

Leading Indicators



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Key economic and financial metrics, updated weekly

27th January 2026

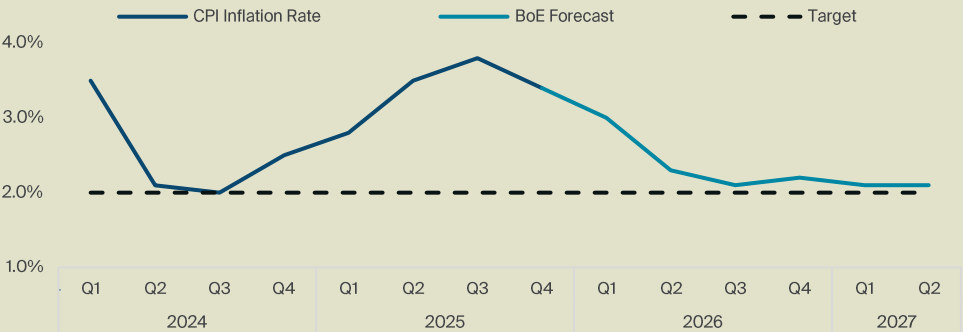
Pockets of resilience in an uncertain backdrop

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.

Inflation expected to ease back towards 2% target this year

UK CPI forecasts (% change YoY)



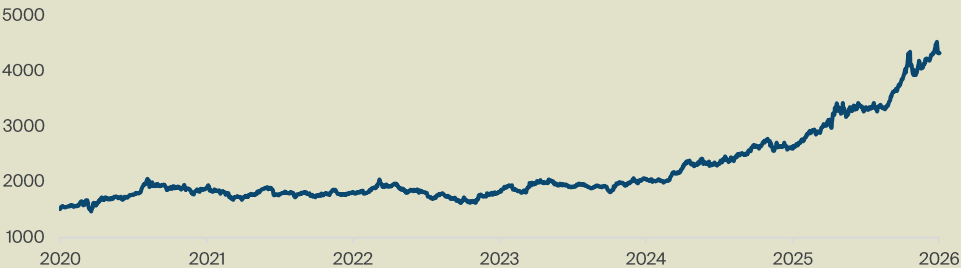
Source: Knight Frank Insight, ONS, Bank of England, Bloomberg

\$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.

Safe-haven demand remains firm

Gold price (\$ per troy ounce)



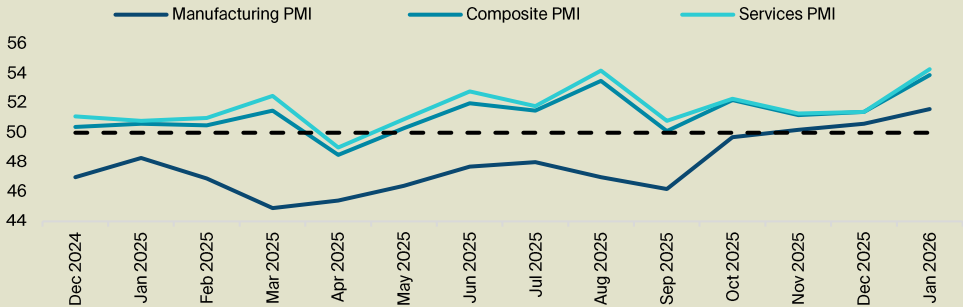
Source: Knight Frank Insight, Macrobond

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.

Domestic momentum strengthening

S&P Global UK Purchasing Managers Index



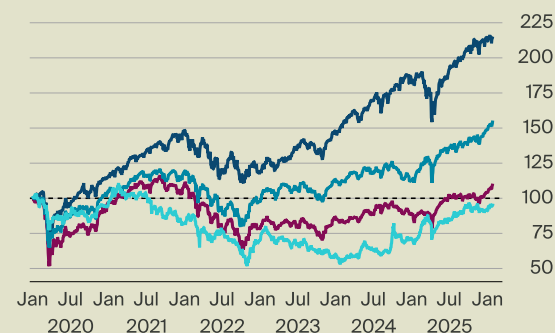
Source: Knight Frank Insight, Macrobond, S&P

Equities

Equity markets

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

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



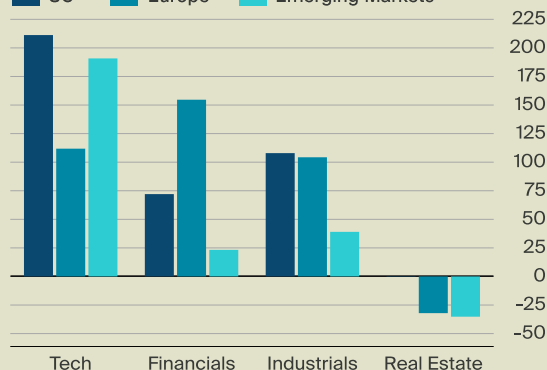
Source: Knight Frank, Macrobond

Index	Last	Percentage change since				
Original value and base	1 day	1 week	1 month	Jan '20	YTD %	
DAX 30	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

