

COVID-19 Dashboard

6 October 2020



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Summary

- **Equities:** In Europe, the DAX, CAC 40 and the FTSE 250 are all -0.3% lower this morning, while the STOXX 600 is -0.4%. In Asia, stocks were up on close, with the Hang Seng (+0.9%) and the Topix (+0.5%) recording gains, as did the Kospi and the S&P / ASX 200, which both added +0.3% on close. In the US, futures for the S&P 500 are down -0.3%.
- **VIX:** The CBOE market volatility index increased +2.7% over the morning to 28.7, while the Euro Stoxx 50 vix has decreased -1.4% to 25.9. Both indices remain elevated compared to their long term averages.
- **Bonds:** The US 10-year bond yield has compressed -2bps to 0.76%, while the German 10-year bund yield is down -1bp to -0.52%. Both the UK 10-year gilt yield and the Italian 10-year bond yield are steady at 0.28% and 0.80%. The US 10-year treasury yield and the UK 10-year gilt yield are the highest they have been since June and the beginning of September, respectively.
- **Currency:** Sterling and the euro are currently \$1.30 and \$1.18. Hedging benefits for US dollar denominated investors into the UK and the eurozone are at 0.35% and 1.19% per annum on a five-year basis.
- **Oil:** Brent Crude and the West Texas Intermediate (WTI) have both increased +0.5% this morning to \$41.50 and \$39.40 per barrel.
- **Baltic Dry:** The Baltic Dry increased +2.5% yesterday to 2,071, its highest level since September 2019. The overall index was driven higher by the capesize index which was up +3.7% yesterday to the largest it has been since July.
- **Gold:** The price of gold increased +1% yesterday to \$1,911 per troy ounce. Gold reached a record of \$2,063 on 6th August and has since declined -7%, however it remains +25% higher than it was at the start of January.
- **German Industry:** New factory orders rose +4.5% over the month of August, above the +3.3% rise the previous month and higher than market expectations of +2.6%. This marks the country's fourth consecutive month of growth in factory orders, predominantly driven by orders from the eurozone. However, factory orders are down -2.2% year on year in August and new orders remain below pre pandemic levels.

Research

William Matthews
Partner, Head of Commercial Research
+44 20 3909 6842
william.matthews@knightfrank.com

Victoria Ormond
Partner, Capital Markets Research
+44 20 7861 5009
victoria.ormond@knightfrank.com

Daniel Tomaselli
Senior Research Analyst, Capital Markets
+44 20 8106 1392
daniel.tomaselli@knightfrank.com

Antonia Haralambous
Research Analyst, Capital Markets
+44 20 3866 8033
antonia.haralambous@knightfrank.com

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COVID-19 Dashboard

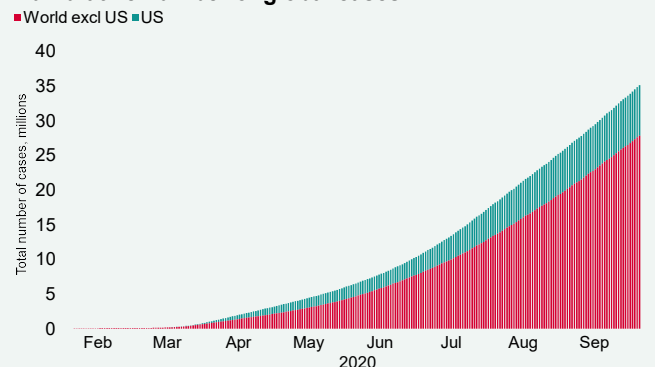
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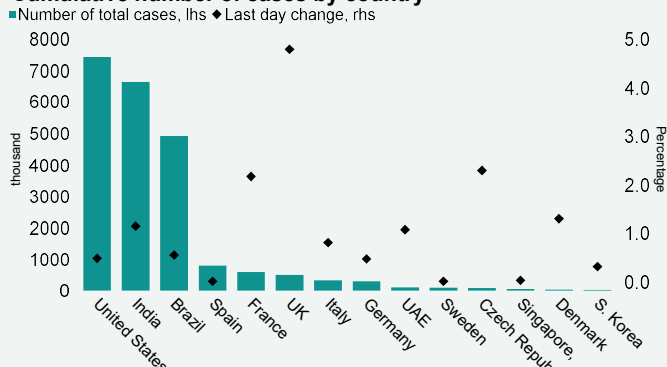
COVID-19

Cumulative number of global cases



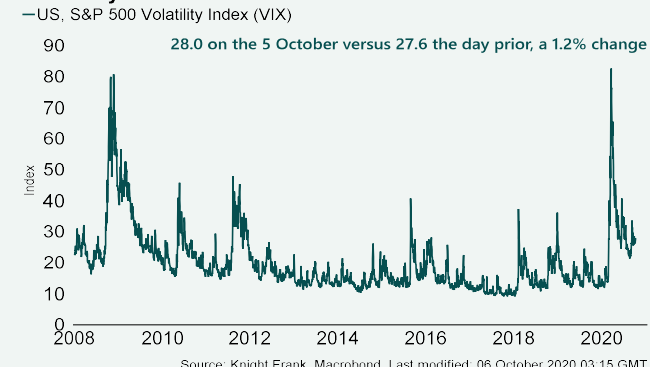
The number of total confirmed cases reached 35.1 million on the 5 October, an increase of 295k new cases over the day prior.

