

# Leading Indicators

|                |                                  |                                |   |                    |                 |
|----------------|----------------------------------|--------------------------------|---|--------------------|-----------------|
| <b>SUMMARY</b> | <b>EQUITIES</b>                  | <b>BONDS &amp; RATES</b>       | <b>CURRENCIES &amp; MONETARY POLICY</b> | <b>COMMODITIES</b> | <b>TRADE</b>    |
| <b>REITs</b>   | <b>VOLATILITY &amp; MOBILITY</b> | <b>ENERGY &amp; RENEWABLES</b> | <b>EMISSIONS &amp; ESG</b>              | <b>MACRO</b>       | <b>RESEARCH</b> |

## NEED TO KNOW

24<sup>th</sup> January 2023

## LOOKING AHEAD

### BoE Consumer Credit

December's Bank of England consumer credit data will be published early next week. Figures in November indicated that net consumer lending increased by £1.5 billion, with £1.3 billion of this in credit card borrowing. Markets will look to see if the December figures provide further context towards the UK retail sales data published last week. Stephen Springham outlines in his [latest Retail Note](#) that the December retail sales figures were surprisingly downbeat and contradictory of virtually all other retail news flow. Albeit, Stephen outlines that this could be a case of overly-aggressive "seasonal adjustment", as the "non-seasonally adjusted" figures tell a very different (and better) story than the "seasonally adjusted" figures reported.

### UK Inland Energy Consumption

The latest inland energy consumption figures for the UK will be published on Thursday for Q4 2022. While total energy consumption increased by +4.1% year on year in Q3, domestic consumption moderated by -9.5% due to warmer average temperatures compared to the same period last year and higher energy costs weighing on demand. Meanwhile, renewable energy generation grew by +18% over the year to Q3, due to both increases in capacity, with wind energy growing by a record 2.8GW, and more favourable weather conditions.

### GDP

Q4 GDP figures for the US, South Korea and Spain will be published later this week. As the world's largest economy, markets will pay close attention to the US Q4 GDP results due on Thursday. Economists are widely anticipating robust GDP growth for the final quarter of the year, supported by resilient consumer spending, helped by positive job growth and rising wages. Indeed, Oxford Economics forecast US GDP to grow by +3.2% q-q in Q4, which would be in line with Q3 growth.

**10.5%**

UK Inflation rate,  
December 2022

UK inflation slows for the second consecutive month. The UK annual inflation rate slowed to 10.5% in December, from 10.7% in the month prior. This is the lowest rate of inflation in three months, following October's 40-year high of 11.1%. Alcohol and Tobacco, Clothing and Footwear, Transport and Recreation and Culture all saw prices decelerate in the 12 months to December. With inflation starting to fall and energy prices back down to levels seen pre Russia/Ukraine war, economists have adjusted inflation forecasts. Oxford Economics lowered its forecasts for average CPI inflation by 0.7ppts to 6.8% in 2023 and by 0.2ppts to 2.3% in 2024. With lower inflation expectations for 2023, Oxford Economics also expects GDP to be better than expected, contracting by -0.7% this year, improving from forecasts of -0.9% last month, before rising +1.6% in 2024, versus +1.5% last month.

**\$1.25**

Last week's peak  
GBP / USD  
spot price

Sterling hits a 7-month high. Following strong UK wage growth and improving inflation figures published last week, sterling hit a seven month high of \$1.25. It has since settled at \$1.24, currently. Markets are also responding to comments made last week by Andrew Bailey, Governor of the Bank of England that a corner may have been "turned" with inflation, despite not steering against the market implied peak base rate of 4.5% this year. At the BoE's next monetary policy committee meeting on 2<sup>nd</sup> February, money markets have already fully priced in a 25bps rate hike, while market pricing indicates there is currently a 70% chance of a 50bps rate hike, according to Refinitiv. Similarly to sterling, the euro hit \$1.09, its highest level since April 2022 after an ECB governing council member outlined that the central bank would raise its base rate by 50bps at its next two meetings.

**£1tn**

The supply of goods and services to enable the global net zero transition could be worth £1tn to UK businesses by 2030

Financial commitments to green investments gain momentum. Green investments and their potential impact on growth, dominated Davos headlines last week. The US launched the \$369 billion Inflation Reduction Act, which includes subsidies aimed at attracting businesses to invest in green technologies. In response, the President of the European Commission announced that the EU would loosen restrictions on green investment subsidies and accelerate permits for new projects. While the UK is yet to announce equivalent measures, its planned interpretation reform of Solvency II could unlock "tens of billions of pounds of investment" which could be focused in a similar way to the US and EU. An independent review of the UK's net zero target found that the global net zero transition could be worth £1tn to UK businesses by 2030, with the UK's energy transition forecast to support 480k jobs.

### UK commercial real estate total returns saw slight improvement in December

UK MSCI index, monthly (non annualised) total return, %



Sources: Bloomberg, FT, Macrobond, MSCI, Oxford Economics, Pantheon Economics, Reuters, Trading Economics, Knight Frank Research

Contact: William Matthews  
Head of Commercial Research  
william.matthews@knightfrank.com  
+44 20 3909 6842

# Leading Indicators

|         |                       |                     |                              |             |          |
|---------|-----------------------|---------------------|------------------------------|-------------|----------|
| SUMMARY | <b>EQUITIES</b>       | BONDS & RATES       | CURRENCIES & MONETARY POLICY | COMMODITIES | TRADE    |
| REITs   | VOLATILITY & MOBILITY | ENERGY & RENEWABLES | EMISSIONS & ESG              | MACRO       | RESEARCH |

## Equity markets

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

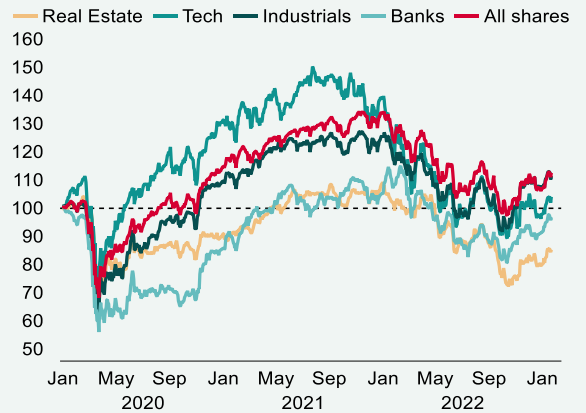


| Index     | Last   | Percentage change since |       |        |         |          |
|-----------|--------|-------------------------|-------|--------|---------|----------|
|           |        | Original value and base | 1 day | 1 week | 1 month | Jan 2020 |
| DAX 30    | 6,656  |                         | -1.0  | 0.1    | 10.4    | 0.6      |
| FTSE 250  | 24,372 |                         | -1.1  | 1.0    | 7.7     | -15.9    |
| Hang Seng | 2,817  |                         | 1.6   | 2.2    | 13.2    | -22.1    |
| IBEX 35   | 9,659  |                         | -0.2  | 1.3    | 12.2    | -9.9     |
| MIB       | 27,917 |                         | -1.1  | 0.4    | 11.4    | 6.0      |
| S&P 500   | 3,973  |                         | 1.1   | -0.3   | 4.1     | 23.0     |
| STOXX 600 | 490    |                         | -1.2  | 0.7    | 8.7     | 4.9      |
| TOPIX     | 15     |                         | 0.4   | 0.3    | 3.8     | -5.2     |

