Leading Indicators

Knight Frank

knightfrank.co.uk/research

Key economic and financial metrics, updated weekly

12th November 2026

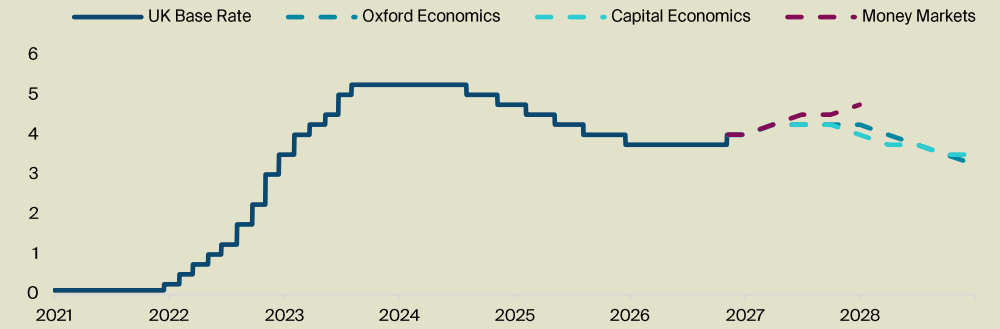
A short BoE hiking cycle, rather than prolonged tightening

4.00%

The BoE's decision to raise the base rate from 3.75% to 4.00% is likely to mark the start of a modest and short-lived period of tightening, rather than the more sustained increase markets expect. Although a further increase in December remains a 50-50 call, we expect the base rate to peak at 4.25% by early 2027. Policy is already restrictive and, so far, there is little evidence of second-round inflationary effects. Further tightening should therefore be limited, unless energy prices rebound or remain elevated for longer.

BoE raises rates to 4.00% - a December hike on the cards?

UK Base Rate and Forecasts (%)



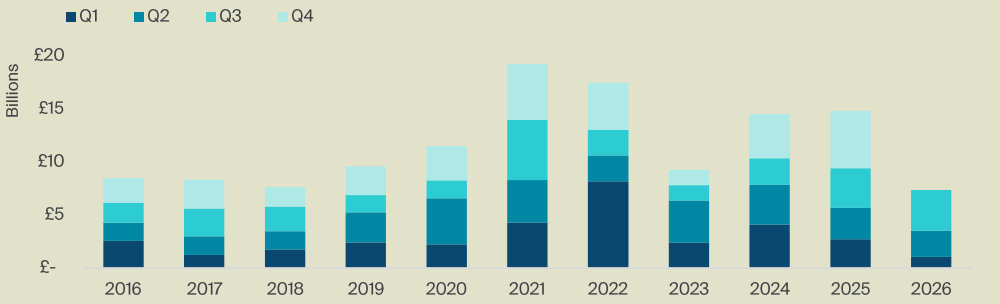
Source: Knight Frank Insight, Oxford Economics, Capital Economics, Bloomberg

+44%

US investment in UK CRE rose +44% q/q to £3.48bn in Q3, pointing to renewed momentum. The subsequent midterm result shifts attention to the US fiscal outlook - divided government could make further fiscal expansion harder to deliver, although large deficits and heavy borrowing remain a consideration for long-term yields. Domestic conditions will remain more important for UK CRE, but the US policy outlook provides additional context for an increasingly active source of capital.

US investment in UK CRE rose 44% q/q in Q3

UK CRE investment by US investors (£bn)



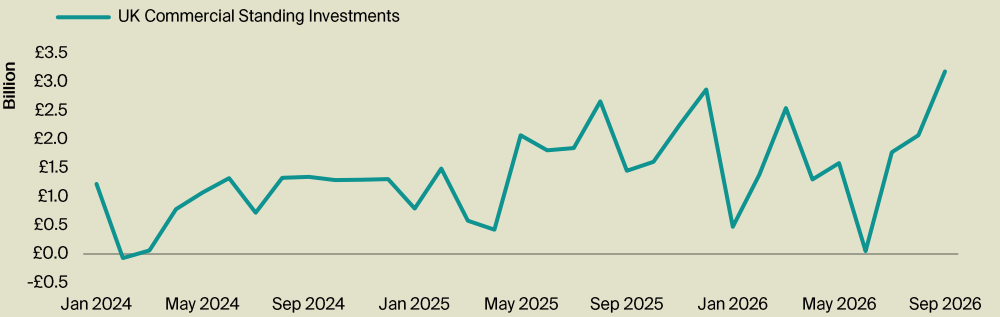
Source: Knight Frank Insight, MSCI RCA

£3.20bn

Net lending to UK commercial real estate reached £3.20bn in September, taking the three-month total to a record £7.43bn. Much of this appears to reflect continued refinancing rather than an increase in new lending. The 5-year SONIA swap rate has fallen -21bps over the past month to 4.60% as markets have settled following the Budget, although financing costs remain elevated and are likely to keep the recovery in new lending and deal activity gradual.

