

COVID-19 Dashboard

27 August 2020



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Summary

- **Equities:** Global equity markets are currently trading lower. In Europe, the STOXX 600 is currently -0.3%, driven down by the CAC 40 (-0.6%), the DAX (-0.3%), while the FTSE 250 is -0.1%. In the US, futures for the S&P 500 opened marginally lower (-0.2%) after the index reached an all time high the day prior. The markets performance in Asia was mixed, with the Kospi, the Hang Seng and the TOPIX declining 50-100bps, while CSI 300 and the S&P / ASX 200 increased by +0.5% and +0.2% respectively.
- **VIX:** The CBOE market volatility index, also known as the 'investor fear gauge', gained +5.5% over the course of yesterday ending at 23.3. In Europe, the Euro Stoxx 50 volatility price index is currently at 23.2, up from 22.0 yesterday and remains just below the long term average.
- **Bonds:** 10-year bond yields have compressed across the board so far this morning. The US 10-year treasury yield has declined -1bp to 0.68%, while the UK 10-year gilt yield and the German 10-year bund yield both declined -3bps to 0.27% and -0.45% respectively.
- **Currency:** Both sterling and the euro remain stable at \$1.32 and \$1.18. Hedging benefits for US dollar denominated investors into the UK and the eurozone are 0.25% and 1.11% per annum on a five-year basis.
- **Oil:** Brent Crude is trading above \$46 per barrel for the third consecutive day, the highest level since early March. The West Texas Intermediate (WTI) is down -0.3% to \$43.24 per barrel.
- **Baltic Dry:** The Baltic Dry lost -0.6% yesterday, declining to 1,509, albeit +38% above where it was in January.
- **Gold:** The price of gold is down -0.2% to \$1,948 per troy ounce, -5.1% below the record high reached earlier this month.
- **US Durable Goods Orders:** Durable goods orders, a forward looking economic indicator of manufacturing activity, increased +11.2% in July, beating market expectations and recovering further from the sharp fall seen over April-March. The growth was largely driven by strong demand for transport equipment (+35.6%).

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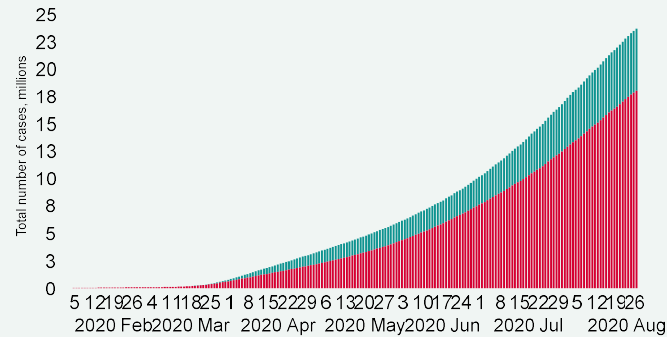


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COVID-19

Cumulative number of global cases

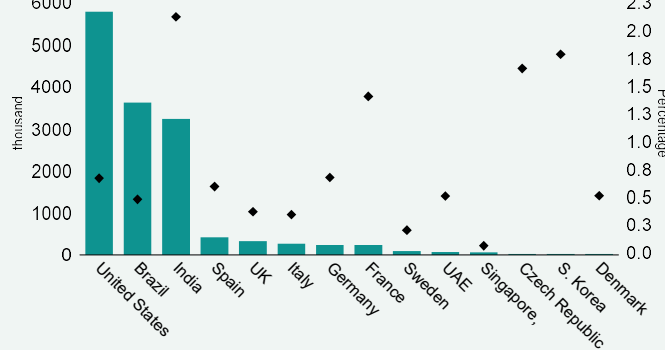
■ World excl US ■ US



The number of total confirmed cases reached 23.8 million on the 26 August, an increase of 210k new cases over the day prior.

