Leading Indicators

Key economic and financial metrics, updated weekly

knightfrank.com/research

3rd June 2025

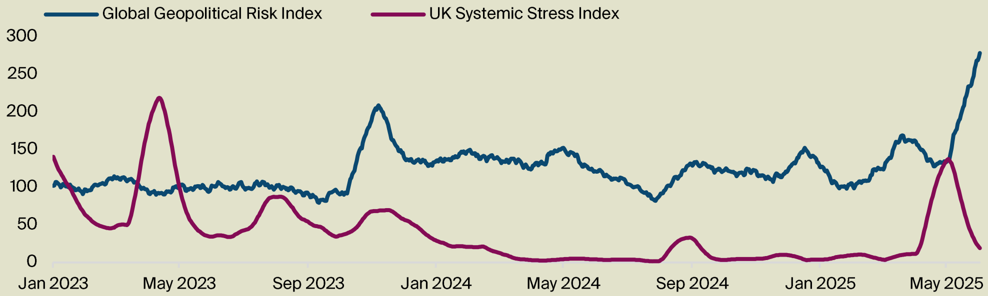
UK financial markets show resilience against global turmoil

-86%

Over the past month, the UK Systemic Stress Index, a key measure of financial stress, has fallen by -86%. Over that same period, the Global Geopolitical Risk Index has surged +106%, driven in part by renewed tensions following recent US legislation reinstating Trump-era tariffs.

UK financial market volatility eases... a relative safe-haven amid rising global risk?

Global Geopolitical Risk Index vs UK Systemic Stress Index, one-month m.a., Jan 2023 = 100



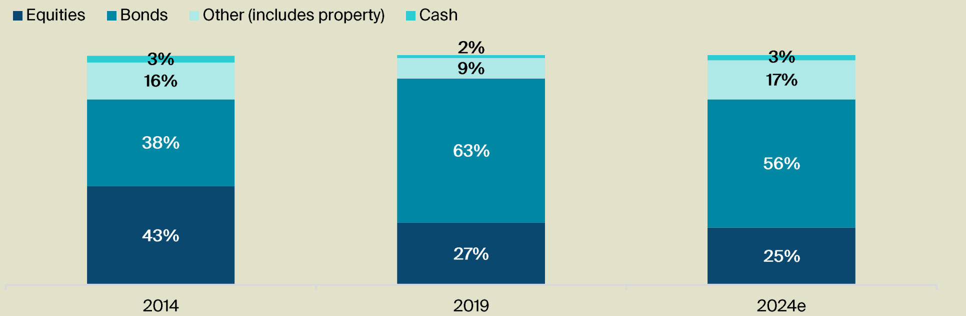
Source: Knight Frank Insight, Macrobond

5%

17 of the UK's largest pension providers have pledged to allocate at least 5% of their defined contribution (DC) default funds to UK private assets by 2030, under the Mansion House Compact. This commitment is expected to unlock up to £50 billion in investment, directing capital into local startups, infrastructure, and potentially commercial real estate.

Meanwhile, UK aims to boost private market investment by pension funds

UK asset allocation over the last ten years, %



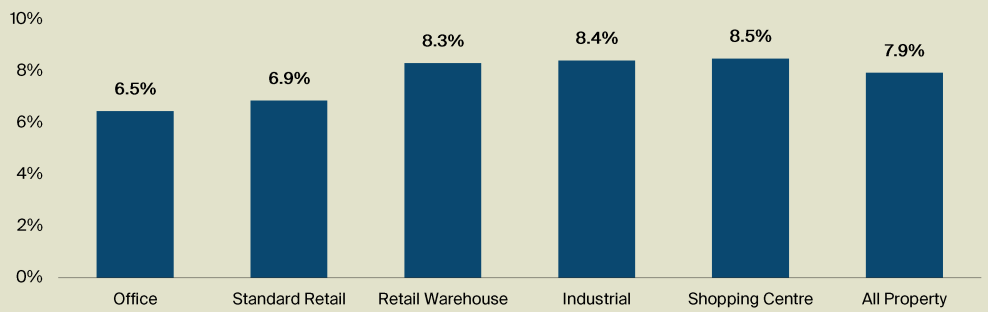
Source: Knight Frank Insight, Thinking Ahead Institute

8.2%

In the latest IPF survey, the 2025 All Property total return forecast has seen a slight downgrade by -60bps to 8.2%. Between 2025-2029, Shopping Centres is expected to be the best performing sector with a total return of 8.5% pa (per annum).

