

COVID-19 Dashboard

3 September 2020



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Summary

- **Equities:** Equity markets performance in Europe was positive this morning. The CAC 40 was the best performing index (+1.8%), followed by the DAX (+1.5%), the STOXX 600 (+1.1%) and the FTSE 250 (+0.9%). In the US, the S&P 500 remained stable at the new record high reached yesterday, equal to 3,576 points. In Asia, the KOSPI was the best performing index (+1.3%), followed by the S&P / ASX 200 (+0.8%) and the TOPIX (+0.5%). The CSI 300 and the Hang Seng both saw declines over the day of -0.6%.
- **VIX:** The CBOE market volatility index is trading at 26.13 and the Euro Stoxx 50 volatility price index at 25.4.
- **Bonds:** The UK 10-year gilt yield and the US 10-year treasury yield have softened +1bp to 0.24% and 0.66% respectively. The German 10-year bund yield and the Italian 10-year government bond yield remained both stable at -0.47% and 1.04%.
- **Currency:** Sterling and the euro are currently \$1.33 and \$1.18. Hedging benefits for US dollar denominated investors into the UK and the eurozone are 0.29% and 1.11% per annum on a five-year basis.
- **Oil:** Brent Crude and the West Texas Intermediate (WTI) are both trading down this morning by -1.6% and -2.0% to \$43.60 and \$40.83 per barrel respectively, the lowest levels since the end of July.
- **Baltic Dry:** Following a decline of -3% over the previous five trading sessions, the Baltic Dry lost a further -1.8% yesterday, down to 1,445, the lowest level since the 4 August.
- **France:** The French Prime Minister, Jean Castex, announced this morning a €100bn stimulus package over two years, to help the economy recover from the Covid-19 crisis. Equal to 4% of French GDP, it is the largest stimulus programme against national output of any big European country, and it is also the first announced since the EU leaders agreed on a €750bn recovery fund in July. The package includes €35bn for the corporate sector (of which €20bn of tax cut), €30bn for green policies and building renovation, and €11bn for the transport sector.
- **UK PMI:** The UK Services PMI was revised lower to 58.8 in August 2020 from a preliminary estimate of 60.1 and compared to July's final 56.5. However, it remains the largest expansion since April 2015.

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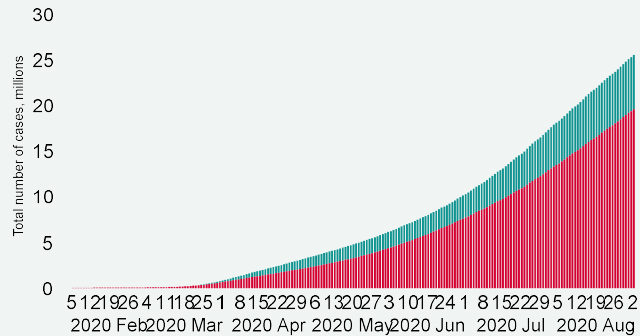


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COVID-19

Cumulative number of global cases

■ World excl US ■ US

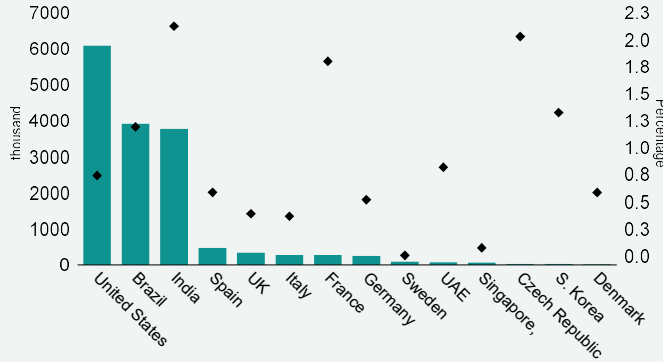


Source: Knight Frank, Macrobond. Last modified: 02 September 2020 11:20 GMT.

The number of total confirmed cases reached 25.6 million on the 2 September, an increase of 246k new cases over the day prior.

Cumulative number of cases by country

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

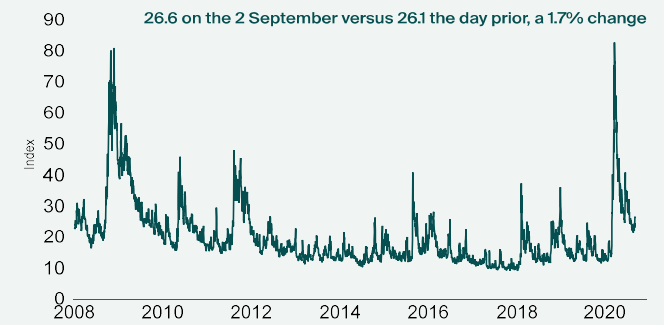


Source: Knight Frank, Macrobond. Last modified: 02 September 2020 00:00 GMT.

