

COVID-19 Dashboard

11 June 2020



Internal and key client use only

Summary

- **Equities:** Declines were seen across Europe this morning, with the FTSE 250 down -2.7%, while the STOXX 600 (-2.4%) recorded its fourth day of losses, according to the FT. Other contractions were recorded by Frankfurt's DAX (-2.6%) and Paris's CAC 40 (-2.5%). In Asia, the S&P/ASX 200 declined by -3.0%, while the Topix closed -2.2% lower. In the US, futures for the S&P 500 and the Dow Jones Industrial Average point to losses of -1.8% and -2.2%, respectively, upon open. This comes in the wake of the US Federal Reserve's first COVID-19 adjusted US economic projections, as well as some concerns over subsequent waves of COVID-19.
- **VIX:** The "investor fear gauge", the CBOE market volatility index is back above 30 at 30.4, having risen by +11% over the course of the morning. The Euro Stoxx 50 volatility price index remains above 30, at 33.5 up +12%. Both of these indices indicate further expectations of near-term volatility.
- **Bonds:** Following the Fed's dovish announcement that interest rates will likely not rise until at least the end of 2022, the UK 10-year gilt yield, US 10-year treasury yield and German 10-year bund yield have declined to 0.23%, 0.70% and -0.37%, respectively. Separately, the Fed has been purchasing circa \$20 billion of treasuries a week to sustain smooth market functioning and announced its intention to continue to do so "at least at the current pace". Over in Europe, an additional €6 billion of German 30-year bunds was issued, taking the total outstanding to €14 billion. This sale is 4x larger than any previous 30-year tap issue, according to the FT.
- **Currency:** Sterling is currently \$1.27 and the euro \$1.14. Hedging benefits for US dollar denominated investors into the UK and the Eurozone are 0.28% and 1.08% per annum on a five-year basis, respectively.
- **Baltic Dry:** The Baltic Dry Index increased for its eighth consecutive session yesterday, up +7.0% to 764. The index has now recovered and surpassed its losses from 757 on 20th April, following an 18 session rout. However, the index is still some way away from the 1,090 seen at the end of last year.
- **Oil:** Oil prices have continued to fall following concerns regarding the potential reemergence of oversupply. Brent Crude is currently down -3.4% to \$40.30 a barrel, while the West Texas Intermediate (WTI) has declined -3.1% to \$38.37 per barrel.

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COVID-19 Dashboard

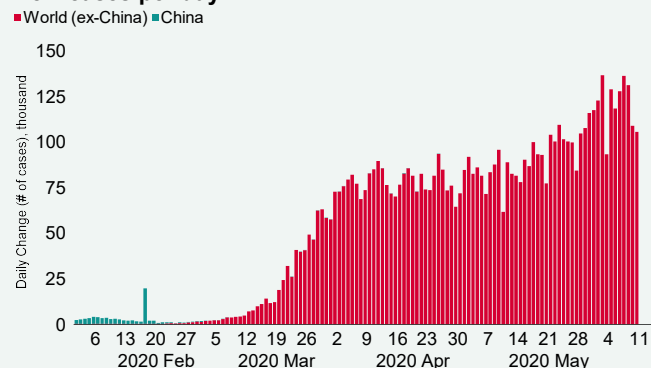
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COVID-19

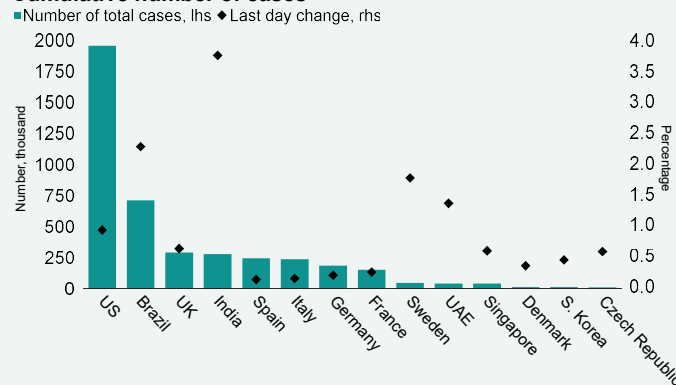
New cases per day



Source: Knight Frank, Macrobond. Last modified: 10 June 2020 20:49 GMT.

