

# Leading Indicators

Key economic and financial metrics, updated weekly

25<sup>th</sup> November 2025

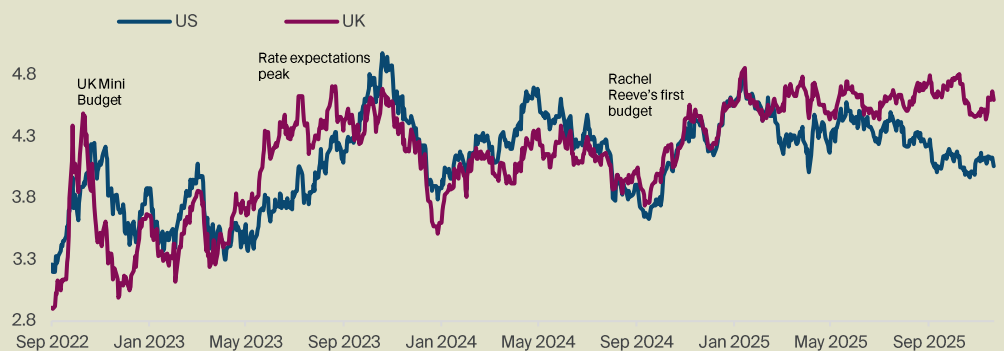
## Headroom or Headache? Reading between the lines of the pre-budget mood

### 4.52%

With the budget just a day away, attention is turning to the policy choices ahead as bond markets remain alert to fiscal signals. Markets continue to shape decision-making, and governments remain highly sensitive to the views of bond investors, who typically favour tighter fiscal conditions through higher revenues and lower spending. Taken too far, this risks weighing on growth, but ignoring it could trigger a negative market reaction and higher borrowing costs. The UK government therefore faces a delicate task in balancing growth with fiscal credibility.

### All eyes on the bond market

10-year government bond yields (%)



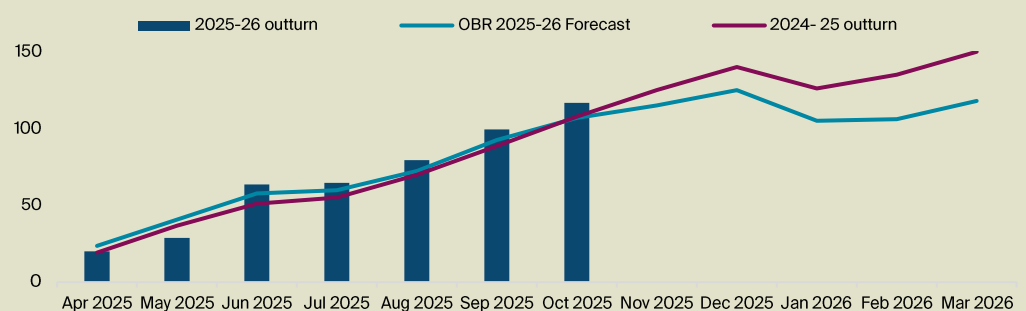
Source: Knight Frank Insight, Macrobond

### £9.9bn

The UK government borrowed £17.4bn in October, slightly above expectations and the third-highest for the month on record. This contributed to an overshoot in borrowing over the first seven months of the 2025-26 fiscal year, with cumulative borrowing now at £116.8bn, around £9.9bn above the OBR's March projection. This will be an important factor as the Chancellor finalises decisions ahead of the Budget.

### Borrowing into the budget

UK government borrowing (£ bn)



