

COVID-19 Dashboard

12 May 2020



Internal and key client use only

Summary

- **Equities:** European equity markets were subdued this morning as investors monitored the cautious reopening of some countries across the world, amidst signs of new infections in early movers. The FTSE 100 added +0.3% this morning, while STOXX 600 was up +0.2% and the DAX remained flat. In terms of year to date (YTD) losses, tech stocks have contributed to the S&P 500 recovering to just a -9% decline YTD.
- **VIX:** The “investor fear gauge”, the VIX volatility index remains below 30, currently at 28.3 this morning. Despite being at significantly lower levels than seen over the last couple of months, VIX remains elevated compared to normal levels, suggesting continued near term equity market volatility.
- **Bonds:** UK 10-year gilt yields have marginally increased over the last couple of days, currently sitting at 0.28%. German 10-year bund yield is back above -0.5%, at -0.49% and the yield gap between German 10-year bonds and Italian 10-year bonds is currently 237bps.
- **Currency:** Sterling has seen slight depreciation to \$1.23, while the euro remains flat at \$1.08. Hedging benefits for US dollar denominated investors into the UK is circa 0.17% per annum on a five-year basis. The currency hedging benefit of US dollar denominated investors into the Eurozone remains above 1.00% at 1.05% per annum on a five-year basis.
- **Baltic Dry:** The Baltic Dry index yesterday declined for the 14th consecutive session, with a -7.8% fall to below \$500, at \$474. This has been led by a significant drop in capesize, the largest dry cargo ships, rates. The continued contraction in the Baltic Dry is indicative of the subdued demand for raw materials and subsequently manufacturing.
- **Oil:** Oil prices continue to oscillate. Following a -2.1% decline in Brent Crude yesterday, this morning, both Brent Crude and West Texas Intermediate (WTI) have seen modest gains increasing by +1.1% to \$29.97 and +2.7% to \$24.79, respectively. This follows an announcement by Saudi Arabia that it will reduce its crude oil production by an extra one million barrels per day, from June.

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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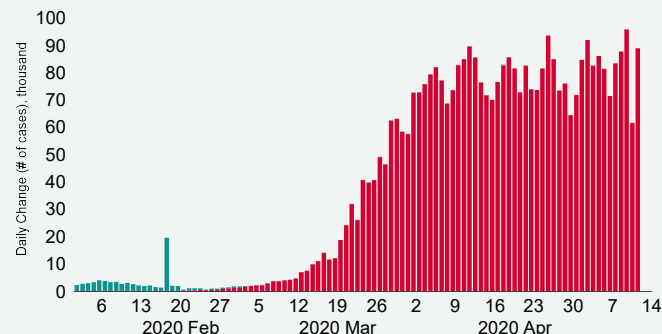


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COVID-19

New cases per day

World (ex-China) China

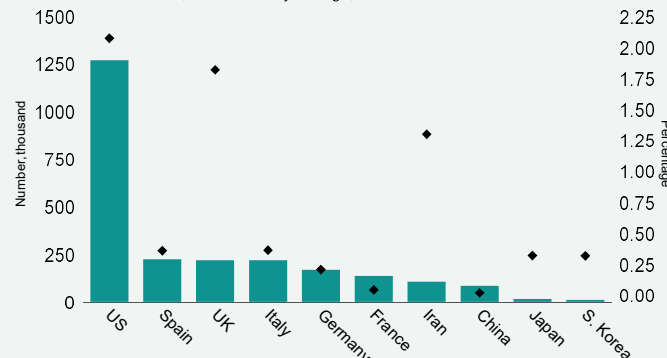


Source: Knight Frank, Macrobond. Last modified: 11 May 2020 19:06 GMT.

The number of total confirmed cases reached 4006k on the 11 May, an increase of 89k new cases over the day prior.

