

Leading Indicators



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Key economic and financial metrics, updated weekly

20th January 2026

Cooling momentum, steady fundamentals

3.6%

Today's UK labour market data showed the unemployment rate unchanged at 5.1% in the three months to November 2025, its highest level since early 2021. Private sector wage growth, closely monitored by the Bank of England as a gauge of domestic inflation pressure, slowed to 3.6%, its weakest pace since November 2020, from 3.9% previously. Attention now turns to tomorrow's inflation release, which will help assess whether the BoE can continue easing policy at its February meeting, with rates potentially moving towards 3.50%.

+1.3%

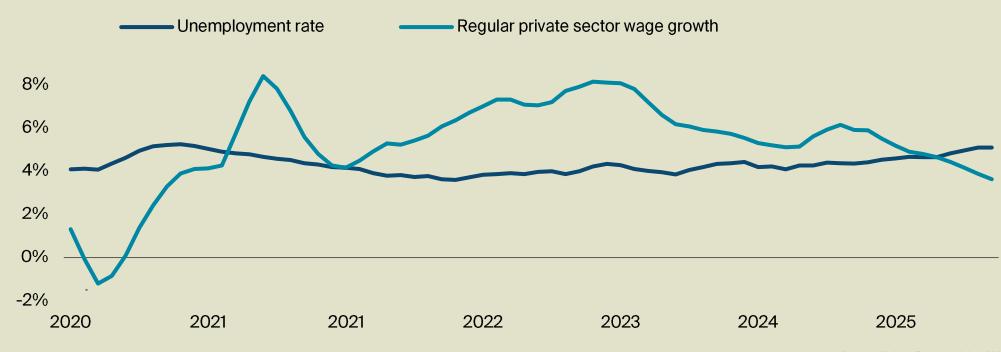
President Trump's announcements of proposed tariffs over the weekend highlight how quickly geopolitical risks can disrupt global trade. In this environment, relative growth resilience is increasingly important. The UK appears well positioned, with the IMF expecting it to be Europe's fastest-growing G7 economy this year and next, with growth of +1.3% this year and +1.5% in 2027. The IMF also points to rising AI investment as an emerging support for economic activity.

+7.0%

Across market cycles, real estate has delivered relatively stable and consistently positive returns compared with the greater volatility seen in equities, oil and gold. While other asset classes show wide variation from decade to decade, property returns have been more consistent. The MSCI UK All Property Index returned +8.8% between 1990-2000 and +6.5% over 2010-2020, outperforming both equities and commodities in those periods. From 2020 to YTD, returns are around +7.0%, reinforcing real estate's role as a stable, income-supported asset class across varying market conditions.

UK labour market shows signs of loosening as wage momentum fades

UK unemployment rate and private sector wage growth (%)



Source: Knight Frank Insight, ONS

UK forecast to stay ahead of its European peers

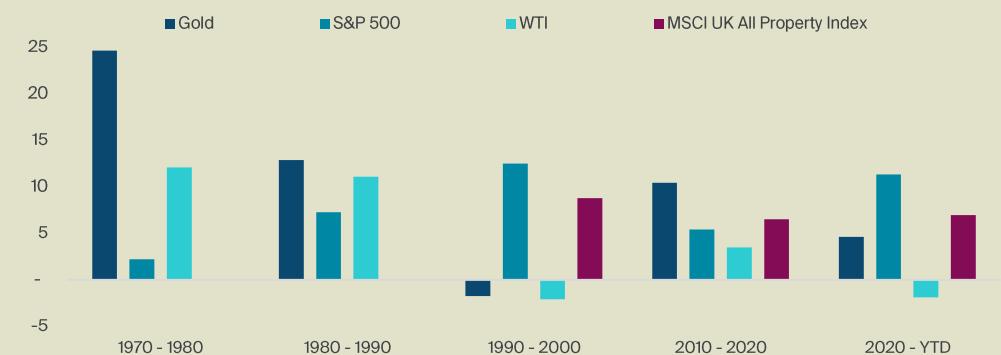
G7 GDP growth rates (%)



Source: Knight Frank Insight, IMF

Real estate offers steadier returns across cycles

Average returns across decades: Oil vs S&P 500 vs Gold vs MSCI UK All Property (%)



Source: Knight Frank Insight, Macrobond, MSCI RCA, LBMA, S&P Global

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 1 day 1 week 1 month Jan '20 YTD %				
		1.2	-1.2	-1.2	2.3	64.4
DAX 30	10,883	-1.2	-1.2	2.3	64.4	0.905
FTSE 250	31,023	-0.4	0.3	3.7	7.0	2.661
Hang Seng	3,397	-1.3	-0.5	3.7	-6.1	3.169
IBEX 35	20,560	0.4	0.1	2.3	91.8	1.246
MIB	52,602	-1.1	-1.2	0.8	99.8	-0.436
S&P 500	6,940	0.2	0.3	1.8	114.8	1.381
STOXX 600	707	-0.9	-0.5	2.9	51.4	1.688
TOPIX	23	-0.9	3.0	6.3	45.3	5.194

