

COVID-19 Dashboard

4 June 2020



Internal and key client use only

Summary

- **Equities:** Global equities continue to recover some of their year to date (YTD) losses. The S&P 500 now leads with the strongest recovery of YTD losses (-3% YTD), driven by gains across the major index constituents. YTD losses are also now below 10% for the Nikkei 225 (-4%), SSE (-4%), DAX 30 (-6%) and the Dow Jones (-8%). However, European equity markets were down this morning, with the STOXX 600 falling -0.4% as investors await European Central Bank monetary policy meeting today.
- **VIX:** The “investor fear gauge”, the CBOE market volatility index, remains below 30, currently at 27.2. The Euro Stoxx 50 volatility price index is also below 30 at 28.6. Both of these indices remain elevated, indicating further expectations of near-term volatility.
- **Bonds:** Bond markets remain relatively stable this morning with both the German 10-year bund yield and US 10-year treasury yield flat at -0.36% and 0.75% respectively. The UK 10-year government bond yield decreased -2bps to 0.26%.
- **Currency:** Sterling has depreciated slightly, currently at \$1.25, while the euro remains stable at \$1.12. Hedging benefits for US dollar denominated investors into the UK have increased to 0.27% per annum on a five-year basis. The currency hedging benefit of US dollar denominated investors into the Eurozone similarly increased to 1.07% per annum on a five-year basis.
- **Baltic Dry:** The Baltic Dry Index increased for its fourth consecutive session yesterday, up +8.4% to 592. However, there remains some way to pare back its losses to 757 recorded on 20th April or to 1,090 seen at the end of last year.
- **US Unemployment:** Unemployment applications increased by 1.9 million in the week to May 30th, just above expectations of 1.8 million, but the first time that additional weekly unemployment claims fell below 2 million since the pandemic started. The total number of US jobless claims has increased by 42.6 million since 21st March 2020.

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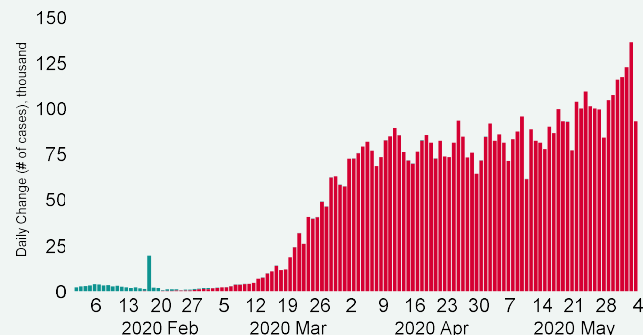


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COVID-19

New cases per day

World (ex-China) China

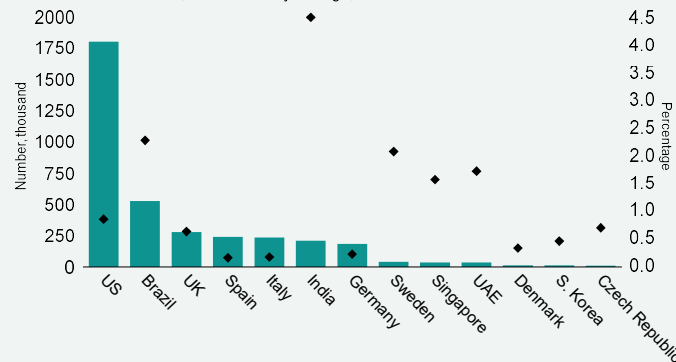


Source: Knight Frank, Macrobond. Last modified: 03 June 2020 20:05 GMT.

The number of total confirmed cases reached 6288k on the 3 June, an increase of 93k new cases over the day prior.

Cumulative number of cases

Number of total cases, lhs Last day change, rhs



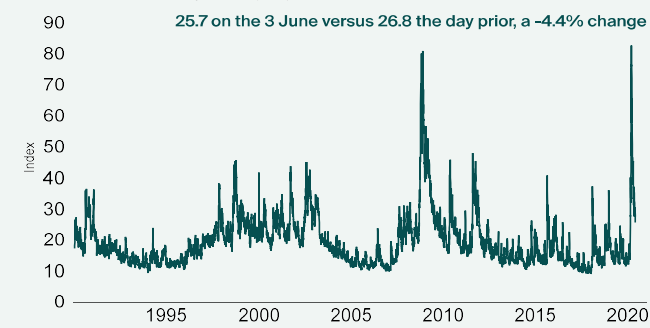
Source: Knight Frank, Macrobond. Last modified: 03 June 2020 00:00 GMT.

