

# Leading Indicators



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Key economic and financial metrics, updated weekly

7<sup>th</sup> October 2025

## Lending resilience signals momentum, despite a shifting landscape

### 4.75%

The spread between UK and French 10-year yields may narrow in the near term. UK 10-year gilt yields remain elevated at around 4.75%, while French 10-year government bond yields have edged higher to roughly 3.59% amid rising political uncertainty. The UK's comparatively stable political backdrop provides some support for gilts relative to peers, helping to stabilise spreads against a more uncertain European backdrop.

### French yield rise narrows gap with UK gilts

10-year government bond yields, %



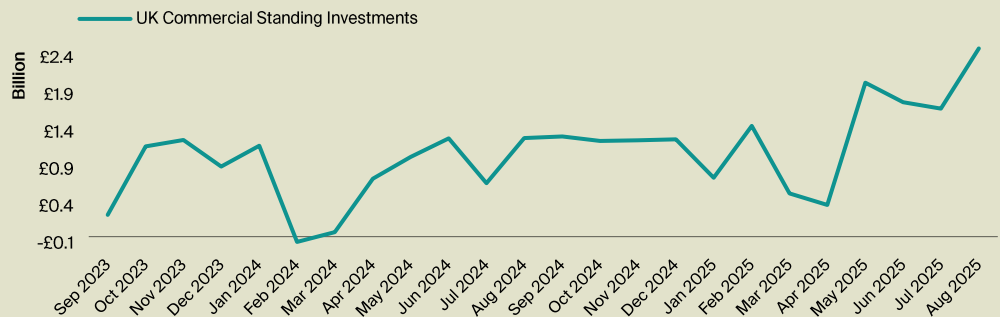
Source: Knight Frank Insight, Macrobond

### £2.5bn

Net lending to UK commercial property rose in August, reaching £2.5bn, the strongest monthly figure since May 2020, reinforcing the sector's positive momentum. This lifted the 3-month total to £6.3bn, the highest level in 15 years. Growth was driven by strong lending against standing investments (£2.5bn), while development lending remained slightly negative at -£0.1bn. Refinancing remains a key driver of activity, reflecting solid lender appetite and a supportive financing backdrop as investment demand gradually recovers.

### Refinancing and investment activity drive lending recovery

Net lending to UK CRE, £bn



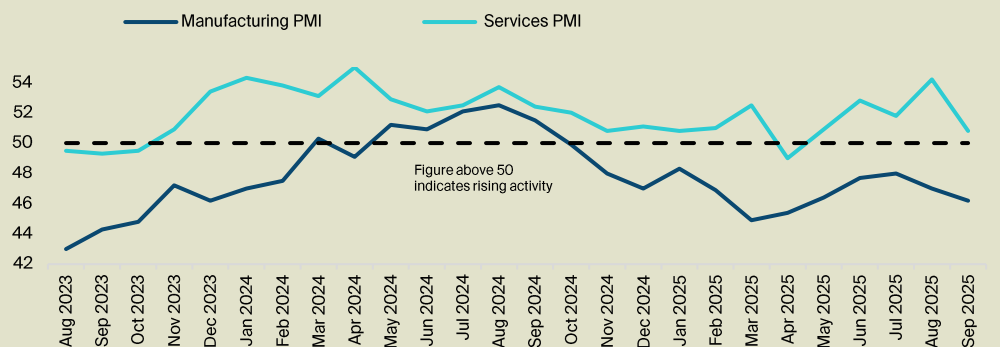
Source: Knight Frank Insight, BoE

### 50.8

The UK services PMI fell to 50.8 in September, from 54.2 in the previous month, still indicating healthy expansion, but at a slower pace than in recent months. Meanwhile the UK manufacturing PMI fell to 46.2, a five-month low. This easing in PMIs suggests softening demand, slower price growth, and cooling labour market dynamics, which could pave the way for a more dovish shift in the Bank of England's policy stance. Markets currently expect the bank rate to remain on hold through the end of the year, with a few additional cuts anticipated in 2026.

