

Leading Indicators

SUMMARY	EQUITIES	BONDS & RATES	CURRENCIES & MONETARY POLICY	COMMODITIES	TRADE
REITs	VOLATILITY & MOBILITY	COVID-19	CONTAINMENT MEASURES	ESG	MACRO
				RESEARCH	

NEED TO KNOW

17 May 2022

LOOKING AHEAD

+0.8%

UK Q-Q
GDP growth,
Q1 2022

Is a recession looming? Following 0.1% contraction in GDP over February, the UK economy grew by 0.8% over Q1 2022, slowing from 1.3% GDP growth in Q4 and missing expectations of 1.0% growth. The Bank of England has warned that the UK economy could fall into a recession this year, but the UK is not alone. Currently, US and European stock markets are pricing in a 70% chance that the US economy could slip into a recession in the near term. Moderating economic prospects have resulted in \$10 trillion of outflows from US equity markets this year with the S&P 500 down 16% YTD and experiencing its worst weekly losing streak since June 2011. While equity investors are preparing for the worst, current economic data points are less gloomy. Indeed, both UK and US manufacturing and services PMIs are firmly in expansionary territory.

3.7%

UK unemployment
rate,
Q1 2022

UK unemployment declines to lowest level in c.50 years. While UK economic growth may be more tempered in the short to medium term, the labour market is experiencing record levels of tightness. The UK unemployment rate declined by 0.3% to 3.7% in Q1 2022, its lowest level since 1974 and below market expectations of 3.8%. For the first time in history, there are fewer unemployed people than job vacancies, with the number of job vacancies in February to April increasing to a record 1.3 million. In our [latest M25 report](#), we note that the acute shortages of skilled labour may put employees in a position of power, which could potentially mean that hybrid working solutions become more desirable. We could also see occupiers seeking office space that is underpinned by flexible lease structures, which permits flexible configuration for occupiers to "rightsize" in sync with the business cycle.

5m sq ft

Forecast development
of life sciences product
over the next five years

Innovation a source of growth in uncertain times. While economic messages are currently in conflict, our research is clear that innovation-led locations outperform during times of uncertainty – a factor which bodes well for the [UK's South East office markets](#) over the year ahead. Between 2002 and 2021, there were c.900 office occupier leasing transactions or c.15 million sq ft of office take-up derived from the TMT sector in the South East. Meanwhile, life science companies accounted for 18% of total take-up across the region in 2021. Demand for life sciences shows no signs of slowing, with expansion in the sector fuelled by considerations such as an ageing population, NHS reforms and tech/science advancements. To keep up with this growing demand, we expect Oxford and Cambridge to record c.5 million sq ft of development over next five years.

Inflation

This week, annual inflation figures for the Eurozone, Italy, UK, Canada, Japan and South Africa will be published for April. In March, UK inflation topped 7.0%, its highest level since 1992, up from 6.2% in February. The Bank of England (BoE) forecast inflation to peak at 10.2% in Q4 2022. It was previously forecast to peak at c.8.0% in Q2 2022. Inflation is expected to pare back to 6.6% in Q2 2023 before closing in on the 2.0% target (2.1%) by Q2 2024.

Car Registrations

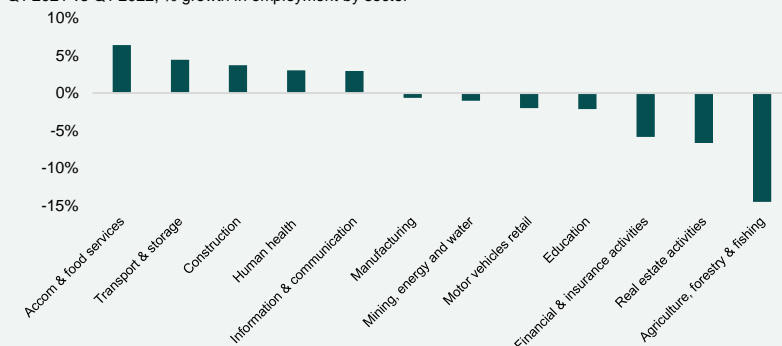
Car registration data for France, Germany, Italy, and the UK will be released this week. Year to date, there have been c.540k new car registrations in the UK, with Mild Hybrid Electric Vehicles (MHEVs), Battery Electric Vehicles (BEVs) and Hybrid Electric Vehicles (HEVs) all recording growth in registrations over the year, while Diesel and Petrol registrations have contracted 51% and 17%, respectively. The Society of Motor Manufacturers and Traders (SMMT) has revised its market outlook for 2022, with 1.72 million new car registrations expected this year, down from the 1.89 million outlook in January. While this still represents a 4.5% rise on 2021, it highlights the effects that supply chain disruptions and semiconductor shortages are still having on supply.

Davos Forum

The World Economic Forum will host its annual event, where 2,000 world leaders and experts will meet in Davos on Sunday. The theme for Davos 2022 is 'working together, restoring trust'. Topics on the agenda include; the pandemic recovery, tackling climate change, building a better future for work and accelerating stakeholder capitalism. The event aims to provide a global platform for connection and to foster a new generation of ideas and innovation to tackle the world's challenges.

Accommodation, construction, health and information sectors record robust employment growth in Q1 2022.

Q1 2021 vs Q1 2022, % growth in employment by sector



Leading Indicators

SUMMARY	EQUITIES	BONDS & RATES	CURRENCIES & MONETARY POLICY	COMMODITIES	TRADE
REITs	VOLATILITY & MOBILITY	COVID-19	CONTAINMENT MEASURES	ESG	MACRO
					RESEARCH

Equity markets

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

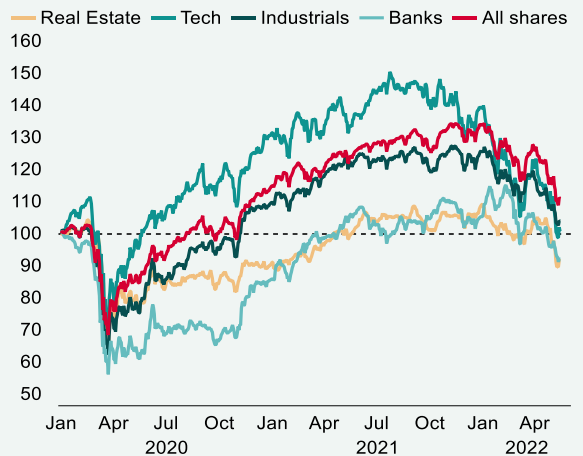


Index	Last	Percentage change since			
		1 day	1 week	1 month	Jan 2020
Original value and base					
DAX 30	5,964	1.2	-0.3	-7.0	-9.9
FTSE 250	24,408	2.5	-0.3	-11.4	-15.8
Hang Seng	2,541	2.9	-0.3	-7.4	-29.8
IBEX 35	8,690	1.8	-1.3	-7.3	-18.9
MIB	25,001	1.9	0.6	-6.7	-5.0
S&P 500	4,008	2.0	-2.8	-8.8	24.1
STOXX 600	451	2.1	-0.8	-9.0	-3.3
TOPIX	14	1.1	-1.7	-4.8	-8.6