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

Volatility Index

—US, S&P 500 Volatility Index (VIX)



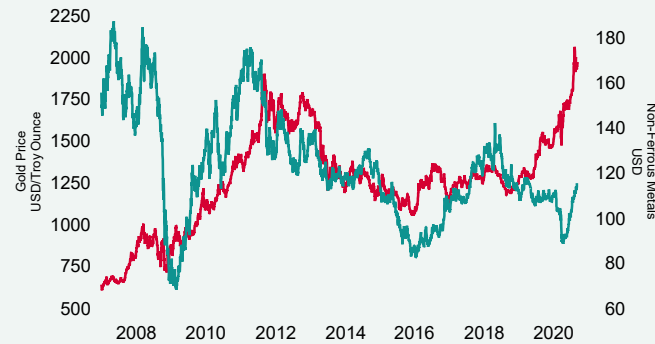
Source: Knight Frank, Macrobond. Last modified: 03 September 2020 03:15 GMT.

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

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

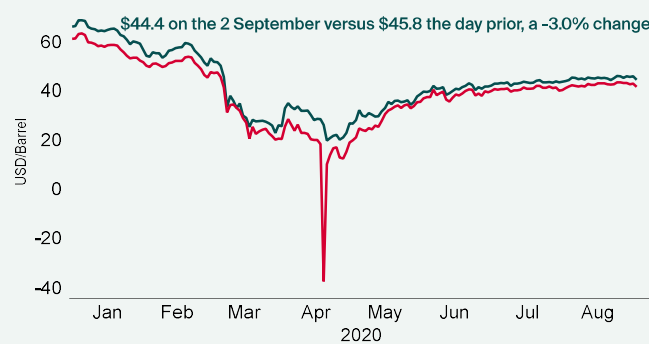


Source: Knight Frank, Macrobond. Last modified: 03 September 2020 00:00 GMT.

	2 Sep	D/D (%)	YTD (%)
Gold, USD	1942	-1.3	28.0
Non-Ferrous Metals, USD	116	1.8	4.2

Brent Crude and West Texas Intermediate oil price

—Brent Crude —West Texas Intermediate (WTI)

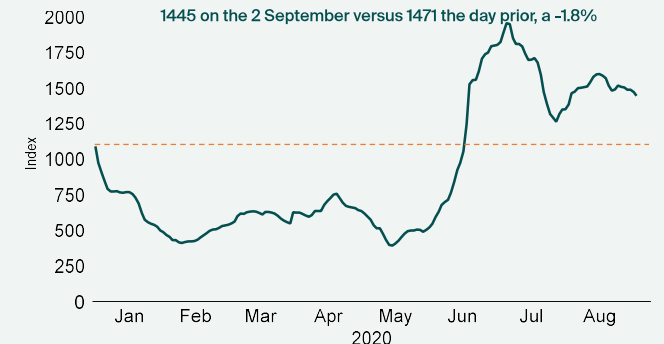


Source: Knight Frank, Macrobond. Last modified: 02 September 2020 23:10 GMT.

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 September 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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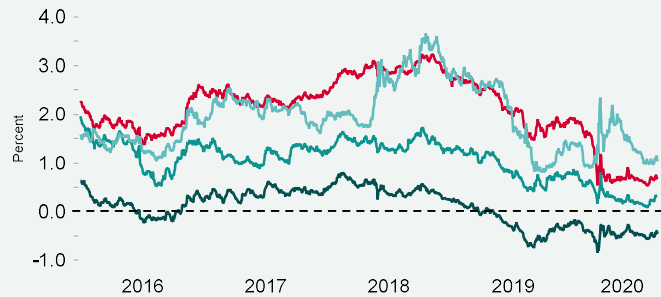


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Bonds and currencies

10y Government Bond Yield (%)

