

COVID-19 Dashboard

05 May 2020



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Summary

- **Equities:** Global equities were up this morning, after a slight rebound in oil prices. Increases this morning were led by the STOXX 600, which added +1.5%, followed by DAX and FTSE 100, both up +1.3%.
- **VIX:** The “investor fear gauge”, the VIX volatility index is currently at 34.9, after closing at 36.0 yesterday. Elevated levels suggest continued near term equity market volatility.
- **Baltic Dry:** This measure of demand for raw materials declined for the tenth consecutive session yesterday, falling by -3.1% to below \$600, indicating continued subdued demand for manufacturing.
- **Oil:** Both West Texas Intermediate (WTI) and Brent Crude oil have seen increases over the morning of +8.2% and +7.5%, respectively. With some governments starting to cautiously ease lockdowns, crude oil prices have elevated due in part to hopes of higher demand, reducing the supply-demand imbalance.
- **Bonds:** Germany’s top court has ruled that Germany’s central bank must end certain types of government bond purchases within three months, excluding the Pandemic Emergency Purchase Programme (PEPP), unless the ECB can prove they are needed. The ECB has been instructed to sell the bonds it has accumulated under the Public Sector Purchase Programme (PSPP), launched in 2015 (€2.1 trillion of bonds). The 10-year German bond yield is currently -0.58%, -12bps lower than a week ago. The 10-year Italian-German yield gap has increased to 250bps, closer to the 300bps ‘stress’ threshold. The 10-year Spain-German yield gap is currently circa 145bps.
- **Currency:** The euro has depreciated over the morning to \$1.08, with the hedging benefit for US dollar denominated investors into the Eurozone currently at 1.15% per annum, on a five-year basis. Sterling is currently \$1.25. Hedging benefits for US dollar denominated investors into the UK are 0.20% per annum on a five-year basis.
- **UK Furlough Scheme:** Between 23rd March and 5th April, 27% of the UK workforce participated in the furlough scheme, according to the ONS. This comprises 14% of the workers in trading businesses and 78% of the workforce in businesses that have paused trading or are temporarily closed.

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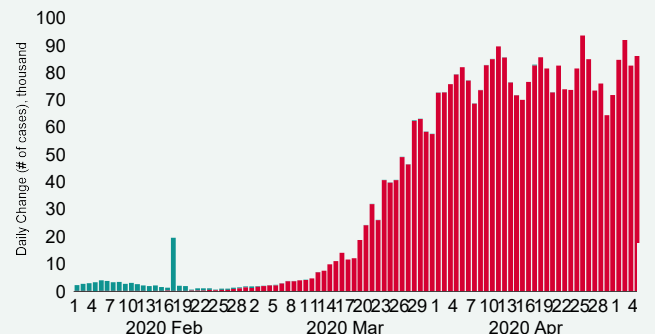


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COVID-19

New cases per day

World (ex-China) China

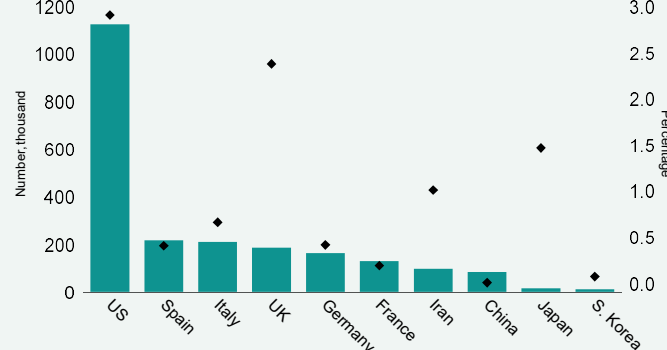


Source: Knight Frank, Macrobond. Last modified: 04 May 2020 21:03 GMT.

The number of total confirmed cases reached 3436k on the 4 May, an increase of 86k new cases over the day prior.

