

COVID-19 Dashboard

23 June 2020



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Summary

- **Equities:** The STOXX 600 is now running at circa January 2007 levels and has gained +1.4% over the morning. The DAX and FTSE 250 have also added +2.1% and +1.0%, respectively, while in Asia, stocks closed higher with the Hang Seng up +1.3% and the Topix increasing +0.5%. In the US, futures for the S&P 500 and the Dow Jones Industrial Average are up +0.6% and +0.7%.
- **VIX:** The CBOE market volatility index and the Euro Stoxx 50 volatility price index have both declined to their lowest levels since June 10th, currently 31.8 and 31.1, respectively. However, both indices remain above their long term averages, 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 0.21%, 0.71% and -0.42%.
- **Currency:** Both sterling and the euro have appreciated this morning, at \$1.25 and \$1.13. Hedging benefits for US dollar denominated investors into the UK and the eurozone have increased to 0.33% and 1.14% per annum on a five-year basis.
- **Baltic Dry:** The Baltic Dry increased for its 16th consecutive session yesterday, up +0.2% to 1,558. The index is now 468 points above where it was in January 2020, indicating improving demand for raw materials and subsequently manufacturing, as COVID-19 containment measures continue to ease.
- **Oil:** Both Brent Crude and the West Texas Intermediate are above \$40 per barrel at \$43.42 and \$41.00 per barrel, respectively. The reduction in supply surpluses has contributed to this oil price appreciation.
- **PMIs:** Flash estimates for UK PMIs point to an improvement in June as the lockdown has started to ease, with the services PMI increasing to 47, from 29 in May. However, under 50 is still considered contractionary. The manufacturing PMI has risen to just above 50 at 50.1 in June, from 40.7 the month prior. The UK composite PMI has increased from 30 in May to 47.6 in June, which is in line with 47.5 for the eurozone.

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

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COVID-19 Dashboard

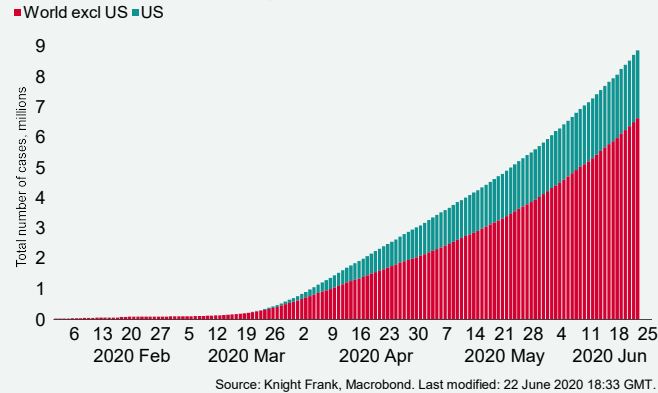
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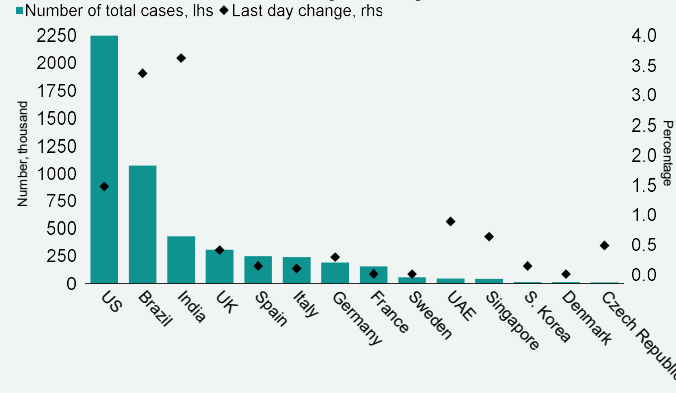
COVID-19

Cumulative number of global cases



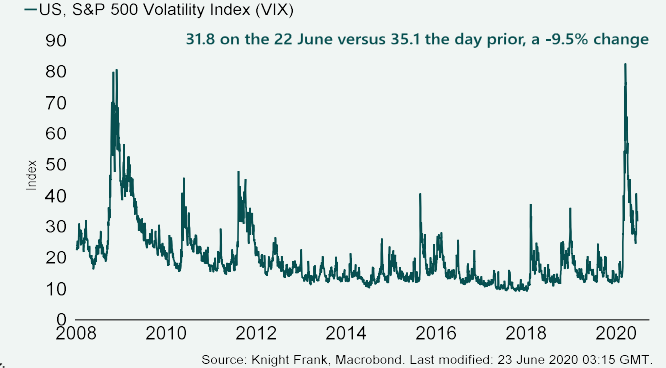
The number of total confirmed cases reached 8860k on the 22 June, an increase of 152k new cases over the day prior.

