

Leading Indicators



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Key economic and financial metrics, updated weekly

27th January 2026

Pockets of resilience in an uncertain backdrop

3.4%

UK inflation edged higher to 3.4% in December from 3.2% in November, its first increase in five months, though this is expected to be temporary. The Bank of England expects inflation to return towards its 2% target by Q2, supported by measures in Chancellor Rachel Reeves' budget, including energy bill cuts and a rail fare freeze. With inflation set to ease, the policy backdrop is becoming increasingly supportive of further rate cuts in 2026, which should help unlock demand and support activity ahead.

\$5,130

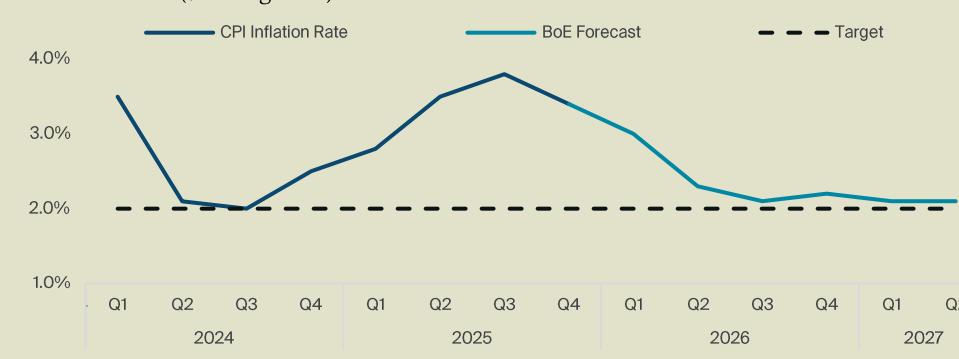
Gold has surged to record highs in early 2026, rising above \$5,000 per troy ounce and up +16% year-to-date, as investors seek safety amid heightened global uncertainty. A weaker US dollar, driven by concerns over widening deficits, alongside trade tensions and the fallout from the Greenland crisis have reinforced the flight to safe-haven assets, an environment that has typically been supportive of commercial real estate.

53.9

UK business activity strengthened in January, with the S&P Global Composite PMI rising to 53.9, its highest level in 21 months. The services sector continued to gain momentum, with the UK Services PMI increasing to 54.3, marking its ninth consecutive month of expansion, while the UK Manufacturing PMI rose to 51.6. Together, these indicators point to firmer domestic momentum despite ongoing geopolitical headwinds.

Inflation expected to ease back towards 2% target this year

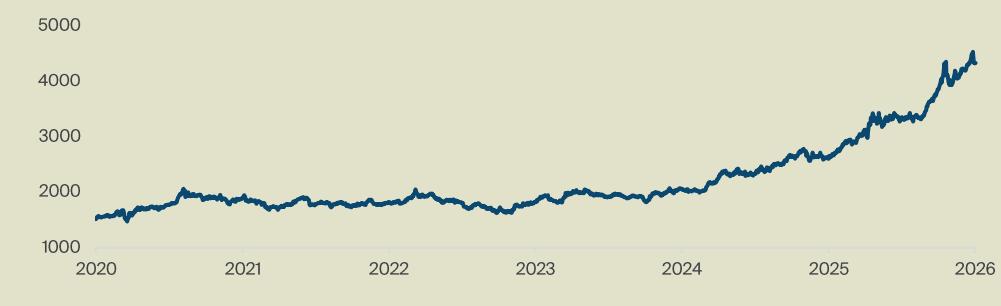
UK CPI forecasts (% change YoY)



Source: Knight Frank Insight, ONS, Bank of England, Bloomberg

Safe-haven demand remains firm

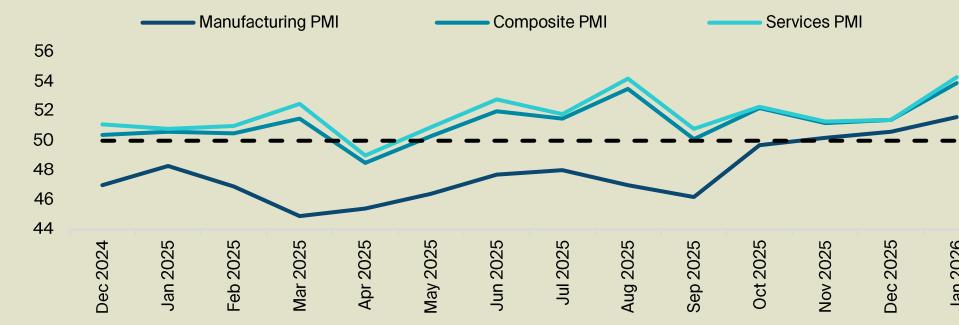
Gold price(\$ per troy ounce)



