

# COVID-19 Dashboard

21 May 2020



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## Summary

- **Equities:** Global equities moderated this morning, as investors remain cautious over the state of the global economy and tensions between the US and China flared up again, according to the FT. Declines were led by Frankfurt's DAX, which was down -1.4% this morning, followed by the CAC 40 (-1.0%), and both the FTSE 100 and STOXX 600 declining by -0.9%.
- **VIX:** The “investor fear gauge”, the VIX volatility index remains highly volatile. Having decreased by -8.3% yesterday, today, the index has so far increased by 8.9% to 30.6. Near term equity market volatility is expected to continue.
- **Currency:** Sterling and the euro are at \$1.22 and \$1.10, respectively, with the euro appreciating slightly against the dollar. Hedging benefits for US dollar denominated investors into the UK have increased slightly to circa 0.26% per annum on a five-year basis. The currency hedging benefit of US dollar denominated investors into the Eurozone is 1.05% per annum on a five-year basis.
- **Bonds:** Yesterday, the UK sold £3.8 billion of three-year gilts at a negative yield of -0.003%. This is the first time UK longer-dated gilts have been sold at a yield below zero and means that investors holding the bond until maturity will receive back less than they paid. Despite this, the issue was 2.15 x over subscribed. The UK 10-year government bond is currently 0.20% this morning, the German 10-year bund yield is at -0.48% and the US 10-year treasury bond yield 0.67%.
- **Flash PMIs:** Flash PMI estimates for the UK show that the composite PMI increased from the record low of 13.8 in April, to 28.9 in May. Despite the increase, May's reading is far below any other point in the survey's history, and still indicates that a large majority of businesses reported declining output, as figures below 50 are contractionary. Flash PMIs from the services and manufacturing sectors rose to 27.8 and 40.6, respectively, from April's 13.4 and 32.6. Across the Eurozone, flash PMIs for services rose to 28.7 in May from 12.0 in April, while Manufacturing PMIs rose to 39.5 in May from 33.4 in April. As lockdowns have started to ease, PMIs have started to improve, but flash estimates for May remain in contractionary territory.

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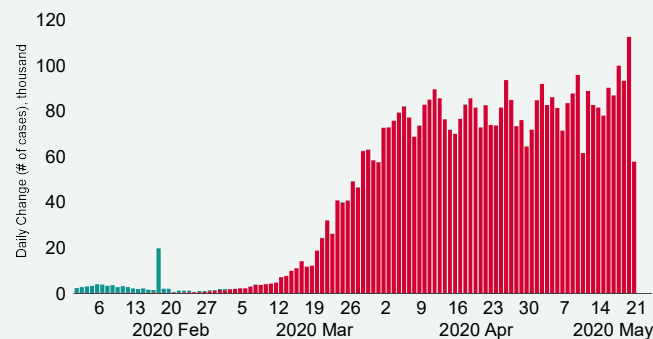


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## COVID-19

### New cases per day

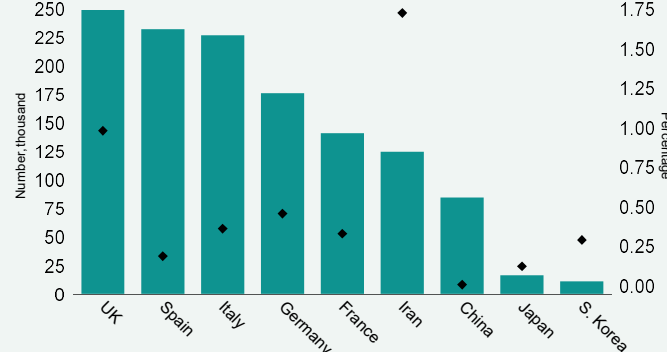
World (ex-China) China



The number of total confirmed cases reached 4789k on the 20 May, an increase of 58k new cases over the day prior.

### Cumulative number of cases

Number of total cases, lhs Last day change, rhs

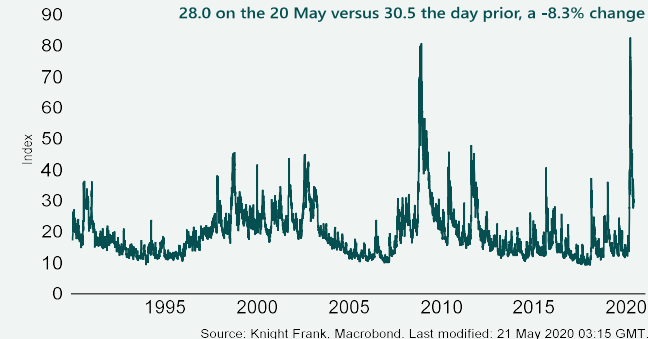


The chart presents the number of cumulative cases (left axis) and the percentage change of new cases against the day before (right axis).