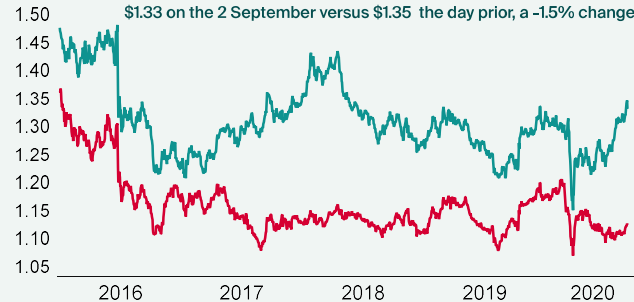
—US —UK —Germany —Italy



	2 Sep	1 d ago	1st Jan
Germany	-0.46	-0.40	-0.19
Italy	1.03	1.10	1.40
UK	0.30	0.30	0.82
US	0.66	0.68	1.92

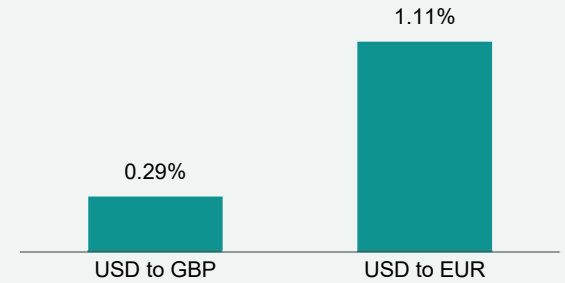
FX Spot Rates

—EUR per GBP —USD per GBP



	2 Sep	1 d ago	1st Jan
EUR per GBP	1.12	1.12	1.18
USD per GBP	1.33	1.35	1.32

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

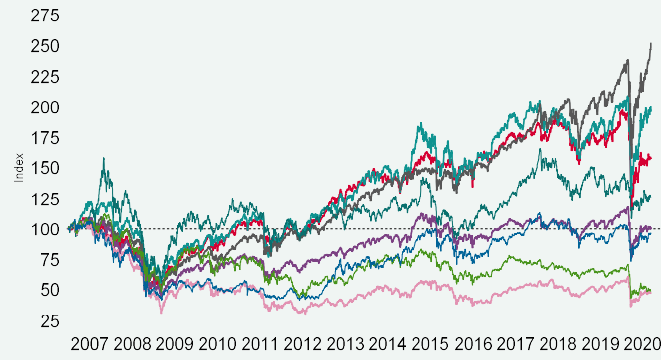


Source: Knight Frank, Investing.com
Approximate additional return per annum that dollar denominated investors may obtain based on five year currency hedge.

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

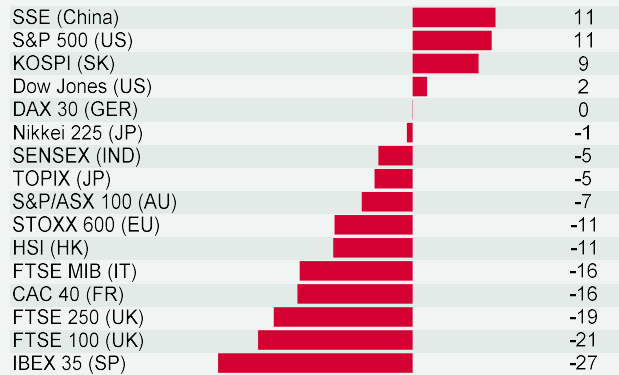


Source: Knight Frank, Macrobond. Last modified: 02 September 2020 19:05 GMT.

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

Equity performance: YTD (%)

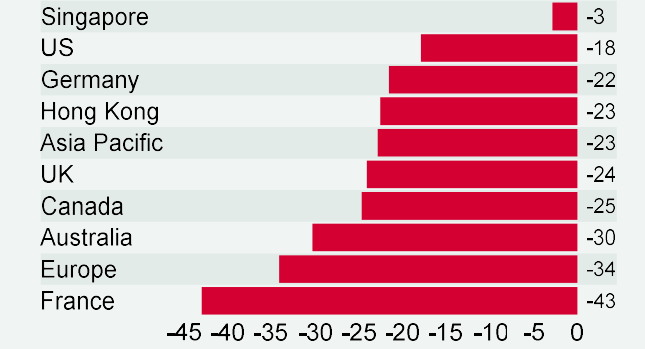
Local currencies



Source: Knight Frank, Macrobond

REIT performance: YTD (%)

Local currencies



Source: Knight Frank, Macrobond

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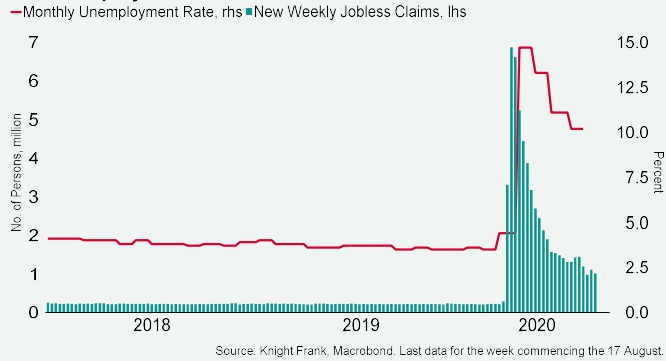
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US indicators

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, %)