Source: Knight Frank, Macrobond

## Equity sectors

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

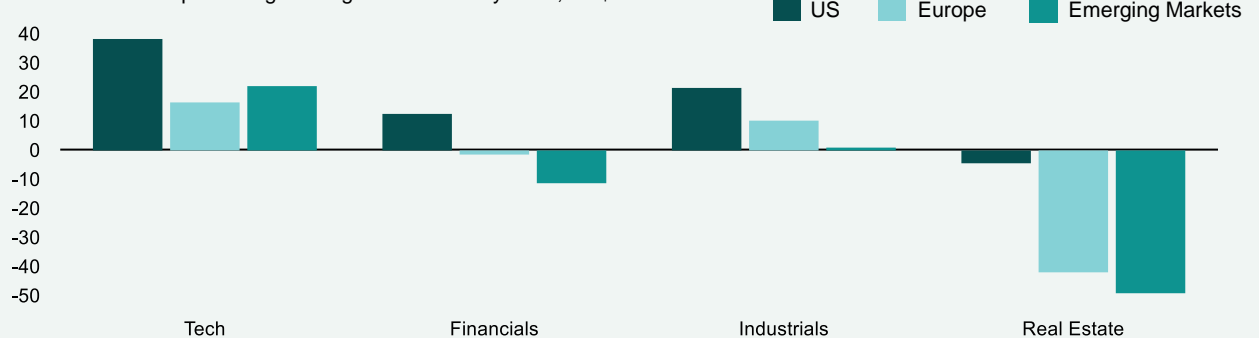


| Index              | Last  | Percentage change since |       |        |         |          |
|--------------------|-------|-------------------------|-------|--------|---------|----------|
|                    |       | Original value and base | 1 day | 1 week | 1 month | Jan 2020 |
| All shares         | 2,972 |                         | 0.5   | 0.4    | 5.8     | 12.6     |
| Banks              | 108   |                         | 0.2   | 0.3    | 8.5     | -3.2     |
| Consumer goods     | 303   |                         | 0.2   | 0.6    | 7.9     | 8.4      |
| Hotels & Leisure   | 380   |                         | 1.5   | 1.9    | 8.8     | 1.9      |
| Household durables | 116   |                         | 0.0   | 0.0    | -2.3    | -2.1     |
| Industrials        | 294   |                         | -0.9  | -1.0   | 4.5     | 11.5     |
| Real Estate        | 966   |                         | 0.5   | -0.5   | 6.7     | -14.7    |
| Tech               | 246   |                         | 1.2   | 0.3    | 7.8     | 4.1      |

Source: Knight Frank, Macrobond

## Equity regional sectors

Price return index percentage change since January 2020, US\$



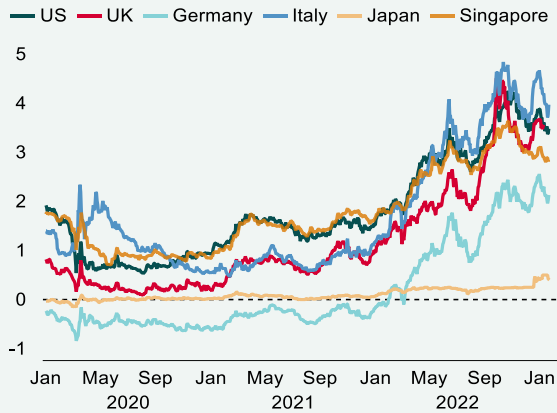
Source: Knight Frank, Macrobond

# Leading Indicators

|                |                                  |                                |   |                    |                 |
|----------------|----------------------------------|--------------------------------|---|--------------------|-----------------|
| <b>SUMMARY</b> | <b>EQUITIES</b>                  | <b>BONDS &amp; RATES</b>       | <b>CURRENCIES &amp; MONETARY POLICY</b> | <b>COMMODITIES</b> | <b>TRADE</b>    |
| <b>REITs</b>   | <b>VOLATILITY &amp; MOBILITY</b> | <b>ENERGY &amp; RENEWABLES</b> | <b>EMISSIONS &amp; ESG</b>              | <b>MACRO</b>       | <b>RESEARCH</b> |

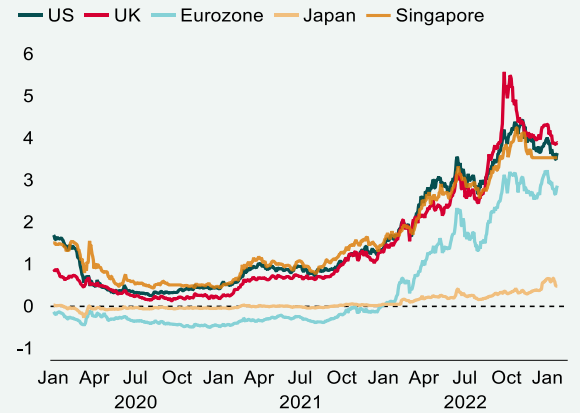
## Government bond yields

10 year government bond yields, %



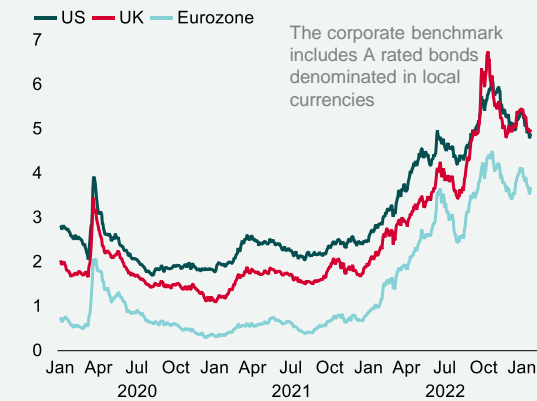
## Interest rate swaps

5 year swap rates, %



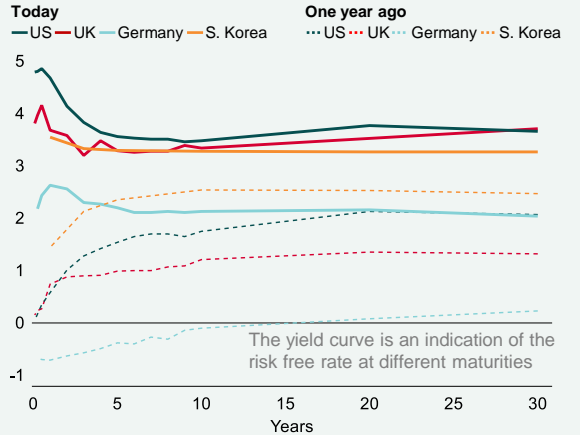
## Corporate bond yields

10 year corporate benchmark yields, %



## Yield curves

Latest nominal yield curves vs one year ago, %



|                                | Last | 1 day | 1 week | 1 month | Jan '20 |
|--------------------------------|------|-------|--------|---------|---------|
| <b>10y Gov bond yields, %</b>  |      |       |        |         |         |
| Germany                        | 2.13 | 2.13  | 2.13   | 2.38    | -0.23   |
| Italy                          | 3.97 | 3.97  | 3.99   | 4.49    | 1.40    |
| Japan                          | 0.40 | 0.41  | 0.50   | 0.37    | -0.03   |
| Singapore                      | 2.84 | 2.84  | 2.83   | 2.93    | 1.74    |
| UK                             | 3.56 | n/a   | n/a    | 3.64    | 0.82    |
| US                             | 3.48 | 3.48  | 3.49   | 3.75    | 1.92    |
| <b>10y Corp bond yields, %</b> |      |       |        |         |         |
| Eurozone                       | 3.68 | 3.68  | 3.70   | 4.00    | 0.74    |
| UK                             | 4.98 | 4.98  | 5.00   | 5.39    | 2.03    |
| US                             | 4.88 | 4.88  | 4.94   | 5.26    | 2.82    |

Source: Knight Frank, Macrobond

|                         | Last | 1 day | 1 week | 1 month | Jan '20 |
|-------------------------|------|-------|--------|---------|---------|
| <b>5y Swap rates, %</b> |      |       |        |         |         |
| Eurozone                | 2.87 | 2.82  | 2.78   | 3.14    | -0.13   |
| Japan                   | 0.48 | 0.48  | 0.61   | 0.60    | 0.03    |
| Singapore               | 3.54 | 3.54  | 3.54   | 3.54    | 1.50    |
| UK                      | 3.89 | 3.90  | 3.89   | 4.31    | 0.88    |
| US                      | 3.65 | 3.61  | 3.63   | 3.88    | 1.70    |