Cumulative number of cases

Number of total cases, lhs ♦ Last day change, rhs



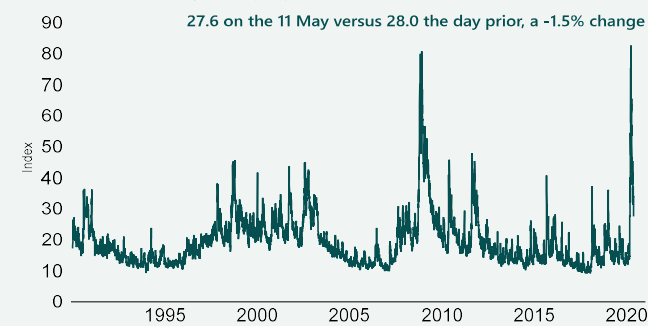
Source: Knight Frank, Macrobond. Last modified: 11 May 2020 00:00 GMT.

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

Investor sentiment

Volatility Index

US, S&P 500 Volatility Index (VIX)



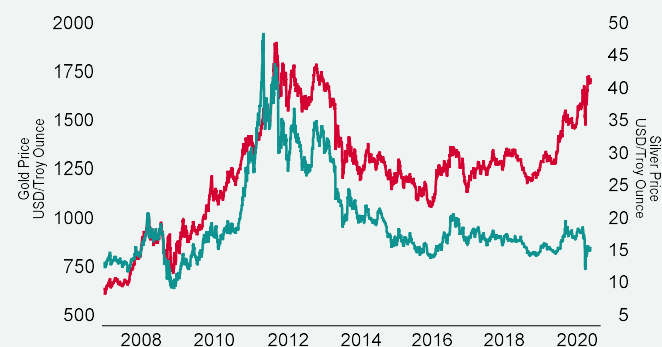
Source: Knight Frank, Macrobond. Last modified: 12 May 2020 03:15 GMT.

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

Gold, USD, lhs Silver, USD, rhs

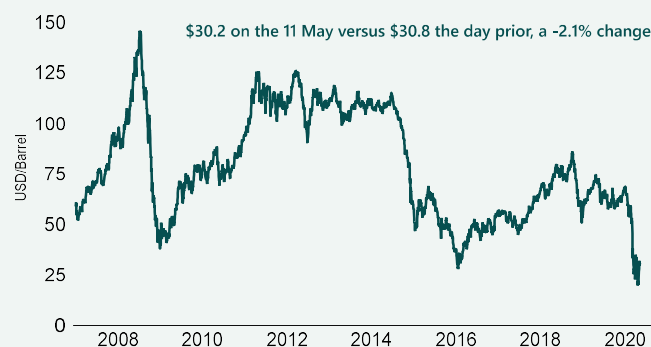


Source: Knight Frank, Macrobond. Last modified: 12 May 2020 06:30 GMT.

	11 May	D/D (%)	YTD (%)
Gold, USD	1697	-1.1	11.9
Silver, USD	15.5	1.0	-13.2

Brent crude and global commodity price index

Crude Oil, Brent

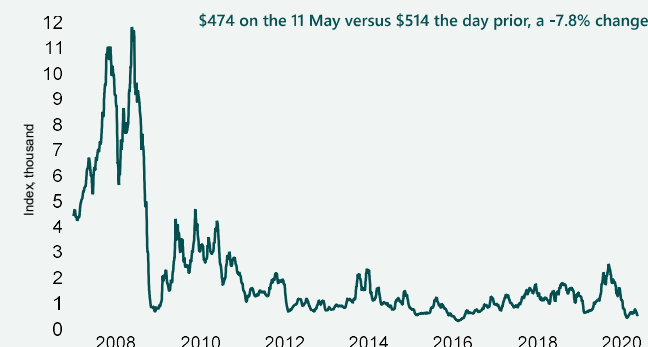


Source: Knight Frank, Macrobond. Last modified: 12 May 2020 02:30 GMT.

