

COVID-19 Dashboard

26 June 2020



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Summary

- **Equities:** In Europe, the STOXX 600 is currently up +0.3%, with the CAC 40 (+1.2%) and the FTSE 250 (+0.7%) also higher this morning. In Asia, stocks were up on close, with the S&P / ASX 200 +1.5% higher, while the Kospi (+1.1%) and the Topix (+1.0%) also recorded gains. In the US, futures for the S&P 500 and the Dow Jones Industrial Average are down -0.7% and -1.0%.
- **VIX:** The CBOE market volatility index and the Euro Stoxx 50 volatility price index are currently at 32.5 and 33.0, respectively. Both indices remain above their long term averages, indicating further expectations of near-term volatility.
- **Bonds:** Both the German 10-year bund yield and the US 10-year treasury yield have compressed by 1bp to -0.47% and 0.67%, respectively. The UK 10-year gilt yield is flat at 0.16%.
- **Currency:** Both sterling and the euro remain at \$1.24 and \$1.12. Hedging benefits for US dollar denominated investors into the UK and the eurozone have declined to 0.33% and 1.12% per annum on a five-year basis.
- **Baltic Dry:** The Baltic Dry increased for its 19th consecutive session yesterday, up +1.9% to 1,738. The index was last this high at the end of October 2019 and is now 648 points or +59% above where it was at the beginning of the year, indicating improving demand for raw materials and subsequently manufacturing.
- **Oil:** Brent Crude has appreciated back above \$40 this morning at \$41.14 per barrel, while the West Texas Intermediate (WTI) remains below at \$38.98 per barrel.
- **US Unemployment:** Unemployment applications increased by 1.48 million in the week to June 20th, above expectations of 1.3 million, taking the increase in US jobless claims since 21st March 2020 to 47.3 million.
- **US Election:** Predictit, the online political futures market currently indicates a 40% likelihood of President Trump being re-elected in November, compared to a 44% likelihood one week ago. The current probability of Joe Biden winning the election is 61%, up from 57% last Friday.

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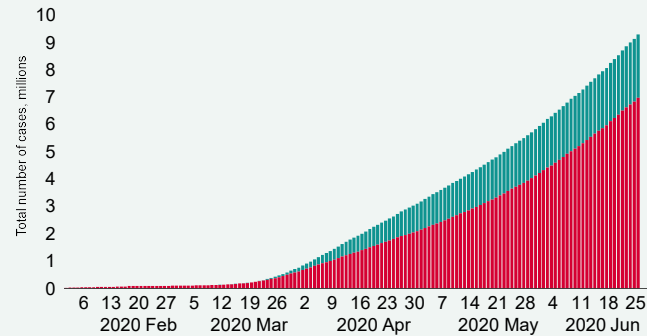


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COVID-19

Cumulative number of global cases

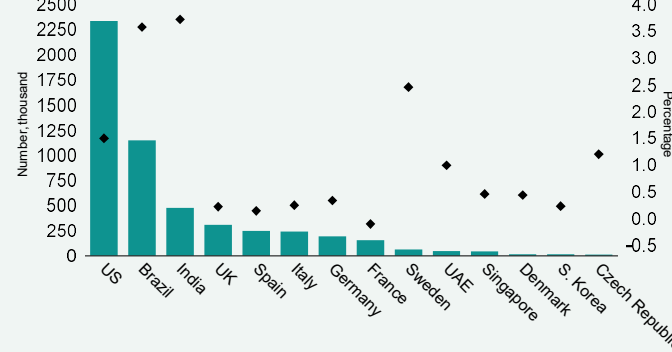
■ World excl US ■ US



The number of total confirmed cases reached 9296k on the 25 June, an increase of 167k new cases over the day prior.

Cumulative number of cases by country

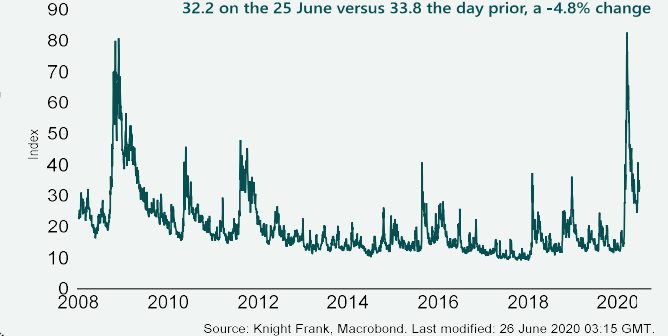
■ Number of total cases, lhs ◆ Last day change, rhs



