

Leading Indicators



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Key economic and financial metrics, updated weekly

12th August 2025

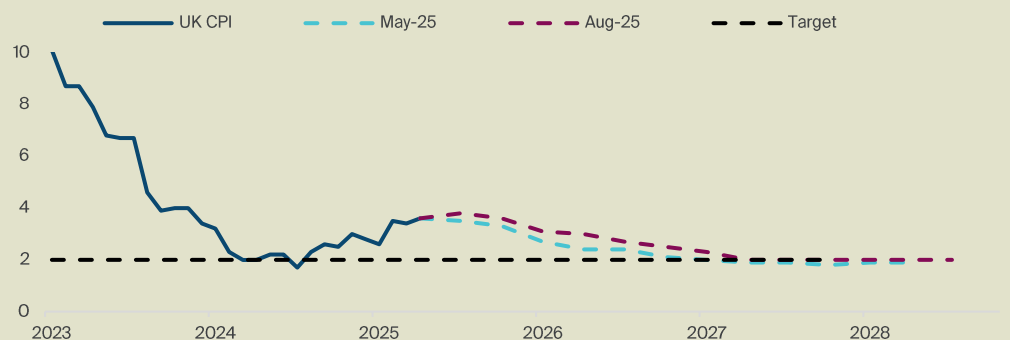
Balancing act: BoE navigates inflation risks and labour market softness

4.00%

Last week, the BoE lowered interest rates by a quarter point to 4% in a narrow 5-4 decision. Despite the cut, the Bank's latest projections point to a higher inflation peak of 4.0% in September, up from its previous forecast of 3.7%, and returning to the 2% target only by Q2 2027 - a quarter later than previously expected. The MPC reiterated its guidance for a 'gradual and careful' approach to further easing, and markets now price a 75% chance of another cut this year, down from over 90% before the decision.

BoE cuts rates but projects slower inflation path to target

UK CPI Inflation Bank of England forecasts, % change y/y



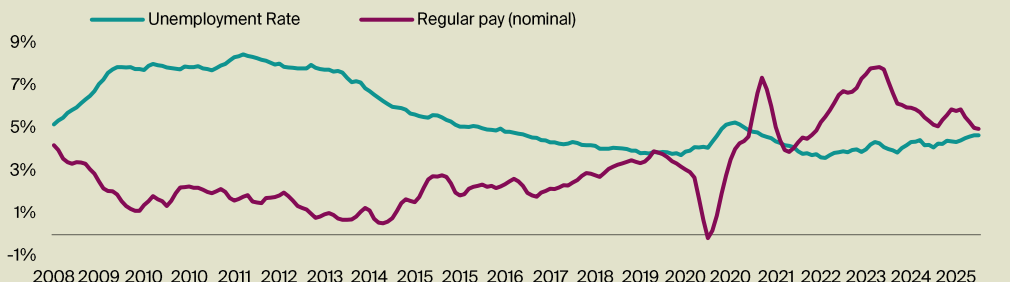
Source: Knight Frank Insight, Bank of England Monetary Policy Report August 2025

4.7%

The latest UK labour market data signalled further cooling, with unemployment steady at 4.7% and vacancies falling to their lowest since early 2021. Regular pay growth held at 5% in the three months to June, underscoring sticky inflation pressures despite softer hiring demand. The mix of weakening labour demand and persistent wage growth keeps the BoE on track for a November rate cut, though any further easing will depend on faster wage moderation.

Cooling jobs market may bolster case for November rate cut - if wage growth eases

UK unemployment rate and regular pay (nominal), %



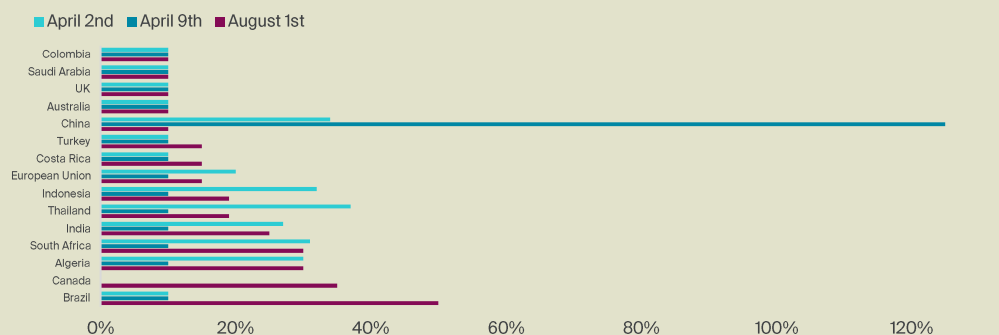
Source: Knight Frank Insight, ONS

10%

Since 'Liberation Day' on April 2nd, US tariff policies have shifted considerably. The UK was among the countries to secure an early agreement with the US, avoiding the most punitive reciprocal tariffs while the 10% baseline levy remained. This has left the UK relatively insulated, with reduced tariff uncertainty potentially supporting investor confidence and trade stability.

