

Leading Indicators

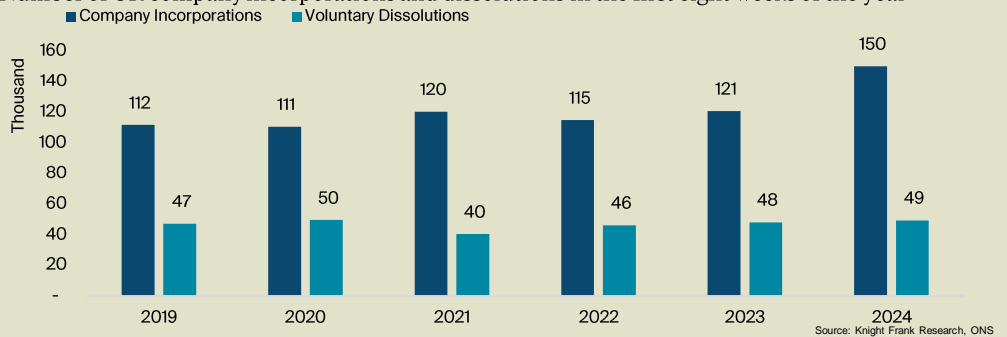
Driving resilience: UK business and currency momentum

+24%

The number of UK company incorporations has reached 150k in the first eight weeks of 2024, up +24% on the same period last year. This is the highest number of incorporations in the first eight weeks of the year since 2019 when records began.

UK company incorporations hit 150k in the first two months of the year, the strongest level since 2019

Number of UK company incorporations and dissolutions in the first eight weeks of the year

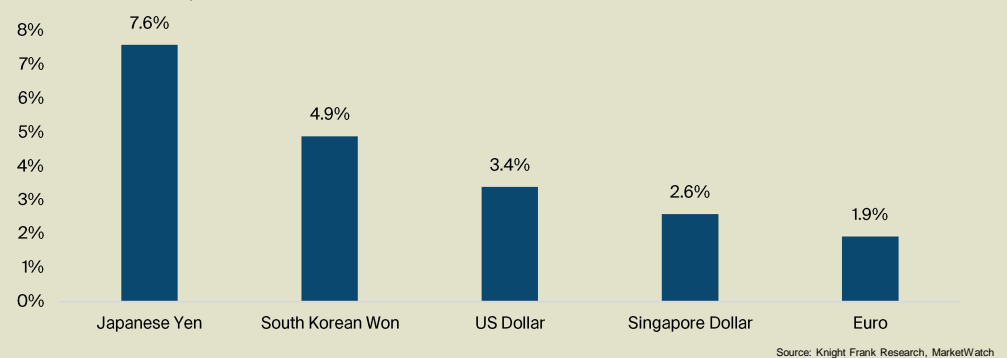


7.6%

Over the past six months, sterling has appreciated against multiple leading international currencies, including the Japanese yen (+7.6%) and the US dollar (+3.4%). Sterling is currently at \$1.25 against the dollar.

Sterling continues to strengthen against leading overseas currencies

Six-month currency return vs GBP, %

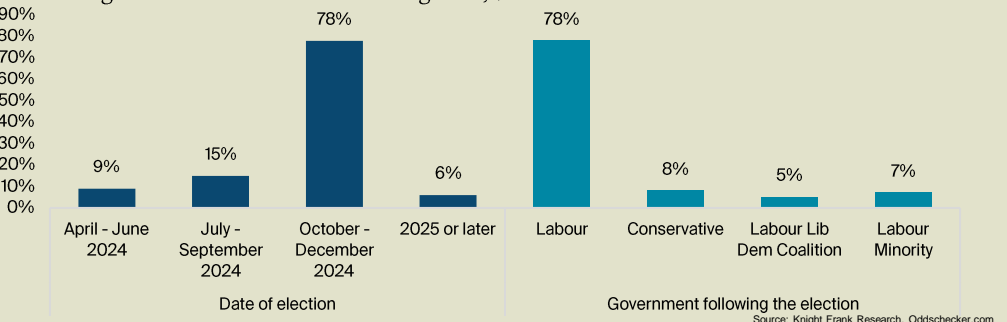


78%

Betting odds suggest a 78% probability of the next UK general election occurring between October and December 2024. There is a 15% probability of the election occurring between July and September, up from 5% last month. The latest odds also suggest a 78% probability of a Labour government post-election.

