

COVID-19 Dashboard

5 June 2020



Internal and key client use only

Summary

- **Equities:** European equities were up this morning following announcement of €600bn expansion of the ECB's pandemic emergency purchase programme (PEPP). The STOXX 600 was up +1.4%, the IBEX 35 up +2.22%, DAX +2.1%, the CAC 40 +1.83% and the FTSE MIB +1.64%. Separately, airlines have seen their stock prices rise following announcements of some resumption to services. Virgin Atlantic has confirmed that flights to Shanghai, New York JFK, Hong Kong, Los Angeles and Orlando will resume out of Heathrow from July 20th, while American Airlines has announced its intention to restart 20% of its international schedule next month. Global equities continue to recover some of their year to date (YTD) losses. The Nikkei 225 now leads with the strongest recovery of YTD losses (-3% YTD), followed by S&P 500 and SSE both with YTD losses of -4%.
- **VIX:** The "investor fear gauge", the CBOE market volatility index, remains below 30, currently at 25.8. The Euro Stoxx 50 volatility price index is also below 30 at 27.07. However, both of these indices remain elevated, indicating further expectations of near-term volatility.
- **Bonds:** UK 10-year bond yields increased by +1bp to 0.32% whilst US 10-year bond yields increased by +3bps to 0.85%. The German 10-year bund remained flat for a second session at -0.32%.
- **Currency:** Sterling and the euro appreciated slightly, at \$1.26 and \$1.13 respectively. Hedging benefits for US dollar denominated investors into the UK have increased to 0.31% per annum on a five-year basis. The currency hedging benefit of US dollar denominated investors into the Eurozone similarly increased to 1.13% per annum on a five-year basis.
- **Baltic Dry:** The Baltic Dry Index increased for its fifth consecutive session yesterday, up +6.8% to 632, continuing to pare back its losses to 757 recorded on 20th April or to 1,090 seen at the end of last year.
- **Oil:** The West Texas Intermediate (WTI) has increased +2.3% to \$38.29, whilst Brent Crude broke above \$40 a barrel, increasing +2.7% over the course of this morning to \$41.05.

Research

William Matthews
Partner, Head of Commercial Research
+44 20 3909 6842
william.matthews@knightfrank.com

Victoria Ormond
Partner, Capital Markets Research
+44 20 7861 5009
victoria.ormond@knightfrank.com

Daniel Tomaselli
Senior Research Analyst, Capital Markets
+44 20 8106 1392
daniel.tomaselli@knightfrank.com

Antonia Haralambous
Research Analyst, Capital Markets
+44 20 3866 8033
antonia.haralambous@knightfrank.com

Important Notice
© Knight Frank LLP 2020 – This report is published for general information only and not to be relied upon in any way. Although high standards have been used in the preparation of the information, analysis, views and projections presented in this report, no responsibility or liability whatsoever can be accepted by Knight Frank LLP for any loss or damage resultant from any use of, reliance on or reference to the contents of this document. As a general report, this material does not necessarily represent the view of Knight Frank LLP in relation to particular properties or projects. Reproduction of this report in whole or in part is not allowed without prior written approval of Knight Frank LLP to the form and content within which it appears. Knight Frank LLP is a limited liability partnership registered in England with registered number OC305934. Our registered office is 55 Baker Street, London, W1U 8AN, where you may look at a list of members' names.