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	210.5%	100.5%	186.4%
Financials	75.2%	147.4%	21.0%
Industrials	111.1%	100.7%	37.8%
Real Estate	2.1%	-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 Original value and base	Percentage change since 1 day 1 week 1 month Jan '20 YTD %				
		1.2	2.9	4.9	27.6	4.61
US	3,051	1.2	2.9	4.9	27.6	4.61
Europe	2,527	-0.1	0.1	4.2	-11.3	2.13
World	3,734	1.0	2.3	4.6	16.2	3.75
Asia Pacific	3,505	0.1	1.0	3.7	-10.7	1.76

UK REITs by sector

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

— All REITs — Office — Industrial — Retail — Healthcare

— Residential — FTSE 250



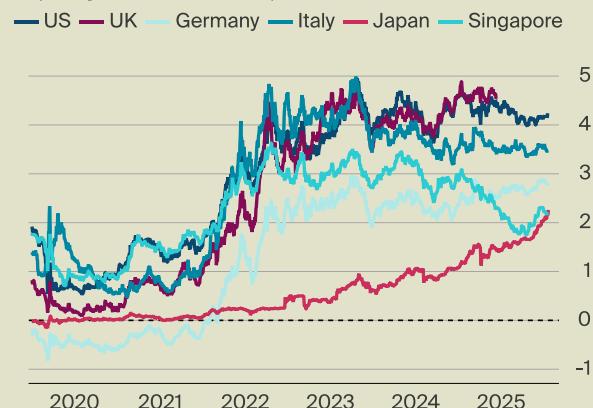
Source: Knight Frank, Macrobond

Index, total return Original value and base	Last Original value and base	Percentage change since 1 day 1 week 1 month Jan '20 YTD %				
		0.0	1.5	7.5	-15.0	4.8
All REITs	870	0.0	1.5	7.5	-15.0	4.8
Office	1,536	0.6	2.5	10.8	-48.2	7.5
Industrial	1,368	-1.0	1.9	6.9	10.3	4.2
Retail	71	-1.0	-1.5	6.3	-80.3	3.5
Healthcare	2,366	-0.2	1.2	7.2	4.3	6.6
Residential	968	0.2	1.7	6.8	-36.5	5.2
FTSE 250	21,337	-0.7	0.4	3.6	25.2	2.9

Bonds & Rates

Government bond yields

10 year government bond yields, %

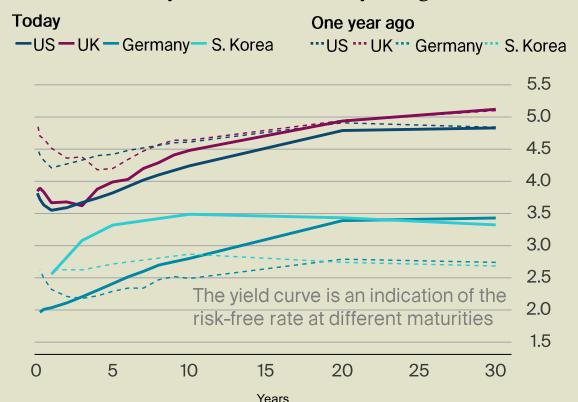


Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20
Italy	3.46	3.46	3.48	3.58	1.40
Japan	2.26	2.17	2.09	1.95	-0.03
Singapore	2.18	2.18	2.16	2.30	1.74
UK	4.47	4.47	4.46	4.59	0.74
US	4.24	n/a	4.18	4.16	1.92

Yield curves

Latest nominal yield curves vs one year ago, %



Interest rate swaps

5 year swap rates, %

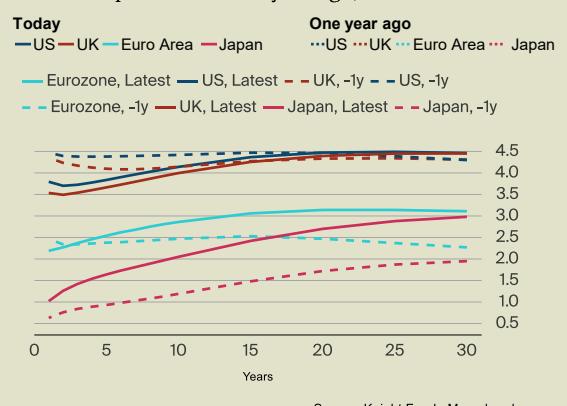


Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20
Eurozone	2.53	2.54	2.51	2.60	-0.13
Japan	1.68	1.64	1.63	1.51	0.03
UK	3.91	3.91	3.85	3.94	0.88
US	3.84	3.84	3.78	3.69	1.70

