

# Leading Indicators

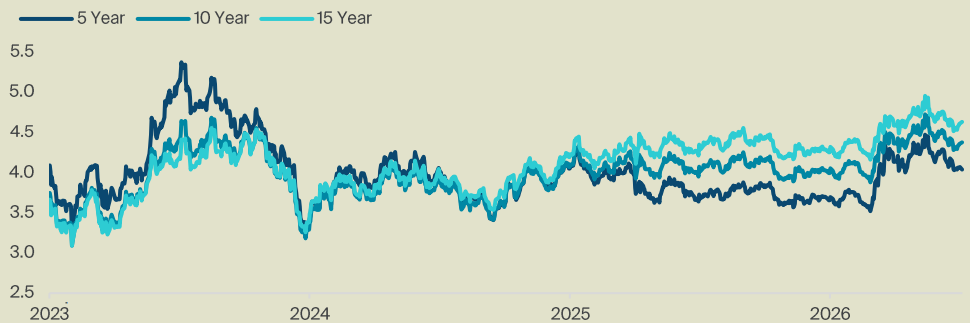
## Calmer waters, cautious outlook

### 4.04%

Swap rates remain relatively stable, suggesting only a modest level of risk remains embedded within markets. Caution around the economic outlook persists, but inflation concerns are continuing to subside. Notably, Oxford Economics' baseline scenario had already assumed a resolution to the conflict by September. With tensions easing sooner than expected, it has revised down its inflation outlook by around 1% from the levels anticipated at the height of the conflict.

### Swap rates remain stable as inflation risks recede

SONIA Swap Rates (%)



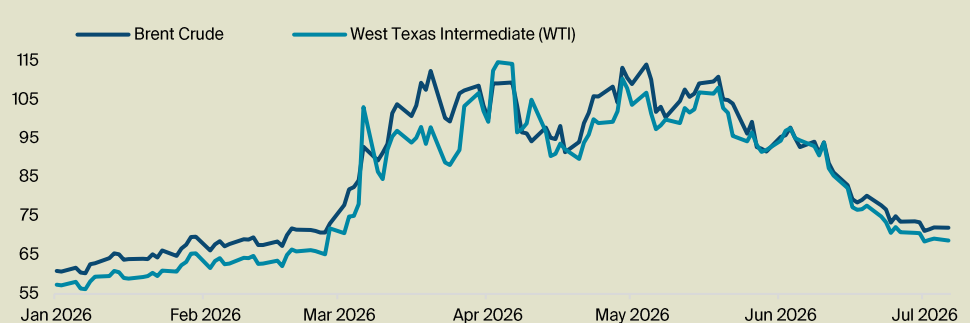
Source: Knight Frank Insight, Macrobond, ICAP

### \$72.06

With supply fears fading and flows through the Strait of Hormuz returning to normal, oil markets have quickly retraced their conflict-driven spike. Citi Research now expects Brent crude to drift towards \$60-65 per barrel by year-end, as weaker demand and improving supply dynamics weigh on prices. For UK CRE, a calmer energy backdrop should help ease inflationary pressures and occupier costs, providing a modest tailwind for property values and demand.

### Oil back to pre-war levels

Oil Spot Prices (\$ per barrel)



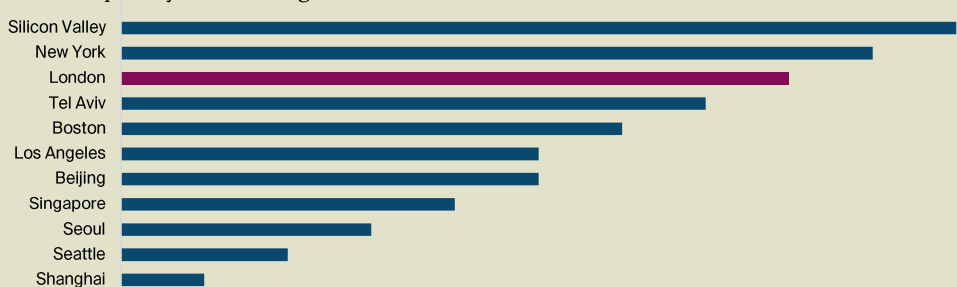
Source: Knight Frank Insight, Macrobond

### #3

London remains a global powerhouse for startups, ranking #3 worldwide, following Silicon Valley and New York, according to the latest Global Startup Ecosystem Report. Valued at \$438 billion, its startup ecosystem is by far the largest in Europe, generating more than 2.5 times the value of Paris and almost five times that of Berlin. With 72 active unicorns (startups valued at \$1B+), and a robust funding pipeline, London is poised for continued growth in high-value tech sectors.