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)

World, Baltic Exchange, Shipping, Dry Index (BDI), USD



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

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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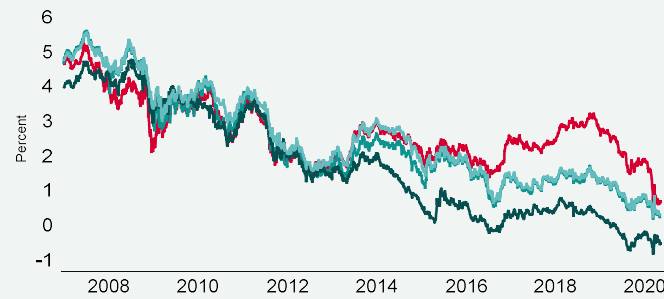


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Bonds and currencies

10y Government Bond Yield (%)

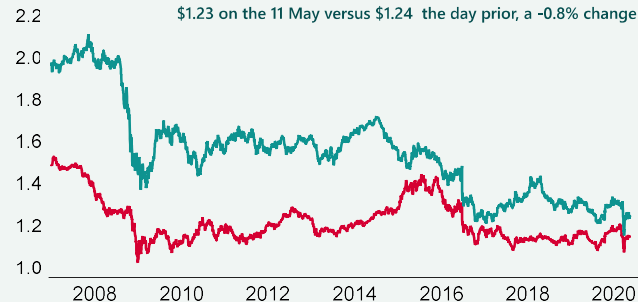
—US —UK —Germany —United Kingdom, Bank of England



	11 May	1 d ago	1st Jan
Germany	-0.50	-0.55	-0.19
UK	0.26	0.24	0.74
US	0.73	0.69	1.92

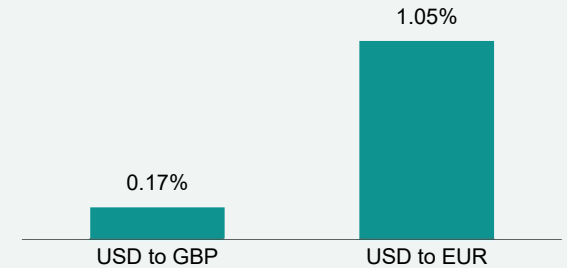
FX Spot Rates

—EUR per GBP —USD per GBP



	11 May	1 d ago	1st Jan
EUR per GBP	1.14	1.14	1.18
USD per GBP	1.23	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)

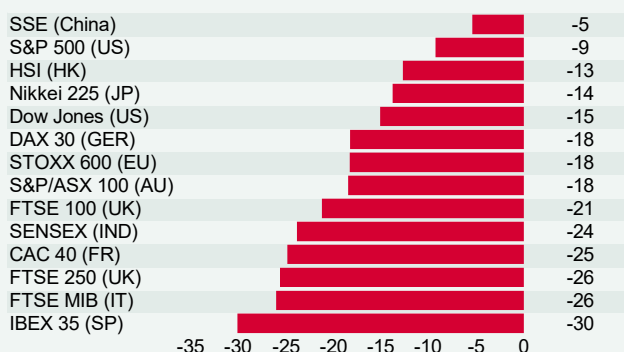
—FTSE 250 —DAX —FTSE 100 —S&P 500 —STOXX 600



Source: Knight Frank, Macrobond. Last modified: 11 May 2020 19:14 GMT.

Equity performance: YTD (%)

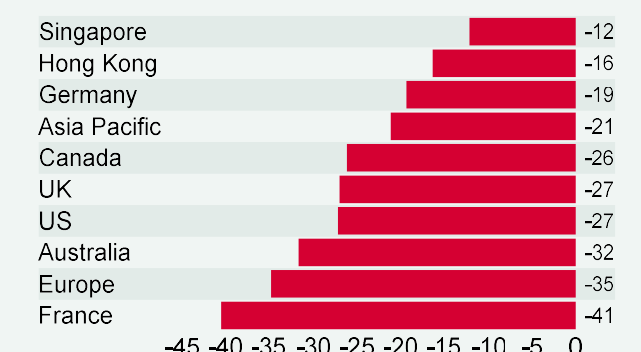
Local currencies



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).

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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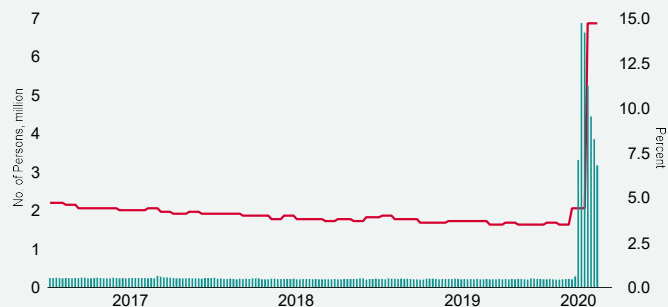


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US indicator

US Unemployment

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



Source: Knight Frank, Macrobond. Last data for the week commencing the 27 April.

