

COVID-19 Dashboard

15 May 2020



Internal and key client use only

Summary

- **Currency:** Sterling remains at \$1.22 and the euro \$1.08. According to the FT, a contributing factor to a moderately weaker sterling are reports of limited progress of Brexit negotiations, ahead of a key deadline in June.
- **Baltic Dry:** The Baltic Dry index declined for the 17th consecutive session, falling a further -1.3% to \$393. Analysts at Intermodal expect the Baltic Dry to remain subdued as the summer months are typically slower. However, on the supply side, several firms are looking to recycle older ships, which could tighten the available tonnage and reduce the demand-supply imbalance, according to Seatrade Maritime News.
- **Oil:** Following estimates by the International Energy Agency (IEA) that oil supply could fall to a nine-year low this month, Brent Crude has risen 4.0% to \$32.38 and the West Texas Intermediate (WTI) has increased by 2.7% to \$28.31.
- **Europe:** Slovenia has become the first country in Europe to declare an official end to its epidemic. The EU has issued guidance for a phased approach to re-opening the Schengen zone, starting with seasonal workers. From today, arrivals into Spain will require a 14 day quarantine, while Austria and Germany have become the latest EU countries to agree the removal of travel restrictions. From today, there will be random checks at border crossings, with a view to free movement resuming on 15th June. The Baltic countries of Lithuania, Latvia and Estonia have resumed free movement as a “Baltic bubble”.
- **US Unemployment:** Unemployment applications increased by 3 million in the week to May 9th, the lowest increase since March, but above expectations of 2.5 million. applied for jobless benefits for the first time last week, higher than expectations. The total number of US jobless claims has increased by 36.5 million over the past 8-weeks, amounting to almost one quarter of the working age population.
- **UK Finances:** The Office for Budget Responsibility (OBR) has updated their estimate of UK public sector net borrowing to £298.4 billion for the financial year 2020-21. This is 89% higher than the previous high of £158.3 billion for the financial year of 2009-10.

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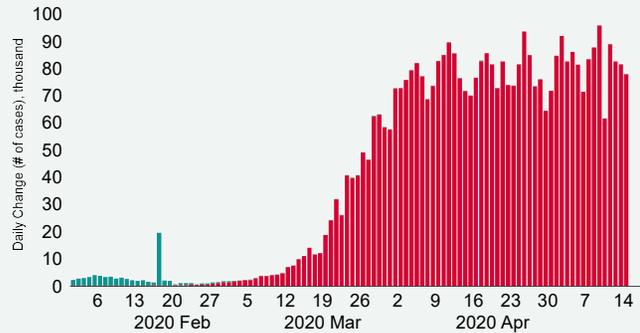


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COVID-19

New cases per day

■ World (ex-China) ■ China

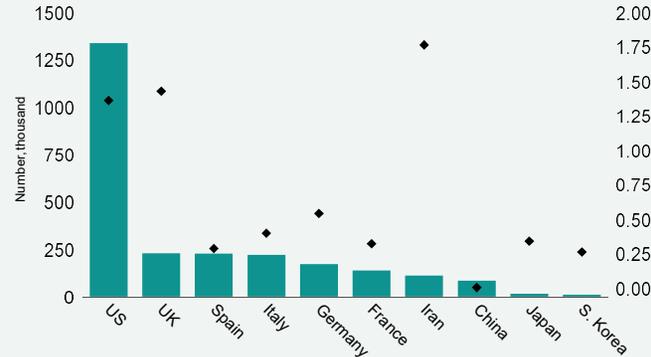


Source: Knight Frank, Macrobond. Last modified: 14 May 2020 22:14 GMT.

The number of total confirmed cases reached 4248k on the 14 May, an increase of 78k new cases over the day prior.

Cumulative number of cases

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



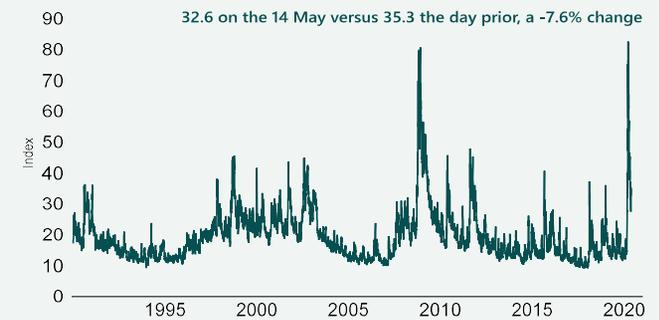
Source: Knight Frank, Macrobond. Last modified: 14 May 2020 00:00 GMT.

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: 15 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: 15 May 2020 06:30 GMT.