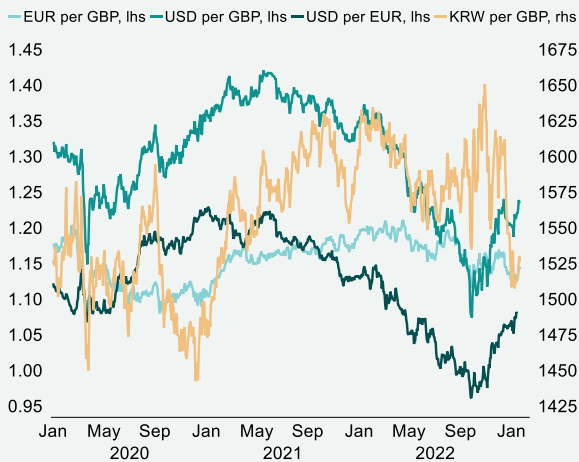
Source: Knight Frank, Macrobond

# Leading Indicators

|                |                                  |                                |   |                    |                 |
|----------------|----------------------------------|--------------------------------|---|--------------------|-----------------|
| <b>SUMMARY</b> | <b>EQUITIES</b>                  | <b>BONDS &amp; RATES</b>       | <b>CURRENCIES &amp; MONETARY POLICY</b> | <b>COMMODITIES</b> | <b>TRADE</b>    |
| <b>REITs</b>   | <b>VOLATILITY &amp; MOBILITY</b> | <b>ENERGY &amp; RENEWABLES</b> | <b>EMISSIONS &amp; ESG</b>              | <b>MACRO</b>       | <b>RESEARCH</b> |

## Currencies

### Spot prices



|             | Last  | 1 day | 1 week | 1 month | Jan '20 |
|-------------|-------|-------|--------|---------|---------|
| EUR per GBP | 1.142 | 1.145 | 1.128  | 1.141   | 1.177   |
| KOR per GBP | 1,526 | 1,530 | 1,513  | 1,558   | 1,525   |
| USD per GBP | 1.237 | 1.236 | 1.222  | 1.214   | 1.321   |
| USD per EUR | 1.081 | n/a   | 1.081  | 1.064   | 1.123   |

## Hedging benefits

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



|            | Last  | 1 day | 1 week | 1 month | Jan '20 |
|------------|-------|-------|--------|---------|---------|
| USD to EUR | 1.06  | 1.06  | 1.15   | 1.06    | 2.32    |
| USD to GBP | -0.08 | -0.09 | -0.08  | -0.28   | 1.12    |

Source: Knight Frank, Macrobond

## Inflation and monetary policy

### Inflation rate (%)

### Interest rates (%)

### Asset purchasing

|                        | Inflation rate (%) |      |      |      | Interest rates (%) |         | Asset purchasing |                            |
|------------------------|--------------------|------|------|------|--------------------|---------|------------------|----------------------------|
|                        | Dec                | Nov  | Oct  | Sep  | Last               | Jan '21 | Latest (\$)      | 1m change (%) <sup>*</sup> |
| Australia <sup>1</sup> | n/a                | n/a  | n/a  | 7.3  | 3.10               | 0.10    | 436 bn           | -0.5                       |
| Canada                 | 6.3                | 6.8  | 6.9  | 6.9  | 4.25               | 0.25    | 309 bn           | -4.0                       |
| China                  | 1.8                | 1.5  | 2.1  | 2.7  | 4.35               | 4.35    | 5.99 tn          | 3.8                        |
| Euro Area              | 9.2                | 10.1 | 10.6 | 9.9  | 2.50               | 0.00    | 8.57 tn          | -6.0                       |
| France                 | 5.9                | 6.2  | 6.2  | 5.6  | 2.50               | 0.00    | 2.06 tn          | -1.1                       |
| Germany                | 8.5                | 10.1 | 10.4 | 9.9  | 2.50               | 0.00    | 3.05 tn          | -5.1                       |
| India                  | 5.7                | 5.9  | 6.8  | 7.4  | 6.25               | 4.00    | 356 bn           | 4.3                        |
| Italy                  | 11.6               | 11.8 | 11.8 | 8.9  | 2.50               | 0.00    | 1.58 tn          | -4.3                       |
| Japan                  | 4.0                | 3.8  | 3.7  | 3.0  | -0.10              | -0.10   | 5.37 tn          | 1.2                        |
| Saudi Arabia           | 3.3                | 2.9  | 3.0  | 3.1  | 5.00               | 1.00    | 532 bn           | 1.0                        |
| South Korea            | 5.0                | 5.0  | 5.7  | 5.6  | 3.50               | 0.50    | 440 bn           | 0.1                        |
| Spain                  | 5.7                | 6.8  | 7.3  | 8.9  | 2.50               | 0.00    | 487 bn           | -4.8                       |
| Sweden                 | 12.3               | 11.5 | 10.9 | 10.8 | 2.50               | 0.00    | 153 bn           | 3.4                        |
| UK                     | 10.5               | 10.7 | 11.1 | 10.1 | 3.50               | 0.10    | 1.37 tn          | 1.4                        |
| US                     | 6.4                | 7.1  | 7.8  | 8.2  | 4.50               | 0.25    | 8.49 tn          | -1.0                       |

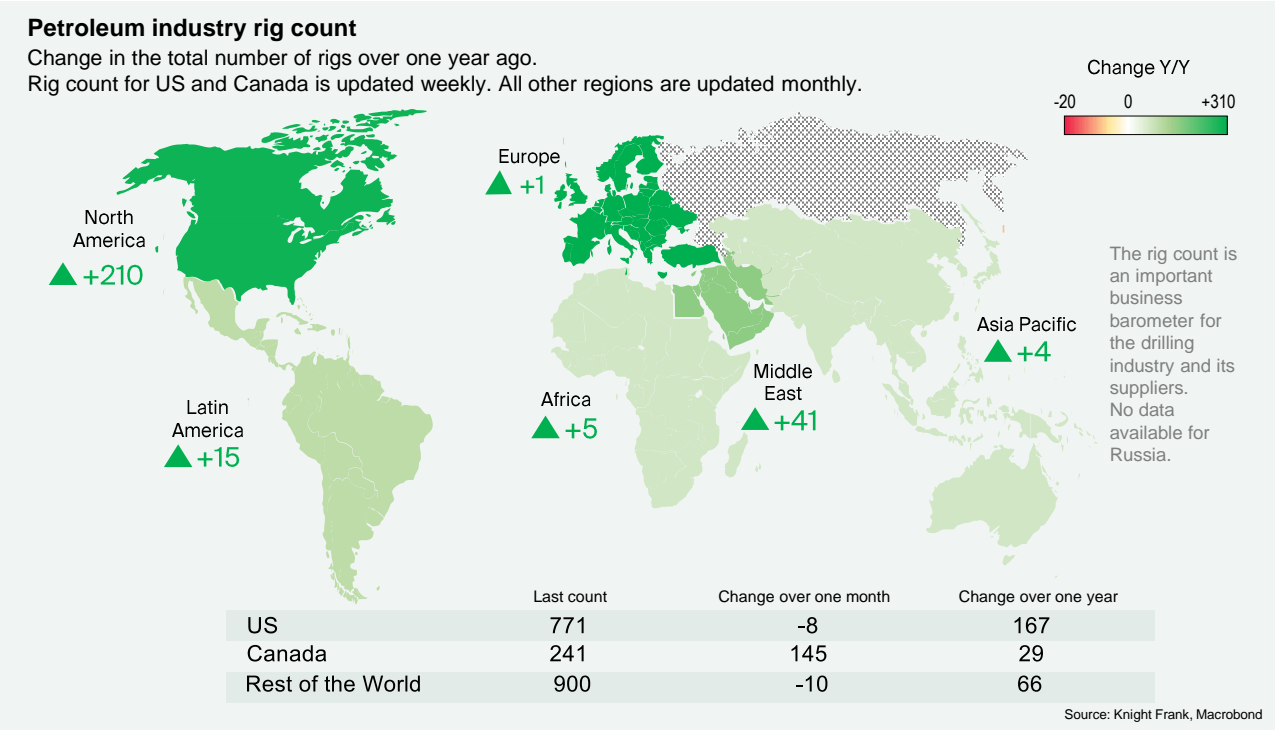
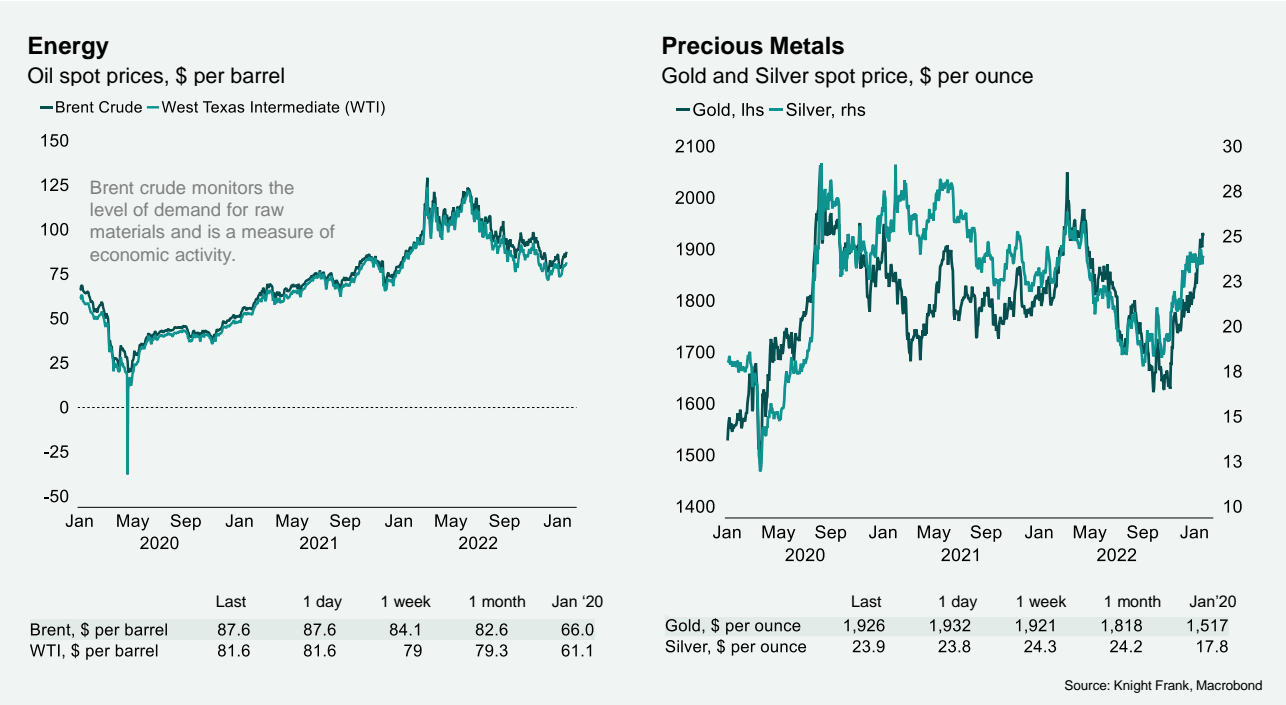
1. Australia Inflation rate is only available on a quarterly basis.