And UK Shopping Centres set to outperform over the next few years...

IPF Consensus Forecasts May 2025, annualised total return, 2025/2029, % per annum

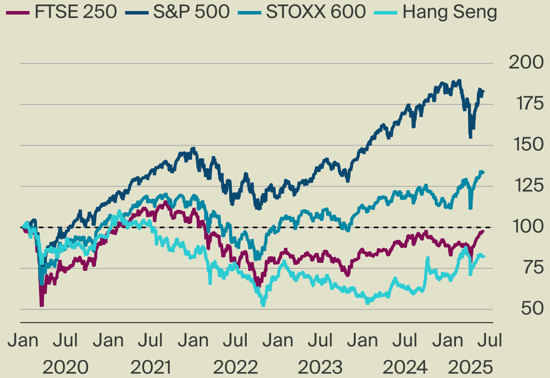


Source: Knight Frank Insight, IPF

Equities

Equity markets

Price return index, Jan 2020 = 100, US$

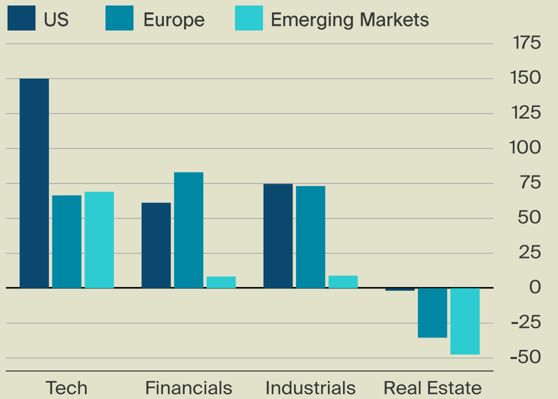


Source: Knight Frank, Macrobond

Index Original value and base	Last	1 day	Percentage change since 1 week	1 month	Jan '20	YTD %
DAX 30	10,250	0.7	1.9	5.0	54.9	29.121
FTSE 250	28,498	0.7	1.9	6.4	-1.7	10.124
Hang Seng	2,997	0.9	0.9	5.1	-17.2	16.007
IBEX 35	16,237	1.3	1.5	7.5	51.5	34.576
MIB	45,712	0.7	2.1	6.9	73.6	28.834
S&P 500	5,936	0.4	2.3	5.9	83.7	0.923
STOXX 600	626	0.7	1.3	5.2	34.2	18.589
TOPIX	19	0.0	0.7	5.2	23.0	9.516

Equity regional sectors

Price return index percentage change since Jan 2020

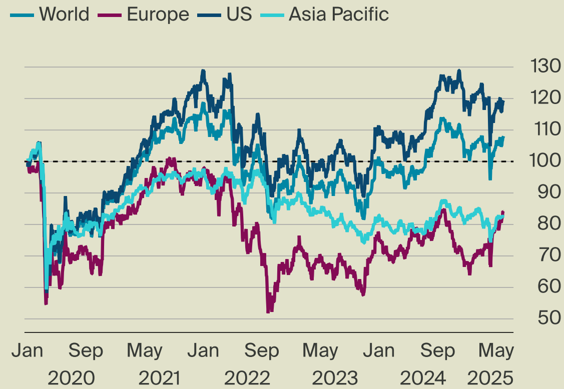


Source: Knight Frank, Macrobond

	Percentage change since Jan 2020 US	Europe	World
Tech	150.1%	66.5%	69.0%
Financials	61.2%	83.0%	8.4%
Industrials	74.7%	73.1%	9.0%
Real Estate	-1.8%	-54.2%	-59.0%