### London's strength as premier tech hub reflects robust occupier market - strongest in EU

Global startup ecosystem ranking 2026



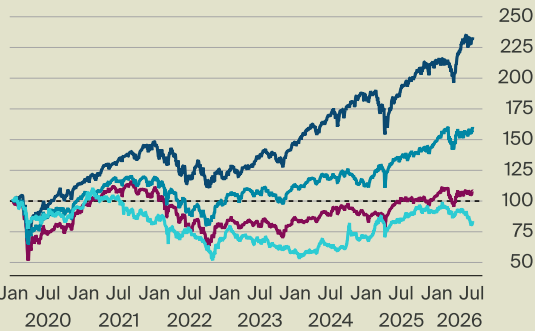
Source: Knight Frank Insight, Startup Genome

# Equities

## Equity markets

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

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



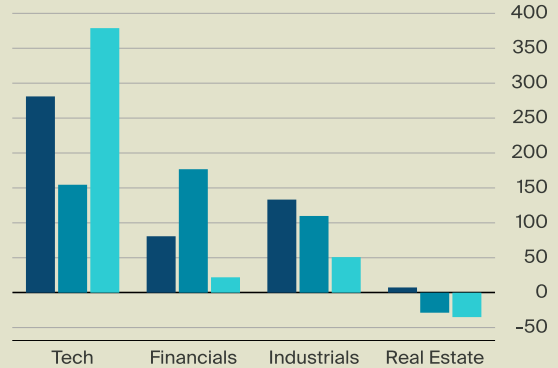
Source: Knight Frank, Macrobond

Index	Last Original value and base	Percentage change since				YTD %
		1 day	1 week	1 month	Jan '20	
DAX 30	10,760	0.7	4.8	1.6	62.6	-0.232
FTSE 250	31,398	0.3	2.7	0.3	8.3	3.902
Hang Seng	2,996	0.6	2.0	-7.0	-17.2	-9.012
IBEX 35	22,475	-0.2	1.5	5.8	109.7	10.676
MIB	60,469	0.8	3.5	3.6	129.7	14.455
S&P 500	7,537	0.7	2.5	-0.6	133.3	10.108
STOXX 600	743	0.1	2.5	2.3	59.1	6.899
TOPIX	25	-0.7	1.8	1.3	58.5	14.790

## Equity regional sectors

Price return index percentage change since Jan 2020

■ US ■ Europe ■ Emerging Markets



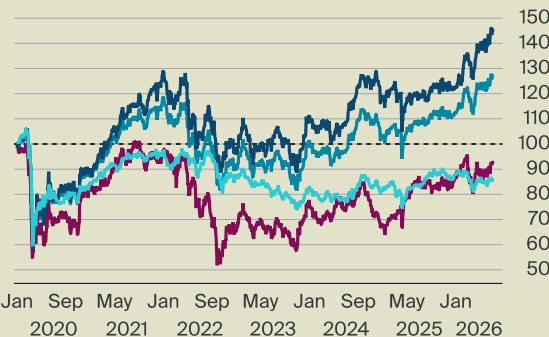
Source: Knight Frank, Macrobond

	Percentage change since Jan 2020		
	US	Europe	World
Tech	281.0%	154.5%	378.8%
Financials	80.8%	176.8%	22.0%
Industrials	133.3%	109.9%	50.9%
Real Estate	7.5%	-54.2%	-59.0%

