Leading Indicators

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Key economic and financial metrics, updated weekly

22nd July 2026

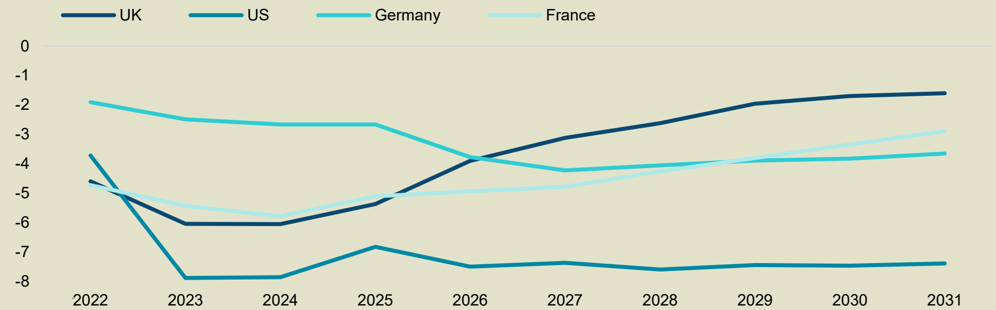
UK outlook steadies as fiscal credibility comes into focus

1.6%

IMF forecasts suggest the UK is set for one of the sharper fiscal consolidations among major economies, with the deficit expected to narrow to around 1.6% of GDP by 2031. For the new Prime Minister, delivering that adjustment credibly will be key while debt remains close to 95% of GDP and gilt markets remain sensitive to fiscal slippage.

UK fiscal consolidation expected to move faster than peers

Fiscal balance (% of GDP)



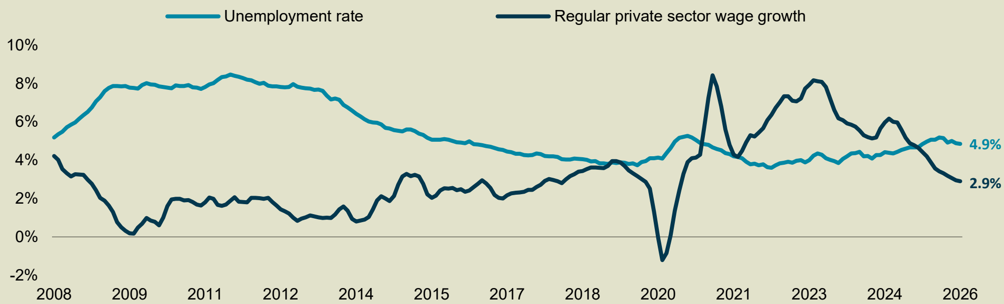
Source: Knight Frank Insight, IMF

2.9%

Private sector wage growth, a key measure watched by the Bank of England, slowed to 2.9% YoY, its weakest pace since October 2020. With unemployment steady at 4.9% and payrolls falling by less than expected in June, the labour market remains soft but stabilising, supporting expectations that the base rate will remain on hold at 3.75% on 30th July.

Soft labour market set to keep BoE on hold in July

UK unemployment rate and private sector wage growth (%)



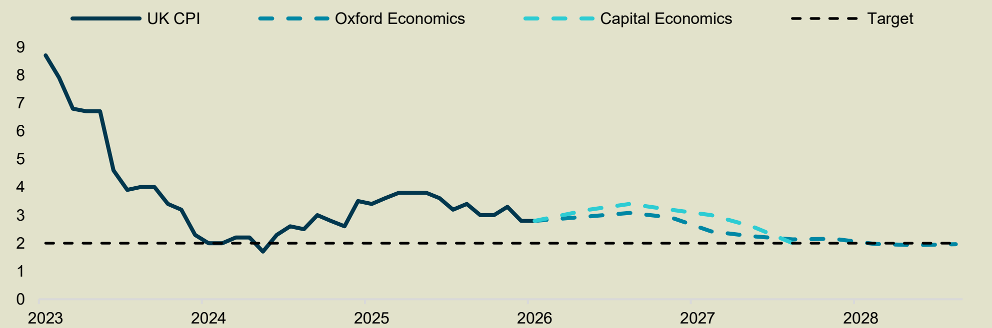
Source: Knight Frank Insight, ONS

3.4%

Inflation is expected to rise over the coming quarters, with CPI forecast to peak around 3.4% in late 2026 as energy and utility costs feed through. However, softer wage growth and easing domestic pressures should support a gradual return towards the BoE's 2% target in 2027. While geopolitical risks remain, the inflation backdrop looks materially less challenging than in 2022, supporting a measured easing cycle.

