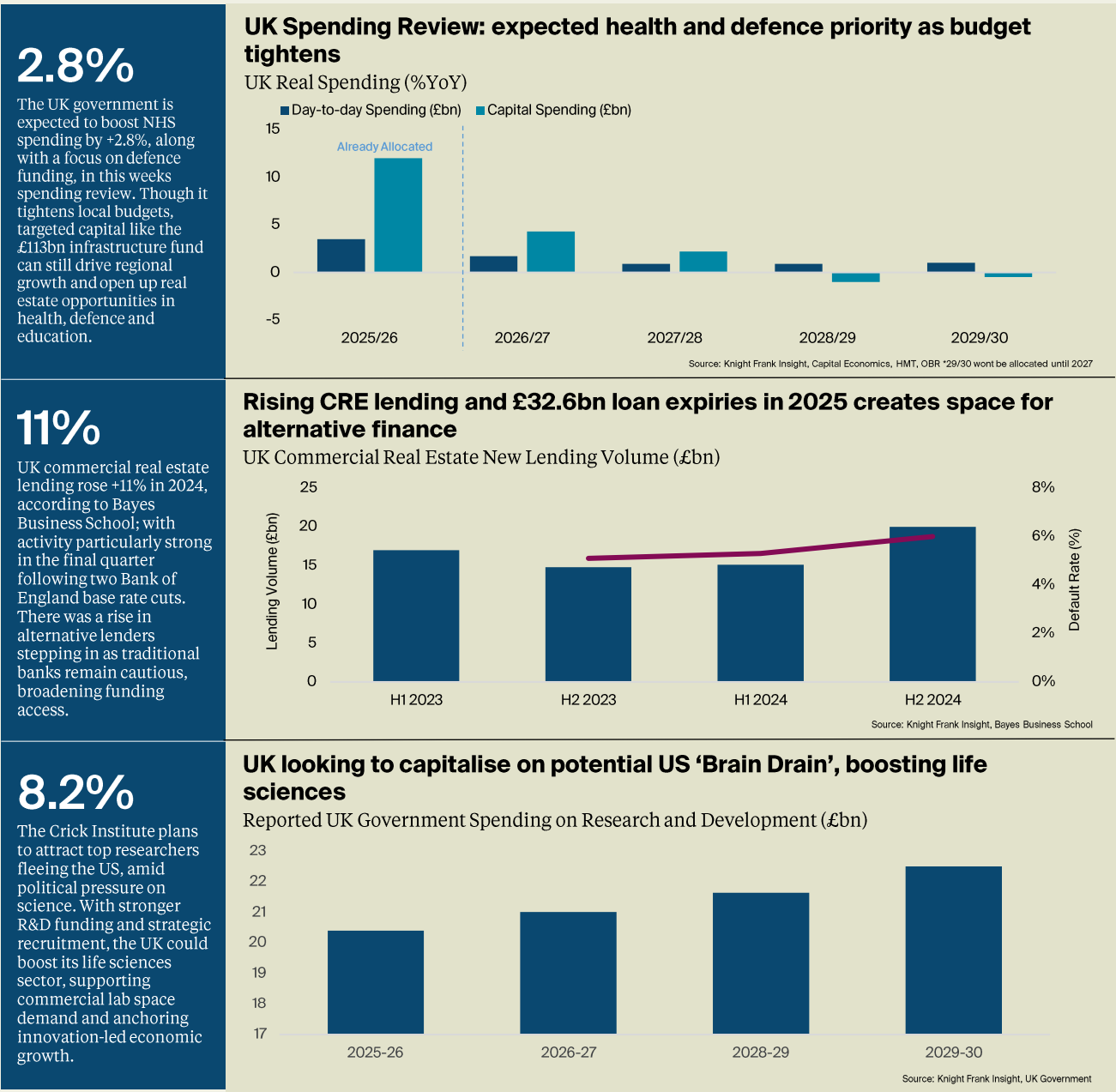


Leading Indicators

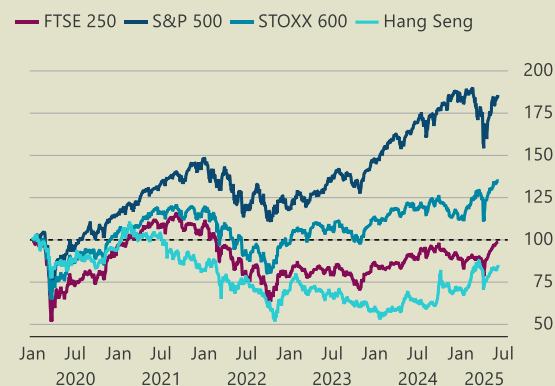
Defence, Discovery and the Future: key trends ahead of the UK Spending Review



Equities

Equity markets

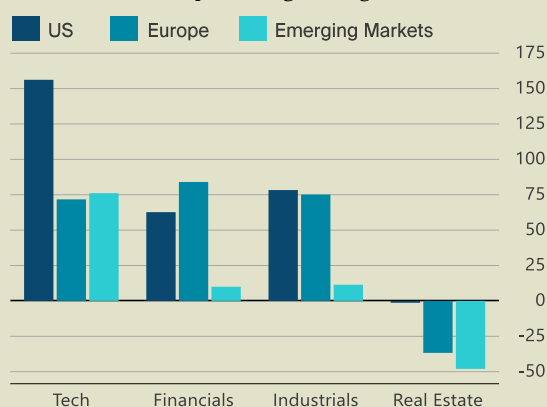
Price return index, Jan 2020 = 100, US\$



Index	Last	Percentage change since				
Original value and base	1 day	1 week	1 month	Jan '20	YTD	%
DAX 30	10,369	-0.2	1.8	3.1	56.7	30.62
FTSE 250	28,614	-0.2	1.1	6.1	-1.3	10.57
Hang Seng	3,082	1.1	3.8	5.2	-14.8	19.26
IBEX 35	16,224	0.7	1.2	5.9	51.4	34.46
