

COVID-19 Dashboard

18 June 2020



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Summary

- **Equities:** In Europe, equity markets have opened slightly lower this morning, with the STOXX 600 down -0.1%, albeit, the FTSE 250 is up +0.1%. In the US, the S&P 500 closed -0.4% lower, while futures point to further declines of -0.3% on open. In Asia, stocks closed lower, with the S&P/ASX 200 declining by -0.9%, the Kospi down by -0.4% and the Hang Seng by -0.1%.
- **VIX:** The CBOE market volatility index is currently 34.0, versus a long term average of 20.0. The Euro Stoxx 50 volatility price index, which reflects investor sentiment in Europe, is currently 35.2. This compares to the long term average of 23.9 and is down from a peak of 85.6 on 16th March. Both indices remain elevated, indicating further expectations of near-term volatility.
- **Bonds:** The UK 10-year gilt yield, US 10-year treasury yield and German 10-year bund yield are currently 0.18%, 0.73% and -0.43%.
- **Currency:** Sterling has slightly depreciated to \$1.25, while the euro remains at \$1.13. Hedging benefits for US dollar denominated investors into the UK and the eurozone are currently 0.31% and 1.11% per annum on a five-year basis, respectively.
- **Baltic Dry:** The Baltic Dry Index increased for its 13th consecutive session yesterday, up +18.2% to 1,246. This is 156 points above where it was at the start of January 2020. This indicates improving demand for raw materials and subsequently manufacturing, as COVID-19 containment measures continue to ease.
- **Oil:** Brent Crude is remains above \$40 a barrel at \$41.03, while the West Texas Intermediate (WTI) is at \$38.36 per barrel.
- **US Election:** Predictit, the online political futures market currently indicates a 44% likelihood of President Trump being re-elected in November. The current probability of Joe Biden winning the election is 58%. The last time Trump had a probability higher than 50% was the 22nd April 2020, while the peak likelihood of his re-election was 56% on 12th February 2020.

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COVID-19 Dashboard

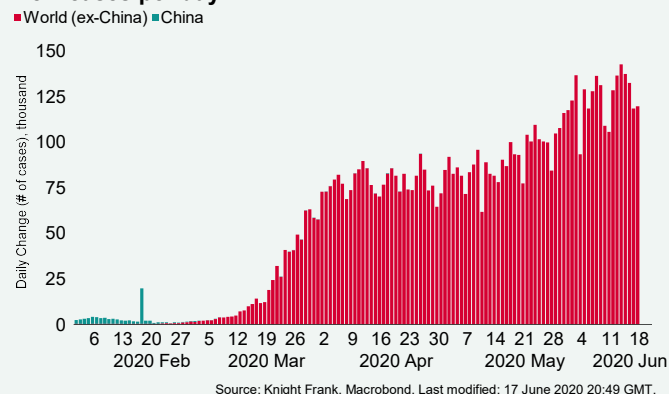
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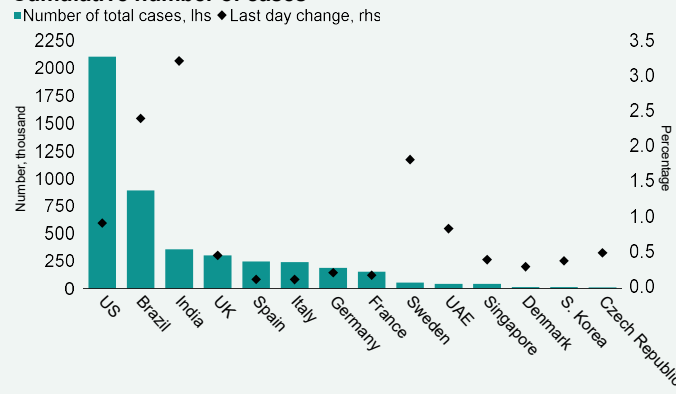
COVID-19

