

# Leading Indicators

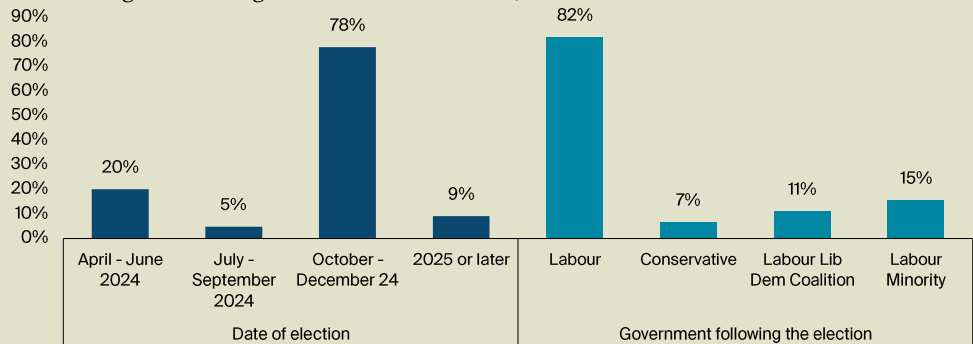
## Boring budget? Tomorrow's may not be

### 78%

Betting odds suggest a 78% probability of the next general election occurring between October and December 2024. This may allow for a final pre-election Autumn Statement, which could mean fewer giveaways than anticipated on Wednesday.

### A late 2024 election could permit a final pre-election Autumn Statement

Latest betting odds of UK general election outcomes, %



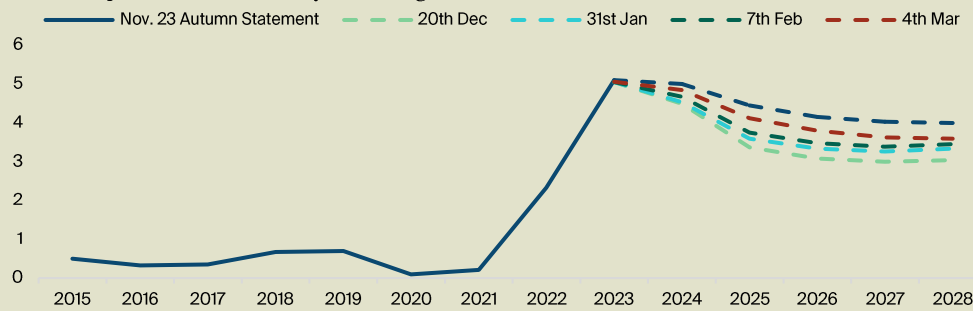
Source: Knight Frank Research, Oddschecker.com

### 4.8%

Money market expectations for the Bank of England base rate have fluctuated since last year. Current market pricing suggests the bank rate will average 4.8% in 2024 versus 5.0% previously priced in following the Autumn Statement in November 2023.

### Money market expectations for interest rates have fluctuated since the November Autumn Statement, but remain more optimistic for rate cuts

Market-implied Bank Rate, full year averages, %



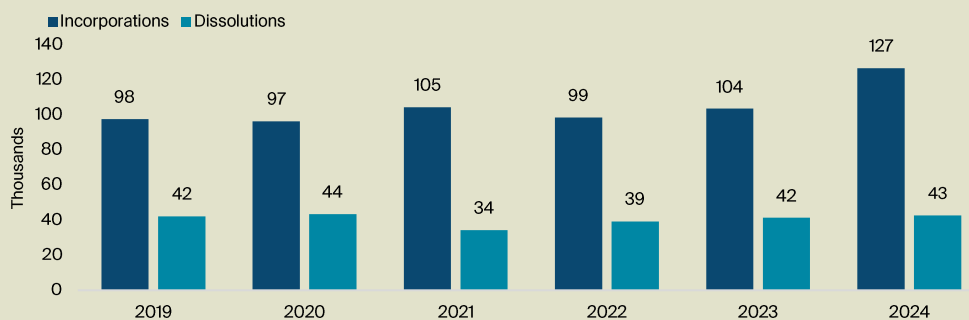
Source: Knight Frank Research, Capital Economics

### 127k

The number of UK company incorporations in the first seven weeks of the year totalled 127k in 2024, up +22% on the same period in 2023 and the strongest start to the year since at least 2019 when records began.

