

COVID-19 Dashboard

14 May 2020



Internal and key client use only

Summary

- **Equities:** Following a comment by the chair of the US Federal Reserve that the US may see an “extended period of low productivity growth and stagnant incomes”, with any recovery taking “some time to gather momentum”, global markets have seen declines. This has been led by Japan’s Topix index, which is down -1.8%, followed by the FTSE 100 (-1.7%) and the FTSE 250 (-1.5%) as Rishi Sunak, Chancellor, suggested that it is “very likely” the UK is in a significant recession. Other declines include Hong Kong’s Hang Seng (-1.4%), the STOXX 600 (-1.3%) and the DAX (-1.2%).
- **VIX:** The “investor fear gauge”, the VIX volatility index increased +6.8% yesterday and is currently at 35.1. While lower than seen over the last couple of months, this is elevated compared to normal levels.
- **Bonds:** Following the above announcements, bond yields have been knocked slightly lower this morning. The UK 10-year government bond yield is currently 0.20%, German 10-year bund yield -0.55% and US 10-year treasury yield is 0.62%.
- **Currency:** Sterling has depreciated this morning to \$1.22, however the euro remains stable at \$1.08. Hedging benefits for US dollar denominated investors into the UK are circa 0.18% per annum on a five-year basis. The currency hedging benefit of US dollar denominated investors into the Eurozone is 1.02% per annum on a five-year basis.
- **Baltic Dry:** The Baltic Dry index declined for the 16th consecutive session, falling a further -8.1% to \$398. This has again been led by a significant drop in capesize, the largest dry cargo ships, rates, which are now trading at their lowest level in four years. The continued contraction in the Baltic Dry is indicative of the subdued demand for raw materials and subsequently manufacturing.
- **Insurance:** COVID-19 could cost the insurance industry over \$200 billion, of which half is likely to relate to claims such as trade credit, events cancellation (e.g Tokyo Olympics) and business interruption, for example claims on property insurance, according to Lloyds of London. Claims alone are likely to be on a par with the notable hurricane years of 2005 and 2017. A key difference, is that this time claims exposure is global.

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

Important Notice
© Knight Frank LLP 2020 – This report is published for general information only and not to be relied upon in any way. Although high standards have been used in the preparation of the information, analysis, views and projections presented in this report, no responsibility or liability whatsoever can be accepted by Knight Frank LLP for any loss or damage resultant from any use of, reliance on or reference to the contents of this document. As a general report, this material does not necessarily represent the view of Knight Frank LLP in relation to particular properties or projects. Reproduction of this report in whole or in part is not allowed without prior written approval of Knight Frank LLP to the form and content within which it appears. Knight Frank LLP is a limited liability partnership registered in England with registered number OC305934. Our registered office is 55 Baker Street, London, W1U 8AN, where you may look at a list of members’ names.

COVID-19 Dashboard

14 May 2020

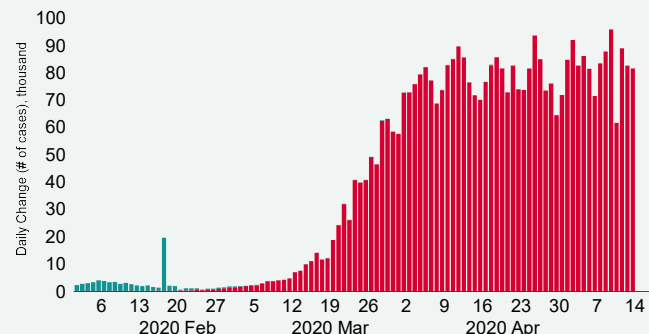


Internal and key client use only

COVID-19

New cases per day

World (ex-China) China

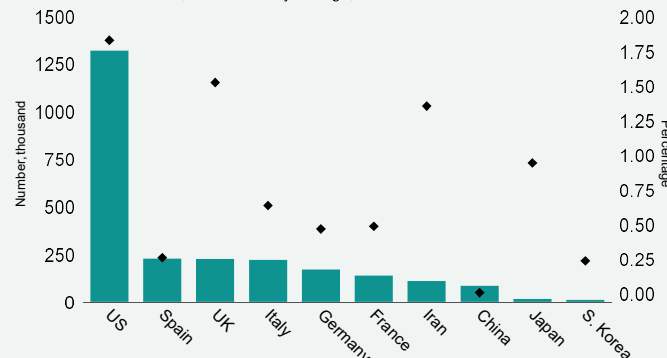


Source: Knight Frank, Macrobond. Last modified: 13 May 2020 19:15 GMT.