Cumulative number of cases

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



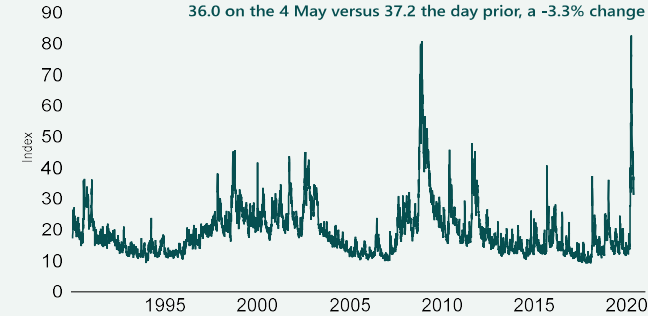
Source: Knight Frank, Macrobond. Last modified: 04 May 2020 00:00 GMT.

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)



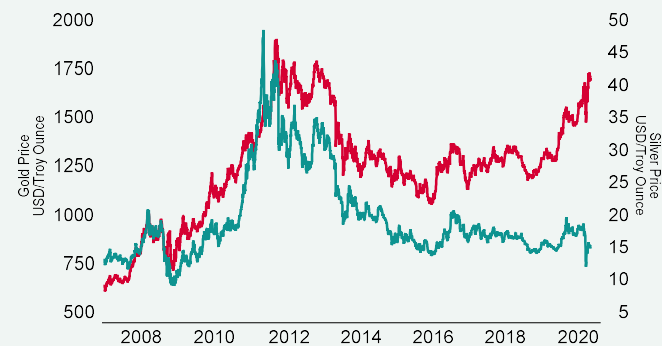
Source: Knight Frank, Macrobond. Last modified: 05 May 2020 03:15 GMT.

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

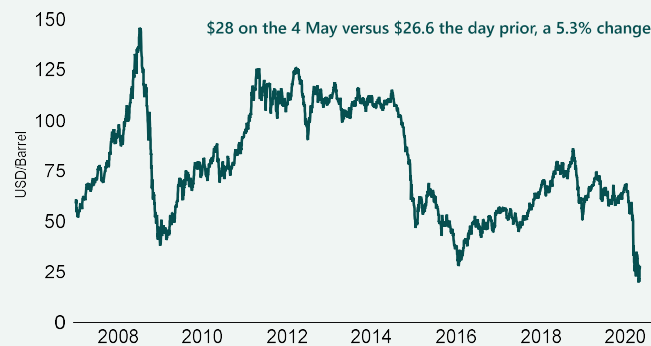


Source: Knight Frank, Macrobond. Last modified: 05 May 2020 06:30 GMT.

	4 May	D/D (%)	YTD (%)
Gold, USD	1701	0.9	12.1
Silver, USD	14.8	-1.3	-17.2

Brent crude and global commodity price index

Crude Oil, Brent

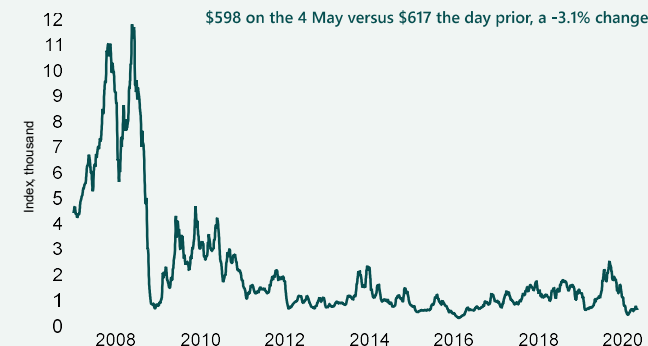


Source: Knight Frank, Macrobond. Last modified: 05 May 2020 02:30 GMT.