### Strongest start to the year for UK company incorporations since 2019

Number of UK company incorporations and dissolutions in the first seven weeks of the year, thousand



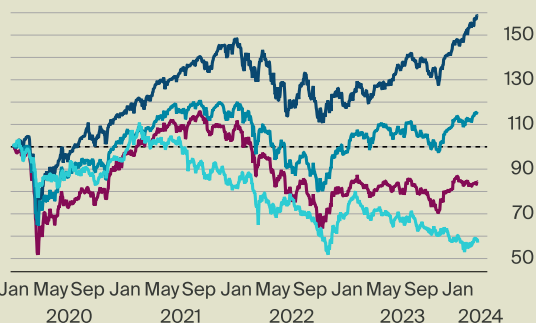
Source: Knight Frank Research, ONS

# Equities

## Equity markets

Price return index, Jan 2020 = 100, US\$

— FTSE 250 — S&P 500 — STOXX 600 — Hang Seng



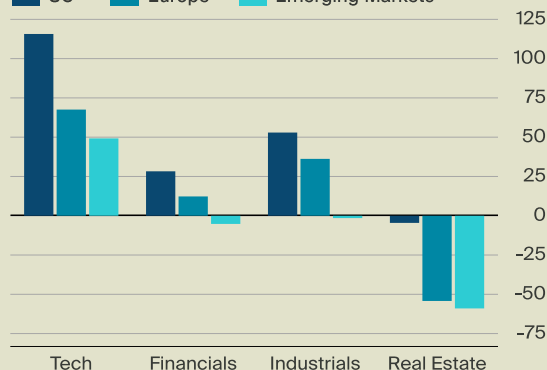
Source: Knight Frank, Macrobond

Index	Last	Percentage change since				
		Original value and base	1 day	1 week	1 month	Jan '20
DAX 30	7,590		0.6	2.1	5.0	14.7
FTSE 250	24,443		1.4	0.5	0.6	-15.7
Hang Seng	2,066		-2.5	-2.8	4.0	-42.9
IBEX 35	10,939		1.1	-0.2	0.8	2.1
MIB	35,755		1.4	1.0	7.5	35.8
S&P 500	5,131		0.7	0.8	4.6	58.8
STOXX 600	540		1.0	0.4	3.1	15.8
TOPIX	18		0.4	2.2	5.8	14.8

## Equity regional sectors

Price return index percentage change since Jan 2020

■ US ■ Europe ■ Emerging Markets



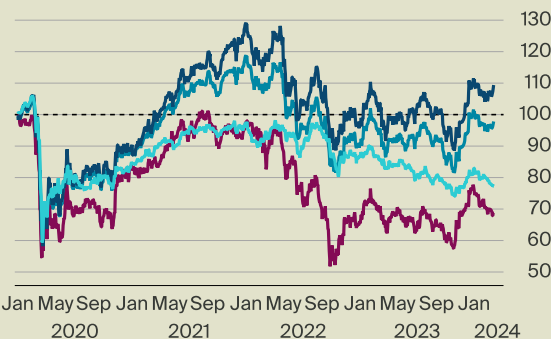
Source: Knight Frank, Macrobond

	Percentage change since Jan 2020		
	US	Europe	World
Tech	115.7%	67.6%	49.2%
Financials	28.3%	12.3%	-5.2%
Industrials	53.0%	36.2%	-1.5%
Real Estate	-4.5%	-54.2%	-59.0%