Cumulative number of cases by country



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

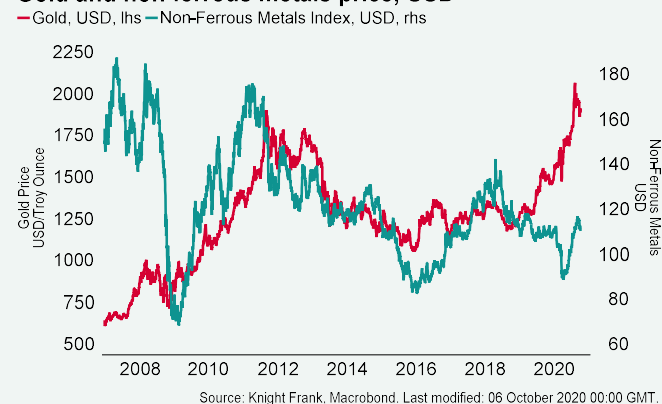
Volatility Index



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.

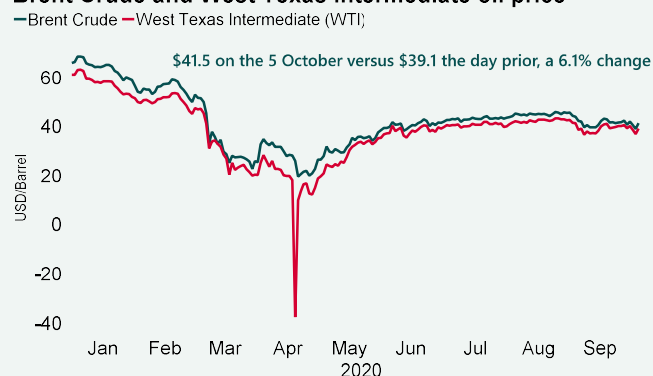
Commodities

Gold and non-ferrous metals price, USD



	5 Oct	D/D (%)	YTD (%)
Gold, USD	1911	0.3	26.0
Non-Ferrous Metals, USD	110	-2.1	-0.5

Brent Crude and West Texas Intermediate oil price



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)



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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William Matthews

Partner, Head of Commercial Research
+44 20 3909 6842
william.matthews@knightfrank.com

Victoria Ormond

Partner, Capital Markets Research
+44 20 7861 5009
victoria.ormond@knightfrank.com

Daniel Tomaselli

Senior Research Analyst, Capital Markets
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Antonia Haralambous

Research Analyst, Capital Markets
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antonia.haralambous@knightfrank.com

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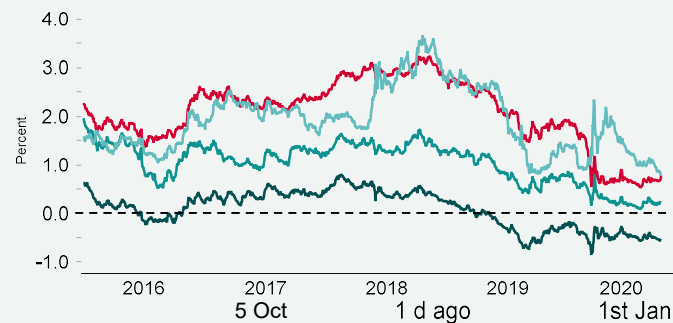


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Bonds and currencies

10y Government Bond Yield (%)