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: 04 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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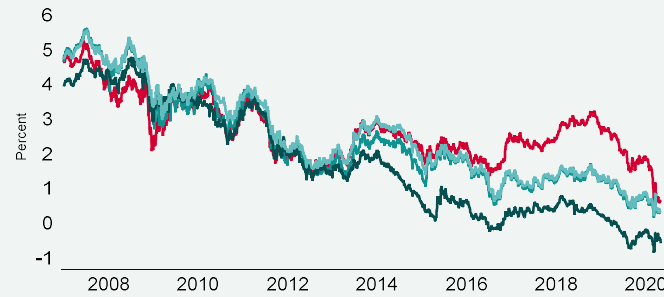


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Bonds and currencies

10y Government Bond Yield (%)

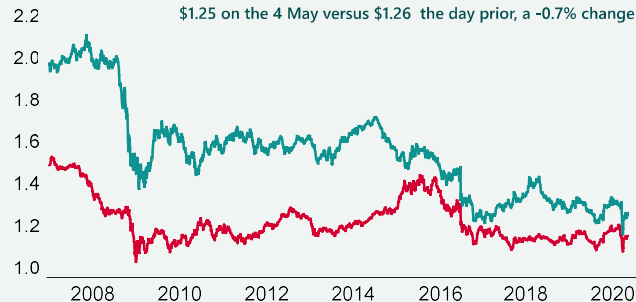
—US —UK —Germany —United Kingdom, Bank of England



	4 May	1 d ago	1st Jan
Germany	-0.57	-0.50	-0.19
UK	0.23	0.26	0.74
US	0.64	0.64	1.92

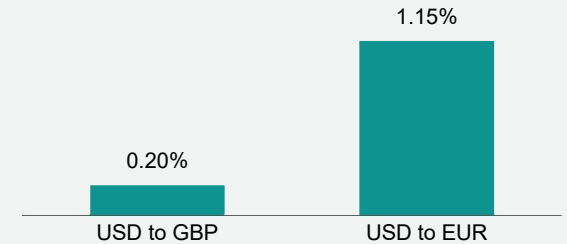
FX Spot Rates

—EUR per GBP —USD per GBP



	4 May	1 d ago	1st Jan
EUR per GBP	1.14	1.15	1.18
USD per GBP	1.25	1.24	1.32

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

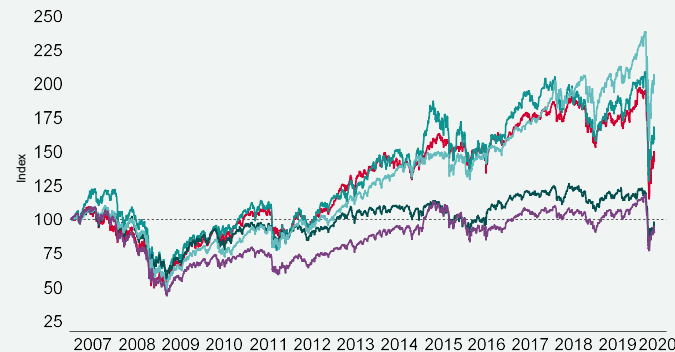


Source: Knight Frank, Investing.com
Approximate additional return per annum that dollar denominated investors may obtain based on five year currency hedge.

Equity and REIT

Equity performance: since previous cycle (1st Jan 2007 = 100)

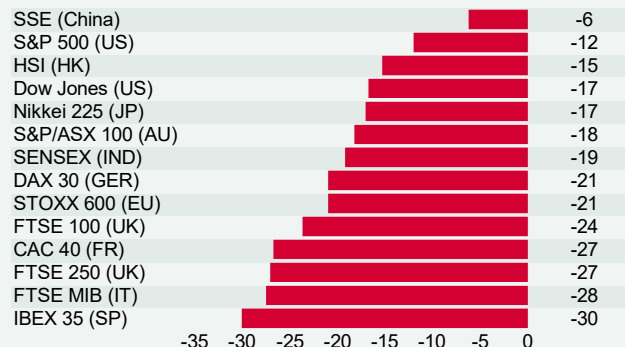
—FTSE 250 —DAX —FTSE 100 —S&P 500 —STOXX 600



Source: Knight Frank, Macrobond. Last modified: 04 May 2020 19:06 GMT.