The number of total confirmed cases reached 7146k on the 10 June, an increase of 106k new cases over the day prior.

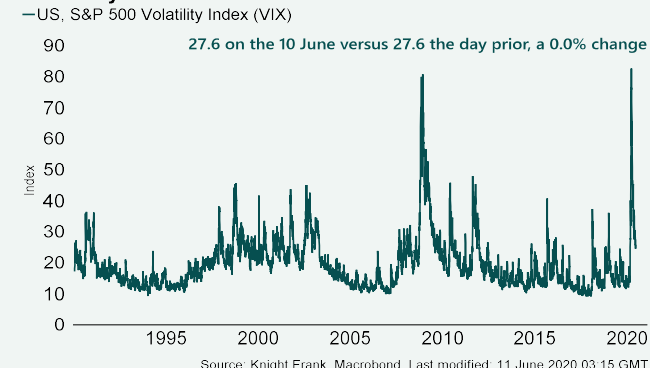
Cumulative number of cases



Source: Knight Frank, Macrobond. Last modified: 10 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



Source: Knight Frank, Macrobond. Last modified: 11 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

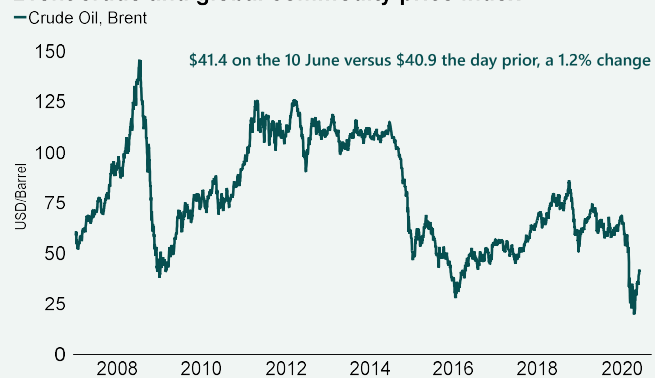
Gold and silver price, USD



Source: Knight Frank, Macrobond. Last modified: 11 June 2020 06:30 GMT.

	10 June	D/D (%)	YTD (%)
Gold, USD	1738	2.3	14.5
Silver, USD	18.1	2.0	1.6

Brent crude and global commodity price index



Source: Knight Frank, Macrobond. Last modified: 11 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)



Source: Knight Frank, Macrobond. Last modified: 10 June 2020 13:30 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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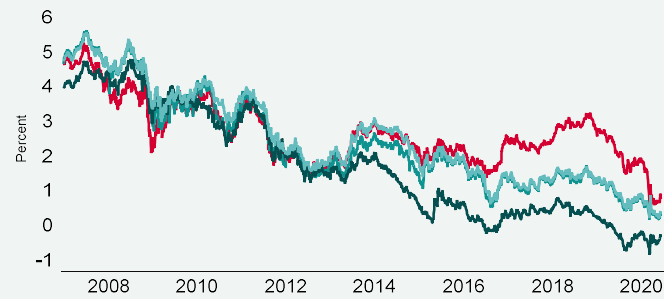


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Bonds and currencies

10y Government Bond Yield (%)

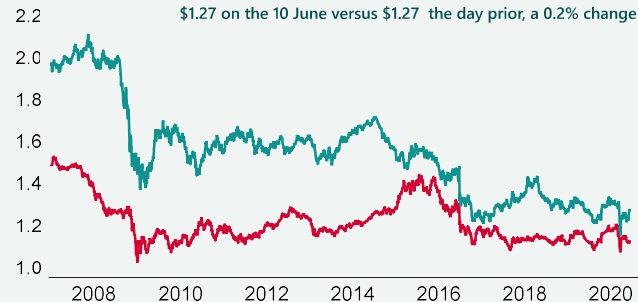
—US —UK —Germany —United Kingdom, Bank of England