Source: Knight Frank Insight, Macrobond

Domestic momentum strengthening

S&P Global UK Purchasing Managers Index



Source: Knight Frank Insight, Macrobond, S&P

Equities

Equity markets

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

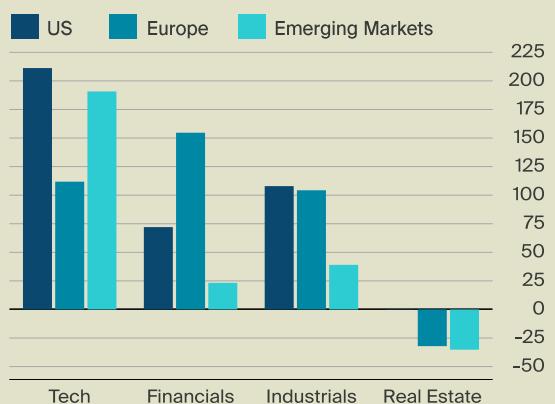


Source: Knight Frank, Macrobond

Index	Last Original value and base	Percentage change since 1 day 1 week 1 month Jan '20 YTD %				
		1.6	1.1	3.5	67.9	3.02
DAX 30	11,111	1.6	1.1	3.5	67.9	3.02
FTSE 250	31,997	1.5	2.6	6.3	10.4	5.89
Hang Seng	3,479	1.4	2.1	4.8	-3.9	5.65
IBEX 35	21,031	1.4	2.4	4.0	96.2	3.56
MIB	53,468	1.0	0.6	1.8	103.1	1.20
S&P 500	6,950	0.5	0.1	0.3	115.1	1.53
STOXX 600	725	1.5	1.7	4.6	55.4	4.36
TOPIX	23	0.9	0.1	5.7	46.7	6.20

Equity regional sectors

Price return index percentage change since Jan 2020



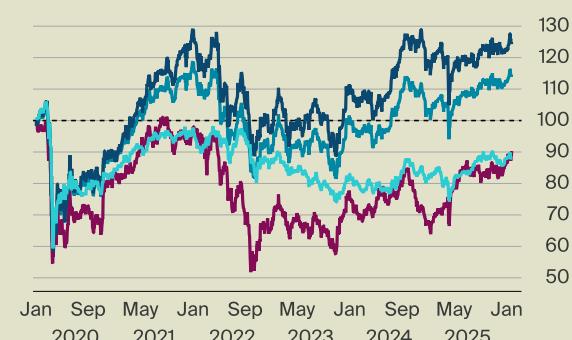
Source: Knight Frank, Macrobond

	Percentage change since Jan 2020		
	US	Europe	World
Tech	211.2%	111.8%	190.8%
Financials	72.1%	154.7%	23.3%
Industrials	107.9%	104.3%	39.0%
Real Estate	-0.4%	-54.2%	-59.0%

REITs by region

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

World (cyan) Europe (purple) US (blue) Asia Pacific (teal)



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	-2.5	1.5	24.4	1.952
US	2,973	0.0	-2.5	1.5	24.4	1.952
Europe	2,574	2.0	1.5	5.3	-9.7	4.031
World	3,679	0.5	-1.5	2.0	14.5	2.226
Asia Pacific	3,457	0.1	-2.0	0.0	-11.9	0.377

UK REITs by sector

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

All REITs (black) Office (light blue) Industrial (dark blue) Retail (red) Healthcare (cyan)
Residential (teal) FTSE 250 (grey)

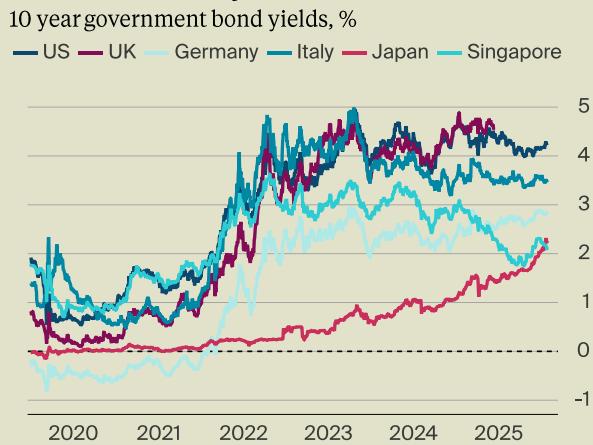


Source: Knight Frank, Macrobond

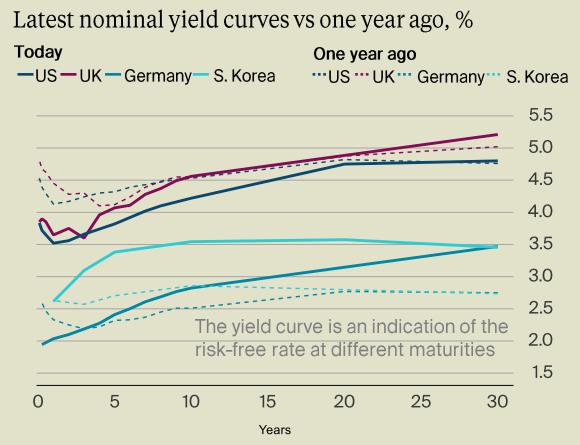
Index, total return Original value and base	Last Original value and base	Percentage change since 1 day 1 week 1 month Jan '20 YTD %				
		0.9	-0.6	6.8	-15.1	4.7
All REITs	869	0.9	-0.6	6.8	-15.1	4.7
Office	1,562	1.1	1.4	11.6	-47.3	9.4
Industrial	1,383	2.0	0.3	7.6	11.6	5.4
Retail	72	2.3	0.5	74	-80.1	5.0
Healthcare	2,365	0.5	-0.2	7.5	4.3	6.5
Residential	953	-0.4	-1.8	5.4	-37.5	3.6
FTSE 250	21,564	-0.1	0.2	4.8	26.6	4.0