Cumulative number of cases by country

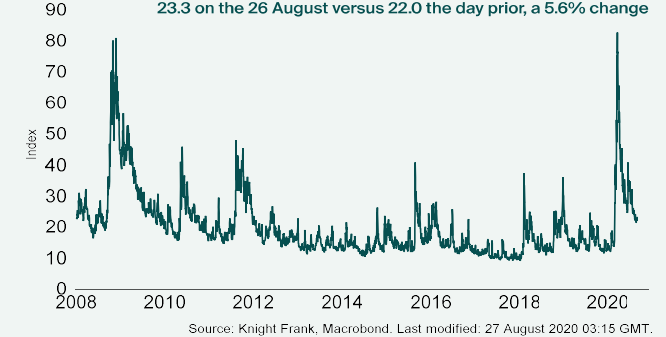
■ Number of total cases, lhs ◆ Last day change, rhs



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)

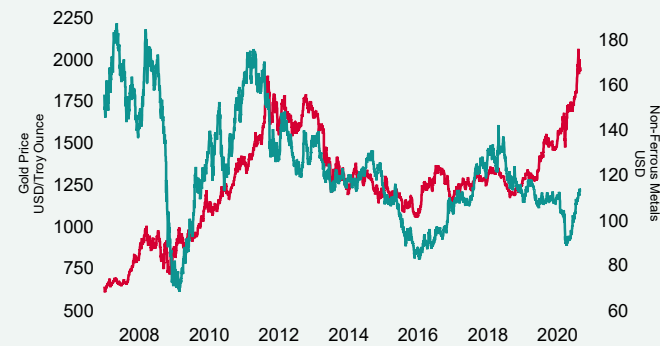


The CBOE VIX (colloquially known as the Investor fear gauge) is an indication of near term S&P 500 stock price volatility based on underlying options.

Commodities

Gold and non-ferrous metals price, USD

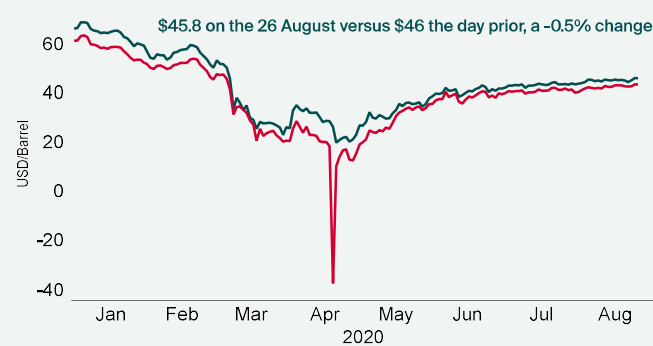
—Gold, USD, lhs —Non-Ferrous Metals Index, USD, rhs



| | 26 Aug | D/D (%) | YTD (%) |
|-------------------------|--------|---------|---------|
| Gold, USD | 1953 | 1.3 | 28.8 |
| Non-Ferrous Metals, USD | 113 | -1.2 | 1.5 |

Brent Crude and West Texas Intermediate oil price

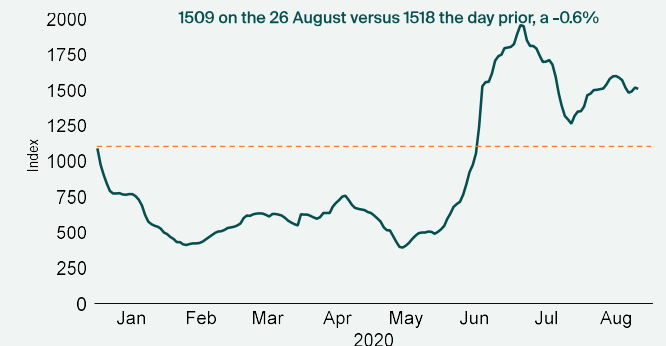
—Brent Crude —West Texas Intermediate (WTI)



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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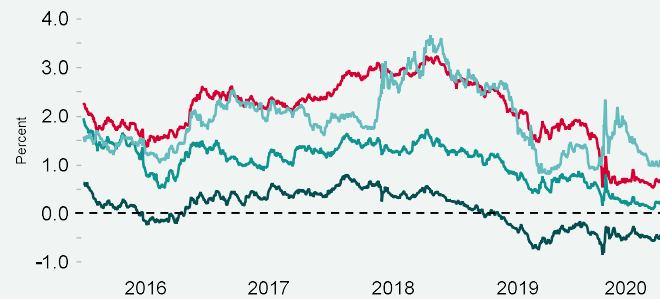


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Bonds and currencies

10y Government Bond Yield (%)

