

Summary

- **COVID-19:** The total number of cases recorded globally is circa 44.5 million, with 1.17 million reported deaths according to Johns Hopkins University & Medicine.
- **Lockdown:** In France, a national lockdown is being reinstated, with people only allowed to leave their homes for essential work or medical reasons. Schools will remain open, however, children aged 6 onwards will be required to wear a mask. In Germany, tighter nationwide restrictions will come into effect on Monday, with restaurants, bars, gyms and theatres closing.
- **Equities:** In Europe stocks are higher, with the DAX (+0.7%), STOXX 600 (+0.5%), CAC 40 (+0.4%) and the FTSE 250 (+0.3%) all recording gains over the morning. In Asia, stocks were mostly down, with the S&P / ASX 200 (-1.6%), Kospi (-0.8%), Hang Seng (-0.5%) and the Topix (-0.1%) all lower on close. However, the CSI 300 was the exception, closing +0.8% higher. In the US, futures for the S&P 500 are up +0.8%.
- **VIX:** After increasing +20.8% over yesterday, the CBOE market volatility index has declined -3.3% this morning to 38.9. The Euro Stoxx 50 volatility index is also down this morning, decreasing -1.0% to 37.9. This is the highest both indices have been since June, with both indexes elevated compared to their long term averages of 19.9 and 24.0.
- **Bonds:** The US 10-year treasury yield has softened +1bp to 0.78%, while the UK 10-year gilt yield and the German 10-year bund yield remain steady at 0.22% and -0.63%.
- **Currency:** The euro has depreciated to \$1.17, while sterling is currently \$1.30. Hedging benefits for US dollar denominated investors into the UK and the eurozone are at 0.41% and 1.25% per annum on a five-year basis.
- **Baltic Dry:** The Baltic Dry decreased -2.1% yesterday to 1,384. Over the last 17 sessions, the index has seen cumulative declines of -34%, albeit the Baltic Dry is +27% higher than it was at the beginning of the year.
- **Oil:** Both Brent Crude and the West Texas Intermediate (WTI) are below \$40 per barrel this morning, with both at their lowest prices since June, after declining -1.9% and -3.4% to \$38.38 and \$36.12, respectively.
- **Gold:** Gold was priced at \$1,878 per troy ounce on Wednesday, a -1.5% decline on the day prior.

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COVID-19 Dashboard

29 October 2020

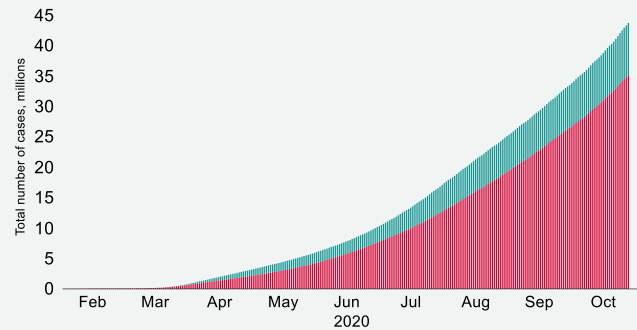


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COVID-19

Cumulative number of global cases

■ World excl US ■ US

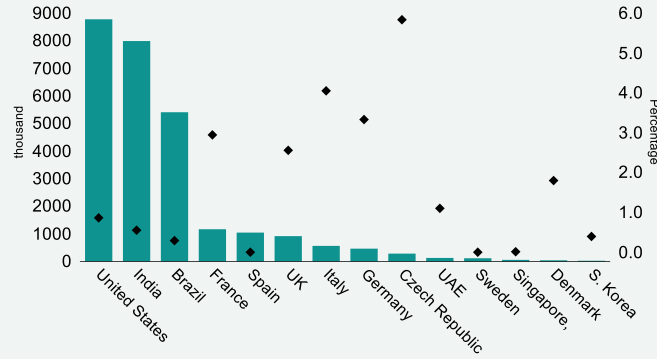


Source: Knight Frank, Macrobond. Last modified: 28 October 2020 09:37 GMT.

The number of total confirmed cases reached 43.8 million on the 28 October, an increase of 404k new cases over the day prior.