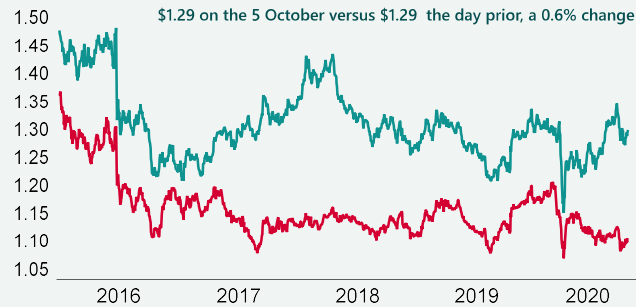
—US —UK —Germany —Italy



	5 Oct	1 d ago	1st Jan
Germany	-0.56	-0.56	-0.19
Italy	0.80	0.78	1.40
UK	0.28	0.25	0.74
US	0.78	0.70	1.92

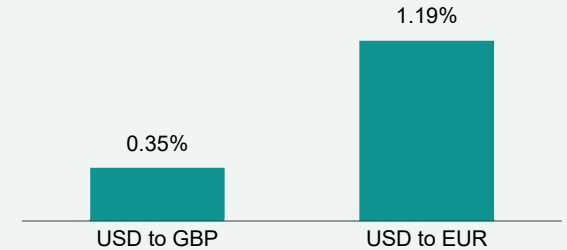
FX Spot Rates

—EUR per GBP —USD per GBP



	5 Oct	1 d ago	1st Jan
EUR per GBP	1.10	1.10	1.18
USD per GBP	1.29	1.29	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)

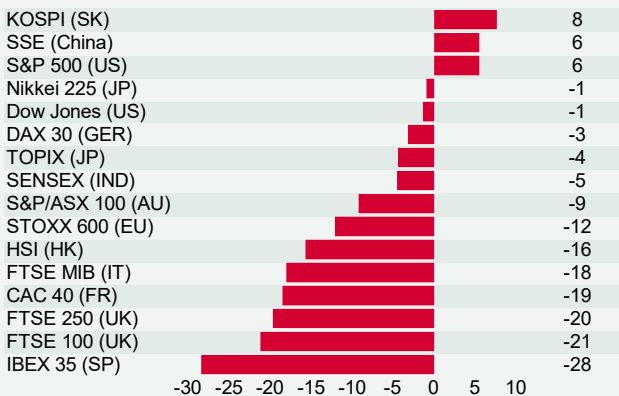
—FTSE 250 —DAX —S&P 500 —STOXX 600 —Hang Seng —MIB —IBEX 35 —TOPIX



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

Equity performance: YTD (%)

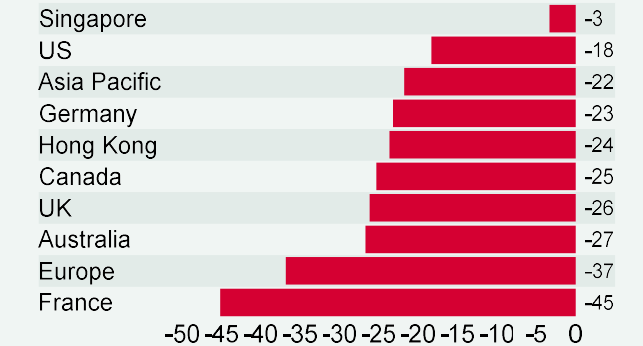
Local currencies



Source: Knight Frank, Macrobond

REIT performance: YTD (%)

Local currencies



Source: Knight Frank, Macrobond

Research

William Matthews

Partner, Head of Commercial Research
+44 20 3909 6842
william.matthews@knightfrank.com

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Partner, Capital Markets Research
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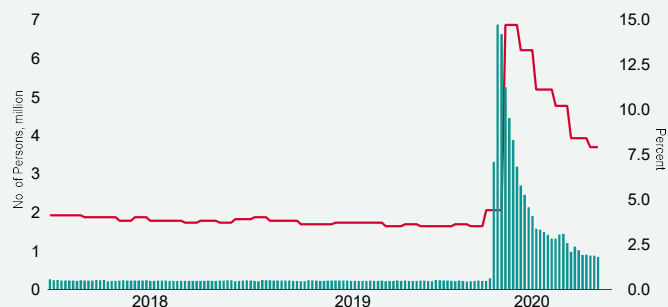


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US indicators

US Unemployment

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

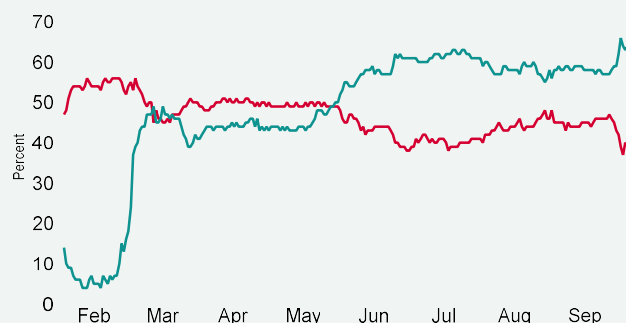


Source: Knight Frank, Macrobond. Last data for the week commencing the 21 September.

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, %)

— Trump — Biden



Source: Knight Frank, Macrobond. Last modified: 06 October 2020 09:00 GMT.