## REITs by region

EPRA/NAREIT total return index, Jan 2020 = 100, US\$

— World — Europe — US — Asia Pacific



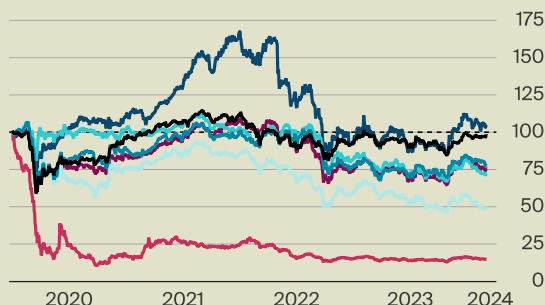
Source: Knight Frank, Macrobond

Index, total return	Last	Percentage change since				
		Original value and base	1 day	1 week	1 month	Jan '20
US	2,615		1.9	2.3	1.9	9.4
Europe	1,966		1.6	-1.1	-3.5	-31.0
World	3,143		1.5	1.5	0.6	-2.2
Asia Pacific	3,032		-0.7	-0.8	-3.5	-22.8

## UK REITs by sector

UK EPRA gross total return index, Jan 2020 = 100, GBP£

— All REITs — Office — Industrial — Retail — Healthcare  
— Residential — FTSE 250



Source: Knight Frank, Macrobond

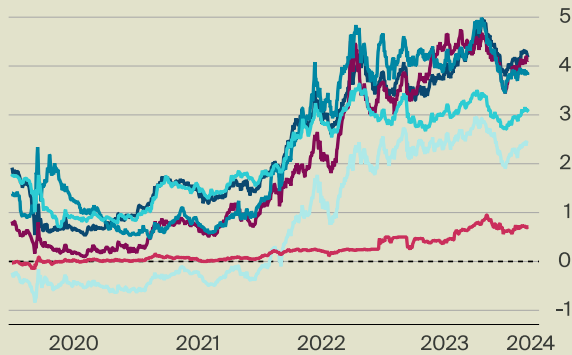
Index, total return	Last	Percentage change since				
		Original value and base	1 day	1 week	1 month	Jan '20
All REITs	772		1.6	-0.3	-3.5	-24.6
Office	1,465		2.6	1.4	-5.5	-50.6
Industrial	1,304		1.9	-0.2	-2.2	5.2
Retail	54		1.3	0.7	-2.4	-85.1
Healthcare	1,644		1.5	0.2	-2.5	-27.5
Residential	1,185		0.4	-3.5	-4.5	-22.3
FTSE 250	16,652		1.0	0.4	0.8	-2.3

# Bonds & Rates

## Government bond yields

10 year government bond yields, %

— US — UK — Germany — Italy — Japan — Singapore



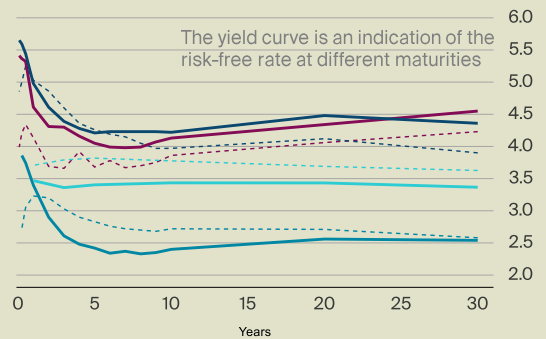
Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20
Italy	3.82	3.82	3.89	3.90	1.40
Japan	0.71	0.71	0.68	0.65	-0.03
Singapore	3.06	3.07	3.10	2.98	1.74
UK	4.12	4.12	4.20	4.01	0.82
US	4.22	4.22	4.31	4.17	1.92

## Yield curves

Latest nominal yield curves vs one year ago, %

Today — US — UK — Germany — S. Korea One year ago ...US ...UK ...Germany ...S. Korea

