

# COVID-19 Dashboard

3 June 2020



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## Summary

- **Equities:** Global equity markets continue to see cautious recovery and have reached their highest level since March this week. The SSE, S&P 500, Nikkei 225 and DAX 30 indexes all now have under -10% year to date losses. In Asia, South Korea's Kospi also added +2.9% over the course of yesterday, following the proposal of a further \$29 billion stimulus package. This comes as Seoul and the surrounding metropolitan areas have retightened measures following an increase in COVID-19 cases, which are set to remain in place until mid June.
- **VIX:** The “investor fear gauge”, the CBOE market volatility index, remains below 30, currently at 27.9. The Euro Stoxx 50 volatility price index is also below 30 at 29.3. Both of these indices remain elevated, indicating further expectations of near-term volatility.
- **Bonds:** Bond markets are up this morning, with both the UK 10-year government bond and the German 10-year bund yield increasing +3bps to 0.26% and -0.38%, respectively. The US 10-year treasury yield is also up, increasing by +2bps to 0.71%. This comes as the US 30-year treasury bonds have risen to their highest since March, making the US yield curve steeper than it has been in three years, according to the FT. However, the 30-year treasury yield remains historically low at 1.5%.
- **Currency:** Sterling has continued to appreciate, currently at \$1.26, while the euro remains stable at \$1.12. Hedging benefits for US dollar denominated investors into the UK have increased to 0.24% per annum on a five-year basis. The currency hedging benefit of US dollar denominated investors into the Eurozone similarly increased to 1.04% per annum on a five-year basis.
- **Baltic Dry:** The Baltic Dry Index increased for its third consecutive session yesterday, up +5.0% to 546. However, there remains some way to pare back its losses to 757 recorded on 20<sup>th</sup> April or to 1,090 seen at the end of last year.
- **Oil:** Oil prices continue to appreciate, this morning, with Brent Crude above \$40 per barrel for the first time in three months at \$40.10, an increase of +1.3%.

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# COVID-19 Dashboard



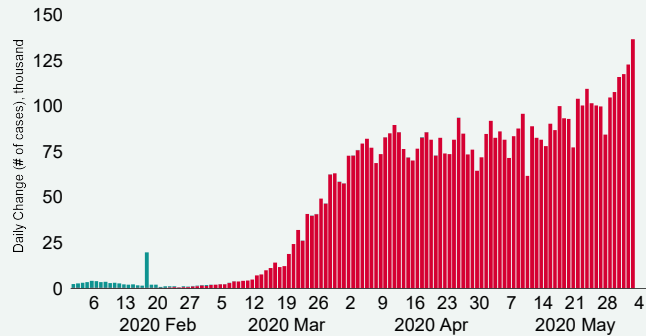
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## COVID-19

### New cases per day

■ World (ex-China) ■ China

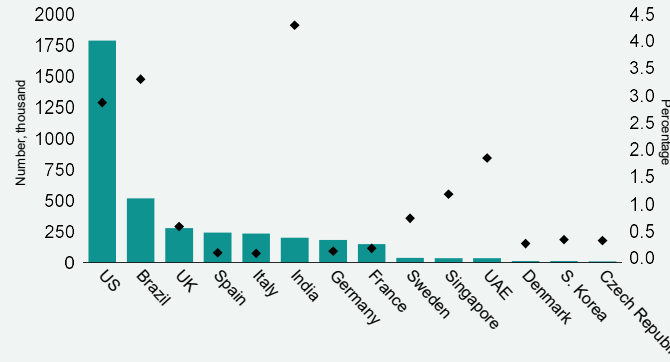


Source: Knight Frank, Macrobond. Last modified: 02 June 2020 20:14 GMT.

The number of total confirmed cases reached 6195k on the 2 June, an increase of 137k new cases over the day prior.

### Cumulative number of cases

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



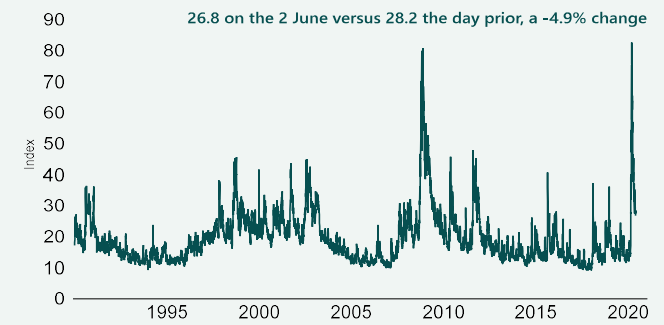
Source: Knight Frank, Macrobond. Last modified: 02 June 2020 00:00 GMT.

