

# COVID-19 Dashboard

04 May 2020



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## Summary

- **Equities:** Renewed tensions between the US and China continue to impact global equities. This morning, declines were led by Paris's CAC 40, down -3.1%, followed by the DAX (-2.9%), STOXX 600 (-2.8%) and FTSE 100 (-0.5%). Due to a public holiday in continental Europe, markets missed out on a Friday sell-off.
- **VIX:** In line with the above, the “investor fear gauge”, the VIX volatility index increased by 3.6% this morning, currently at 38.7, after closing at 34.2 on Friday. Elevated levels suggest continued near term equity market volatility.
- **Currency:** Sterling has depreciated slightly to \$1.24 this morning. Hedging benefits for US dollar denominated investors into the UK are currently 0.16% per annum on a five-year basis, while the hedging benefit of US dollar denominated investors into the Eurozone has increased to 1.11%, over the same time period.
- **Oil:** The West Texas Intermediate (WTI) declined this morning due to continued storage and oversupply issues, falling -8.0% to \$18.20 a barrel. Brent Crude is also down -3.1% this morning, currently priced at \$25.62 a barrel. The Financial Times report that the price of oil storage has increased by 30%. This is indicative of the storage issues the sector is facing as a result of demand and supply imbalance.
- **Loan loss provisions:** US and European banks are expected to book over \$50 billion of provisions for bad loans in Q1 2020, the largest amount since the GFC, according to the Financial Times. In Europe, IFRS 9 requirements mean that banks have to book provisions earlier for bad loans, which take into account the full term of the loan. In the US, new “current expected credit losses” requires lifetime loan losses to be booked as soon as banks believe the loan will not be repaid in full. These accounting rule changes are contributing to the enhanced provisions we are seeing, on top of the effects of COVID-19.
- **Lockdown:** More countries across Europe are starting to gradually ease their lockdowns this week, including Italy, Spain, Poland and Portugal. Meanwhile, in Japan, the state of emergency has been extended to the end of May.

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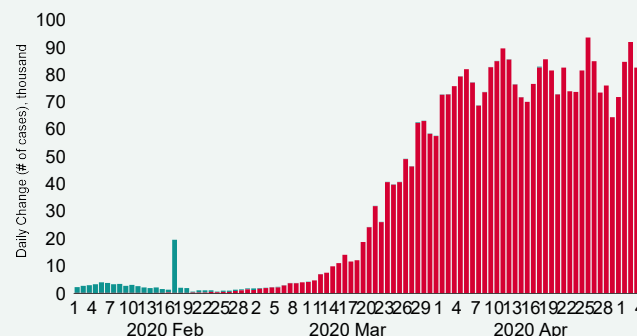


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## COVID-19

### New cases per day

■ World (ex-China) ■ China

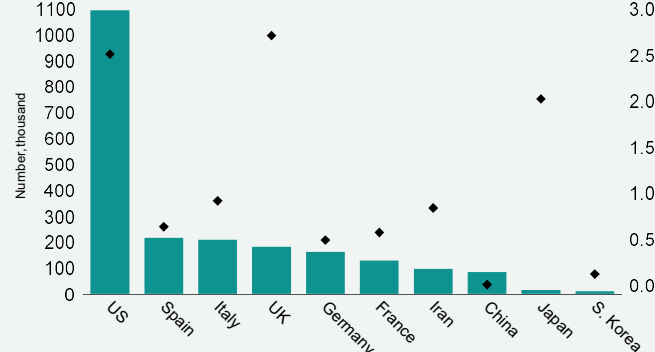


Source: Knight Frank, Macrobond. Last modified: 04 May 2020 02:56 GMT.

The number of total confirmed cases reached 3350k on the 3 May, an increase of 83k new cases over the day prior.