	10 Jun	1 d ago	1st Jan
Germany	-0.30	-0.32	-0.19
UK	0.27	0.32	0.74
US	0.75	0.84	1.92

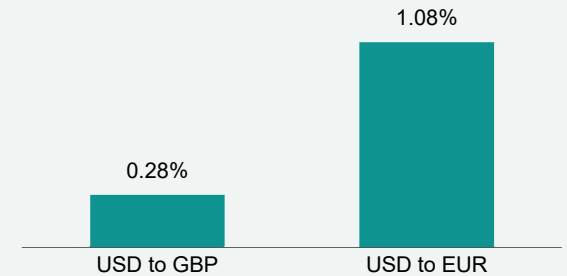
FX Spot Rates

—EUR per GBP —USD per GBP



	10 Jun	1 d ago	1st Jan
EUR per GBP	1.12	1.12	1.18
USD per GBP	1.27	1.27	1.32

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

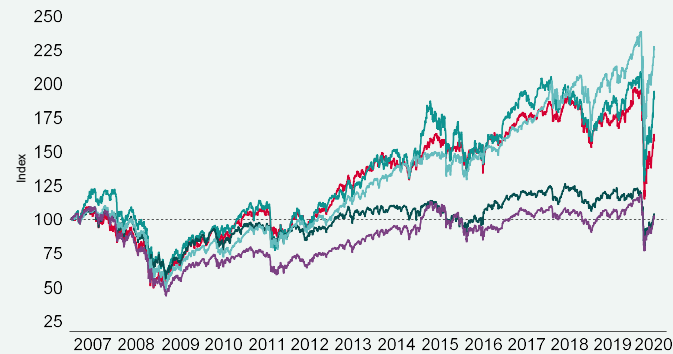


Source: Knight Frank, Investing.com
Approximate additional return per annum that dollar denominated investors may obtain based on five year currency hedge.

Equity and REIT

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

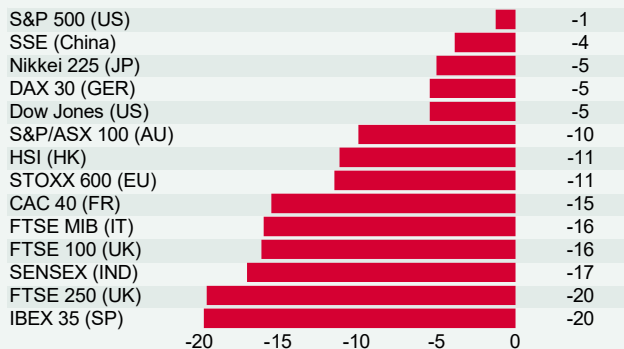
—FTSE 250 —DAX —FTSE 100 —S&P 500 —STOXX 600



Source: Knight Frank, Macrobond. Last modified: 10 June 2020 19:05 GMT.

Equity performance: YTD (%)

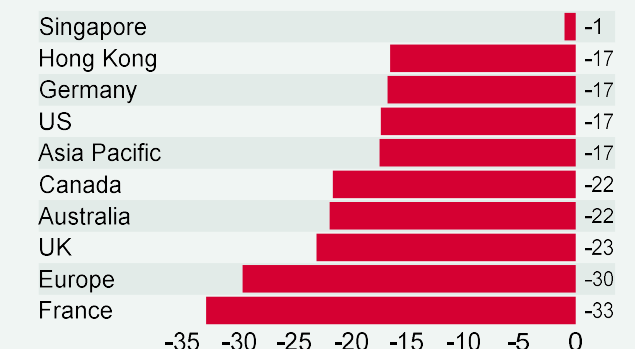
Local currencies



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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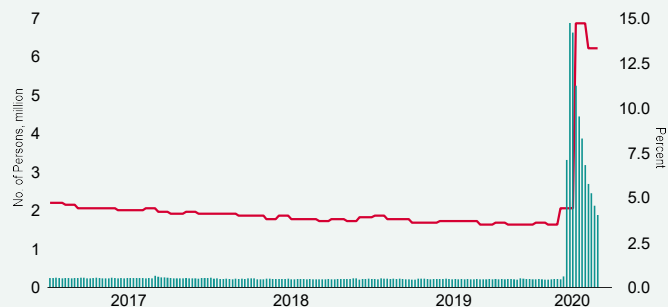