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

## Investor sentiment

### Volatility Index

—US, S&P 500 Volatility Index (VIX)



Source: Knight Frank, Macrobond. Last modified: 03 June 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 silver price, USD

—Gold, USD, lhs —Silver, USD, rhs

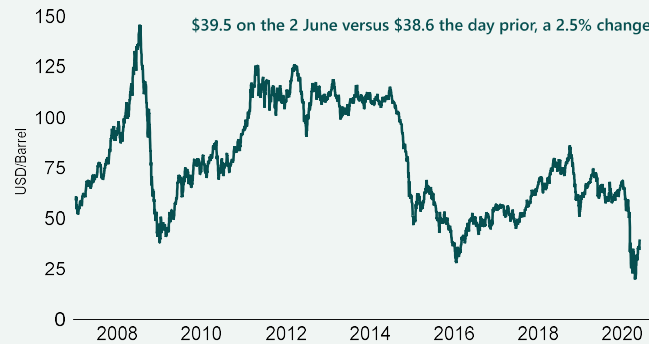


Source: Knight Frank, Macrobond. Last modified: 03 June 2020 06:30 GMT.

	2 June	D/D (%)	YTD (%)
Gold, USD	1727	-0.1	13.9
Silver, USD	18	1.1	1.2

### Brent crude and global commodity price index

—Crude Oil, Brent

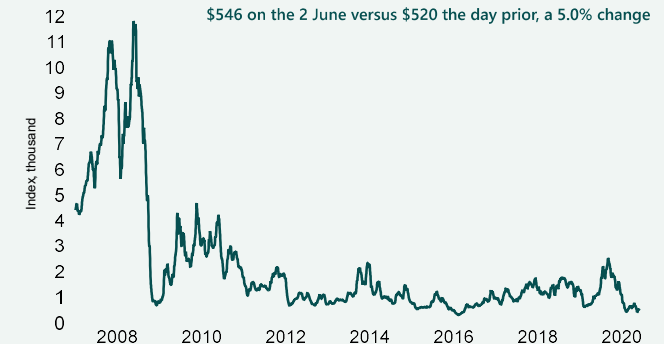


Source: Knight Frank, Macrobond. Last modified: 03 June 2020 02:30 GMT.

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 June 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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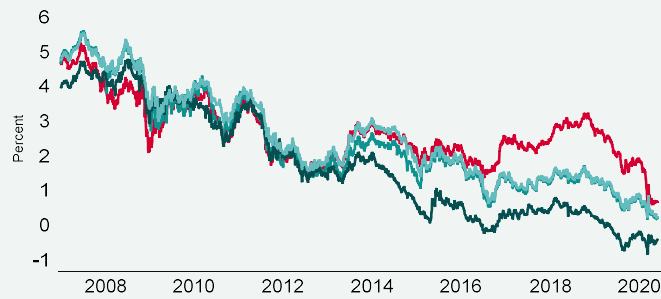


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## Bonds and currencies

### 10y Government Bond Yield (%)

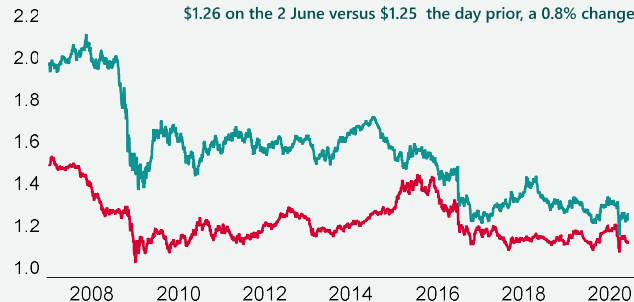
—US —UK —Germany —United Kingdom, Bank of England



	2 Jun	1 d ago	1st Jan
Germany	-0.39	-0.41	-0.19
UK	0.22	0.23	0.74
US	0.68	0.66	1.92

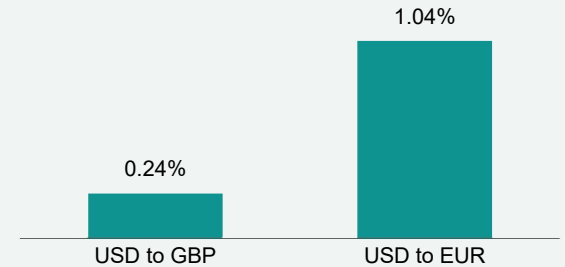
### FX Spot Rates

—EUR per GBP —USD per GBP



	2 Jun	1 d ago	1st Jan
EUR per GBP	1.12	1.12	1.18
USD per GBP	1.26	1.25	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)

