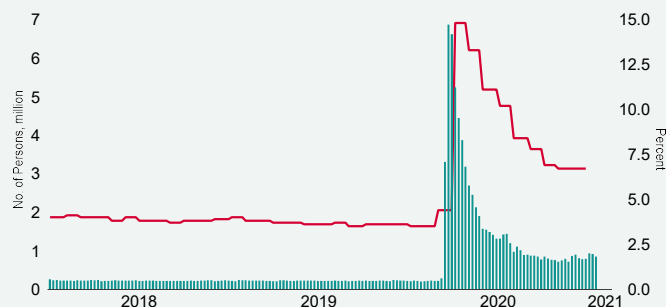


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## US unemployment

### US Unemployment

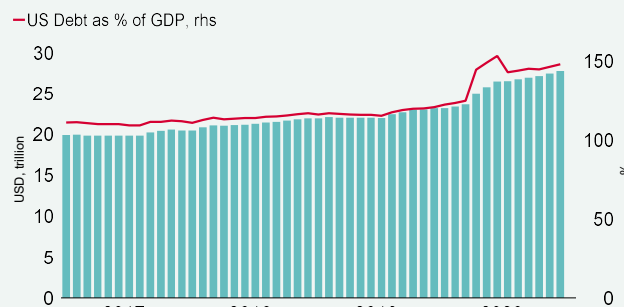
— Monthly Unemployment Rate, rhs — New Weekly Jobless Claims, lhs



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	428 bn	4.1%	368.0%
Euro Area	8.53 tn	-0.2%	65.5%
France	2.14 tn	6.7%	66.7%
Germany	2.99 tn	-1.1%	63.6%
Italy	1.67 tn	4.5%	50.0%
Sweden	159 bn	0.7%	70.5%
Japan	6.78 tn	-0.4%	27.0%
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	3.7%	2.7%

## 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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	Confirmed Cases	Confirmed Deaths	Lockdown Index	Internal Movement	Public Events	Public Transport	Workplace	Schools	International Travel
Europe									
Italy	2,583,790	89,820	79						
France	3,239,256	77,209	64						
Poland	1,527,016	37,897	71						
Portugal	740,944	13,257	79						
Germany	2,252,504	59,776	83						
Russia	3,858,367	73,497	50						
United Kingdom	3,871,825	109,335	81						
Spain	2,883,465	60,370	71						
Norway	63,839	574	70						
Belgium	716,395	21,216	60						
Bulgaria	221,266	9,218	54						
Greece	159,866	5,878	81						
Denmark	199,782	2,170	70						
Switzerland	528,524	9,530	60						
Ukraine	1,270,001	24,276	55						
Finland	46,049	685	52						
Czech Republic	1,003,657	16,683	72						
Netherlands	989,237	14,169	90						
Sweden	580,916	11,939	69						
Americas									
Colombia	2,125,622	54,877	81						
Canada	794,412	20,361	75						
Argentina	1,952,744	48,539	79						
United States	26,554,792	450,681	72						
Venezuela	128,315	1,209	84						
Mexico	1,886,245	161,240	72						
Brazil	9,339,420	227,563	73						
Peru	1,158,337	41,538	74						
Africa Middle East									
Kenya	101,159	1,769	59						
South Africa	1,463,016	45,344	72						
Qatar	152,491	249	56						
United Arab Emirates	313,626	878	51						
Turkey	2,501,079	26,354	74						
Israel	668,874	4,948	85						
Iran	1,438,286	58,189	73						
Iraq	623,072	13,079	44						
Jordan	330,474	4,344	76						
Tunisia	212,679	6,980	69						
Morocco	473,047	8,323	77						
Egypt	167,525	9,460	55						
Asia Pacific									
Hong Kong, China	10,530	185	71						
Singapore	59,602	29	54						
Japan	396,900	6,068	53						
Indonesia	1,111,671	30,770	64						
South Korea	79,762	1,448	64						
China	89,649	4,636	78						
Philippines	530,118	10,942	63						
India	10,790,183	154,703	69						
Vietnam	1,948	35	68						
Australia	28,838	909	75						
New Zealand	2,313	25	22						
Thailand	21,249	79	58						
Malaysia	226,912	809	77						
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	Some level of 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	

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, 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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