

COVID-19 Dashboard

01 May 2020



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Summary

- **Equities:** US equities saw their strongest month since 1987 in April, reducing S&P 500 YTD losses to c.10%. However, global equities have declined over the morning, in part a response to the fear of new tensions between China and the US. Lower investor sentiment has also been driven by contractions in earnings from large US companies, including Apple and Amazon.
- **VIX:** Reflecting the above, the “investor fear gauge”, the VIX volatility index saw double digit growth this morning, currently at 38.0, after closing yesterday at 34.2. Elevated levels suggest continued near term equity market volatility.
- **Currency:** Sterling has appreciated slightly to \$1.26 this morning. Hedging benefits for US dollar denominated investors into the UK are currently 0.15% per annum on a five-year basis, while the hedging benefit of US dollar denominated investors into the Eurozone has increased to 1.10%, over the same time period.
- **Oil:** The West Texas Intermediate (WTI) has been slightly subdued this morning, falling -2.1% to \$18.44 a barrel. Meanwhile, Brent Crude is up 3.5% this morning, currently priced at \$26.16 a barrel. According to the National Bureau of Statistics (NBS), in the first two months of 2020, China’s imports of crude oil increased 5+%, compared to the same two months in 2019. The NBS explained that Chinese buyers had utilised the historically low oil prices, in order to stock up. According to the statistics bureau, this trend has also continued into March.
- **Loan loss provisions:** The Royal Bank of Scotland (RBS), has become the latest international bank to announce increases to their loan loss provisions. RBS have set aside £802 million to deal with an expected increase in defaults in Q1 2020. In comparison, the bank’s loan loss provisions were at £86 million in the same quarter last year. Meanwhile, Barclays announced earlier in the week that their first quarter impairment charges increased to £2.1 billion in Q1 2020, a rise of close to 5 times the £448 million recorded in Q1 2019. HSBC stated that their loan loss provisions increased by 417% to \$3 billion in Q1 2020, which is on track to meet its highest annual level since the GFC.

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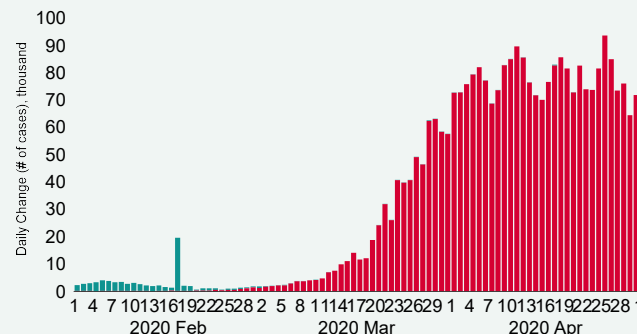


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COVID-19

New cases per day

World (ex-China) China

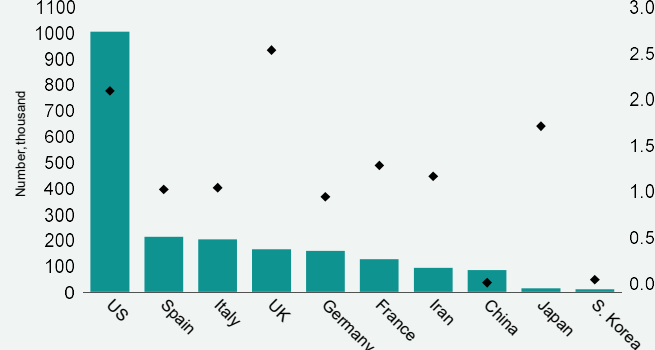


Source: Knight Frank, Macrobond. Last modified: 30 April 2020 19:22 GMT.

The number of total confirmed cases reached 3090k on the 30 April, an increase of 72k new cases over the day prior.