Source: Knight Frank, Macrobond

Equity sectors

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

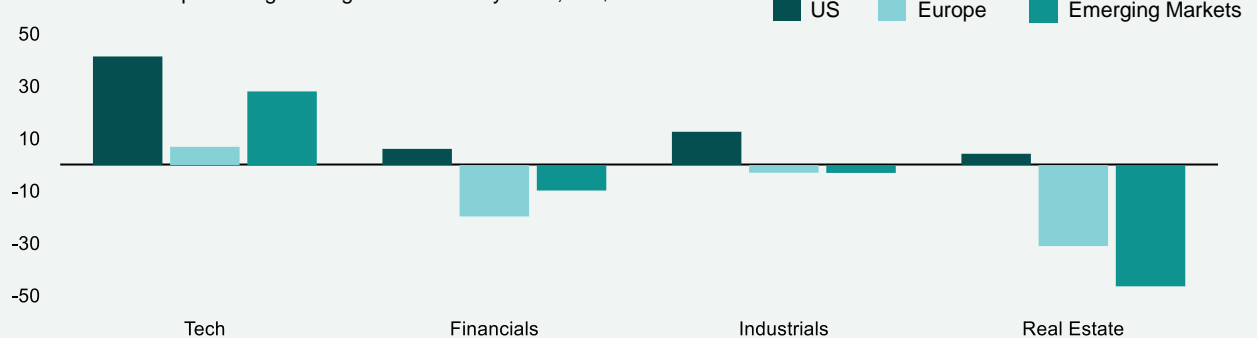


Index	Last	Percentage change since			
		1 day	1 week	1 month	Jan 2020
Original value and base					
All shares	2,928	2.0	-2.4	-9.1	10.9
Banks	103	0.9	-3.6	-8.1	-8.1
Consumer goods	297	2.2	-4.1	-14.5	6.1
Hotels & Leisure	326	2.1	-4.2	-11.5	-12.5
Household durables	126	0.0	0.0	-9.0	6.8
Industrials	274	1.3	-2.4	-7.8	3.8
Real Estate	1,036	2.2	-3.3	-11.2	-8.5
Tech	238	2.0	-3.9	-12.3	0.7

Source: Knight Frank, Macrobond

Equity regional sectors

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



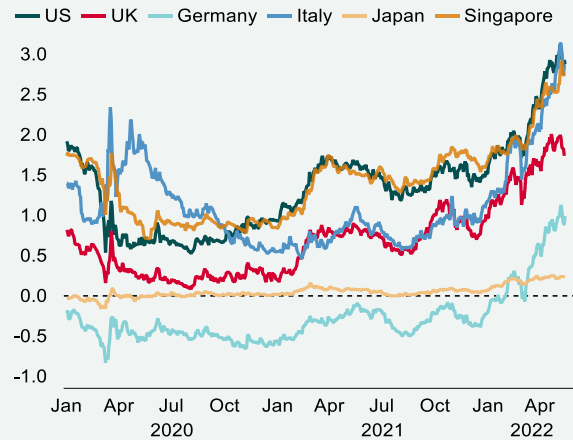
Source: Knight Frank, Macrobond

Leading Indicators

SUMMARY	EQUITIES	BONDS & RATES	CURRENCIES & MONETARY POLICY	COMMODITIES	TRADE
REITs	VOLATILITY & MOBILITY	COVID-19	CONTAINMENT MEASURES	ESG	MACRO
					RESEARCH

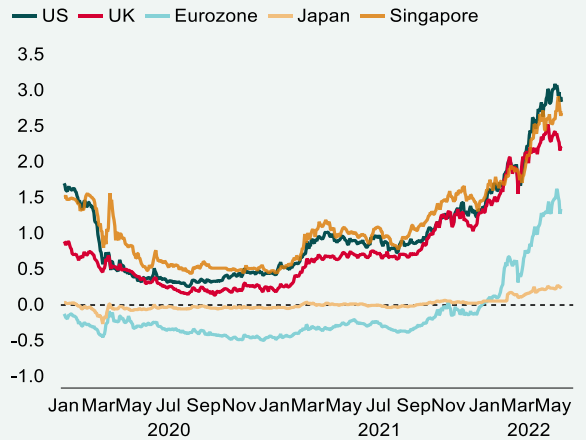
Government bond yields

10 year government bond yields, %



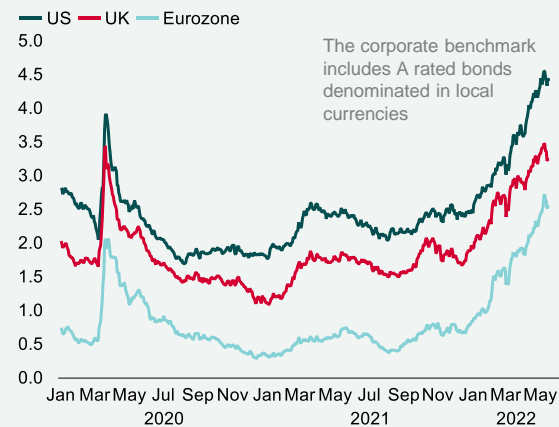
Interest rate swaps

5 year swap rates, %



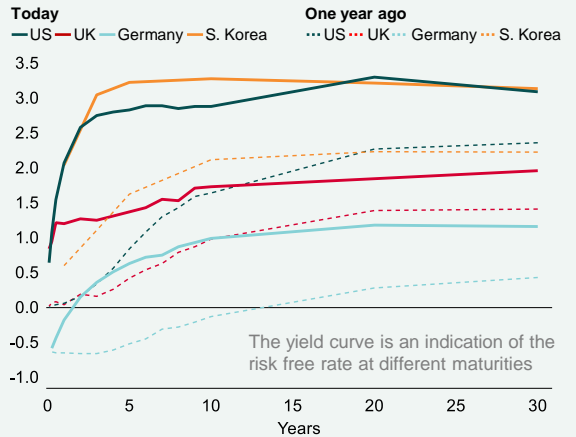
Corporate bond yields

10 year corporate benchmark yields, %



Yield curves

Latest nominal yield curves vs one year ago, %



	Last	1 day	1 week	1 month	Jan '20
10y Gov bond yields, %					
Germany	0.99	0.89	1.13	0.79	-0.21
Italy	2.84	2.85	3.14	2.46	1.40
Japan	0.24	0.24	0.24	0.23	-0.03
Singapore	2.77	2.77	2.92	2.50	1.74
UK	1.74	1.74	1.96	1.89	0.82
US	2.88	2.93	3.05	2.83	1.92
10y Corp bond yields, %					
Eurozone	2.53	2.54	2.72	2.14	0.74
UK	3.23	3.24	3.46	3.14	2.03
US	4.40	4.44	4.55	4.09	2.82

Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20
5y Swap rates, %					
Eurozone	1.31	1.31	1.50	1.28	-0.13
Japan	0.23	0.23	0.26	0.21	0.03
Singapore	2.69	2.69	2.91	2.44	1.50
UK	2.22	2.22	2.30	2.38	0.88
US	2.84	2.84	2.92	2.79	1.70

Source: Knight Frank, Macrobond

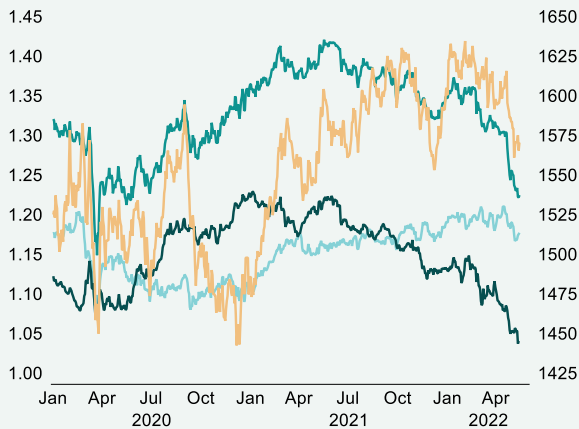
Leading Indicators

SUMMARY	EQUITIES	BONDS & RATES	CURRENCIES & MONETARY POLICY	COMMODITIES	TRADE
REITs	VOLATILITY & MOBILITY	COVID-19	CONTAINMENT MEASURES	ESG	MACRO
					RESEARCH

Currencies

Spot prices

EUR per GBP, lhs USD per GBP, lhs USD per EUR, lhs KRW per GBP, rhs

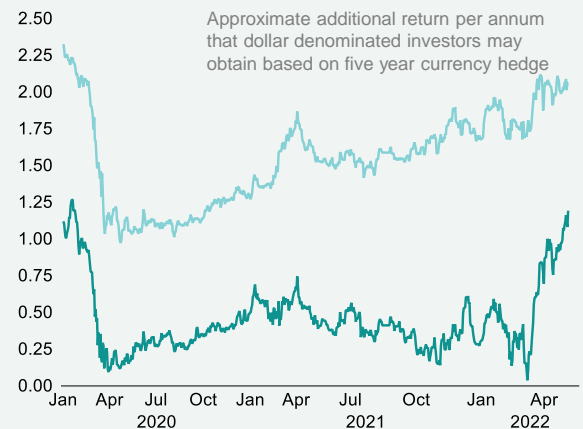


	Last	1 day	1 week	1 month	Jan '20
EUR per GBP	1.178	1.176	1.169	1.211	1.177
KOR per GBP	1,571	1,566	1,571	1,605	1,525
USD per GBP	1.225	1.222	1.231	1.305	1.321
USD per EUR	1.041	1.041	1.056	1.081	1.123

Hedging benefits

Hedging benefit p.a. on a 5 year forward

USD per EUR USD per GBP



	Last	1 day	1 week	1 month	Jan '20
USD to EUR	2.06	2.06	2.03	2.08	2.32
USD to GBP	1.19	1.08	1.07	1.00	1.12

Source: Knight Frank, Macrobond

Inflation and monetary policy

Inflation rate (%)

Interest rates (%)

Asset purchasing

	Apr	Mar	Feb	Jan	Last	Jan '21	Lastest (\$)	1m change (%)
Australia ¹	n/a	5.2	5.2	5.2	0.35	0.10	428 bn	-7.5
Canada	n/a	6.7	5.7	5.1	1.00	0.25	377 bn	-3.0
China	2.0	1.3	0.8	0.8	4.35	4.35	5.93 tn	-5.4
Euro Area	7.5	7.4	5.9	5.1	0.00	0.00	9.27 tn	-3.5
France	4.8	4.5	3.6	2.9	0.00	0.00	2.28 tn	-0.6
Germany	7.4	7.2	5.1	5.0	0.00	0.00	3.17 tn	-3.5
India	7.8	7.0	6.1	6.0	4.40	4.00	377 bn	-6.6
Italy	6.0	6.5	5.7	4.8	0.00	0.00	1.69 tn	-5.1
Japan	n/a	1.2	0.9	0.5	-0.10	-0.10	5.68 tn	-4.1
Saudi Arabia	2.3	2.0	1.6	1.2	1.00	1.00	502 bn	5.2
South Korea	4.8	4.1	3.7	3.6	1.50	0.50	489 bn	0.4
Spain	8.4	9.8	7.6	6.1	0.00	0.00	487 bn	-0.4
Sweden	6.4	6.0	4.3	3.7	0.25	0.00	158 bn	-3.9
UK	n/a	7.0	6.2	5.5	1.00	0.10	1.08 tn	-5.9
US	8.2	8.6	7.9	7.5	1.00	0.25	8.94 tn	-0.2

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

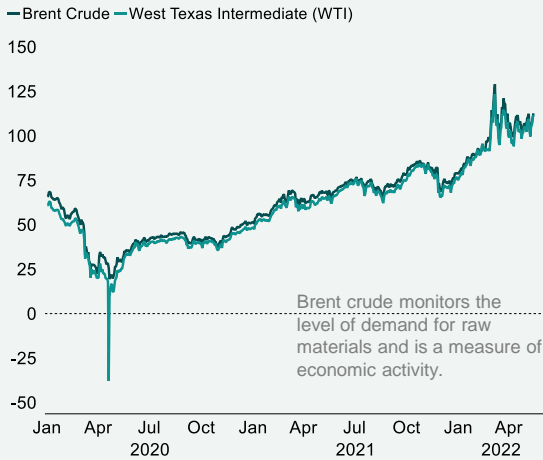
Source: Knight Frank, Macrobond

Leading Indicators

SUMMARY	EQUITIES	BONDS & RATES	CURRENCIES & MONETARY POLICY	COMMODITIES	TRADE
REITs	VOLATILITY & MOBILITY	COVID-19	CONTAINMENT MEASURES	ESG	MACRO
					RESEARCH

Energy

Oil spot prices, \$ per barrel



	Last	1 day	1 week	1 month	Jan '20
Brent, \$ per barrel	112.8	110.3	104.8	111.0	66.0
WTI, \$ per barrel	111.8	110	103	107	61.1