COVID-19 Dashboard

5 June 2020

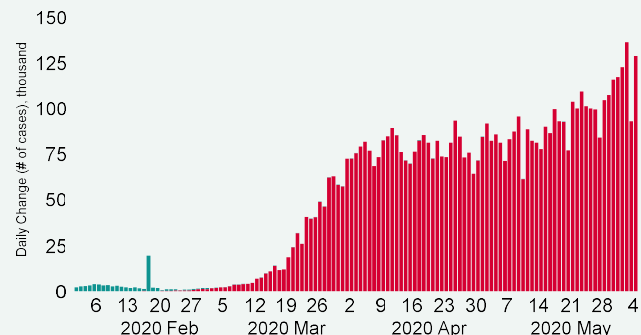


Internal and key client use only

COVID-19

New cases per day

World (ex-China) China

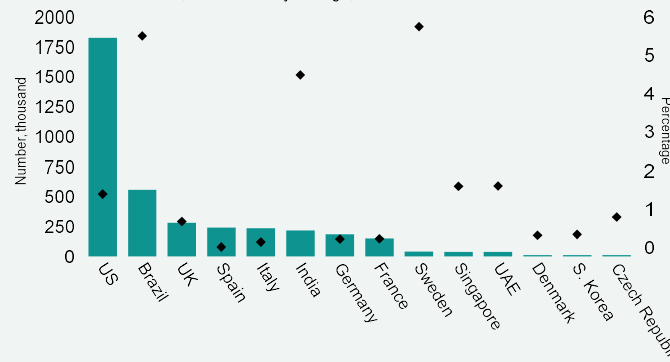


Source: Knight Frank, Macrobond. Last modified: 04 June 2020 19:18 GMT.

The number of total confirmed cases reached 6417k on the 4 June, an increase of 129k new cases over the day prior.

Cumulative number of cases

Number of total cases, lhs Last day change, rhs

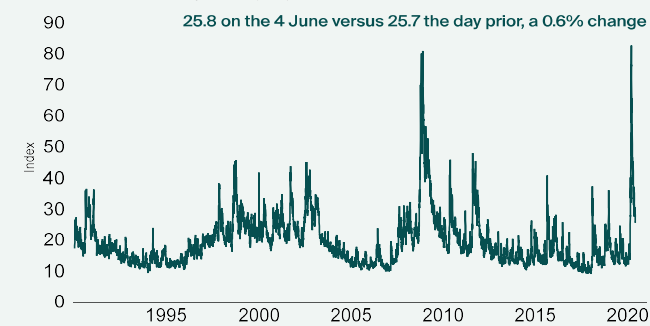


Source: Knight Frank, Macrobond. Last modified: 04 June 2020 00:00 GMT.

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

Volatility Index

US, S&P 500 Volatility Index (VIX)



Source: Knight Frank, Macrobond. Last modified: 05 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

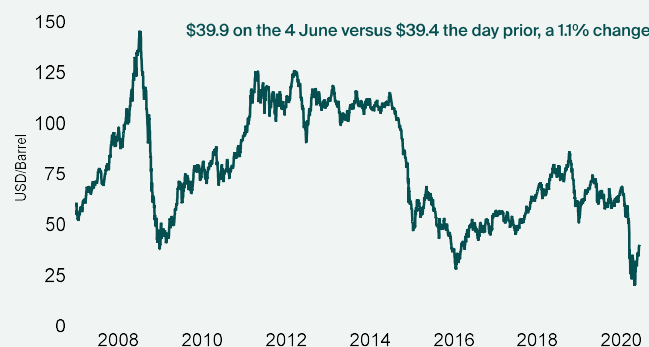


Source: Knight Frank, Macrobond. Last modified: 05 June 2020 06:30 GMT.

	4 June	D/D (%)	YTD (%)
Gold, USD	1713	-0.8	12.9
Silver, USD	17.7	-1.9	-0.7

Brent crude and global commodity price index

Crude Oil, Brent

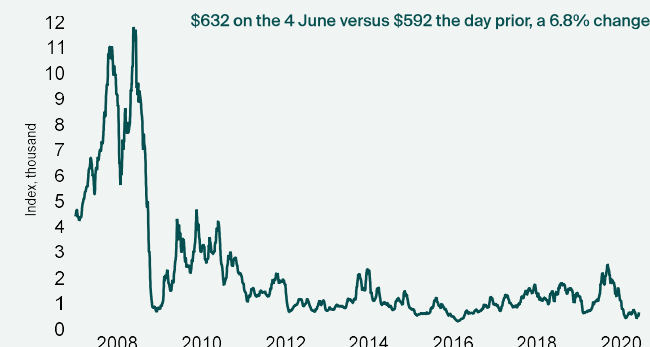


Source: Knight Frank, Macrobond. Last modified: 05 June 2020 02:30 GMT.

