Leading Indicators

Knight Frank

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Key economic and financial metrics, updated weekly

22nd April 2026

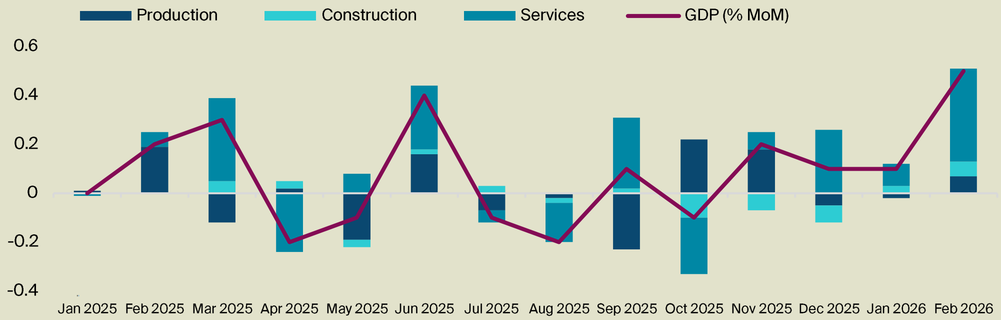
Resilience beneath the noise: calmer rates and supportive credit for UK CRE in Q2

+0.5%

UK GDP rose by +0.5% m/m in February, ahead of expectations and marking the strongest growth since January 2024, with broad-based gains across services and production, while construction also returned to positive territory. This points to an economy that entered Q2 with genuine underlying momentum. Set against this, Deloitte's latest CFO Survey shows corporate confidence fell to a six year low in March, dropping to a net -57% as geopolitical risk, energy costs and interest rate concerns moved sharply higher on firms' risk registers.

UK GDP showed signs of resilience ahead of Middle East tensions

Contributions to month-on-month GDP growth (%)



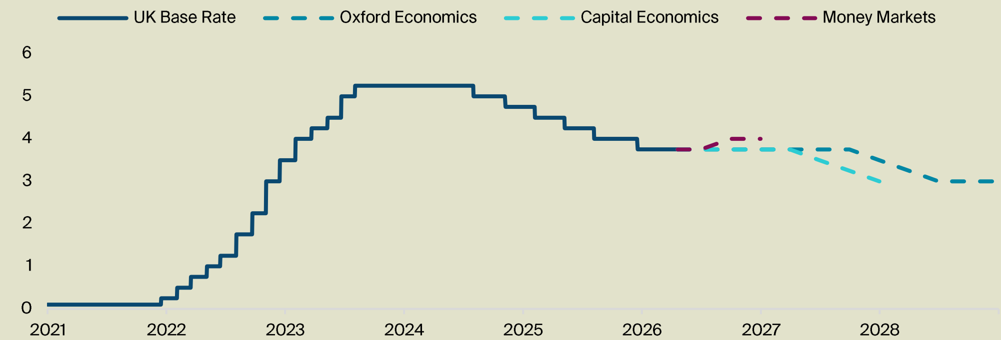
Source: Knight Frank Insight, Macrobond

3.75%

Reports of a potential Iran deal point to de-escalation, consistent with our view that broader market disruption remains contained, albeit with ongoing uncertainty. Markets have largely moved past the initial shock: oil has stabilised, rate volatility has eased and policy expectations have moderated. After briefly pricing multiple hikes, money markets have shifted back to around one hike this year, while economists expect the BoE to remain on hold at 3.75% for the rest of the year, assuming any inflation impulse proves temporary.

Less noise, clearer direction in UK base rate forecasts

UK Base Rate Forecast (%)



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

+10.1%

For all the geopolitical noise, UK banks are not behaving like a sector under stress. The BoE's Q1 Credit Conditions Survey shows CRE credit availability increased for a 9th consecutive quarter, with further easing expected in Q2 - despite capturing the early phase of the Iran conflict. While the pace of loosening has moderated, with the net balance of lenders planning to improve availability over the next three months easing to +10.1% in Q1 2026, conditions remain more supportive for property than for the corporate sector overall. Combined with stabilising rate expectations, this points to resilience rather than a renewed pullback in UK CRE.