Cumulative number of cases by country

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

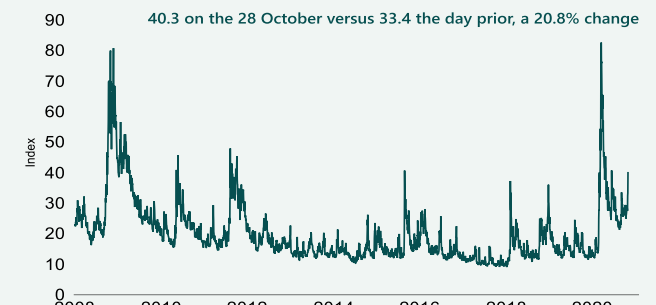


Source: Knight Frank, Macrobond.

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)



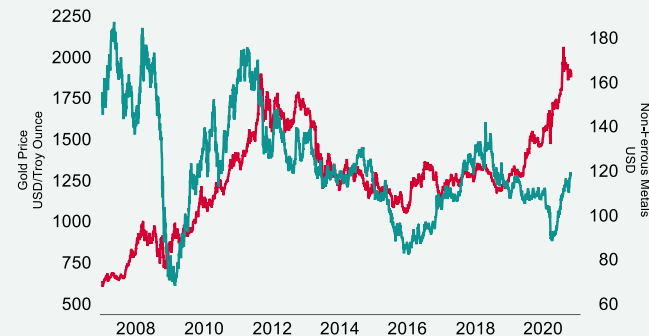
Source: Knight Frank, Macrobond. Last modified: 29 October 2020 02:15 GMT.

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

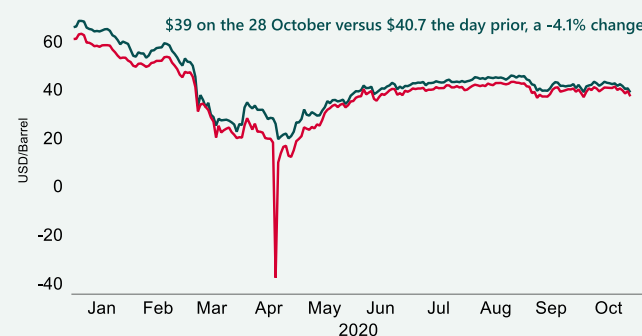
— Gold, USD, lhs — Non-Ferrous Metals Index, USD, rhs



Source: Knight Frank, Macrobond. Last modified: 28 October 2020 23:00 GMT.

Brent Crude and West Texas Intermediate oil price

— Brent Crude — West Texas Intermediate (WTI)

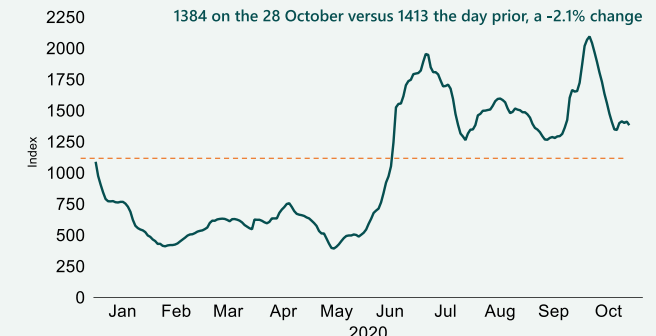


Source: Knight Frank, Macrobond. Last modified: 28 October 2020 22:10 GMT.

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: 28 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.

	28 Oct	D/D (%)	YTD (%)
Gold, USD	1878	-1.2	23.8
Non-Ferrous Metals, USD	119	-0.9	6.9

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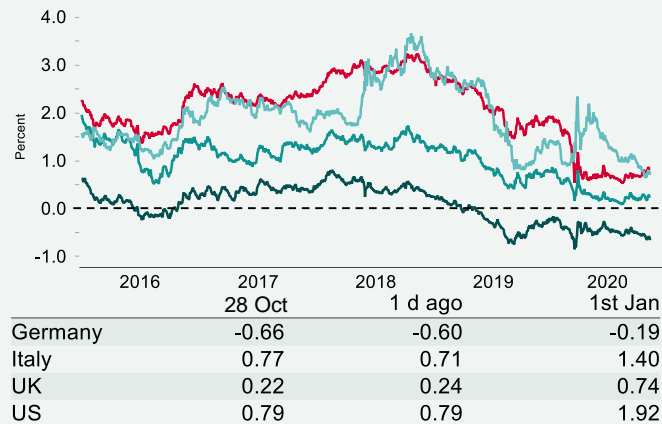
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Bonds and currencies