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

Investor sentiment

Volatility Index

US, S&P 500 Volatility Index (VIX)



Source: Knight Frank, Macrobond. Last modified: 04 June 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 silver price, USD

Gold, USD, lhs Silver, USD, rhs

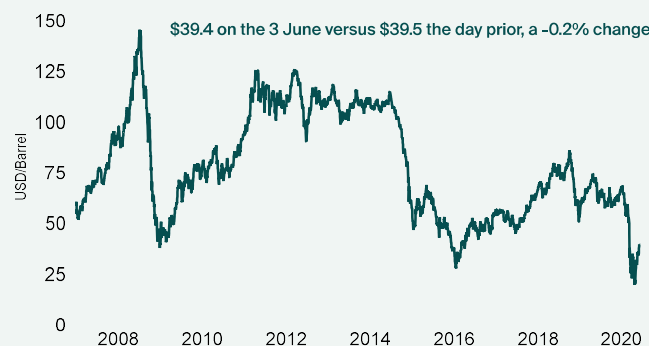


Source: Knight Frank, Macrobond. Last modified: 04 June 2020 06:30 GMT.

	3 June	D/D (%)	YTD (%)
Gold, USD	1698	-2.4	11.9
Silver, USD	17.6	-3.6	-1.2

Brent crude and global commodity price index

Crude Oil, Brent

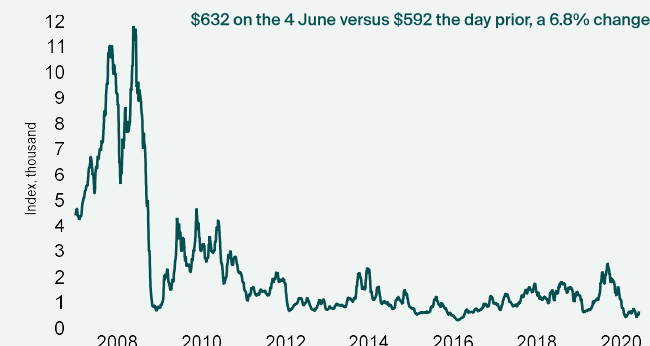


Source: Knight Frank, Macrobond. Last modified: 04 June 2020 00:39 GMT.

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: 04 June 2020 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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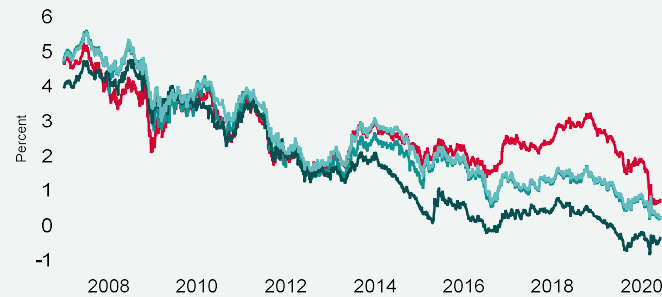


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Bonds and currencies

10y Government Bond Yield (%)

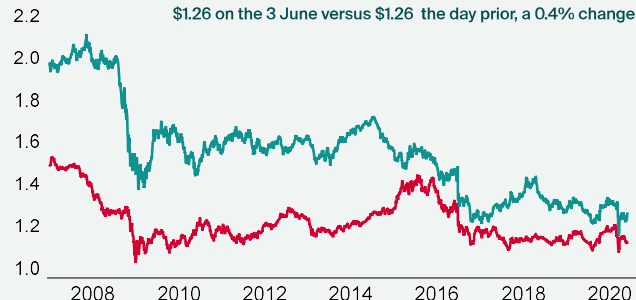
—US —UK —Germany —United Kingdom, Bank of England



	<Property Orig	1 d ago	1st Jan
Germany	-0.33	-0.36	-0.19
UK	0.28	0.28	0.74
US	0.77	0.77	1.92

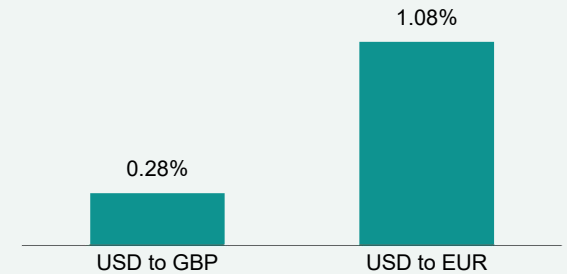
FX Spot Rates

—EUR per GBP —USD per GBP



	3 Jun	1 d ago	1st Jan
EUR per GBP	1.12	1.12	1.18
USD per GBP	1.26	1.26	1.32

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

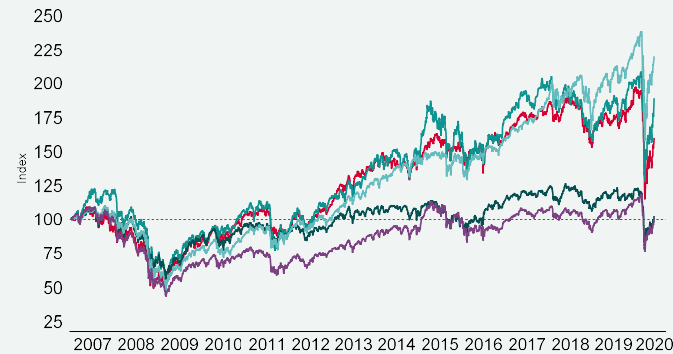


Source: Knight Frank, Investing.com
Approximate additional return per annum that dollar denominated investors may obtain based on five year currency hedge.