Temporary inflation pressures, but outlook remains contained

UK CPI forecasts (% change YoY)

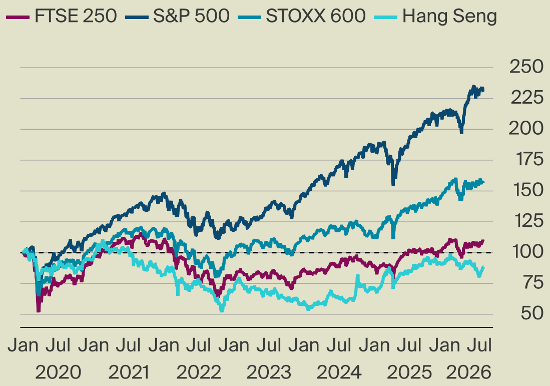


Source: Knight Frank Insight, ONS, Capital Economics, Oxford Economics

Equities

Equity markets

Price return index, Jan 2020 = 100, US$

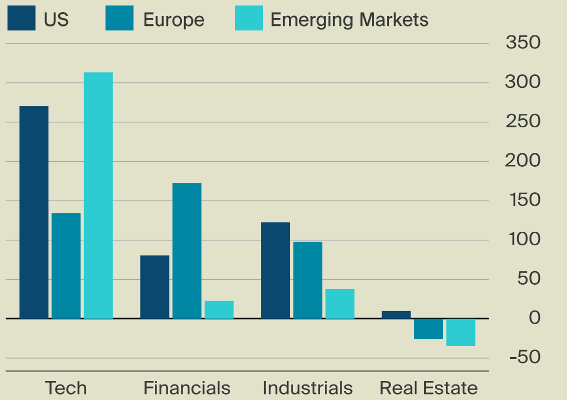


Source: Knight Frank, Macrobond

Index Original value and base	Last	1 day	Percentage change since 1 week	1 month	Jan '20	YTD %
DAX 30	10,347	-0.5	-1.0	-1.4	56.3	-4.07
FTSE 250	31,611	-1.2	0.9	2.3	9.1	4.61
Hang Seng	3,205	2.3	3.8	5.0	-11.4	-2.65
IBEX 35	21,913	-0.8	-1.0	-1.6	104.5	7.91
MIB	59,170	-1.2	-1.6	-2.2	124.8	12.00
S&P 500	7,443	-1.2	-1.7	-0.8	130.4	8.73
STOXX 600	730	-0.9	-0.4	-0.2	56.4	5.02
TOPIX	25	2.3	0.1	-2.3	56.4	13.29

Equity regional sectors

Price return index percentage change since Jan 2020

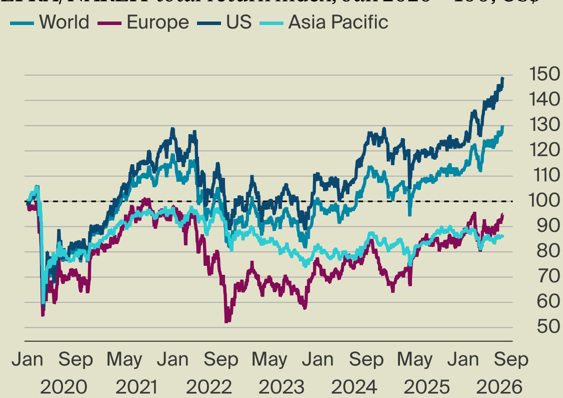


Source: Knight Frank, Macrobond

	Percentage change since Jan 2020 US	Europe	World
Tech	270.7%	134.2%	313.3%
Financials	80.6%	172.9%	22.8%
Industrials	122.6%	97.9%	37.7%
Real Estate	9.9%	-54.2%	-59.0%

