Leading Indicators

knightfrank.co.uk/research

Key economic and financial metrics, updated weekly

3rd March 2026

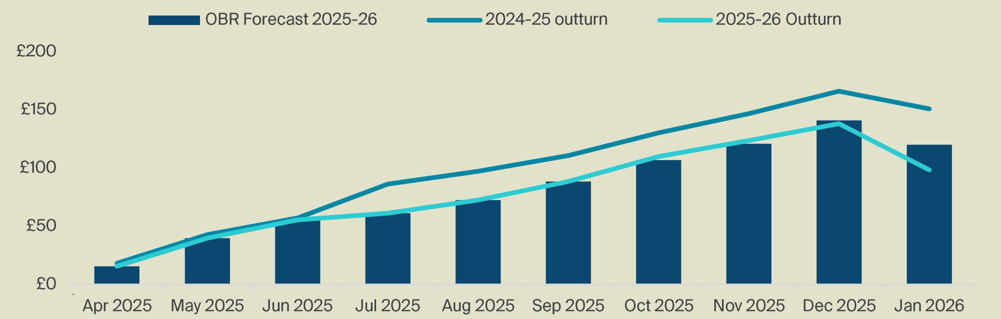
Spring signals; green shoots emerging?

£22bn

Chancellor Rachel Reeves delivers the Spring Statement today with an estimated £22bn of headroom against her fiscal rule, largely driven by stronger-than-expected tax receipts since the Autumn Budget. For markets, the importance lies less in the headline figure and more in what it signals - borrowing is running below expectations, shaping expectations for lower near-term gilt supply and lending greater credibility to the government's medium-term fiscal rule.

Spring green shoots potentially emerging for UK economy

Central government net cash requirement, cumulative



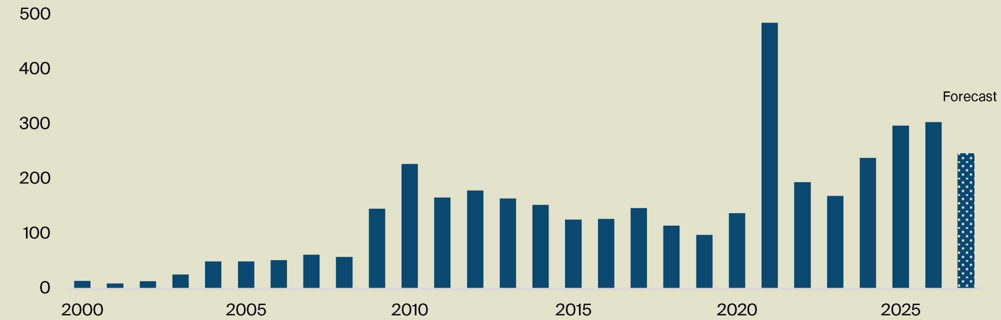
Source: Knight Frank Insight, ONS, OBR

£247bn

That improved fiscal backdrop is shaping expectations for gilt supply. The FT reports that major investment banks now forecast around £247bn of gilt sales in the fiscal year to March 2027, based on the average of 7 estimates. That compares with roughly £304bn this year, nearly a -20% drop. If delivered, it would be the first annual fall in 4 years and the lowest level in 3. After an extended period of heavy gilt supply, a lower issuance should relieve some pressure on the market and help contain borrowing costs, providing a more supportive rates backdrop for UK CRE.

Lower gilt issuance should temper bond market fears, continuing the post-budget trend

Gross issuance per fiscal year (£bn)