Lending surges to £3.2bn, with refinancing driving activity

Net Lending to UK CRE (£bn)

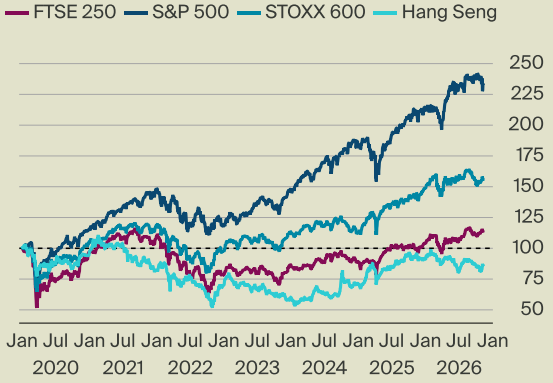


Source: Knight Frank Insight, BoE

Equities

Equity markets

Price return index, Jan 2020 = 100, US$

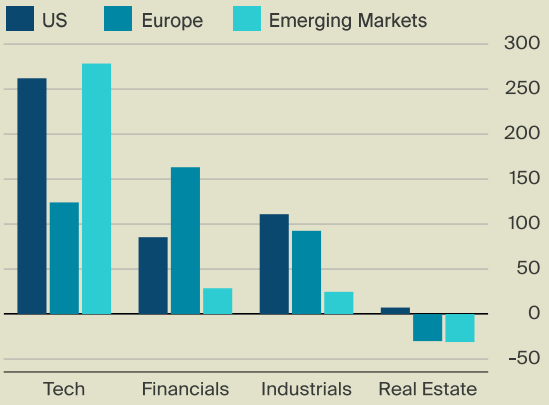


Source: Knight Frank, Macrobond

Index Original value and base	Last	Percentage change since 1 day	1 week	1 month	Jan '20	YTD %
DAX 30	10,730	2.1	1.0	5.7	62.1	-0.518
FTSE 250	32,996	0.8	-0.8	4.2	13.9	9.190
Hang Seng	3,100	-0.6	3.4	2.3	-14.3	-5.869
IBEX 35	22,243	3.0	4.8	4.8	107.5	9.533
MIB	57,743	3.5	3.2	4.5	119.3	9.295
S&P 500	7,521	2.0	-0.3	-3.1	132.8	9.867
STOXX 600	734	1.6	1.0	4.8	57.4	5.710
TOPIX	25	1.9	-1.2	-4.9	55.8	12.798

Equity regional sectors

Price return index percentage change since Jan 2020

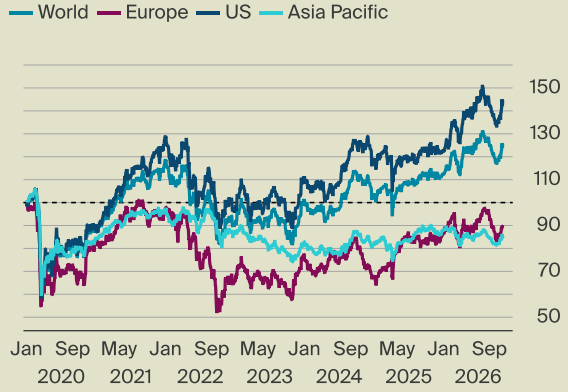


Source: Knight Frank, Macrobond

	Percentage change since Jan 2020 US	Europe	World
Tech	262.0%	124.0%	278.3%
Financials	85.4%	163.1%	28.6%
Industrials	110.9%	92.5%	24.7%
Real Estate	7.2%	-54.2%	-59.0%

REITs by region

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

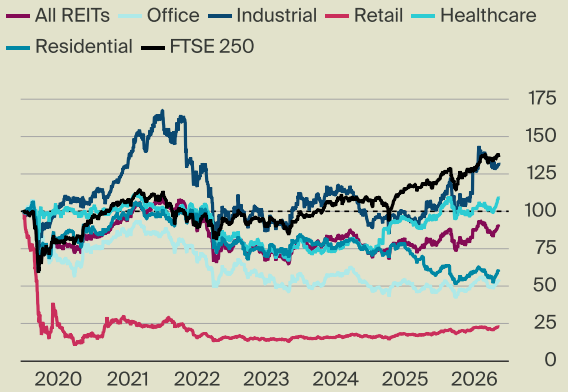


Source: Knight Frank, Macrobond

Index, total return Original value and base	Last	Percentage change since 1 day	1 week	1 month	Jan '20	YTD %
US	3,451	1.6	2.6	8.1	44.4	18.34
Europe	2,549	0.4	0.6	8.0	-10.6	3.02
World	4,030	1.2	2.2	7.3	25.4	11.97
Asia Pacific	3,347	0.0	1.9	4.3	-14.7	-2.81