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)

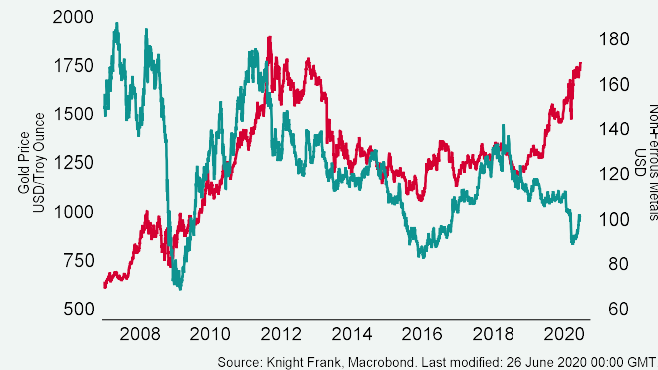


The CBOE VIX (colloquially known as the Investor fear gauge) is an indication of near term S&P 500 stock price volatility based on underlying options.

Commodities

Gold and non-ferrous metals price, USD

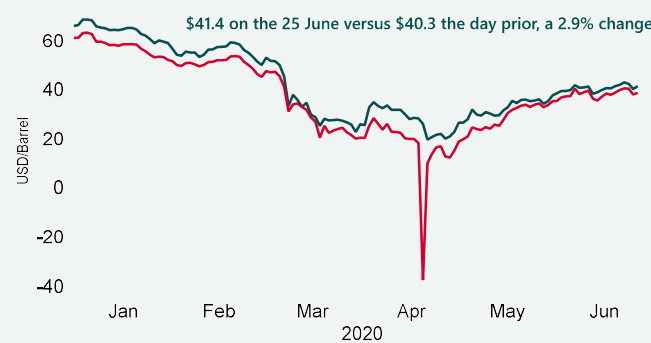
—Gold, USD, lhs —Non-Ferrous Metals Index, USD, rhs



	25 Jun	D/D (%)	YTD (%)
Gold, USD	1763	-0.3	16.2
Non-Ferrous Metals, USD	101	0.6	-8.5

Brent Crude and West Texas Intermediate oil price

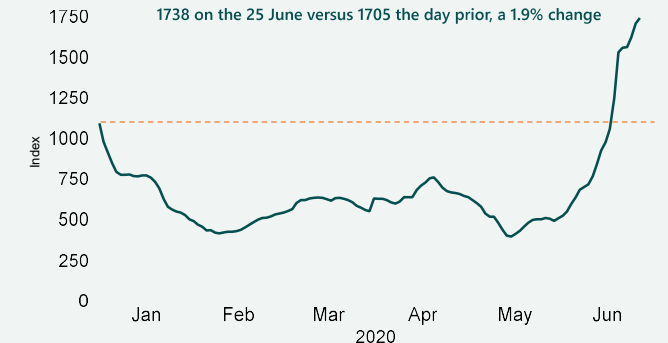
—Brent Crude —West Texas Intermediate (WTI)



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



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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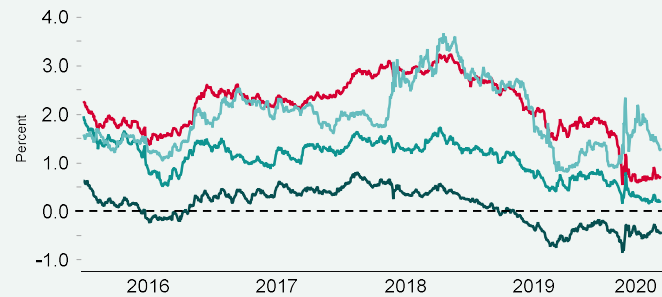


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Bonds and currencies

10y Government Bond Yield (%)