MIB	46,233	1.0	1.8	6.0	75.6	30.30
S&P 500	6,000	0.5	1.5	6.2	85.7	2.02
STOXX 600	630	0.1	1.3	3.5	35.1	19.35
TOPIX	19	0.1	-1.0	3.3	21.7	8.42

Equity regional sectors

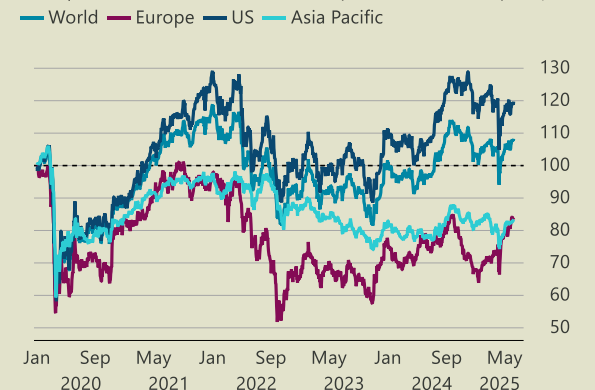
Price return index percentage change since Jan 2020



	Percentage change since Jan 2020		
	US	Europe	World
Tech	156.2%	71.7%	76.1%
Financials	62.7%	84.0%	10.0%
Industrials	78.3%	75.1%	11.4%
Real Estate	-1.3%	-54.2%	-59.0%

REITs by region

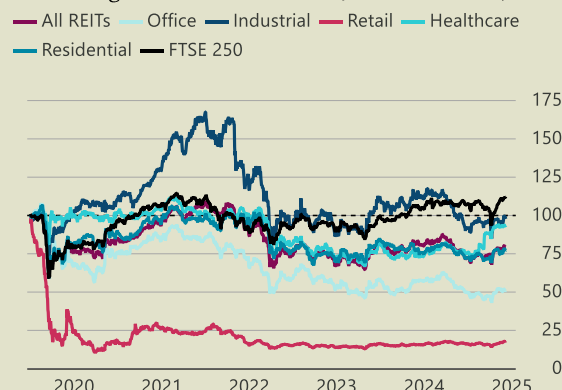
EPRA/NAREIT total return index, Jan 2020 = 100, US\$