<sup>\*</sup> % change is in local currency

Source: Knight Frank, Macrobond

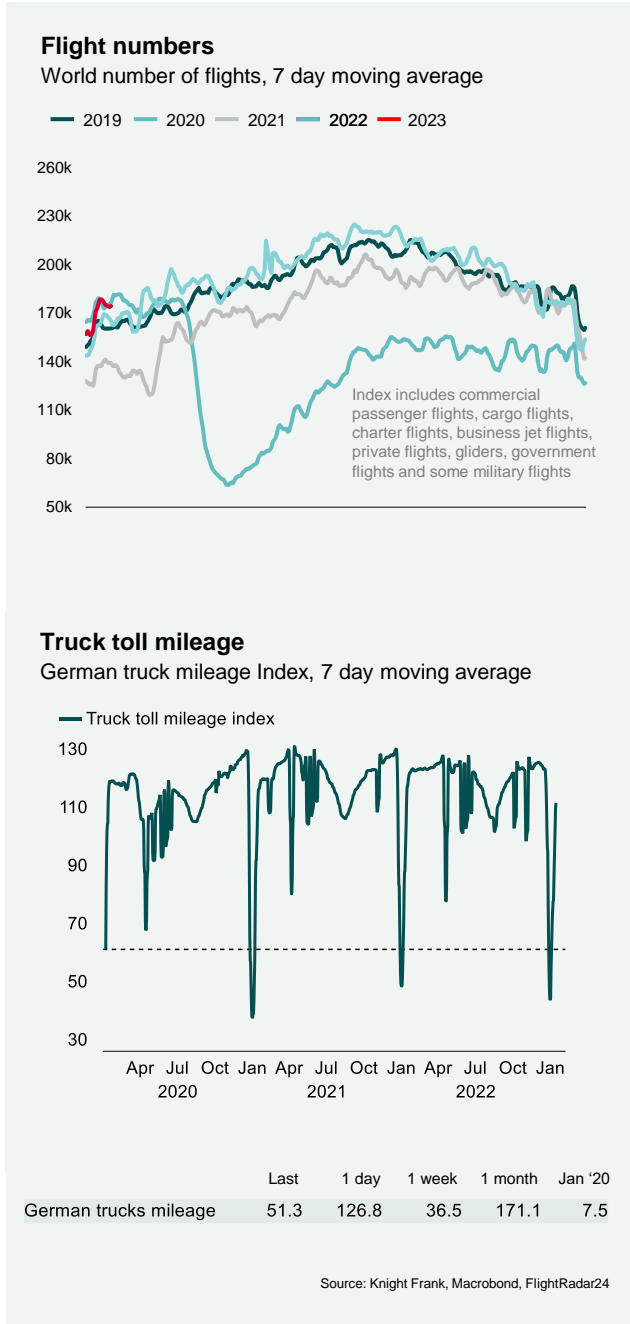
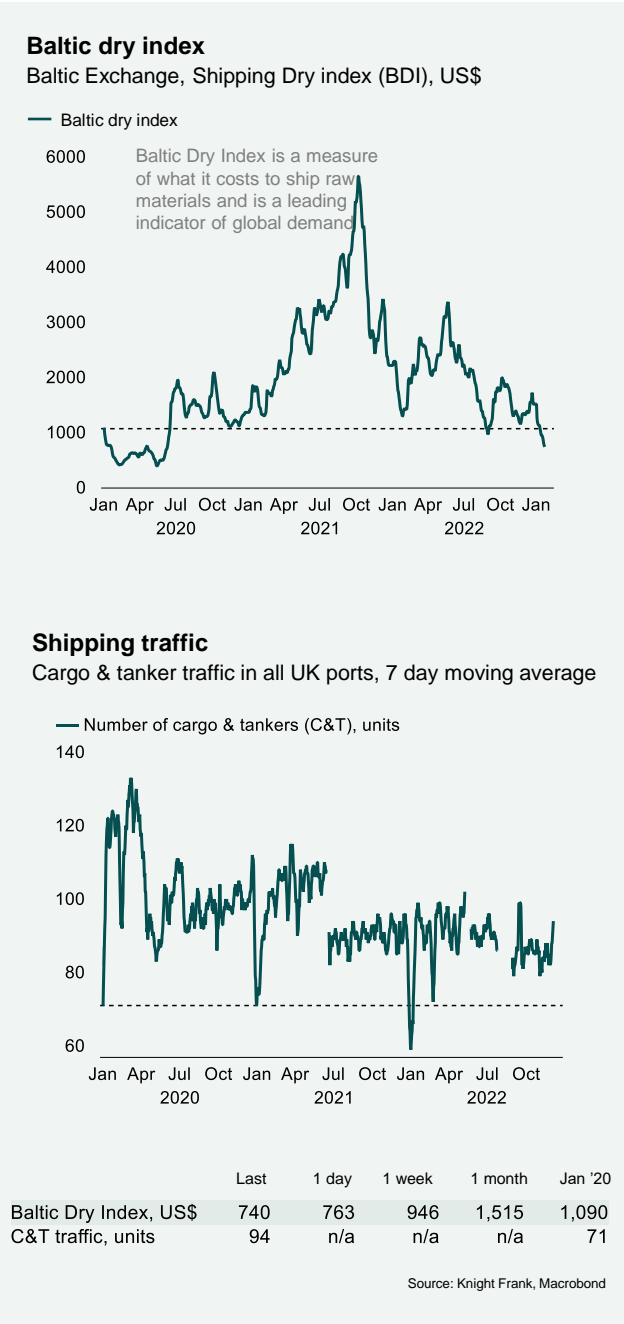
# Leading Indicators

|         |                       |                     |                              |             |          |
|---------|-----------------------|---------------------|------------------------------|-------------|----------|
| SUMMARY | EQUITIES              | BONDS & RATES       | CURRENCIES & MONETARY POLICY | COMMODITIES | TRADE    |
| REITs   | VOLATILITY & MOBILITY | ENERGY & RENEWABLES | EMISSIONS & ESG              | MACRO       | RESEARCH |