As the country goes to the polls for local elections on Thursday, latest odds suggest a 78% chance of a general election between October & December this year

Latest UK general election outcome betting odds, %

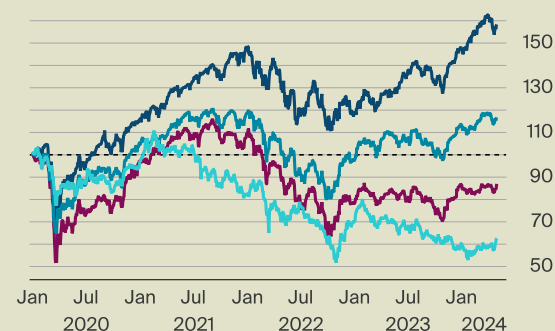


Equities

Equity markets

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

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



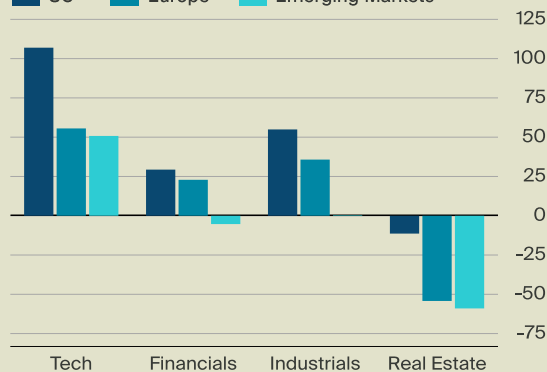
Source: Knight Frank, Macrobond

Index	Last	Percentage change since			
		1 day	1 week	1 month	Jan '20
Original value and base					
DAX 30	7,601	0.8	2.2	-3.5	14.8
FTSE 250	25,213	3.0	4.6	0.4	-13.0
Hang Seng	2,267	2.7	9.5	7.3	-37.3
IBEX 35	11,899	1.2	4.0	-0.5	11.0
MIB	36,763	1.1	1.6	-2.0	39.6
S&P 500	5,116	1.3	3.0	-2.6	58.4
STOXX 600	545	1.3	2.3	-1.6	16.8
TOPIX	18	2.5	1.8	-3.6	10.9

Equity regional sectors

Price return index percentage change since Jan 2020

■ US ■ Europe ■ Emerging Markets



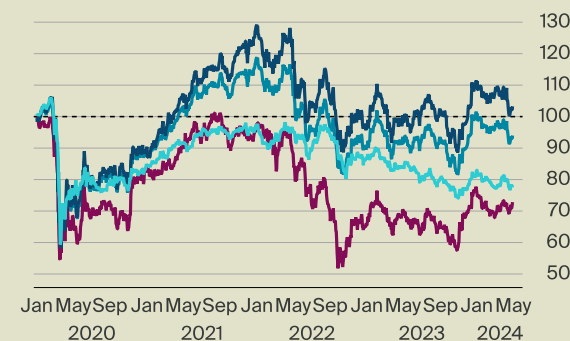
Source: Knight Frank, Macrobond

	Percentage change since Jan 2020		
	US	Europe	World
Tech	107.0%	55.6%	50.8%
Financials	29.3%	22.9%	-5.3%
Industrials	54.9%	35.7%	0.3%
Real Estate	-11.4%	-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