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.

Research

William Matthews

Partner, Head of Commercial Research
+44 20 3909 6842
william.matthews@knightfrank.com

Victoria Ormond

Partner, Capital Markets Research
+44 20 7861 5009
victoria.ormond@knightfrank.com

Daniel Tomaselli

Senior Research Analyst, Capital Markets
+44 20 8106 1392
daniel.tomaselli@knightfrank.com

Antonia Haralambous

Research Analyst, Capital Markets
+44 20 3866 8033
antonia.haralambous@knightfrank.com

Important Notice

© Knight Frank LLP 2020 – This report is published for general information only and not to be relied upon in any way. Although high standards have been used in the preparation of the information, analysis, views and projections presented in this report, no responsibility or liability whatsoever can be accepted by Knight Frank LLP for any loss or damage resultant from any use of, reliance on or reference to the contents of this document. As a general report, this material does not necessarily represent the view of Knight Frank LLP in relation to particular properties or projects. Reproduction of this report in whole or in part is not allowed without prior written approval of Knight Frank LLP to the form and content within which it appears. Knight Frank LLP is a limited liability partnership registered in England with registered number OC305934. Our registered office is 55 Baker Street, London, W1U 8AN, where you may look at a list of members' names.

COVID-19 Dashboard

5 June 2020

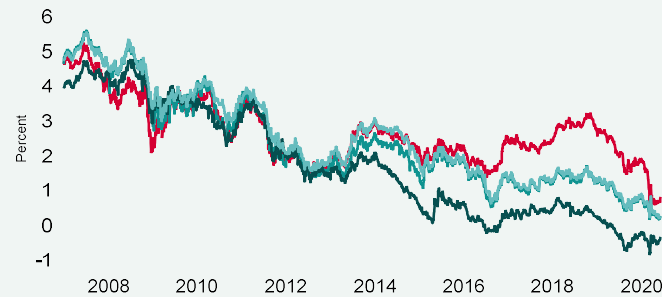


Internal and key client use only

Bonds and currencies

10y Government Bond Yield (%)

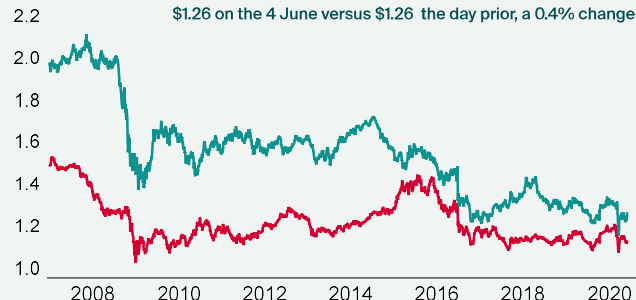
—US —UK —Germany —United Kingdom, Bank of England