	6 Oct	1 week ago	1 month ago
Trump	38%	43%	45%
Biden	63%	59%	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
Developing Economies			
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			
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%
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	773 bn	-0.2%	-2.7%
United States	7.06 tn	0.7%	80.0%
Developing Economies			
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%
Russia	684 bn	5.3%	5.6%
Saudi Arabia	490 bn	1.4%	-5.4%
South Korea	443 bn	-6.0%	5.7%
Turkey	97 bn	-3.8%	-11.7%

Fiscal policy

Fiscal measures details

UK	£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 nd package passed 23 rd April, worth \$483 billion, increasing US stimulus to \$3 trillion (15% GDP).
EU	€1.35tn : This includes €240bn to the European Stability Mechanism, and €200bn in EIB guarantees. On 4 th 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	€880bn : The emergency aid measure approved on Monday 23 rd of March. In June an additional €130bn fiscal stimulus programme including VAT rate cut to 16% from 19% and one off 'children's bonus' payment.
Italy	€400bn : The stimulus announced on the 7 th April €25bn : Emergency package to support businesses and families.
France	€100bn : The stimulus announced on the 3 rd September €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	\$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.
Hong Kong	HK\$10k for every adult citizen (c.£7bn).

Source: Knight Frank, various sources

Research

William Matthews

Partner, Head of Commercial Research
+44 20 3909 6842
william.matthews@knightfrank.com

Victoria Ormond

Partner, Capital Markets Research
+44 20 7861 5009
victoria.ormond@knightfrank.com

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+44 20 8106 1392
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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, Macrobond, Oxford University

Research

William Matthews
Partner, Head of Commercial Research
+44 20 3909 6842
william.matthews@knightfrank.com

Victoria Ormond
Partner, Capital Markets Research
+44 20 7861 5009
victoria.ormond@knightfrank.com

Daniel Tomaselli
Senior Research Analyst, Capital Markets
+44 20 8106 1392
daniel.tomaselli@knightfrank.com

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Overview of the severity of Covid-19 and the resulting containment measures

	Confirmed Cases	Confirmed Deaths	Lockdown Index
Europe			
Italy	325,329	35,986	38
France	619,170	32,230	47
Poland	98,140	2,604	19
Portugal	78,247	1,995	43
Germany	300,619	9,534	43
Russia	1,215,001	21,358	41
United Kingdom	502,978	42,350	68
Spain	789,932	32,086	55
Norway	14,149	275	26
Belgium	130,141	10,064	51
Bulgaria	21,587	844	35
Greece	19,842	409	51
Denmark	29,680	558	51
Switzerland	54,263	1,783	43
Ukraine	226,462	4,397	64
Finland	10,538	345	32
Czech Republic	82,446	727	39
Netherlands	135,749	6,445	44
Sweden	94,283	5,895	37
Americas			
Colombia	855,052	26,712	51
Canada	166,156	9,481	61
Argentina	798,473	21,018	52
United States	7,417,845	209,794	63
Venezuela	78,434	653	82
Mexico	761,665	79,088	74
Brazil	4,915,289	146,352	73
Peru	828,169	32,742	85
Africa Middle East			
Kenya	39,427	731	68
South Africa	681,289	16,976	42
Qatar	126,498	216	65
United Arab Emirates	98,801	426	53
Turkey	324,443	8,441	60
Israel	268,175	1,719	85
Iran	471,772	26,957	57
Iraq	379,141	9,399	73
Jordan	15,640	101	66
Tunisia	23,453	321	27
Morocco	133,272	2,330	68
Egypt	103,683	5,981	63
Asia Pacific			
Hong Kong	5,113	105	59
Singapore	57,812	27	55
Japan	85,739	1,599	31
Indonesia	303,498	11,151	69
Taiwan	-	-	19
South Korea	24,164	422	57
China	90,629	4,739	46
Philippines	322,497	5,776	55
India	6,623,815	102,685	76
Vietnam	1,096	35	75
Australia	27,136	894	68
New Zealand	1,499	25	32
Thailand	3,590	59	44
Malaysia	12,381	137	51

Lockdown Index key & Scale
No Restrictions: 0 – 25
Recommended Restrictions: 26 – 50
Enforced Restrictions: 51 – 75
Highest Restrictions / Ban: 76 – 100

Internal Movement	Public Events	Public Transport
No measure	No measure	No measure
Recommended	Recommended	Recommended
Restriction	Required	Required

Internal movements	Public events	Public transport	Value
No measure	No measure	No measure	0
Recommended	Recommended	Recommended	1
Restriction	Required	Required	2

Workplace	Schools	International Travel
No measure	No measure	No measure
Recommended	Recommended	Screening
Required closure of some sectors	Some level of schooling required to close	Quarantine arrivals from high risk regions
Required closure for all but essential work	All schools required to close	Ban on high risk regions
		Total border closure

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

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 highest 'lockdown index' scores.

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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William Matthews
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+44 20 3909 6842
william.matthews@knightfrank.com

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Partner, Capital Markets Research
+44 20 7861 5009
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