The number of total confirmed cases reached 4170k on the 13 May, an increase of 82k new cases over the day prior.

Cumulative number of cases

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



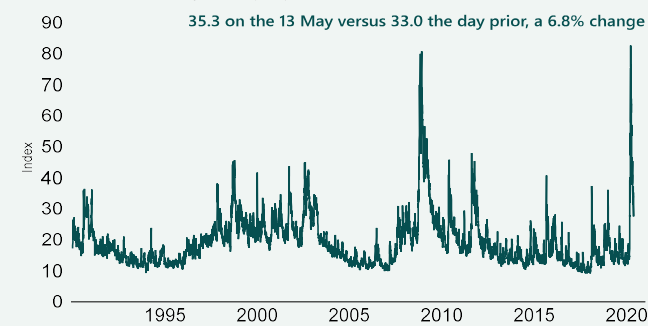
Source: Knight Frank, Macrobond. Last modified: 13 May 2020 00:00 GMT.

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: 14 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

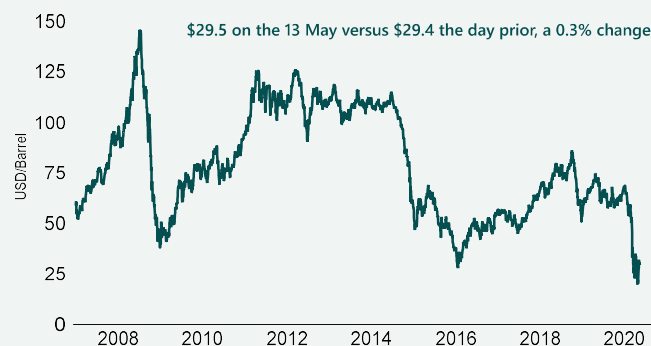


Source: Knight Frank, Macrobond. Last modified: 14 May 2020 06:30 GMT.

	13 May	D/D (%)	YTD (%)
Gold, USD	1715	1.1	13.1
Silver, USD	15.6	0.5	-12.8

Brent crude and global commodity price index

Crude Oil, Brent

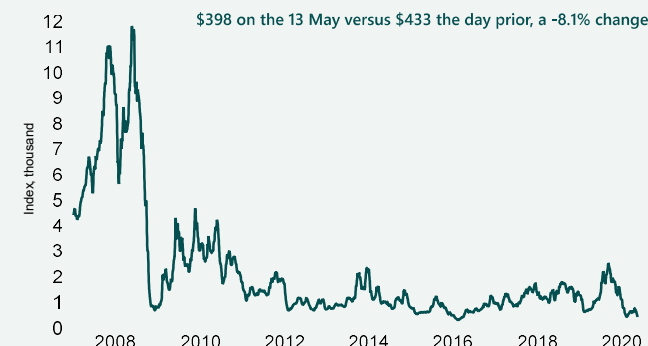


Source: Knight Frank, Macrobond. Last modified: 14 May 2020 02:30 GMT.

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: 13 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

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

Important Notice

© Knight Frank LLP 2020 – This report is prepared for general information only and not to be relied upon in any way. Although high standards have been used in the preparation of the information, analysis, views and projections presented in this report, no responsibility or liability whatsoever can be accepted by Knight Frank LLP for any loss or damage resultant from any use of, reliance on or reference to the contents of this document. As a general report, this material does not necessarily represent the view of Knight Frank LLP in relation to particular properties or projects. Reproduction of this report in whole or in part is not allowed without prior written approval of Knight Frank LLP to the form and content within which it appears. Knight Frank LLP is a limited liability partnership registered in England with registered number OC305934. Our registered office is 55 Baker Street, London, W1U 8AN, where you may look at a list of members' names.