### Could softer PMIs reinforce the case for further policy easing?

S&P Global UK Purchasing Managers Index



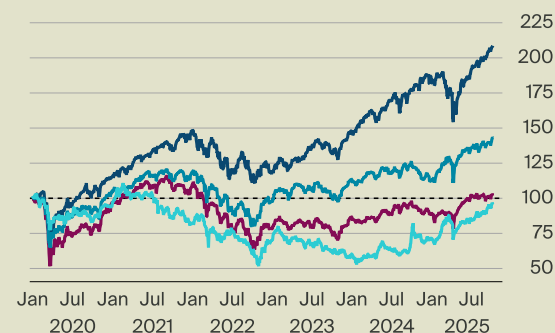
Source: Knight Frank Insight, Macrobond, S&P Global

# Equities

## Equity markets

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

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



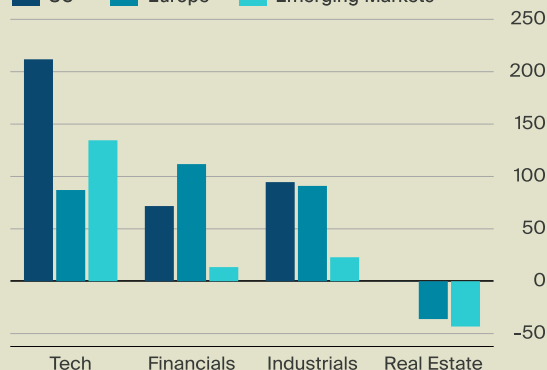
Source: Knight Frank, Macrobond

Index	Last	Percentage change since				
Original value and base	1 day	1 week	1 month	Jan '20	YTD %	
DAX 30	10,702	-0.1	2.9	3.3	61.7	34.8
FTSE 250	29,792	0.7	2.5	3.3	2.8	15.1
Hang Seng	3,464	-1.2	3.2	7.8	-4.3	34.1
IBEX 35	18,229	0.5	1.5	5.0	70.1	51.1
MIB	50,558	0.3	1.4	3.5	92.0	42.5
S&P 500	6,740	0.4	1.5	3.7	108.6	14.6
STOXX 600	668	0.6	3.0	4.4	43.2	26.5
TOPIX	22	1.4	2.2	4.0	36.3	21.4

## Equity regional sectors

Price return index percentage change since Jan 2020

■ US ■ Europe ■ Emerging Markets



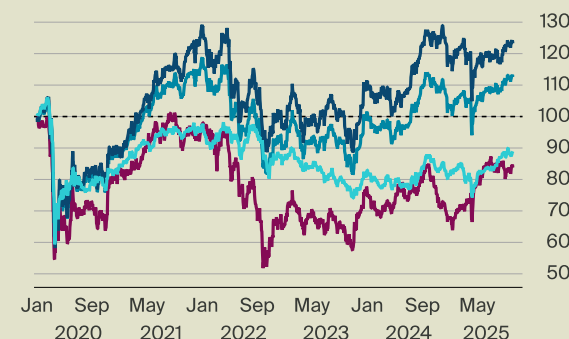
Source: Knight Frank, Macrobond

	Percentage change since Jan 2020		
	US	Europe	World
Tech	211.8%	87.1%	134.5%
Financials	71.8%	111.8%	13.5%
Industrials	94.6%	91.0%	22.9%
Real Estate	-0.1%	-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

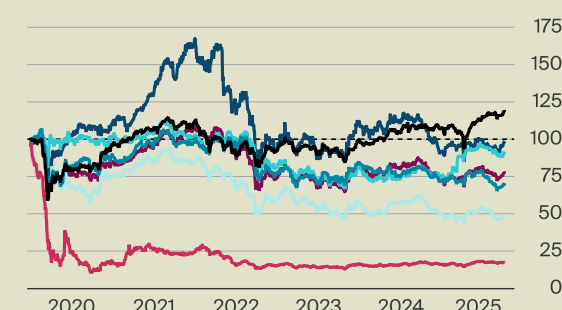
Index, total return	Last	Percentage change since				
Original value and base		1 day	1 week	1 month	Jan '20	YTD %
US	2,946	-0.3	0.1	1.1	23.3	3.80
Europe	2,390	-0.2	1.6	3.6	-16.2	22.71
World	3,618	-0.1	0.6	1.7	12.6	9.03
Asia Pacific	3,491	0.4	1.6	2.2	-11.1	9.65