Equity and REIT

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

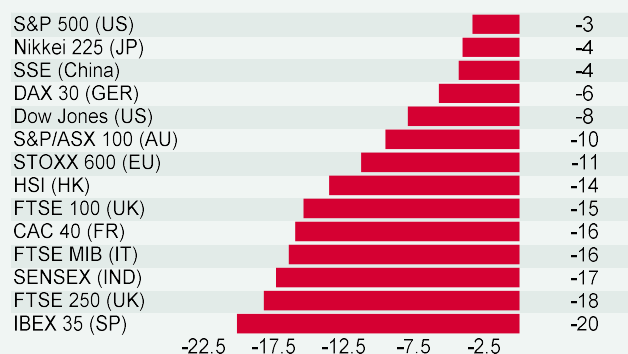
—FTSE 250 —DAX —FTSE 100 —S&P 500 —STOXX 600



Source: Knight Frank, Macrobond. Last modified: 03 June 2020 19:05 GMT.

Equity performance: YTD (%)

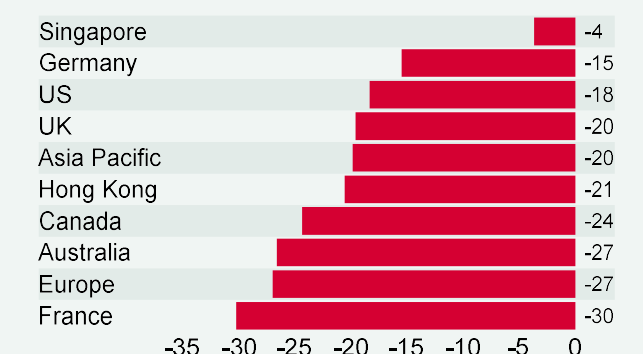
Local currencies



Source: Knight Frank, Macrobond

REIT performance: YTD (%)

Local currencies



Source: Knight Frank, Macrobond

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

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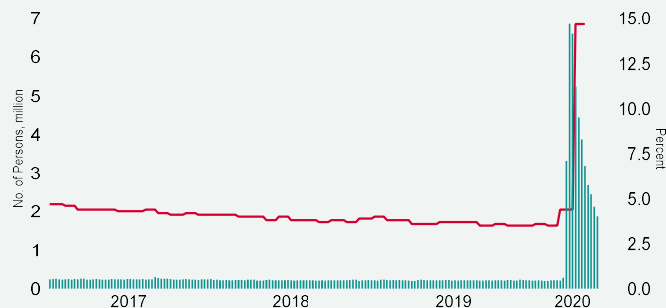


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US indicator

US Unemployment

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



Source: Knight Frank, Macrobond. Last data for the week commencing the 25 May.

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

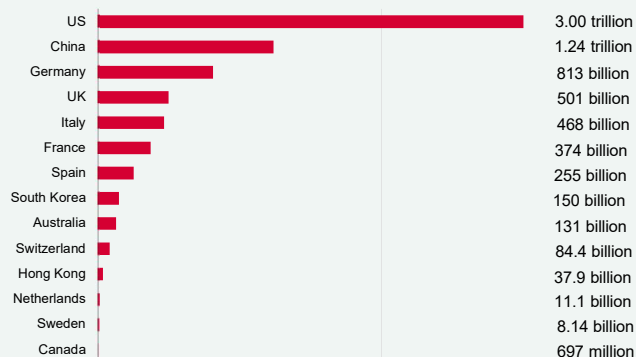
Monetary policy

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	3.00%	4.50%	-150 bps
China	4.35%	4.35%	0 bps
India	4.00%	5.15%	-115 bps
Mexico	5.50%	7.25%	-175 bps
Russia	5.50%	6.25%	-75 bps
Saudi Arabia	1.00%	2.25%	-125 bps
South Korea	0.50%	1.25%	-75 bps
Turkey	8.25%	12.00%	-375 bps

Fiscal policy

Fiscal measures by selected governments (YTD total, \$)



Source: Knight Frank, Macrobond.