The chart presents the number of Americans that each week file for unemployment benefits (left axis) and the overall monthly unemployment rate (right axis)

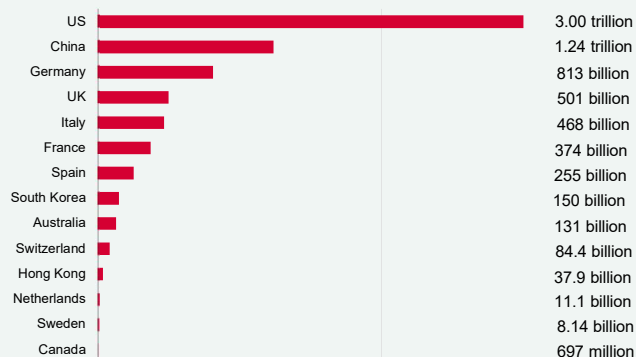
Monetary policy

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	4.40%	5.15%	-75 bps
Mexico	6.00%	7.25%	-125 bps
Russia	5.50%	6.25%	-75 bps
Saudi Arabia	1.00%	2.25%	-125 bps
South Korea	0.75%	1.25%	-50 bps
Turkey	8.75%	12.00%	-325 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 will be granted access to cash grants of more than £25k to tackle the crisis. Support for furloughed employees equal to 80% of salary up to £2,500 per month. A taxable grant for self-employed with less than £50k trading profit, worth 80% of monthly profits up to £2.5k, paid as a lump sum in June.
USA	\$3.0tn : An additional stimulus package was passed on the 23 rd April, worth \$483 billion. This increased the total US stimulus response to \$3 trillion or 15% of GDP.
EU	€500bn : The EU member states passed this stimulus package, which includes €240bn to the European Stability Mechanism, as well as €200bn in guarantees from the European Investment Bank.
Germany	€750bn : The emergency aid measure approved by the German Cabinet on Monday 23 rd of March.
Italy	€400bn : The stimulus announced on the 7 April to help businesses hurt by a national lockdown. €25bn : The emergency package passed by the Italian government to support businesses and families in March.
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

	Latest (\$)	MoM (%)	YoY (%)
Advanced Economies			
Australia	133 bn	-1.5%	43.5%
Canada	92.4 bn	49.6%	62.1%
Euro Area	5.31 tn	4.1%	11.6%
France	1.24 tn	11.7%	11.6%
Germany	1.98 tn	3.5%	6.9%
Italy	1.1 tn	3.0%	11.2%
Japan	5.67 tn	3.5%	13.2%
United Kingdom	800 bn	-1.4%	-1.9%
United States	4.31 tn	11.9%	72.7%
Developing Economies			
Brazil	487 bn	-0.9%	-12.8%
China	5.15 tn	0.0%	-0.8%
India	308 bn	8.6%	33.2%
Mexico	206 bn	3.2%	4.5%
Russia	707 bn	-0.6%	12.9%
Saudi Arabia	510 bn	-3.8%	-3.8%
South Korea	417 bn	-0.7%	-6.1%
Turkey	106 bn	-0.7%	5.4%