## Investor sentiment

### 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 silver price, USD

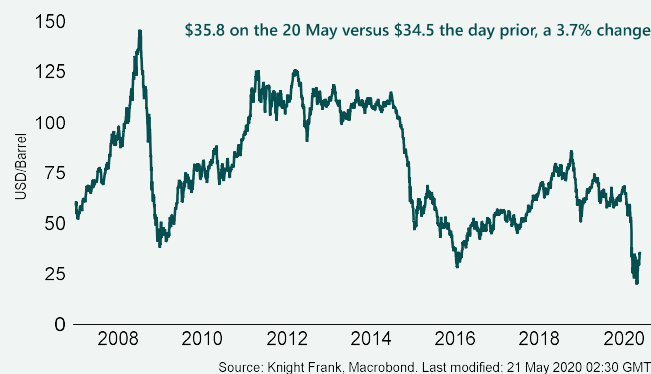
Gold, USD, lhs Silver, USD, rhs



	20 May	D/D (%)	YTD (%)
Gold, USD	1747	0.9	15.2
Silver, USD	17.5	3.6	-1.7

### Brent crude and global commodity price index

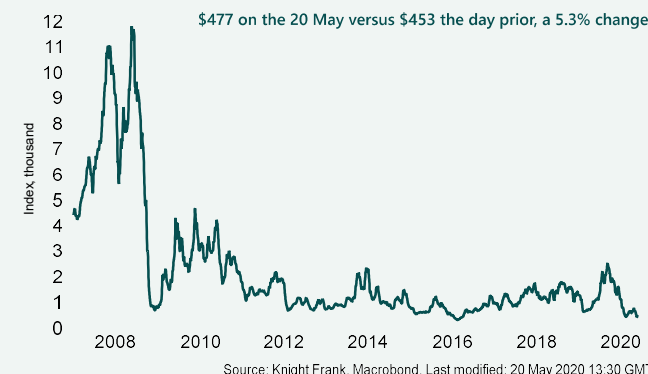
Crude Oil, Brent



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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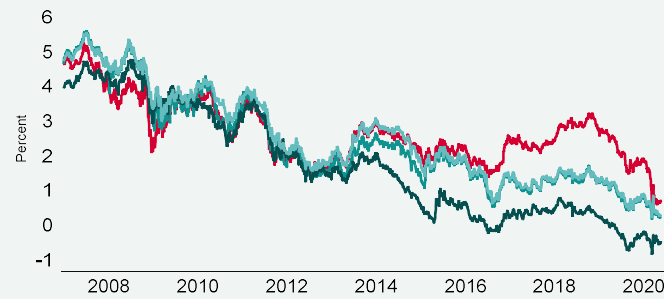


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## Bonds and currencies

### 10y Government Bond Yield (%)

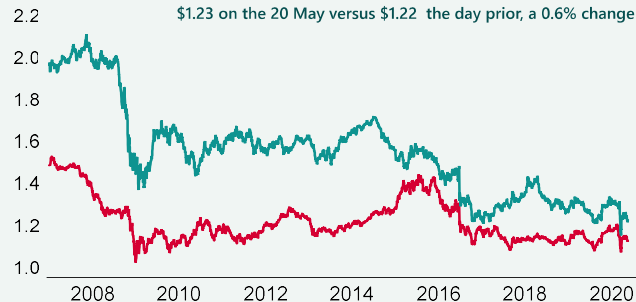
—US —UK —Germany —United Kingdom, Bank of England