Index, total return	Last	Percentage change since				
Original value and base	1 day	1 week	1 month	Jan '20	YTD	%
US	2,862	0.6	0.5	1.2	19.7	0.826
Europe	2,376	-0.3	-1.1	3.4	-16.7	21.998
World	3,478	0.5	0.6	1.7	8.3	4.806
Asia Pacific	3,275	0.7	1.2	1.7	-16.6	2.869

UK REITs by sector

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

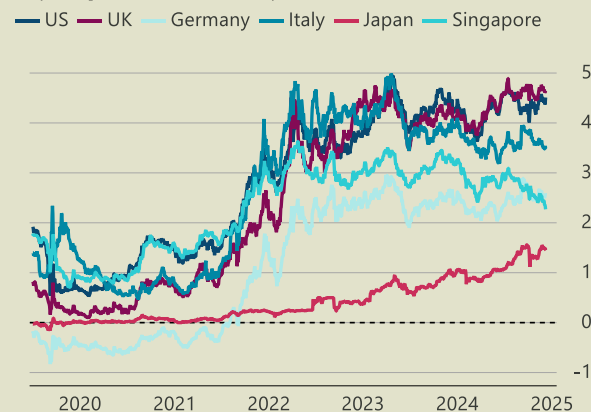


Index, total return	Last	Percentage change since				
Original value and base	1 day	1 week	1 month	Jan '20	YTD	%
All REITs	812	-0.3	-1.2	0.6	-20.7	9.3
Office	1,507	-0.3	-2.3	-2.2	-49.2	3.1
Industrial	1,212	-1.6	-2.2	-0.1	-2.2	5.6
Retail	66	3.8	2.7	11.2	-81.8	12.7
Healthcare	2,122	0.4	-0.6	0.3	-6.4	22.9
Residential	1,181	-0.5	-0.7	-1.0	-22.6	6.9
FTSE 250	19,139	0.3	0.9	5.0	12.3	4.3

Bonds & Rates

Government bond yields

10 year government bond yields, %

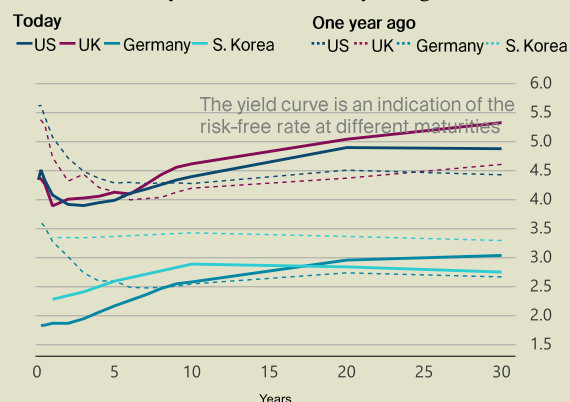


Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20
Italy	3.49	3.49	3.49	3.60	1.40
Japan	1.45	1.46	1.49	1.33	-0.03
Singapore	2.27	2.27	2.43	2.43	1.74
UK	4.64	4.64	4.67	4.57	0.82
US	4.51	4.51	4.46	4.37	1.92

Yield curves

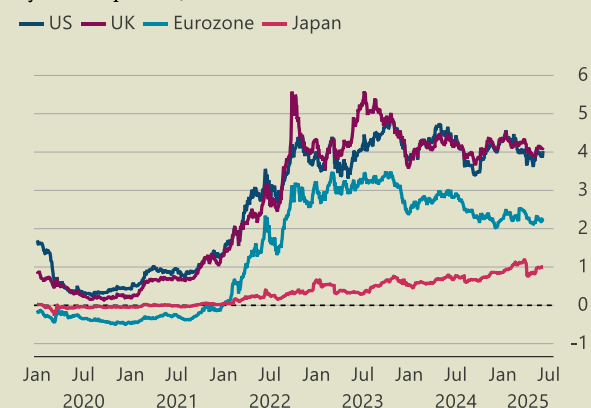
Latest nominal yield curves vs one year ago, %