Swap curves

Latest swap curves vs one year ago, %

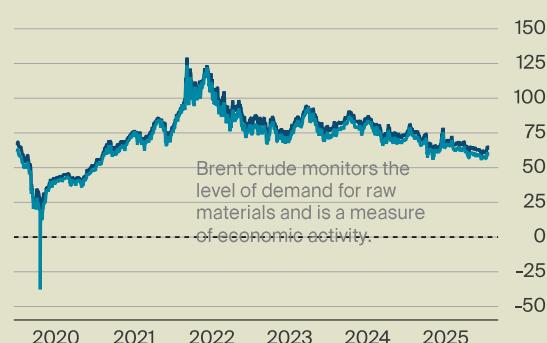


Commodities & Volatility

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	64.1	64.1	65.4	60.5	66.0	5.24
WTI, \$ per barrel	59.4	59.4	60.9	56.8	61.1	3.54

	Last	Percentage change since				
		1 day	1 week	1 month	Jan '20	YTD %
Baltic Dry	1729	10.3	7.52	-14.5	58.6	-7.88

Volatility index

Near term stock price volatility indicator

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



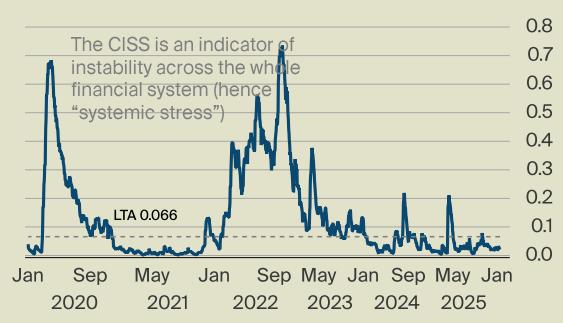
Source: Knight Frank, Macrobond

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

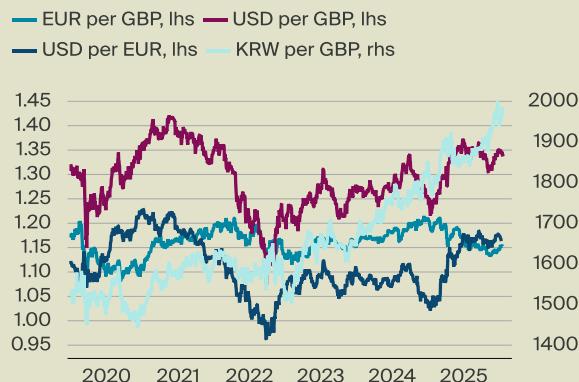
	Last	1 day	1 week	1 month	Jan '20	YTD
CBOE VIX	18.8	18.8	16.0	14.9	13.8	26.0
Euro Stoxx 50 VIX	20.0	20.0	16.4	14.6	14.0	35.6
Nikkei VIX	32.8	29.7	28.9	27.3	14.8	38.2
KOSPI VIX	34.6	33.0	32.5	27.3	14.7	19.8

	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	1.153	1.154	1.154	1.141	1.177
KOR per GBP	1,977	1,973	1,977	1,975	1,525
USD per GBP	1.342	1.338	1.348	1.336	1.321
USD per EUR	1.163	n/a	n/a	1.172	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	1.48	1.47	1.43	1.27	2.32
USD to GBP	-0.14	-0.12	-0.14	-0.37	1.12

Inflation and monetary policy

Inflation rate (%)

	Dec	Nov	Oct	Sep
Australia ¹	n/a	3.5	3.9	3.6
Canada	2.4	2.2	2.2	2.4
China	0.7	0.5	0.0	-0.5
Euro Area	1.9	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	2.1	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	0.3	0.3	0.9	0.9
UK	n/a	3.2	3.6	3.8
US	2.7	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	-0.7
	170 bn	0.8
	6.85 tn	1.8
	7.32 tn	2.4
	1.76 tn	0.2
	2.66 tn	-0.6
	477 bn	4.4
	1.32 tn	-0.1
	4.29 tn	-2.9
	524 bn	2.8
	386 bn	-0.9
	487 bn	-0.2
	99.3 bn	-1.3
	1.17 tn	-0.7
	6.58 tn	0.5

Source: Knight Frank, Macrobond



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Welcome to the fourth edition of (Y)OUR SPACE—Knight Frank's global research campaign that explores the forces reshaping work, workplace, and the real estate strategies evolving in response. In a world defined by disruption, this is the occupier voice: clear, direct, and rooted in the realities of corporate life.

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