	20 May	1 d ago	1st Jan
Germany	-0.45	-0.46	-0.19
UK	0.24	0.25	0.74
US	0.68	0.70	1.92

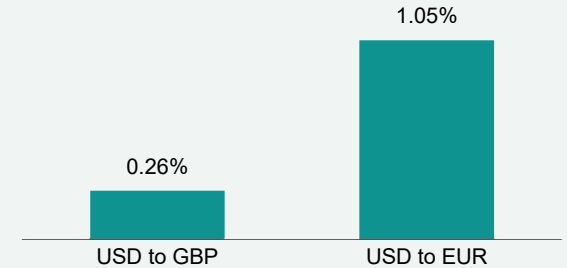
### FX Spot Rates

—EUR per GBP —USD per GBP



	20 May	1 d ago	1st Jan
EUR per GBP	1.12	1.12	1.18
USD per GBP	1.23	1.22	1.32

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



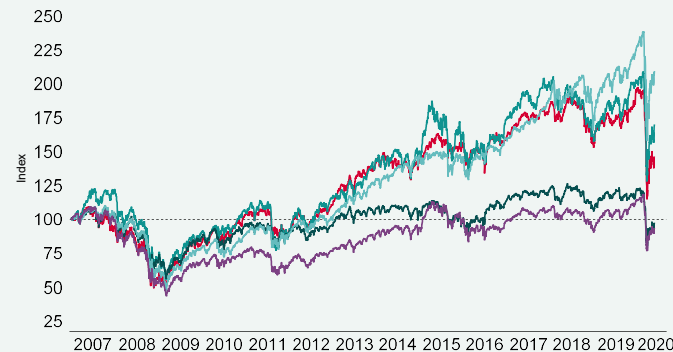
Source: Knight Frank, Investing.com

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)

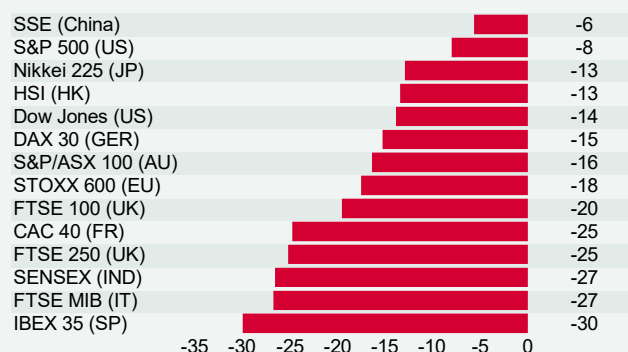
—FTSE 250 —DAX —FTSE 100 —S&P 500 —STOXX 600



Source: Knight Frank, Macrobond. Last modified: 20 May 2020 19:05 GMT.

### Equity performance: YTD (%)

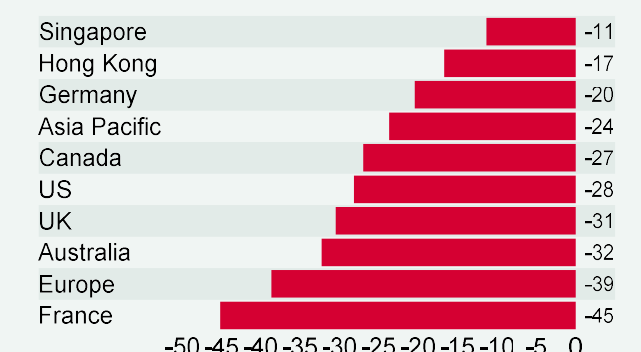
Local currencies



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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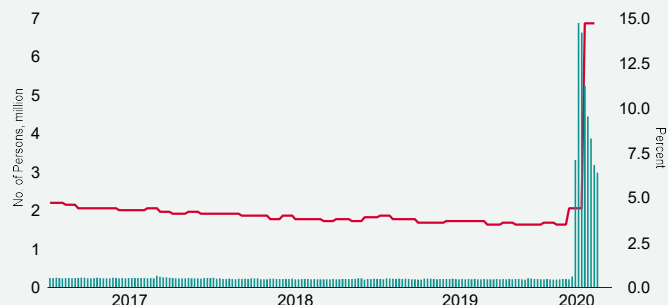


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## US indicator

### US Unemployment

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



Source: Knight Frank, Macrobond. Last data for the week commencing the 4 May.

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

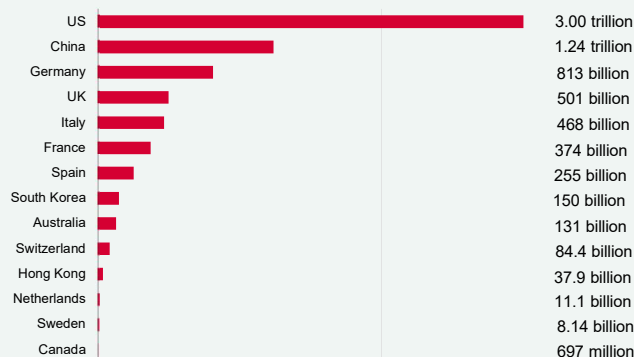
## Monetary policy

### Central Banks Policy Rates

	Current Rate	Rate at 1/1/2020	YTD Change
<b>Advanced Economies</b>			
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
<b>Developing Economies</b>			
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

## Fiscal policy

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



Source: Knight Frank, Macrobond.