REITs by region

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

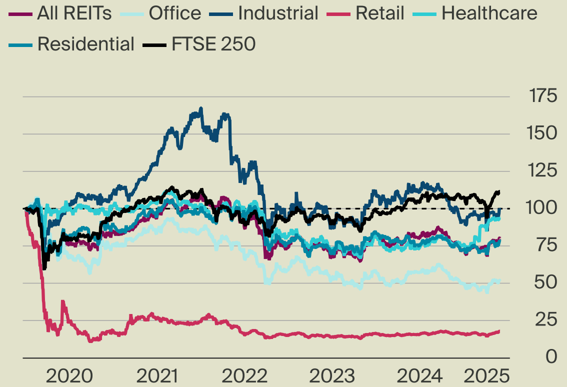


Source: Knight Frank, Macrobond

Index, total return Original value and base	Last	1 day	Percentage change since 1 week	1 month	Jan '20	YTD %
US	2,854	0.2	3.1	2.0	19.4	0.57
Europe	2,402	0.0	4.1	5.9	-15.7	23.37
World	3,472	0.4	2.9	2.7	8.1	4.61
Asia Pacific	3,246	0.3	0.3	2.1	-17.3	1.95

UK REITs by sector

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



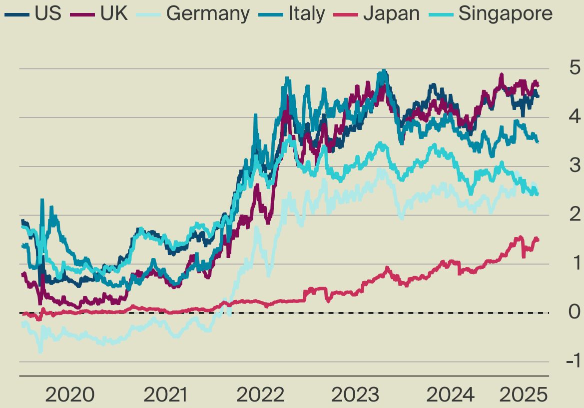
Source: Knight Frank, Macrobond

Index, total return Original value and base	Last	1 day	Percentage change since 1 week	1 month	Jan '20	YTD %
All REITs	819	-0.2	3.8	1.5	-19.9	10.4
Office	1,525	-1.1	2.6	-0.8	-48.5	4.3
Industrial	1,229	-0.8	5.1	1.3	-0.9	7.1
Retail	64	0.2	4.4	8.6	-82.2	10.0
Healthcare	2,126	-0.4	1.3	-0.2	-6.2	23.2
Residential	1,196	0.6	4.1	0.1	-21.6	8.2
FTSE 250	18,996	0.1	1.6	4.7	11.5	3.5

Bonds & Rates

Government bond yields

10 year government bond yields, %

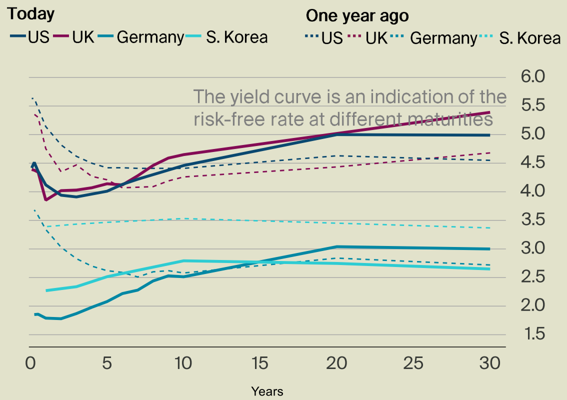


Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20
Italy	3.49	3.49	3.53	3.62	1.40
Japan	1.50	1.49	1.50	1.28	-0.03
Singapore	2.43	2.43	2.41	2.50	1.74
UK	4.67	4.67	4.67	4.51	0.82
US	4.46	4.46	4.43	4.33	1.92