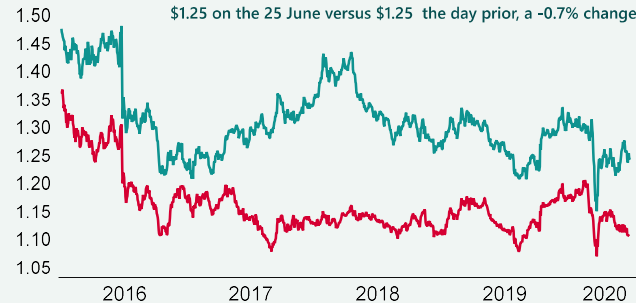
—US —UK —Germany —Italy



	25 Jun	1 d ago	1st Jan
Germany	-0.47	-0.42	-0.19
Italy	1.30	1.26	1.40
UK	0.16	0.19	0.74
US	0.68	0.69	1.92

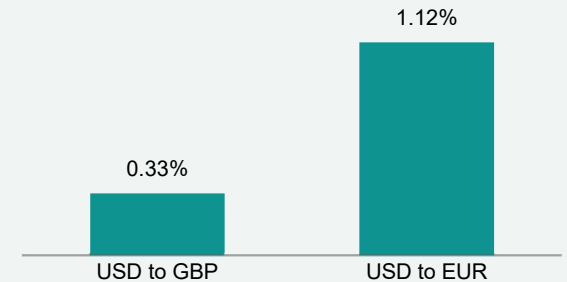
FX Spot Rates

—EUR per GBP —USD per GBP



	25 Jun	1 d ago	1st Jan
EUR per GBP	1.10	1.10	1.18
USD per GBP	1.25	1.25	1.32

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

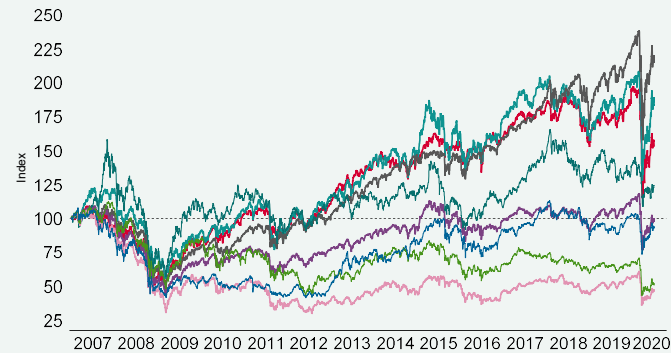


Source: Knight Frank, Investing.com
Approximate additional return per annum that dollar denominated investors may obtain based on five year currency hedge.

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

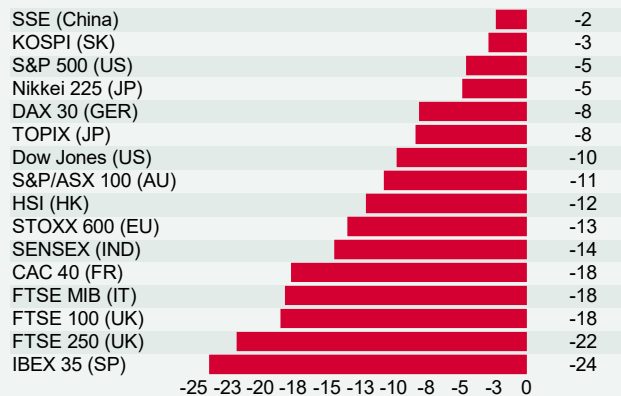


Source: Knight Frank, Macrobond. Last modified: 25 June 2020 19:06 GMT.

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

Equity performance: YTD (%)

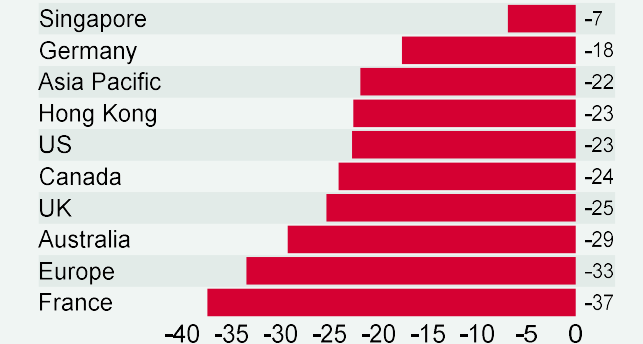
Local currencies



Source: Knight Frank, Macrobond

REIT performance: YTD (%)

Local currencies



Source: Knight Frank, Macrobond

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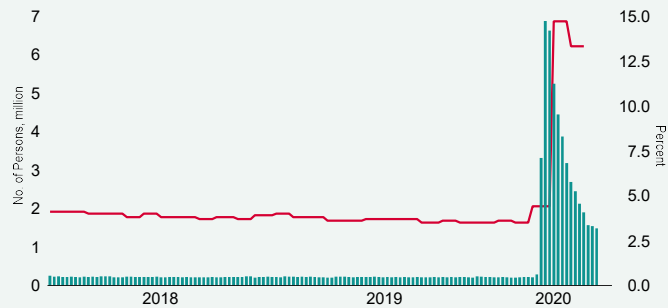