Precious Metals

Gold and Silver spot price, \$ per ounce



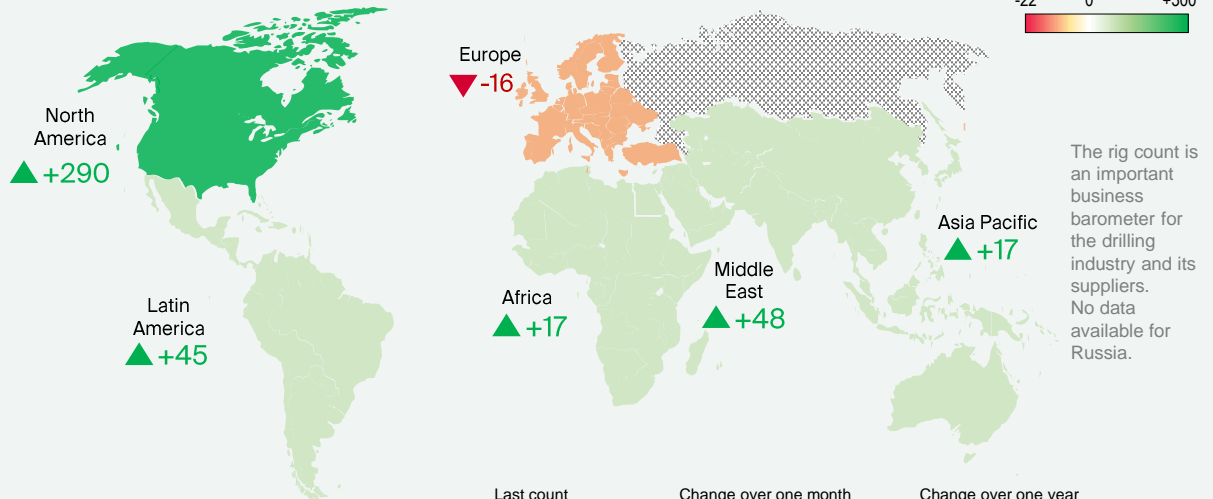
	Last	1 day	1 week	1 month	Jan'20
Gold, \$ per ounce	1,824	1,811	1,854	1,973	1,517
Silver, \$ per ounce	21.6	21.1	21.8	25.6	17.8

Source: Knight Frank, Macrobond

Petroleum industry rig count

Change in the total number of rigs over one year ago.

Rig count for US and Canada is updated weekly. All other regions are updated monthly.



The rig count is an important business barometer for the drilling industry and its suppliers. No data available for Russia.

	Last count	Change over one month	Change over one year
US	714	21	261
Canada	88	-15	29
Rest of the World	806	-9	111

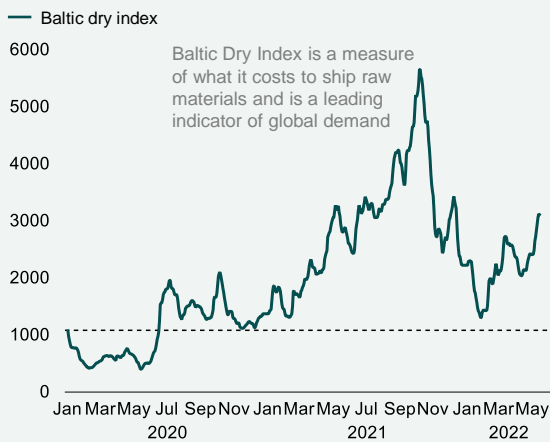
Source: Knight Frank, Macrobond

Leading Indicators

SUMMARY	EQUITIES	BONDS & RATES	CURRENCIES & MONETARY POLICY	COMMODITIES	TRADE
REITs	VOLATILITY & MOBILITY	COVID-19	CONTAINMENT MEASURES	ESG	MACRO
					RESEARCH

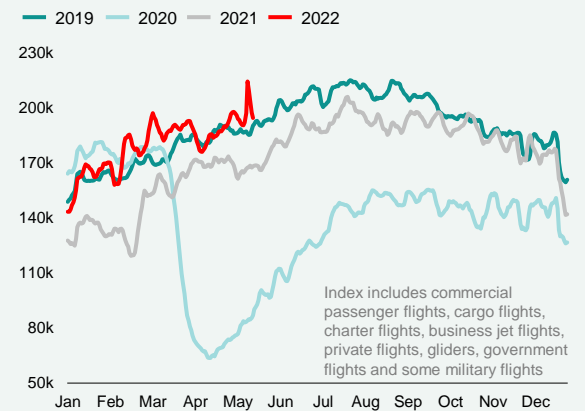
Baltic dry index

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



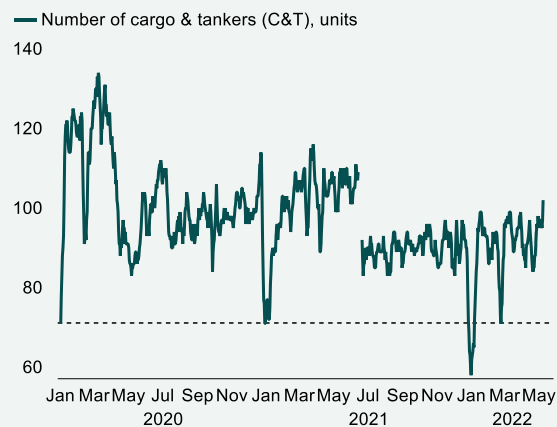
Flight numbers

World number of flights, 7 day moving average



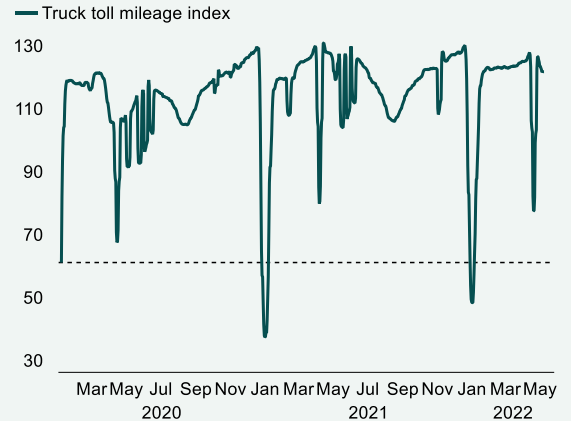
Shipping traffic

Cargo & tanker traffic in all UK ports, 7 day moving average



Truck toll mileage

German truck mileage Index, 7 day moving average



	Last	1 day	1 week	1 month	Jan '20
Baltic Dry Index, US\$	3,085	3,104	2,831	2,137	1,090
C&T traffic, units	102	n/a	n/a	92	71

Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20
German trucks mileage	55.0	138.0	54.6	168.7	7.5

Source: Knight Frank, Macrobond, FlightRadar24

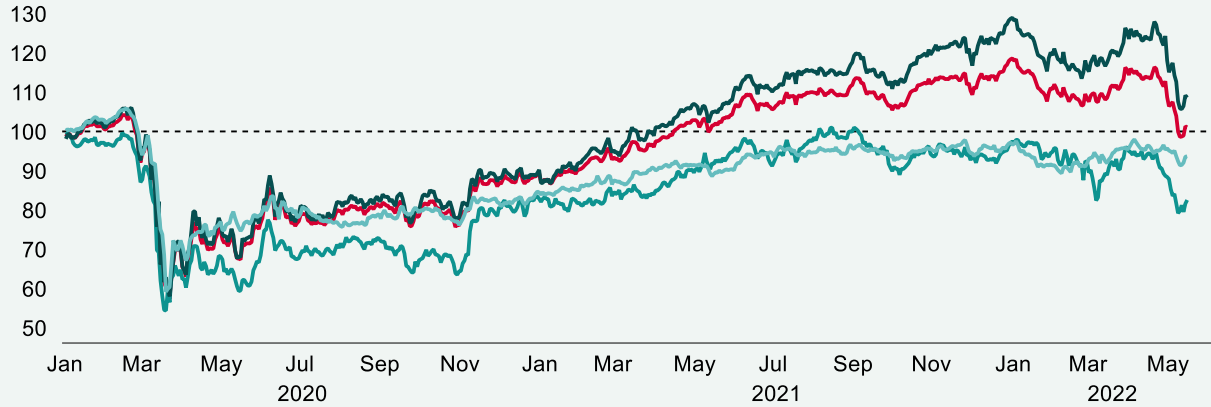
Leading Indicators

SUMMARY	EQUITIES	BONDS & RATES	CURRENCIES & MONETARY POLICY	COMMODITIES	TRADE
REITs	VOLATILITY & MOBILITY	COVID-19	CONTAINMENT MEASURES	ESG	MACRO
					RESEARCH

REITs by region

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

— World — Europe — US — Asia Pacific



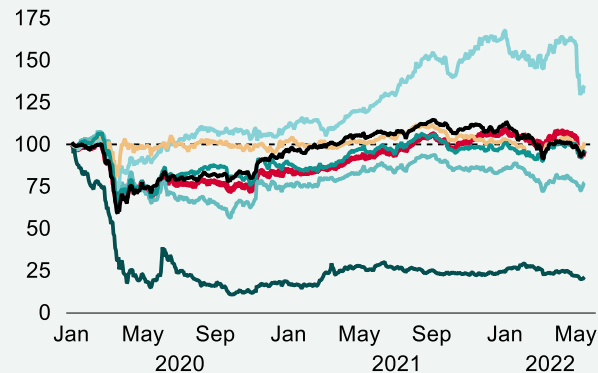
Index, total return	Last	Percentage change since			
		1 day	1 week	1 month	Jan 2020
Original value and base					
US	2,601	2.0	-3.6	-12.2	8.8
Europe	2,359	3.8	1.1	-12.4	-17.2
World	3,254	2.1	-2.8	-11.1	1.3
Asia Pacific	3,686	1.8	0.0	-2.8	-6.1

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

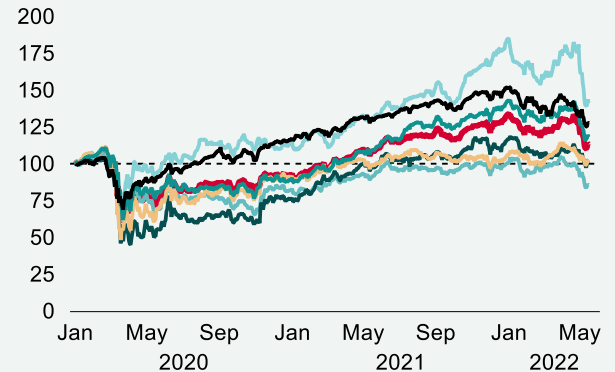


Index, gross total return	Last	Percentage change since			
		1 day	1 week	1 month	Jan '20
Original value and base					
All REITs	986	3.5	1.5	-9.9	-3.6
Office	2,289	3.2	3.6	-5.1	-22.8
Industrial	1,673	3.5	1.0	-16.5	34.9
Retail	76	7.1	3.2	-14.6	-78.8
Healthcare	2,293	3.5	3.0	-2.8	1.1
Residential	1,474	3.0	2.0	-4.0	-3.4
FTSE 250	16,287	2.3	0.6	-5.4	-4.4

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	22,481	2.0	-3.6	-12.1	11.5
Office	1,889	1.1	-5.5	-13.4	-15.7
Industrial	3,051	1.4	-6.4	-18.2	39.9
Retail	1,140	3.0	-0.5	-6.6	-0.2
Healthcare	4,173	2.3	-0.8	-6.9	0.6
Residential	2,273	0.8	-3.2	-13.7	16.7
S&P500	8,444	2.0	-2.7	-8.6	28.8

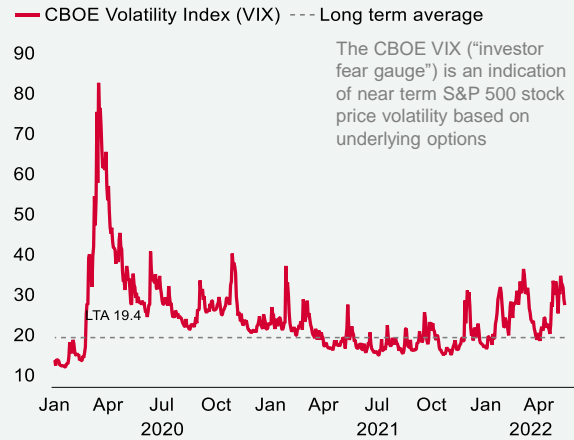
Source: Knight Frank, Macrobond

Leading Indicators

SUMMARY	EQUITIES	BONDS & RATES	CURRENCIES & MONETARY POLICY	COMMODITIES	TRADE
REITs	VOLATILITY & MOBILITY	COVID-19	CONTAINMENT MEASURES	ESG	MACRO
					RESEARCH