COVID-19 Dashboard

14 May 2020

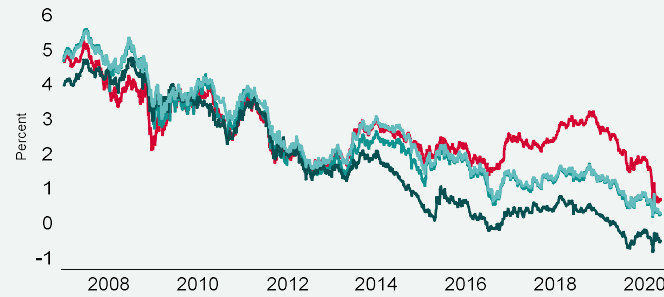


Internal and key client use only

Bonds and currencies

10y Government Bond Yield (%)

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



	13 May	1 d ago	1st Jan
Germany	-0.51	-0.49	-0.19
UK	0.22	0.25	0.74
US	0.64	0.69	1.92

FX Spot Rates

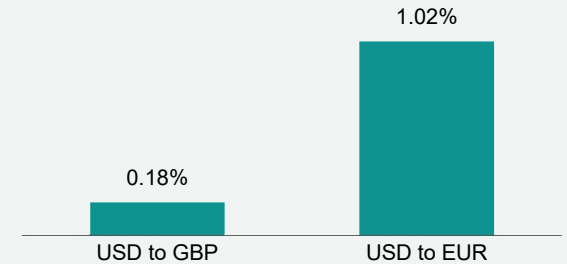
—EUR per GBP —USD per GBP

\$1.23 on the 13 May versus \$1.24 the day prior, a -0.3% change



	13 May	1 d ago	1st Jan
EUR per GBP	1.13	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)

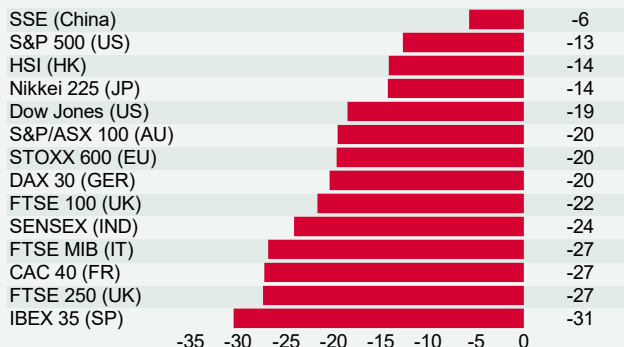
—FTSE 250 —DAX —FTSE 100 —S&P 500 —STOXX 600



Source: Knight Frank, Macrobond. Last modified: 13 May 2020 19:05 GMT.

Equity performance: YTD (%)

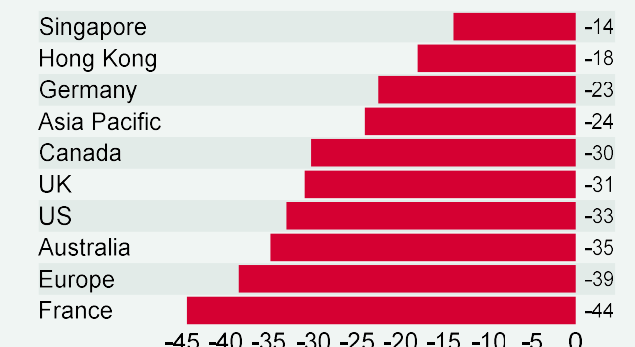
Local currencies



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

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

Important Notice

© Knight Frank LLP 2020 – This report is prepared for general information only and not to be relied upon in any way. Although high standards have been used in the preparation of the information, analysis, views and projections presented in this report, no responsibility or liability whatsoever can be accepted by Knight Frank LLP for any loss or damage resultant from any use of, reliance on or reference to the contents of this document. As a general report, this material does not necessarily represent the view of Knight Frank LLP in relation to particular properties or projects. Reproduction of this report in whole or in part is not allowed without prior written approval of Knight Frank LLP to the form and content within which it appears. Knight Frank LLP is a limited liability partnership registered in England with registered number OC305934. Our registered office is 55 Baker Street, London, W1U 8AN, where you may look at a list of members' names.

