

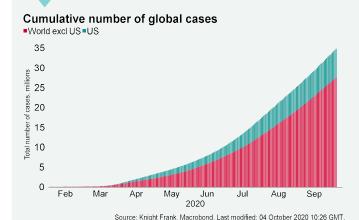


- **COVID-19:** The total number of cases recorded globally has surpassed 35 million, with circa 1 million reported deaths according to Johns Hopkins University & Medicine.
- **Equities**: Globally, stocks moved higher this morning. In the US, futures for the S&P 500 are up +0.6%. In Europe, the DAX (+0.9%), CAC 40 (+0.9%), FTSE 250 (+0.7%) and the STOXX 600 (+0.7%) are all positive. In Asia, the S&P / ASX 200 was the best performing index closing up +2.6%, followed by the Topix (+1.7%), the KOSPI (+1.3%) and the Hang Seng (+1.3%).
- **VIX**: The CBOE market volatility index increased +6.0% over the morning to 29.2, while the Euro Stoxx 50 vix has decreased -1.0% to 26.7. Both indices remain elevated compared to their long term averages.
- **Bonds:** The German 10-year bund yield is -0.54%, the UK 10-year gilt yield 0.25% and the US 10-year treasury yield 0.71%.
- Currency: Sterling and Euro have appreciated to \$1.30 and \$1.18. Hedging benefits for US dollar denominated investors into the UK and the eurozone are at 0.33% and 1.17% per annum on a five-year basis.
- Oil: Brent Crude and the West Texas Intermediate (WTI) are both +3% this morning at \$40.5 and \$38.3 per barrel.
- **Baltic Dry:** The Baltic Dry increased +8.0% on Friday to 2,020, to the highest level seen since September 2019. The overall index was driven higher by the capsize index which was up +12.7% at the start of the Chinese holiday. Reuters cites expectations of further stimulus policy measures in China and the re-opening of businesses in the leading steel producing country, as reasons behind the increase.
- **UK Auto Industry**: New UK car registrations declined -4.4% in September, compared to the same month the previous year. This was led by a -31.9% decline in business registrations, followed by a -5.8% decline in fleet registrations. Private registrations were just down -1.1% on September 2019. Electric vehicle sales saw a +184.3% increase over the same period according to the Society of Motor Manufacturers and Traders (SMMT).

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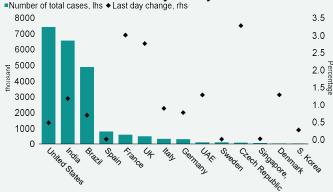
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### COVID-19



The number of total confirmed cases reached 34.8 million on the 4 October, an increase of 304k new cases over the day prior.

### Cumulative number of cases by country



Source: Knight Frank, Macrobond,

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

### 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 non-ferrous metals price, USD



2 Oct D/D (%) YTD (%) Gold, USD 1899 0.7 25.2 Non-Ferrous Metals, USD 113 0.3 1.6

### Brent Crude and West Texas Intermediate oil price

-Brent Crude - West Texas Intermediate (WTI)

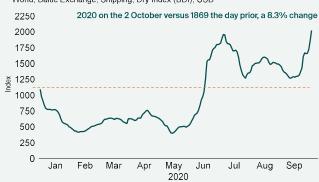


Source: Knight Frank, Macrobond. Last modified: 04 October 2020 23:10 GMT

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: 02 October 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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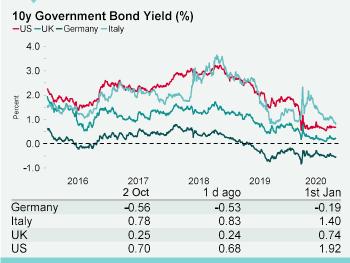
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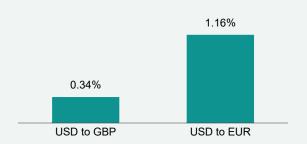
### Bonds and currencies



### **FX Spot Rates** -EUR per GBP -USD per GBP \$1.29 on the 2 October versus \$1.29 the day prior, a 0.6% change 1.50 1.45 1.40 1.35 1.30 1.25 1.20 1.15 1.10 1.05 2016 2017 2018 2020 2019

	2 Oct	1 d ago	1st Jan
EUR per GBP	1.10	1.10	1.18
USD per GBP	1.29	1.28	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.