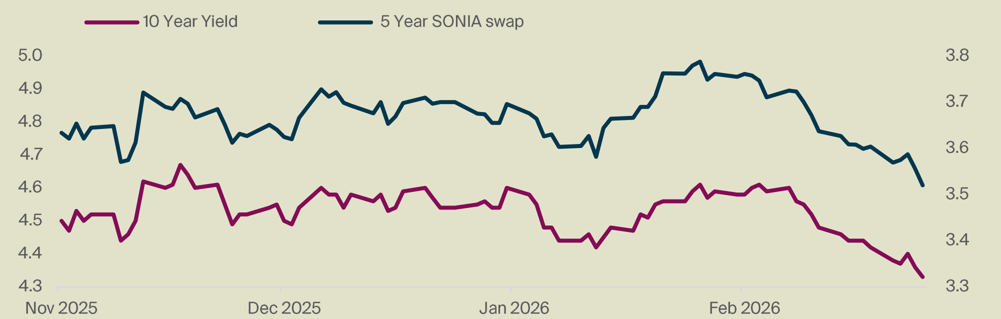
Source: Knight Frank Insight, DMO

3.52%

Meanwhile, UK gilts have continued to rally since the Autumn Budget. Ten-year yields, which briefly rose above 4.9% last year, a 16-year high, have fallen back to just above 4.3%. The move has been mirrored in swaps, with the 5-year rate around 3.52%, its lowest level since September 2024, and down c. -30bps since last month. For leveraged CRE buyers, this marks the most favourable financing environment since late 2024, albeit one that remains sensitive to geopolitical and global macro shifts.

Financing conditions turn most supportive since late 2024

UK 10-year gilt yield & 5-year SONIA swap rate (%)

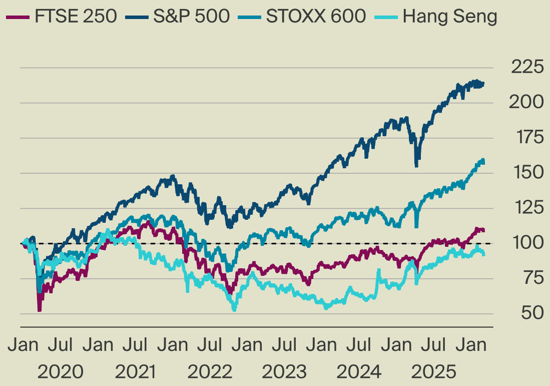


Source: Knight Frank Insight, Macrobond

Equities

Equity markets

Price return index, Jan 2020 = 100, US$

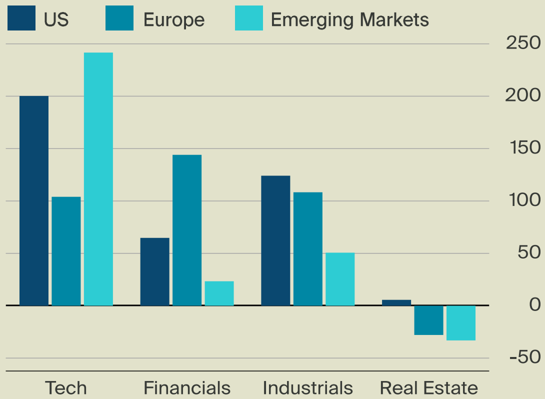


Source: Knight Frank, Macrobond

Index Original value and base	Last	1 day	Percentage change since 1 week	1 month	Jan '20	YTD %
DAX 30	10,749	-3.5	-3.4	-1.7	62.4	-0.338
FTSE 250	31,319	-2.3	-2.4	-1.9	8.1	3.643
Hang Seng	3,294	-3.2	-4.9	-3.9	-9.0	0.038
IBEX 35	20,881	-4.3	-2.6	-1.8	94.8	2.823
MIB	54,060	-3.4	-1.4	-0.1	105.3	2.323
S&P 500	6,882	-0.4	-0.4	-0.8	113.0	0.528
STOXX 600	728	-2.5	-2.0	0.3	56.1	4.842
TOPIX	24	-5.2	-2.7	5.3	51.5	9.735

Equity regional sectors

Price return index percentage change since Jan 2020

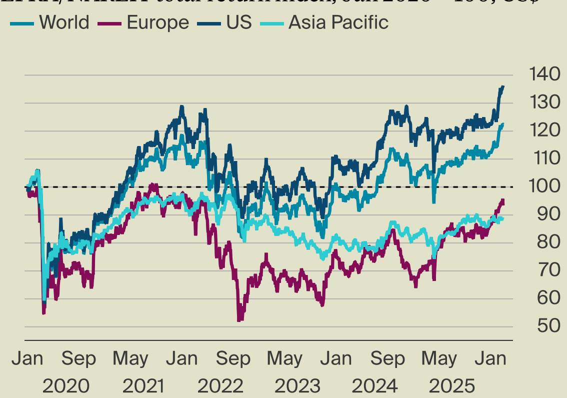


Source: Knight Frank, Macrobond

	Percentage change since Jan 2020 US	Europe	World
Tech	200.2%	104.0%	241.6%
Financials	64.8%	144.0%	23.4%
Industrials	124.1%	108.3%	50.6%
Real Estate	5.6%	-54.2%	-59.0%