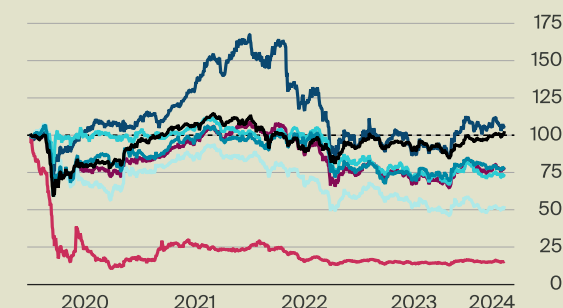
Index, total return	Last	Percentage change since			
		1 day	1 week	1 month	Jan '20
Original value and base					
US	2,468	1.1	2.4	-5.6	3.3
Europe	2,076	2.7	3.6	-0.7	-27.2
World	3,020	1.0	2.4	-5.1	-6.0
Asia Pacific	3,067	0.1	2.0	-3.9	-21.9

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

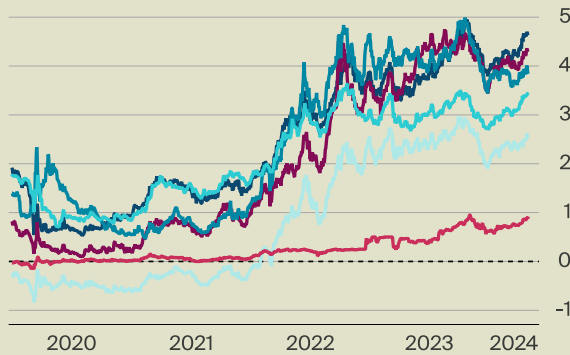
Index, total return	Last	Percentage change since			
		1 day	1 week	1 month	Jan '20
Original value and base					
All REITs	803	2.0	2.3	-2.4	-21.5
Office	1,555	3.9	4.0	-0.5	-47.5
Industrial	1,322	1.8	1.7	-4.6	6.6
Retail	56	2.2	2.8	-4.8	-84.6
Healthcare	1,675	2.0	1.3	-2.1	-26.1
Residential	1,202	1.8	1.9	-1.1	-21.3
FTSE 250	17,496	2.5	3.7	1.5	2.7

Bonds & Rates

Government bond yields

10 year government bond yields, %

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



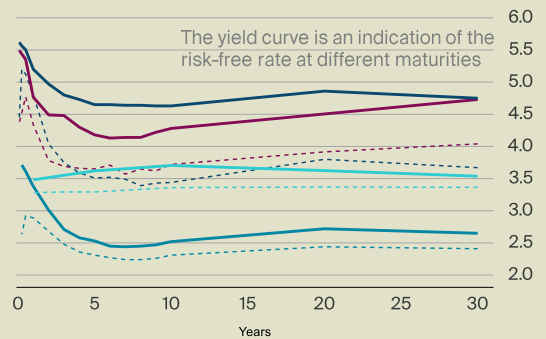
Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20
Italy	3.84	3.84	3.83	3.70	1.40
Japan	0.92	0.89	0.88	0.73	-0.03
Singapore	3.45	3.44	3.39	3.11	1.74
UK	4.29	4.29	4.24	3.93	0.82
US	4.63	4.63	4.61	4.20	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

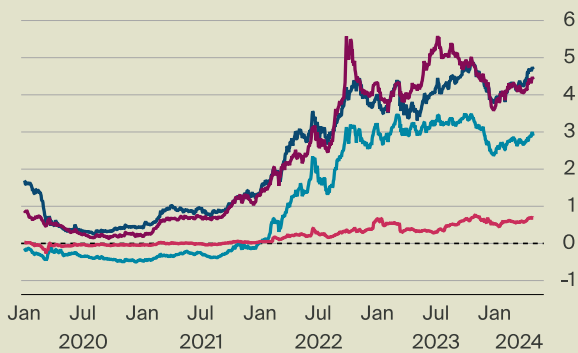


Source: Knight Frank, Macrobond

Interest rate swaps

5 year swap rates, %

— US — UK — Eurozone — Japan



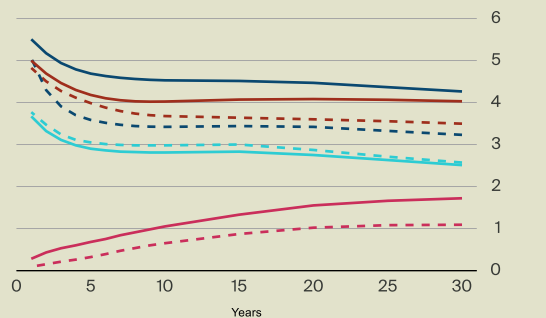
Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20
Eurozone	2.90	2.94	2.88	2.67	-0.13
Japan	0.68	0.68	0.68	0.57	0.03
Singapore	3.66	n/a	n/a	n/a	1.50
UK	4.42	4.45	4.31	4.06	0.88
US	4.69	4.72	4.66	4.25	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



