

Leading Indicators

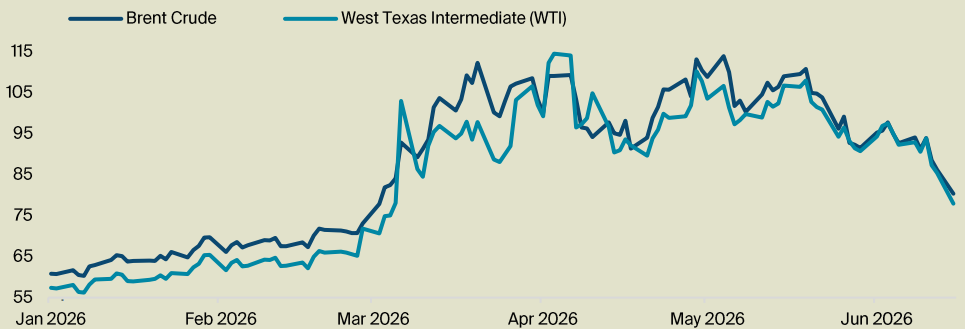
Relief, not reversal: Markets reprice on US-Iran deal

\$80.40

Oil prices have moved lower as markets price in reduced disruption risk following the US-Iran agreement. Brent is now trading at around \$80 per barrel, its lowest level since March, with WTI at roughly \$77. The move reflects expectations that flows through the Strait of Hormuz will resume, albeit gradually rather than returning to normal immediately. The key risk now is whether the agreement holds, and supply constraints continue to ease.

Oil risk premium unwinds as supply fears ease

Oil Spot Prices (\$ per barrel)



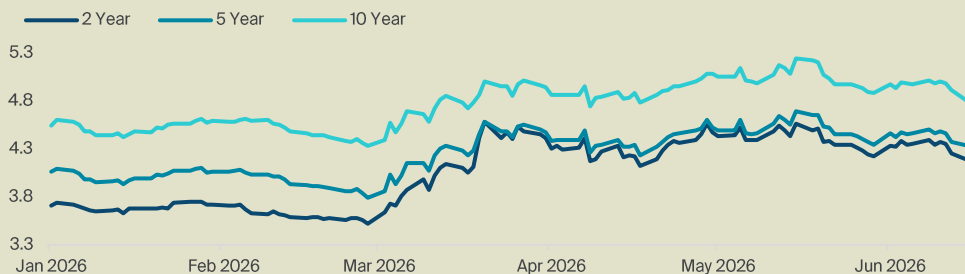
Source: Knight Frank Insight, Macrobond

4.79%

On the back of this, UK gilt yields have also moved lower, with the 10-year yield at c.4.8%, its lowest level since April and down from the peak above 5% seen in May. Shorter-dated yields have followed, with both 2 and 5-year rates also declining. The move reflects a partial unwind of the recent risk premium, although yields remain somewhat elevated, suggesting a degree of domestic political risk is still being priced in.

Risk easing feeds through to lower gilt yields, though domestic risk remains priced in

UK Government Bond Yields (%)



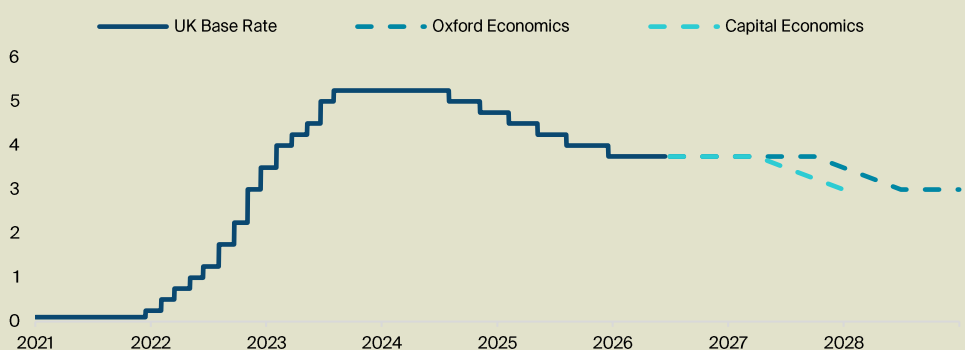
Source: Knight Frank Insight, Macrobond

3.75%

The BoE is expected to hold rates at 3.75% at tomorrow's meeting, with policymakers likely to take a cautious approach in the face of renewed inflation risks. While the ECB has moved to tighten policy, the UK is already operating from a more restrictive starting point and domestic conditions remain softer, particularly in the labour market. Inflation pressures are likely to pick up in the near term but are not expected to become entrenched via second-round effects. As such, we expect the BoE to remain on hold throughout 2026.