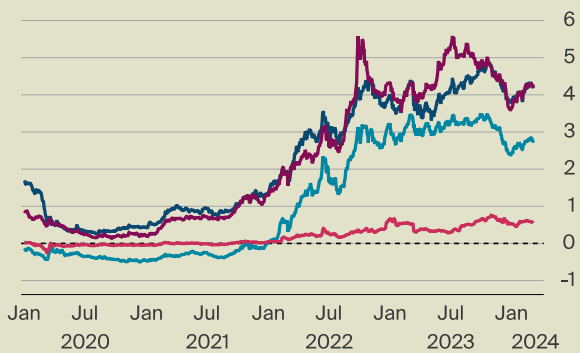


Source: Knight Frank, Macrobond

## Interest rate swaps

5 year swap rates, %

— US — UK — Eurozone — Japan



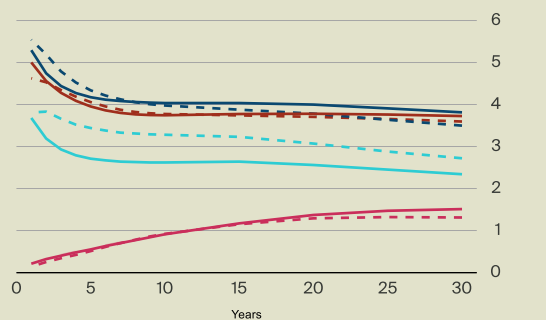
Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20
Eurozone	2.71	2.77	2.85	2.68	-0.13
Japan	0.55	0.57	0.58	0.61	0.03
Singapore	3.66	n/a	n/a	n/a	1.50
UK	4.20	4.27	4.32	4.13	0.88
US	4.17	4.23	4.30	4.13	1.70

## Swap curves

Latest swap curves vs one year ago, %

Today — US — UK — Euro Area — Japan One year ago ...US ...UK ...Euro Area ...Japan



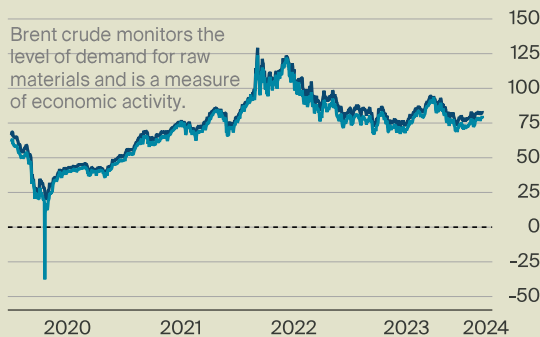
Source: Knight Frank, Macrobond

# Commodities & Volatility

## Energy

Oil spot prices, \$ per barrel

— Brent Crude — West Texas Intermediate (WTI)



Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20
Brent, \$ per barrel	82.6	82.6	82.2	77.8	66.0
WTI, \$ per barrel	78.7	78.7	78.9	72.8	61.1

## Baltic dry index

Baltic Exchange, Shipping Dry index (BDI), US\$

— Baltic dry index



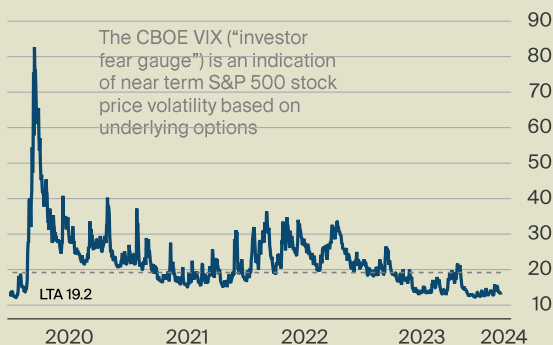
Source: Knight Frank, Macrobond

	Last	Percentage change since			
		1 day	1 week	1 month	Jan '20
Baltic Dry	2291	3.99	20.6	59.5	110

## Volatility index

Near term stock price volatility indicator

— CBOE Volatility Index (VIX) --- Long term average



Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20
CBOE VIX	13.5	13.5	13.4	13.7	13.8
Euro Stoxx 50 VIX	13.8	13.8	13.4	14.2	14.0
Nikkei VIX	20.4	21.0	20.4	20.0	14.8
KOSPI VIX	17.1	17.3	17.2	18.1	14.7

## Systemic stress

Measures FX, money, sovereign and bond yield volatility

— New ECB Composite Indicator of Systemic Stress (CISS)