Credit where it's due: Banks' appetite for CRE shows resilience

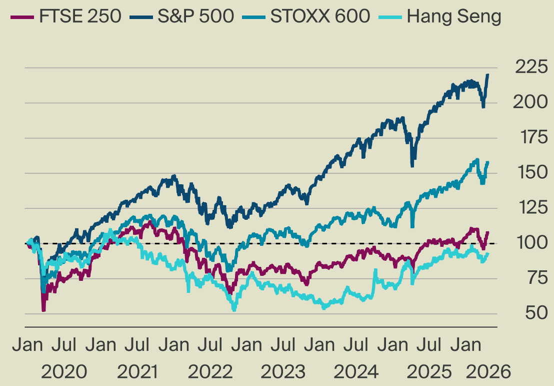
Availability of Credit, Next 3 Months (% net balance)

Source: Knight Frank Insight, Bank of England Credit Conditions Survey

Equities

Equity markets

Price return index, Jan 2020 = 100, US$

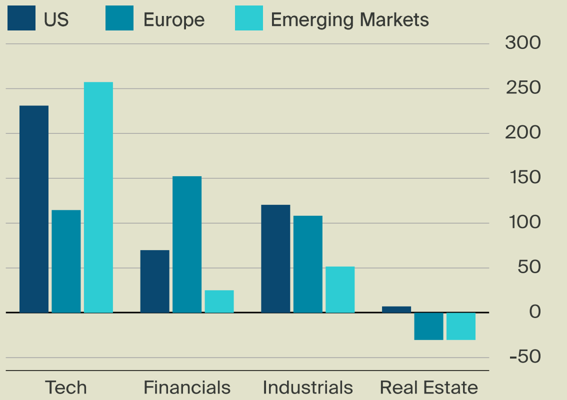


Source: Knight Frank, Macrobond

Index Original value and base	Last	1 day	Percentage change since 1 week	1 month	Jan '20	YTD %
DAX 30	10,698	0.9	2.8	8.9	61.6	-0.813
FTSE 250	31,025	0.7	3.1	7.7	7.1	2.671
Hang Seng	3,382	1.2	3.3	3.9	-6.5	2.722
IBEX 35	21,499	0.9	0.7	10.4	100.6	5.867
MIB	56,754	0.4	1.6	12.7	115.6	7.423
S&P 500	7,109	1.0	4.3	7.6	120.0	3.851
STOXX 600	732	0.7	1.4	8.8	56.8	5.301
TOPIX	24	-0.3	1.8	4.1	50.5	8.958

Equity regional sectors

Price return index percentage change since Jan 2020

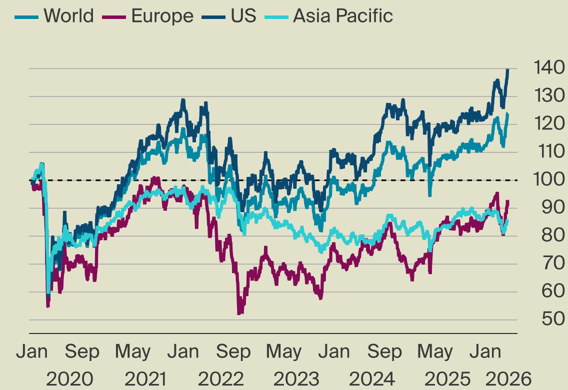


Source: Knight Frank, Macrobond

	Percentage change since Jan 2020 US	Europe	World
Tech	231.0%	114.6%	257.3%
Financials	69.9%	152.3%	25.1%
Industrials	120.4%	108.3%	51.6%
Real Estate	7.2%	-54.2%	-59.0%

REITs by region

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

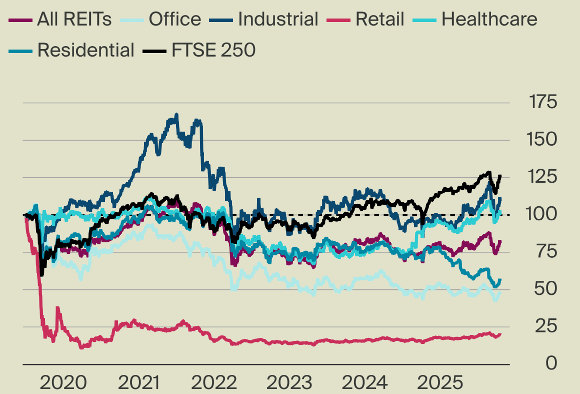


Source: Knight Frank, Macrobond

Index, total return Original value and base	Last	1 day	Percentage change since 1 week	1 month	Jan '20	YTD %
US	3,343	1.8	4.3	7.2	39.9	14.65
Europe	2,592	0.3	2.8	7.9	-9.1	4.75
World	3,986	1.4	3.8	6.8	24.1	10.76
Asia Pacific	3,374	0.2	2.1	1.6	-14.1	-2.04