REITs by region

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

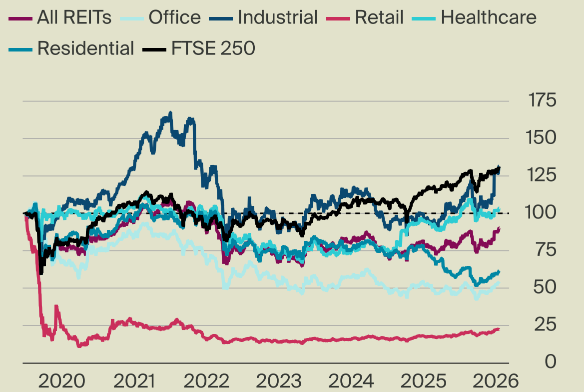


Source: Knight Frank, Macrobond

Index, total return Original value and base	Last	1 day	Percentage change since 1 week	1 month	Jan '20	YTD %
US	3,546	-0.3	2.7	6.1	48.4	21.61
Europe	2,706	0.8	2.5	6.9	-5.1	9.36
World	4,161	-0.1	2.3	5.2	29.5	15.63
Asia Pacific	3,407	0.9	0.9	1.4	-13.2	-1.07

UK REITs by sector

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



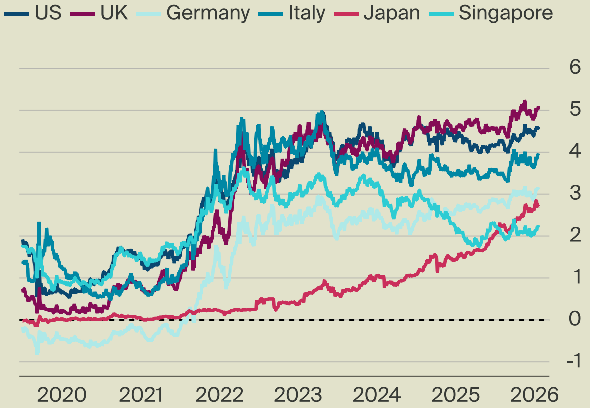
Source: Knight Frank, Macrobond

Index, total return Original value and base	Last	1 day	Percentage change since 1 week	1 month	Jan '20	YTD %
All REITs	923	1.0	2.7	9.4	-9.7	11.3
Office	1,613	0.7	2.1	7.1	-45.6	12.9
Industrial	1,633	1.7	3.9	17.7	31.7	24.4
Retail	80	0.4	-0.5	8.7	-77.7	17.7
Healthcare	2,348	1.4	1.9	6.1	3.6	5.8
Residential	942	1.5	3.2	2.8	-38.3	2.4
FTSE 250	22,145	-0.7	0.8	1.1	30.0	6.8

Bonds & Rates

Government bond yields

10 year government bond yields, %

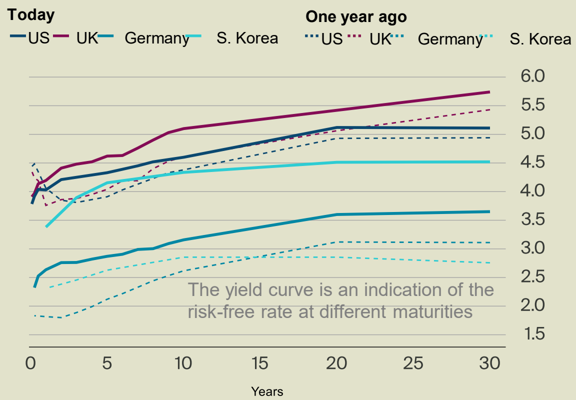


Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20
Italy	3.97	3.97	3.86	3.74	1.40
Japan	2.70	2.71	2.78	2.60	-0.03
Singapore	2.26	2.26	2.22	2.06	1.74
UK	5.10	5.10	5.02	4.91	0.74
US	4.60	4.60	4.58	4.46	1.92