Cumulative number of cases by country



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

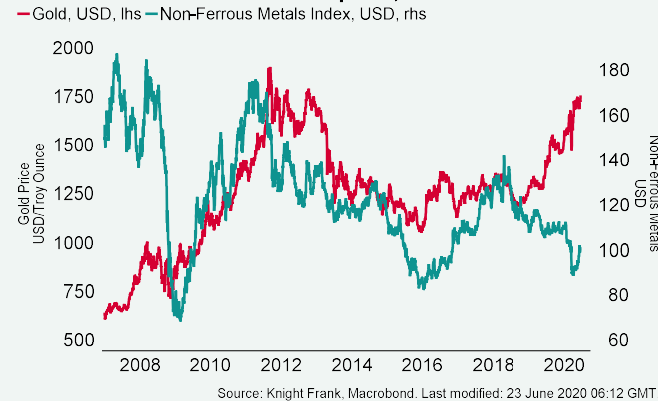
Volatility Index



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.

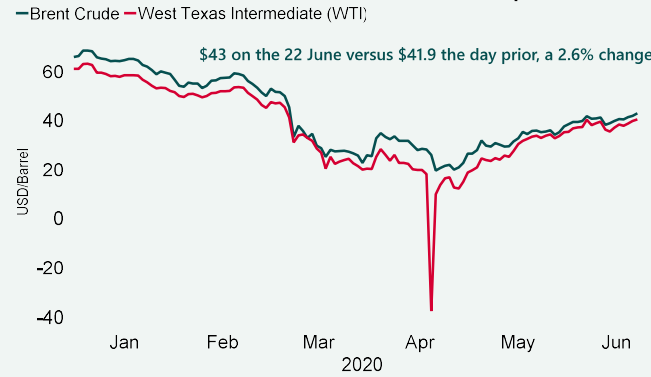
Commodities

Gold and non-ferrous metals price, USD



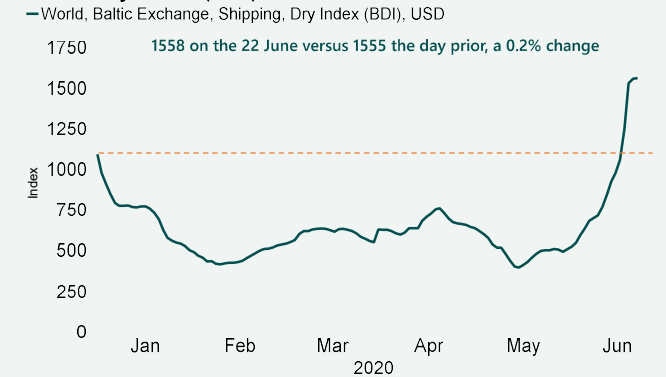
	22 Jun	D/D (%)	YTD (%)
Gold, USD	1754	1.9	15.6
Non-Ferrous Metals, USD	101	0.6	-8.5

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.

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

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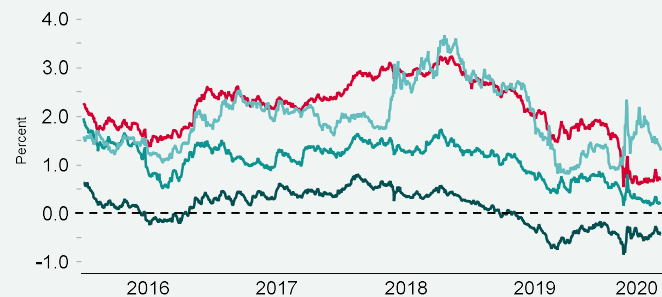


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Bonds and currencies

10y Government Bond Yield (%)

