

COVID-19 Dashboard

19 June 2020



Internal and key client use only

Summary

- **Equities:** In Europe, the STOXX 600 and the DAX are both up +0.5%, while the FTSE 250 has added +0.2%. In the US, futures for the S&P 500 and the Dow Jones Industrial Average are up +0.2% and +0.1%. In Asia, stocks closed higher, with the CSI 300 increasing by +1.3%, the Hang Seng up +0.8% and the Kospi +0.4%.
- **VIX:** The CBOE market volatility index is currently 33.1, while the Euro Stoxx 50 volatility price index is at 32.3. Both indices remain elevated, indicating further expectations of near-term volatility.
- **Bonds:** 10-year government bond yields in Germany, the UK and US have all seen increases over the morning. The UK 10-year gilt yield and German 10-year bund yield have both increased by 3bps to 0.25% and -0.41%, while the US 10-year treasury yield is up 1bp to 0.72%.
- **Currency:** Sterling and the euro have depreciated to \$1.24 and \$1.12. Hedging benefits for US dollar denominated investors into the UK and the eurozone are 0.29% and 1.10% per annum on a five-year basis.
- **Baltic Dry:** The Baltic Dry saw its largest ever one day increase in the index yesterday, increasing +22.6% to 1,527. This is 437 points above where it was at the start of the year and was driven by a 50% increase in capesize rates on the back of increased demand for iron ore. This indicates improving demand for raw materials and subsequently manufacturing, as COVID-19 containment measures continue to ease.
- **UK Quantitative Easing:** The Bank of England (BoE) announced it will increase its quantitative easing (QE) programme by £100 billion. QE totalled £645 billion in March, compared to £435 billion in August 2016 and £200 billion in November 2009. The BoE held its interest rate at 0.10%.
- **US Unemployment:** Unemployment applications increased by 1.5 million in the week to June 13th, above expectations of 1.3 million and taking the increase in US jobless claims since 21st March 2020 to 45.7 million.
- **UK Borrowing:** Public sector net debt excluding public sector banks, (PSND ex) has exceeded UK GDP for the first time since 1963, rising to 100.9% of GDP at the end of May. Following a revision by the ONS on April borrowing to £48.5bn (originally £62bn), monthly borrowing for May, reached a record monthly high of £55.2 billion, an amount 9 times higher than the same month one year ago.

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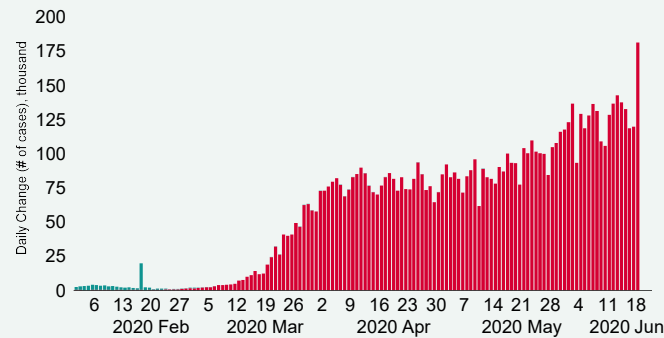


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COVID-19

New cases per day

■ World (ex-China) ■ China

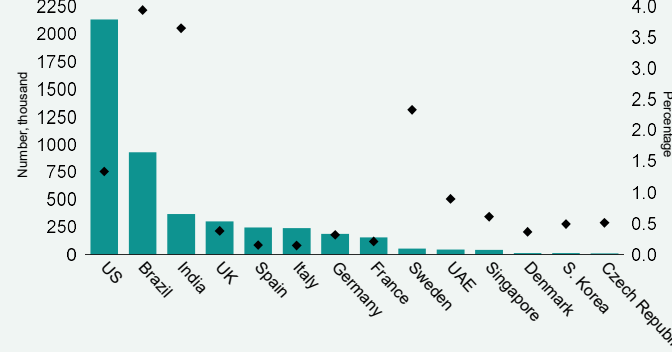


Source: Knight Frank, Macrobond. Last modified: 18 June 2020 20:05 GMT.

The number of total confirmed cases reached 8243k on the 18 June, an increase of 181k new cases over the day prior.