# Leading Indicators

|         |                       |                     |                              |             |          |
|---------|-----------------------|---------------------|------------------------------|-------------|----------|
| SUMMARY | EQUITIES              | BONDS & RATES       | CURRENCIES & MONETARY POLICY | COMMODITIES | TRADE    |
| REITs   | VOLATILITY & MOBILITY | ENERGY & RENEWABLES | EMISSIONS & ESG              | MACRO       | RESEARCH |



# Leading Indicators

SUMMARY

EQUITIES

BONDS &  
RATES

CURRENCIES &  
MONETARY POLICY

COMMODITIES

TRADE

REITs

VOLATILITY &  
MOBILITY

ENERGY &  
RENEWABLES

EMISSIONS &  
ESG

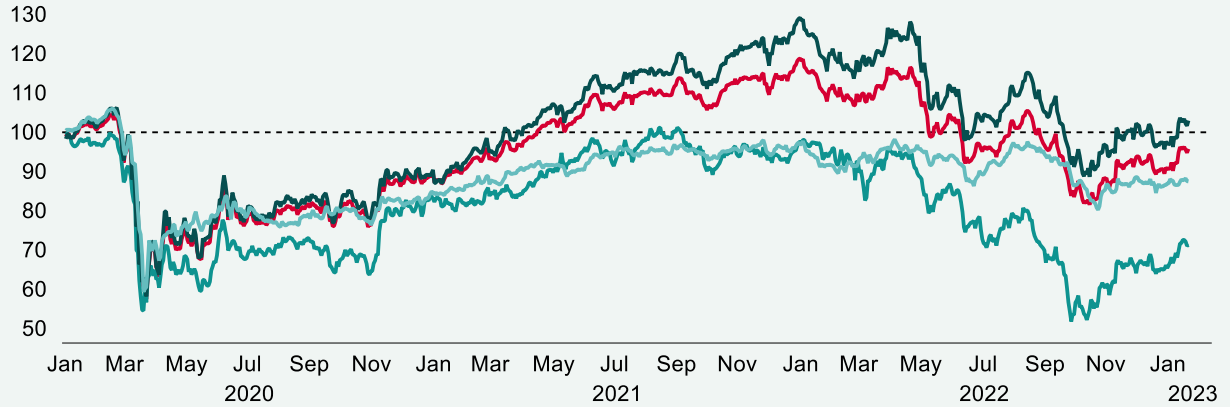
MACRO

RESEARCH

## REITs by region

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

— World — Europe — US — Asia Pacific



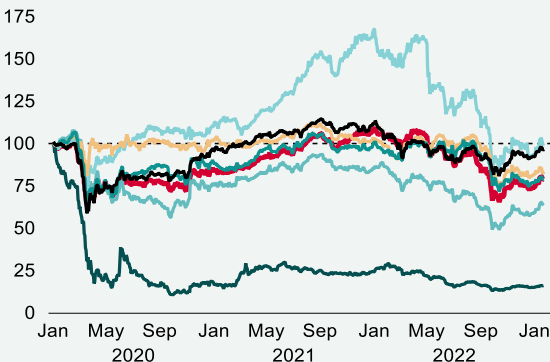
| Index, total return     | Last  | Percentage change since |        |         |          |
|-------------------------|-------|-------------------------|--------|---------|----------|
|                         |       | 1 day                   | 1 week | 1 month | Jan 2020 |
| Original value and base |       |                         |        |         |          |
| US                      | 2,461 | 0.8                     | -0.7   | 6.7     | 3.0      |
| Europe                  | 2,033 | -1.2                    | -0.5   | 9.7     | -28.7    |
| World                   | 3,077 | 0.3                     | -0.5   | 6.5     | -4.2     |
| Asia Pacific            | 3,434 | -0.9                    | 0.1    | 1.1     | -12.5    |

Source: Knight Frank, Macrobond

## UK REITs by sector

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

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

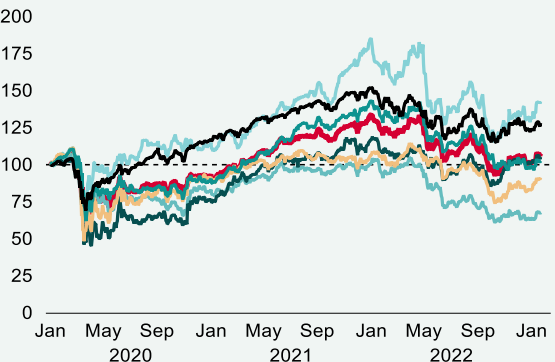


| Index, gross total return | Last   | Percentage change since |        |         |         |
|---------------------------|--------|-------------------------|--------|---------|---------|
|                           |        | 1 day                   | 1 week | 1 month | Jan '20 |
| Original value and base   |        |                         |        |         |         |
| All REITs                 | 806    | -0.9                    | -1.7   | 7.3     | -21.2   |
| Office                    | 1,881  | -1.6                    | -1.5   | 9.4     | -36.5   |
| Industrial                | 1,224  | -2.0                    | -3.8   | 6.1     | -1.3    |
| Retail                    | 58     | -0.1                    | -0.9   | 5.1     | -83.9   |
| Healthcare                | 1,892  | 0.1                     | -3.3   | 3.1     | -16.6   |
| Residential               | 1,205  | -0.5                    | -1.3   | 5.5     | -21.0   |
| FTSE 250                  | 16,427 | -0.9                    | -0.6   | 5.8     | -3.6    |

## US REITs by sector

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

— All REITs — Office — Industrial — Retail — Healthcare  
— Residential — S&P500



| Index, gross total return | Last   | Percentage change since |        |         |        |
|---------------------------|--------|-------------------------|--------|---------|--------|
|                           |        | 1 day                   | 1 week | 1 month | Jan'20 |
| Original value and base   |        |                         |        |         |        |
| All REITs                 | 21,309 | 0.7                     | -0.7   | 6.7     | 5.7    |
| Office                    | 1,492  | -0.1                    | -0.9   | 7.9     | -33.5  |
| Industrial                | 3,081  | 0.0                     | 0.2    | 9.6     | 41.3   |
| Retail                    | 1,168  | 0.4                     | -1.4   | 4.8     | 2.3    |
| Healthcare                | 3,710  | 1.0                     | 0.4    | 11.6    | -10.6  |
| Residential               | 1,968  | 0.5                     | -1.0   | 4.9     | 1.0    |
| S&P500                    | 8,468  | 1.1                     | -0.2   | 4.2     | 29.2   |

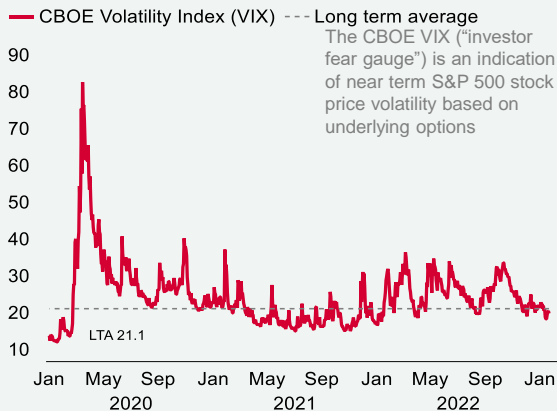
Source: Knight Frank, Macrobond

# Leading Indicators

|         |                                  |                     |                              |             |          |
|---------|----------------------------------|---------------------|------------------------------|-------------|----------|
| SUMMARY | EQUITIES                         | BONDS & RATES       | CURRENCIES & MONETARY POLICY | COMMODITIES | TRADE    |
| REITs   | <b>VOLATILITY &amp; MOBILITY</b> | ENERGY & RENEWABLES | EMISSIONS & ESG              | MACRO       | RESEARCH |