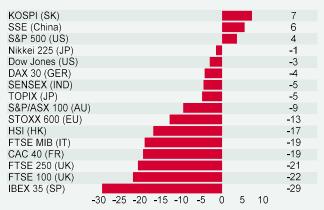




The chart presents the performance of selected equity indexes since the months prior the global financial crisis (2007).

### Equity performance: YTD (%)

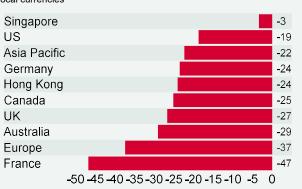
Local currencies



Source: Knight Frank, Macrobond

### **REIT performance: YTD (%)**

Local currencies



Source: Knight Frank, Macrobond

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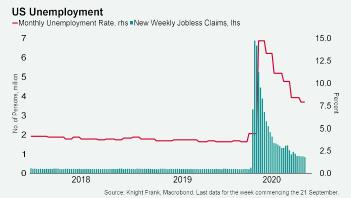
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### **US** indicators



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

### 2020 Presidential Winner (probability of winning, %)



 Source: Knight Frank. Macrobond. Last modified: 02 October 2020 15:00 GMT.

 2 Oct
 1 week ago
 1 month ago

 Trump
 38%
 46%
 45%

 Biden
 63%
 57%
 58%

### 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
<b>Developing Economies</b>			
Brazil	2.00%	4.50%	-250 bps
China	4.35%	4.35%	0 bps
India	4.00%	5.15%	-115 bps
Mexico	4.25%	7.25%	-300 bps
Russia	4.25%	6.25%	-200 bps
Saudi Arabia	1.00%	2.25%	-125 bps
South Korea	0.50%	1.25%	-75 bps
Turkey	10.25%	12.00%	-175 bps

### **Central Bank Assets Purchasing Programme**

	Lastest (\$)	MoM (%)	YoY (%)	
Advanced Economies				Italy
Australia	218 bn	2.2%	78.0%	
Canada	413 bn	1.9%	357.1%	
Euro Area	7.63 tn	0.2%	49.5%	
France	1.86 tn	-0.2%	48.9%	
Germany	2.7 tn	0.8%	38.8%	France
Italy	1.51 tn	1.5%	32.7%	
Sweden	144 bn	0.7%	53.0%	
Japan	6.61 tn	4.9%	25.6%	
United Kingdom	770 bn	-0.3%	-3.2%	
United States	7.06 tn	0.7%	80.0%	
<b>Developing Economies</b>				Spain
Brazil	502 bn	-12.1%	-4.8%	
China	5.3 tn	3.7%	5.2%	
India	377 bn	0.7%	37.4%	
Mexico	220 bn	1.1%	11.1%	Japan
Russia	684 bn	5.3%	5.6%	
Saudi Arabia	490 bn	1.4%	-5.4%	
South Korea	443 bn	-6.0%	5.7%	Hong
Turkey	96.4 bn	-1.4%	-9.5%	Kong

### iscal policy

UK

ΕU

### Fiscal measures details

£330bn+: Government backed loans and guarantees equivalent to 15% of UK GDP. SMEs given access to cash grants. Support for furloughed employees of 80% salary ≤£2,500 per month. Furlough scheme extended until October 2020 with employers 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.

**USA** \$3.0tn: 2<sup>nd</sup> package passed 23<sup>rd</sup> April, worth \$483 billon, increasing US stimulus to \$3 trillion (15% GDP).

**€1.35tn:** This includes €240bn to the European Stability Mechanism, and €200bn in EIB guarantees. On 4<sup>th</sup> June, the ECB extended the pandemic purchase programme (PEPP) until June 2021, purchasing an additional €600bn in bonds, taking total stimulus to €1.35tn.

**€750bn:** a new recovery package for EU member states announced in July including €390bn in grants and €360 in interest free loans.