Equity performance: YTD (%)

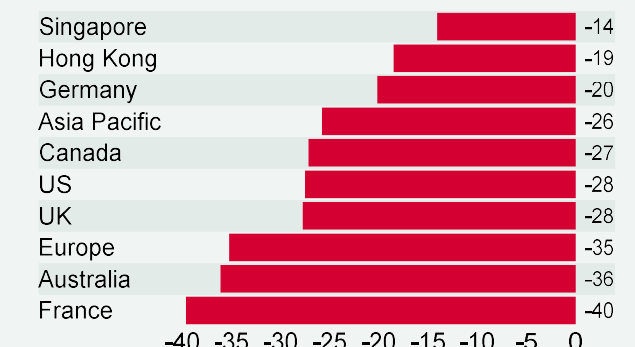
Local currencies



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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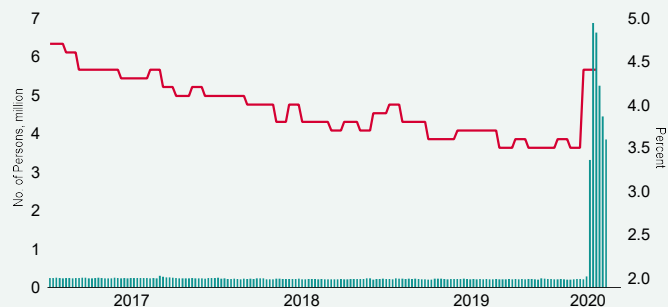


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US indicator

US Unemployment

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



Source: Knight Frank, Macrobond. Last data for the week commencing the 20 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)

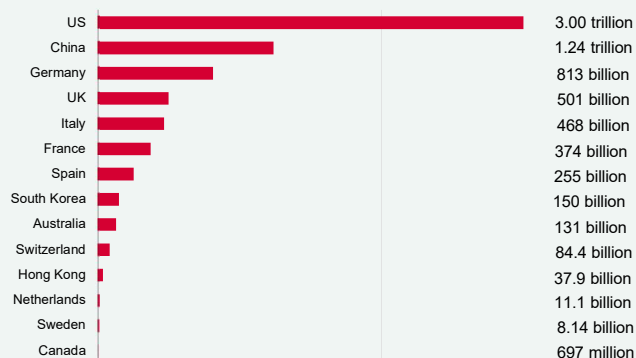
Monetary policy

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	3.75%	4.50%	-75 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

	Lastest (\$)	MoM (%)	YoY (%)
Advanced Economies			
Australia	133 bn	0.8%	40.2%
Canada	92.4 bn	49.6%	62.1%
Euro Area	5.31 tn	6.7%	9.7%
France	1.24 tn	11.7%	11.6%
Germany	1.98 tn	4.8%	3.5%
Italy	1.1 tn	7.3%	7.2%
Sweden	5.67 tn	29.8%	15.6%
Japan	800 bn	6.7%	13.7%
United Kingdom	4.31 tn	-1.4%	-1.9%
United States			
Developing Economies	487 bn	n/a%	n/a%
Brazil	5.15 tn	-0.9%	-12.8%
China	308 bn	0.0%	-0.8%
India	206 bn	8.6%	23.6%
Mexico	707 bn	-2.9%	6.4%
Russia	510 bn	-0.6%	12.9%
Saudi Arabia	417 bn	-3.8%	-3.8%
South Korea	106 bn	-0.7%	-6.1%
Turkey	101188830657.9	0.4%	11.7%

