

# Leading Indicators



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Key economic and financial metrics, updated weekly

13<sup>th</sup> January 2026

## Key signals for 2026

### \$52bn

US private equity is entering a new phase of measured deployment. In 2025, the top 10 funds captured 46% of all US fundraising, up from 35% in 2024 and above the 10-year average of 39%, marking the strongest level in over a decade. With US PE raising record capital, the potential for increased investment into UK commercial real estate could be significant. Since 2020, US PE has already deployed \$52bn into UK CRE, and this trend could accelerate as capital seeks opportunities.

### +161%

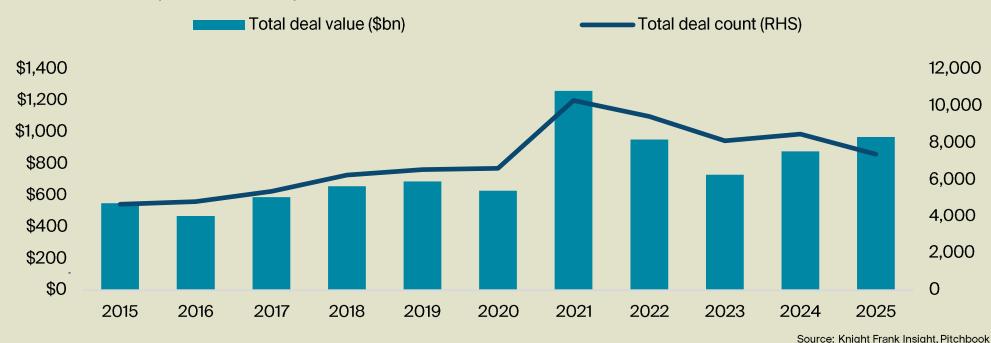
As we move into 2026, lower oil prices could accelerate diversification by sovereign wealth funds (SWFs) into commercial real estate. For oil-rich nations, CRE offers liability matching, consistent returns, and portfolio stability. This trend is already visible - SWF investment into UK CRE rose to £1.83bn in 2025, a +161% year-on-year increase. With energy revenues under pressure, we expect this shift to continue, reinforcing CRE as a strategic allocation for long-term capital.

### +8.4%

The latest IPF Consensus Forecast points to a more positive outlook for 2026. All Property total returns are projected at +8.4%, up from +7.1% in 2025. Between 2025-2029, Shopping Centres and Retail Warehouses are expected to be the best-performing sectors with a total return of +8.7% and +8.3% per annum, respectively, followed closely by Industrial (+8.0% per annum).

### After \$52bn invested since 2020, US Private Equity hits decade-high fundraising

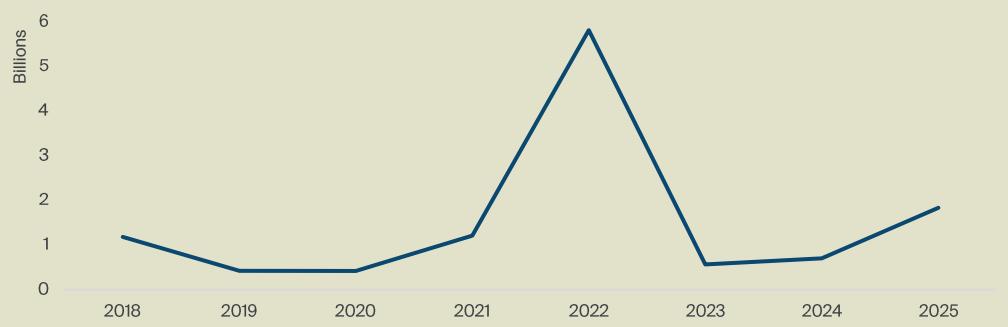
US Private Equity Deal Activity (\$bn)