### Fiscal measures details

<b>UK</b>	<b>£330bn+</b> : 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 of 80% salary ≤£2,500 per month. Furlough has been extended until October 2020, with employers to start 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 in June.
<b>USA</b>	<b>\$3.0tn</b> : 2 <sup>nd</sup> package passed 23 <sup>rd</sup> April, worth \$483 billion, increasing US stimulus to \$3 trillion (15% GDP).
<b>EU</b>	<b>€500bn</b> : 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.
<b>Germany</b>	<b>€750bn</b> : The emergency aid measure approved by the German Cabinet on Monday 23 <sup>rd</sup> of March.
<b>Italy</b>	<b>€400bn</b> : The stimulus announced on the 7 April to help businesses hurt by a national lockdown. <b>€25bn</b> : Emergency package to support businesses and families.
<b>France</b>	<b>€45bn</b> : The aid package for SMEs and other hard-hit sectors announced by the French government on 17 <sup>th</sup> of March. Includes deferred corporate tax, social security charges and two months state payments to laid off workers. <b>€300bn</b> : government backed loans.
<b>Spain</b>	<b>€200bn</b> : 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.
<b>Japan</b>	<b>\$10bn</b> : The aid package issued in early March for SMEs and self-employed workers. Additional economic stimulus measures are expected.
<b>Hong Kong</b>	<b>HK\$10k</b> for every adult citizen (c.£7bn).

Source: Knight Frank, various sources

### Central Bank Assets Purchasing Programme

	Lastest (\$)	MoM (%)	YoY (%)
<b>Advanced Economies</b>			
Australia	172 bn	1.7%	44.9%
Canada	278 bn	103.7%	223.1%
Euro Area	5.96 tn	3.7%	13.5%
France	1.39 tn	11.7%	11.6%
Germany	2.16 tn	2.5%	8.3%
Italy	1.22 tn	3.0%	11.2%
Sweden	123 bn	6.4%	28.7%
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%
<b>Developing Economies</b>			
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	97.6 bn	-1.5%	8.6%

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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	
<b>Europe</b>														
Italy		226,699	32,169											
France		143,427	28,022											
Poland		19,266	948											
Portugal		29,432	1,247											
Germany		176,007	8,090											
Russia		299,941	2,837											
United Kingdom		248,818	35,341											
Spain		232,037	27,778											
Norway		8,257	233											
Belgium		55,791	9,108											
Bulgaria		2,292	116											
Greece		2,840	165											
Denmark		11,044	551											
Switzerland		30,535	1,613											
Ukraine		18,876	548											
Finland		6,399	301											
Czech Republic		8,647	302											
Netherlands		44,249	5,715											
Sweden		30,799	3,743											
<b>Americas</b>														
Colombia		16,935	613											
Canada		79,101	5,912											
Argentina		8,796	393											
United States		1,529,568	91,921											
Venezuela		749	10											
Mexico		54,346	5,666											
Brazil		271,628	17,971											
Peru		99,483	2,914											
<b>Africa Middle East</b>														
Kenya		963	50											
South Africa		17,200	312											
Qatar		35,606	15											
United Arab Emirates		25,063	227											
Turkey		151,615	4,199											
Israel		10,650	277											
Iran		124,603	7,119											
Iraq		3,611	131											
Jordan		649	9											
Tunisia		1,044	47											
Morocco		7,023	193											
Egypt		13,484	659											
<b>Asia Pacific</b>														
Hong Kong		1,055	4											
Singapore		28,794	22											
Japan		16,385	771											
Indonesia		16,496	1,221											
Taiwan		440	7											
South Korea		11,110	263											
China		84,065	4,638											
Philippines		12,942	837											
India		106,750	3,303											
Vietnam		324	-											
Australia		7,068	99											
New Zealand		1,153	21											
Thailand		3,034	56											
<b>Lockdown Index key &amp; Scale</b>														
No Restrictions: 0 – 25														
Recommended Restrictions: 26 – 50														
Enforced Restrictions: 51 – 75														
Highest Restrictions / Ban: 76 – 100														
<b>Internal movements</b>														
No measure														
Recommended														
Restriction														
<b>Public events</b>														
No Measure														
Recommended														
Required														
<b>Public transport</b>														
No measure														
Recommended														
Required														
<b>Workplace</b>														
No measure														
Recommended														
Required closure of some sectors														
Required closure for all but essential work														
<b>Schools</b>														
No measure														
Recommended														
Some level of schooling required to close														
All schools required to close														
<b>International travel</b>														
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, 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. Sweden is the only country where there are no measures implemented on public events. Meanwhile, across the world, there is some measure of restriction on international travel. However, the UK, Jordan and Iran are the exceptions, where international travel is freely permitted with no measures implemented.

Source: Knight Frank, Macrobond, Oxford University, Last Updated: 20/05/2020

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