## 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

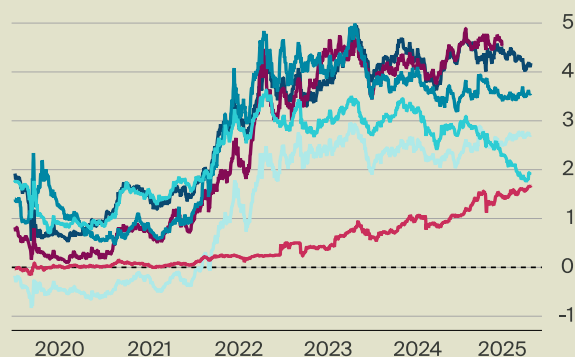
Index, total return	Last	Percentage change since				
Original value and base	1 day	1 week	1 month	Jan '20	YTD %	
All REITs	794	0.5	2.5	6.4	-22.4	7.0
Office	1,452	0.7	3.0	6.1	-51.0	-0.7
Industrial	1,224	1.3	3.4	8.5	-1.3	6.7
Retail	63	0.7	2.1	4.1	-82.6	7.8
Healthcare	2,045	-0.4	2.2	1.6	-9.8	18.5
Residential	1,053	-0.5	0.4	3.6	-31.0	-4.7
FTSE 250	20,228	0.2	2.0	3.2	18.7	10.3

# Bonds & Rates

## Government bond yields

10 year government bond yields, %

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



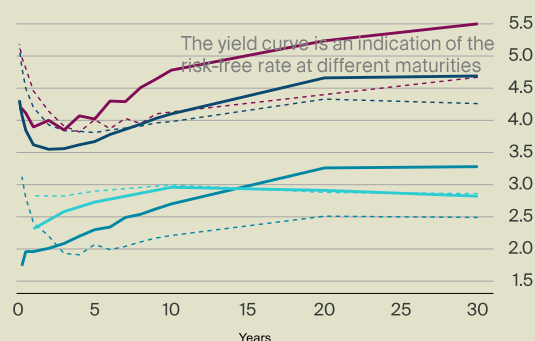
Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20
Italy	3.56	3.56	3.55	3.53	1.40
Japan	1.67	1.66	1.65	1.59	-0.03
Singapore	1.92	1.92	1.91	1.85	1.74
UK	4.79	4.79	4.77	4.66	0.74
US	4.18	4.18	4.16	4.10	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

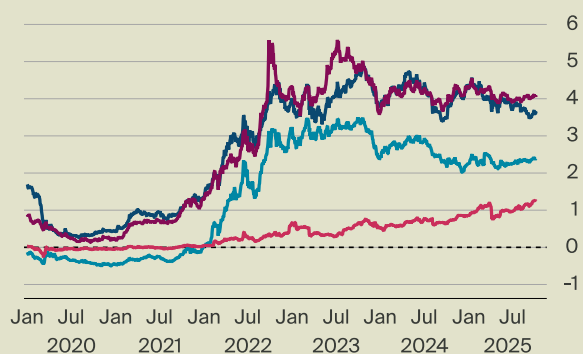


Source: Knight Frank, Macrobond

## Interest rate swaps

5 year swap rates, %

— US — UK — Eurozone — Japan



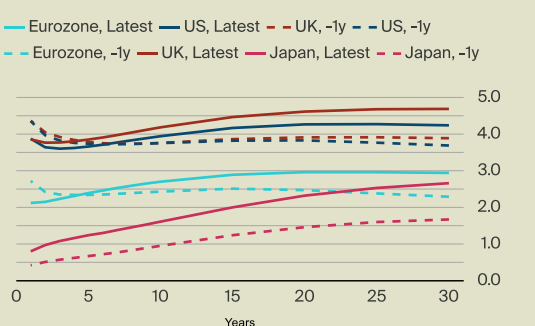
Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20
Eurozone	2.39	2.38	2.39	2.29	-0.13
Japan	1.24	1.25	1.26	1.10	0.03
UK	4.09	4.06	4.08	4.01	0.88
US	3.66	3.63	3.66	3.50	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



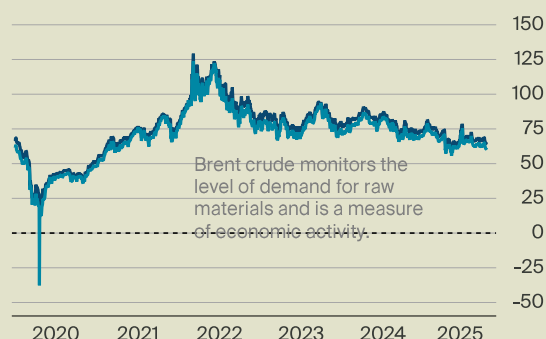
Source: Knight Frank, Macrobond

# 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	65.4	64.3	66.7	65.5	66.0	-12.5
WTI, \$ per barrel	61.5	60.5	62.9	62	61.1	-14.1