BoE expected to hold as policy caution persists

UK Base Rate Forecasts (%)



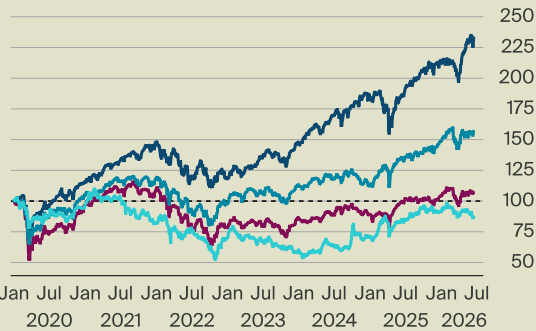
Source: Knight Frank Insight, Macrobond, Oxford Economics, Capital Economics

Equities

Equity markets

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

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



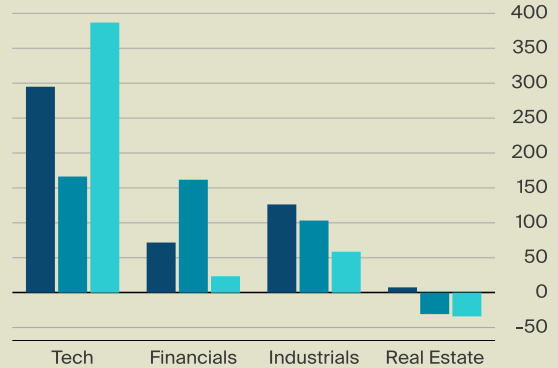
Source: Knight Frank, Macrobond

Index	Last Original value and base	Percentage change since					YTD %
		1 day	1 week	1 month	Jan '20		
DAX 30	10,552	3.6	1.0	0.9	59.4	-2.16	
FTSE 250	31,389	2.5	1.7	2.0	8.3	3.87	
Hang Seng	3,126	-0.9	-0.6	-7.2	-13.6	-5.05	
IBEX 35	22,087	4.8	4.2	6.2	106.1	8.76	
MIB	60,155	3.4	4.3	2.9	128.5	13.86	
S&P 500	7,554	2.2	2.3	0.7	133.8	10.35	
STOXX 600	736	2.8	2.3	2.3	57.8	5.97	
TOPIX	25	2.9	3.6	1.6	57.8	14.31	

Equity regional sectors

Price return index percentage change since Jan 2020

■ US ■ Europe ■ Emerging Markets



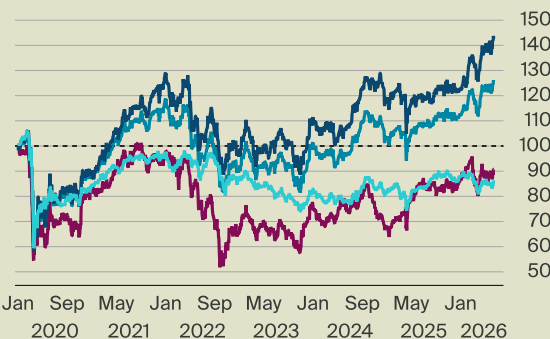
Source: Knight Frank, Macrobond

	Percentage change since Jan 2020		
	US	Europe	World
Tech	294.9%	166.3%	386.8%
Financials	71.8%	161.7%	23.5%
Industrials	126.4%	103.3%	58.7%
Real Estate	7.6%	-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