UK REITs by sector

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



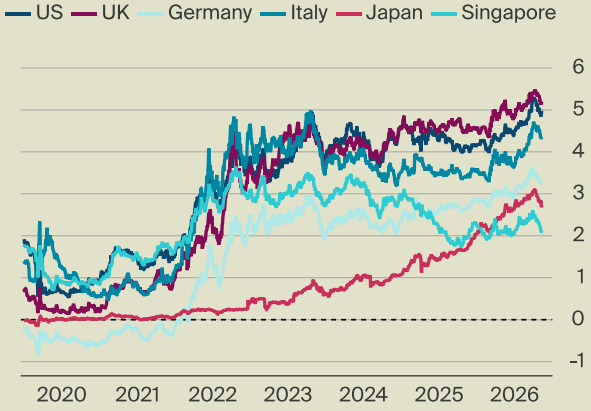
Source: Knight Frank, Macrobond

Index, total return Original value and base	Last	Percentage change since 1 day	1 week	1 month	Jan '20	YTD %
All REITs	923	0.3	0.0	9.0	-9.8	11.2
Office	1,611	1.9	1.3	12.8	-45.7	12.8
Industrial	1,633	0.6	0.5	2.7	31.7	24.5
Retail	81	-0.1	-1.7	10.4	-77.5	18.7
Healthcare	2,471	-0.4	0.8	10.0	9.0	11.4
Residential	906	-1.1	-1.0	14.3	-40.6	-1.5
FTSE 250	23,488	1.0	-0.2	3.6	37.9	13.3

Bonds & Rates

Government bond yields

10 year government bond yields, %

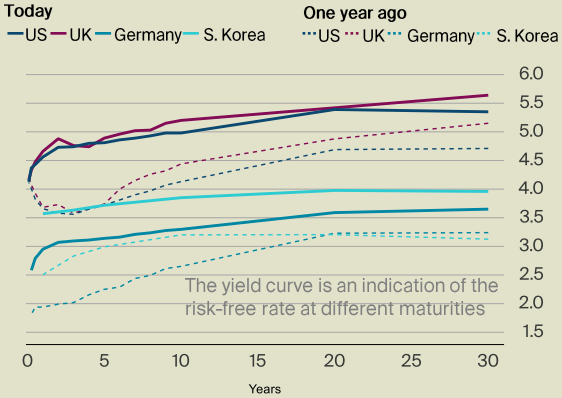


Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20
Italy	4.34	4.34	4.35	4.61	1.40
Japan	2.73	2.71	2.80	3.08	-0.03
Singapore	2.12	2.12	2.18	2.45	1.74
UK	5.20	5.20	5.15	5.45	0.74
US	4.98	4.98	4.90	5.24	1.92

Yield curves

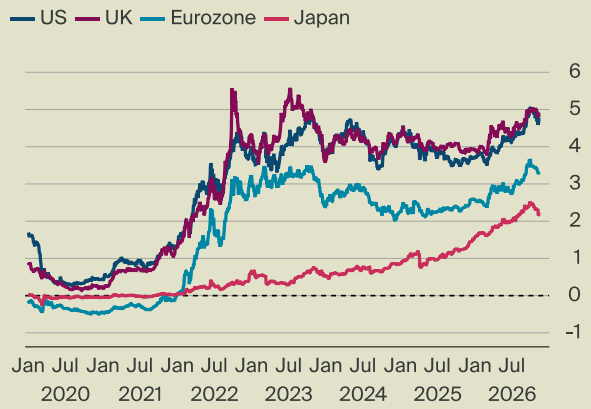
Latest nominal yield curves vs one year ago, %



