

COVID-19 Dashboard

15 September 2020



Internal and key client use only

Summary

- **Equities:** In Europe, stocks are up, with the STOXX 600 +0.8% higher, both the FTSE 250 and the CAC 40 are up +0.4% and the DAX has added +0.3% over the morning. In Asia, the Topix (-0.6%) and the S&P / ASX (-0.1%) closed lower, while the CSI 300 (+0.8%), the Kospi (+0.6%) and the Hang Seng (+0.4%) were all higher on close. In the US, futures for the S&P 500 are up +0.3%.
- **VIX:** After decreasing -3.8% yesterday, the CBOE market volatility index is down a further -1.1% this morning to 25.6. However, this remains elevated compared to its long term average (LTA) of 19.8. In Europe, the Euro Stoxx 50 volatility price index is down -3.0% to 21.9, below its LTA of 23.9.
- **Bonds:** The UK 10-year gilt yield has softened +2bps to 0.22%, while both the German 10-year bund yield and the Italian 10-year bond yield have softened +1bp to -0.47% and 1.03%. The US 10-year treasury yield is flat at 0.67%.
- **Currency:** Sterling has appreciated to \$1.29 and the euro is currently \$1.19. Hedging benefits for US dollar denominated investors into the UK and the eurozone are 0.31% and 1.11% per annum on a five-year basis.
- **Oil:** Brent Crude is back above \$40 per barrel after increasing +1.6% to \$40.24. The West Texas Intermediate (WTI) has also increased over the morning, up +1.7% to \$37.94 per barrel.
- **Baltic Dry:** The Baltic Dry increased for the first time in 14 sessions yesterday, up +1.2% to 1,282. The index is now +18% higher than it was in January, albeit, it is still -34% down from the peak in July.
- **UK Unemployment:** UK workers on payrolls have fallen -2.4% or by 695,000 in August compared to March 2020, according to the ONS. Overall, the unemployment rate in the three months to July was 4.1%, which is +0.3% higher than one year ago and up +0.2% compared to the quarter prior. However, the employment rate in the UK remained relatively stable, up +0.1% to 76.5% in the three months to July. The ONS estimate that there were more than 5 million people temporarily away from paid work in July, half of whom have been away for 3 months or more. Redundancies have risen by their steepest level since 2009 in the three months to July, up by 58,000 over the year and 48,000 compared to the quarter prior.

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COVID-19 Dashboard

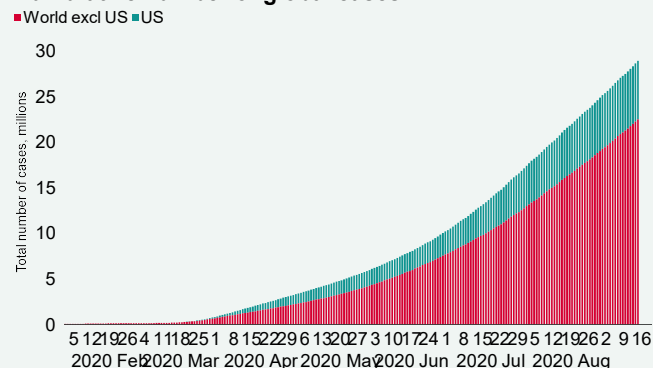
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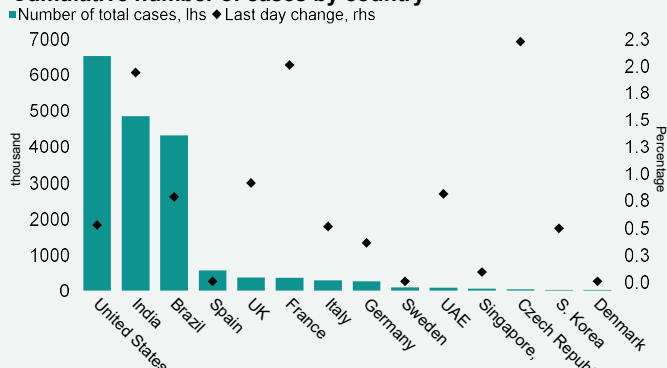
COVID-19