UK tariff exposure holds steady at 10% despite US policy swings

Announced tariff rate by country, %



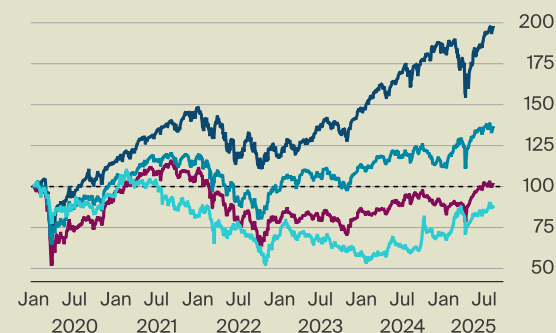
Source: Knight Frank Insight, White House

Equities

Equity markets

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

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



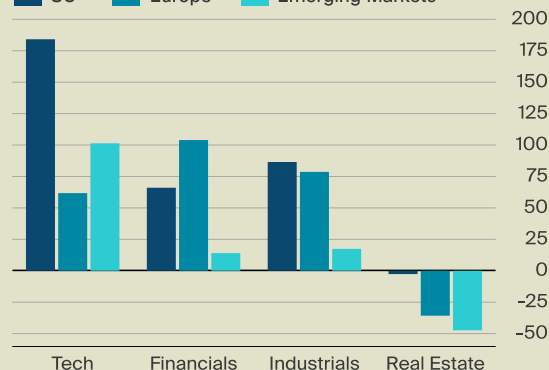
Source: Knight Frank, Macrobond

Index	Last	Percentage change since				
Original value and base	1 day	1 week	1 month	Jan '20	YTD %	
DAX 30	10,465	-0.6	3.2	-2.2	58.1	31.83
FTSE 250	29,350	-0.1	2.0	-0.2	1.3	13.42
Hang Seng	3,181	0.4	1.0	3.9	-12.1	23.11
IBEX 35	17,232	1.0	5.6	4.3	60.8	42.82
MIB	48,235	0.3	4.5	1.9	83.2	35.95
S&P 500	6,373	0.5	2.2	1.5	97.3	8.36
STOXX 600	634	0.0	2.5	-1.8	35.9	20.07
TOPIX	21	1.2	4.6	7.9	31.2	16.86

Equity regional sectors

Price return index percentage change since Jan 2020

■ US ■ Europe ■ Emerging Markets



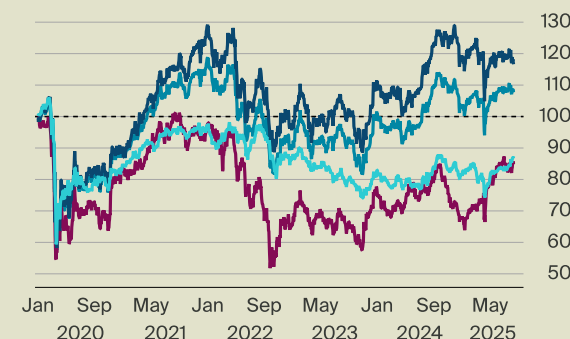
Source: Knight Frank, Macrobond

	Percentage change since Jan 2020		
	US	Europe	World
Tech	184.1%	61.8%	101.4%
Financials	66.0%	104.0%	14.0%
Industrials	86.5%	78.7%	17.4%
Real Estate	-2.7%	-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

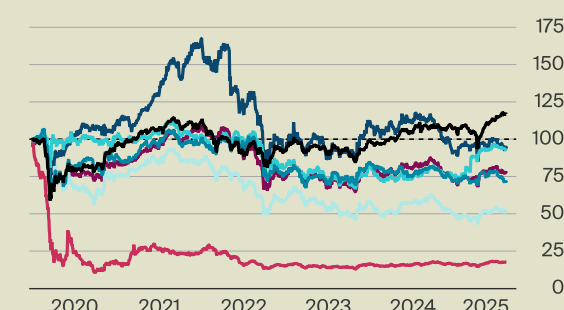
Index, total return Original value and base	Last	Percentage change since				
		1 day	1 week	1 month	Jan '20	YTD %
US	2,787	-1.3	-0.3	-1.9	16.6	-1.79
Europe	2,423	0.1	3.5	1.5	-15.0	24.42
World	3,460	-0.9	0.6	-0.6	7.7	4.26
Asia Pacific	3,429	0.3	2.3	4.6	-12.7	7.69