Source: Knight Frank, Macrobond

Interest rate swaps

5 year swap rates, %

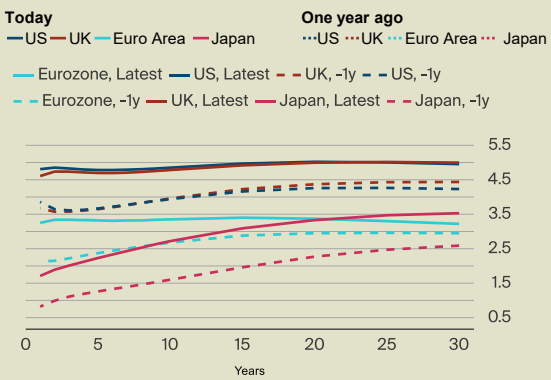


Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20
Eurozone	3.32	3.28	3.36	3.48	-0.13
Japan	2.23	2.16	2.30	2.45	0.03
UK	4.92	4.80	4.92	5.01	0.88
US	4.78	4.65	4.73	5.00	1.70

Swap curves

Latest swap curves vs one year ago, %

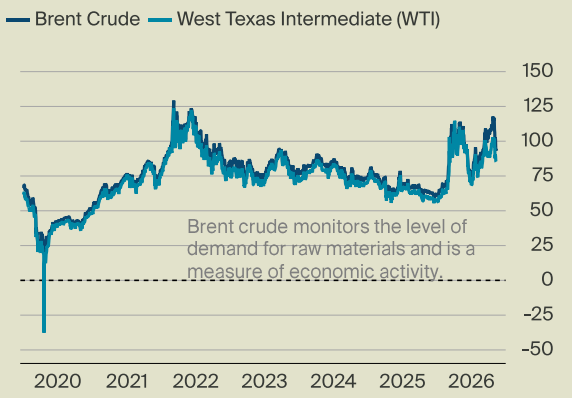


Source: Knight Frank, Macrobond

Commodities & Volatility

Energy

Oil spot prices, $ per barrel

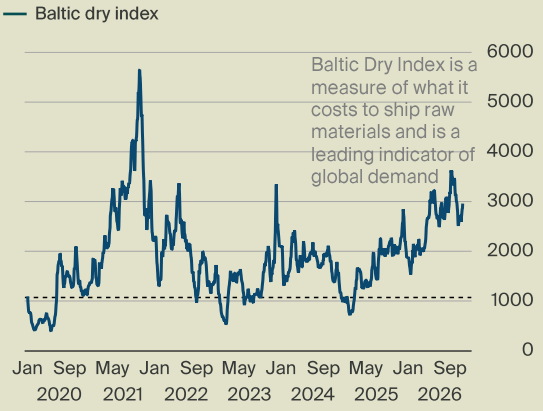


Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20	YTD %
Brent, $ per barrel	94.7	94.7	98.3	108.2	66.0	55.5
WTI, $ per barrel	85.2	85.2	87.6	91	61.1	48.6

Baltic dry index

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

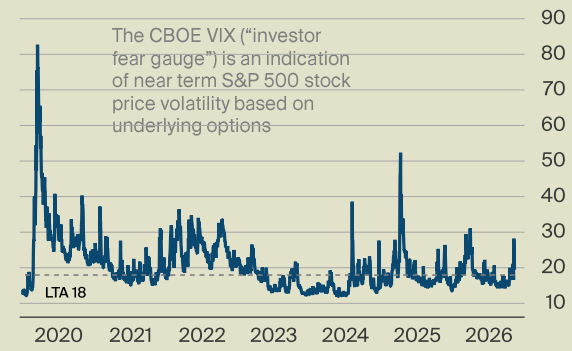


Source: Knight Frank, Macrobond

	Last	Percentage change since 1 day	1 week	1 month	Jan '20	YTD %
Baltic Dry	2959	3.68	9.84	1.44	171	57.6

Volatility index

Near term stock price volatility indicator

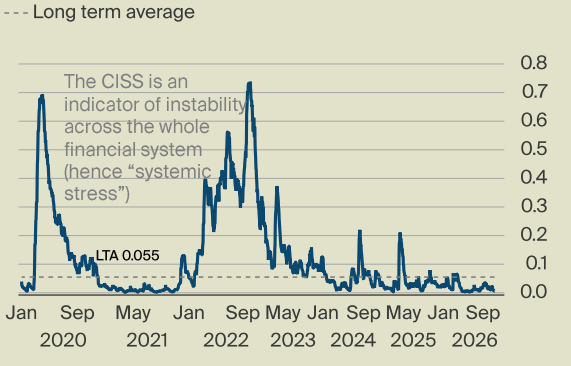


Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20	YTD
CBOE VIX	19.5	19.5	16.6	14.8	13.8	30.2
Euro Stoxx 50 VIX	18.6	18.6	18.6	18.8	14.0	26.6
Nikkei VIX	35.7	36.3	25.0	30.1	14.8	50.3
KOSPI VIX	52.8	58.2	56.0	36.8	14.7	82.9

