

# COVID-19 Dashboard

06 May 2020



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## Summary

- **Equities:** Global equities were subdued this morning across Europe, with markets struggling to build on overnight gains on Wall Street.
- **VIX:** The “investor fear gauge”, the VIX volatility index is currently at 33.7, after closing at 33.6 yesterday. Elevated levels suggest continued near term equity market volatility.
- **Baltic Dry:** The Baltic Dry continued its decline for the 11<sup>th</sup> consecutive session yesterday, falling -3.8% to \$575. With pricing now at lows last seen in February 2015, this indicates the extent of subdued demand for raw materials and subsequently manufacturing, due to COVID-19 containment measures.
- **Oil:** Following OPEC+ supply cuts coming into effect at the start of May and an agreement by Canada to use a decommissioned oil pipe for storage, West Texas Intermediate (WTI) and Brent Crude barrel prices are both up this morning to \$25.38 and \$30.91, respectively.
- **Bonds:** In the aftermath of yesterday’s German court ruling, the yield gap between German and Italian 10-year bonds has slightly narrowed to 244bps, albeit, still close to the 300bps ‘stress’ threshold. German 10-year bund yields are currently -0.56%, up +2bps, from yesterday’s close.
- **Auto Industry:** UK new car sales declined 97% in April versus the same month in 2019, the lowest monthly level since 1946. However, while in the US car sales also fell to 50-year lows in April, this was above market expectations. In China, Volkswagen report that their sales grew year-on-year in April.
- **US Household debt:** Household debt in the US increased by \$632 billion in the 12-months to Q1 2020, the fastest annual growth rate since 2008, according to Oxford Economics. Absolute US household debt is now higher than seen in the run up to and through the GFC. However, the US CARES Act is protective of mortgages and banks remain better capitalised than previously.
- **PMIs:** Spain’s services PMI have sunk to 7.1 in April, from 23.0 in March, according to IHS Markit. Italy’s services PMI has reduced from 17.4 to 10.8, over the same period. A figure below 50 is contractionary.

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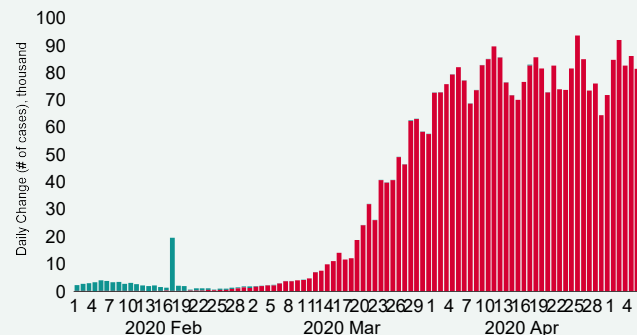


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## COVID-19

### New cases per day

World (ex-China) China

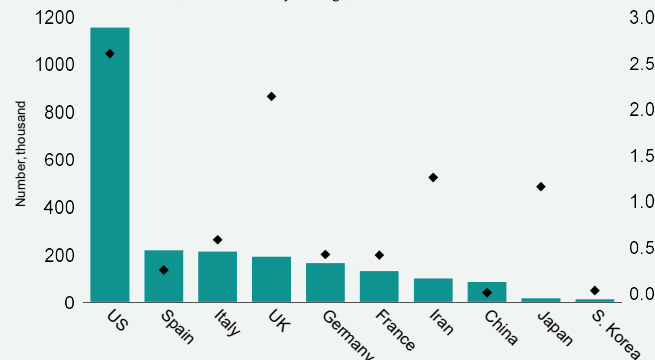


Source: Knight Frank, Macrobond. Last modified: 05 May 2020 19:32, 05 May 2020 19:32 GMT.

The number of total confirmed cases reached 3517k on the 5 May, an increase of 81k new cases over the day prior.