Cumulative number of cases

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

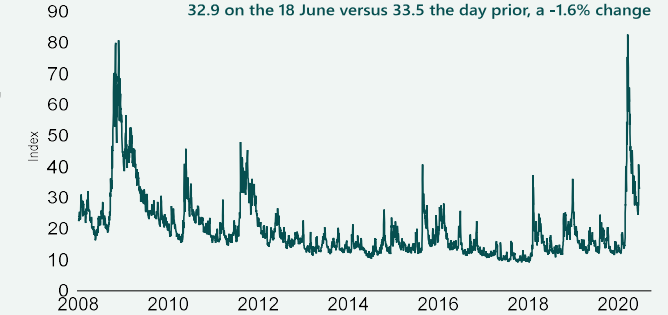


Source: Knight Frank, Macrobond. Last modified: 18 June 2020 00:00 GMT.

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)



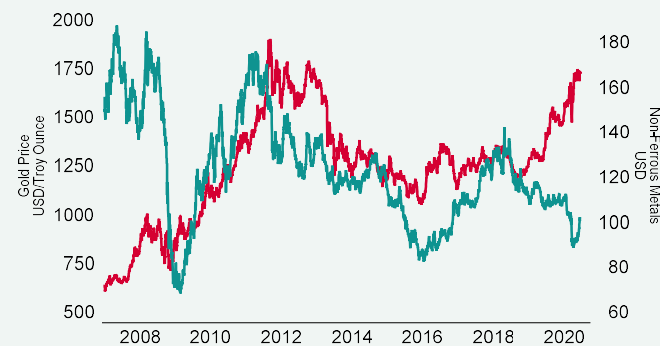
Source: Knight Frank, Macrobond. Last modified: 19 June 2020 03:15 GMT.

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 non-ferrous metals price, USD

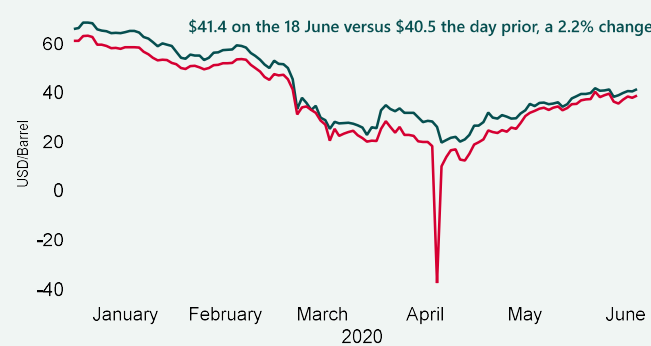
—Gold, USD, lhs —Non-Ferrous Metals Index, USD, rhs



Source: Knight Frank, Macrobond. Last modified: 19 June 2020 06:30 GMT.

Brent Crude and West Texas Intermediate oil price

—Brent Crude —West Texas Intermediate (WTI)

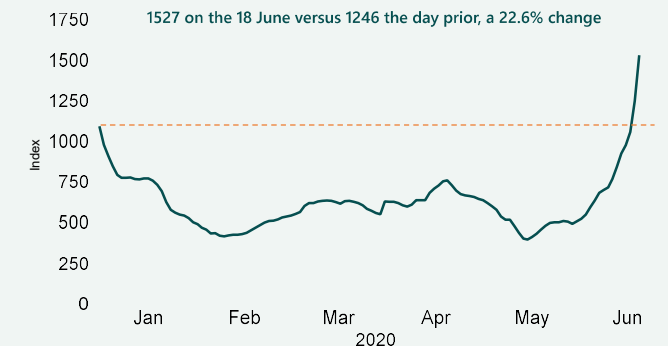


Source: Knight Frank, Macrobond. Last modified: 18 June 2020 23:10 GMT.