Yield curves

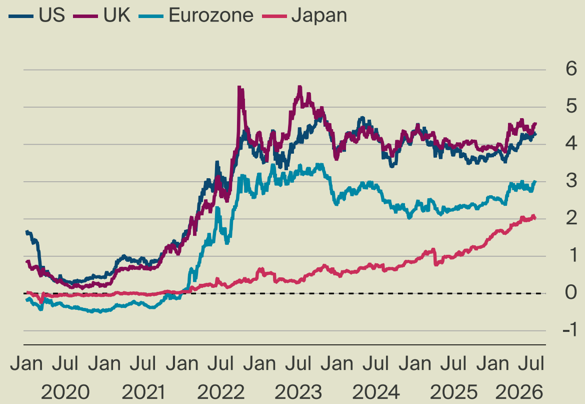
Latest nominal yield curves vs one year ago, %



Source: Knight Frank, Macrobond

Interest rate swaps

5 year swap rates, %

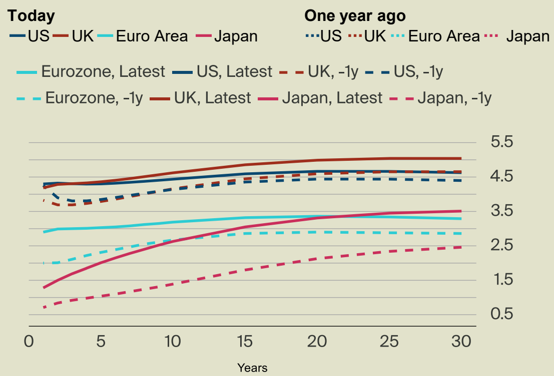


Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20
Eurozone	3.03	3.01	2.96	2.85	-0.13
Japan	2.01	2.01	2.08	2.00	0.03
UK	4.59	4.53	4.54	4.41	0.88
US	4.30	4.26	4.34	4.21	1.70

Swap curves

Latest swap curves vs one year ago, %



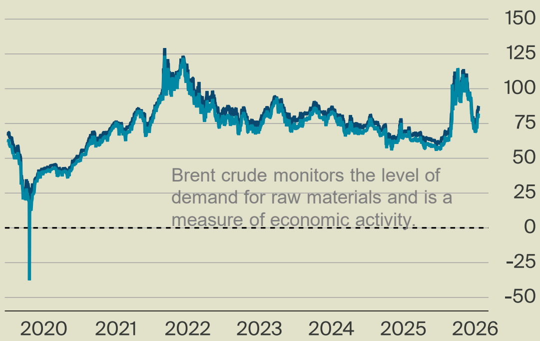
Source: Knight Frank, Macrobond

Commodities & Volatility

Energy

Oil spot prices, $ per barrel

— Brent Crude — West Texas Intermediate (WTI)



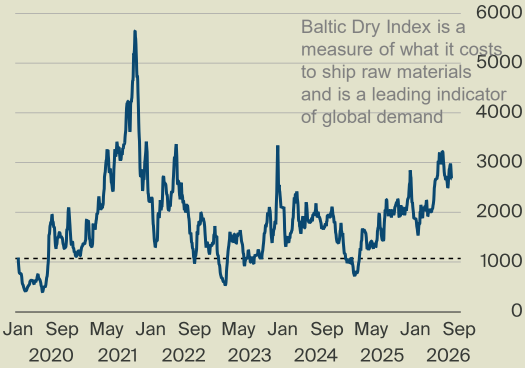
Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20	YTD %
Brent, $ per barrel	87.6	87.6	84.8	80.2	66.0	44.0
WTI, $ per barrel	82.3	82.3	79.2	78.5	61.1	43.5

Baltic dry index

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

— Baltic dry index



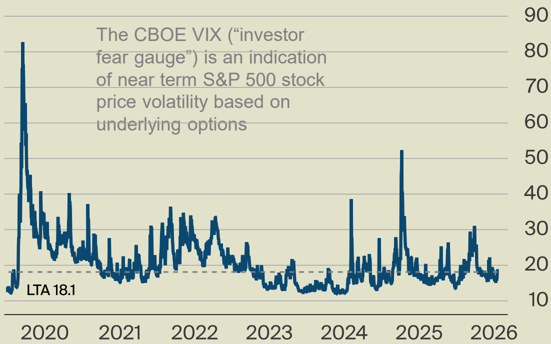
Source: Knight Frank, Macrobond

	Last	Percentage change since				
		1 day	1 week	1 month	Jan '20	YTD %
Baltic Dry	2670	-2.98	-10.4	-1.91	145	42.2