### Cumulative number of cases

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



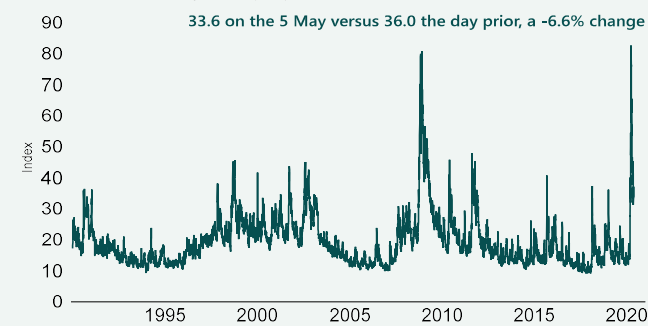
Source: Knight Frank, Macrobond. Last modified: 05 May 2020 00:00 GMT.

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: 06 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

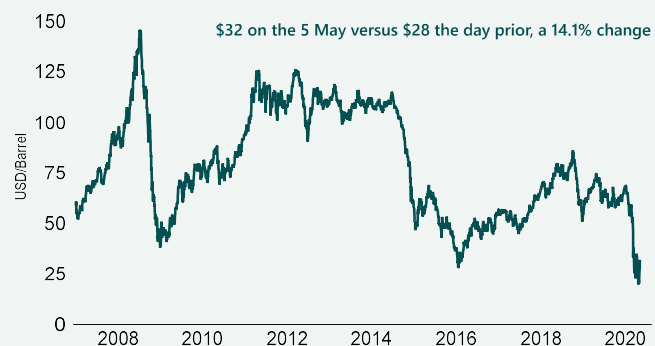


Source: Knight Frank, Macrobond. Last modified: 06 May 2020 06:30 GMT.

	5 May	D/D (%)	YTD (%)
Gold, USD	1705	0.4	12.4
Silver, USD	14.9	-0.1	-16.3

### Brent crude and global commodity price index

Crude Oil, Brent

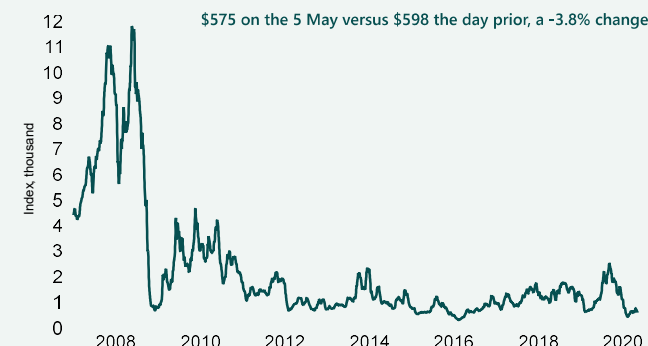


Source: Knight Frank, Macrobond. Last modified: 06 May 2020 02:30 GMT.

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: 05 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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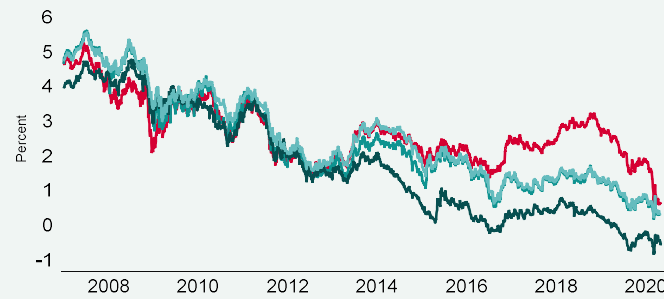


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## Bonds and currencies

### 10y Government Bond Yield (%)

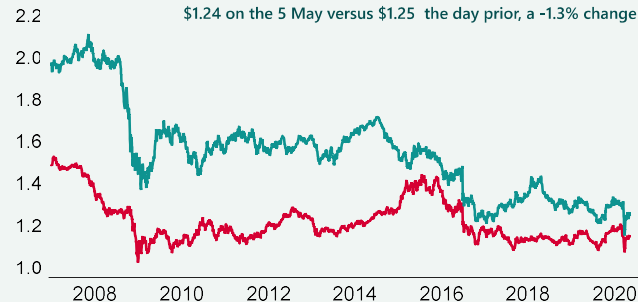
—US —UK —Germany —United Kingdom, Bank of England