Systemic stress

Measures FX, money, sovereign and bond yield volatility



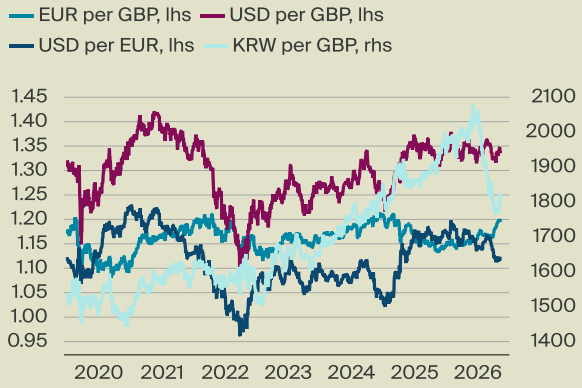
Source: Knight Frank, Macrobond

	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



Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20
EUR per GBP	1.195	1.197	1.198	1.181	1.177
KOR per GBP	1,791	1,804	1,802	1,775	1,525
USD per GBP	1.340	1.340	1.342	1.323	1.321
USD per EUR	1.115	n/a	1.119	1.119	1.123

Inflation and monetary policy

Inflation rate (%)

	Oct	Sep	Aug	Jul
Australia[1]	n/a	4.4	4.0	3.4
Canada	n/a	3.1	3.0	3.0
China	1.0	1.2	1.1	0.7
Euro Area	n/a	n/a	n/a	n/a
France	3.4	3.1	2.4	2.1
Germany	2.8	3.2	2.9	2.7
India	n/a	5.5	4.8	4.5
Italy	5.4	4.2	3.3	2.9
Japan	n/a	2.1	1.9	1.9
Saudi Arabia	n/a	1.9	1.8	1.8
South Korea	2.8	2.9	3.1	2.8
Spain	n/a	4.9	4.3	3.6
Sweden	n/a	1.1	0.3	0.2
UK	n/a	3.5	3.1	2.9
US	4.1	3.7	3.4	3.3

Interest rates (%)

Last	Jan '25
4.85	4.35
2.50	3.25
4.35	4.35
2.65	3.15
2.65	3.15
2.65	3.15
5.50	6.50
2.65	3.15
1.25	0.25
4.50	5.00
3.00	3.00
2.65	3.15
2.00	2.75
4.00	4.75
4.00	4.50

Asset purchasing

Latest ($)	1m change (%)
0.24 tn	-1.7
166 bn	-4.3
7.52 tn	1.3
6.62 tn	-0.5
1.67 tn	-0.4
2.66 tn	-0.6
481 bn	-8.3
1.18 tn	-0.8
3.98 tn	0.2
510 bn	-1.4
479 bn	4.1
487 bn	0.0
89.6 bn	0.1
1.1 tn	-0.5
6.75 tn	0.0

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

Source: Knight Frank, Macrobond



From Real Estate to Real Assets: Infrastructure in the spotlight

Traditional commercial real estate investors are widening their universe to real assets, with infrastructure, and particularly energy, moving centre stage.

View report



London's Niche Financial Sector

Developing successful real estate strategies that align with the operational realities of London's niche financial occupiers

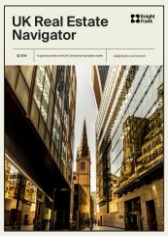
View report

Recent research



The London Series 2026: A Compendium

Our compendium, bringing together all our insights and market views into one document, arrives at a time when the character – rather than the direction – of the market is changing.



UK Real Estate Navigator: Q2 2026

Explore the current trends in UK commercial real estate with the latest edition of our UK Real Estate Navigator, available now.

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



William Matthews
Partner
Head of Commercial Insight
+44 20 3909 6842
william.matthews@knightfrank.com



Nik Potter
Associate
Capital Markets Insight
+44 20 7861 5146
nik.potter@knightfrank.com



Khadija Hussain
Senior Analyst
Capital Markets Insight
+44 20 8176 9671
khadija.hussain@knightfrank.com

© Knight Frank LLP 2026. This document has been provided for general information only and must not 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 document, Knight Frank LLP does not owe a duty of care to any person in respect of the contents of this document, and does not accept any responsibility or liability whatsoever for any loss or damage resultant from any use of, reliance on or reference to the contents of this document. The content of this document does not necessarily represent the views of Knight Frank LLP in relation to any particular properties or projects. This document must not be amended in any way, whether to change its content, to remove this notice or any Knight Frank LLP insignia, or otherwise. Use of our data on AI platforms, for AI training or machine-learning purposes is strictly prohibited. Reproduction of this document in whole or in part is not permitted without the prior written approval of Knight Frank LLP to the form and content within which it appears.