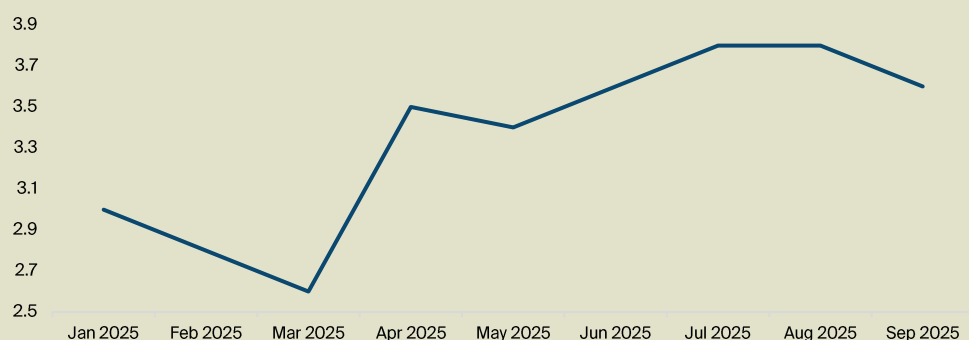
Source: Knight Frank Insight, ONS, OBR, Bloomberg

### 3.6%

UK inflation fell for the first since May to 3.6% in October, driven by a sharp slowdown in utility price inflation from 9.4% to 2.2%, and helped by the new Ofgem price cap which limited bill rises to 1.9% versus 9.0% last year. Alongside rising unemployment at 5.0%, softer wage growth, weaker third quarter GDP and a potentially tax-raising Budget, price pressures are continuing to ease, strengthening the case for the Bank of England to cut rates from 4.00% to 3.75% at its 18<sup>th</sup> December meeting - providing an early festive gift.

### On another note, UK Inflation turns lower ahead of Reeves' budget

UK CPI Inflation (% change year-on-year)



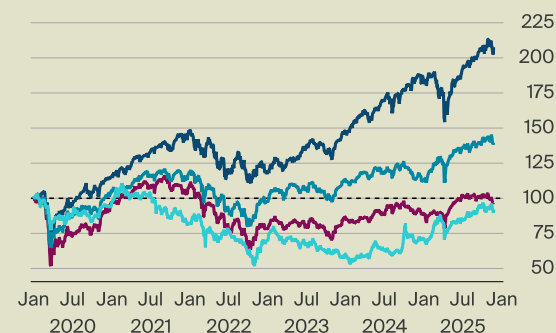
Source: Knight Frank Insight, ONS

# Equities

## Equity markets

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

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



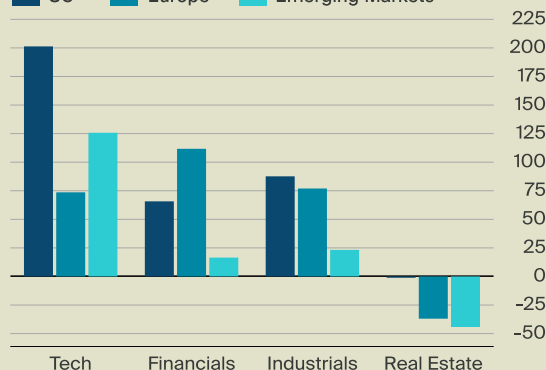
Source: Knight Frank, Macrobond

Index	Last	Percentage change since				
Original value and base	1 day	1 week	1 month	Jan '20	YTD %	
DAX 30	10,038	-0.2	-3.4	-4.7	51.7	26.5
FTSE 250	28,051	0.2	-2.2	-5.8	-3.2	8.4
Hang Seng	3,328	2.7	-2.0	-0.4	-8.0	28.8
IBEX 35	18,411	-0.1	-3.0	0.4	71.8	52.6
MIB	48,770	-1.4	-4.5	-0.9	85.3	37.5
S&P 500	6,705	2.5	-0.4	-0.5	107.5	14.0
STOXX 600	649	-0.2	-2.8	-2.7	39.1	22.9
TOPIX	21	-0.4	-2.7	-1.6	32.9	18.4