Volatility index

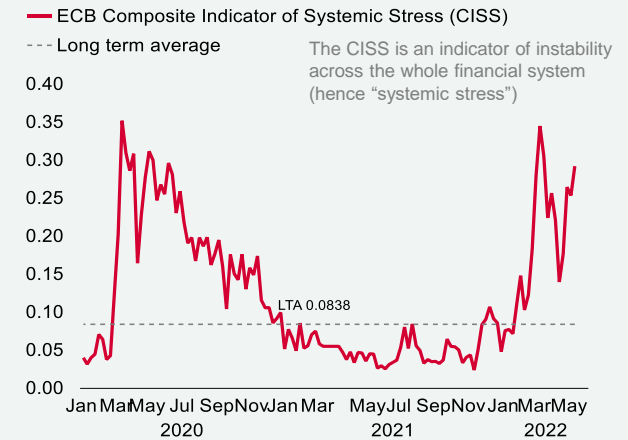
Near term stock price volatility indicator



	Last	1 day	1 week	1 month	Jan '20
CBOE VIX	27.5	27.5	33.0	22.7	13.8
Euro Stoxx 50 VIX	28.2	28.2	35.0	26.8	14.0
Nikkei VIX	24.2	26.4	29.7	20.8	14.8
KOSPI VIX	19.1	20.3	22.1	17.8	14.7

Systemic stress

Measures FX, money, sovereign and bond yield volatility



	Last	1 week	1 month	Jan'20
Systemic stress composite	0.292	0.253	0.221	0.022
Equity markets stress sub index	0.122	0.118	0.113	0.009
Bond markets stress sub index	0.107	0.095	0.087	0.020
FX markets stress sub index	0.071	0.046	0.027	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	44	22	42
Brazil	36	34	33
Mexico	21	20	13
India	20	15	23
Turkey	20	-27	12
South Africa	18	5	16
South Korea	6	-6	4
Germany	-1	-3	-11
Singapore	-2	-24	-4
Russia	-4	-9	-6
Italy	-5	-7	-6
Australia	-6	-8	-13
Japan	-6	-40	-10
France	-7	-11	-11
Netherlands	-9	-22	-11
Canada	-15	-16	-17
US	-17	-16	-17
UK	-17	-25	-26

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

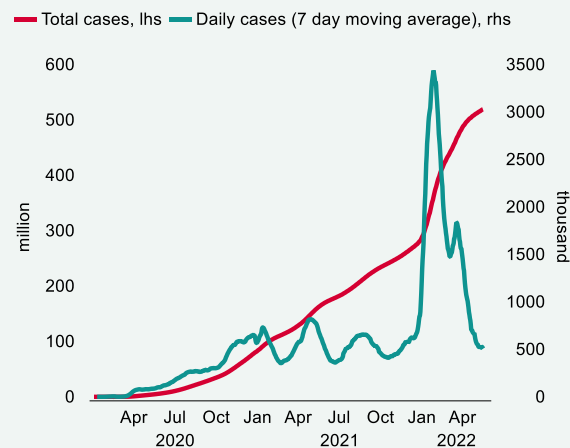
Source: Knight Frank, Macrobond

Leading Indicators

SUMMARY	EQUITIES	BONDS & RATES	CURRENCIES & MONETARY POLICY	COMMODITIES	TRADE
REITs	VOLATILITY & MOBILITY	COVID-19	CONTAINMENT MEASURES	ESG	MACRO
					RESEARCH

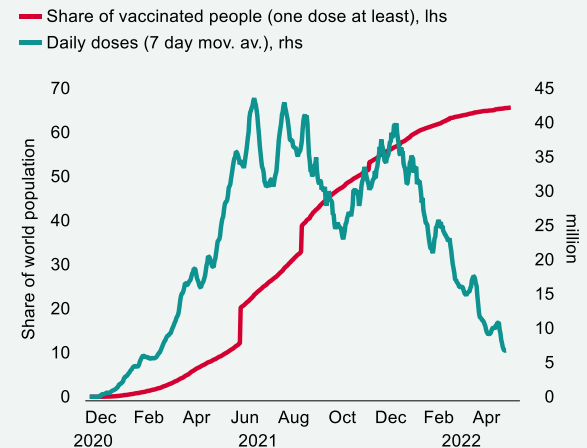
World cases

Number of recorded COVID-19 cases



World vaccination

Number of Covid-19 vaccination doses



Source: Knight Frank, Macrobond

Cases and vaccinations breakdown by country

	Total cases				New cases			People vaccinated		New doses	
	Millions	Last day	1 week ago	1 month ago	Thousands	Population (%)	Last 7days av.	Thousands	Population (%)	Last 7days av.	
Australia	6.5	47,724	79,471	50,907	22,301	86	1,989	22,301	86	1,989	
Brazil	30.7	17,355	14,622	23,171	183,143	86	60,353	183,143	86	60,353	
Canada	3.8	2,072	4,058	8,019	32,795	86	6,332	32,795	86	6,332	
China	1.8	69,033	44,817	5,650	1,287,195	89	192,959	1,287,195	89	192,959	
Denmark	3.1	488	575	1,447	4,836	83	94	4,836	83	94	
France	28.3	22,844	29,324	122,231	54,371	81	5,002	54,371	81	5,002	
Germany	25.7	2,305	13,832	60,195	64,523	77	7,261	64,523	77	7,261	
Greece	3.4	3,269	3,195	8,223	7,913	76	698	7,913	76	698	
India	43.1	2,202	3,207	975	1,007,965	72	206,302	1,007,965	72	206,302	
Ireland	1.5	524	542	1,788	4,083	82	343	4,083	82	343	
Italy	17.1	27,726	31,225	62,290	50,775	84	4,639	50,775	84	4,639	
Japan	8.4	34,845	40,942	106,609	103,412	82	50,717	103,412	82	50,717	
Netherlands	8.1	821	1,232	4,132	13,467	78	428	13,467	78	428	
Norway	1.4	353	88	302	4,337	79	119	4,337	79	119	
Portugal	4.1	15,182	12,455	10,868	9,701	95	660	9,701	95	660	
Russia	18.3	4,543	5,030	11,095	80,925	55	3,326	80,925	55	3,326	
Saudi Arabia	0.8	431	339	105	26,498	75	7,443	26,498	75	7,443	
Singapore	1.2	2,651	2,423	3,404	5,014	92	733	5,014	92	733	
South Africa	3.9	4,344	5,486	1,846	21,503	36	6,387	21,503	36	6,387	
South Korea	17.8	13,296	20,564	107,882	45,045	88	12,306	45,045	88	12,306	
Spain	12.1	22,744	6,054	7,750	41,217	88	1,671	41,217	88	1,671	
UK	22.2	7,467	7,499	26,627	53,337	78	5,437	53,337	78	5,437	
US	81.6	64,933	85,868	63,012	257,871	78	36,719	257,871	78	36,719	

	Total cases		Change since		People vaccinated		Share of population	
	Total (mn)	1 week ago	1 week ago	1 month ago	Total (mn)	Last	1 week ago	1 month ago
World	519	0.7%	3.4%	63.012	65.7%	65.5%	64.9%	