	5 May	1 d ago	1st Jan
Germany	-0.52	-0.57	-0.19
UK	0.20	0.23	0.74
US	0.66	0.64	1.92

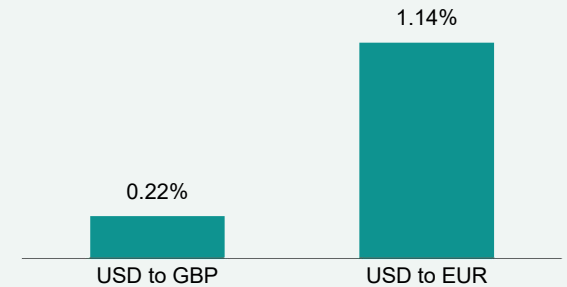
### FX Spot Rates

—EUR per GBP —USD per GBP



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

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

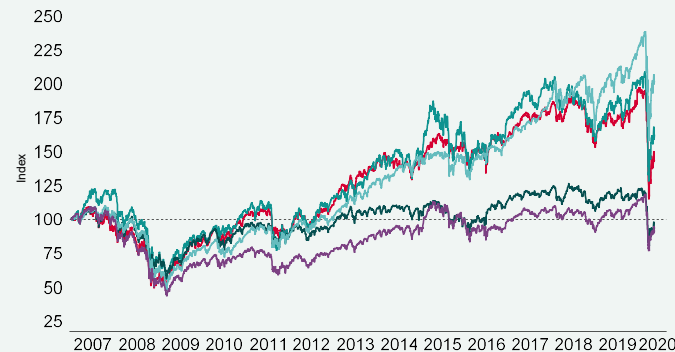


Source: Knight Frank, Investing.com  
Approximate additional return per annum that dollar denominated investors may obtain based on five year currency hedge.

## Equity and REIT

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

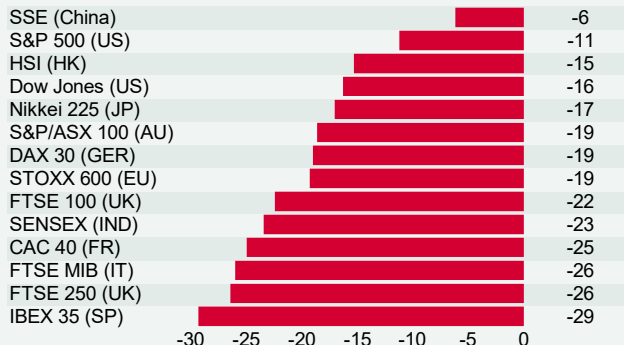
—FTSE 250 —DAX —FTSE 100 —S&P 500 —STOXX 600



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

### Equity performance: YTD (%)

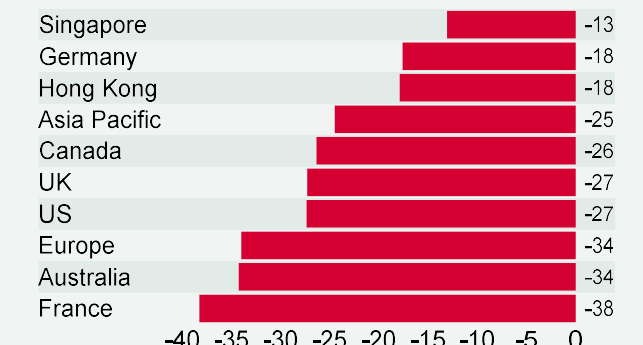
Local currencies



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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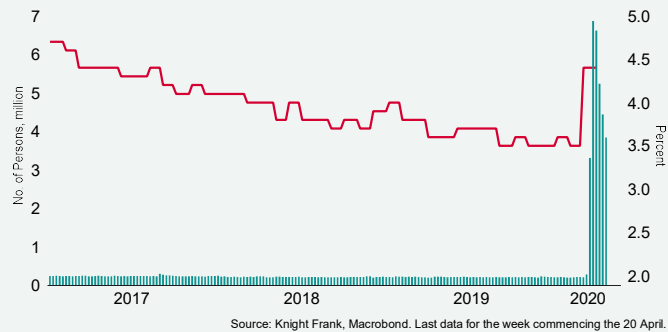