Cumulative number of global cases



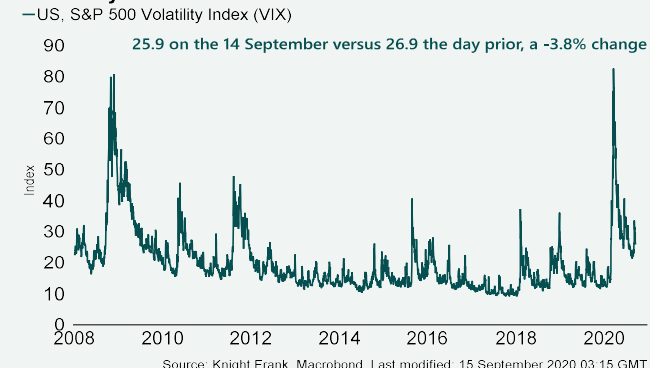
The number of total confirmed cases reached 28.9 million on the 14 September, an increase of 267k new cases over the day prior.

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).

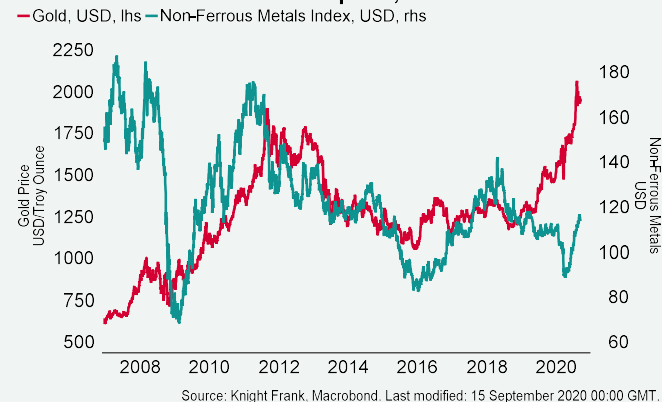
Volatility Index



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.

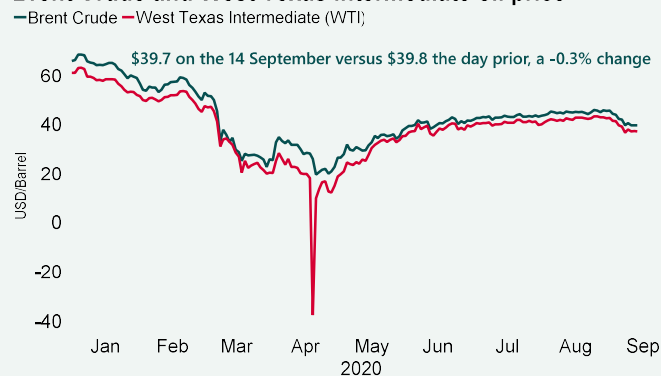
Commodities

Gold and non-ferrous metals price, USD



	14 Sep	D/D (%)	YTD (%)
Gold, USD	1959	0.7	29.1
Non-Ferrous Metals, USD	115	0.5	3.3

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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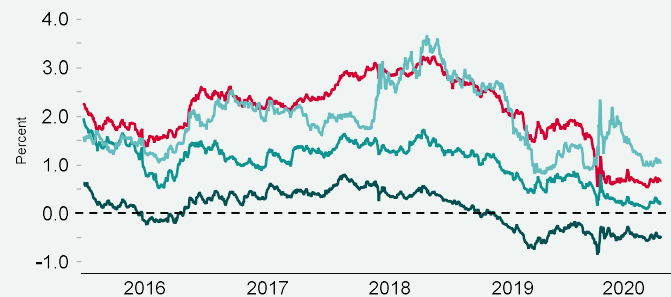


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Bonds and currencies

10y Government Bond Yield (%)