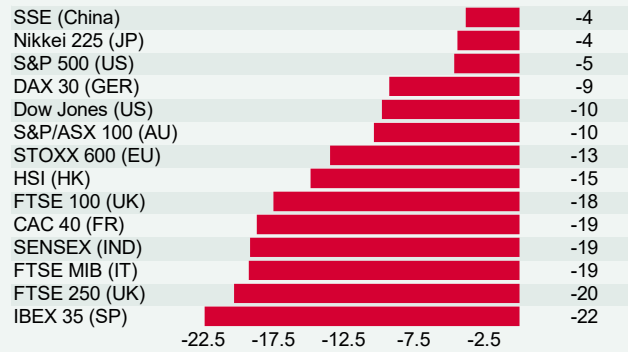
—FTSE 250 —DAX —FTSE 100 —S&P 500 —STOXX 600



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

### Equity performance: YTD (%)

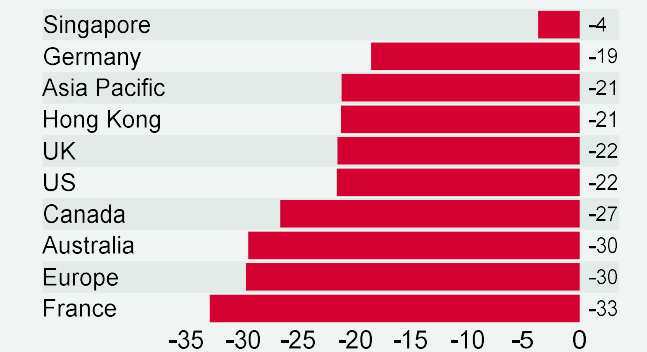
Local currencies



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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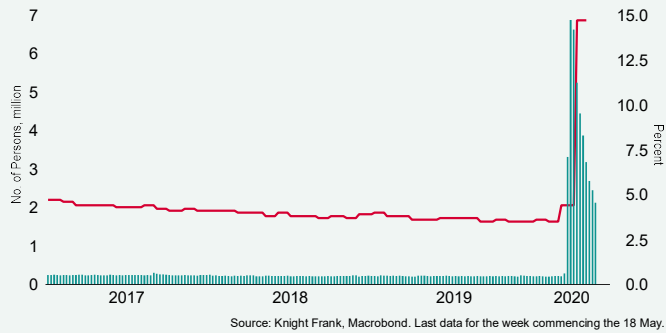


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## US indicator

### US Unemployment

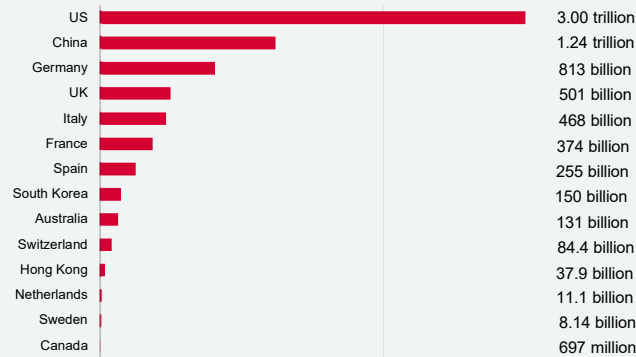
— Monthly Unemployment Rate, rhs ■ New Weekly Jobless Claims, lhs



The chart presents the number of Americans that each week file for unemployment benefits (left axis) and the overall monthly unemployment rate (right axis)