## REITs by region

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

— World — Europe — US — Asia Pacific



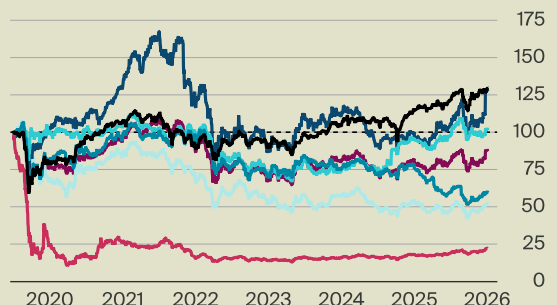
Source: Knight Frank, Macrobond

Index, total return	Last Original value and base	Percentage change since				YTD %
		1 day	1 week	1 month	Jan '20	
US	3,457	-0.7	-1.2	3.9	44.6	18.54
Europe	2,627	-0.9	-0.6	4.5	-7.8	6.17
World	4,072	-0.4	-0.9	3.6	26.8	13.16
Asia Pacific	3,392	1.2	-0.5	3.8	-13.6	-1.51

## 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

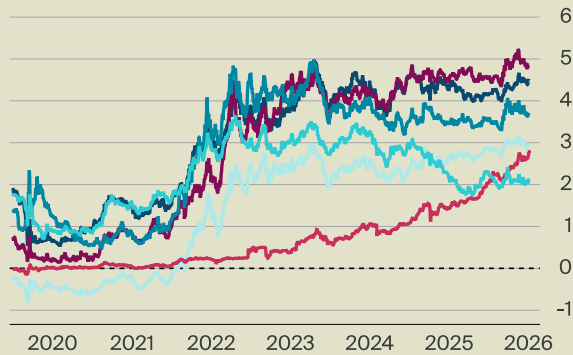
Index, total return	Last Original value and base	Percentage change since				YTD %
		1 day	1 week	1 month	Jan '20	
All REITs	895	-1.0	-0.9	8.9	-12.5	7.8
Office	1,550	-1.4	0.8	8.6	-47.7	8.6
Industrial	1,581	-1.3	-1.1	17.4	27.5	20.5
Retail	80	-0.9	0.2	9.9	-77.9	16.4
Healthcare	2,297	-1.3	-1.3	4.1	1.3	3.5
Residential	911	-0.7	-0.7	5.5	-40.3	-1.0
FTSE 250	22,092	0.4	1.6	1.1	29.7	6.6

# Bonds & Rates

## Government bond yields

10 year government bond yields, %

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



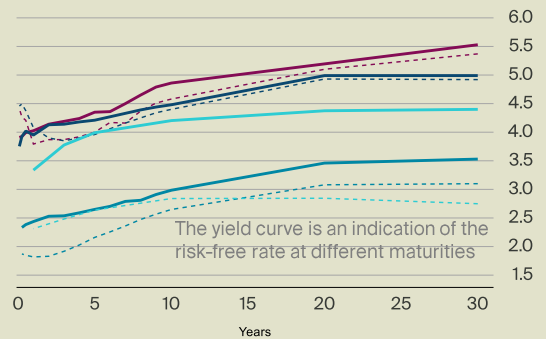
Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20
Italy	3.71	3.71	3.64	3.84	1.40
Japan	2.82	2.76	2.64	2.64	-0.03
Singapore	2.14	2.14	2.04	2.09	1.74
UK	4.86	4.86	4.83	4.97	0.74
US	4.48	4.48	4.44	4.55	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