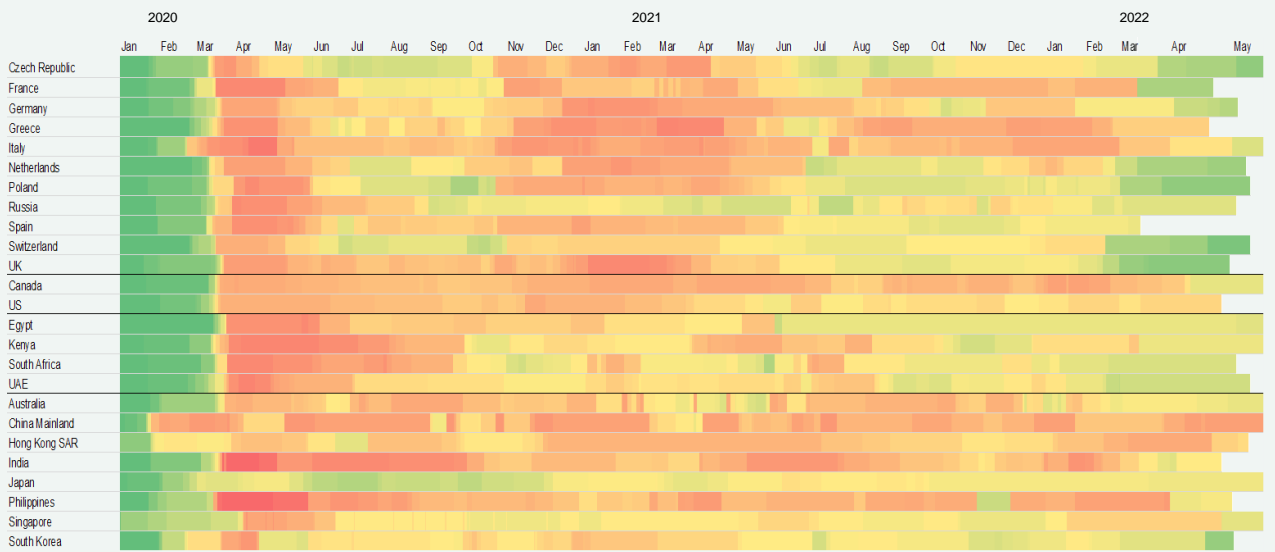
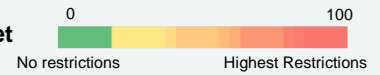
Source: Knight Frank, Macrobond

Leading Indicators

SUMMARY	EQUITIES	BONDS & RATES	CURRENCIES & MONETARY POLICY	COMMODITIES	TRADE
REITs	VOLATILITY & MOBILITY	COVID-19	CONTAINMENT MEASURES	ESG	MACRO
					RESEARCH

Timeline of Covid-19 containment measures and their stringency by market

Change in severity of containment measures over time, up to the latest data.



Source: Knight Frank, Macrobond

Covid-19 containment measures breakdown by market

	Confirmed Cases	Confirmed Deaths	Lockdown Index	Internal Movement	Public Events	Public Transport	Workplace	Schools	International Travel
Czech Republic	3,912,361	40,215	15						
France	28,146,887	143,470	23						
Germany	25,295,950	136,533	27						
Greece	3,358,584	29,369	61						
Italy	16,767,773	164,417	39						
Netherlands	8,141,774	22,291	19						
Poland	6,000,217	116,138	15						
Russia	17,956,472	369,236	40						
Spain	11,953,481	104,668	44						
Switzerland	3,636,226	13,726	8						
UK	22,114,034	176,212	13						
Canada	3,805,916	39,817	43						
US	81,858,744	997,503	59						
Egypt	515,645	24,641	41						
Kenya	323,868	5,649	44						
South Africa	3,835,902	100,516	38						
UAE	900,026	2,302	35						
Australia	6,246,474	7,509	43						
China Mainland	1,083,187	5,174	79						
Hong Kong SAR	1,206,319	9,344	56						
India	43,102,194	524,064	50						
Japan	8,055,713	29,788	45						
Philippines	3,686,868	60,439	48						
Singapore	1,215,499	1,350	42						
South Korea	17,544,398	23,360	17						

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
Required closure of some sectors	Some level of schooling to close	2
Required closure for all but essential work	All schools ed 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

Source: Knight Frank, Macrobond

Leading Indicators

SUMMARY	EQUITIES	BONDS & RATES	CURRENCIES & MONETARY POLICY	COMMODITIES	TRADE
REITs	VOLATILITY & MOBILITY	COVID-19	CONTAINMENT MEASURES	ESG	MACRO RESEARCH

ESG FUNDS & SUSTAINABLE FINANCE

\$55bn

ESF funds Inflow
9m 2021

- Inflows into ESG funds reached \$55bn in the first nine months of 2021, more than 2020's full year total.
- Overall, there are now \$330bn assets under management in ESG funds.

57%

The growth of sustainable bonds in 9m 2021 vs 9m 2020

- Global sustainable finance bond issuance increased 57% to \$778bn during the first nine months of 2021 compared to the previous year, and reached an all time record.
- Sustainable finance bonds' share of global debt capital markets reached 10% during the first nine months of 2021, up from 5.9% a year ago.

48%

The growth in equity issuance in 9m 2021 vs 9m 2020

- Equity issuance from sustainable companies increased 48% to \$29bn in the first nine months of 2021 compared to the previous year, 2020 and an all time first nine month record.
- Asia Pacific accounted for 40% of the sustainable equity market, followed by the Americas with 37%.

EMISSION TARGETS

UN IPCC

Under all emissions scenarios outlined in the UN's IPCC report, temperatures will pass 1.5°C above 1850-1900 levels by 2040 and extreme weather occurrences will be more frequent. Therefore, the Paris Agreement's goal of stabilising temperatures at 1.5°C above pre-industrial levels by the end of the century will require significant action.

As result, the UK, US and EU have accelerated their emissions targets:

- **UK:** to reduce emissions by 78% before 2035 (vs 1990 levels).
- **EU:** to cut emissions by at least 55% by 2030 (vs 1990 levels).
- **US:** to cut emissions by 52% by 2030 (vs 2005 levels).

EU AND UK EMISSIONS TRADING SYSTEM TRACKER

EU Allowance (EUA) and UK Allowance (UKA) grant the entitlement to emit one tonne of carbon dioxide equivalent gas.