■ US ■ Europe ■ Emerging Markets



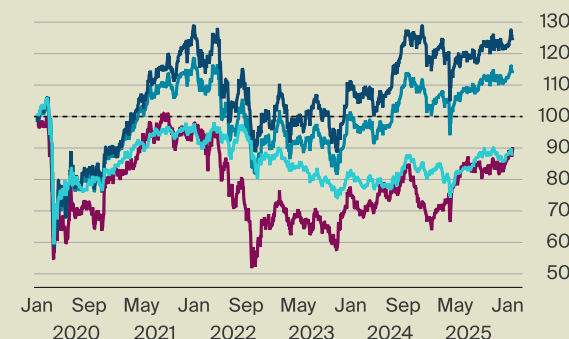
Source: Knight Frank, Macrobond

	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 — Europe — US — Asia Pacific



Source: Knight Frank, Macrobond

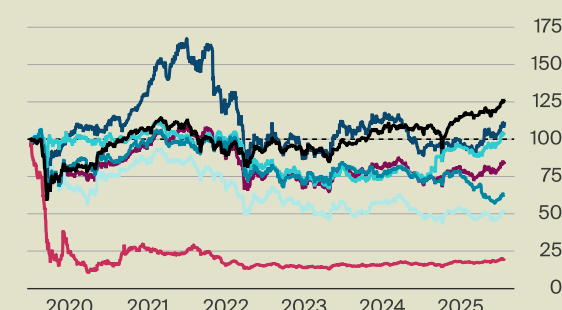
Index, total return	Last	Percentage change since				
Original value and base		1 day	1 week	1 month	Jan '20	YTD %
US	2,973	0.0	-2.5	1.5	24.4	1.952
Europe	2,574	2.0	1.5	5.3	-9.7	4.031
World	3,679	0.5	-1.5	2.0	14.5	2.226
Asia Pacific	3,457	0.1	-2.0	0.0	-11.9	0.377

UK REITs by sector

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

— All REITs — Office — Industrial — Retail — Healthcare

— Residential — FTSE 250



Source: Knight Frank, Macrobond

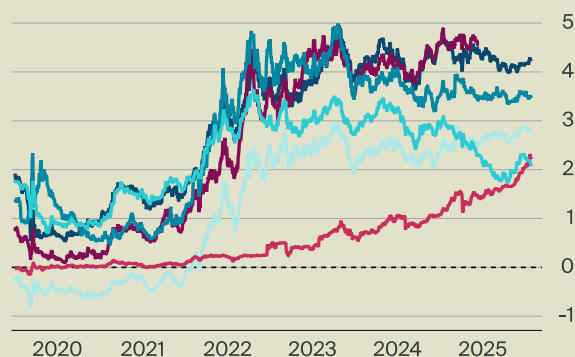
Index, total return	Last	Percentage change since				
Original value and base	1 day	1 week	1 month	Jan '20	YTD %	
All REITs	869	0.9	-0.6	6.8	-15.1	4.7
Office	1,562	1.1	1.4	11.6	-47.3	9.4
Industrial	1,383	2.0	0.3	7.6	11.6	5.4
Retail	72	2.3	0.5	7.4	-80.1	5.0
Healthcare	2,365	0.5	-0.2	7.5	4.3	6.5
Residential	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

10 year government bond yields, %

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



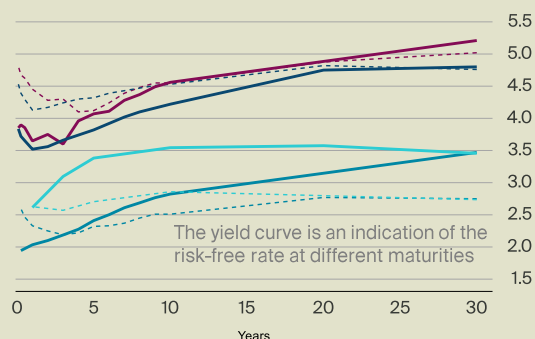
Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20
Italy	3.46	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

Yield curves

Latest nominal yield curves vs one year ago, %

Today — US — UK — Germany — S. Korea One year ago ...US ...UK ...Germany ...S. Korea

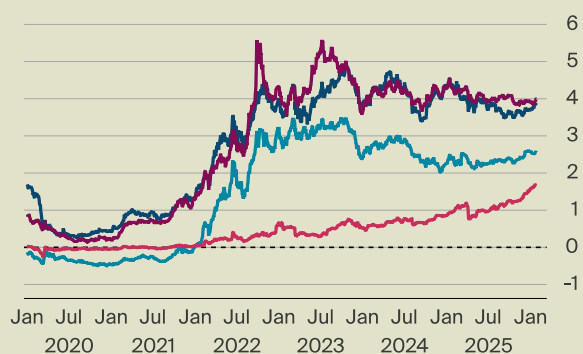


Source: Knight Frank, Macrobond

Interest rate swaps

5 year swap rates, %

— US — UK — Eurozone — Japan



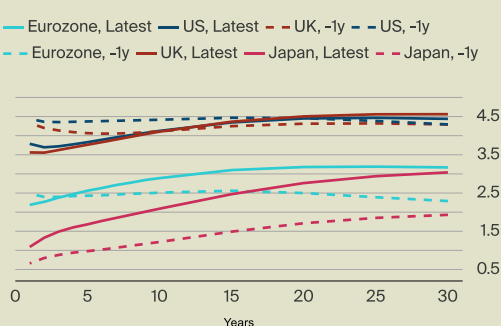
Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20
Eurozone	2.56	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