### Cumulative number of cases

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



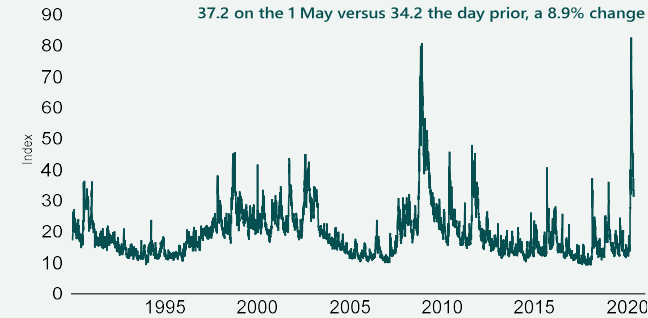
Source: Knight Frank, Macrobond. Last modified: 03 May 2020 00:00 GMT.

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: 02 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

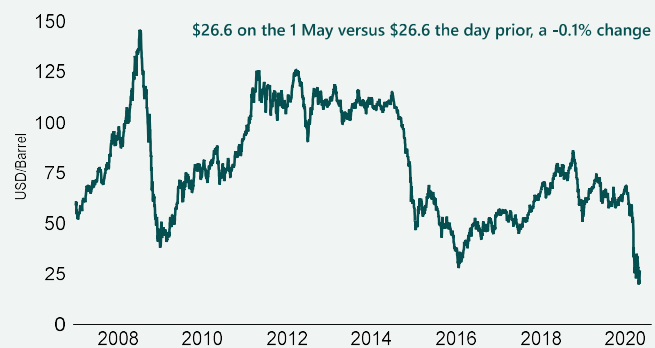


Source: Knight Frank, Macrobond. Last modified: 02 May 2020 06:30 GMT.

	1 May	D/D (%)	YTD (%)
Gold, USD	1699	-0.8	12.0
Silver, USD	14.9	-2.3	-16.2

### Brent crude and global commodity price index

—Crude Oil, Brent

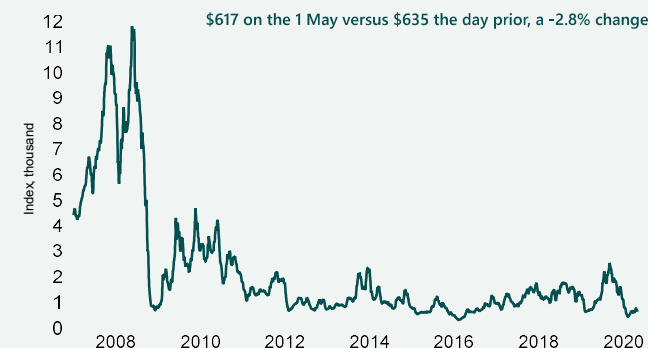


Source: Knight Frank, Macrobond. Last modified: 04 May 2020 02:30 GMT.

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: 01 May 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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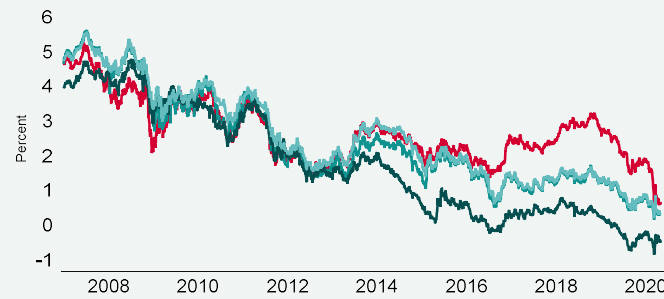


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## Bonds and currencies

### 10y Government Bond Yield (%)

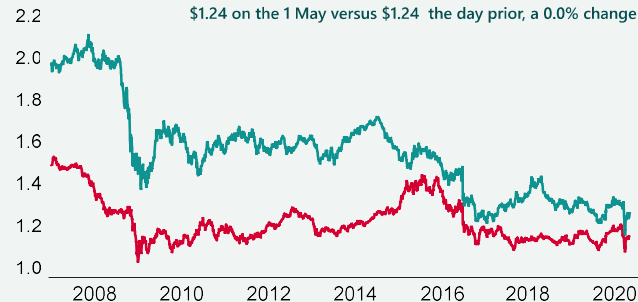
—US —UK —Germany —United Kingdom, Bank of England