**Germany Germany Germany

<b>Germany Germany Germany Germany Germany Germany Germany Germany Germany Germany Germany**

€400bn: The stimulus announced on the 7<sup>th</sup> April €25bn: Emergency package to support businesses and families

€100bn:: The stimulus announced on the 3<sup>rd</sup> September €45bn: 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. €300bn: government backed loans.

€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.

**\$2.2tn**: Further stimulus announced in late May added \$1.1 trillion to the country's stimulus package, bringing total stimulus to \$2.18 trillion or 40% of GDP.

Source: Knight Frank, various sources

HK\$10k for every adult citizen (c.£7bn).

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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, Macrobond, Oxford University

### Research

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International Travel

	Confirmed Cases	Confirmed Deaths
urope		
Italy	322.751	35,968
France	606.625	32,198
Poland	98,140	2,604
Portugal	78,247	1,995
Germany	299.237	9.529
Russia	1,204,502	21,251
United Kingdom	480,017	42,317
Spain	789,932	32,086
Norway	14,149	275
Belgium	127,529	10.044
Bulgaria	21.518	841
Greece	19,613	405
Denmark	29.302	654
Switzerland	54.263	1.783
Ukraine	54,263 222,232	1,783 4,353
Ukraine Finland	10.244	4,353
Czech Republic	80,605	711
Netherlands	131,749	6,440
Sweden	94,283	5,895
mericas	040 : :=	00 ===
Colombia	848,147	26,556
Canada	164,471	9,462
Argentina	790,805	20,795
United States	7,382,944	209,394
Venezuela	76,820	643
Mexico	757,953	78,880
Brazil	4,906,833	145,987
Peru	824,985	32,665
frica Middle East		
Kenya	39,184	728
South Africa	679,716	16,938
Qatar	126,339	216
United Arab Emirates	97,760	426
Turkey	323,014	8,384
Israel	264,857	1,682
Iran	468,119	26,746
Iraq	375,931	9,347
Jordan	14,749	88
Tunisia	20,944	276
Morocco	131,228	2.293
Egypt	103,575	5,970
sia Pacific	100,010	0,010
Hong Kong	5,113	105
Singapore	57,800	27
Japan	85,339	1.597
Indonesia	299.506	11.055
Taiwan	200,000	11,000
South Korea	24.091	421
China China	91,095	4,739
Philippines	319,330	4,739 5,678
India	6.549.373	101.782
Vietnam		101,782
Vietnam Australia	1,096	893
Australia New Zealand	27,121	
	1,498	25
Thailand	3,583	59
Malaysia	12,088	137
,		

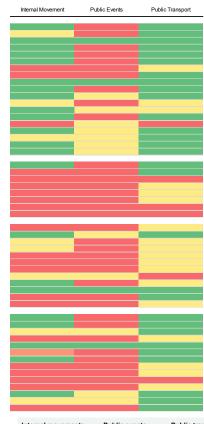


In line with some of the fewest reported cases and the smallest reported deaths

attributed to COVID-19, Taiwan has the lowest 'lockdown index' score at 19,

indicating the restrictions in place are generally recommendations and are not

enforced. Countries including Iraq, Argentina and Colombia have some of the



Public events	Public transport	Value
No Measure	No measure	0
Recommended	Recommended	1
Required	Required	2
	No Measure Recommended	No Measure No measure Recommended Recommended



Schools

Workplace

Workplace	Schools	Value
No measure	No measure	0
Recommended	Recommended	1
	Some level of	
Required closure of	schooling required to	
some sectors	close	2
Required closure for all	All schools required to	
but essential work	close	3

International travel	Value
No measure	0
Screening	1
Quarantine arrivals from	
high risk regions	2
Ban on high risk regions	3
Total border closure	4

For most countries, public transport has the most relaxed restrictions. Taiwan, Tunisia, Norway, Poland, Netherlands and Greece are the only countries with no measures implemented on public events. Meanwhile, across the world, there is some measure of restriction on international travel. However, France is the exception, where international travel is freely permitted with no measures implemented.

Source: Knight Frank, Macrobond, Oxford University

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highest 'lockdown index' scores.

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