UK REITs by sector

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

— All REITs — Office — Industrial — Retail — Healthcare

— Residential — FTSE 250



Source: Knight Frank, Macrobond

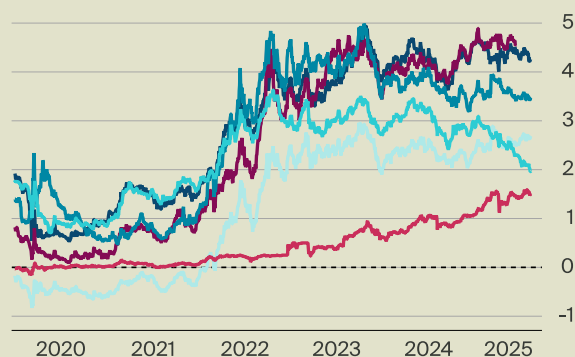
Index, total return	Last	Percentage change since				
Original value and base	1 day	1 week	1 month	Jan '20	YTD %	
All REITs	791	-0.4	1.1	-1.2	-22.7	6.5
Office	1,537	0.3	2.8	0.4	-48.1	5.1
Industrial	1,162	-0.7	1.7	-2.6	-6.3	1.2
Retail	64	0.4	2.1	1.7	-82.3	9.5
Healthcare	2,098	0.0	-1.0	-2.0	-7.5	21.6
Residential	1,081	-0.6	-0.1	-5.3	-29.1	-2.1
FTSE 250	19,905	-0.2	0.9	1.1	16.8	8.5

Bonds & Rates

Government bond yields

10 year government bond yields, %

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



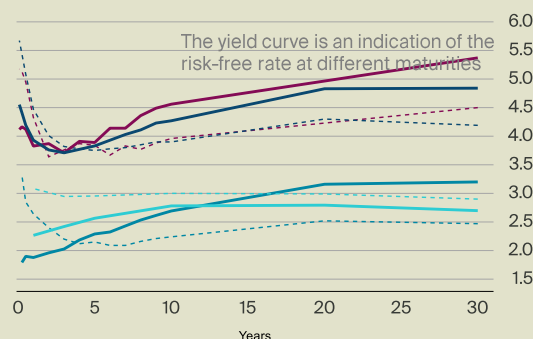
Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20
Italy	3.48	3.48	3.42	3.57	1.40
Japan	1.49	1.49	1.51	1.49	-0.03
Singapore	1.97	1.97	2.03	2.18	1.74
UK	4.56	4.56	4.51	4.62	0.74
US	4.27	4.27	4.22	4.43	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

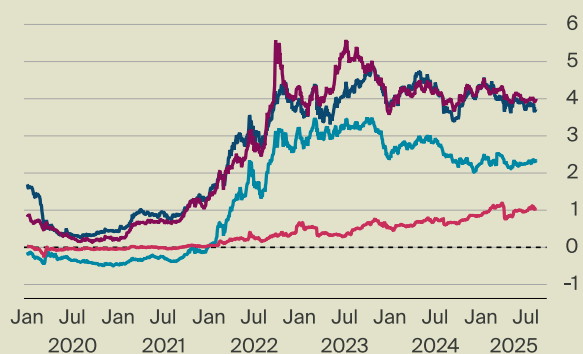


Source: Knight Frank, Macrobond

Interest rate swaps

5 year swap rates, %

— US — UK — Eurozone — Japan



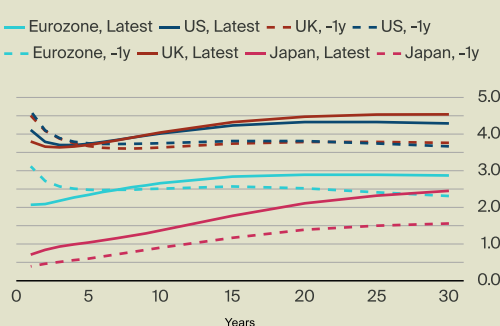
Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20
Eurozone	2.34	2.35	2.30	2.33	-0.13
Japan	1.04	1.04	1.02	1.05	0.03
UK	3.95	3.98	3.91	3.98	0.88
US	3.73	3.73	3.65	3.85	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



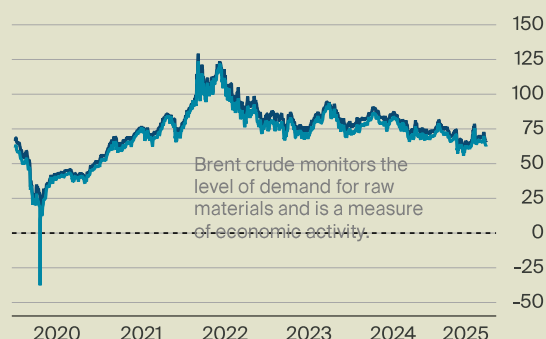
Source: Knight Frank, Macrobond

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	YTD %
Brent, \$ per barrel	66.6	66.6	67.6	70.6	66.0	-10.9
WTI, \$ per barrel	63.4	63.4	64.6	67.4	61.1	-11.4