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: 18 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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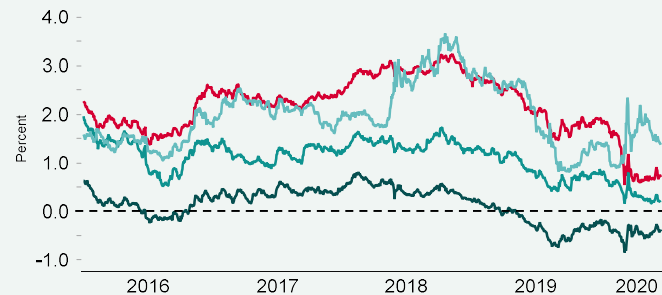


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Bonds and currencies

10y Government Bond Yield (%)

—US —UK —Germany —Italy



	18 Jun	1 d ago	1st Jan
Germany	-0.41	-0.38	-0.19
Italy	1.37	1.40	1.40
UK	0.22	0.18	0.74
US	0.71	0.74	1.92

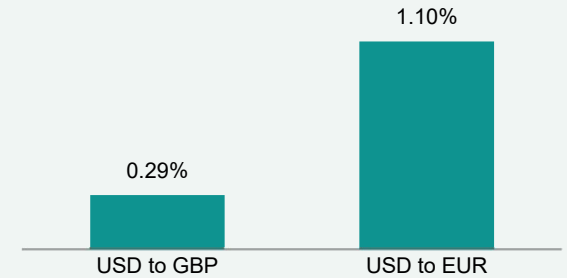
FX Spot Rates

—EUR per GBP —USD per GBP



	18 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

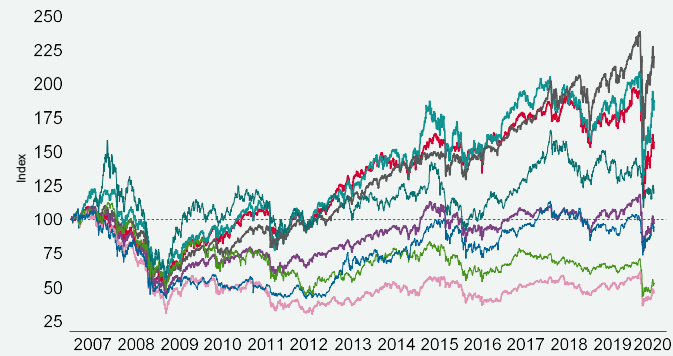


Source: Knight Frank, Investing.com
Approximate additional return per annum that dollar denominated investors may obtain based on five year currency hedge.

Equity and REIT

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

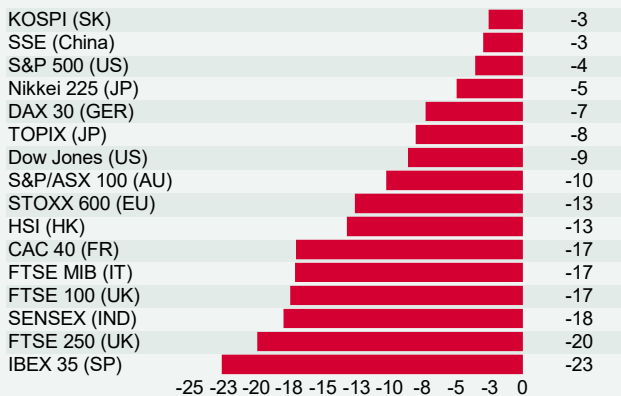
—FTSE 250 —DAX —S&P 500 —STOXX 600 —Hang Seng —MIB —IBEX 35 —TOPIX



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

Equity performance: YTD (%)

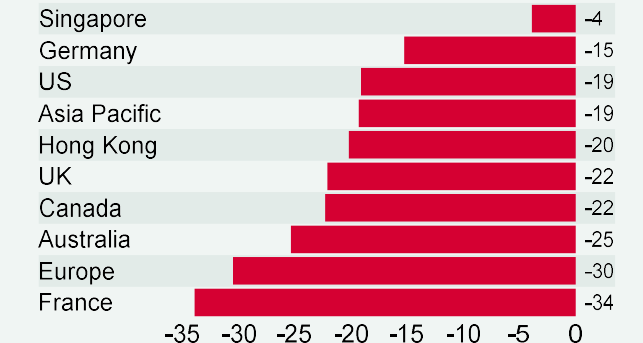
Local currencies



Source: Knight Frank, Macrobond

REIT performance: YTD (%)