Cumulative number of cases

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



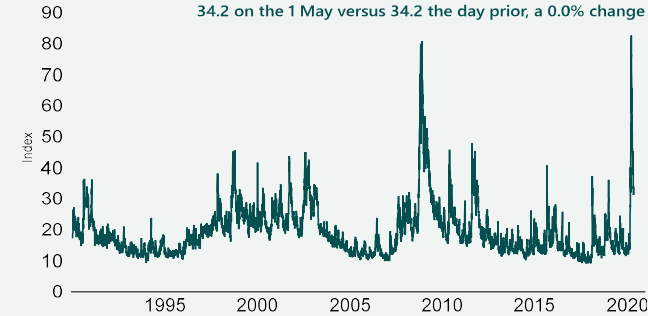
Source: Knight Frank, Macrobond. Last modified: 30 April 2020 00:00 GMT.

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: 01 May 2020 08:44 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

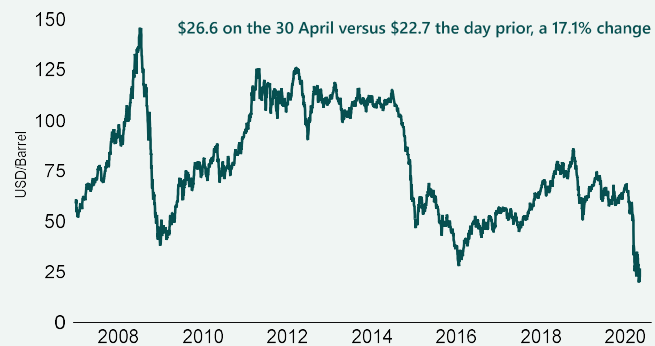


Source: Knight Frank, Macrobond. Last modified: 01 May 2020 06:30 GMT.

	30 April	D/D (%)	YTD (%)
Gold, USD	1686	-1.3	11.1
Silver, USD	14.9	-1.3	-16.2

Brent crude and global commodity price index

Crude Oil, Brent

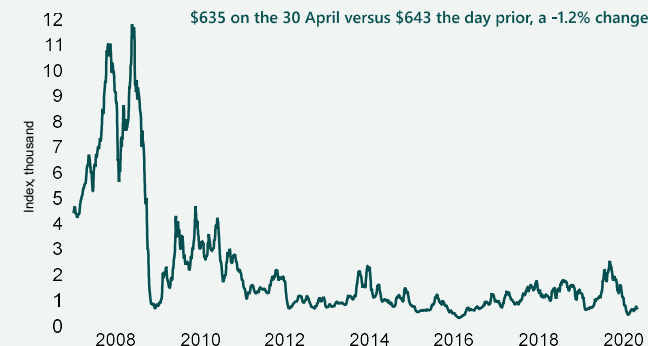


Source: Knight Frank, Macrobond. Last modified: 01 May 2020 02:30 GMT.

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: 30 April 2020 13:30 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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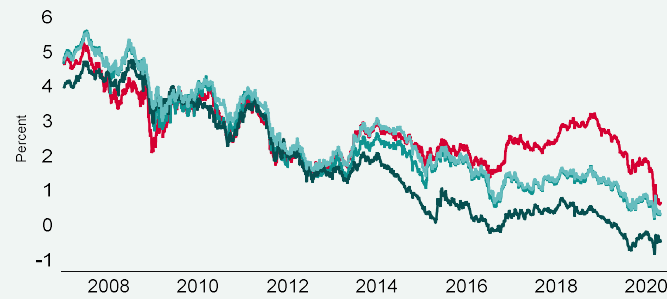


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Bonds and currencies

10y Government Bond Yield (%)

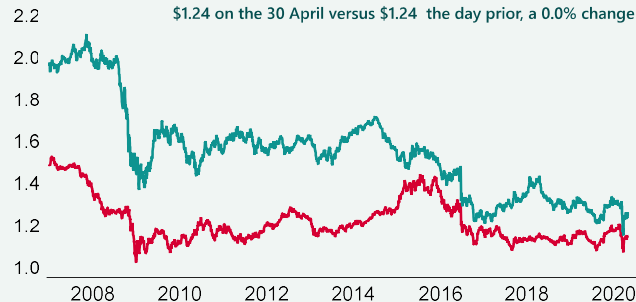
—US —UK —Germany —United Kingdom, Bank of England