Source: Knight Frank, Macrobond

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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
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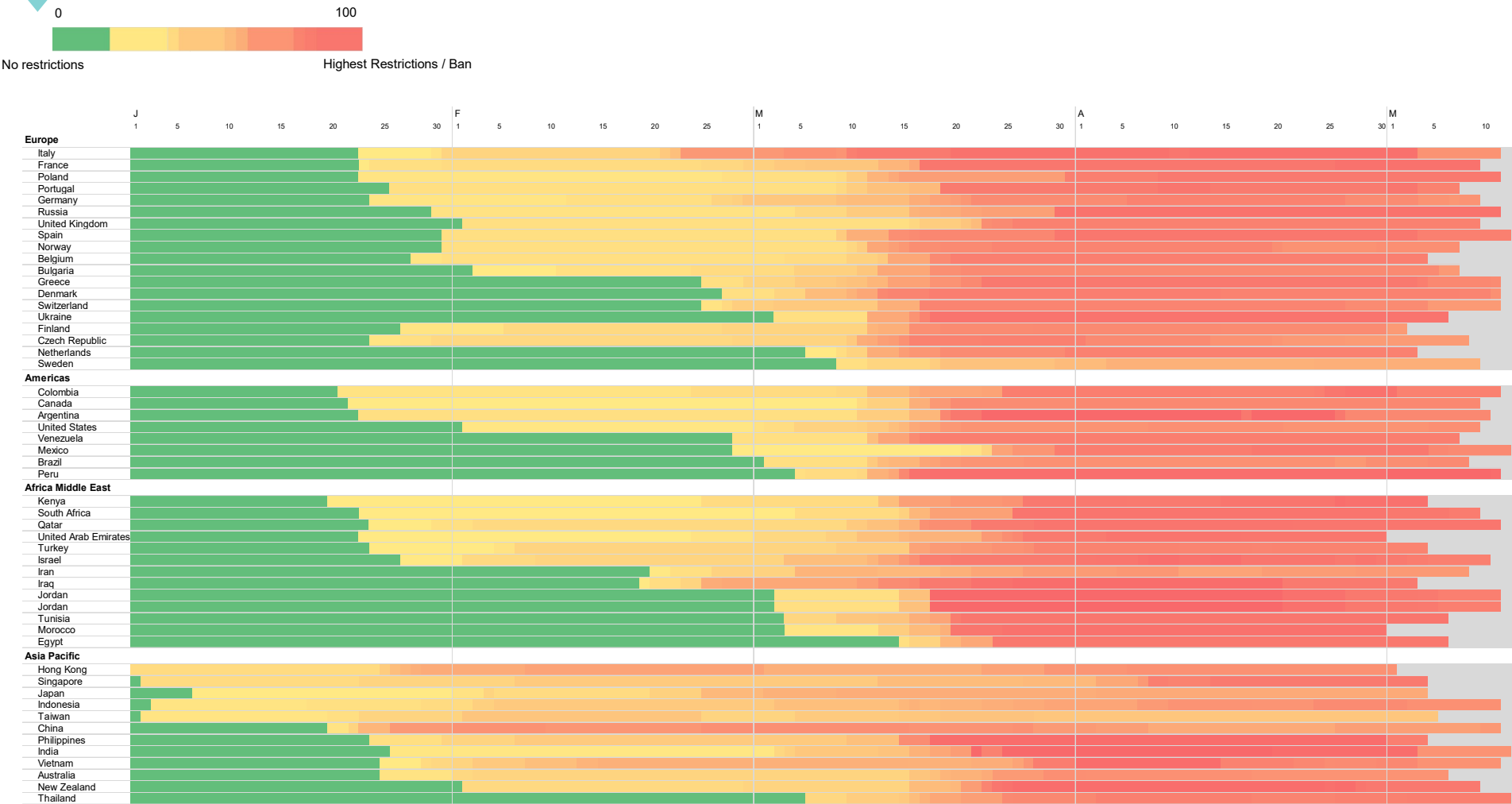
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Timeline of Covid-19 containment measures and their stringency



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.

Source: Knight Frank, various sources

Research

William Matthews
Partner, Head of Commercial Research
+44 20 3909 6842
william.matthews@knightfrank.com

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+44 20 7861 5009
victoria.ormond@knightfrank.com