## Equity regional sectors

Price return index percentage change since Jan 2020

■ US ■ Europe ■ Emerging Markets



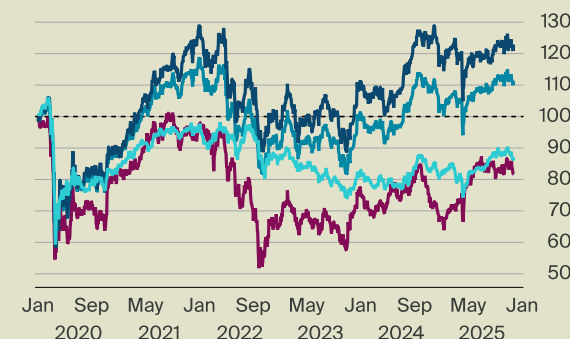
Source: Knight Frank, Macrobond

	Percentage change since Jan 2020		
	US	Europe	World
Tech	201.3%	73.6%	125.7%
Financials	65.7%	111.7%	16.5%
Industrials	87.6%	77.0%	23.2%
Real Estate	-1.1%	-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

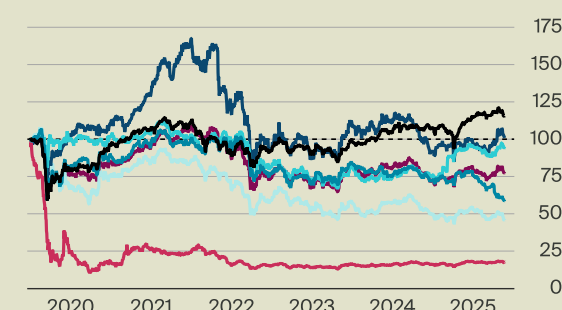
Index, total return	Last	Percentage change since				
Original value and base		1 day	1 week	1 month	Jan '20	YTD %
US	2,939	1.7	0.5	-1.9	23.0	3.54
Europe	2,327	-0.2	-2.7	-5.8	-18.4	19.48
World	3,578	1.2	-0.1	-2.6	11.4	7.82
Asia Pacific	3,415	0.3	-0.4	-3.2	-13.0	7.27

## 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

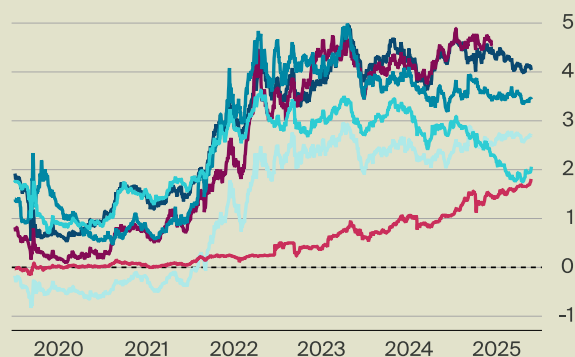
Index, total return	Last	Percentage change since				
Original value and base	1 day	1 week	1 month	Jan '20	YTD %	
All REITs	786	-0.3	-2.9	-6.2	-23.1	5.9
Office	1,346	-0.2	-6.0	-11.8	-54.6	-8.0
Industrial	1,250	-0.8	-2.7	-5.6	0.8	9.0
Retail	64	3.2	0.1	-3.0	-82.3	9.3
Healthcare	2,128	0.2	-1.9	-1.0	-6.2	23.3
Residential	888	-0.7	-2.9	-7.6	-41.8	-19.6
FTSE 250	19,695	0.1	-1.8	-3.9	15.6	7.3

# Bonds & Rates

## Government bond yields

10 year government bond yields, %

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



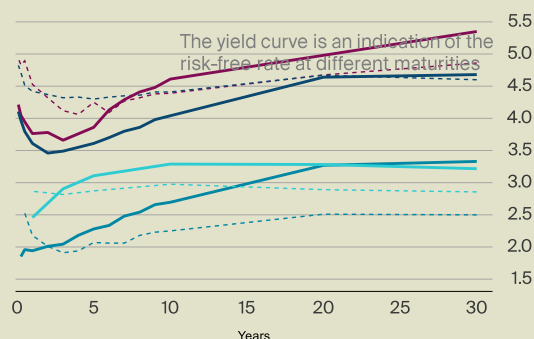
Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20
Italy	3.44	3.46	3.45	3.42	1.40
Japan	1.81	1.81	1.70	1.66	-0.03
Singapore	2.06	2.01	1.96	1.82	1.74
UK	4.61	4.60	4.60	4.49	0.74
US	4.04	4.06	4.13	4.02	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