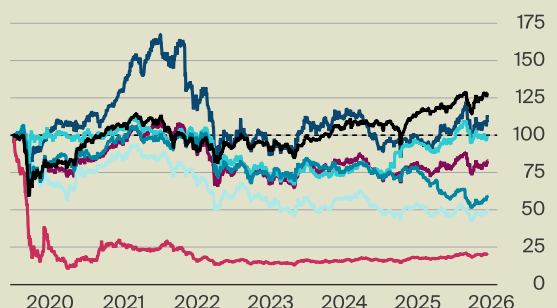
Index, total return	Last Original value and base	Percentage change since					YTD %
		1 day	1 week	1 month	Jan '20		
US	3,411	0.4	1.6	2.3	42.7	16.97	
Europe	2,588	2.4	4.1	3.7	-9.2	4.58	
World	4,038	1.0	2.2	2.1	25.7	12.19	
Asia Pacific	3,390	2.1	3.6	0.8	-13.6	-1.56	

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

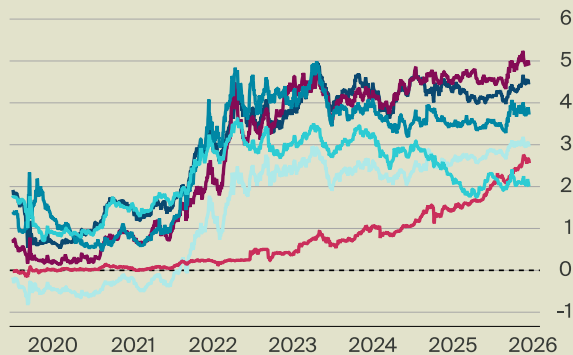
Index, total return	Last Original value and base	Percentage change since					YTD %
		1 day	1 week	1 month	Jan '20		
All REITs	849	2.5	4.4	5.7	-17.0	2.3	
Office	1,508	3.6	6.5	8.4	-49.1	5.6	
Industrial	1,391	3.1	5.0	5.7	12.2	6.0	
Retail	76	2.5	4.6	7.2	-79.0	10.4	
Healthcare	2,242	0.9	2.5	0.0	-1.1	1.0	
Residential	904	1.6	5.5	8.1	-40.8	-1.8	
FTSE 250	21,923	1.7	1.4	2.7	28.7	5.8	

Bonds & Rates

Government bond yields

10 year government bond yields, %

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



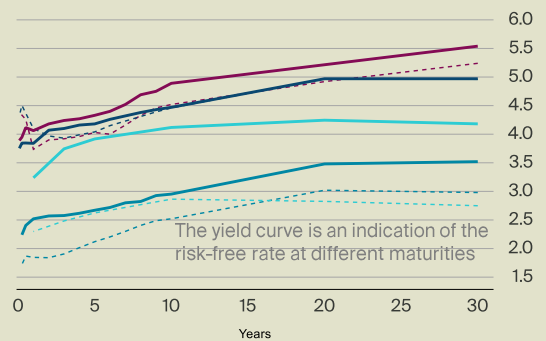
Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20
Italy	3.72	3.72	3.86	3.96	1.40
Japan	2.56	2.61	2.69	2.61	-0.03
Singapore	2.00	2.00	2.13	2.14	1.74
UK	4.89	4.89	4.98	5.24	0.74
US	4.47	4.47	4.53	4.59	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

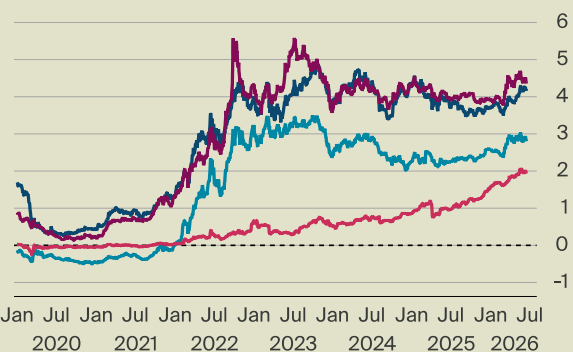


Source: Knight Frank, Macrobond

Interest rate swaps

5 year swap rates, %

— US — UK — Eurozone — Japan



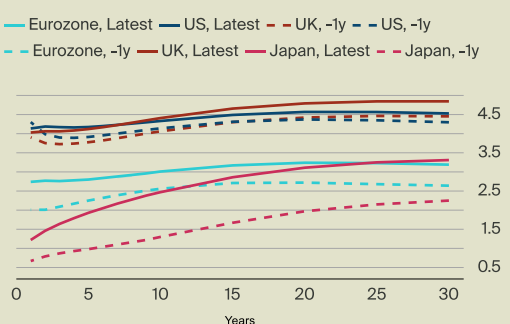
Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20
Eurozone	2.80	2.85	2.93	3.01	-0.13
Japan	1.93	1.96	2.01	2.06	0.03
UK	4.35	4.41	4.52	4.70	0.88
US	4.17	4.20	4.28	4.24	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