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US indicator

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)

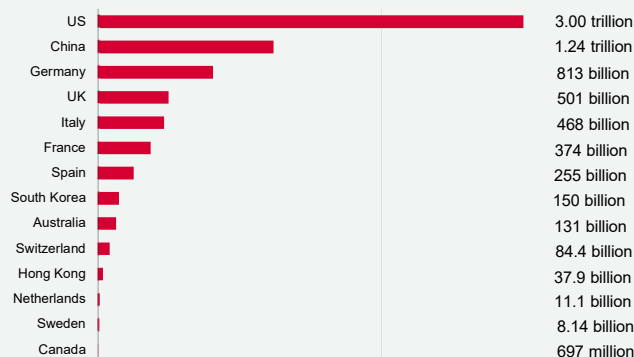
Monetary policy

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 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	190 bn	12.5%	47.4%
Canada	278 bn	103.7%	223.1%
Euro Area	6.34 tn	7.8%	20.5%
France	1.49 tn	7.7%	20.5%
Germany	2.26 tn	6.2%	12.1%
Italy	1.27 tn	4.7%	16.6%
Sweden	134 bn	10.0%	37.8%
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	218 bn	5.7%	6.4%
Russia	642 bn	-6.1%	4.5%
Saudi Arabia	461 bn	-5.1%	-9.9%
South Korea	433 bn	3.8%	1.0%
Turkey	108 bn	8.2%	13.8%

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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		235,561	34,043		60					
France		154,591	29,296		65					
Poland		27,560	1,183		54					
Portugal		35,306	1,492		71					
Germany		184,861	8,729		50					
Russia		485,253	6,141		75					
United Kingdom		289,140	40,883		65					
Spain		241,966	27,136		61					
Norway		8,563	239		40					
Belgium		59,437	9,619		75					
Bulgaria		2,889	167		44					
Greece		3,058	183		62					
Denmark		12,001	593		63					
Switzerland		30,905	1,662		63					
Ukraine		27,856	810		73					
Finland		7,025	324		42					
Czech Republic		9,751	328		40					
Netherlands		47,903	6,031		63					
Sweden		45,924	4,717		46					
Americas										
Colombia		42,078	1,372		87					
Canada		96,642	7,897		71					
Argentina		24,748	717		91					
United States		1,979,850	112,006		73					
Venezuela		2,632	23		85					
Mexico		124,301	14,649		73					
Brazil		739,503	38,406		77					
Peru		203,736	5,738		90					
Africa Middle East										
Kenya		2,989	88		94					
South Africa		52,991	1,162		81					
Qatar		71,879	62		83					
United Arab Emirates		39,904	263		72					
Turkey		172,114	4,729		79					
Israel		18,268	299		75					
Iran		175,927	8,425		53					
Iraq		14,268	392		93					
Jordan		845	9		56					
Tunisia		1,087	49		52					
Morocco		8,437	210		94					
Egypt		36,829	1,306		84					
Asia Pacific										
Hong Kong		1,107	4		53					
Singapore		36,514	25		78					
Japan		17,251	919		31					
Indonesia		33,076	1,923		68					
Taiwan		443	7		22					
South Korea		11,902	276		57					
China		84,198	4,638		78					
Philippines		22,992	1,017		78					
India		276,583	7,745		75					
Vietnam		332	-		66					
Australia		7,267	102		59					
New Zealand		1,154	22		22					
Thailand		3,125	58		69					
Malaysia		8,336	117		75					
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 and New Zealand have the lowest 'lockdown index' score at 22, indicating the restrictions in place are generally recommendations and are not enforced. Countries including Iraq, Morocco and Kenya have some of the highest 'lockdown index' scores.

For most countries, public transport has the most relaxed restrictions. Taiwan, Norway and New Zealand 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, 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: 11/06/2020

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