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

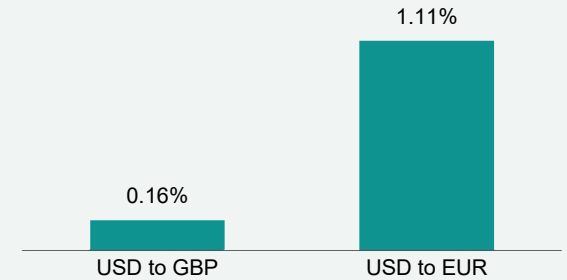
### FX Spot Rates

—EUR per GBP —USD per GBP



	01 May	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)

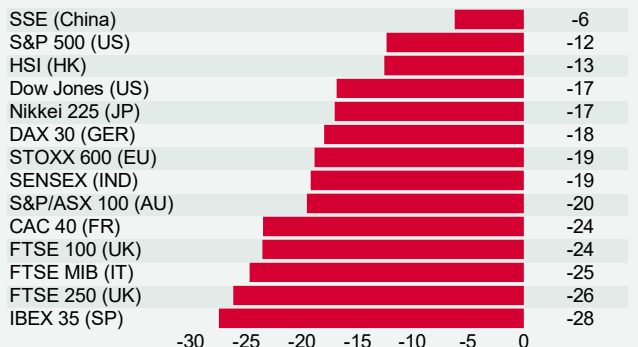
—FTSE 250 —DAX —FTSE 100 —S&P 500 —STOXX 600



Source: Knight Frank, Macrobond. Last modified: 01 May 2020 19:05 GMT.

### Equity performance: YTD (%)

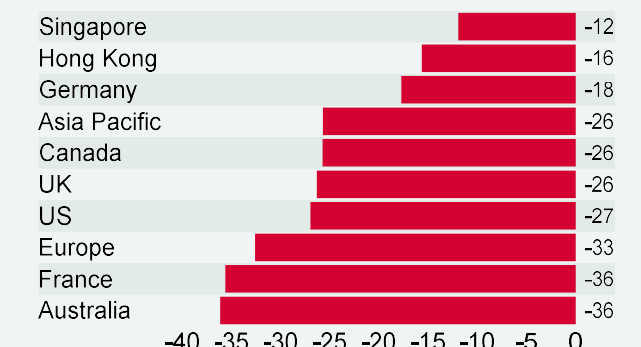
Local currencies



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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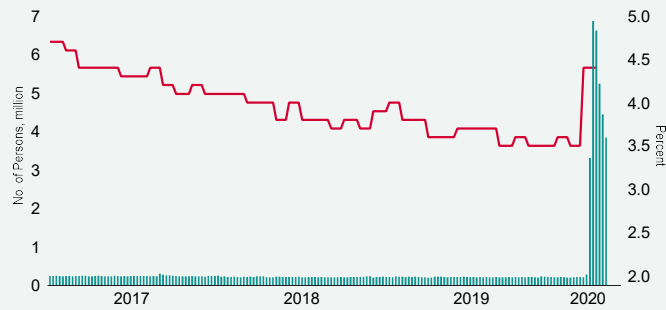


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## US indicator

### 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

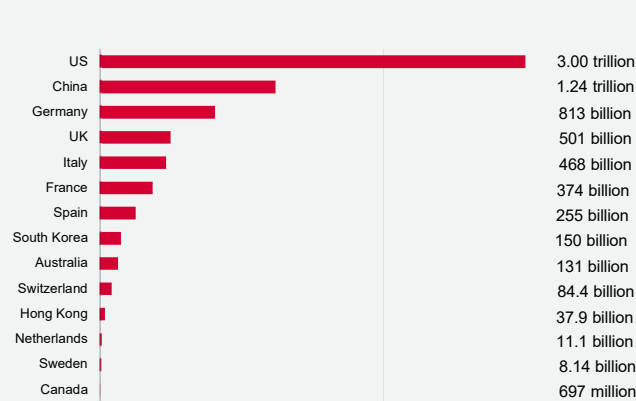
### Central Banks Policy Rates

	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
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