## Fiscal policy

### Fiscal measures by selected governments (YTD total, \$)



### Fiscal measures details

<b>UK</b>	<b>£330bn+</b> : Government backed loans and guarantees equivalent to 15% of UK GDP. SMEs will be granted access to cash grants of more than £25k to tackle the crisis. Support for furloughed employees of 80% salary ≤£2,500 per month. Furlough has been extended until October 2020, with employers to start 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 in June.
<b>USA</b>	<b>\$3.0tn</b> : 2 <sup>nd</sup> package passed 23 <sup>rd</sup> April, worth \$483 billion, increasing US stimulus to \$3 trillion (15% GDP).
<b>EU</b>	<b>€500bn</b> : The EU member states passed this stimulus package, which includes €240bn to the European Stability Mechanism, as well as €200bn in guarantees from the European Investment Bank.
<b>Germany</b>	<b>€750bn</b> : The emergency aid measure approved by the German Cabinet on Monday 23 <sup>rd</sup> of March.
<b>Italy</b>	<b>€400bn</b> : The stimulus announced on the 7 April to help businesses hurt by a national lockdown. <b>€25bn</b> : Emergency package to support businesses and families.
<b>France</b>	<b>€45bn</b> : The aid package for SMEs and other hard-hit sectors announced by the French government on 17 <sup>th</sup> of March. Includes deferred corporate tax, social security charges and two months state payments to laid off workers. <b>€300bn</b> : government backed loans.
<b>Spain</b>	<b>€200bn</b> : 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.
<b>Japan</b>	<b>\$10bn</b> : The aid package issued in early March for SMEs and self-employed workers. Additional economic stimulus measures are expected.
<b>Hong Kong</b>	<b>HK\$10k</b> 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
<b>Advanced Economies</b>			
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
<b>Developing Economies</b>			
Brazil	3.00%	4.50%	-150 bps
China	4.35%	4.35%	0 bps
India	4.00%	5.15%	-115 bps
Mexico	5.50%	7.25%	-175 bps
Russia	5.50%	6.25%	-75 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 (%)
<b>Advanced Economies</b>			
Australia	181 bn	8.7%	46.4%
Canada	278 bn	103.7%	223.1%
Euro Area	6.15 tn	5.5%	17.6%
France	1.49 tn	7.7%	20.5%
Germany	2.17 tn	4.8%	9.1%
Italy	1.22 tn	3.0%	11.2%
Sweden	130 bn	8.0%	35.3%
Japan	5.93 tn	2.4%	13.6%
United Kingdom	795 bn	0.2%	2.5%
United States	7.1 tn	7.2%	84.2%
<b>Developing Economies</b>			
Brazil	480 bn	-0.6%	-14.3%
China	5.09 tn	-1.2%	-1.7%
India	351 bn	8.6%	33.2%
Mexico	206 bn	3.2%	4.5%
Russia	684 bn	-0.6%	12.9%
Saudi Arabia	461 bn	-5.1%	-9.9%
South Korea	417 bn	0.7%	-5.4%
Turkey	107 bn	5.9%	12.8%

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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
<b>Europe</b>											
Italy	232,664	33,340			60						
France	151,496	28,771			66						
Poland	23,571	1,061			65						
Portugal	32,203	1,396			57						
Germany	181,482	8,500			50						
Russia	396,575	4,555			78						
United Kingdom	272,826	38,376			67						
Spain	239,228	27,125			81						
Norway	8,411	236			55						
Belgium	58,186	9,453			75						
Bulgaria	2,513	140			51						
Greece	2,915	175			69						
Denmark	11,633	571			63						
Switzerland	30,762	1,656			63						
Ukraine	23,204	696			80						
Finland	6,826	316			66						
Czech Republic	9,230	319			44						
Netherlands	46,257	5,951			69						
Sweden	37,113	4,395			41						
<b>Americas</b>											
Colombia	28,236	890			87						
Canada	90,179	7,073			71						
Argentina	16,201	528			91						
United States	1,770,394	103,781			73						
Venezuela	1,459	14			85						
Mexico	87,512	9,779			82						
Brazil	498,440	28,834			81						
Peru	155,671	4,371			96						
<b>Africa Middle East</b>											
Kenya	1,888	63			94						
South Africa	30,967	643			84						
Qatar	55,262	36			83						
United Arab Emirates	33,896	262			72						
Turkey	163,103	4,515			79						
Israel	17,012	284			75						
Iran	148,950	7,734			56						
Iraq	6,179	195			82						
Jordan	734	9			78						
Tunisia	1,076	48			69						
Morocco	7,780	204			94						
Egypt	23,449	913			84						
<b>Asia Pacific</b>											
Hong Kong	1,082	4			60						
Singapore	34,366	23			81						
Japan	16,851	891			29						
Indonesia	25,773	1,573			68						
Taiwan	442	7			22						
South Korea	11,468	270			40						
China	84,128	4,638			82						
Philippines	17,224	950			94						
India	182,143	5,164			79						
Vietnam	327	-			66						
Australia	7,185	103			51						
New Zealand	1,154	22			36						
Thailand	3,081	57			69						
Malaysia	7,762	115			75						

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 schooling required to close	Some level of schooling required to close	2
Required closure of some sectors	Required closure for 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 22, indicating the restrictions in place are generally recommendations and are not enforced. Countries including Peru, the Philippines and Kenya have some of the highest 'lockdown index' scores.

For most countries, public transport has the most relaxed restrictions. Sweden and Taiwan are the only countries where there are no measures implemented on public events. Meanwhile, across the world, there is some measure of restriction on international travel. However, the UK and Iran are the exceptions, where international travel is freely permitted with no measures implemented.

Source: Knight Frank, Macrobond, Oxford University, Last Updated: 03/06/2020

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