Bonds & Rates

Government bond yields



Yield curves

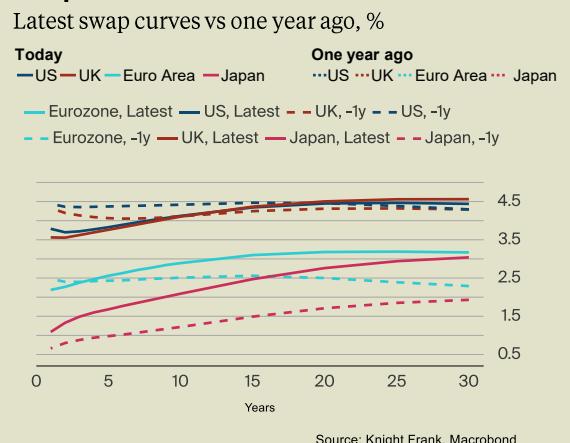


	Last	1 day	1 week	1 month	Jan '20
Italy	3.46	3.46	3.50	3.55	1.40
Japan	2.22	2.24	2.26	2.02	-0.03
Singapore	2.07	2.07	2.17	2.31	1.74
UK	4.56	4.56	4.52	4.54	0.74
US	4.22	4.22	4.30	4.14	1.92

Interest rate swaps



Swap curves



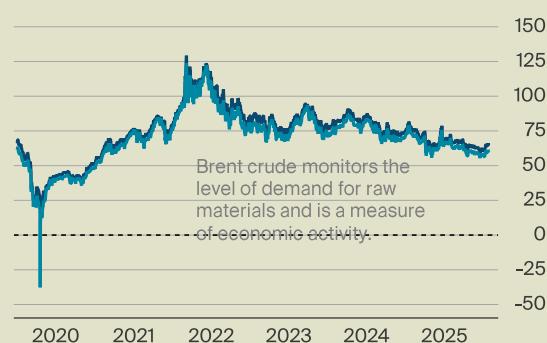
	Last	1 day	1 week	1 month	Jan '20
Eurozone	2.56	2.58	2.53	2.59	-0.13
Japan	1.68	1.68	1.68	1.51	0.03
UK	4.00	4.00	3.91	3.94	0.88
US	3.83	3.85	3.84	3.70	1.70

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



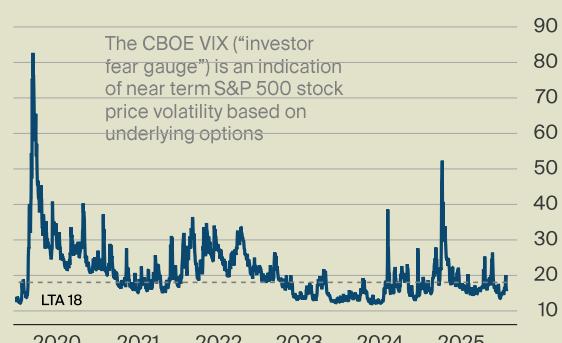
Source: Knight Frank, Macrobond

	Last	Percentage change since				
		1 day	1 week	1 month	Jan '20	YTD %
Baltic Dry	1780	1.08	7.88	-5.17	63.3	-5.17

Volatility index

Near term stock price volatility indicator

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



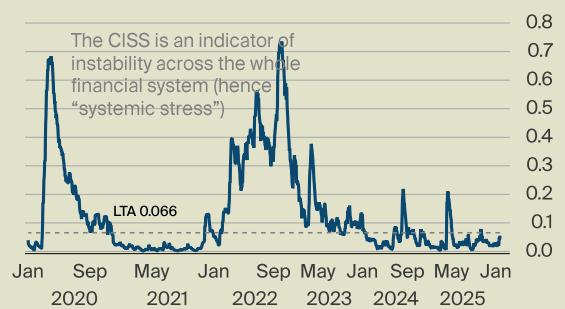
Source: Knight Frank, Macrobond

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 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	1.152	1.154	1.153	1.147	1.177
KOR per GBP	1,975	1,988	1,977	1,954	1,525
USD per GBP	1.371	1.356	1.342	1.351	1.321
USD per EUR	1.177	1.177	1.160	1.177	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	1.49	1.48	1.48	1.29	2.32
USD to GBP	-0.25	-0.22	-0.14	-0.35	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	2.1	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	3.4	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		-1.4
170 bn		0.8
6.85 tn		1.8
7.32 tn		2.4
1.79 tn		0.4
2.66 tn		-0.6
477 bn		4.4
1.32 tn		-0.1
4.29 tn		-2.4
524 bn		2.8
386 bn		-0.9
487 bn		-0.2
102 bn		0.8
1.17 tn		-0.7
6.58 tn		0.2

Source: Knight Frank, Macrobond



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