	30 Apr	1 d ago	1st Jan
Germany	-0.50	-0.47	-0.19
UK	0.23	0.24	0.74
US	0.64	0.63	1.92

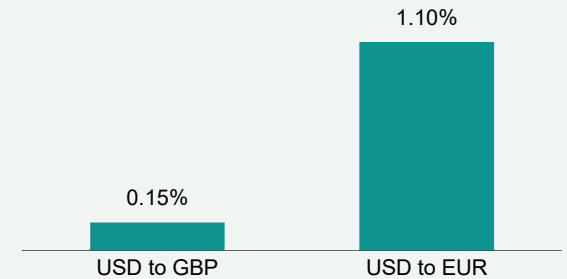
FX Spot Rates

—EUR per GBP —USD per GBP



	30 Apr	1 d ago	1st Jan
EUR per GBP	1.15	1.15	1.18
USD per GBP	1.24	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)

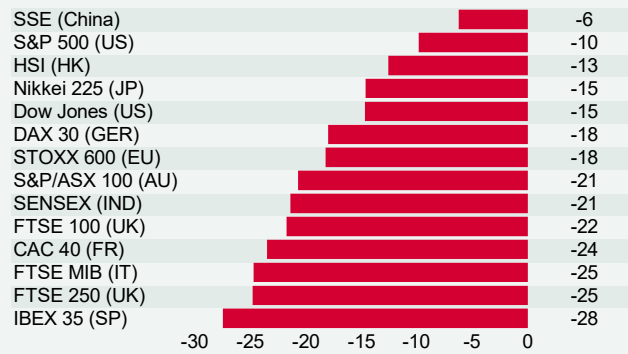
—FTSE 250 —DAX —FTSE 100 —S&P 500 —STOXX 600



Source: Knight Frank, Macrobond. Last modified: 30 April 2020 19:06 GMT.

Equity performance: YTD (%)

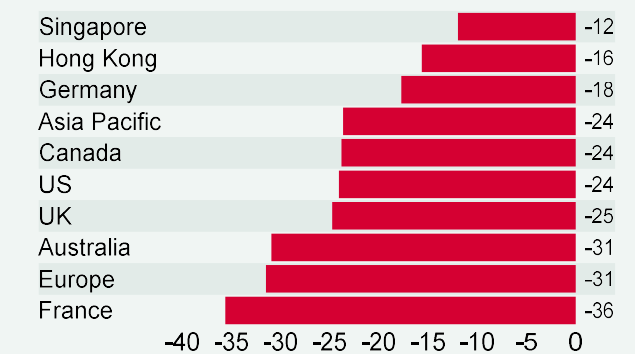
Local currencies



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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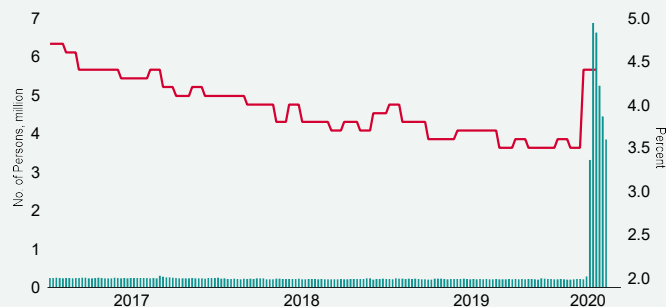


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US indicator

US Unemployment

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



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

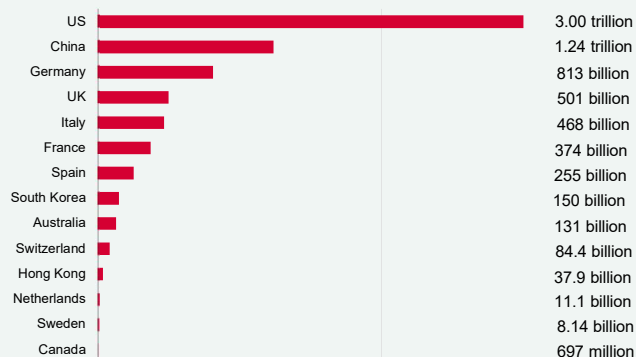
Central Banks Policy Rates

	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
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	7.75%	12.00%	-425 bps