Source: Knight Frank, Macrobond

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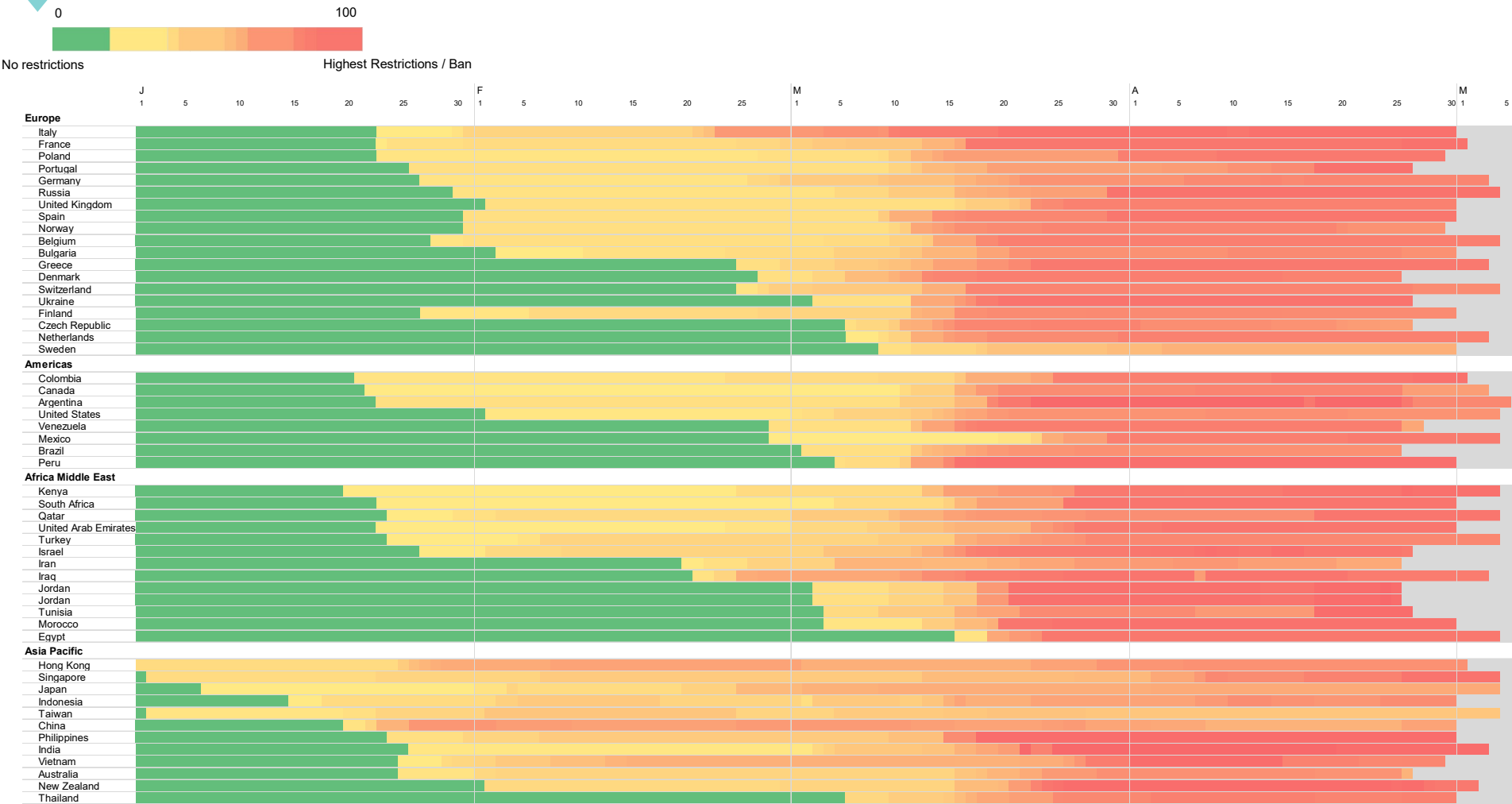
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Timeline of Covid-19 containment measures and their stringency



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

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