REITs by region

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

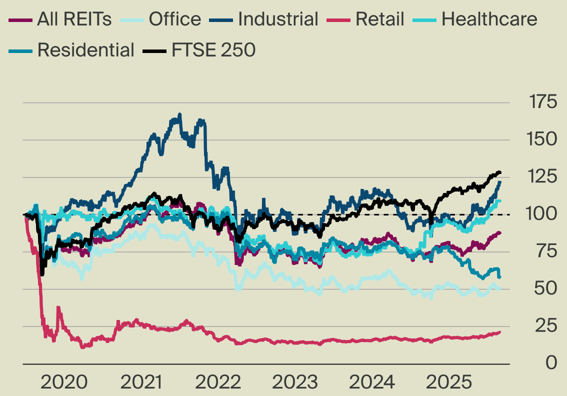


Source: Knight Frank, Macrobond

Index, total return Original value and base	Last	1 day	Percentage change since 1 week	1 month	Jan '20	YTD %
US	3,258	0.4	1.5	8.4	36.3	11.727
Europe	2,663	-1.8	-1.2	2.5	-6.6	7.613
World	3,931	-0.2	0.7	6.0	22.4	9.232
Asia Pacific	3,476	-0.5	-0.4	0.7	-11.4	0.933

UK REITs by sector

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



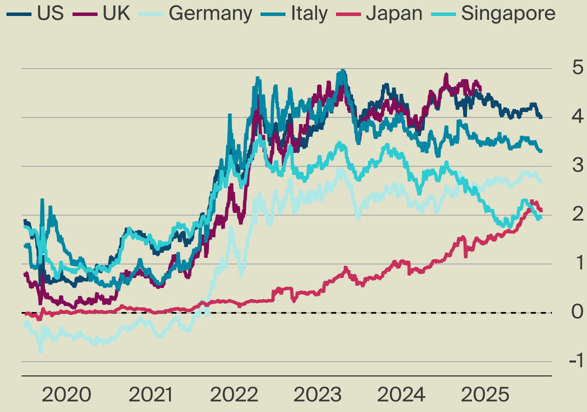
Source: Knight Frank, Macrobond

Index, total return Original value and base	Last	1 day	Percentage change since 1 week	1 month	Jan '20	YTD %
All REITs	891	-1.1	-1.4	1.7	-12.9	7.3
Office	1,485	-0.3	-0.6	-6.7	-49.9	4.0
Industrial	1,500	-0.6	1.0	7.6	21.0	14.3
Retail	75	-2.0	0.7	2.3	-79.2	9.4
Healthcare	2,455	-1.0	-0.5	3.0	8.3	10.6
Residential	883	-0.7	-9.1	-7.7	-42.1	-4.0
FTSE 250	21,679	-1.2	-1.4	0.9	27.2	4.6

Bonds & Rates

Government bond yields

10 year government bond yields, %

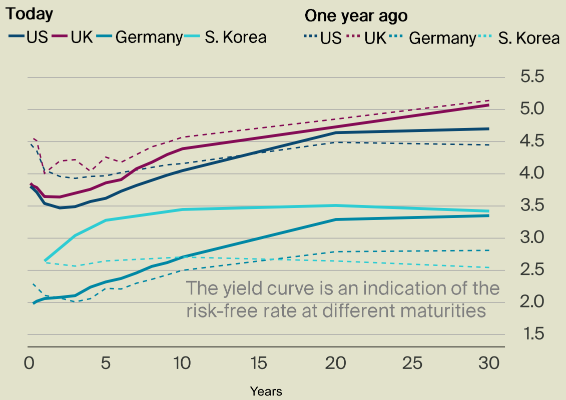


Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20
Italy	3.35	3.35	3.32	3.53	1.40
Japan	2.06	2.11	2.11	2.22	-0.03
Singapore	1.92	1.92	1.95	2.09	1.74
UK	4.39	4.39	4.37	4.58	0.74
US	4.05	4.05	4.04	4.28	1.92

Yield curves

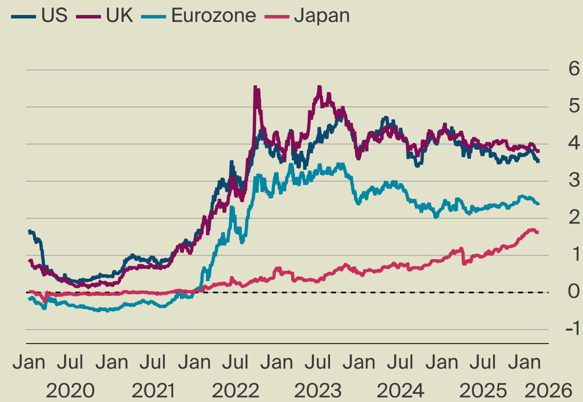
Latest nominal yield curves vs one year ago, %