New cases per day



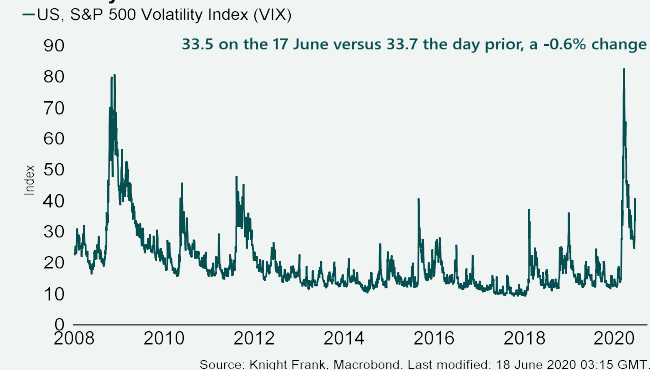
The number of total confirmed cases reached 8062k on the 17 June, an increase of 120k new cases over the day prior.

Cumulative number of cases



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

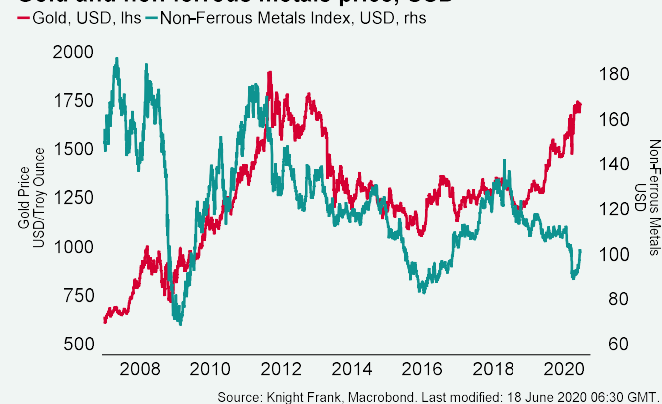
Volatility Index



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.

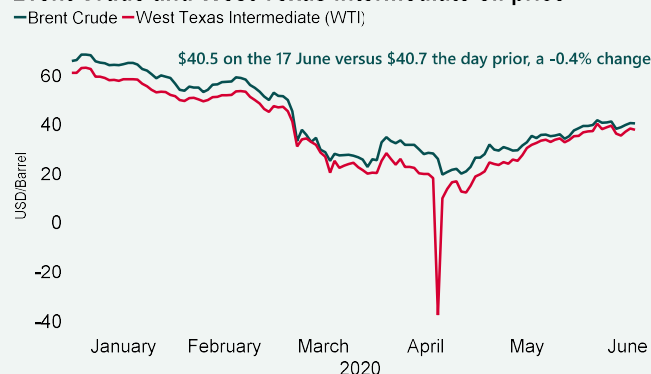
Commodities

Gold and non-ferrous metals price, USD



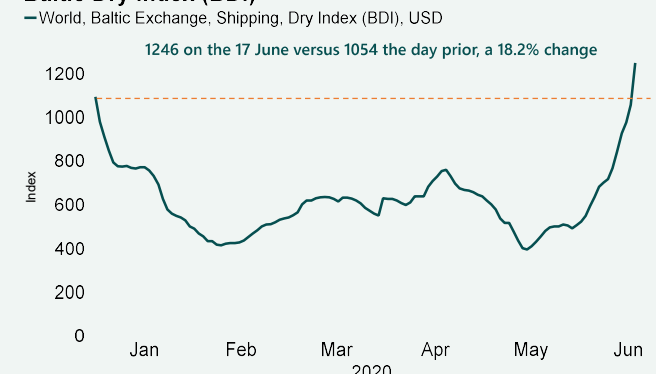
	16 Jun	D/D (%)	YTD (%)
Gold, USD	1726	0.1	13.8
Non-Ferrous Metals, USD	100	-1.7	-9.4

Brent Crude and West Texas Intermediate oil price



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)



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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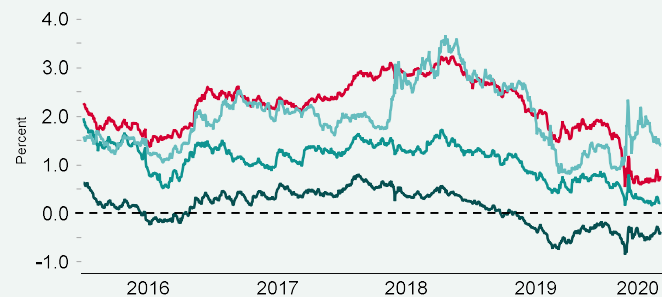