Swap curves

Latest swap curves vs one year ago, %

Today — US — UK — Euro Area — Japan One year ago ...US ...UK ...Euro Area ...Japan



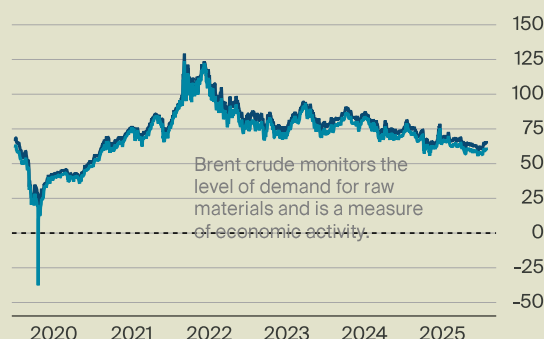
Source: Knight Frank, Macrobond

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	64.8	66.1	64.1	60.5	66.0	6.49
WTI, \$ per barrel	60.8	61.3	59.4	57.1	61.1	5.97

Baltic dry index

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

— Baltic dry index



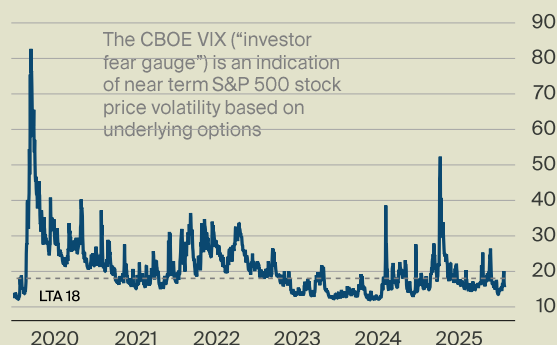
Source: Knight Frank, Macrobond

	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

	Last	1 day	1 week	1 month	Jan '20	YTD
CBOE VIX	16.2	16.2	20.1	13.6	13.8	8.03
Euro Stoxx 50 VIX	17.3	17.3	20.0	14.1	14.0	17.47
Nikkei VIX	34.1	34.6	32.8	21.8	14.8	43.63
KOSPI VIX	34.8	34.4	34.6	26.2	14.7	20.66

Systemic stress

Measures FX, money, sovereign and bond yield volatility

— New ECB Composite Indicator of Systemic Stress (CISS)

--- Long term average



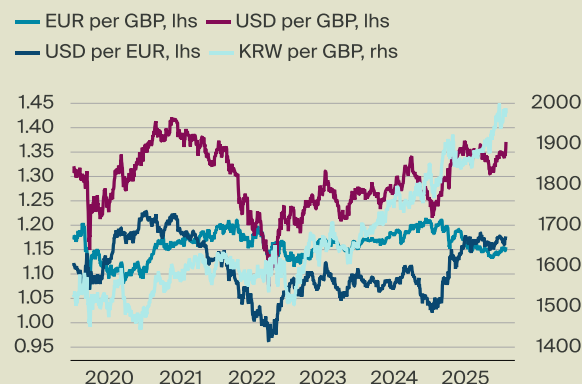
Source: Knight Frank, Macrobond

	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

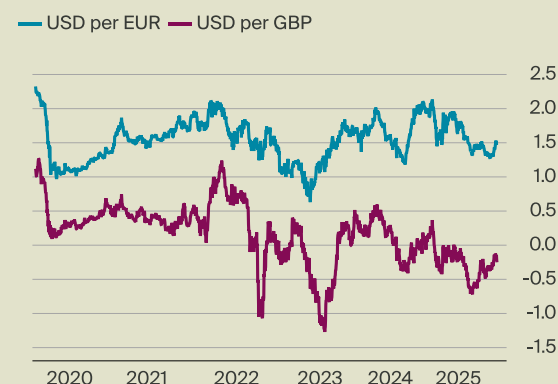
Spot prices



	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



	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

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
	132 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

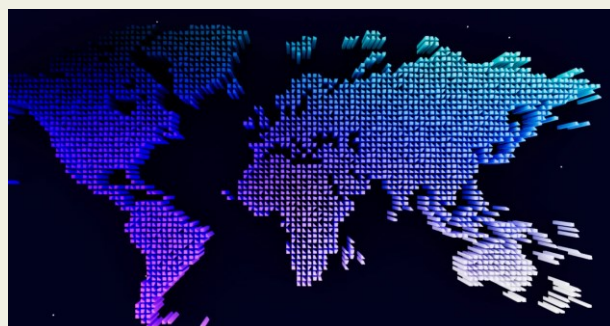
1. Australia Inflation rate is only available on a quarterly basis.



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