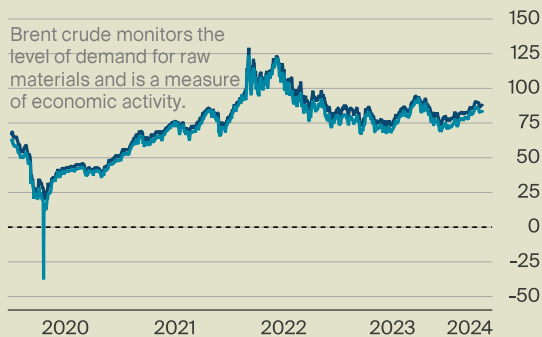
Source: Knight Frank, Macrobond

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	87.3	88.1	86.4	86.8	66.0
WTI, \$ per barrel	82.6	83.9	82.9	83.2	61.1

Baltic dry index

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

— Baltic dry index



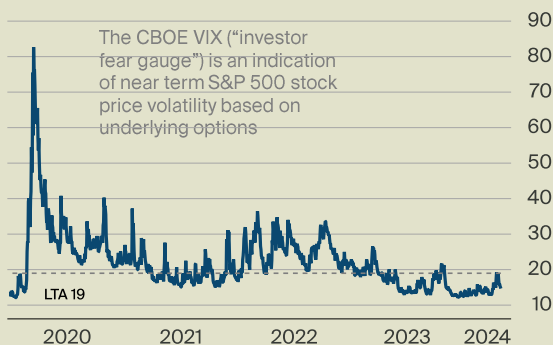
Source: Knight Frank, Macrobond

	Last	Percentage change since			
		1 day	1 week	1 month	Jan '20
Baltic Dry	1684	-3.38	-10.5	-7.52	54.5

Volatility index

Near term stock price volatility indicator

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



Source: Knight Frank, Macrobond

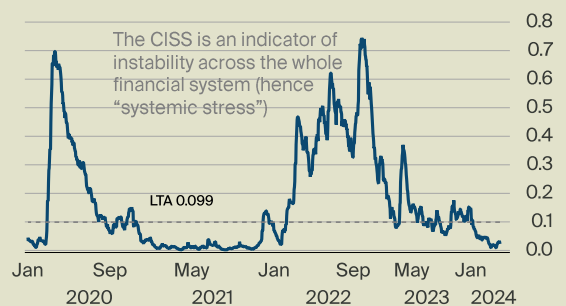
	Last	1 day	1 week	1 month	Jan '20
CBOE VIX	14.7	14.7	15.7	13.0	13.8
Euro Stoxx 50 VIX	15.1	15.1	15.8	13.4	14.0
Nikkei VIX	20.5	20.8	20.7	18.6	14.8
KOSPI VIX	18.1	18.1	18.9	16.8	14.7

Systemic stress

Measures FX, money, sovereign and bond yield volatility

— New ECB Composite Indicator of Systemic Stress (CISS)