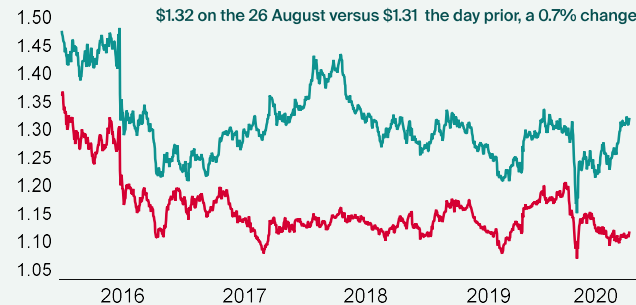
—US —UK —Germany —Italy



| | 26 Aug | 1 d ago | 1st Jan |
|---------|--------|---------|---------|
| Germany | -0.43 | -0.52 | -0.19 |
| Italy | 1.08 | 1.09 | 1.40 |
| UK | 0.26 | 0.26 | 0.82 |
| US | 0.69 | 0.69 | 1.92 |

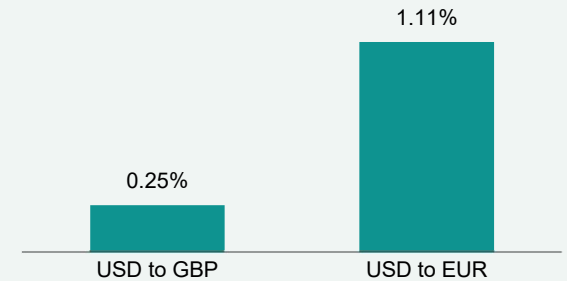
FX Spot Rates

—EUR per GBP —USD per GBP



| | 26 Aug | 1 d ago | 1st Jan |
|-------------|--------|---------|---------|
| EUR per GBP | 1.12 | 1.11 | 1.18 |
| USD per GBP | 1.32 | 1.31 | 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

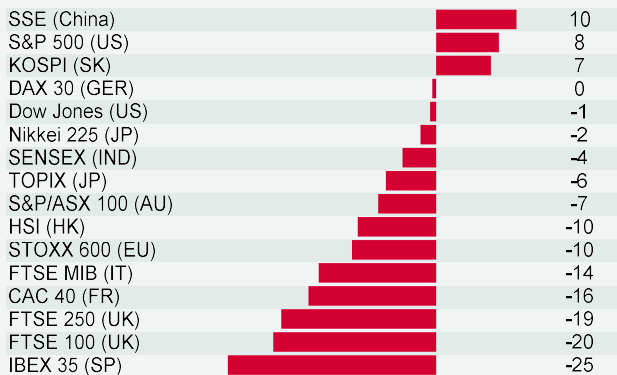


Source: Knight Frank, Macrobond. Last modified: 26 August 2020 19:05 GMT.

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

Equity performance: YTD (%)

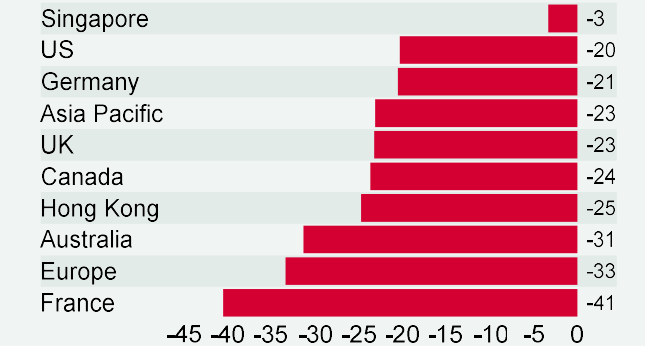
Local currencies



Source: Knight Frank, Macrobond

REIT performance: YTD (%)

Local currencies



Source: Knight Frank, Macrobond

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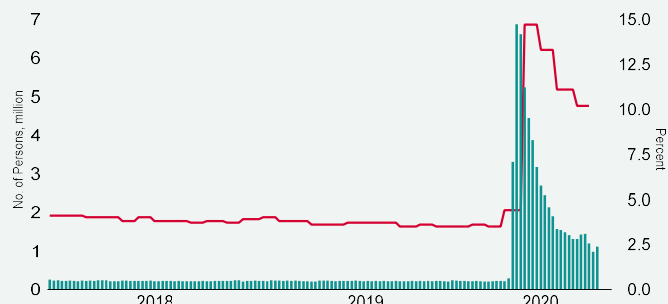


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US indicators

US Unemployment

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



Source: Knight Frank, Macrobond. Last data for the week commencing the 10 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: 27 August 2020 07:00 GMT.

| | 27 Aug | 1 week ago | 1 month ago |
|-------|--------|------------|-------------|
| Trump | 45% | 43% | 40% |
| Biden | 58% | 60% | 62% |