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## US indicator

### 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)

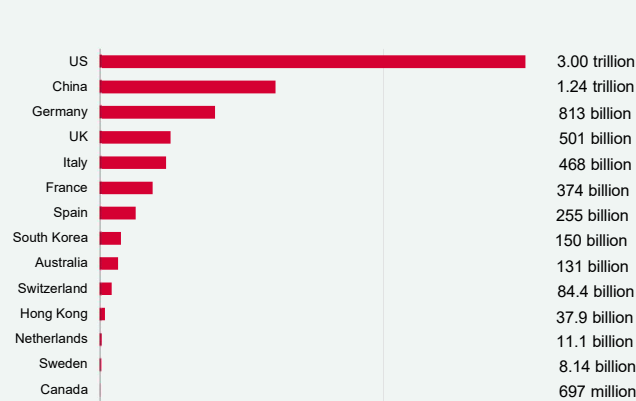
## Monetary policy

### 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	3.75%	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, \$)



### 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 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.
<b>USA</b>	<b>\$3.0tn</b> : An additional stimulus package was passed on the 23 <sup>rd</sup> April, worth \$483 billion. This increased the total US stimulus response to \$3 trillion or 15% of 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> : The emergency package passed by the Italian government to support businesses and families in March.
<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

	Latest (\$)	MoM (%)	YoY (%)
<b>Advanced Economies</b>			
Australia	133 bn	0.8%	40.2%
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	4.8%	3.5%
Italy	1.1 tn	7.3%	7.2%
Japan	5.67 tn	6.7%	13.7%
United Kingdom	800 bn	-1.4%	-1.9%
United States	4.31 tn	17.8%	70.6%
<b>Developing Economies</b>			
Brazil	487 bn	-0.9%	-12.8%
China	5.15 tn	0.0%	-0.8%
India	308 bn	8.6%	23.6%
Mexico	206 bn	-2.9%	6.4%
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	-4.5%	4.8%

Source: Knight Frank, Macrobond

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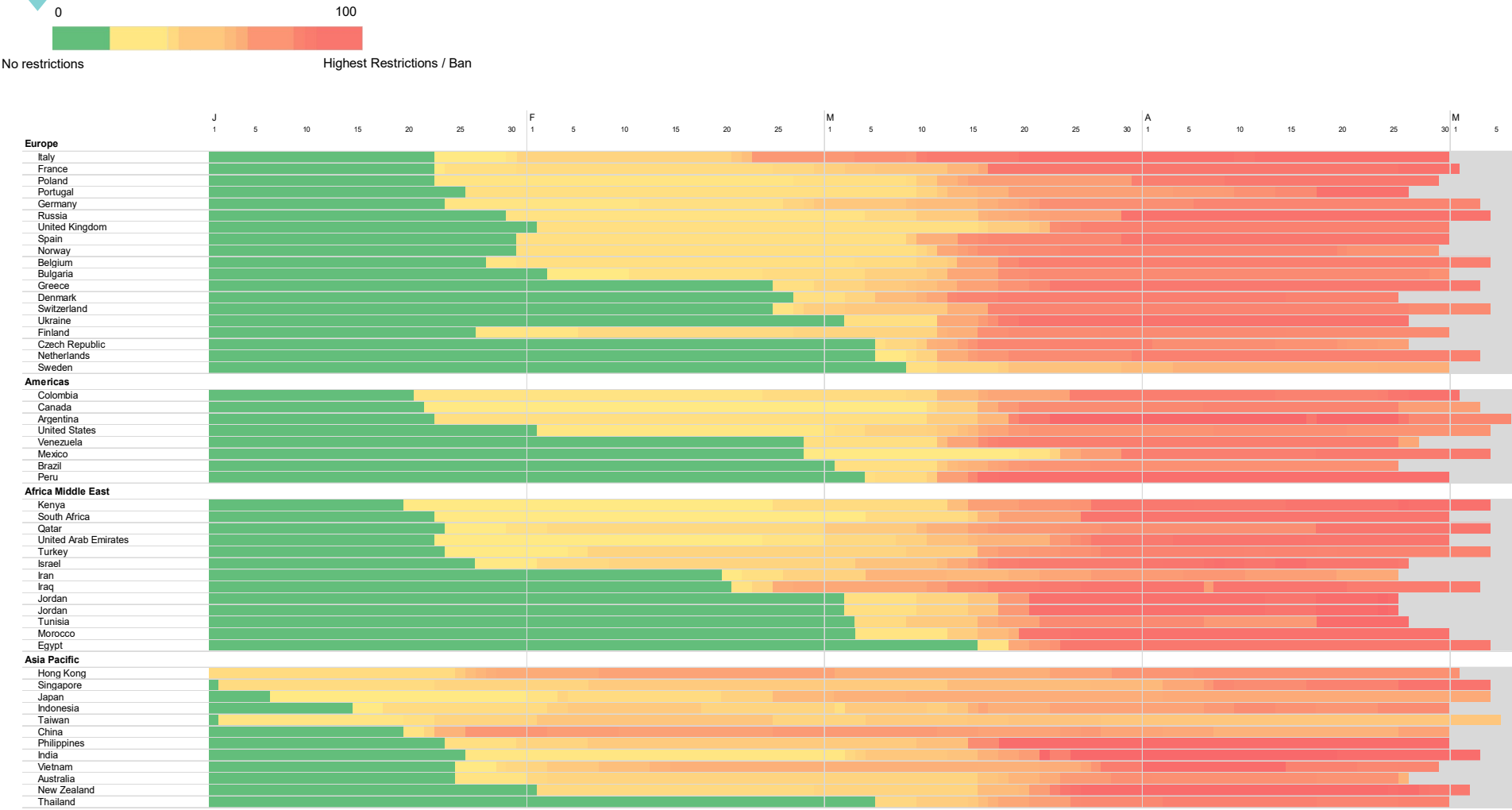
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## Timeline of Covid-19 containment measures and their stringency



