

COVID-19 Dashboard

22 October 2020



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Summary

- **Equities:** Globally, stocks are mostly down. In Europe, declines have been recorded by the DAX (-0.8%), STOXX 600 and CAC 40 (both -0.8%), as well as the FTSE 250 (-0.1%). In Asia, the Topix (-1.1%), Kospi (-0.7%), CSI 300 and S&P / ASX 200 (both -0.3%) all closed lower, while the Hang Seng (+0.1%) was the only index up on close. In the US, futures for the S&P 500 are down -0.3%.
- **VIX:** After declining -2.4% yesterday, the CBOE market volatility index has increased +2.7% to 29.4, the highest it has been since the beginning of September. Meanwhile the Euro Stoxx 50 volatility index has decreased, down -0.8% to 29.2. Both indices are elevated compared to their long term averages of 19.9 and 23.9.
- **Bonds:** The UK 10-year gilt yield has softened +3bps to 0.26%, while the US 10-year treasury yield has compressed -1bp to 0.82% and the German 10-year bund yield is flat at -0.59%.
- **Currency:** Sterling and the euro are currently \$1.31 and \$1.18, respectively. Hedging benefits for US dollar denominated investors into the UK and the eurozone are at 0.39% and 1.24% per annum on a five-year basis.
- **Baltic Dry:** The Baltic Dry decreased for the 11th consecutive session yesterday, declining -0.3% to 1,346, its lowest daily decline since the start of the rout on 7th October.
- **Copper:** The price of copper surpassed \$7,000 a tonne for the first time since June 2018 yesterday, reaching \$7,034 a tonne. Prices have been pushed upwards due to a strong demand in China, with the metal emerging as a key way for investor exposure to sustainable energy, including wind, solar, batteries and electric cars, according to the FT.
- **Airline Industry:** The owner of British Airways, IAG, has announced the airline will undertake no more than 30% of its usual flights between October and December, compared to last year. IAG, which also owns Iberia and Aer Lingus, reported an -83% annual decline in revenue from €7.3 billion in Q3 2019 to €1.2 billion in Q3 this year. Ryanair has also reduced its winter flight schedule to 40% of last year's capacity and Cathay Pacific, an Asian airline, has announced it expects to offer less than 50% of its usual capacity next year.

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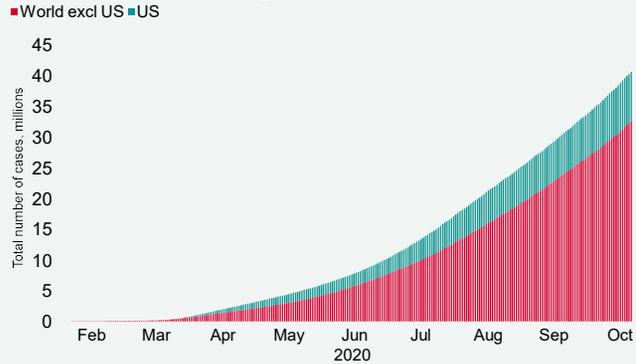
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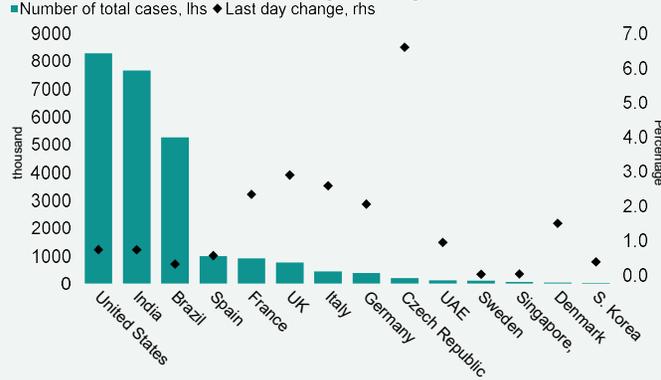
Cumulative number of global cases



Source: Knight Frank, Macrobond. Last modified: 21 October 2020 11:06 GMT.

The number of total confirmed cases reached 40.7 million on the 21 October, an increase of 350k 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



Source: Knight Frank, Macrobond. Last modified: 22 October 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

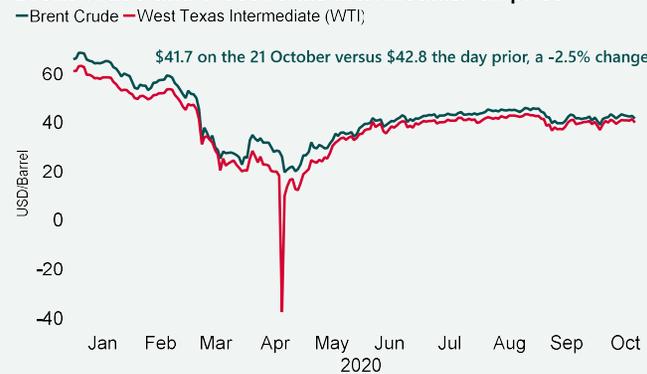
Gold and non-ferrous metals price, USD



Source: Knight Frank, Macrobond. Last modified: 22 October 2020 00:00 GMT.