Baltic dry index

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

— Baltic dry index



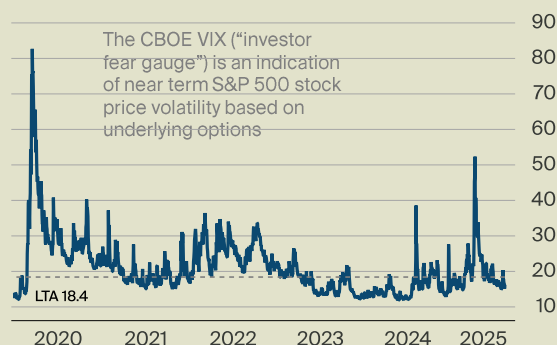
Source: Knight Frank, Macrobond

	Last	Percentage change since				
		1 day	1 week	1 month	Jan '20	YTD %
Baltic Dry	2017	-1.66	5	21.3	85	102

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	YTD
CBOE VIX	16.3	16.3	17.9	16.4	13.8	-6.340
Euro Stoxx 50 VIX	17.8	17.8	18.8	17.1	14.0	4.471
Nikkei VIX	24.7	24.7	23.7	22.9	14.8	13.171
KOSPI VIX	21.2	20.3	22.3	21.7	14.7	0.047

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

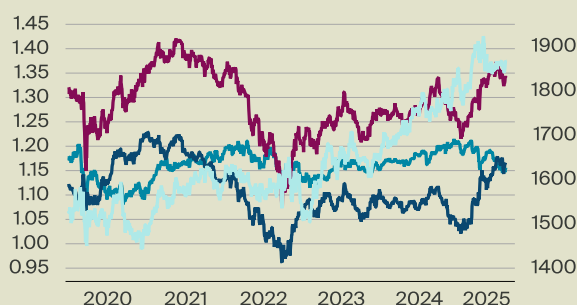
	Last	1 week	1 month	Jan '20
Systemic stress composite	0.094	0.117	0.073	0.023
Equity markets stress sub index	0.078	0.095	0.064	0.009
Bond markets stress sub index	0.032	0.033	0.014	0.02
FX markets stress sub index	0.024	0.039	0.021	0.004

Currencies & Monetary Policy

Currencies

Spot prices

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



Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20
EUR per GBP	1.156	1.153	1.150	1.155	1.177
KOR per GBP	1,867	1,868	1,841	1,858	1,525
USD per GBP	1.341	1.344	1.329	1.351	1.321
USD per EUR	1.166	1.166	1.157	1.170	1.123

Hedging benefits

Hedging benefit p.a. on a 5 year forward

USD per EUR USD per GBP



Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20
USD to EUR	1.59	1.60	1.55	1.73	2.32
USD to GBP	-0.27	-0.30	-0.31	-0.13	1.12

Inflation and monetary policy

Inflation rate (%)

	July	June	May	Apr
Australia ¹	n/a	2.0	2.0	2.0
Canada	n/a	1.9	1.7	1.7
China	-0.2	-0.1	-0.2	-0.1
Euro Area	2.0	2.0	1.9	2.2
France	1.0	1.0	0.7	0.8
Germany	2.0	2.0	2.2	2.0
India	1.6	2.1	2.8	3.2
Italy	1.7	1.7	1.6	1.9
Japan	n/a	3.3	3.5	3.6
Saudi Arabia	n/a	2.3	2.2	2.3
South Korea	2.1	2.2	1.9	2.1
Spain	n/a	2.3	2.0	2.3
Sweden	n/a	0.7	0.2	0.3
UK	n/a	3.6	3.4	3.5
US	2.7	2.7	2.4	2.3

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

Interest rates (%)

	Last	Jan '24
	3.60	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
	2.00	4.00
	4.00	5.25
	4.50	5.50

Asset purchasing

	Latest (\$)	1m change (%)
	0.25 tn	-2.7
	180 bn	-3.0
	6.38 tn	1.5
	7.09 tn	-0.6
	1.74 tn	-1.6
	2.66 tn	-0.6
	464 bn	1.3
	1.25 tn	0.0
	4.79 tn	0.5
	522 bn	-2.0
	409 bn	-0.2
	487 bn	-0.7
	102 bn	0.4
	1.17 tn	-0.7
	6.64 tn	-0.3

Source: Knight Frank, Macrobond



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