## Volatility index

Near term stock price volatility indicator



|                   | Last | 1 day | 1 week | 1 month | Jan '20 |
|-------------------|------|-------|--------|---------|---------|
| CBOE VIX          | 19.9 | 19.9  | 18.4   | 20.9    | 13.8    |
| Euro Stoxx 50 VIX | 18.7 | 18.7  | 18.4   | 20.0    | 14.0    |
| Nikkei VIX        | 17.5 | 17.4  | 19.8   | 20.2    | 14.8    |
| KOSPI VIX         | 16.8 | 16.8  | 16.9   | 17.4    | 14.7    |

## Systemic stress

Measures FX, money, sovereign and bond yield volatility



|                                 | Last  | 1 week | 1 month | Jan'20 |
|---------------------------------|-------|--------|---------|--------|
| Systemic stress composite       | 0.281 | 0.331  | 0.437   | 0.023  |
| Equity markets stress sub index | 0.073 | 0.087  | 0.116   | 0.009  |
| Bond markets stress sub index   | 0.084 | 0.090  | 0.105   | 0.02   |
| FX markets stress sub index     | 0.041 | 0.056  | 0.080   | 0.004  |

Source: Knight Frank, Macrobond

## Workplace mobility

Google Workplace Mobility Index change since March '20, %  
7 day moving average of daily office visitors compared to each country's baseline (5 week average between Jan 2020 - Feb 2020).

|              | Last | 1 week | 1 month |
|--------------|------|--------|---------|
| Nigeria      | 46   | 46     | 51      |
| India        | 32   | 13     | 29      |
| Mexico       | 30   | 30     | 27      |
| Brazil       | 20   | 39     | 37      |
| South Africa | 19   | 11     | 23      |
| Turkey       | 18   | 17     | 10      |
| South Korea  | -3   | -3     | -29     |
| Singapore    | -5   | -4     | -3      |
| Australia    | -5   | -13    | -3      |
| France       | -7   | -7     | -12     |
| Russia       | -8   | -10    | -20     |
| Germany      | -8   | -19    | -7      |
| Italy        | -8   | -8     | -12     |
| Netherlands  | -11  | -12    | -16     |
| Japan        | -14  | -7     | -7      |
| UK           | -19  | -19    | -20     |
| US           | -20  | -19    | -18     |
| Canada       | -23  | -14    | -16     |

Source: Knight Frank, Macrobond

## Public transport mobility

Citymapper Mobility Index change since March '20, %  
7 day moving average of daily trips planned and taken compared to each city's baseline (4 week average between Jan 2020 - Feb 2020).

|               | Last |
|---------------|------|
| Hong Kong     | 17   |
| Singapore     | 3    |
| Paris         | -3   |
| Istanbul      | -19  |
| London        | -25  |
| New York      | -31  |
| Madrid        | -32  |
| Barcelona     | -36  |
| Seoul         | -40  |
| Washington DC | -45  |
| Moscow        | -47  |
| Toronto       | -50  |
| Los Angeles   | -58  |
| San Francisco | -66  |
| Sao Paulo     | -68  |
| Sydney        | -90  |
| Melbourne     | -91  |

Source: Knight Frank, Macrobond



# Leading Indicators

SUMMARY

EQUITIES

BONDS &  
RATES

CURRENCIES &  
MONETARY POLICY

COMMODITIES

TRADE

REITs

VOLATILITY &  
MOBILITY

ENERGY &  
RENEWABLES

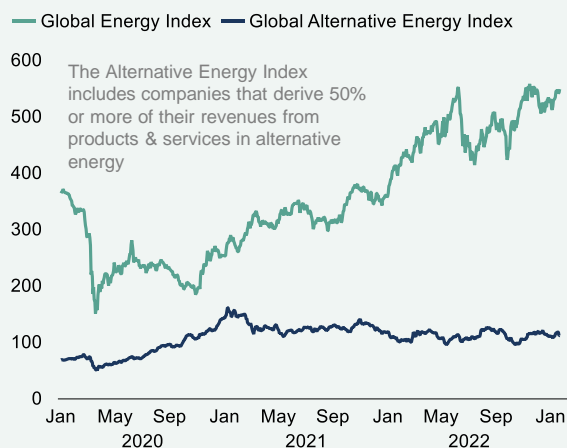
EMISSIONS &  
ESG

MACRO

RESEARCH

## Stock Market Energy index

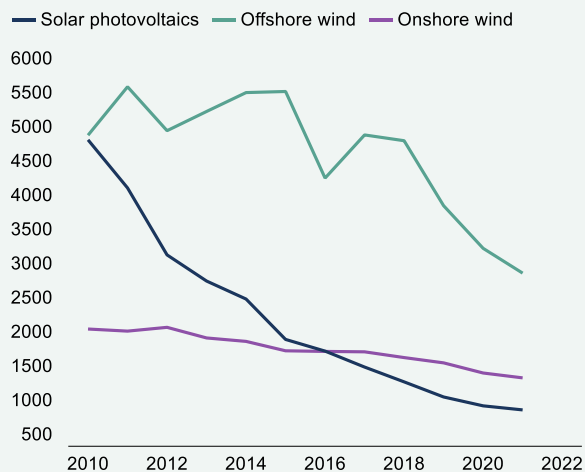
Price return index, USD\$



| Index, total return             | Last | Percentage change since |         |        |
|---------------------------------|------|-------------------------|---------|--------|
|                                 |      | 1 week                  | 1 month | Jan'20 |
| Global Energy Index             | 548  | 0.8                     | 7.7     | 50.7   |
| Global Alternative Energy Index | 112  | -3.8                    | -2.3    | 63.0   |

## Cost of renewables

Global weighted average, total installed costs, USD/kWh

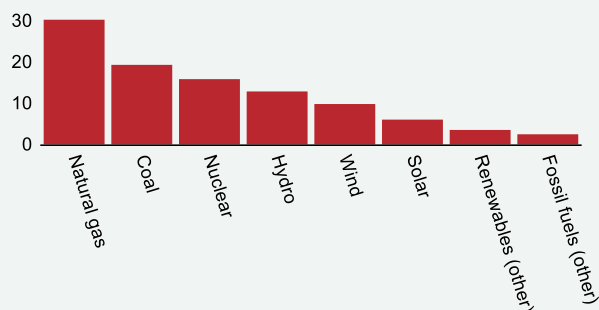


|                     | Last   | Percentage change since |        |        |
|---------------------|--------|-------------------------|--------|--------|
|                     |        | 1 year                  | 2 year | Jan'10 |
| Solar photovoltaics | 856.5  | -18.1                   | -32.4  | -82.2  |
| Offshore wind       | 2857.7 | -25.7                   | -40.4  | -38.1  |
| Onshore wind        | 1325.2 | -14.2                   | -18.3  | -38.3  |

Source: Knight Frank, Macrobond, IRENA

## Electricity production

Renewable and non-renewable electricity production, OECD total, year-to-date, %



|                        | 2022        | 2021        | 2020        |
|------------------------|-------------|-------------|-------------|
| <b>Renewables, %</b>   | <b>32.2</b> | <b>30.7</b> | <b>30.5</b> |
| Wind                   | 9.8         | 9.1         | 9.0         |
| Solar                  | 6.0         | 4.8         | 3.8         |
| Hydro                  | 12.8        | 13.4        | 14.3        |
| Other renewables       | 3.5         | 3.5         | 3.4         |
| <b>Fossil fuels, %</b> | <b>67.8</b> | <b>69.3</b> | <b>69.5</b> |
| Natural gas            | 30.2        | 29.5        | 30.4        |
| Coal                   | 19.3        | 20.0        | 19.1        |
| Nuclear                | 15.8        | 17.2        | 17.4        |
| Other fossil fuels     | 2.5         | 2.6         | 2.7         |

## Renewable commitment

Share of electricity produced from renewable sources, %

|             | Change since |      |      |
|-------------|--------------|------|------|
|             | 2022         | 2021 | 2020 |
| Norway      | 99           | -1   | 0    |
| NZ          | 93           | 10   | 23   |
| Switzerland | 90           | -3   | -3   |
| Sweden      | 90           | 2    | 0    |
| Brazil      | 85           | 33   | 3    |
| Canada      | 78           | 1    | 0    |
| Denmark     | 75           | 22   | 6    |
| France      | 64           | -2   | 0    |
| Ireland     | 52           | 133  | 52   |
| UK          | 52           | 37   | 21   |
| Spain       | 48           | 3    | -1   |
| Germany     | 46           | 19   | 13   |
| Netherlands | 37           | 15   | 51   |
| Australia   | 37           | 3    | 27   |
| Italy       | 31           | -10  | -18  |
| US          | 25           | 8    | 20   |
| India       | 25           | -6   | 1    |
| Japan       | 24           | -5   | 22   |