	14 May	D/D (%)	YTD (%)
Gold, USD	1730	1.6	14.0
Silver, USD	15.8	2.7	-11.1

Brent crude and global commodity price index

—Crude Oil, Brent



Source: Knight Frank, Macrobond. Last modified: 15 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: 14 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.

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Bonds and currencies

10y Government Bond Yield (%)

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



	14 May	1 d ago	1st Jan
Germany	-0.53	-0.51	-0.19
UK	0.21	0.22	0.74
US	0.63	0.64	1.92

FX Spot Rates

—EUR per GBP —USD per GBP



	14 May	1 d ago	1st Jan
EUR per GBP	1.13	1.13	1.18
USD per GBP	1.22	1.23	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)

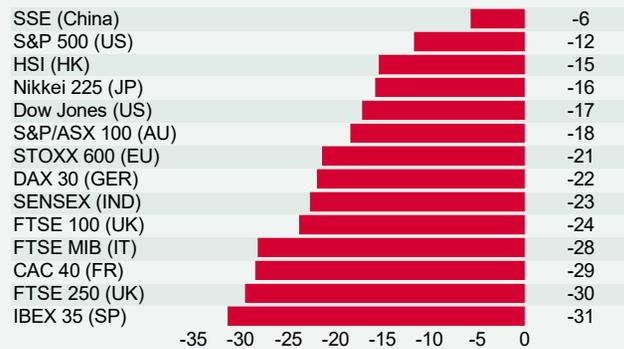
—FTSE 250 —DAX —FTSE 100 —S&P 500 —STOXX 600



Source: Knight Frank, Macrobond. Last modified: 14 May 2020 19:05 GMT.

Equity performance: YTD (%)

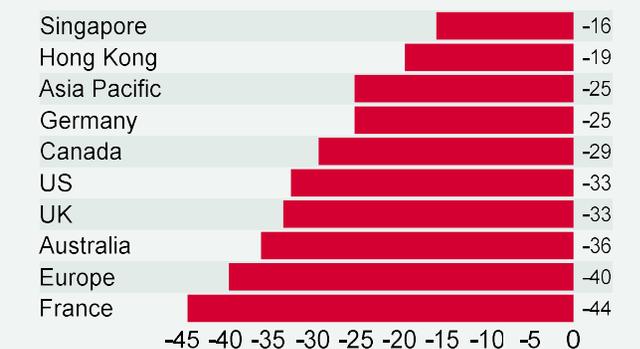
Local currencies



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).

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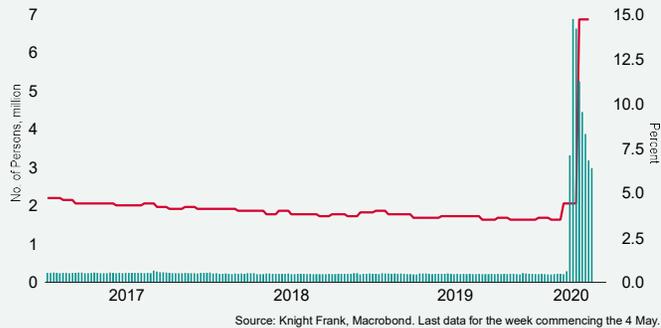


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US indicator

US Unemployment

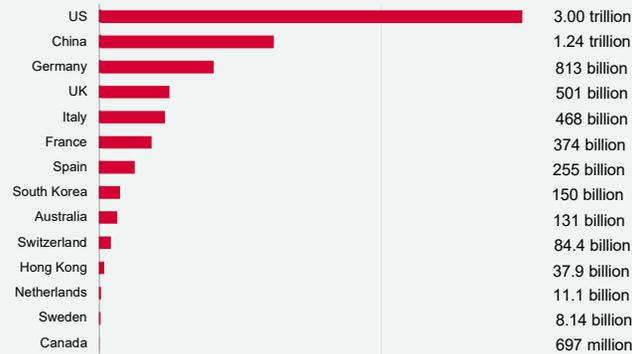
— Monthly Unemployment Rate, rhs ■ New Weekly Jobless Claims, lhs



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

Fiscal policy

Fiscal measures by selected governments (YTD total, \$)



Source: Knight Frank, Macrobond.

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

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	5.50%	7.25%	-175 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

Central Bank Assets Purchasing Programme

	Lastest (\$)	MoM (%)	YoY (%)
Advanced Economies			
Australia	172 bn	1.9%	45.2%
Canada	278 bn	103.7%	223.1%
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	6.93 tn	10.3%	79.1%
Developing Economies			
Brazil	480 bn	-0.6%	-14.3%
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%

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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

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