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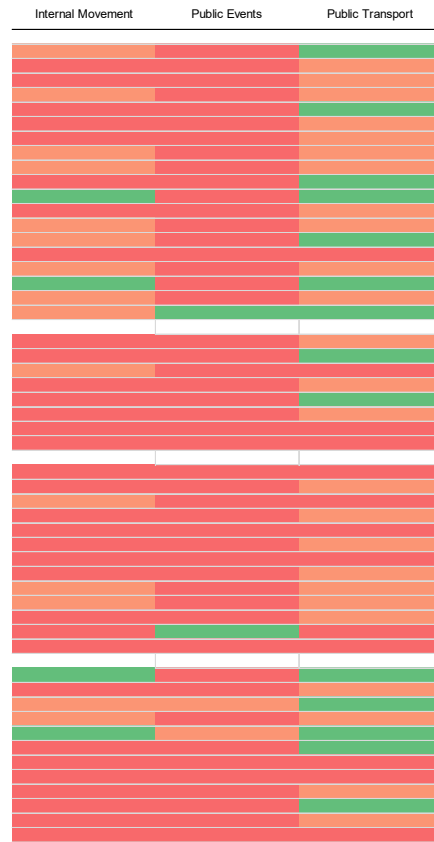
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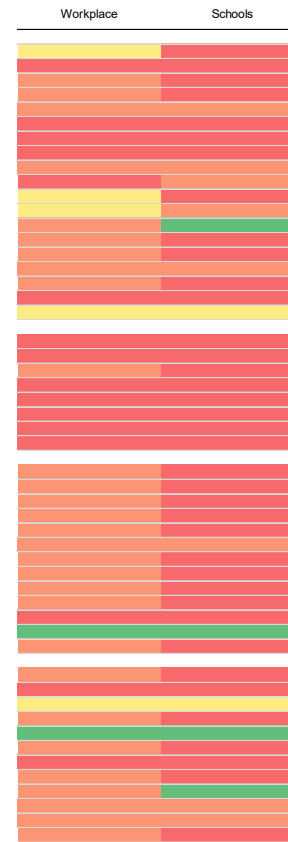
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Overview of the severity of Covid-19 and the resulting containment measures

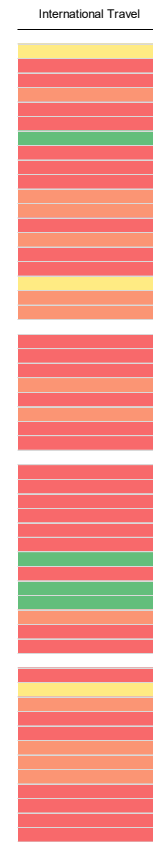
	Confirmed Cases	Confirmed Deaths
Europe		
Italy	219,070	30,560
France	139,063	26,380
Poland	15,996	800
Portugal	27,581	1,135
Germany	169,575	7,417
Russia	209,688	1,915
United Kingdom	219,183	31,855
Spain	224,390	26,621
Norway	8,099	217
Belgium	53,081	8,656
Bulgaria	1,965	91
Greece	2,716	151
Denmark	10,429	529
Switzerland	30,222	1,537
Ukraine	15,232	391
Finland	5,962	267
Czech Republic	8,123	280
Netherlands	42,627	5,440
Sweden	26,322	3,225
Americas		
Colombia	11,063	463
Canada	68,848	4,871
Argentina	5,776	300
United States	1,329,799	79,528
Venezuela	414	10
Mexico	35,022	3,465
Brazil	162,699	11,123
Peru	67,307	1,889
Africa Middle East		
Kenya	672	32
South Africa	10,015	194
Qatar	22,520	14
United Arab Emirates	18,198	198
Turkey	138,657	3,786
Israel	16,477	252
Iran	107,603	6,640
Iraq	2,767	109
Jordan	540	9
Jordan	540	9
Tunisia	1,032	45
Morocco	6,063	188
Egypt	9,400	525
Asia Pacific		
Hong Kong	1,047	4
Singapore	23,336	20
Japan	15,798	621
Indonesia	14,032	973
Taiwan	440	6
China	84,010	4,637
Philippines	10,794	719
India	67,152	2,206
Vietnam	288	-
Australia	6,941	97
New Zealand	1,147	21
Thailand	3,015	56



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
Required closure of some sectors	Some level of schooling required to close	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

For most countries, Public Transport has the most relaxed restrictions. However, with the exception of Japan, Taiwan and Germany, all public events have been 'required' to cease. 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. The data shown here correspond to the most recent data for each country in the lockdown timeseries chart, in the previous page.

Source: Knight Frank, Macrobond, Oxford University. Last Updated: 11/05/2020

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
victoria.ormond@knightfrank.com

Daniel Tomaselli

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