--- Long term average



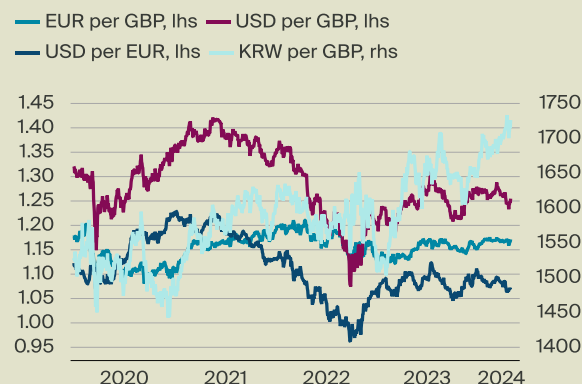
Source: Knight Frank, Macrobond

	Last	1 week	1 month	Jan '20
Systemic stress composite	0.065	0.064	0.057	0.023
Equity markets stress sub index	0.027	0.030	0.031	0.009
Bond markets stress sub index	0.043	0.047	0.039	0.02
FX markets stress sub index	0.012	0.018	0.010	0.004

Currencies & Monetary Policy

Currencies

Spot prices

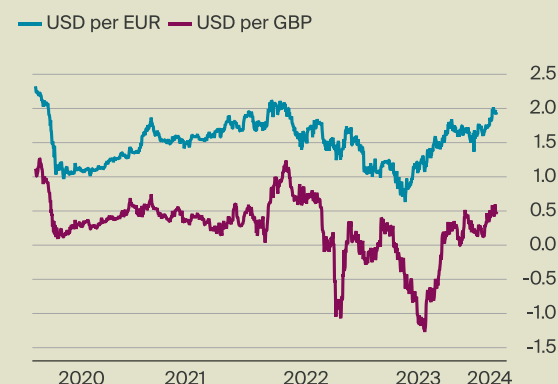


Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20
EUR per GBP	1.171	1.167	1.158	1.169	1.177
KOR per GBP	1,726	1,715	1,700	1,704	1,525
USD per GBP	1.255	1.246	1.233	1.263	1.321
USD per EUR	1.069	1.069	1.066	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	1.95	1.96	1.98	1.75	2.32
USD to GBP	0.46	0.47	0.60	0.37	1.12

Inflation and monetary policy

Inflation rate (%)

	Apr	Mar	Feb	Jan
Australia ¹	n/a	3.6	3.6	3.6
Canada	n/a	2.9	2.8	2.9
China	n/a	0.0	0.7	-0.8
Euro Area	2.4	2.4	2.6	2.8
France	2.2	2.3	3.0	3.1
Germany	2.2	2.2	2.5	2.9
India	n/a	4.9	5.1	5.1
Italy	0.9	1.2	0.8	0.8
Japan	n/a	2.7	2.8	2.2
Saudi Arabia	n/a	1.6	1.8	1.6
South Korea	n/a	3.1	3.1	2.8
Spain	n/a	3.2	2.8	3.4
Sweden	n/a	4.1	4.5	5.4
UK	n/a	3.2	3.4	4.0
US	n/a	3.5	3.2	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 (%)
	0.322 tn	-6.3
	226 bn	-2.1
	6.08 tn	-1.5
	702 tn	-3.2
	1.66 tn	-3.7
	2.66 tn	-0.6
	430 bn	8.3
	1.26 tn	-6.1
	4.9 tn	-1.8
	474 bn	-2.2
	387 bn	0.5
	487 bn	-1.8
	116 bn	1.9
	1.37 tn	-0.5
	7.4 tn	-1.3

Source: Knight Frank, Macrobond



The London series – The key drivers of London's occupational market

As the noise from the great global workplace experiment gives way to stronger signals, occupier requirements are changing not evaporating. We have identified three key aspects of the occupier mindset that are combining with three dominant deal drivers to shape occupier activity in London.

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Future Gazing – Logistics for modern living

Our 2024 Future Gazing report explores the lifestyle, demographic and consumer trends that shape our relationship with industrial and logistics property. Our research anticipates that an additional 111.6m sq ft of industrial and logistics space is required to support the growth of retail, manufacturing and service sectors over the next five years.

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Recent research



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Record company incorporations, highest ever quarterly life sciences real estate investment and UK Government proposes road to “science superpower”.



UK Real Estate Navigator – Q4 23

The latest Real Estate Navigator analyses the Q4 2023 occupier and investment performance of the UK commercial real estate sectors.

We like questions, if you've got one about our research, or would like some property advice, we would like to hear from you



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