Source: Knight Frank, Macrobond

Interest rate swaps

5 year swap rates, %

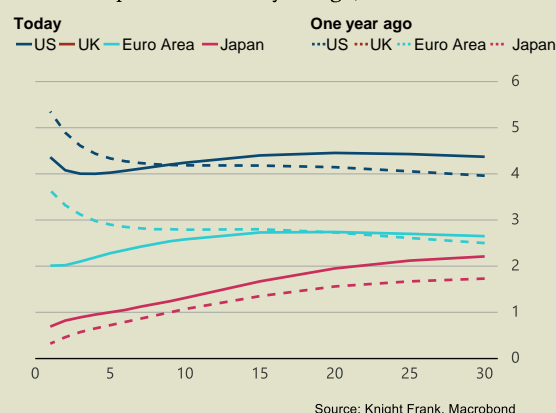


Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20
Eurozone	2.28	2.27	2.18	2.17	-0.13
Japan	1.00	1.00	1.00	0.82	0.03
Singapore	3.66	n/a	n/a	n/a	1.50
UK	4.11	4.08	4.10	3.90	0.88
US	4.03	3.90	3.87	3.78	1.70

Swap curves

Latest swap curves vs one year ago, %



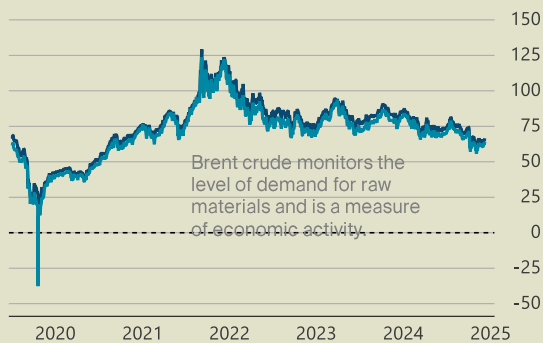
Source: Knight Frank, Macrobond

Commodities & Volatility

Energy

Oil spot prices, \$ per barrel

— Brent Crude — West Texas Intermediate (WTI)



Source: Knight Frank, Macrobond

Baltic dry index

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

— Baltic dry index



Source: Knight Frank, Macrobond

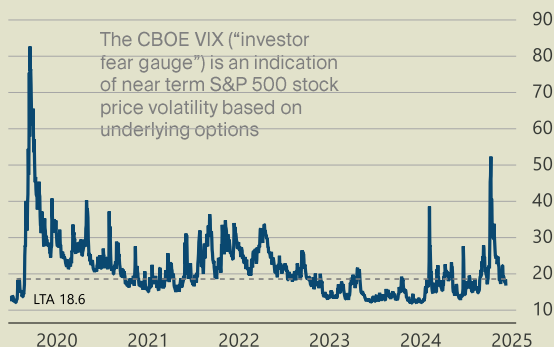
	Last	1 day	1 week	1 month	Jan '20	YTD %
Brent, \$ per barrel	66.6	66.6	65.1	63.9	66.0	-11.0
WTI, \$ per barrel	64.1	64.1	62.5	60.7	61.1	-10.4

	Last	Percentage change since				
		1 day	1 week	1 month	Jan '20	YTD %
Baltic Dry	1691	4	18.9	30.2	55.1	69.6