UK REITs by sector

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



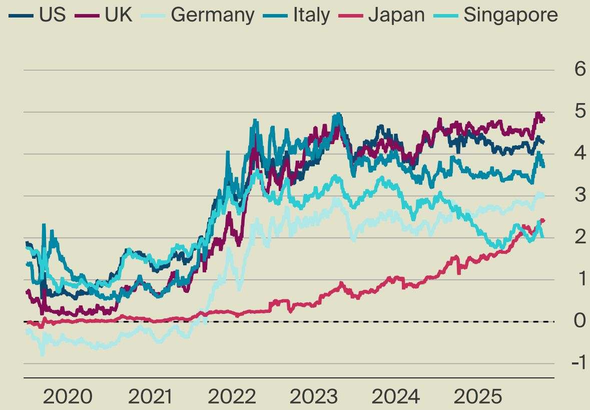
Source: Knight Frank, Macrobond

Index, total return Original value and base	Last	1 day	Percentage change since 1 week	1 month	Jan '20	YTD %
All REITs	832	0.3	3.0	5.1	-18.7	0.2
Office	1,397	-1.9	2.3	4.3	-52.9	-2.2
Industrial	1,355	0.7	3.4	3.9	9.3	3.2
Retail	72	0.2	4.0	3.8	-80.1	5.0
Healthcare	2,271	-1.6	-0.3	1.7	0.1	2.3
Residential	854	-0.7	4.4	4.1	-44.0	-7.2
FTSE 250	21,376	0.7	2.7	6.9	25.5	3.1

Bonds & Rates

Government bond yields

10 year government bond yields, %

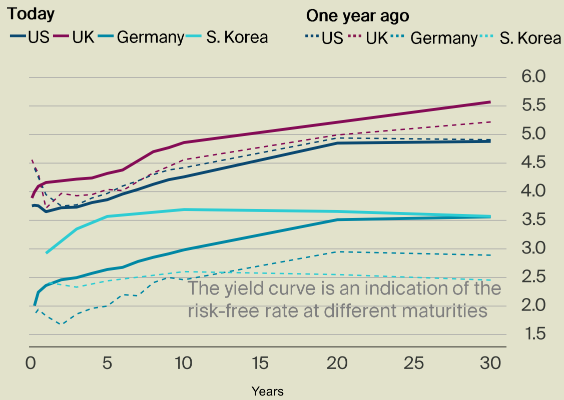


Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20
Italy	3.73	3.73	3.79	3.94	1.40
Japan	2.40	2.42	2.46	2.21	-0.03
Singapore	2.04	2.04	2.01	2.12	1.74
UK	4.86	4.86	4.82	5.00	0.74
US	4.26	4.26	4.26	4.39	1.92

Yield curves

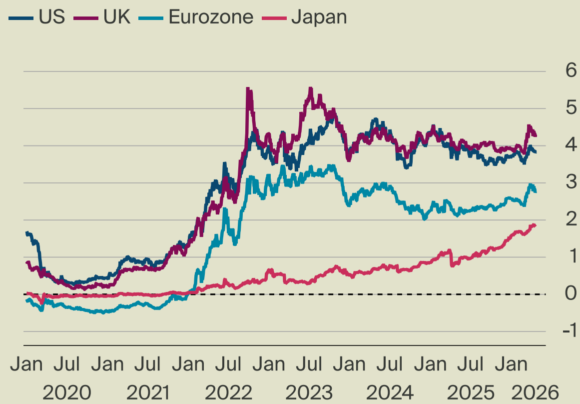
Latest nominal yield curves vs one year ago, %