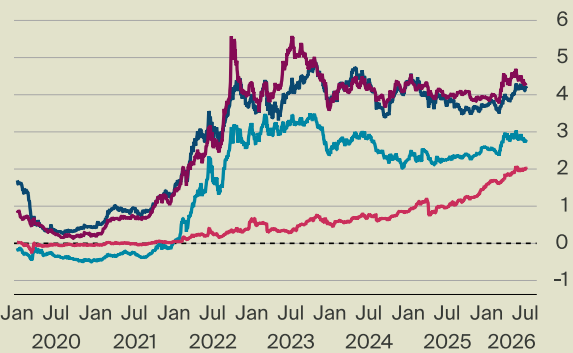


Source: Knight Frank, Macrobond

## Interest rate swaps

5 year swap rates, %

— US — UK — Eurozone — Japan



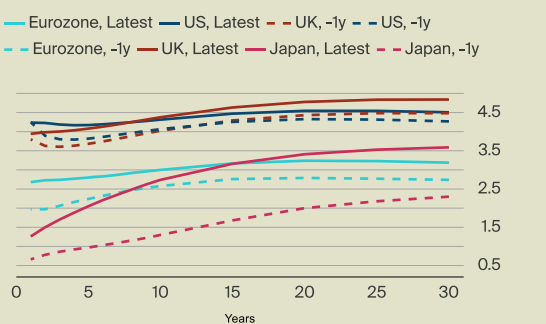
Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20
Eurozone	2.80	2.79	2.74	2.90	-0.13
Japan	2.05	2.03	1.97	2.00	0.03
UK	4.32	4.31	4.28	4.48	0.88
US	4.17	4.21	4.11	4.27	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

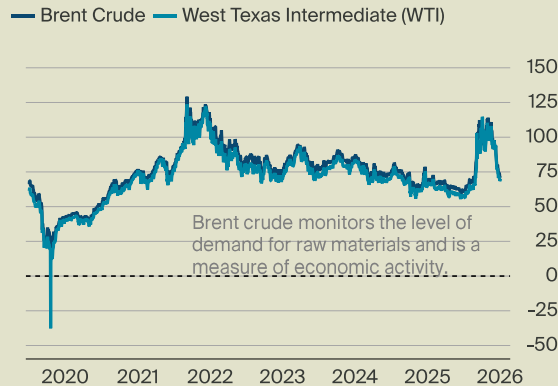


Source: Knight Frank, Macrobond

# Commodities & Volatility

## Energy

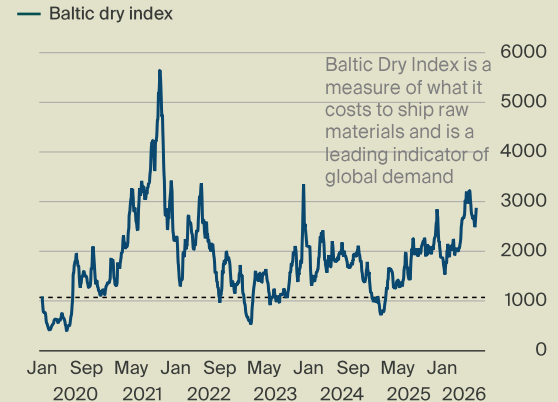
Oil spot prices, \$ per barrel



Source: Knight Frank, Macrobond

## Baltic dry index

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



Source: Knight Frank, Macrobond

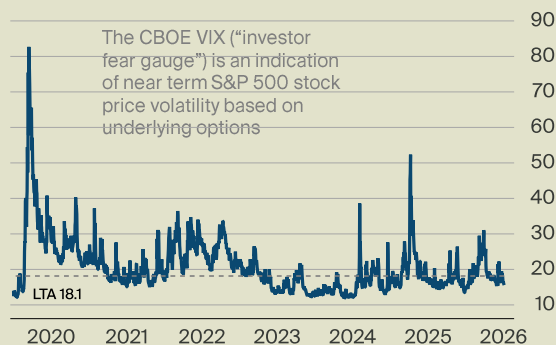
	Last	1 day	1 week	1 month	Jan '20	YTD %
Brent, \$ per barrel	72.1	72.1	73.4	92.8	66.0	18.4
WTI, \$ per barrel	68.8	68.8	70.7	94.5	61.1	19.9

	Last	Percentage change since				
		1 day	1 week	1 month	Jan '20	YTD %
Baltic Dry	2875	5.82	15	-3.56	164	53.2