	10 Oct	D/D (%)	YTD (%)
Gold, USD	1923	1.0	26.8
Non-Ferrous Metals, USD	118	1.2	6.5

Brent Crude and West Texas Intermediate oil price



Source: Knight Frank, Macrobond. Last modified: 21 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)



Source: Knight Frank, Macrobond. Last modified: 21 October 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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Bonds and currencies

10y Government Bond Yield (%)

—US —UK —Germany —Italy



	21 Oct	1 d ago	1st Jan
Germany	-0.60	-0.64	-0.19
Italy	0.77	0.74	1.40
UK	0.24	0.19	0.74
US	0.83	0.81	1.92

FX Spot Rates

—EUR per GBP —USD per GBP



	21 Oct	1 d ago	1st Jan
EUR per GBP	1.10	1.10	1.18
USD per GBP	1.30	1.30	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)

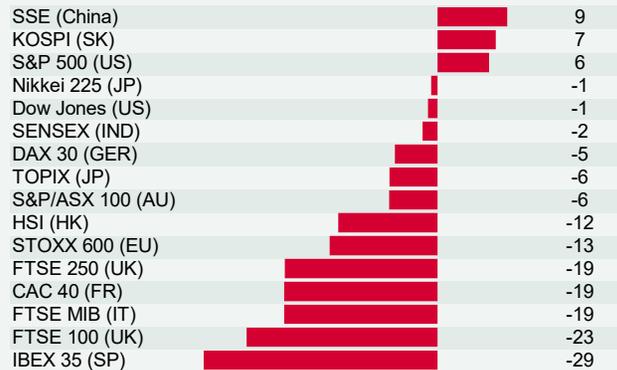
—FTSE 250 —DAX —S&P 500 —STOXX 600 —Hang Seng —MIB —IBEX 35 —TOPIX



Source: Knight Frank, Macrobond. Last modified: 21 October 2020 19:05 GMT.

Equity performance: YTD (%)

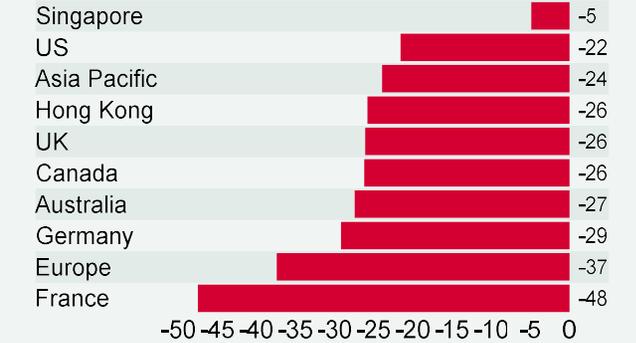
Local currencies



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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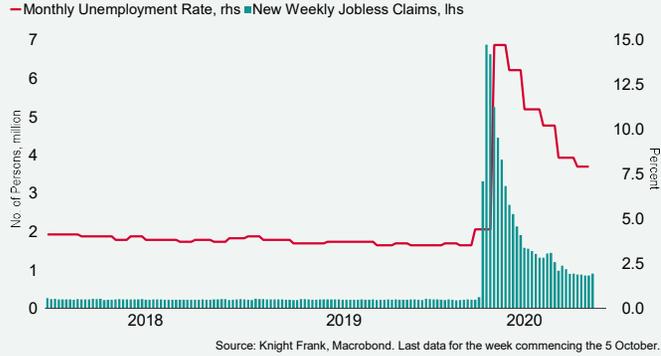
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US indicators

US Unemployment



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, %)



	22 Oct	1 week ago	1 month ago
Trump	42%	40%	46%
Biden	65%	65%	58%

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

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 Purchase Programme

	Lastest (\$)	MoM (%)	YoY (%)
Advanced Economies			
Australia	215 bn	-1.1%	82.0%
Canada	398 bn	-3.7%	351.6%
Euro Area	7.92 tn	3.0%	53.0%
France	1.86 tn	-0.2%	48.9%
Germany	2.79 tn	2.6%	43.8%
Italy	1.53 tn	1.4%	36.7%
Sweden	151 bn	3.0%	54.6%
Japan	6.54 tn	-1.1%	24.0%
United Kingdom	775 bn	-0.2%	-2.5%
United States	7.15 tn	1.5%	80.5%
Developing Economies			
Brazil	513 bn	1.8%	2.7%
China	5.5 tn	3.9%	8.3%
India	366 bn	-3.0%	33.9%
Mexico	216 bn	-2.0%	6.2%
Russia	677 bn	-1.0%	5.0%
Saudi Arabia	490 bn	1.4%	-5.4%
South Korea	453 bn	2.3%	9.6%
Turkey	100 bn	0.7%	-8.5%

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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

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



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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