Source: Knight Frank, Macrobond

Interest rate swaps

5 year swap rates, %

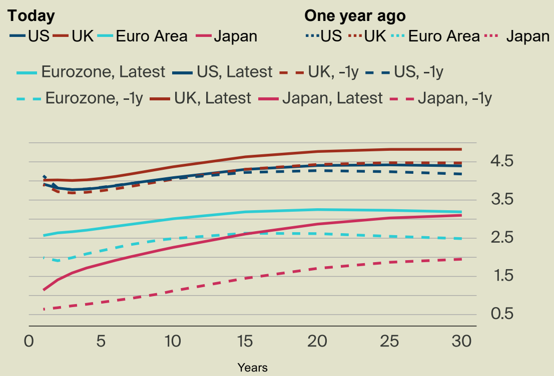


Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20
Eurozone	2.76	2.74	2.91	2.89	-0.13
Japan	1.82	1.83	1.89	1.71	0.03
UK	4.30	4.24	4.40	4.57	0.88
US	3.82	3.81	3.87	3.96	1.70

Swap curves

Latest swap curves vs one year ago, %

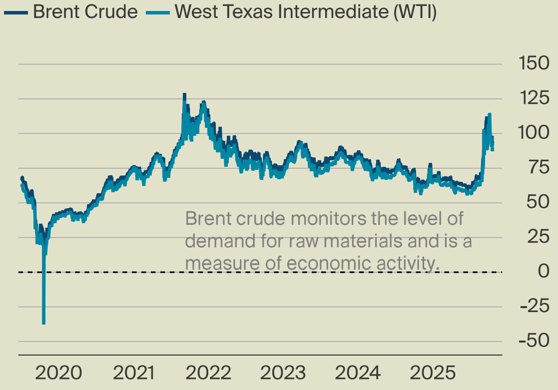


Source: Knight Frank, Macrobond

Commodities & Volatility

Energy

Oil spot prices, $ per barrel

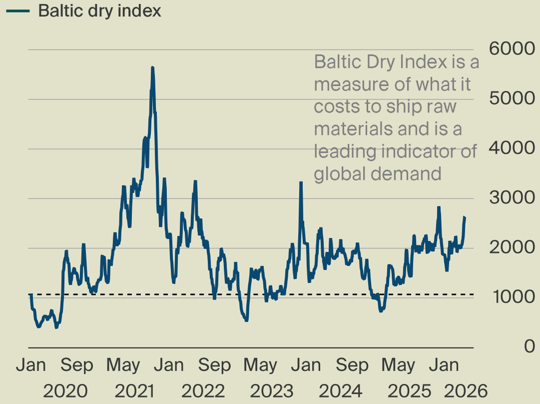


Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20	YTD %
Brent, $ per barrel	94.1	94.1	95.2	112.4	66.0	54.6
WTI, $ per barrel	89.7	89.7	90.5	97.9	61.1	56.5

Baltic dry index

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

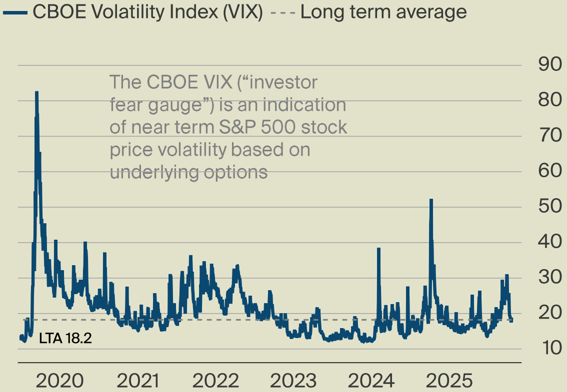


Source: Knight Frank, Macrobond

	Last	Percentage change since				
		1 day	1 week	1 month	Jan '20	YTD %
Baltic Dry	2640	2.84	12.1	28.4	142	40.6

Volatility index

Near term stock price volatility indicator



Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20	YTD
CBOE VIX	18.9	18.9	18.4	26.8	13.8	26.2
Euro Stoxx 50 VIX	22.6	22.6	20.6	31.8	14.0	53.4
Nikkei VIX	30.0	32.9	29.3	35.1	14.8	26.1
KOSPI VIX	51.6	50.3	49.9	55.6	14.7	79.0