Volatility index

Near term stock price volatility indicator

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



Source: Knight Frank, Macrobond

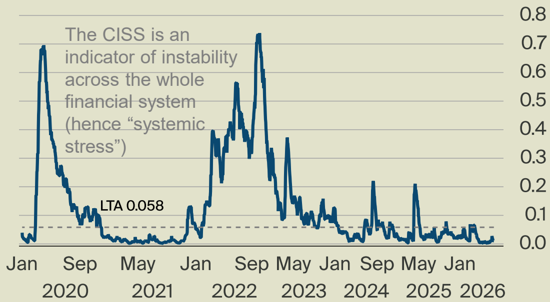
	Last	1 day	1 week	1 month	Jan '20	YTD
CBOE VIX	18.7	18.7	16.5	16.8	13.8	24.7
Euro Stoxx 50 VIX	17.5	17.5	17.5	16.3	14.0	19.0
Nikkei VIX	33.1	36.9	35.4	29.9	14.8	39.1
KOSPI VIX	84.9	86.9	84.0	83.6	14.7	194.2

Systemic stress

Measures FX, money, sovereign and bond yield volatility

— New ECB Composite Indicator of Systemic Stress (CISS)

- - - Long term average



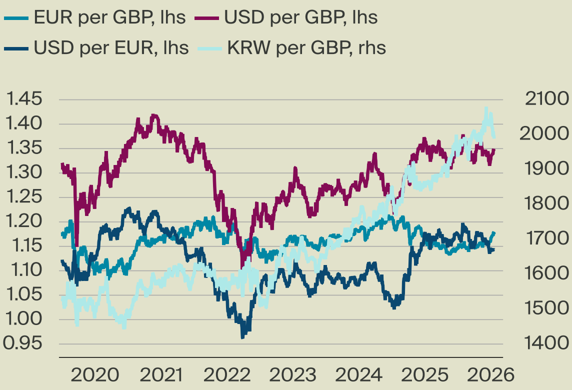
Source: Knight Frank, Macrobond

	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



Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20
EUR per GBP	1.178	1.175	1.173	1.154	1.177
KOR per GBP	1,988	1,997	1,998	2,025	1,525
USD per GBP	1.344	1.345	1.338	1.323	1.321
USD per EUR	1.144	1.144	1.140	1.147	1.123

Inflation and monetary policy

	Inflation rate (%)				Interest rates (%)		Asset purchasing	
	June	May	Apr	Mar	Last	Jan '25	Latest ($)	1m change (%)
Australia[1]	n/a	4.0	4.2	4.5	4.35	4.35	0.25 tn	-0.2
Canada	2.8	3.2	2.8	2.4	2.25	3.25	163 bn	0.4
China	1.2	1.4	1.3	1.1	4.35	4.35	7.28 tn	2.2
Euro Area	n/a	n/a	n/a	n/a	2.40	3.15	6.81 tn	-2.9
France	1.8	2.4	2.2	1.7	2.40	3.15	1.71 tn	-2.0
Germany	2.3	2.7	2.8	2.6	2.40	3.15	2.66 tn	-0.6
India	4.4	3.9	3.5	3.4	5.25	6.50	475 bn	3.4
Italy	3.0	3.2	2.7	1.7	2.40	3.15	1.22 tn	-2.9
Japan	n/a	1.5	1.4	1.5	1.00	0.25	3.95 tn	-3.7
Saudi Arabia	1.8	1.8	1.7	1.8	4.25	5.00	518 bn	-0.6
South Korea	3.2	3.1	2.6	2.2	2.75	3.00	400 bn	0.1
Spain	n/a	n/a	3.2	3.5	2.40	3.15	487 bn	0.1
Sweden	0.7	0.8	-0.1	0.5	1.75	2.75	91.1 bn	-2.3
UK	n/a	2.8	2.8	3.3	3.75	4.75	1.1 tn	-0.5
US	3.5	4.2	3.8	3.3	3.75	4.50	6.74 tn	0.1

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

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.

View report

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UK Real Estate Navigator: Q1 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

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