Local currencies



Source: Knight Frank, Macrobond

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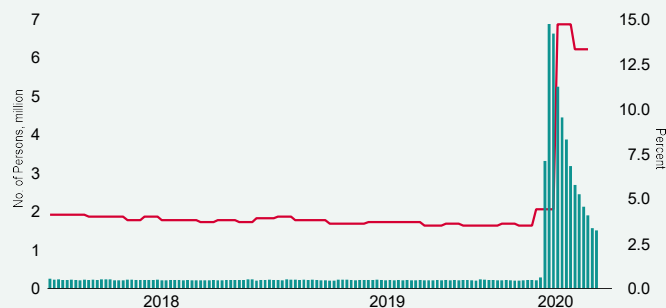


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US indicators

US Unemployment

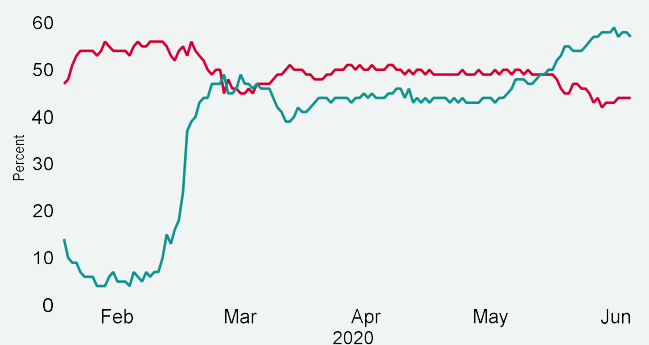
— Monthly Unemployment Rate, rhs — New Weekly Jobless Claims, lhs



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



	19 Jun	1 week ago	1 month ago
Trump	44%	42%	50%
Biden	57%	58%	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	186 bn	7.4%	49.1%
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	750 bn	-0.5%	-5.7%
United States	7.09 tn	1.5%	84.5%
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	109 bn	8.9%	14.7%

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	237,828	34,448	48								
France	158,174	29,575	66								
Poland	30,701	1,286	54								
Portugal	37,672	1,523	71								
Germany	187,764	8,856	50								
Russia	553,301	7,478	75								
United Kingdom	299,251	42,153	70								
Spain	244,683	27,136	61								
Norway	8,660	243	40								
Belgium	60,244	9,675	50								
Bulgaria	3,542	184	44								
Greece	3,203	187	44								
Denmark	12,294	598	63								
Switzerland	31,100	1,677	39								
Ukraine	33,234	943	73								
Finland	7,117	326	39								
Czech Republic	10,162	333	40								
Netherlands	49,204	6,074	59								
Sweden	54,562	5,041	46								
Americas											
Colombia	57,046	1,864	87								
Canada	99,842	8,254	71								
Argentina	35,539	913	91								
United States	2,163,290	117,717	73								
Venezuela	3,150	27	81								
Mexico	159,793	19,080	73								
Brazil	955,377	46,510	77								
Peru	240,908	7,257	90								
Africa Middle East											
Kenya	4,044	107	94								
South Africa	80,412	1,674	77								
Qatar	83,174	82	83								
United Arab Emirates	43,364	295	69								
Turkey	182,727	4,861	68								
Israel	19,894	303	75								
Iran	195,051	9,185	53								
Iraq	24,254	773	93								
Jordan	987	9	48								
Tunisia	1,128	50	30								
Morocco	8,997	213	77								
Egypt	49,219	1,850	71								
Asia Pacific											
Hong Kong	1,124	4	53								
Singapore	41,216	26	78								
Japan	17,668	935	28								
Indonesia	41,431	2,276	58								
Taiwan	445	7	22								
South Korea	12,257	280	57								
China	84,458	4,638	82								
Philippines	27,238	1,108	83								
India	366,946	12,237	77								
Vietnam	335	66	66								
Australia	7,370	102	54								
New Zealand	1,157	22	19								
Thailand	3,141	58	57								
Malaysia	8,515	121	64								
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	Workplace	Schools	International travel	Value
				No measure	No Measure	No measure	0	No measure	No measure	No measure	0
				Recommended	Recommended	Recommended	1	Recommended	Recommended	Screening	1
				Restriction	Required	Required	2	Required closure of some sectors	Some level of schooling required to close	Quarantine arrivals from high risk regions	2