Yield curves

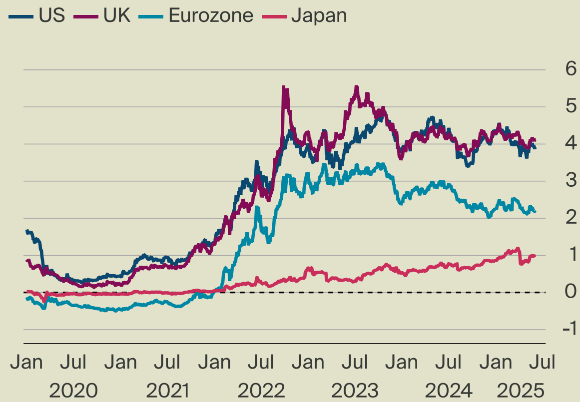
Latest nominal yield curves vs one year ago, %



Source: Knight Frank, Macrobond

Interest rate swaps

5 year swap rates, %

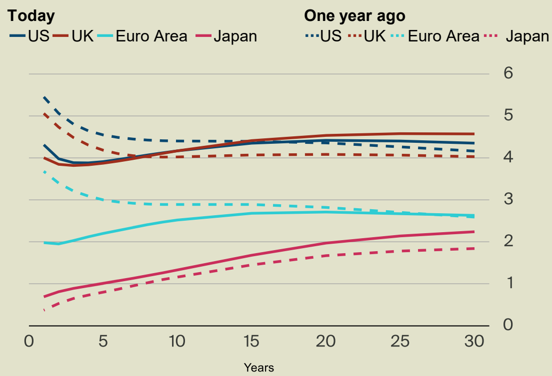


Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20
Eurozone	2.20	2.18	2.22	2.19	-0.13
Japan	1.01	1.00	0.97	0.82	0.03
Singapore	3.66	n/a	n/a	n/a	1.50
UK	4.12	4.10	4.11	3.91	0.88
US	3.91	3.87	3.96	3.81	1.70

Swap curves

Latest swap curves vs one year ago, %



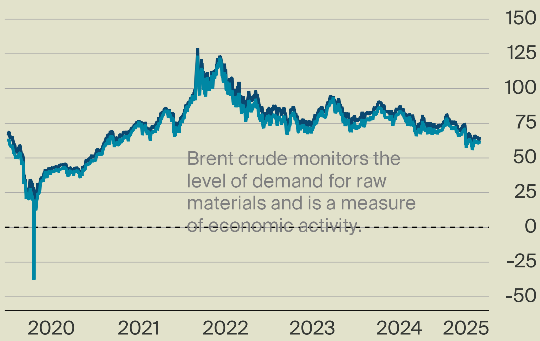
Source: Knight Frank, Macrobond

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	65.1	65.1	63.7	61.4	66.0	-13.0
WTI, $ per barrel	62.5	62.5	61	55.7	61.1	-12.6

Baltic dry index

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

— Baltic dry index

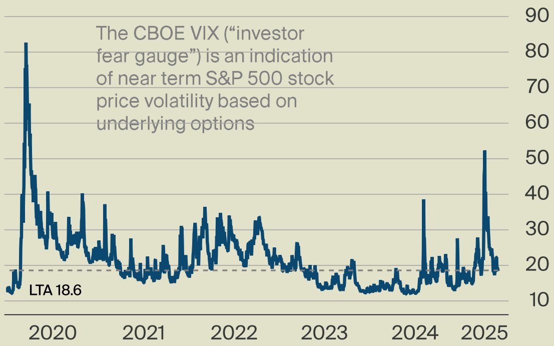
Source: Knight Frank, Macrobond

	Last	Percentage change since				
		1 day	1 week	1 month	Jan '20	YTD %
Baltic Dry	1430	0.846	10.3	0.633	31.2	43.4

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	18.4	18.4	19.0	22.7	13.8	5.82
Euro Stoxx 50 VIX	20.0	20.0	18.6	20.5	14.0	17.53
Nikkei VIX	24.6	25.1	24.2	26.7	14.8	12.76
KOSPI VIX	22.7	22.7	20.0	20.9	14.7	7.43

Systemic stress

Measures FX, money, sovereign and bond yield volatility

— New ECB Composite Indicator of Systemic Stress (CISS)