Source: Knight Frank Insight, Pitchbook

### Sovereign capital returns to UK CRE

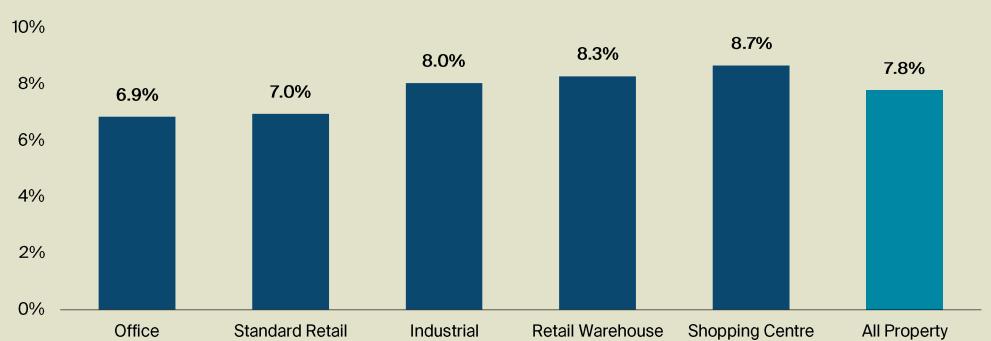
Sovereign Wealth Fund Investment into UK CRE (£bn)



Source: Knight Frank Insight, MSCI RCA

### And UK Shopping Centres set to outperform...

IPF Consensus Forecasts Annualised Total Returns 2025-29 (% per annum)



Source: Knight Frank Insight, IPF

# Equities

## Equity markets

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

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



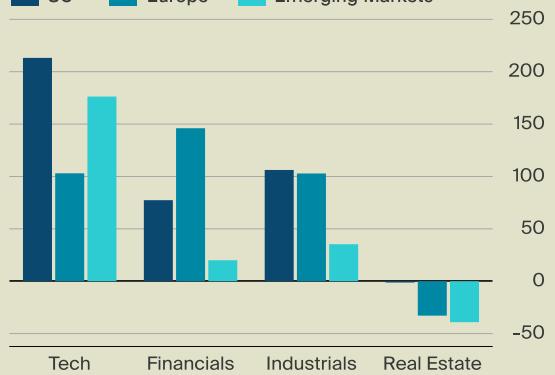
Source: Knight Frank, Macrobond

Index	Last Original value and base	Percentage change since				YTD %
		1 day	1 week	1 month	Jan '20	
DAX 30	11,114	1.2	2.9	3.9	67.9	3.05
FTSE 250	31,034	0.8	2.6	5.7	7.1	2.70
Hang Seng	3,444	2.3	1.8	5.0	-4.8	4.58
IBEX 35	20,637	0.2	0.4	4.0	92.6	1.63
MIB	53,401	0.2	0.1	3.9	102.8	1.08
S&P 500	6,977	0.8	1.7	1.1	116.0	1.92
STOXX 600	713	1.3	1.8	4.4	52.9	2.67
TOPIX	23	2.3	2.5	5.2	44.3	4.48

## 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	213.2%	103.0%	176.3%
Financials	77.4%	146.0%	20.0%
Industrials	106.2%	102.8%	35.3%
Real Estate	-1.2%	-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 %				
		1 day	1 week	1 month	Jan '20	YTD
US	2,963	0.2	1.3	1.8	24.0	1.604
Europe	2,520	-0.9	2.3	6.2	-11.6	1.840
World	3,651	0.1	1.2	2.5	13.6	1.445
Asia Pacific	3,468	-0.3	0.6	3.4	-11.6	0.708