--- Long term average



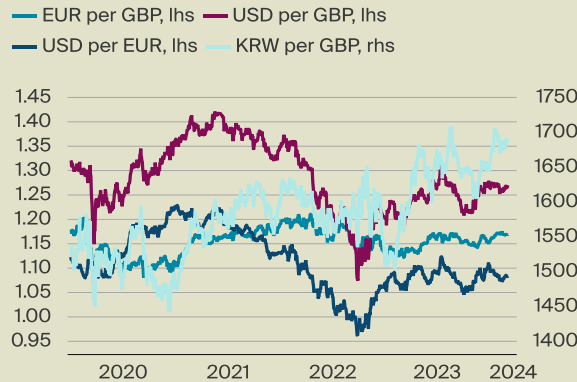
Source: Knight Frank, Macrobond

	Last	1 week	1 month	Jan '20
Systemic stress composite	0.057	0.067	0.093	0.023
Equity markets stress sub index	0.015	0.019	0.053	0.009
Bond markets stress sub index	0.039	0.041	0.055	0.02
FX markets stress sub index	0.008	0.001	0.007	0.004

# Currencies & Monetary Policy

## Currencies

### Spot prices

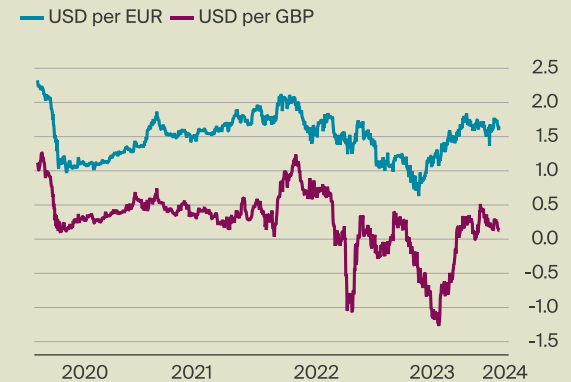


Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20
EUR per GBP	1.169	1.168	1.169	1.172	1.177
KOR per GBP	1,691	1,687	1,690	1,683	1,525
USD per GBP	1.270	1.265	1.268	1.266	1.321
USD per EUR	1.083	1.083	1.086	1.079	1.123

## Hedging benefits

### Hedging benefit p.a. on a 5 year forward



Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20
USD to EUR	1.65	1.60	1.70	1.63	2.32
USD to GBP	0.12	0.12	0.22	0.19	1.12

## Inflation and monetary policy

### Inflation rate (%)

	Feb	Jan	Dec	Nov
Australia <sup>1</sup>	n/a	n/a	4.0	4.0
Canada	n/a	2.9	3.4	3.1
China	n/a	-0.8	-0.3	-0.4
Euro Area	2.6	2.8	2.9	2.4
France	2.9	3.1	3.7	3.5
Germany	2.6	2.9	3.7	3.2
India	n/a	5.1	5.7	5.6
Italy	0.8	0.8	0.6	0.7
Japan	n/a	2.2	2.6	2.8
Saudi Arabia	n/a	1.6	1.5	1.7
South Korea	n/a	2.8	3.2	3.3
Spain	n/a	3.4	3.2	3.3
Sweden	n/a	5.4	4.4	5.8
UK	n/a	4.0	4.0	3.9
US	n/a	3.1	3.3	3.1

1. Australia Inflation rate is only available on a quarterly basis.

### Interest rates (%)

	Last	Jan '23
	4.35	3.10
	5.00	4.25
	4.35	4.35
	4.50	2.50
	4.50	2.50
	4.50	2.50
	6.50	6.25
	4.50	2.50
	-0.10	-0.10
	6.00	5.00
	3.50	3.25
	4.50	2.50
	4.00	2.50
	5.25	3.50
	5.50	4.50

### Asset purchasing

	Latest (\$ 1m change (%))	
	0.35 tn	0.0
	240 bn	1.7
	6.43 tn	-0.1
	7.39 tn	-0.7
	1.73 tn	-0.3
	2.66 tn	-0.6
	417 bn	0.0
	1.35 tn	-1.7
	5.08 tn	1.3
	484 bn	0.5
	414 bn	3.3
	487 bn	-1.1
	121 bn	-0.8
	1.37 tn	-0.5
	7.57 tn	-0.9

Source: Knight Frank, Macrobond



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