Volatility index

Near term stock price volatility indicator

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



Source: Knight Frank, Macrobond

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

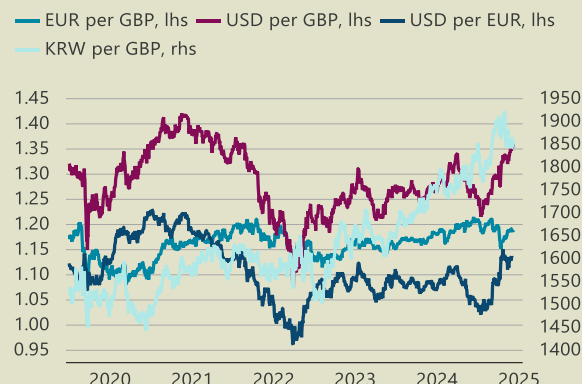
	Last	1 day	1 week	1 month	Jan '20	YTD
CBOE VIX	16.8	16.8	18.4	21.9	13.8	-3.34
Euro Stoxx 50 VIX	17.4	17.4	20.0	20.5	14.0	2.47
Nikkei VIX	22.8	23.6	25.1	24.6	14.8	4.54
KOSPI VIX	24.8	22.5	22.7	19.5	14.7	17.50

	Last	1 week	1 month	Jan '20
Systemic stress composite	0.094	0.117	0.073	0.023
Equity markets stress sub index	0.078	0.095	0.064	0.009
Bond markets stress sub index	0.032	0.033	0.014	0.02
FX markets stress sub index	0.024	0.039	0.021	0.004

Currencies & Monetary Policy

Currencies

Spot prices

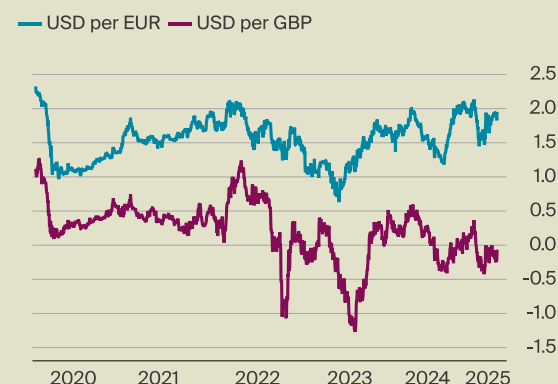


Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20
EUR per GBP	1.188	1.186	1.188	1.179	1.177
KOR per GBP	1.841	1,841	1,861	1,844	1,525
USD per GBP	1.353	1.359	1.348	1.337	1.321
USD per EUR	1.135	n/a	1.135	1.135	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	1.83	1.89	1.78	2.32
USD to GBP	-0.07	-0.19	-0.25	-0.11	1.12

Inflation and monetary policy

Inflation rate (%)

	May	Apr	Mar	Feb
1				
Australia	n/a	n/a	2.4	2.4
Canada	n/a	1.7	2.3	2.6
China	-0.2	-0.1	-0.1	-0.7
Euro Area	1.9	2.2	2.2	2.3
France	0.7	0.8	0.8	0.8
Germany	2.2	2.1	2.1	2.3
India	n/a	3.2	3.3	3.6
Italy	1.7	1.9	1.9	1.6
Japan	n/a	3.6	3.6	3.7
Saudi Arabia	n/a	2.3	2.3	2.0
South Korea	1.9	2.1	2.1	2.0
Spain	1.9	2.2	2.1	2.9
Sweden	n/a	0.3	0.5	1.3
UK	n/a	3.5	2.6	2.8
US	n/a	2.3	2.4	2.8

Interest rates (%)

	Last	Jan '24
	3.85	4.35
	2.75	5.00
	4.35	4.35
	2.15	4.50
	2.15	4.50
	2.15	4.50
	5.50	6.50
	2.15	4.50
	0.50	-0.10
	5.00	6.00
	2.50	3.50
	2.15	4.50
	2.25	4.00
	4.25	5.25
	4.50	5.50

Asset purchasing

	Latest (\$)	1m change (%)
	0.26 tn	-2.4
	181 bn	0.3
	6.25 tn	-0.1
	7.12 tn	-0.7
	1.73 tn	0.2
	2.66 tn	-0.6
	445 bn	0.0
	1.25 tn	-0.5
	5.09 tn	0.3
	512 bn	-1.6
	404 bn	4.1
	487 bn	-1.8
	107 bn	-6.1
	1.18 tn	-1.2
	6.67 tn	-0.6

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



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