## UK REITs by sector

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

— All REITs — Office — Industrial — Retail — Healthcare

— Residential ■ FTSE 250



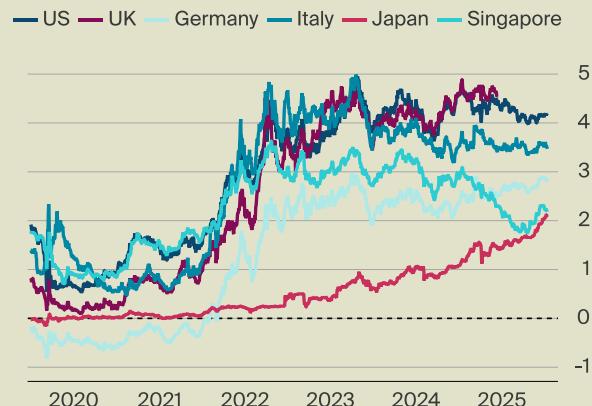
Source: Knight Frank, Macrobond

Index, total return Original value and base	Last 1 day		Percentage change since Jan '20 YTD %			
	1 week	1 month	Jan '20	YTD %		
All REITs	848	-1.5	3.1	7.4	-17.2	2.1
Office	1,481	-2.3	4.4	9.4	-50.0	3.7
Industrial	1,338	-1.0	3.0	6.7	7.9	1.9
Retail	71	-0.6	4.8	10.5	-80.2	4.3
Healthcare	2,343	1.0	5.4	9.7	3.3	5.6
Residential	943	-1.1	3.6	7.4	-38.2	2.4
FTSE 250	21,261	0.6	2.8	5.5	24.8	2.6

# Bonds & Rates

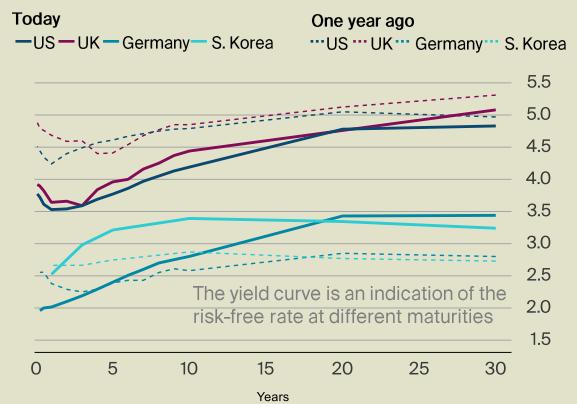
## Government bond yields

10 year government bond yields, %



## Yield curves

Latest nominal yield curves vs one year ago, %



	Last	1 day	1 week	1 month	Jan '20
Italy	3.47	3.50	3.57	3.59	1.40
Japan	2.08	2.08	2.07	1.91	-0.03
Singapore	2.18	2.20	2.23	2.32	1.74
UK	4.44	4.44	4.58	4.58	0.74
US	4.19	4.18	4.17	4.19	1.92

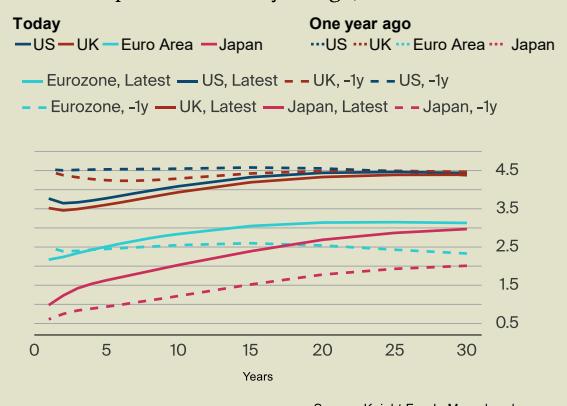
## Interest rate swaps

5 year swap rates, %



## Swap curves

Latest swap curves vs one year ago, %



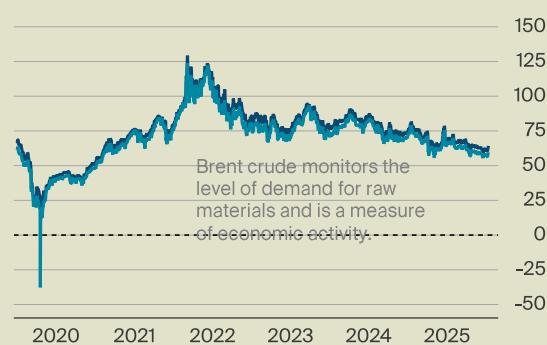
	Last	1 day	1 week	1 month	Jan '20
Eurozone	2.51	2.53	2.57	2.59	-0.13
Japan	1.63	1.63	1.62	1.45	0.03
UK	3.85	3.85	3.92	3.94	0.88
US	3.78	3.76	3.71	3.74	1.70