Source: Knight Frank, Macrobond

Interest rate swaps

5 year swap rates, %

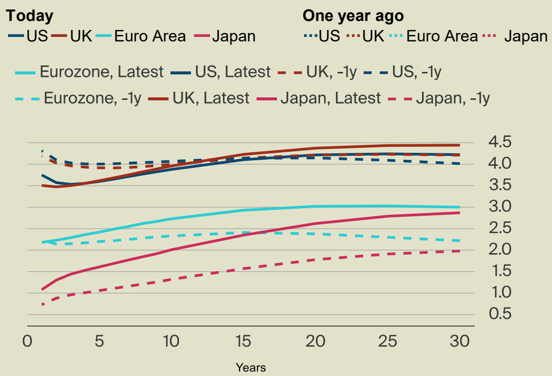


Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20
Eurozone	2.42	2.36	2.41	2.54	-0.13
Japan	1.61	1.61	1.62	1.68	0.03
UK	3.86	3.77	3.81	4.00	0.88
US	3.60	3.49	3.56	3.83	1.70

Swap curves

Latest swap curves vs one year ago, %



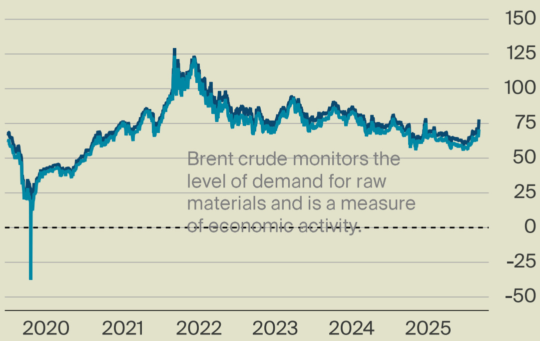
Source: Knight Frank, Macrobond

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	77.9	73.1	71.4	66.2	66.0	28.0
WTI, $ per barrel	70.7	67.3	66.2	61.7	61.1	23.3

Baltic dry index

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

— Baltic dry index

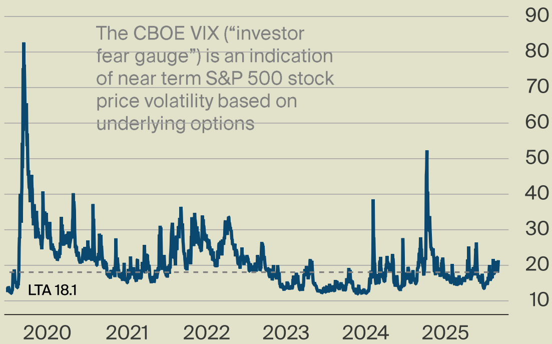
Source: Knight Frank, Macrobond

	Last	Percentage change since				
		1 day	1 week	1 month	Jan '20	YTD %
Baltic Dry	2187	3.31	3.55	2.97	101	16.5

Volatility index

Near term stock price volatility indicator

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



Source: Knight Frank, Macrobond

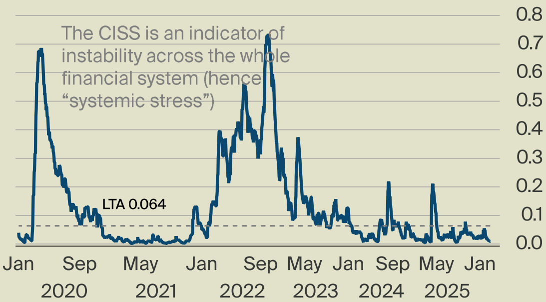
	Last	1 day	1 week	1 month	Jan '20	YTD
CBOE VIX	21.4	21.4	19.6	18.0	13.8	43.4
Euro Stoxx 50 VIX	22.7	22.7	19.1	18.5	14.0	54.4
Nikkei VIX	30.0	35.0	30.8	35.8	14.8	26.1
KOSPI VIX	63.0	54.1	48.1	50.1	14.7	118.3

Systemic stress

Measures FX, money, sovereign and bond yield volatility

— New ECB Composite Indicator of Systemic Stress (CISS)