Fiscal measures details

UK	£330bn+ : Government backed loans and guarantees equivalent to 15% of UK GDP. SMEs will be granted access to cash grants of more than £25k to tackle the crisis. Support for furloughed employees of 80% salary ≤£2,500 per month. Furlough has been extended until October 2020, with employers to start 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 in June.
USA	\$3.0tn : 2 nd package passed 23 rd April, worth \$483 billion, increasing US stimulus to \$3 trillion (15% GDP).
EU	€500bn : The EU member states passed this stimulus package, which includes €240bn to the European Stability Mechanism, as well as €200bn in guarantees from the European Investment Bank.
Germany	€750bn : The emergency aid measure approved by the German Cabinet 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 April to help businesses hurt by a national lockdown. €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	\$10bn : The aid package issued in early March for SMEs and self-employed workers. Additional economic stimulus measures are expected.
Hong Kong	HK\$10k for every adult citizen (as of 2020)

Central Bank Assets Purchasing Programme

	Lastest (\$)	MoM (%)	YoY (%)
Advanced Economies			
Australia	181 bn	8.7%	46.4%
Canada	278 bn	103.7%	223.1%
Euro Area	6.15 tn	5.5%	17.6%
France	1.49 tn	7.7%	20.5%
Germany	2.2 tn	6.7%	9.9%
Italy	1.22 tn	3.0%	11.2%
Sweden	130 bn	8.0%	35.3%
Japan	5.93 tn	2.4%	13.6%
United Kingdom	795 bn	0.2%	2.5%
United States	7.1 tn	7.2%	84.2%
Developing Economies			
Brazil	480 bn	-0.6%	-14.3%
China	5.09 tn	-1.2%	-1.7%
India	351 bn	8.6%	33.2%
Mexico	206 bn	3.2%	4.5%
Russia	684 bn	-0.6%	12.9%
Saudi Arabia	461 bn	-5.1%	-9.9%
South Korea	417 bn	0.7%	-5.4%
Turkey	109 bn	8.0%	16.2%

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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.

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Source: Knight Frank, various sources

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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		232,664	33,340											
France		151,496	28,771											
Poland		23,571	1,061											
Portugal		32,203	1,396											
Germany		181,482	8,500											
Russia		396,575	4,555											
United Kingdom		272,826	38,376											
Spain		239,228	27,125											
Norway		8,411	236											
Belgium		58,186	9,453											
Bulgaria		2,513	140											
Greece		2,915	175											
Denmark		11,833	571											
Switzerland		30,762	1,656											
Ukraine		23,204	696											
Finland		6,826	316											
Czech Republic		9,230	319											
Netherlands		46,257	5,951											
Sweden		37,113	4,395											
Americas														
Colombia		28,236	890											
Canada		90,179	7,073											
Argentina		16,201	528											
United States		1,770,384	103,781											
Venezuela		1,459	14											
Mexico		87,512	9,779											
Brazil		498,440	28,834											
Peru		155,671	4,371											
Africa Middle East														
Kenya		1,888	63											
South Africa		30,967	643											
Qatar		55,262	36											
United Arab Emirates		33,896	262											
Turkey		163,103	4,515											
Israel		17,012	284											
Iran		148,950	7,734											
Iraq		6,179	195											
Jordan		734	9											
Tunisia		1,076	48											
Morocco		7,780	204											
Egypt		23,449	913											
Asia Pacific														
Hong Kong		1,082	4											
Singapore		34,366	23											
Japan		16,851	891											
Indonesia		25,773	1,573											
Taiwan		442	7											
South Korea		11,468	270											
China		84,128	4,638											
Philippines		17,224	950											
India		182,143	5,164											
Vietnam		327	-											
Australia		7,185	103											
New Zealand		1,154	22											
Thailand		3,081	57											
Malaysia		7,762	115											
Lockdown Index key & Scale														
No Restrictions: 0 – 25														
Recommended Restrictions: 26 – 50														
Enforced Restrictions: 51 – 75														
Highest Restrictions / Ban: 76 – 100														
Internal movements														
No measure														
No Measure														
Recommended														
No measure														
Recommended														
Restriction														
Public events														
No measure														
No Measure														
Recommended														
Required														
Public transport														
No measure														
No Measure														
Recommended														
Required														
Value														
0														
1														
2														
Workplace														
No measure														
Recommended														
Some level of schooling required to close														
Required closure of some sectors														
Required closure for all but essential work														
Value														
0														
1														
2														
3														
International travel														
No measure														
No measure														
Screening														
Quarantine arrivals from high risk regions														
Ban on high risk regions														
Total border closure														
Value														
0														
1														
2														
3														
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 22, indicating the restrictions in place are generally recommendations and are not enforced. Countries including Peru, Argentina and Kenya have some of the highest 'lockdown index' scores.

For most countries, public transport has the most relaxed restrictions. Taiwan is the only country with no measures implemented on public events. Meanwhile, across the world, there is some measure of restriction on international travel. However, the UK and Iran are the exceptions, where international travel is freely permitted with no measures implemented.

Source: Knight Frank, Macrobond, Oxford University, Last Updated: 04/06/2020

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