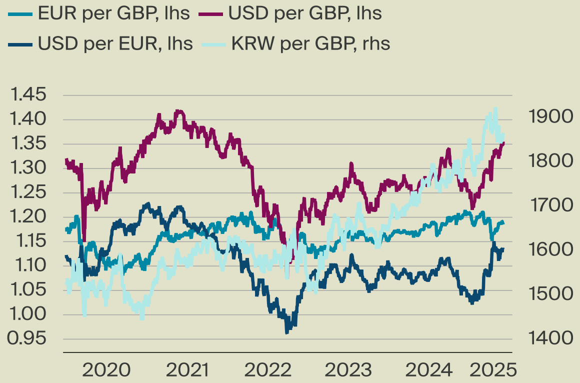
- - - Long term average

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

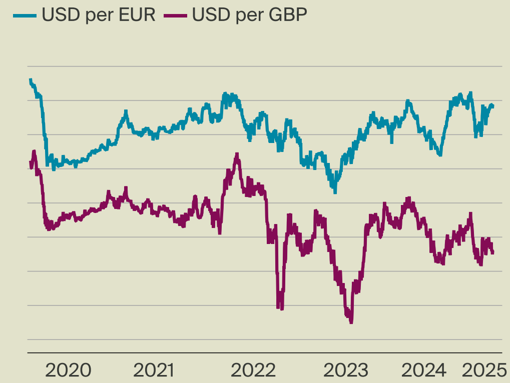
Currencies
Spot prices



Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20
EUR per GBP	1.185	1.188	1.190	1.172	1.177
KOR per GBP	1,866	1,861	1,846	1,857	1,525
USD per GBP	1.355	1.348	1.350	1.332	1.321
USD per EUR	1.135	1.135	1.135	1.133	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	1.94	1.89	1.94	1.76	2.32
USD to GBP	-0.20	-0.25	-0.08	-0.07	1.12

Inflation and monetary policy

	Inflation rate (%)				Interest rates (%)		Asset purchasing	
	May	Apr	Mar	Feb	Last	Jan '24	Latest ($)	1m change (%)
Australia[1]	n/a	n/a	2.4	2.4	3.85	4.35	0.25 tn	-3.6
Canada	n/a	1.7	2.3	2.6	2.75	5.00	181 bn	0.3
China	n/a	-0.1	-0.1	-0.7	4.35	4.35	6.25 tn	-0.1
Euro Area	1.9	2.2	2.2	2.3	2.40	4.50	7.12 tn	-0.7
France	0.7	0.8	0.8	0.8	2.40	4.50	1.73 tn	0.2
Germany	2.2	2.1	2.1	2.3	2.40	4.50	2.66 tn	-0.6
India	n/a	3.2	3.3	3.6	6.00	6.50	445 bn	0.0
Italy	1.7	1.9	1.9	1.6	2.40	4.50	1.26 tn	-0.3
Japan	n/a	3.6	3.6	3.7	0.50	-0.10	5.09 tn	0.3
Saudi Arabia	n/a	2.3	2.3	2.0	5.00	6.00	512 bn	-1.6
South Korea	n/a	2.1	2.1	2.0	2.50	3.50	404 bn	4.1
Spain	n/a	2.3	2.1	2.9	2.40	4.50	487 bn	-1.8
Sweden	n/a	0.3	0.5	1.3	2.25	4.00	107 bn	-6.1
UK	n/a	3.5	2.6	2.8	4.25	5.25	1.18 tn	-1.2
US	n/a	2.3	2.4	2.8	4.50	5.50	6.67 tn	-0.6

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

Source: Knight Frank, Macrobond

Future Gazing - 2025

Offering a unique perspective on the outlook for the industrial and logistics market; from logistics to support evolving retail habits to further up the supply chain, we look at space used to provide consumers and businesses with services, and the wholesalers and distribution firms that supply them.

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

Life Sciences & Innovation Insight: Q1 2025

The UK science and innovation sectors are changing at pace. With this in mind, we have developed a quarterly update to monitor key developments. The report tracks sector performance and real estate activity while listing the most promising occupiers.

UK Real Estate Navigator: Q1 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