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Bonds and currencies

10y Government Bond Yield (%)

—US —UK —Germany —Italy



	17 Jun	1 d ago	1st Jan
Germany	-0.38	-0.40	-0.19
Italy	1.40	1.40	1.40
UK	0.18	0.19	0.74
US	0.74	0.75	1.92

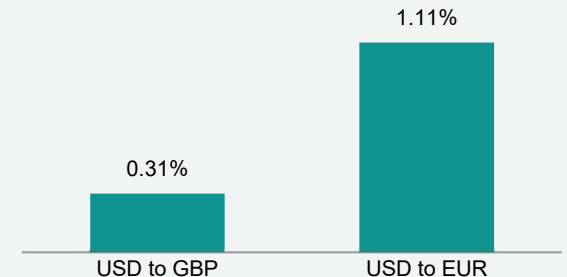
FX Spot Rates

—EUR per GBP —USD per GBP



	17 Jun	1 d ago	1st Jan
EUR per GBP	1.12	1.12	1.18
USD per GBP	1.25	1.26	1.32

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

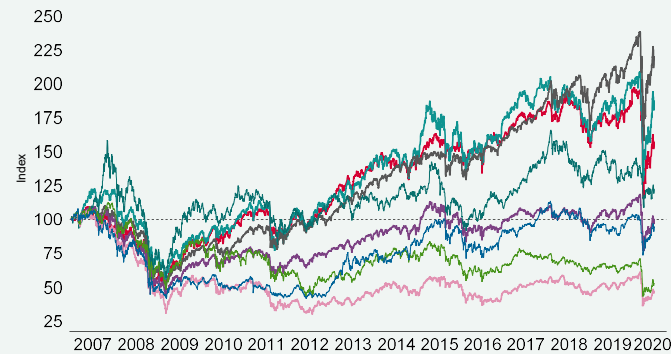


Source: Knight Frank, Investing.com
Approximate additional return per annum that dollar denominated investors may obtain based on five year currency hedge.

Equity and REIT

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

—FTSE 250 —DAX —S&P 500 —STOXX 600 —Hang Seng —MIB —IBEX 35 —TOPIX

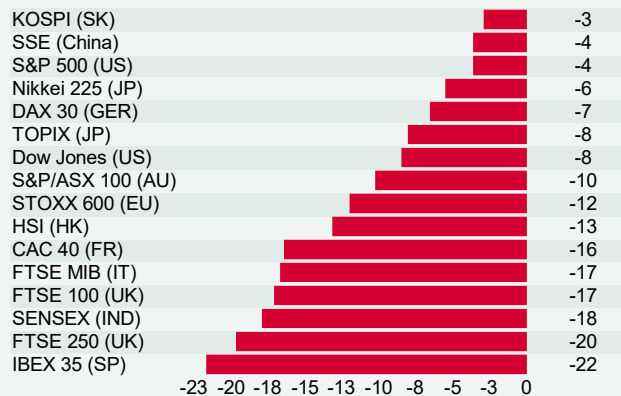


Source: Knight Frank, Macrobond. Last modified: 17 June 2020 19:05 GMT.

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

Equity performance: YTD (%)

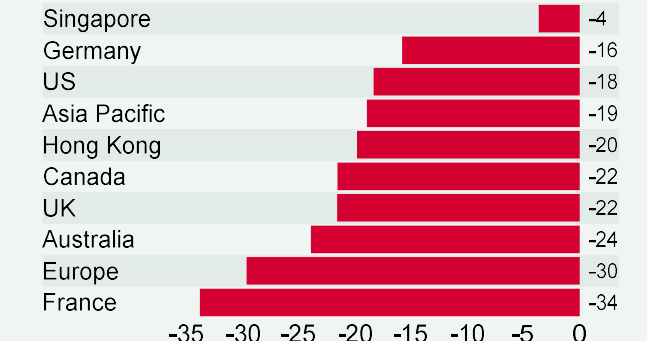
Local currencies



Source: Knight Frank, Macrobond

REIT performance: YTD (%)