	3 Sep	1 week ago	1 month ago
Trump	44%	46%	42%
Biden	59%	57%	60%

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	4.50%	7.25%	-275 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	8.25%	12.00%	-375 bps

Central Bank Assets Purchasing Programme

	Lastest (\$)	MoM (%)	YoY (%)
Advanced Economies			
Australia	204 bn	4.5%	74.5%
Canada	405 bn	4.8%	351.0%
Euro Area	7.61 tn	2.4%	46.7%
France	1.87 tn	4.8%	44.3%
Germany	2.73 tn	5.8%	39.2%
Italy	1.49 tn	7.3%	33.1%
Sweden	147 bn	4.0%	58.4%
Japan	6.44 tn	2.2%	19.4%
United Kingdom	797 bn	0.0%	0.3%
United States	6.99 tn	0.5%	85.8%
Developing Economies			
Brazil	571 bn	7.9%	3.9%
China	5.11 tn	-0.6%	-1.7%
India	377 bn	6.1%	31.3%
Mexico	218 bn	3.7%	13.2%
Russia	650 bn	2.9%	3.1%
Saudi Arabia	483 bn	0.3%	-6.1%
South Korea	471 bn	5.9%	8.2%
Turkey	97.7 bn	-7.4%	-5.6%

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

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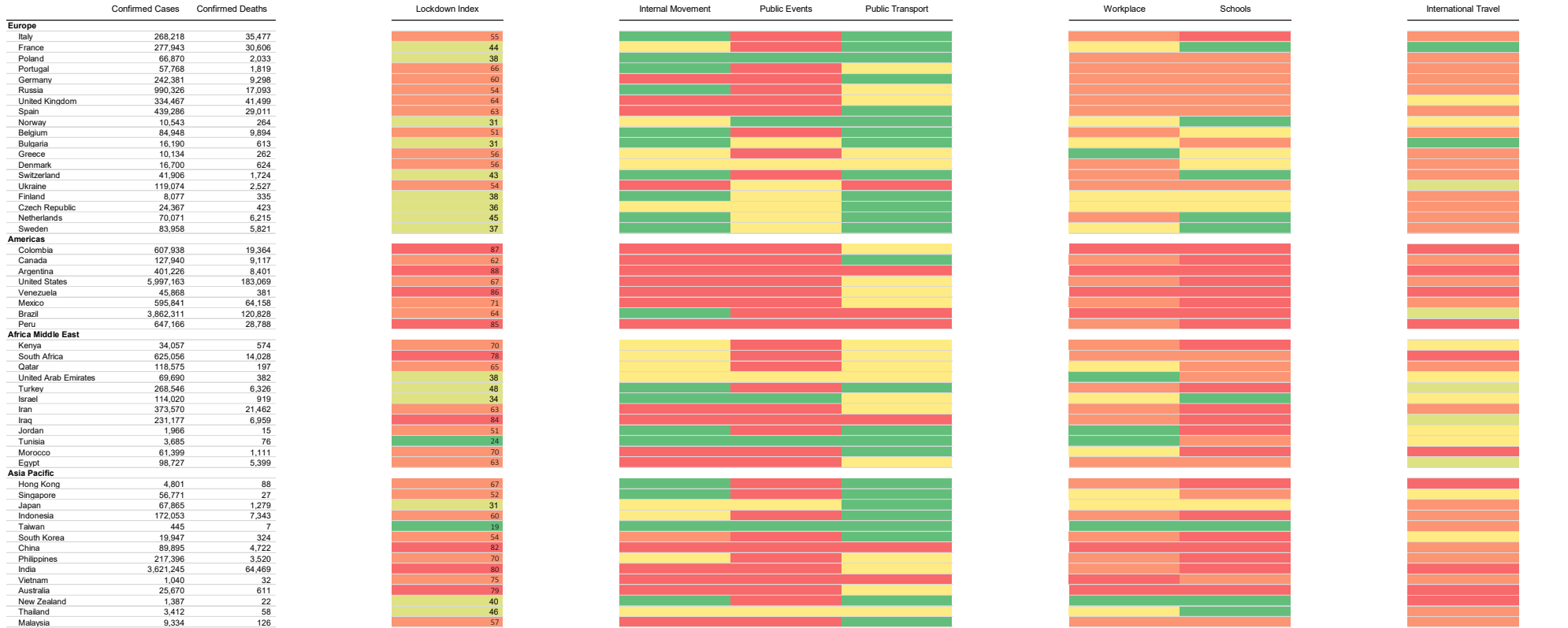
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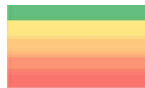
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Overview of the severity of Covid-19 and the resulting containment measures



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
Some level of	Some level of	
Required closure of some sectors	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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