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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## 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		199,414	26,977	92						
France		128,339	23,293	89						
Poland		10,511	454	95						
Portugal		22,353	820	100						
Germany		156,337	5,913	79						
Russia		87,147	795	83						
United Kingdom		157,149	21,092	82						
Spain		209,465	23,190	91						
Norway		7,345	180	86						
Belgium		46,687	7,207	86						
Bulgaria		1,097	52	81						
Greece		2,463	125	76						
Denmark		8,698	427	85						
Switzerland		28,414	1,267	81						
Ukraine		7,647	193	95						
Finland		4,284	172	90						
Czech Republic		7,188	213	81						
Netherlands		35,729	4,177	86						
Sweden		16,755	2,021	62						
<b>Americas</b>										
Colombia		4,561	215	81						
Canada		48,489	2,707	79						
Argentina		3,423	165	95						
United States		988,451	56,245	53						
Venezuela		298	10	86						
Mexico		15,529	1,434	84						
Brazil		66,501	4,543	71						
Peru		20,914	572	71						
<b>Africa Middle East</b>										
Kenya		320	14	81						
South Africa		4,793	90	97						
Qatar		7,764	10	95						
United Arab Emirates		8,756	96	96						
Turkey		112,261	2,900	75						
Israel		14,882	193	100						
Iran		91,472	5,806	52						
Iraq		1,677	83	76						
Jordan		437	7	95						
Jordan		437	7	95						
Tunisia		918	38	86						
Morocco		3,568	155	81						
Egypt		3,659	276	100						
<b>Asia Pacific</b>										
Hong Kong		1,035	4	86						
Singapore		14,423	14	78						
Japan		13,576	376	51						
Indonesia		9,096	765	74						
Taiwan		429	6	29						
China		83,938	4,637	39						
Philippines		6,981	462	86						
India		29,435	934	100						
Vietnam		268	-	100						
Australia		6,725	84	68						
New Zealand		1,114	17	100						
Thailand		2,839	50	86						
<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 38, indicating the restrictions in place are generally recommendations and are not enforced. Meanwhile, countries including Portugal, India and Israel have scores of 100, indicating the highest levels of restrictions or complete bans.

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: 04/05/2020

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