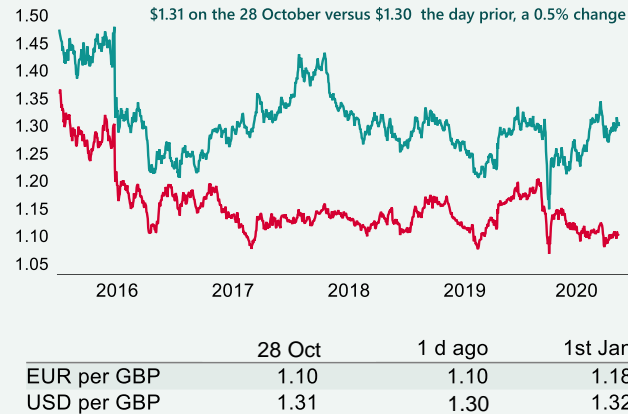
10y Government Bond Yield (%)

— US — UK — Germany — Italy

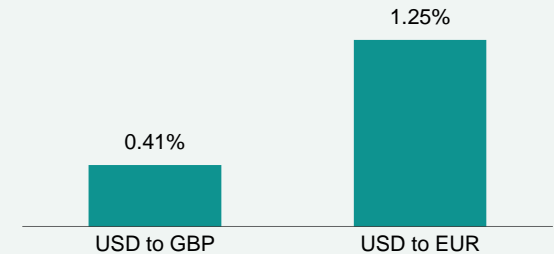


FX Spot Rates

— EUR per GBP — USD per GBP



Currency hedging benefit p.a. based on a five year forward

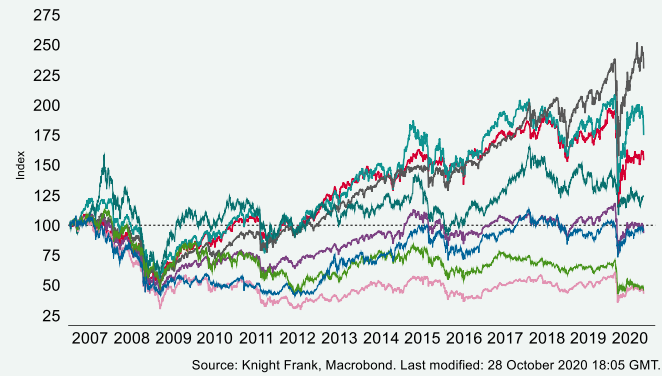


Source: Knight Frank, Investing.com
Approximate additional return per annum that dollar denominated investors may obtain based on five year currency hedge.

Equity and REIT

Equity performance: since previous cycle (1st Jan 2007 = 100)

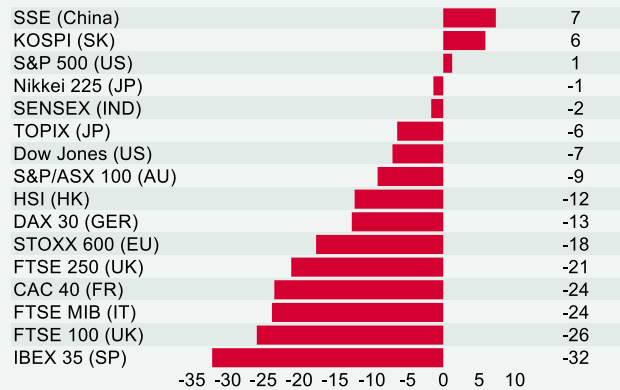
— FTSE 250 — DAX — S&P 500 — STOXX 600 — Hang Seng — MIB — IBEX 35 — TOPIX



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

Equity performance: YTD (%)

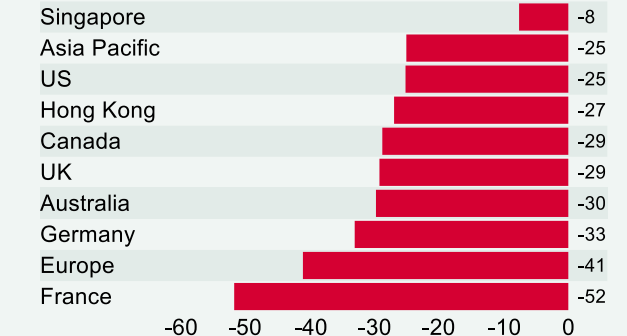
Local currencies



Source: Knight Frank, Macrobond

REIT performance: YTD (%)