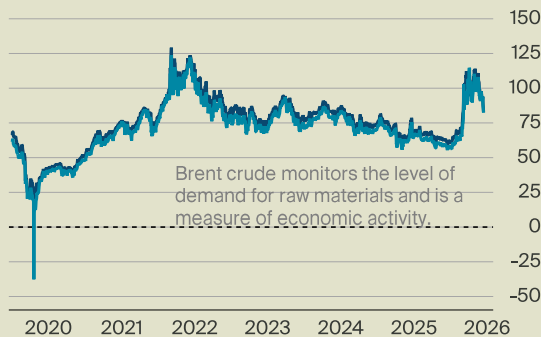
Source: Knight Frank, Macrobond

Commodities & Volatility

Energy

Oil spot prices, \$ per barrel

— Brent Crude — West Texas Intermediate (WTI)

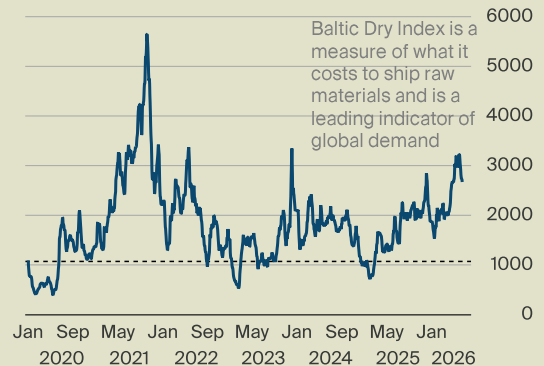


Source: Knight Frank, Macrobond

Baltic dry index

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

— Baltic dry index



Source: Knight Frank, Macrobond

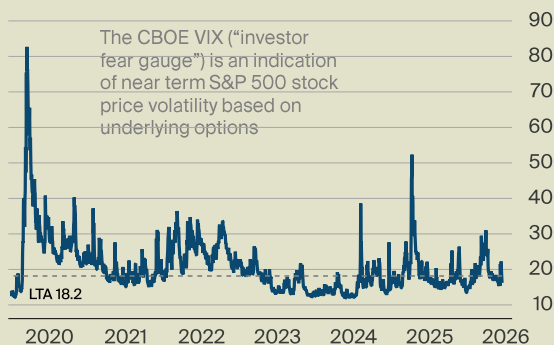
	Last	1 day	1 week	1 month	Jan '20	YTD %
Brent, \$ per barrel	83.0	83.0	91.2	109.1	66.0	36.4
WTI, \$ per barrel	82.3	82.3	90.7	107	61.1	43.5

	Last	Percentage change since				
		1 day	1 week	1 month	Jan '20	YTD %
Baltic Dry	2670	-2.16	-5.25	-15.3	145	42.2

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

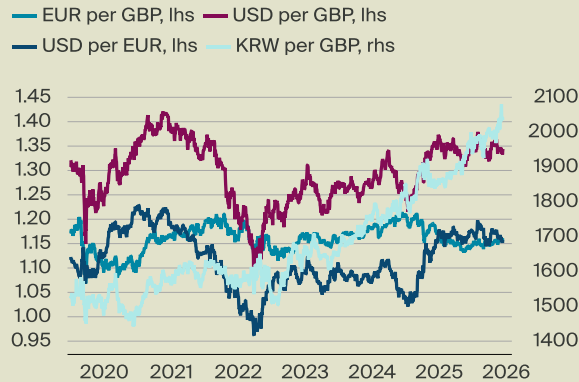
	Last	1 day	1 week	1 month	Jan '20	YTD
CBOE VIX	16.2	16.2	19.9	18.4	13.8	8.36
Euro Stoxx 50 VIX	16.6	16.6	20.7	22.3	14.0	12.51
Nikkei VIX	31.1	34.8	32.7	29.7	14.8	30.80
KOSPI VIX	84.3	87.9	91.2	74.7	14.7	192.17