COVID-19 Dashboard

14 May 2020

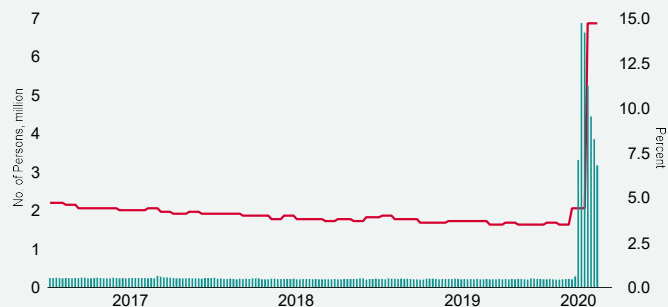


Internal and key client use only

US indicator

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)

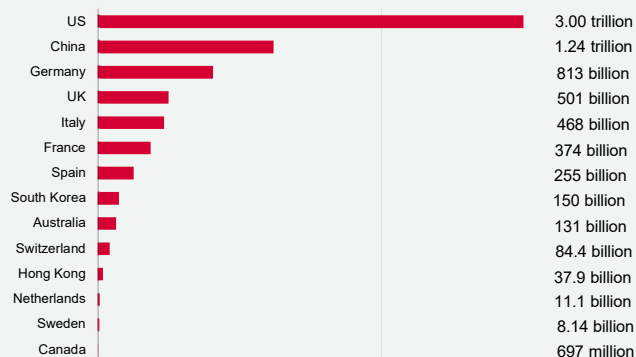
Monetary policy

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	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, \$)



Fiscal measures details

UK	<p>£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.</p> <p>Support for furloughed employees of 80% salary ≤£2,500 per month. Furlough has been extended until October 2020, with employers to start sharing the cost from August.</p> <p>Taxable grant for self-employed <£50k trading profit, worth 80% of monthly profits up to £2.5k, paid as a lump sum in June.</p>
USA	<p>\$3.0tn: 2nd package passed 23rd April, worth \$483 billion, increasing US stimulus to \$3 trillion (15% GDP).</p>
EU	<p>€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.</p>
Germany	<p>€750bn: The emergency aid measure approved by the German Cabinet on Monday 23rd of March.</p>
Italy	<p>€400bn: The stimulus announced on the 7 April to help businesses hurt by a national lockdown.</p> <p>€25bn: Emergency package to support businesses and families.</p>
France	<p>€45bn: The aid package for SMEs and other hard-hit sectors announced by the French government on 17th of March. Includes deferred corporate tax, social security charges and two months state payments to laid off workers.</p> <p>€300bn: government backed loans.</p>
Spain	<p>€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.</p>
Japan	<p>\$10bn: The aid package issued in early March for SMEs and self-employed workers. Additional economic stimulus measures are expected.</p>
Hong Kong	<p>HK\$10k for every adult citizen (c.£7bn).</p>

Source: Knight Frank, various sources

Central Bank Assets Purchasing Programme

	Lastest (\$)	MoM (%)	YoY (%)
Advanced Economies			
Australia	171 bn	-1.5%	43.5%
Canada	138 bn	49.6%	62.1%
Euro Area	5.91 tn	3.5%	12.6%
France	1.39 tn	11.7%	11.6%
Germany	2.13 tn	3.2%	6.8%
Italy	1.22 tn	3.0%	11.2%
Sweden	122 bn	8.8%	25.3%
Japan	5.82 tn	3.5%	13.2%
United Kingdom	795 bn	0.2%	2.5%
United States	6.72 tn	11.9%	72.7%
Developing Economies			
Brazil	483 bn	-0.9%	-12.8%
China	5.09 tn	-1.2%	-1.7%
India	351 bn	8.6%	33.2%
Mexico	206 bn	3.2%	4.5%
Russia	684 bn	-0.6%	12.9%
Saudi Arabia	485 bn	-3.8%	-3.8%
South Korea	417 bn	0.7%	-5.4%
Turkey	100 bn	-0.2%	10.0%

Important Notice

© Knight Frank LLP 2020 – This report is published for general information only and not to be relied upon in any way. Although high standards have been used in the preparation of the information, analysis, views and projections presented in this report, no responsibility or liability whatsoever can be accepted by Knight Frank LLP for any loss or damage resulting from any use of, reliance on or reference to the contents of this document. As a general report, this material does not necessarily represent the view of Knight Frank LLP in relation to particular properties or projects. Reproduction of this report in whole or in part is not allowed without prior written approval of Knight Frank LLP to the form and content within which it appears. Knight Frank LLP is a limited liability partnership registered in England with registered number OC305934. Our registered office is 55 Baker Street, London, W1U 8AN, where you may look at a list of members' names.