# 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	64.2	62.9	61.7	61.1	66.0	5.49
WTI, \$ per barrel	59.6	58.7	58.1	57.4	61.1	3.98

## 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	1659	-3.43	-10.4	-24.8	52.2	-11.6

## Volatility index

Near term stock price volatility indicator

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



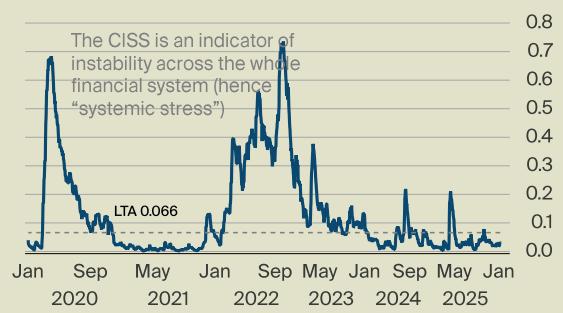
Source: Knight Frank, Macrobond

## 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 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	1.154	1.153	1.154	1.138	1.177
KOR per GBP	1,977	1,959	1,953	1,975	1,525
USD per GBP	1.348	1.342	1.350	1.336	1.321
USD per EUR	1.163	1.163	1.172	1.173	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	1.43	1.39	1.30	1.34	2.32
USD to GBP	-0.14	-0.17	-0.31	-0.31	1.12

## Inflation and monetary policy

### Inflation rate (%)

	Dec	Nov	Oct	Sep
Australia <sup>1</sup>	n/a	3.5	3.9	3.6
Canada	n/a	2.2	2.2	2.4
China	0.7	0.5	0.0	-0.5
Euro Area	2.0	2.1	2.1	2.2
France	0.8	0.9	0.9	1.2
Germany	1.9	2.2	2.2	2.4
India	1.3	0.7	0.3	1.4
Italy	1.2	1.1	1.2	1.6
Japan	n/a	2.9	3.0	2.9
Saudi Arabia	n/a	1.9	2.2	2.2
South Korea	2.3	2.4	2.4	2.1
Spain	n/a	3.1	3.1	3.0
Sweden	n/a	0.3	0.9	0.9
UK	n/a	3.2	3.6	3.8
US	n/a	2.7	2.8	3.0

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

### Interest rates (%)

	Last	Jan '24
3.60	4.35	
2.25	5.00	
4.35	4.35	
2.15	4.50	
2.15	4.50	
2.15	4.50	
5.25	6.50	
2.15	4.50	
0.75	-0.10	
4.25	6.00	
2.50	3.50	
2.15	4.50	
1.75	4.00	
3.75	5.25	
3.75	5.50	

### Asset purchasing

	Latest (\$)	1m change (%)
0.25 tn	0.1	
170 bn	0.8	
6.68 tn	0.5	
7.43 tn	3.0	
1.76 tn	0.2	
2.66 tn	-0.6	
458 bn	-0.8	
1.32 tn	-0.1	
4.32 tn	-2.9	
524 bn	2.8	
399 bn	-0.7	
487 bn	-0.2	
99.8 bn	-1.2	
1.17 tn	-0.7	
6.57 tn	0.5	

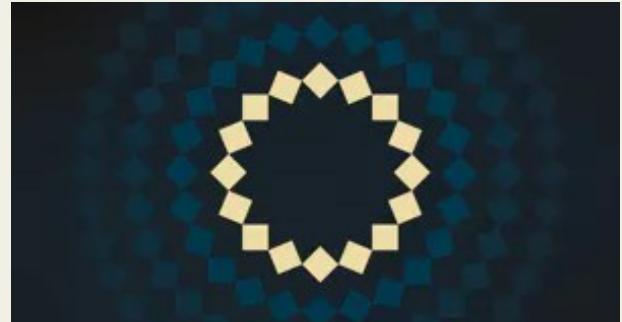
Source: Knight Frank, Macrobond



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