- - - Long term average



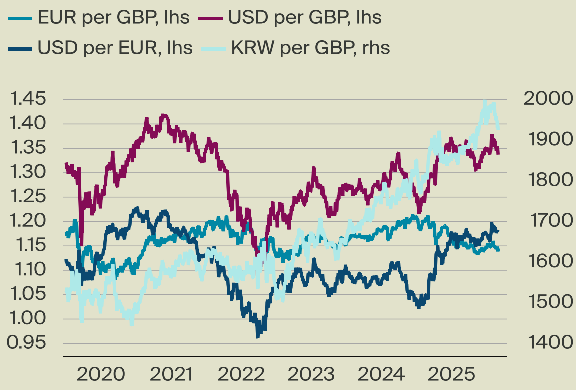
Source: Knight Frank, Macrobond

	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

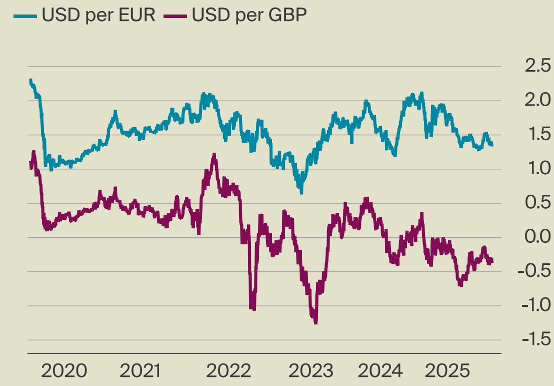


Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20
EUR per GBP	1.145	1.139	1.144	1.156	1.177
KOR per GBP	1,925	1,936	1,948	1,983	1,525
USD per GBP	1.337	1.344	1.349	1.363	1.321
USD per EUR	1.182	1.182	1.180	1.181	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	1.35	1.34	1.34	1.51	2.32
USD to GBP	-0.35	-0.37	-0.35	-0.25	1.12

Inflation and monetary policy

	Inflation rate (%)				Interest rates (%)		Asset purchasing	
	Feb	Jan	Dec	Nov	Last	Jan '24	Latest ($)	1m change (%)
Australia[1]	n/a	3.8	3.7	3.5	3.85	4.35	0.26 tn	-0.3
Canada	n/a	2.3	2.4	2.2	2.25	5.00	176 bn	-1.0
China	n/a	0.2	0.7	0.5	4.35	4.35	7.09 tn	2.4
Euro Area	n/a	n/a	2.0	2.1	2.15	4.50	7.37 tn	-0.7
France	1.0	0.3	0.8	0.9	2.15	4.50	1.89 tn	3.7
Germany	2.1	2.1	1.9	2.3	2.15	4.50	2.66 tn	-0.6
India	n/a	2.7	1.2	0.5	5.25	6.50	538 bn	15.1
Italy	1.6	1.0	1.2	1.1	2.15	4.50	1.38 tn	3.2
Japan	n/a	1.5	2.1	2.9	0.75	-0.10	4.38 tn	0.9
Saudi Arabia	n/a	1.8	2.1	1.9	4.25	6.00	516 bn	0.9
South Korea	n/a	2.0	2.3	2.4	2.50	3.50	438 bn	11.4
Spain	n/a	n/a	n/a	3.1	2.15	4.50	487 bn	0.2
Sweden	n/a	0.5	0.3	0.3	1.75	4.00	99.9 bn	-1.7
UK	n/a	3.0	3.4	3.2	3.75	5.25	1.17 tn	-0.7
US	n/a	2.4	2.7	2.7	3.75	5.50	6.61 tn	0.4

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

Source: Knight Frank, Macrobond

The London Series Insight 1: Time – The Compression Effect

Our first paper in The London Series 2026 explores the London office market through the lens of time.

Time is one of four variables in the London Equation, our framework for understanding how the city competes.

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

Recent research

The Tech for Good Series 2025

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

UK Real Estate Navigator: Q4 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

Victoria Ormond, CFA
Partner
Head of Capital Markets Insight
+44 20 7861 5009
victoria.ormond@knightfrank.com

Nik Potter
Associate
Capital Markets Insight
+44 20 7861 5146
nik.potter@knightfrank.com

Khadija Hussain
Analyst
Capital Markets Insight
+44 20 8176 9671
khadija.hussain@knightfrank.com