Source: Knight Frank, Macrobond

## 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	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%
<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	-3.7%	9.8%

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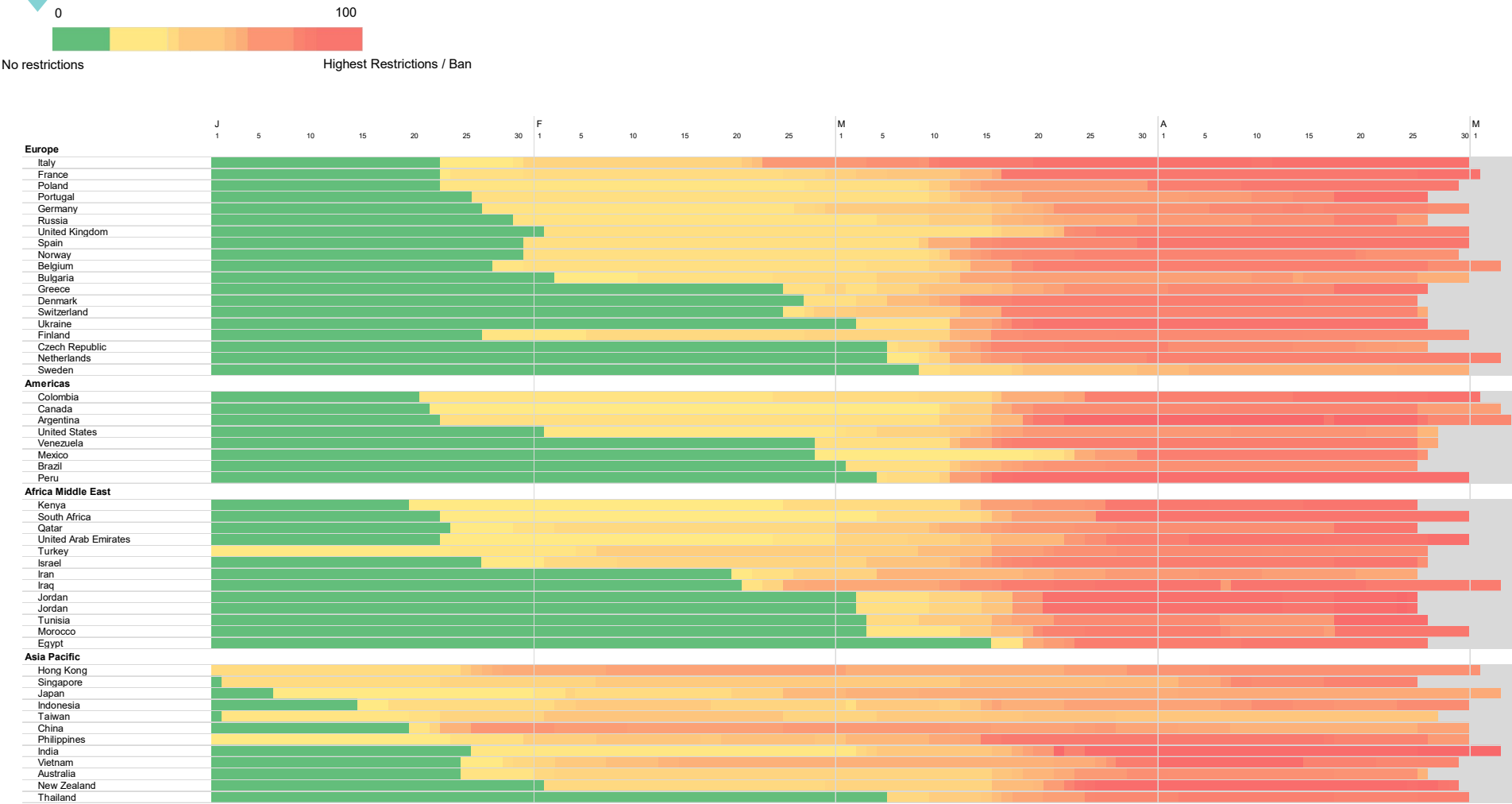
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## Timeline of Covid-19 containment measures and their stringency



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.

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