Source: Knight Frank, Macrobond

Fiscal policy

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



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

	Latest (\$)	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%
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%
Developing Economies			
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	-3.7%	9.8%

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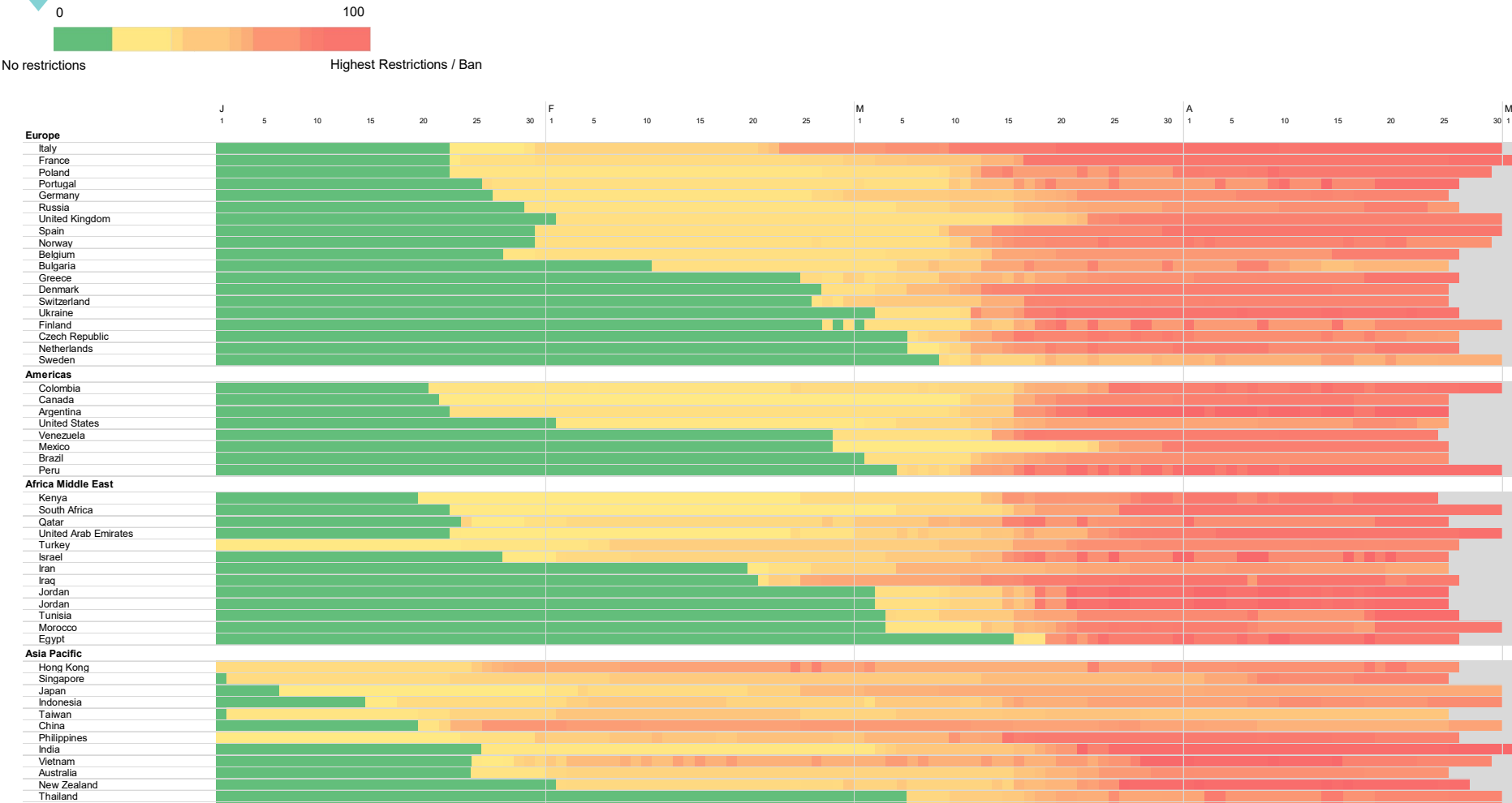
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Timeline of Covid-19 containment measures and their stringency



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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