	4 Jun	1 d ago	1st Jan
Germany	-0.33	-0.36	-0.19
UK	0.31	0.28	0.74
US	0.82	0.77	1.92

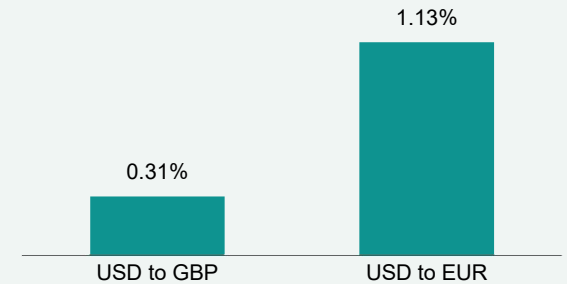
FX Spot Rates

—EUR per GBP —USD per GBP



	4 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

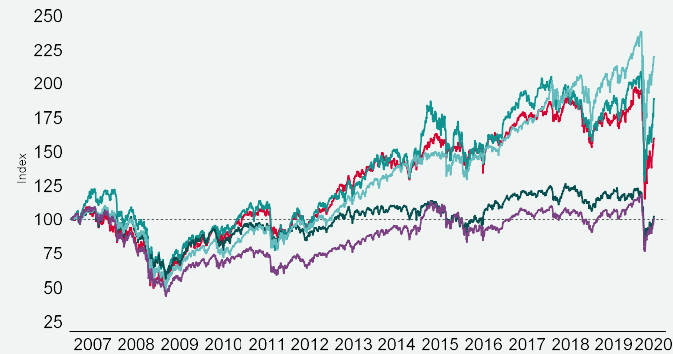


Source: Knight Frank, Investing.com
Approximate additional return per annum that dollar denominated investors may obtain based on five year currency hedge.

Equity and REIT

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

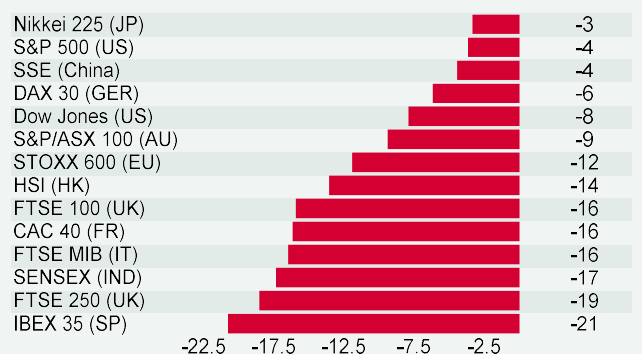
—FTSE 250 —DAX —FTSE 100 —S&P 500 —STOXX 600



Source: Knight Frank, Macrobond. Last modified: 04 June 2020 19:05 GMT.

Equity performance: YTD (%)

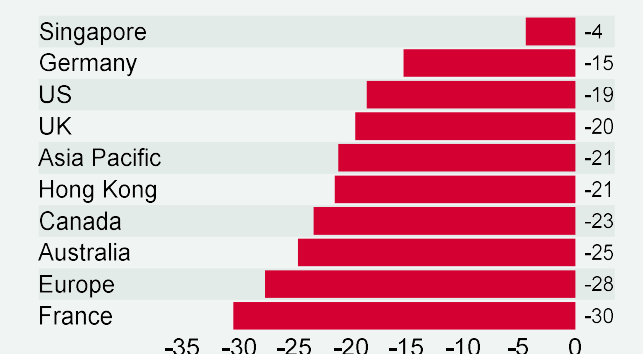
Local currencies



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).

Research

William Matthews
Partner, Head of Commercial Research
+44 20 3909 6842
william.matthews@knightfrank.com

Victoria Ormond
Partner, Capital Markets Research
+44 20 7861 5009
victoria.ormond@knightfrank.com

Daniel Tomaselli
Senior Research Analyst, Capital Markets
+44 20 8106 1392
daniel.tomaselli@knightfrank.com

Antonia Haralambous
Research Analyst, Capital Markets
+44 20 3866 8033
antonia.haralambous@knightfrank.com

Important Notice

© Knight Frank LLP 2020 – This report is prepared for general information only and not to be relied upon in any way. Although high standards have been used in the preparation of the information, analysis, views and projections presented in this report, no responsibility or liability whatsoever can be accepted by Knight Frank LLP for any loss or damage resultant from any use of, reliance on or reference to the contents of this document. As a general report, this material does not necessarily represent the view of Knight Frank LLP in relation to particular properties or projects. Reproduction of this report in whole or in part is not allowed without prior written approval of Knight Frank LLP to the form and content within which it appears. Knight Frank LLP is a limited liability partnership registered in England with registered number OC305934. Our registered office is 55 Baker Street, London, W1U 8AN, where you may look at a list of members' names.