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

COVID-19 Dashboard

14 May 2020



Internal and key client use only

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
+44 20 3866 8033
antonia.haralambous@knightfrank.com

Important Notice
© Knight Frank LLP 2020 – This report is published for general information only and not to be relied upon in any way. Although high standards have been used in the preparation of the information, analysis, views and projections presented in this report, no responsibility or liability whatsoever can be accepted by Knight Frank LLP for any loss or damage resultant from any use of, reliance on or reference to the contents of this document. As a general report, this material does not necessarily represent the view of Knight Frank LLP in relation to particular properties or projects. Reproduction of this report in whole or in part is not allowed without prior written approval of Knight Frank LLP to the form and content within which it appears. Knight Frank LLP is a limited liability partnership registered in England with registered number OC305934. Our registered office is 55 Baker Street, London, W1U 8AN, where you may look at a list of members' names.

Source: Knight Frank, various sources

COVID-19 Dashboard

14 May 2020



Internal and key client use only

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	221,216	30,911	69						
France	140,227	26,991	93						
Poland	16,921	839	88						
Portugal	27,913	1,163	81						
Germany	171,306	7,634	68						
Russia	232,243	2,116	93						
United Kingdom	226,463	32,692	70						
Spain	228,030	26,920	83						
Norway	8,135	228	63						
Belgium	53,779	8,761	84						
Bulgaria	2,023	95	64						
Greece	2,744	152	74						
Denmark	10,591	527	71						
Switzerland	30,297	1,560	63						
Ukraine	16,023	425	92						
Finland	6,003	275	63						
Czech Republic	8,221	283	62						
Netherlands	42,984	5,510	77						
Sweden	27,272	3,313	47						
Americas									
Colombia	12,272	493	82						
Canada	71,157	5,169	77						
Argentina	6,550	319	92						
United States	1,369,964	82,387	72						
Venezuela	423	10	84						
Mexico	38,324	3,926	76						
Brazil	177,589	12,400	75						
Peru	72,059	2,057	97						
Africa Middle East									
Kenya	715	36	94						
South Africa	11,350	206	86						
Qatar	25,149	14	91						
United Arab Emirates	19,661	203	91						
Turkey	141,475	3,894	80						
Israel	16,529	260	83						
Iran	110,767	6,733	62						
Iraq	2,913	112	88						
Jordan	576	9	84						
Tunisia	1,032	45	91						
Morocco	6,418	188	93						
Egypt	10,093	544	89						
Asia Pacific									
Hong Kong	1,050	4	57						
Singapore	24,671	21	88						
Japan	16,024	668	51						
Indonesia	14,749	1,007	71						
Taiwan	440	7	29						
South Korea	10,962	259	46						
China	84,018	4,637	64						
Philippines	11,350	751	83						
India	74,281	2,415	79						
Vietnam	288	-	69						
Australia	6,964	97	68						
New Zealand	1,147	21	88						
Thailand	3,017	56	84						
Lockdown Index key & Scale				Internal movements			Workplace		
No Restrictions: 0 – 25				Public events			Schools		
Recommended Restrictions: 26 – 50				Public transport			Value		
Enforced Restrictions: 51 – 75				No measure	No Measure	No measure	No measure	No measure	No measure
Highest Restrictions / Ban: 76 – 100				Recommended	Recommended	Recommended	Recommended	Recommended	Screening
				Restriction	Required	Required	Required	Required	Quarantine arrivals from high risk regions

In line with some of the fewest reported cases and the smallest reported deaths attributed to COVID-19, Taiwan has the lowest 'lockdown index' score at 29, indicating the restrictions in place are generally recommendations and are not enforced. Countries including Kenya, Russia and Peru have some of the highest 'lockdown index' scores.

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.

Source: Knight Frank, Macrobond, Oxford University, Last Updated: 13/05/2020

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
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

Important Notice
© Knight Frank LLP 2020 – This report is published for general information only and not to be relied upon in any way. Although high standards have been used in the preparation of the information, analysis, views and projections presented in this report, no responsibility or liability whatsoever can be accepted by Knight Frank LLP for any loss or damage resultant from any use of, reliance on or reference to the contents of this document. As a general report, this material does not necessarily represent the view of Knight Frank LLP in relation to particular properties or projects. Reproduction of this report in whole or in part is not allowed without prior written approval of Knight Frank LLP to the form and content within which it appears. Knight Frank LLP is a limited liability partnership registered in England with registered number OC305934. Our registered office is 55 Baker Street, London, W1U 8AN, where you may look at a list of members' names.