Systemic stress

Measures FX, money, sovereign and bond yield volatility

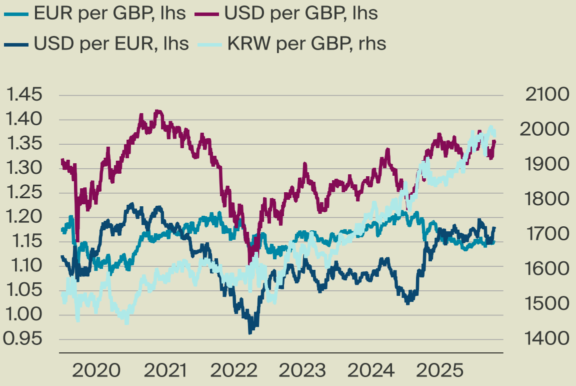
Source: Knight Frank, Macrobond

	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

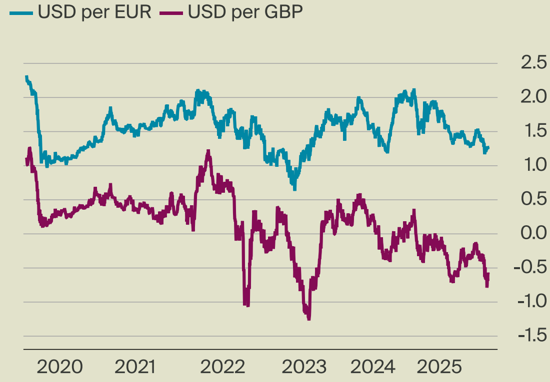


Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20
EUR per GBP	1.149	1.149	1.148	1.158	1.177
KOR per GBP	1,980	2,000	1,996	1,987	1,525
USD per GBP	1.357	1.352	1.346	1.334	1.321
USD per EUR	1.180	1.178	1.172	1.153	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	1.27	1.28	1.26	1.38	2.32
USD to GBP	-0.59	-0.57	-0.79	-0.30	1.12

Inflation and monetary policy

	Inflation rate (%)				Interest rates (%)		Asset purchasing	
	Mar	Feb	Jan	Dec	Last	Jan '25	Latest ($)	1m change (%)
Australia[1]	n/a	3.7	3.8	3.7	4.10	4.35	0.27 tn	2.7
Canada	2.4	1.8	2.3	2.4	2.25	3.25	165 bn	-3.2
China	1.1	1.4	0.2	0.7	4.35	4.35	7.13 tn	-1.7
Euro Area	n/a	n/a	n/a	2.0	2.15	3.15	7.34 tn	0.9
France	1.7	0.9	0.3	0.8	2.15	3.15	1.85 tn	-0.3
Germany	2.7	2.1	2.1	1.8	2.15	3.15	2.66 tn	-0.6
India	3.4	3.2	2.7	1.2	5.25	6.50	540 bn	-0.6
Italy	1.7	1.5	1.0	1.2	2.15	3.15	1.29 tn	-3.9
Japan	n/a	1.3	1.5	2.1	0.75	0.25	4.16 tn	-3.0
Saudi Arabia	1.8	1.7	1.8	2.1	4.25	5.00	508 bn	-1.4
South Korea	2.2	2.0	2.0	2.3	2.50	3.00	410 bn	-2.1
Spain	3.3	2.3	2.2	2.9	2.15	3.15	487 bn	-0.4
Sweden	0.5	0.5	0.5	0.3	1.75	2.75	101 bn	2.6
UK	n/a	3.0	3.0	3.4	3.75	4.75	1.17 tn	-0.7
US	3.3	2.4	2.4	2.7	3.75	4.50	6.71 tn	0.8

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

Source: Knight Frank, Macrobond

The London Series - Capital: Risk re-priced and volatility tamed

London's office market is entering a new cycle shaped less by volatility and more by structural clarity. The turbulence of the early 2020s has given way to a market where risk has been re-priced, supply is tightening, and demand is consolidating around high-quality space.

View report

Active Capital 2026

Knight Frank's Active Capital Survey 2026 captures the views and investment intentions of 119 of the world's largest global real estate investors, tracking $144bn of capital. We combine data-driven market analysis with unique investor insight to reveal the latest intelligence on how capital is being deployed worldwide and what's coming next.

View report

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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

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