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 | 205 bn | 4.8% | 77.8% |
| Canada | 405 bn | 4.8% | 351.0% |
| Euro Area | 7.62 tn | 4.4% | 46.6% |
| France | 1.87 tn | 4.8% | 44.3% |
| Germany | 2.68 tn | 5.2% | 36.5% |
| Italy | 1.49 tn | 7.3% | 33.1% |
| Sweden | 143 bn | 3.0% | 50.7% |
| Japan | 6.31 tn | 3.4% | 17.6% |
| United Kingdom | 784 bn | -0.1% | -1.3% |
| United States | 7.01 tn | 0.7% | 85.9% |
| 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 | 481 bn | 2.9% | -7.8% |
| South Korea | 471 bn | 5.9% | 8.2% |
| Turkey | 100 bn | -8.8% | -4.2% |

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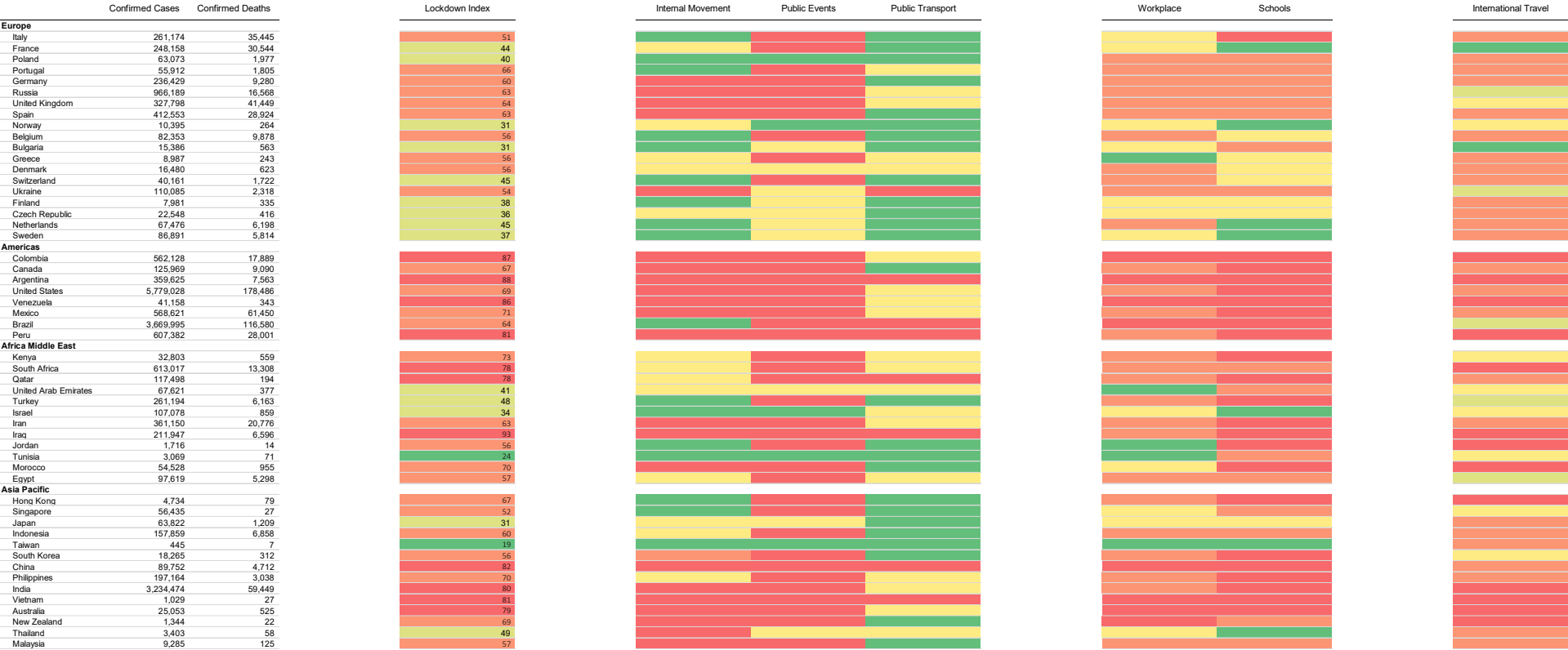
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Overview of the severity of Covid-19 and the resulting containment measures



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 |
| Required closure of some sectors | Some level of 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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