—US —UK —Germany —Italy



	22 Jun	1 d ago	1st Jan
Germany	-0.44	-0.43	-0.19
Italy	1.29	1.35	1.40
UK	0.19	0.24	0.74
US	0.71	0.70	1.92

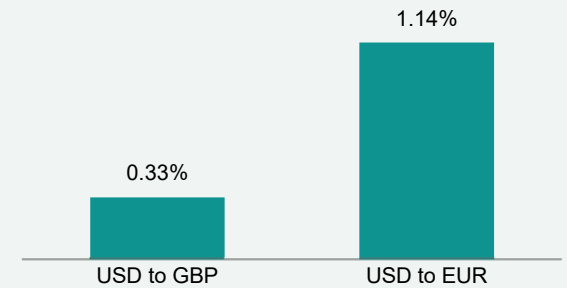
FX Spot Rates

—EUR per GBP —USD per GBP



	22 Jun	1 d ago	1st Jan
EUR per GBP	1.11	1.11	1.18
USD per GBP	1.24	1.24	1.32

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

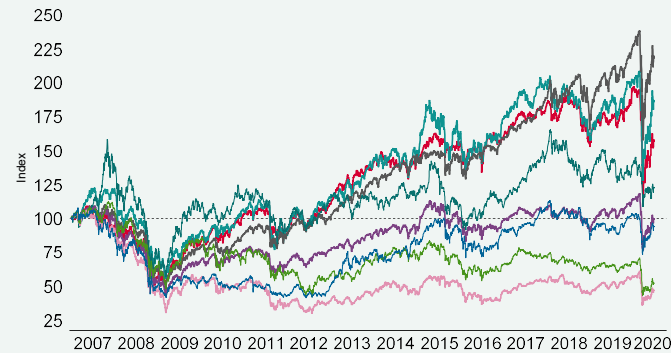


Source: Knight Frank, Investing.com
Approximate additional return per annum that dollar denominated investors may obtain based on five year currency hedge.

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

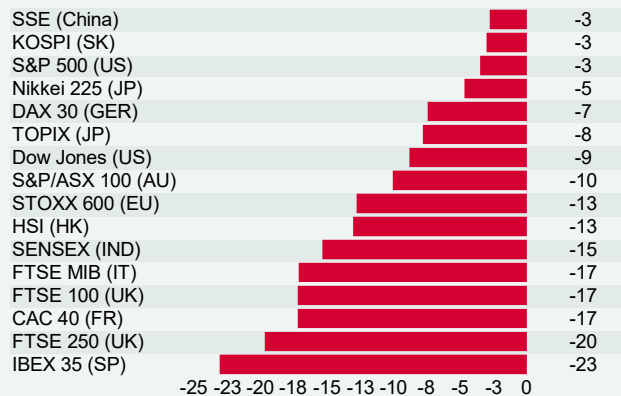


Source: Knight Frank, Macrobond. Last modified: 22 June 2020 19:05 GMT.

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

Equity performance: YTD (%)

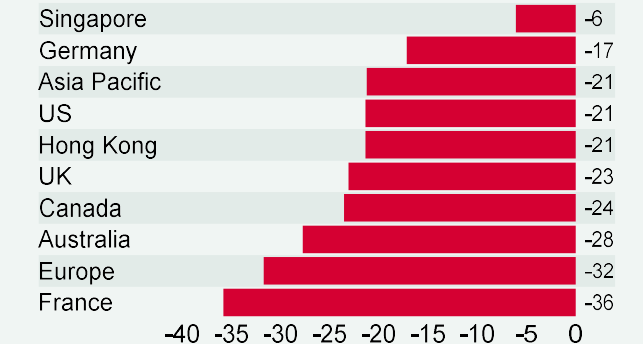
Local currencies



Source: Knight Frank, Macrobond

REIT performance: YTD (%)

Local currencies



Source: Knight Frank, Macrobond

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
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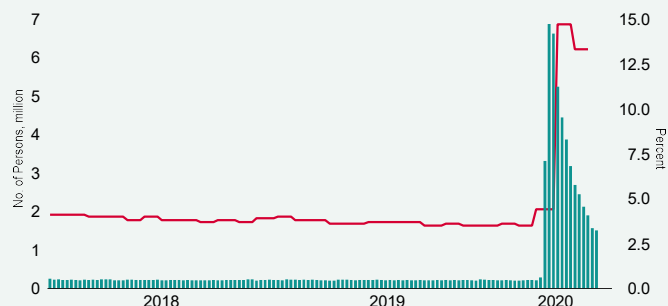