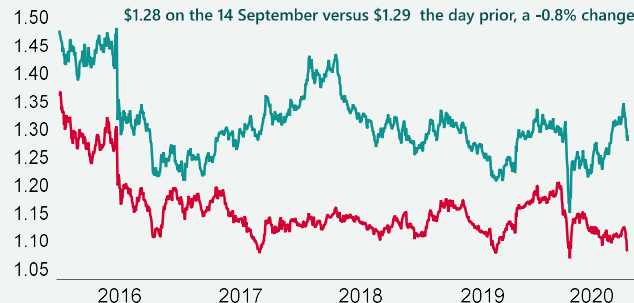
—US —UK —Germany —Italy



	14 Sep	1 d ago	1st Jan
Germany	-0.51	-0.48	-0.19
Italy	1.02	1.04	1.40
UK	0.20	0.18	0.74
US	0.68	0.67	1.92

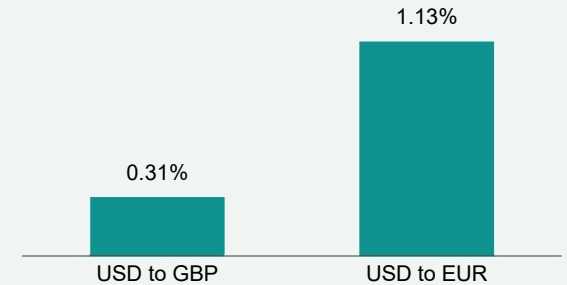
FX Spot Rates

—EUR per GBP —USD per GBP



	14 Sep	1 d ago	1st Jan
EUR per GBP	1.08	1.08	1.18
USD per GBP	1.28	1.29	1.32

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

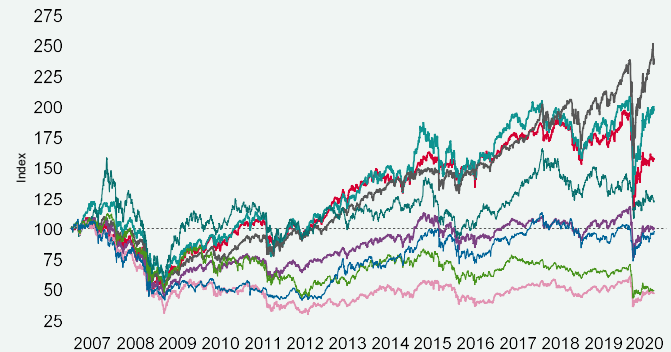


Source: Knight Frank, Investing.com
Approximate additional return per annum that dollar denominated investors may obtain based on five year currency hedge.

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

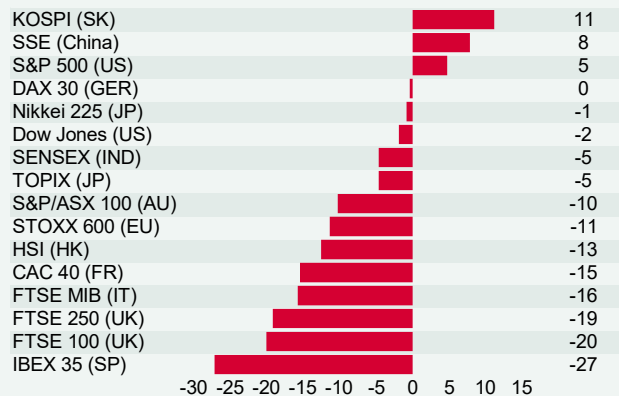


Source: Knight Frank, Macrobond. Last modified: 14 September 2020 19:05 GMT.

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

Equity performance: YTD (%)

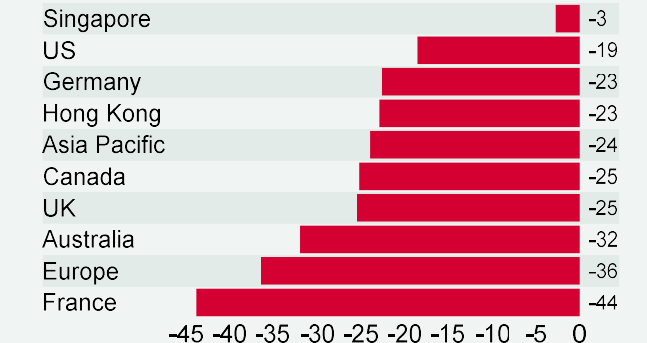
Local currencies



Source: Knight Frank, Macrobond

REIT performance: YTD (%)

Local currencies



Source: Knight Frank, Macrobond

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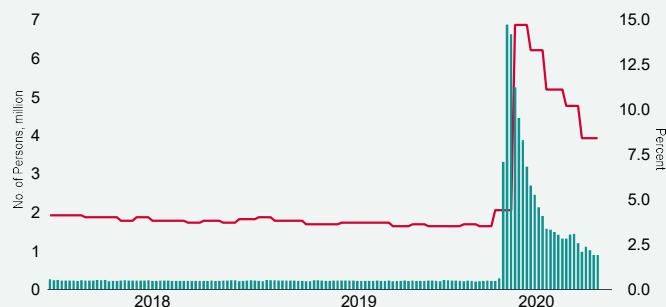


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US indicators

US Unemployment

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



Source: Knight Frank, Macrobond. Last data for the week commencing the 31 August.