COVID-19 Dashboard

5 June 2020

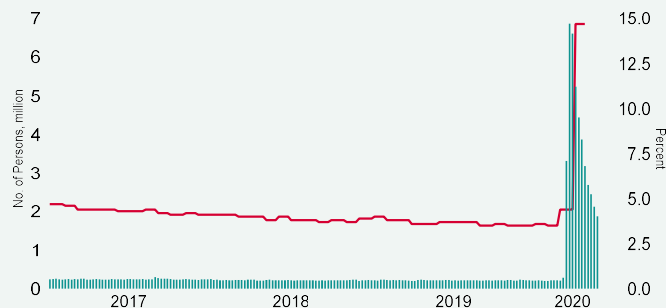


Internal and key client use only

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)

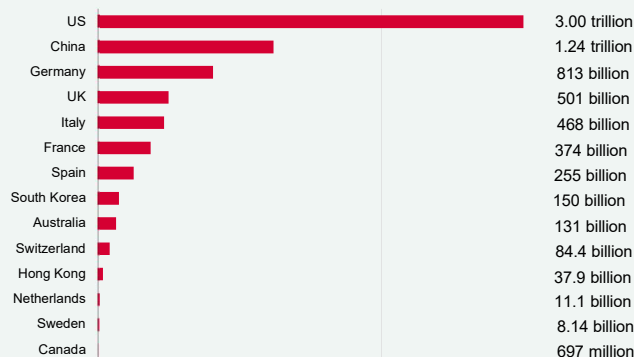
Monetary policy

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 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
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 (c.£7bn).

Source: Knight Frank, various sources

Central Bank Assets Purchasing Programme

	Lastest (\$)	MoM (%)	YoY (%)
Advanced Economies			
Australia	189 bn	11.9%	46.5%
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	7.17 tn	7.0%	86.2%
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%

Important Notice

© Knight Frank LLP 2020 – This report is published for general information only and not to be relied upon in any way. Although high standards have been used in the preparation of the information, analysis, views and projections presented in this report, no responsibility or liability whatsoever can be accepted by Knight Frank LLP for any loss or damage resultant from any use of, reliance on or reference to the contents of this document. As a general report, this material does not necessarily represent the view of Knight Frank LLP in relation to particular properties or projects. Reproduction of this report in whole or in part is not allowed without prior written approval of Knight Frank LLP to the form and content within which it appears. Knight Frank LLP is a limited liability partnership registered in England with registered number OC305934. Our registered office is 55 Baker Street, London, W1U 8AN, where you may look at a list of members' names.

Research

William Matthews

Partner, Head of Commercial Research
+44 20 3909 6842
william.matthews@knightfrank.com

Victoria Ormond

Partner, Capital Markets Research
+44 20 7861 5009
victoria.ormond@knightfrank.com

Daniel Tomaselli

Senior Research Analyst, Capital Markets
+44 20 8106 1392
daniel.tomaselli@knightfrank.com

Antonia Haralambous

Research Analyst, Capital Markets
+44 20 3866 8033
antonia.haralambous@knightfrank.com

COVID-19 Dashboard

5 June 2020



Internal and key client use only

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.

Research

William Matthews
Partner, Head of Commercial Research
+44 20 3909 6842
william.matthews@knightfrank.com

Victoria Ormond
Partner, Capital Markets Research
+44 20 7861 5009
victoria.ormond@knightfrank.com

Daniel Tomaselli
Senior Research Analyst, Capital Markets
+44 20 8106 1392
daniel.tomaselli@knightfrank.com

Antonia Haralambous
Research Analyst, Capital Markets
+44 20 3866 8033
antonia.haralambous@knightfrank.com

Important Notice
© Knight Frank LLP 2020 – This report is prepared for general information only and not to be relied upon in any way. Although high standards have been used in the preparation of the information, analysis, views and projections presented in this report, no responsibility or liability whatsoever can be accepted by Knight Frank LLP for any loss or damage resultant from any use of, reliance on or reference to the contents of this document. As a general report, this material does not necessarily represent the view of Knight Frank LLP in relation to particular properties or projects. Reproduction of this report in whole or in part is not allowed without prior written approval of Knight Frank LLP to the form and content within which it appears. Knight Frank LLP is a limited liability partnership registered in England with registered number OC305934. Our registered office is 55 Baker Street, London, W1U 8AN, where you may look at a list of members' names.