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US indicators

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)

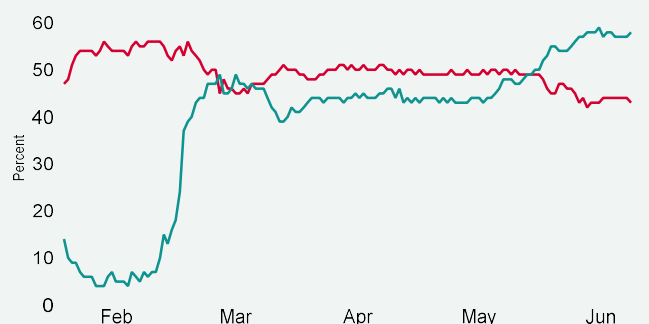
Monetary policy

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	4.50%	6.25%	-175 bps
Saudi Arabia	1.00%	2.25%	-125 bps
South Korea	0.50%	1.25%	-75 bps
Turkey	8.25%	12.00%	-375 bps

2020 Presidential Winner (probability of winning, %)

— Trump — Biden



	23 Jun	1 week ago	1 month ago
Trump	43%	44%	50%
Biden	58%	57%	48%

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

Central Bank Assets Purchasing Programme

	Lastest (\$)	MoM (%)	YoY (%)
Advanced Economies			
Australia	186 bn	7.4%	49.2%
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	6.07 tn	3.3%	16.2%
United Kingdom	744 bn	-0.6%	-6.4%
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	110 bn	1.2%	18.2%

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

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+44 20 8106 1392
daniel.tomaselli@knightfrank.com

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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.

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
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antonia.haralambous@knightfrank.com

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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		238,720	34,657										
France		160,750	29,663										
Poland		32,227	1,359										
Portugal		39,392	1,534										
Germany		190,862	8,895										
Russia		592,280	8,206										
United Kingdom		305,289	42,647										
Spain		246,504	28,324										
Norway		8,745	248										
Belgium		60,550	9,696										
Bulgaria		3,984	207										
Greece		3,287	190										
Denmark		12,527	602										
Switzerland		31,310	1,680										
Ukraine		37,241	1,012										
Finland		7,144	327										
Czech Republic		10,561	336										
Netherlands		49,658	6,090										
Sweden		58,932	5,122										
Americas													
Colombia		71,183	2,310										
Canada		101,637	8,436										
Argentina		44,918	1,043										
United States		2,312,302	120,402										
Venezuela		4,048	35										
Mexico		185,122	22,584										
Brazil		1,106,470	51,271										
Peru		254,936	8,045										
Africa Middle East													
Kenya		4,797	125										
South Africa		101,590	1,991										
Qatar		88,403	99										
United Arab Emirates		45,303	303										
Turkey		188,897	4,974										
Israel		21,082	307										
Iran		207,525	9,742										
Iraq		32,676	1,167										
Jordan		1,042	9										
Tunisia		1,159	50										
Morocco		10,172	214										
Egypt		56,809	2,278										
Asia Pacific													
Hong Kong		1,161	5										
Singapore		42,313	26										
Japan		17,968	955										
Indonesia		46,845	2,500										
Taiwan		445	7										
South Korea		12,484	281										
China		84,624	4,639										
Philippines		30,682	1,177										
India		440,215	14,011										
Vietnam		349	-										
Australia		7,474	102										
New Zealand		1,165	22										
Thailand		3,151	58										
Malaysia		8,587	121										
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, New Zealand has the lowest 'lockdown index' score at 19, indicating the restrictions in place are generally recommendations and are not enforced. Countries including Iraq, Kenya and Argentina have some of the highest 'lockdown index' scores.

For most countries, public transport has the most relaxed restrictions. Taiwan, Tunisia, 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, Italy and Iran are the exceptions, where international travel is freely permitted with no measures implemented.

Source: Knight Frank, Macrobond, Oxford University, Last Updated: 23/06/2020

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
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