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: 15 September 2020 09:01 GMT.

	15 Sep	1 week ago	1 month ago
Trump	45%	45%	44%
Biden	59%	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	4.50%	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	218 bn	9.5%	85.9%
Canada	405 bn	4.8%	351.0%
Euro Area	7.65 tn	1.8%	47.9%
France	1.87 tn	4.8%	44.3%
Germany	2.72 tn	1.9%	38.9%
Italy	1.51 tn	1.5%	32.7%
Sweden	146 bn	2.8%	53.5%
Japan	6.44 tn	2.1%	20.1%
United Kingdom	770 bn	-0.3%	-3.1%
United States	7.01 tn	0.8%	86.1%
Developing Economies			
Brazil	502 bn	-12.1%	-4.8%
China	5.11 tn	-0.6%	-1.7%
India	377 bn	0.7%	37.4%
Mexico	220 bn	1.1%	11.1%
Russia	684 bn	5.3%	5.6%
Saudi Arabia	483 bn	0.3%	-6.1%
South Korea	443 bn	-6.0%	5.7%
Turkey	101 bn	-1.0%	-3.7%

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

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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	286,297	35,603	55							
France	373,911	30,910	44							
Poland	73,650	2,182	38							
Portugal	63,310	1,860	55							
Germany	259,428	9,349	50							
Russia	1,057,362	18,484	39							
United Kingdom	365,174	41,623	63							
Spain	566,326	29,747	63							
Norway	11,866	265	31							
Belgium	91,443	9,919	49							
Bulgaria	17,891	717	39							
Greece	13,036	302	56							
Denmark	19,216	629	53							
Switzerland	46,595	1,742	43							
Ukraine	151,859	3,103	63							
Finland	8,512	337	32							
Czech Republic	35,401	453	36							
Netherlands	80,937	6,244	47							
Sweden	86,505	5,846	37							
Americas										
Colombia	708,964	22,734	62							
Canada	136,141	9,170	64							
Argentina	535,690	11,206	92							
United States	6,486,108	193,701	67							
Venezuela	59,630	477	82							
Mexico	663,973	70,604	75							
Brazil	4,315,687	131,210	73							
Peru	722,832	30,593	85							
Africa Middle East										
Kenya	35,969	619	68							
South Africa	648,214	15,427	78							
Qatar	121,523	205	65							
United Arab Emirates	78,849	399	36							
Turkey	289,635	6,999	53							
Israel	153,217	1,103	34							
Iran	399,940	23,029	63							
Iraq	286,778	7,941	73							
Jordan	3,062	22	61							
Tunisia	6,635	107	27							
Morocco	84,435	1,553	70							
Egypt	100,856	5,627	63							
Asia Pacific										
Hong Kong	4,938	100	67							
Singapore	57,357	27	52							
Japan	75,218	1,439	37							
Indonesia	214,757	8,650	60							
Taiwan	445	7	19							
South Korea	22,176	358	54							
China	90,168	4,734	82							
Philippines	257,863	4,292	56							
India	4,754,356	78,586	81							
Vietnam	1,060	35	75							
Australia	26,607	803	75							
New Zealand	1,446	24	35							
Thailand	3,473	58	46							
Malaysia	9,868	128	57							
Lockdown Index key & Scale				Internal movements			Workplace		International travel	
No Restrictions: 0 – 25				No measure			No measure		No measure	
Recommended Restrictions: 26 – 50				Recommended			Recommended		Screening	
Enforced Restrictions: 51 – 75				Restriction			Some level of		Quarantine arrivals from	
Highest Restrictions / Ban: 76 – 100				Required			Required closure of		high risk regions	
				Value			Value		Value	
				0			0		0	
				1			1		1	
				2					2	