Source: Knight Frank, various sources

COVID-19 Dashboard

5 June 2020



Internal and key client use only

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		233,836		60						
France		151,677		66						
Poland		24,395		65						
Portugal		33,261		71						
Germany		182,764		50						
Russia		432,277		78						
United Kingdom		279,856		65						
Spain		240,326		81						
Norway		8,446		55						
Belgium		58,685		75						
Bulgaria		2,585		51						
Greece		2,937		69						
Denmark		11,771		63						
Switzerland		30,810		63						
Ukraine		25,411		747						
Finland		6,911		66						
Czech Republic		9,438		29						
Netherlands		46,733		69						
Sweden		40,803		46						
Americas										
Colombia		33,354		87						
Canada		93,074		71						
Argentina		19,255		93						
United States		1,851,520		107,175						
Venezuela		1,952		20						
Mexico		101,238		11,728						
Brazil		584,016		81						
Peru		178,914		90						
Africa Middle East										
Kenya		2,216		74						
South Africa		37,525		792						
Qatar		62,160		45						
United Arab Emirates		36,359		270						
Turkey		166,422		4,809						
Israel		17,429		291						
Iran		160,696		8,012						
Iraq		8,168		256						
Jordan		757		9						
Tunisia		1,087		49						
Morocco		7,922		206						
Egypt		28,615		1,088						
Asia Pacific										
Hong Kong		1,099		4						
Singapore		36,405		24						
Japan		17,018		903						
Indonesia		28,233		1,698						
Taiwan		443		7						
South Korea		11,629		273						
China		84,160		4,638						
Philippines		19,748		974						
India		216,919		6,075						
Vietnam		328		-						
Australia		7,229		102						
New Zealand		1,154		22						
Thailand		3,101		58						
Malaysia		7,970		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										
Recommended										
Restriction										
Public events										
No Measure										
Recommended										
Required										
Public transport										
No measure										
Recommended										
Required										
Workplace										
No measure										
Recommended										
Required closure of some sectors										
Required closure for all but essential work										
Schools										
No measure										
Recommended										
Some level of schooling required to close										
All schools required to close										
International travel										
No measure										
Screening										
Quarantine arrivals from high risk regions										
Ban on high risk regions										
Total border closure										

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: 05/06/2020

Research

William Matthews

Partner, Head of Commercial Research
+44 20 3909 6842
william.matthews@knightfrank.com

Victoria Ormond

Partner, Capital Markets Research
+44 20 7861 5009
victoria.ormond@knightfrank.com

Daniel Tomaselli

Senior Research Analyst, Capital Markets
+44 20 8106 1392
daniel.tomaselli@knightfrank.com

Antonia Haralambous

Research Analyst, Capital Markets
+44 20 3866 8033
antonia.haralambous@knightfrank.com

Important Notice

© Knight Frank LLP 2020 – This report is published for general information only and not to be relied upon in any way. Although high standards have been used in the preparation of the information, analysis, views and projections presented in this report, no responsibility or liability whatsoever can be accepted by Knight Frank LLP for any loss or damage resultant from any use of, reliance on or reference to the contents of this document. As a general report, this material does not necessarily represent the view of Knight Frank LLP in relation to particular properties or projects. Reproduction of this report in whole or in part is not allowed without prior written approval of Knight Frank LLP to the form and content within which it appears. Knight Frank LLP is a limited liability partnership registered in England with registered number OC305934. Our registered office is 55 Baker Street, London, W1U 8AN, where you may look at a list of members' names.