Local currencies



Source: Knight Frank, Macrobond

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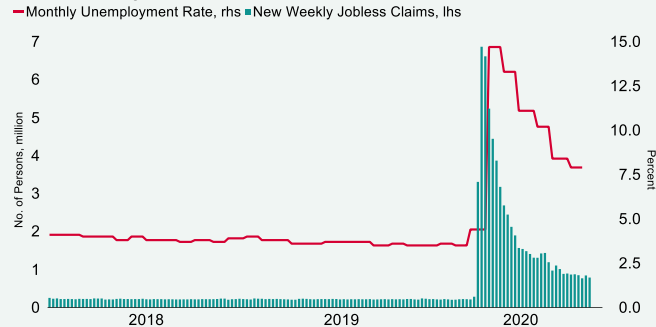
29 October 2020



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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)

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

2020 Presidential Winner (probability of winning, %)



	29 Oct	1 week ago	1 month ago
Trump	40%	42%	43%
Biden	63%	64%	59%

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

Central Bank Assets Purchasing Programme

	Lastest (\$)	MoM (%)	YoY (%)
Advanced Economies			
Australia	210 bn	-2.1%	83.5%
Canada	398 bn	-3.7%	351.6%
Euro Area	8.02 tn	4.9%	54.4%
France	1.91 tn	2.6%	55.4%
Germany	2.84 tn	3.7%	44.6%
Italy	1.53 tn	1.4%	36.7%
Sweden	154 bn	6.7%	59.9%
Japan	6.54 tn	-1.1%	24.0%
United Kingdom	780 bn	-0.2%	-1.9%
United States	7.18 tn	1.3%	80.9%
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	486 bn	-0.7%	-5.1%
South Korea	453 bn	2.3%	9.6%
Turkey	100 bn	2.1%	-7.4%

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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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29 October 2020



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

	Confirmed Cases	Confirmed Deaths	Lockdown Index	Internal Movement	Public Events	Public Transport	Workplace	Schools	International Travel
Europe									
Italy	564,778	37,700	50						
France	1,198,695	35,541	50						
Poland	280,229	4,615	35						
Portugal	124,432	2,371	63						
Germany	464,239	10,183	47						
Russia	1,547,774	26,589	45						
United Kingdom	917,575	45,365	66						
Spain	1,116,738	35,298	66						
Norway	18,341	280	29						
Belgium	347,195	11,038	53						
Bulgaria	42,701	1,161	39						
Greece	32,752	593	52						
Denmark	42,157	709	40						
Switzerland	127,042	1,929	41						
Ukraine	355,601	6,590	59						
Finland	15,163	354	38						
Czech Republic	284,033	2,547	71						
Netherlands	311,532	7,132	62						
Sweden	115,785	5,918	37						
Americas									
Colombia	1,033,218	30,565	66						
Canada	222,887	10,001	55						
Argentina	1,116,596	29,730	80						
United States	8,779,653	226,723	66						
Venezuela	90,400	780	88						
Mexico	901,268	89,814	72						
Brazil	5,439,641	157,946	63						
Peru	892,497	34,257	82						
Africa Middle East									
Kenya	50,833	934	65						
South Africa	717,851	19,053	39						
Qatar	131,689	230	65						
United Arab Emirates	127,624	482	53						
Turkey	366,208	9,950	68						
Israel	312,024	2,483	74						
Iran	581,824	33,299	64						
Iraq	459,908	10,724	52						
Jordan	58,855	668	79						
Tunisia	52,399	983	41						
Morocco	203,733	3,445	66						
Egypt	106,877	6,222	76						
Asia Pacific									
Hong Kong	5,308	105	50						
Singapore	57,980	28	50						
Japan	98,116	1,730	35						
Indonesia	396,454	13,512	50						
Taiwan	-	-	19						
South Korea	26,146	461	55						
China	91,217	4,739	62						
Philippines	373,144	7,053	47						
India	7,990,322	120,010	64						
Vietnam	1,172	35	52						
Australia	27,541	905	65						
New Zealand	1,587	25	22						
Thailand	3,759	59	44						
Malaysia	28,640	238	66						

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

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

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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