Source: Knight Frank, Macrobond, IEA

# Leading Indicators

SUMMARY

EQUITIES

BONDS &  
RATES

CURRENCIES &  
MONETARY POLICY

COMMODITIES

TRADE

REITs

VOLATILITY &  
MOBILITY

ENERGY &  
RENEWABLES

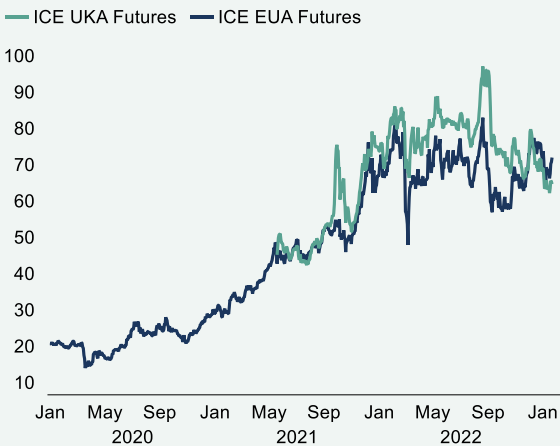
EMISSIONS &  
ESG

MACRO

RESEARCH

## EU & UK Emissions Trading System Tracker

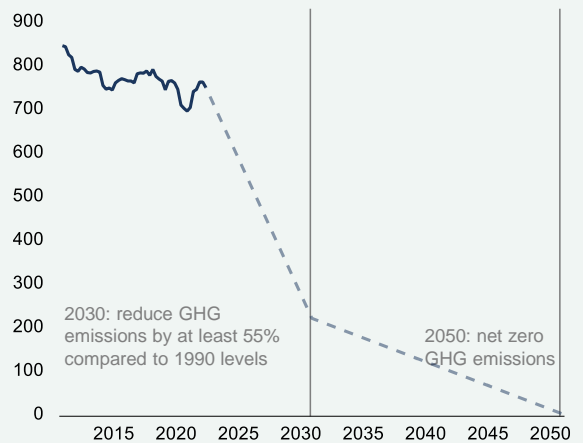
Daily carbon market price, local currency



|                 | Price, £/€ | Percentage change since |        |         |         |
|-----------------|------------|-------------------------|--------|---------|---------|
|                 | Last       | 1 day                   | 1 week | 1 month | Jan '20 |
| ICE EUA Futures | 72.0       | 2.4                     | 4.7    | -1.8    | 246.8   |
| ICE UKA Futures | 64.8       | -1.4                    | 1.3    | -6.4    | n/a     |

## Greenhouse gas emissions

EU-27 emissions, millions tons of CO2 equivalent

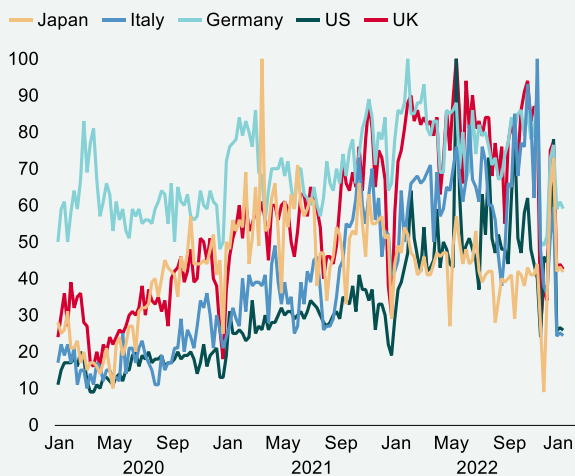


|                  | Percentage change since |           |        |         |
|------------------|-------------------------|-----------|--------|---------|
|                  | Last                    | 1 quarter | 1 year | Jan '10 |
| EU GHG emissions | 747                     | -1.7      | 6.5    | -11.4   |

Source: Knight Frank, Macrobond, Eurostat

## Trends in ESG searches

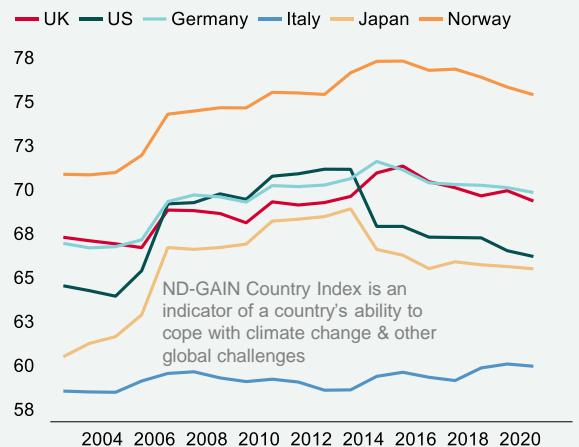
Google trends, 100 = peak interest



|         | Last | 1 week | 1 month | Jan '20 |
|---------|------|--------|---------|---------|
| Germany | 59.1 | 61.0   | 76.5    | 58      |
| Italy   | 24.4 | 25.2   | 59.5    | 17      |
| Japan   | 41.8 | 43.2   | 73.0    | 21      |
| UK      | 42.6 | 43.9   | 77.3    | 39      |
| US      | 25.9 | 26.6   | 78.0    | 17      |

## Climate change vulnerability & readiness

ND-GAIN Country Index, 100 = high score



ND-GAIN Country Index is an indicator of a country's ability to cope with climate change & other global challenges

Source: Knight Frank, Macrobond, Google

# Leading Indicators

| SUMMARY | EQUITIES              | BONDS & RATES       | CURRENCIES & MONETARY POLICY | COMMODITIES | TRADE    |
|---------|-----------------------|---------------------|------------------------------|-------------|----------|
| REITs   | VOLATILITY & MOBILITY | ENERGY & RENEWABLES | EMISSIONS & ESG              | MACRO       | RESEARCH |