## Volatility index

Near term stock price volatility indicator

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

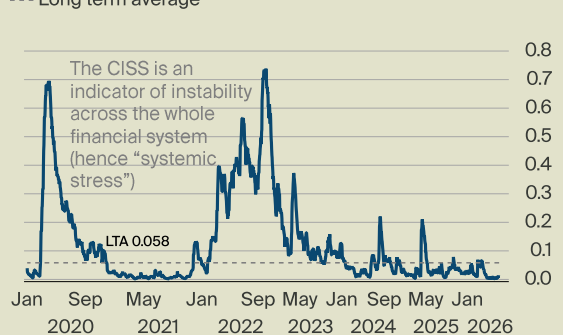


Source: Knight Frank, Macrobond

## 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

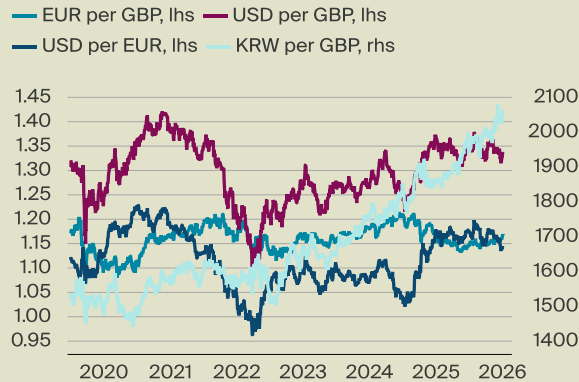
	Last	1 day	1 week	1 month	Jan '20	YTD
CBOE VIX	15.6	15.6	16.5	21.5	13.8	4.15
Euro Stoxx 50 VIX	15.9	15.9	16.6	18.6	14.0	7.89
Nikkei VIX	29.7	37.4	38.3	28.4	14.8	24.95
KOSPI VIX	85.7	86.9	93.8	73.4	14.7	197.02

	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

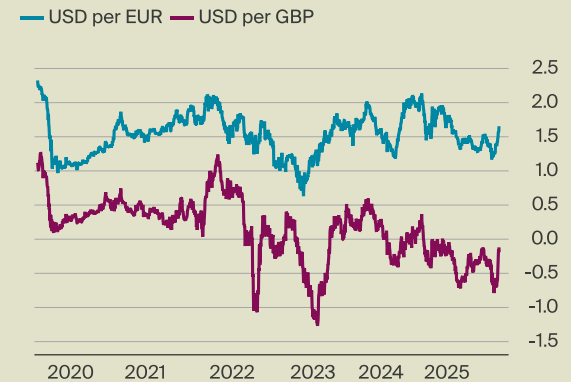


Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20
EUR per GBP	1.170	1.167	1.160	1.158	1.177
KOR per GBP	2,047	2,047	2,044	2,080	1,525
USD per GBP	1.336	1.336	1.325	1.339	1.321
USD per EUR	1.145	n/a	1.143	1.153	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	1.65	1.59	1.56	1.48	2.32
USD to GBP	-0.12	-0.19	-0.15	-0.48	1.12

## Inflation and monetary policy

### Inflation rate (%)

	June	May	Apr	Mar
Australia <sup>1</sup>	n/a	4.0	4.2	4.5
Canada	n/a	3.2	2.8	2.4
China	n/a	1.4	1.3	1.1
Euro Area	n/a	n/a	n/a	n/a
France	1.8	2.4	2.2	1.7
Germany	2.3	2.7	2.8	2.6
India	n/a	3.9	3.5	3.4
Italy	3.0	3.2	2.7	1.7
Japan	n/a	1.5	1.4	1.5
Saudi Arabia	n/a	1.8	1.7	1.8
South Korea	3.2	3.1	2.6	2.2
Spain	n/a	n/a	3.2	3.5
Sweden	n/a	0.8	-0.1	0.5
UK	n/a	2.8	2.8	3.3
US	n/a	4.2	3.8	3.3

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

### Interest rates (%)

	Last	Jan '25
	4.35	4.35
	2.25	3.25
	4.35	4.35
	2.40	3.15
	2.40	3.15
	2.40	3.15
	5.25	6.50
	2.40	3.15
	1.00	0.25
	4.25	5.00
	2.50	3.00
	2.40	3.15
	1.75	2.75
	3.75	4.75
	3.75	4.50

### Asset purchasing

	Latest (\$)	1m change (%)
	0.25 tn	2.4
	167 bn	-1.2
	713 tn	-0.5
	6.96 tn	-0.9
	1.71 tn	-2.0
	2.66 tn	-0.6
	472 bn	-2.3
	1.22 tn	-2.9
	3.93 tn	-3.5
	518 bn	-0.6
	406 bn	1.2
	487 bn	0.1
	90.8 bn	-5.0
	1.1 tn	-0.5
	6.72 tn	0.2

Source: Knight Frank, Macrobond



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