Local currencies



Source: Knight Frank, Macrobond

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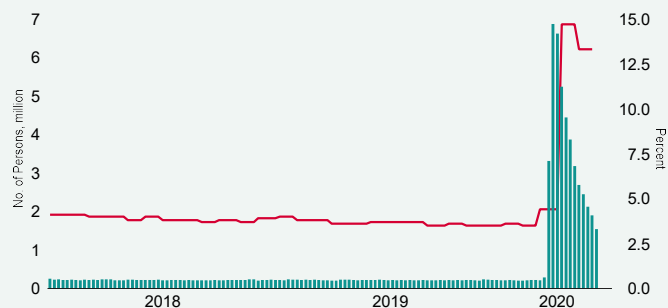


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US indicators

US Unemployment

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

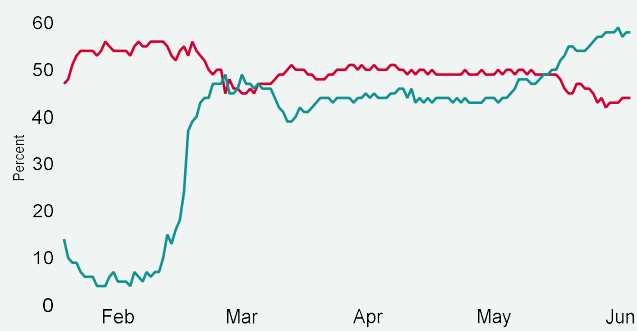


Source: Knight Frank, Macrobond. Last data for the week commencing the 1 June.

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: 18 June 2020 07:00 GMT.

	18 Jun	1 week ago	1 month ago
Trump	44%	44%	49%
Biden	58%	57%	44%

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	2.25%	4.50%	-225 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

Central Bank Assets Purchasing Programme

	Lastest (\$)	MoM (%)	YoY (%)
Advanced Economies			
Australia	190 bn	11.3%	48.5%
Canada	340 bn	22.2%	293.3%
Euro Area	6.39 tn	7.6%	20.7%
France	1.49 tn	7.7%	20.5%
Germany	2.25 tn	5.6%	10.1%
Italy	1.27 tn	4.7%	16.6%
Sweden	133 bn	8.2%	37.5%
Japan	6.01 tn	3.3%	14.5%
United Kingdom	795 bn	0.2%	2.5%
United States	7.17 tn	4.8%	86.2%
Developing Economies			
Brazil	517 bn	7.6%	-7.0%
China	5.15 tn	1.2%	-0.9%
India	349 bn	-2.0%	33.7%
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	8.3%	15.5%

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
Germany	€880bn : 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

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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		237,500											
France		157,716											
Poland		30,195											
Portugal		37,336											
Germany		187,184											
Russia		545,458											
United Kingdom		298,136											
Spain		244,328											
Norway		8,631											
Belgium		60,155											
Bulgaria		3,453											
Greece		3,148											
Denmark		12,250											
Switzerland		31,063											
Ukraine		32,476											
Finland		7,112											
Czech Republic		10,111											
Netherlands		49,087											
Sweden		53,323											
Americas													
Colombia		54,931											
Canada		99,456											
Argentina		34,146											
United States		2,137,731											
Venezuela		3,150											
Mexico		154,863											
Brazil		923,189											
Peru		237,156											
Africa Middle East													
Kenya		3,860											
South Africa		76,334											
Qatar		82,077											
United Arab Emirates		42,982											
Turkey		181,298											
Israel		19,637											
Iran		192,439											
Iraq		22,700											
Jordan		981											
Tunisia		1,125											
Morocco		8,921											
Egypt		47,856											
Asia Pacific													
Hong Kong		1,120											
Singapore		40,969											
Japan		17,628											
Indonesia		40,400											
Taiwan		445											
South Korea		12,198											
China		84,422											
Philippines		26,781											
India		354,065											
Vietnam		335											
Australia		7,347											
New Zealand		1,156											
Thailand		3,135											
Malaysia		8,505											
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													
No measure													
Required													
Required													
Workplace													
No measure													
Recommended													
Some level of schooling required to													
Required closure of													
Schools													
No measure													
Recommended													
Some level of schooling required to													
All schools required to													
International travel													
No measure													
Screening													
Quarantine arrivals from													
high risk regions													