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US indicators

US Unemployment

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

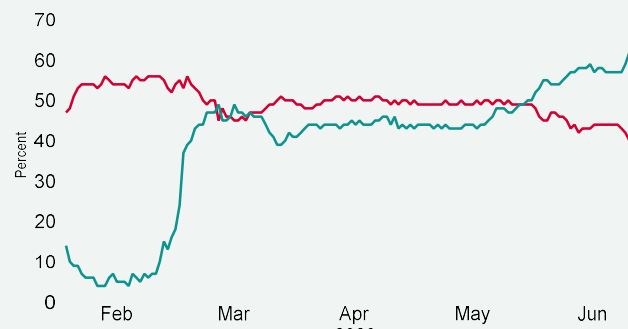


Source: Knight Frank, Macrobond. Last data for the week commencing the 15 June.

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: 26 June 2020 05:00 GMT.

	26 Jun	1 week ago	1 month ago
Trump	40%	44%	49%
Biden	61%	57%	47%

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	5.00%	7.25%	-225 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

Central Bank Assets Purchasing Programme

	Lastest (\$)	MoM (%)	YoY (%)
Advanced Economies			
Australia	191 bn	6.9%	49.0%
Canada	340 bn	22.2%	293.3%
Euro Area	6.33 tn	5.0%	20.1%
France	1.55 tn	3.8%	25.8%
Germany	2.29 tn	6.0%	14.7%
Italy	1.27 tn	4.7%	16.6%
Sweden	133 bn	4.9%	35.6%
Japan	6.07 tn	3.3%	16.2%
United Kingdom	744 bn	-0.6%	-6.4%
United States	7.08 tn	0.2%	84.8%
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	1.3%	19.4%

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	\$2.2tn : Further stimulus announced in late May added \$1.1 trillion to the country's stimulus package, bringing total stimulus to \$2.18 trillion or 40% of GDP.
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	239,706	34,678	39						
France	161,348	29,752	66						
Poland	33,119	1,412	51						
Portugal	40,415	1,549	71						
Germany	192,556	8,948	55						
Russia	613,994	8,605	75						
United Kingdom	307,980	43,230	73						
Spain	247,486	28,330	38						
Norway	8,793	249	34						
Belgium	61,007	9,726	50						
Bulgaria	4,408	211	39						
Greece	3,321	191	44						
Denmark	12,636	603	63						
Switzerland	31,345	1,681	39						
Ukraine	40,008	1,067	64						
Finland	7,172	327	30						
Czech Republic	10,870	345	42						
Netherlands	49,914	6,100	59						
Sweden	63,890	5,230	46						
Americas									
Colombia	80,599	2,654	87						
Canada	102,611	8,504	65						
Argentina	52,444	1,124	91						
United States	2,422,310	124,416	69						
Venezuela	4,563	39	81						
Mexico	202,951	25,060	73						
Brazil	1,228,114	54,971	77						
Peru	268,602	8,761	90						
Africa Middle East									
Kenya	5,384	132	94						
South Africa	118,375	2,292	77						
Qatar	91,838	106	81						
United Arab Emirates	46,563	308	69						
Turkey	193,115	5,046	68						
Israel	22,400	309	75						
Iran	215,096	10,130	53						
Iraq	39,139	1,437	93						
Jordan	1,086	9	48						
Tunisia	1,162	50	30						
Morocco	11,338	217	77						
Egypt	61,130	2,533	71						
Asia Pacific									
Hong Kong	1,193	7	53						
Singapore	42,736	26	54						
Japan	18,197	969	28						
Indonesia	50,187	2,620	68						
Taiwan	445	7	22						
South Korea	12,602	282	57						
China	84,701	4,641	82						
Philippines	33,069	1,212	83						
India	490,401	15,301	72						
Vietnam	352	-	66						
Australia	7,558	104	36						
New Zealand	1,170	22	19						
Thailand	3,158	58	54						
Malaysia	8,600	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
No measure	No Measure	No measure	0
Recommended	Recommended	Recommended	1
Restriction	Required	Required	2

Workplace	Schools	Value
No measure	No measure	0
Recommended	Recommended	1
Some level of schooling required to close		2
Required closure of some sectors		2
Required closure for all but essential work	All schools required to close	3

International travel	Value
No measure	0
Screening	1
Quarantine arrivals from high risk regions	2
Ban on high risk regions	3
Total border closure	4

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: 26/06/2020

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