EU daily carbon market price, ICE EUA Futures, €



UK daily carbon market price, ICE UKA Future, £



	Price, € Last	Percentage change since, %			
		1 day	1 week	1 month	Jan '20
ICE UEA	89	1.5	-2.2	11.8	263.7

	Price, £ Last	Percentage change since, %			
		1 day	1 week	1 month	Jun '21
ICE UKA	85	-1.3	-4.6	8.8	74.7

Leading Indicators

SUMMARY	EQUITIES	BONDS & RATES	CURRENCIES & MONETARY POLICY	COMMODITIES	TRADE
REITs	VOLATILITY & MOBILITY	COVID-19	CONTAINMENT MEASURES	ESG	MACRO
					RESEARCH

MACROECONOMIC INDICATORS

Market	Population million	GDP \$tn	GDP Growth		Interest rate	Inflation rate	Jobless rate	Gov. Budget % of GDP	Debt/ GDP %	Current Account/ %
			YoY	QoQ						
Australia	26	1,331	4.2%	3.4%	0.35%	5.1%	4.0%	-7.8%	24.8%	2.3
Austria	9	431	8.7%	2.5%	0.00%	7.2%	6.1%	-5.9%	82.8%	2.5
Belgium	12	515	4.6%	0.3%	0.00%	8.3%	5.6%	-5.5%	108.2%	-0.2
Brazil	212	1,445	1.6%	0.5%	12.75%	12.1%	11.1%	-13.4%	88.8%	-0.7
Canada	38	1,644	3.3%	1.6%	1.00%	6.7%	5.2%	-14.9%	117.8%	-1.9
China Mainland	1,413	14,723	4.8%	1.3%	3.70%	2.1%	6.1%	-3.7%	66.8%	1.8
Denmark	6	356	6.8%	-0.1%	-0.60%	6.7%	2.5%	2.3%	36.7%	7.8
Egypt	101	363	8.3%	9.8%	9.25%	13.1%	7.4%	-6.1%	88.0%	-4.6
Euro Area	342	13,011	5.0%	0.2%	0.00%	7.5%	6.8%	-5.1%	95.6%	3.0
Finland	6	270	2.9%	0.6%	0.00%	5.7%	7.0%	-5.5%	65.8%	0.3
France	67	2,630	5.3%	0.0%	0.00%	4.8%	7.4%	-6.5%	112.9%	-1.0
Germany	83	3,846	3.7%	0.2%	0.00%	7.4%	5.0%	-3.7%	69.3%	7.0
Hong Kong SAR	7	347	-4.0%	-3.0%	1.25%	1.7%	5.0%	-12.0%	38.4%	6.6
India	1,347	2,623	5.4%	1.8%	4.40%	7.8%	7.8%	-9.4%	74.0%	-1.7
Indonesia	270	1,058	5.0%	-1.0%	3.50%	3.5%	5.8%	-4.7%	38.5%	0.3
Ireland	5	426	9.6%	-5.4%	0.00%	7.0%	4.8%	-0.1%	56.0%	4.6
Israel	9	402	9.6%	-0.4%	0.35%	4.0%	3.8%	-11.7%	70.3%	4.9
Italy	60	1,886	5.8%	-0.2%	0.00%	6.2%	8.3%	-7.2%	150.8%	3.6
Japan	126	4,975	0.7%	1.1%	-0.10%	1.2%	2.6%	-12.6%	266.2%	3.2
Netherlands	17	914	6.5%	1.0%	0.00%	9.6%	3.3%	-2.5%	52.1%	7.8
Nigeria	206	432	4.0%	9.6%	11.50%	16.8%	33.3%	-4.7%	35.0%	-4.2
Norway	5	363	4.8%	-1.0%	0.75%	5.4%	3.3%	9.1%	43.2%	2.0
Philippines	110	361	8.3%	1.9%	2.00%	4.9%	5.8%	-7.5%	53.5%	3.6
Poland	38	594	7.3%	1.7%	5.25%	12.4%	5.4%	-1.9%	53.8%	3.6
Romania	19	249	2.4%	-0.1%	3.75%	13.8%	5.7%	-7.1%	48.8%	-5.1
Russia	146	1,484	5.0%	-0.8%	14.00%	17.8%	4.1%	0.8%	18.2%	6.8
Singapore	6	340	3.4%	0.4%	0.36%	5.4%	2.2%	-13.9%	131.0%	17.6
South Africa	59	302	1.7%	1.2%	4.25%	5.9%	35.3%	-5.7%	69.9%	3.7
South Korea	52	1,631	3.1%	0.7%	1.50%	4.8%	2.7%	-6.1%	42.6%	3.5
Spain	47	1,281	6.4%	0.3%	0.00%	8.3%	13.7%	-6.9%	118.4%	0.7
Sweden	10	541	3.0%	-0.4%	0.25%	6.4%	8.2%	-0.2%	36.7%	5.2
Switzerland	9	752	3.7%	0.3%	-0.75%	2.5%	2.3%	-0.7%	41.4%	3.8
Turkey	84	720	9.1%	1.5%	14.00%	70.0%	11.5%	-2.7%	42.0%	-1.7
UAE	10	421	3.8%	2.0%	2.25%	2.5%	5.0%	-0.8%	36.9%	5.9
UK	67	2,708	8.7%	0.8%	1.00%	7.0%	3.8%	-14.8%	94.0%	-3.5
US	329	20,937	3.4%	-1.4%	1.00%	8.3%	3.6%	-16.7%	137.2%	-3.1

Leading Indicators

SUMMARY	EQUITIES	BONDS & RATES	CURRENCIES & MONETARY POLICY	COMMODITIES	TRADE
REITs	VOLATILITY & MOBILITY	COVID-19	CONTAINMENT MEASURES	ESG	MACRO
					RESEARCH

Out now!
M25
Navigating the property life cycle
2022

M25: Navigating the property life cycle

In an office market as diverse as the South East, it is vital to have a detailed and granular understanding of current market conditions and future dynamics. To understand the market implications, we have reconnected with the fundamental principles on which the real estate market is formulated. There is, of course, nothing more fundamental than the lifecycle of property.

[View Report](#)

The London Report
2022

The Knight Frank London Report 2022 has launched

This years report considers the challenges and benefits of repurposing buildings, providing alternative uses to create vibrant urban spaces. With a firm focus on sustainability, the report highlights the real opportunities successful transformations provide to the real estate industry, generating commercial revenue and adding social value.

[View Report](#)

Recent research



UK Hotel Capital Markets

In the latest edition of the UK Hotel Capital Markets Investment Review, we provide a comprehensive analysis of UK hotel transaction activity for 2021, outline the key investment trends and walk you through our Knight Frank predictions for the year ahead.



UK Healthcare Property Market Overview

In the 2021/22 edition of our UK Healthcare Property Market Overview, we look at several standout market trends from the past year and present a forward view on what we believe to be continuing trends throughout 2022.

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

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

Knight Frank Research Reports are available at
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.