	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

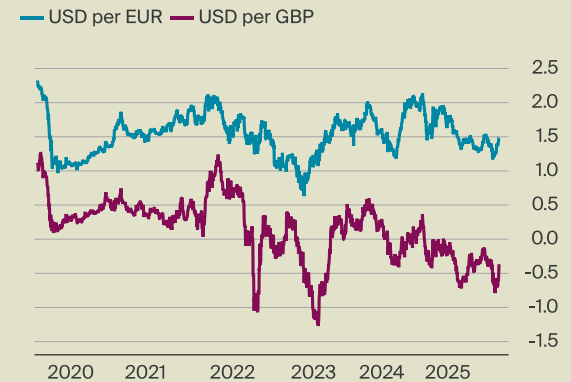


Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20
EUR per GBP	1.158	1.159	1.156	1.148	1.177
KOR per GBP	2,033	2,033	2,038	1,999	1,525
USD per GBP	1.344	1.341	1.334	1.335	1.321
USD per EUR	1.157	1.157	1.155	1.163	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	1.49	1.48	1.48	1.38	2.32
USD to GBP	-0.37	-0.48	-0.48	-0.69	1.12

Inflation and monetary policy

Inflation rate (%)

	May	Apr	Mar	Feb
Australia ¹	n/a	4.2	4.5	3.7
Canada	n/a	2.8	2.4	1.8
China	1.4	1.3	1.1	1.4
Euro Area	n/a	n/a	n/a	n/a
France	2.4	2.2	1.7	0.9
Germany	2.6	2.8	2.6	2.0
India	3.9	3.5	3.4	3.2
Italy	3.2	2.7	1.7	1.5
Japan	n/a	1.4	1.5	1.3
Saudi Arabia	1.8	1.7	1.8	1.7
South Korea	3.1	2.6	2.2	2.0
Spain	n/a	3.2	3.5	2.3
Sweden	0.8	-0.1	0.5	0.5
UK	n/a	2.8	3.3	3.0
US	4.2	3.8	3.3	2.4

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

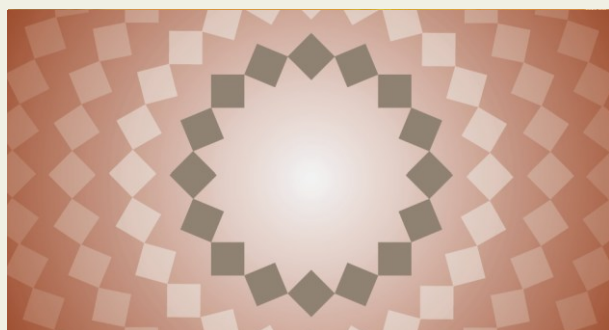
Interest rates (%)

	Last	Jan '25
	4.35	4.35
	2.25	3.25
	4.35	4.35
	2.40	3.15
	2.40	3.15
	2.40	3.15
	5.25	6.50
	2.40	3.15
	1.00	0.25
	4.25	5.00
	2.50	3.00
	2.40	3.15
	1.75	2.75
	3.75	4.75
	3.75	4.50

Asset purchasing

	Latest (\$)	1m change (%)
	0.25 tn	-0.7
	167 bn	-1.2
	713 tn	-0.5
	709 tn	-0.7
	1.75 tn	-1.4
	2.66 tn	-0.6
	467 bn	-3.2
	1.29 tn	-0.3
	4.13 tn	0.2
	520 bn	-0.7
	406 bn	1.2
	487 bn	-1.6
	95.2 bn	-3.2
	1.17 tn	-0.7
	6.73 tn	0.1

Source: Knight Frank, Macrobond



Healthcare Development Opportunities

Knight Frank's annual assessment of supply trends and development prospects in the UK Care Home industry.

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Data Centres Global Report – 2026

The Global Data Centres Report examines the key market dynamics driving the industry's evolution, covering investment case fundamentals, capital flows, and yield profiles, as well as assessing market performance across primary, secondary, and emerging regions.

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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



Victoria Ormond, CFA
Partner
Head of Capital Markets Insight
+44 20 7861 5009
victoria.ormond@knightfrank.com



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



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