## MACROECONOMIC INDICATORS

| Market         | Population<br>million | GDP<br>\$tn | GDP   |       | Interest<br>rate | Inflation<br>rate | Jobless<br>rate | Gov.<br>Budget<br>% of GDP | Debt/<br>GDP<br>% | Current<br>Account/<br>GDP<br>% |
|----------------|-----------------------|-------------|-------|-------|------------------|-------------------|-----------------|----------------------------|-------------------|---------------------------------|
|                |                       |             | YoY   | QoQ   |                  |                   |                 |                            |                   |                                 |
| Australia      | 26                    | 1,553       | 5.9%  | 0.6%  | 3.10%            | 7.3%              | 3.5%            | -1.5%                      | 36.1%             | -0.4                            |
| Austria        | 9                     | 480         | 1.7%  | 0.2%  | 2.50%            | 10.2%             | 7.4%            | -5.9%                      | 82.8%             | -0.5                            |
| Belgium        | 12                    | 594         | 1.9%  | 0.2%  | 2.50%            | 10.4%             | 5.5%            | -5.5%                      | 108.2%            | -0.4                            |
| Brazil         | 213                   | 1,609       | 3.6%  | 0.4%  | 13.75%           | 5.8%              | 8.1%            | -4.5%                      | 80.3%             | -1.8                            |
| Canada         | 38                    | 1,988       | 3.9%  | 0.7%  | 4.25%            | 6.3%              | 5.0%            | -4.7%                      | 112.8%            | 0.1                             |
| China Mainland | 1,412                 | 17,734      | 2.9%  | 0.0%  | 3.65%            | 1.8%              | 5.5%            | -3.1%                      | 71.5%             | 1.8                             |
| Denmark        | 6                     | 398         | 3.2%  | 0.3%  | 1.75%            | 8.7%              | 2.3%            | 3.6%                       | 36.7%             | 8.8                             |
| Egypt          | 104                   | 404         | 3.2%  | 9.8%  | 16.25%           | 21.3%             | 7.4%            | -6.1%                      | 87.2%             | -4.6                            |
| Euro Area      | 343                   | 14,563      | 2.3%  | 0.3%  | 2.50%            | 9.2%              | 6.5%            | -5.1%                      | 95.6%             | 2.5                             |
| Finland        | 6                     | 297         | 1.0%  | -0.3% | 2.50%            | 9.1%              | 5.9%            | -2.7%                      | 72.4%             | 0.9                             |
| France         | 68                    | 2,958       | 1.0%  | 0.2%  | 2.50%            | 5.9%              | 7.3%            | -6.5%                      | 112.9%            | 0.4                             |
| Germany        | 83                    | 4,260       | 1.3%  | 0.4%  | 2.50%            | 8.6%              | 5.5%            | -2.6%                      | 69.3%             | 7.4                             |
| Hong Kong SAR  | 7                     | 368         | -4.5% | -2.6% | 4.75%            | 1.8%              | 3.5%            | -3.6%                      | 38.4%             | 11.2                            |
| India          | 1,380                 | 3,176       | 6.3%  | 0.8%  | 6.25%            | 5.7%              | 8.3%            | -6.9%                      | 89.3%             | -1.2                            |
| Indonesia      | 273                   | 1,186       | 5.7%  | 1.8%  | 5.75%            | 5.5%              | 5.9%            | -2.4%                      | 41.2%             | 0.3                             |
| Ireland        | 5                     | 504         | 10.9% | 2.3%  | 2.50%            | 8.2%              | 4.3%            | -1.7%                      | 56.0%             | 13.9                            |
| Israel         | 9                     | 489         | 5.8%  | 0.5%  | 3.75%            | 5.3%              | 4.3%            | 0.6%                       | 60.9%             | 4.7                             |
| Italy          | 59                    | 2,108       | 2.6%  | 0.5%  | 2.50%            | 11.6%             | 7.8%            | -7.2%                      | 150.8%            | 2.5                             |
| Japan          | 125                   | 4,941       | 1.5%  | -0.2% | -0.10%           | 3.8%              | 2.5%            | -5.9%                      | 262.5%            | 4.0                             |
| Netherlands    | 17                    | 1,013       | 3.1%  | -0.2% | 2.50%            | 9.6%              | 3.5%            | -2.6%                      | 52.4%             | 9.0                             |
| Nigeria        | 211                   | 441         | 2.3%  | 9.7%  | 16.50%           | 21.3%             | 33.3%           | -4.7%                      | 37.0%             | -0.5                            |
| Norway         | 5                     | 482         | 2.5%  | 1.5%  | 2.75%            | 5.9%              | 3.2%            | 9.1%                       | 43.2%             | 15.0                            |
| Philippines    | 110                   | 394         | 7.6%  | 2.9%  | 5.50%            | 8.1%              | 4.2%            | -8.6%                      | 60.4%             | -1.8                            |
| Poland         | 38                    | 679         | 3.6%  | 1.0%  | 6.75%            | 16.6%             | 5.1%            | -1.8%                      | 53.8%             | -0.7                            |
| Romania        | 19                    | 284         | 3.8%  | 1.2%  | 7.00%            | 16.4%             | 5.4%            | -7.1%                      | 48.8%             | -7.0                            |
| Russia         | 146                   | 1,776       | -3.7% | -0.8% | 7.50%            | 11.9%             | 3.7%            | -2.3%                      | 18.2%             | 6.8                             |
| Singapore      | 5                     | 397         | 2.2%  | 0.2%  | 3.36%            | 6.7%              | 2.0%            | -0.9%                      | 160.0%            | 18.1                            |
| South Africa   | 60                    | 419         | 4.1%  | 1.6%  | 7.00%            | 7.2%              | 32.9%           | -5.7%                      | 69.9%             | 3.7                             |
| South Korea    | 52                    | 1,799       | 3.1%  | 0.3%  | 3.50%            | 5.0%              | 3.3%            | -5.6%                      | 46.9%             | 4.9                             |
| Spain          | 47                    | 1,427       | 4.4%  | 0.1%  | 2.50%            | 5.7%              | 12.7%           | -6.9%                      | 118.4%            | 0.9                             |
| Sweden         | 10                    | 636         | 2.5%  | 0.6%  | 2.50%            | 12.3%             | 6.4%            | -0.1%                      | 36.7%             | 5.3                             |
| Switzerland    | 9                     | 801         | 0.5%  | 0.2%  | 1.00%            | 2.8%              | 2.1%            | -0.7%                      | 41.4%             | 9.3                             |
| Turkey         | 85                    | 819         | 3.9%  | -0.1% | 9.00%            | 64.3%             | 10.2%           | -2.7%                      | 42.0%             | -1.7                            |
| UAE            | 10                    | 415         | 3.9%  | 2.0%  | 4.40%            | 6.8%              | 3.9%            | 0.8%                       | 38.3%             | 11.7                            |
| UK             | 68                    | 3,131       | 1.9%  | -0.3% | 3.50%            | 10.5%             | 3.7%            | -5.7%                      | 97.4%             | -2.0                            |
| US             | 334                   | 23,315      | 1.9%  | 3.2%  | 4.50%            | 6.5%              | 3.5%            | -16.7%                     | 129.0%            | -3.6                            |

# Leading Indicators

SUMMARY

EQUITIES

BONDS &  
RATES

CURRENCIES &  
MONETARY POLICY

COMMODITIES

TRADE

REITs

VOLATILITY &  
MOBILITY

ENERGY &  
RENEWABLES

EMISSIONS &  
ESG

MACRO

RESEARCH



## Active Capital 2022/2023

Our flagship capital markets research programme, Active Capital, will guide you through the complexities and challenges of global real estate, whilst highlighting the opportunities that lie ahead over the next 18 months.

[Watch the launch](#)

## Future Gazing

Resilience, Reshoring and Rethinking First Mile Logistics



## Future Gazing 2023

In the latest edition of the Future Gazing Report, the sectors and locations which could benefit from reconfiguring supply chains are explored. Through the past three years, we have experienced a supply-side crisis. Simply restoring the old order is unlikely to solve the crisis and provide much-needed resilience amidst a shifting geopolitical landscape.

[View Report](#)

## Recent research



### Quantifying ESG in real estate

This report covers a selection of our recent analytical projects, as well as practical applications and considerations for clients. It offers clear messages that we hope will inform decision-makers as they make decisions against a rapidly evolving backdrop. We also hope the ideas will spark debate and unlock new areas of investigation.



### Retail Property Market Outlook 2023

The 2023 Retail market outlook discusses predictions for the Retail market, providing in-depth commentary on retail sub-sectors and occupier activity amidst economic distress.

## Contributors



### William Matthews

Partner  
Head of Commercial Research  
+44 20 3909 6842  
william.matthews@knightfrank.com



### Victoria Ormond, CFA

Partner  
Head of Capital Markets Research  
+44 20 7861 5009  
victoria.ormond@knightfrank.com



### Antonia Haralambous

Associate  
Capital Markets Research  
+44 20 3866 8033  
antonia.haralambous@knightfrank.com



### Khadija Hussain

Analyst  
Capital Markets Research  
+44 20 8176 9671  
khadija.hussain@knightfrank.com

**Knight Frank Research Reports are available at**  
[knightfrank.com/research](https://knightfrank.com/research)



Knight Frank Research provides strategic advice, consultancy services and forecasting to a wide range of clients worldwide including developers, investors, funding organisations, corporate institutions and the public sector. All our clients recognise the need for expert independent advice customised to their specific needs. Important Notice: © Knight Frank LLP 2021 This report is published for general information only and not to be relied upon in any way. Although high standards have been used in the preparation of the information, analysis, views and projections presented in this report, no responsibility or liability whatsoever can be accepted by Knight Frank LLP for any loss or damage resultant from any use of, reliance on or reference to the contents of this document. As a general report, this material does not necessarily represent the view of Knight Frank LLP in relation to particular properties or projects. Reproduction of this report in whole or in part is not allowed without prior written approval of Knight Frank LLP to the form and content within which it appears. Knight Frank LLP is a limited liability partnership registered in England with registered number OC305934. Our registered office is 55 Baker Street, London, W1U 8AN, where you may look at a list of members' names.