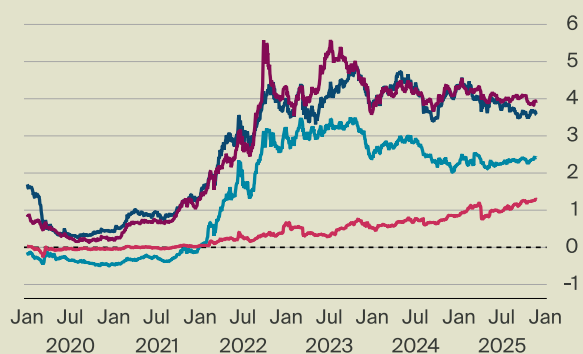


Source: Knight Frank, Macrobond

## Interest rate swaps

5 year swap rates, %

— US — UK — Eurozone — Japan



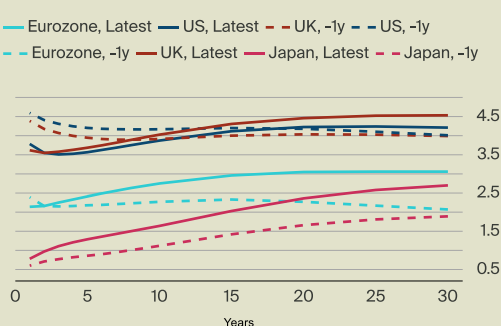
Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20
Eurozone	2.41	2.41	2.44	2.33	-0.13
Japan	1.29	1.30	1.27	1.24	0.03
UK	3.93	3.91	3.93	3.87	0.88
US	3.57	3.58	3.67	3.54	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



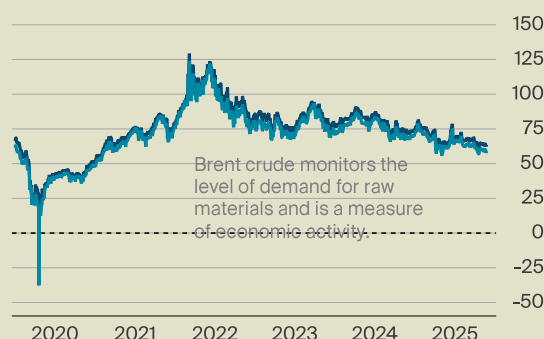
Source: Knight Frank, Macrobond

# Commodities & Volatility

## Energy

Oil spot prices, \$ per barrel

— Brent Crude — West Texas Intermediate (WTI)



Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20	YTD %
Brent, \$ per barrel	63.3	62.4	64.0	65.0	66.0	-15.3
WTI, \$ per barrel	58.8	57.9	59.7	60.2	61.1	-17.8

## Baltic dry index

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

— Baltic dry index



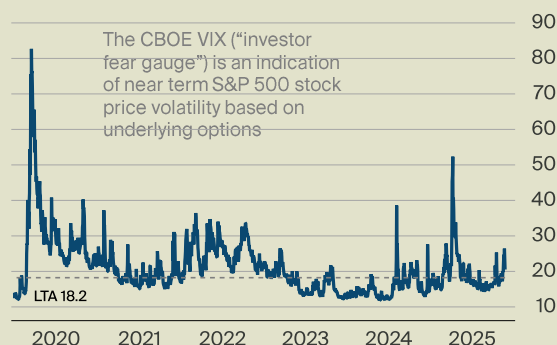
Source: Knight Frank, Macrobond

	Last	Percentage change since				
		1 day	1 week	1 month	Jan '20	YTD %
Baltic Dry	2295	1.1	6.6	15.3	111	130

## 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	20.5	20.5	24.7	16.4	13.8	18.3
Euro Stoxx 50 VIX	21.1	21.1	22.9	16.5	14.0	24.2
Nikkei VIX	37.2	37.3	35.3	25.4	14.8	70.8
KOSPI VIX	37.2	38.7	39.3	31.3	14.7	75.8

## 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

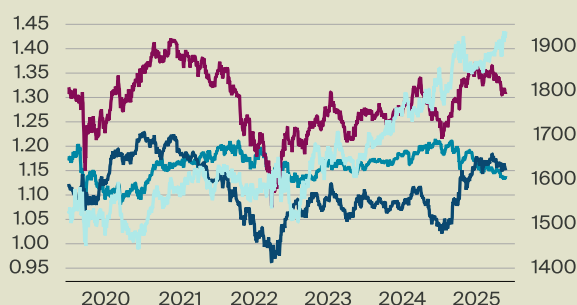
	Last	1 week	1 month	Jan '20
Systemic stress composite	0.094	0.117	0.073	0.023
Equity markets stress sub index	0.078	0.095	0.064	0.009
Bond markets stress sub index	0.032	0.033	0.014	0.02
FX markets stress sub index	0.024	0.039	0.021	0.004

# 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	1.136	1.138	1.136	1.144	1.177
KOR per GBP	1,934	1,930	1,924	1,914	1,525
USD per GBP	1.310	1.309	1.318	1.330	1.321
USD per EUR	1.151	1.151	1.160	1.163	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	1.33	1.36	1.42	1.40	2.32
USD to GBP	-0.47	-0.43	-0.36	-0.43	1.12

## Inflation and monetary policy

### Inflation rate (%)

	Oct	Sep	Aug	Jul
Australia <sup>1</sup>	n/a	3.2	3.2	3.2
Canada	2.2	2.4	1.9	1.7
China	0.0	-0.5	-0.6	-0.2
Euro Area	2.1	2.2	2.0	2.0
France	0.9	1.2	0.9	1.0
Germany	2.2	2.4	2.3	2.0
India	0.3	1.4	2.1	1.6
Italy	1.2	1.6	1.6	1.7
Japan	3.0	2.9	2.7	3.1
Saudi Arabia	2.2	2.2	2.3	2.2
South Korea	2.4	2.1	1.7	2.1
Spain	3.1	3.0	2.7	2.7
Sweden	0.9	0.9	1.1	0.8
UK	3.6	3.8	3.8	3.8
US	n/a	3.0	2.9	2.7

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
	5.50	6.50
	2.15	4.50
	0.50	-0.10
	4.50	6.00
	2.50	3.50
	2.15	4.50
	1.75	4.00
	4.00	5.25
	4.00	5.50

### Asset purchasing

	Latest (\$)	1m change (%)
	0.26 tn	0.7
	169 bn	-0.2
	6.62 tn	-0.2
	7.14 tn	-0.6
	1.78 tn	1.7
	2.66 tn	-0.6
	466 bn	-3.5
	1.31 tn	2.2
	4.42 tn	0.2
	515 bn	-2.4
	410 bn	2.1
	487 bn	0.2
	971 bn	-0.4
	1.14 tn	-0.7
	6.56 tn	-0.6

Source: Knight Frank, Macrobond



## (Y)OUR SPACE

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.

[View report](#)



## Healthcare Development Opportunities – 2025

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

[View report](#)

### Recent research



#### The Tech for Good Series 2025

Designing for Innovation: Making Healthcare Real Estate Tech-Ready.



#### UK Real Estate Navigator: Q3 2025

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



William Matthews  
Partner  
Head of Commercial Insight  
+44 20 3909 6842  
[william.matthews@knightfrank.com](mailto:william.matthews@knightfrank.com)



Victoria Ormond, CFA  
Partner  
Head of Capital Markets Insight  
+44 20 7861 5009  
[victoria.ormond@knightfrank.com](mailto:victoria.ormond@knightfrank.com)



Nik Potter  
Associate  
Capital Markets Insight  
+44 20 7861 5146  
[nik.potter@knightfrank.com](mailto:nik.potter@knightfrank.com)



Khadija Hussain  
Analyst  
Capital Markets Insight  
+44 20 8176 9671  
[khadija.hussain@knightfrank.com](mailto:khadija.hussain@knightfrank.com)