## Baltic dry index

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

— Baltic dry index



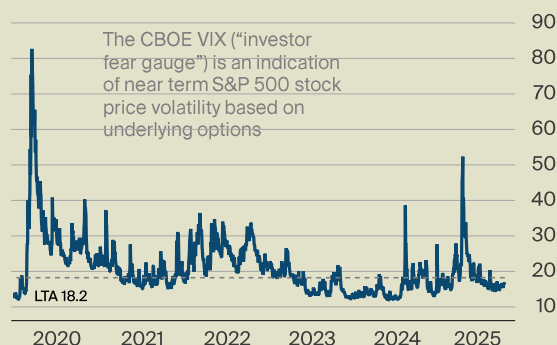
Source: Knight Frank, Macrobond

	Last	Percentage change since				
		1 day	1 week	1 month	Jan '20	YTD %
Baltic Dry	1932	1.2	-13	-2.37	77.2	93.8

## 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	16.4	16.4	16.3	15.2	13.8	-5.65
Euro Stoxx 50 VIX	17.7	17.7	16.7	17.7	14.0	4.24
Nikkei VIX	27.0	27.7	25.2	24.3	14.8	23.73
KOSPI VIX	22.3	n/a	20.6	18.4	14.7	5.68

## Systemic stress

Measures FX, money, sovereign and bond yield volatility

— New ECB Composite Indicator of Systemic Stress (CISS)

--- Long term average



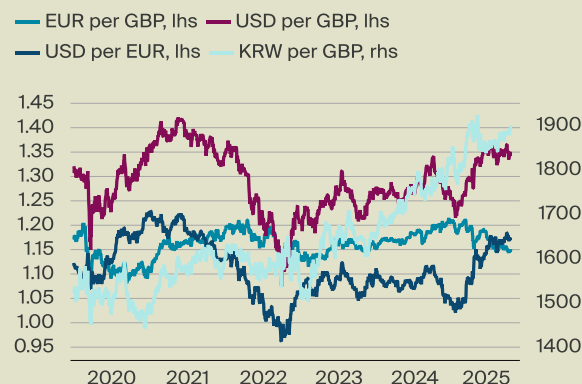
Source: Knight Frank, Macrobond

	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

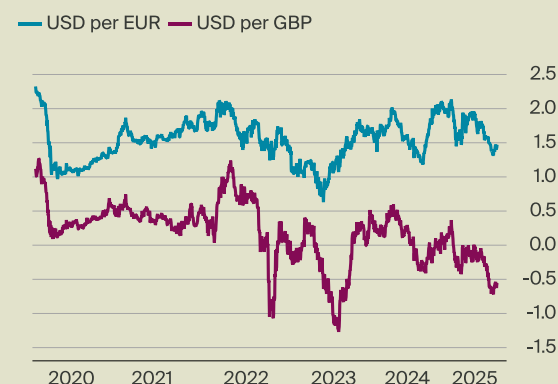


Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20
EUR per GBP	1.151	1.148	1.144	1.152	1.177
KOR per GBP	1,900	1,894	1,878	1,876	1,525
USD per GBP	1.348	1.347	1.342	1.352	1.321
USD per EUR	1.175	1.175	1.173	1.176	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	1.47	1.43	1.47	1.38	2.32
USD to GBP	-0.55	-0.58	-0.54	-0.71	1.12

## Inflation and monetary policy

### Inflation rate (%)

	Sep	Aug	Jul	June
Australia <sup>1</sup>	n/a	n/a	n/a	2.0
Canada	n/a	1.9	1.7	1.9
China	n/a	-0.6	-0.2	-0.1
Euro Area	2.2	2.0	2.0	2.0
France	1.2	0.9	1.0	1.0
Germany	2.4	2.3	2.0	2.0
India	n/a	2.1	1.6	2.1
Italy	1.6	1.6	1.7	1.7
Japan	n/a	2.7	3.1	3.3
Saudi Arabia	n/a	2.3	2.2	2.0
South Korea	2.1	1.7	2.1	2.2
Spain	n/a	2.7	2.7	2.3
Sweden	n/a	1.1	0.8	0.7
UK	n/a	3.8	3.8	3.6
US	n/a	2.9	2.7	2.7

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

### Interest rates (%)

	Last	Jan '24
	3.60	4.35
	2.50	5.00
	4.35	4.35
	2.15	4.50
	2.15	4.50
	2.15	4.50
	5.50	6.50
	2.15	4.50
	0.50	-0.10
	4.75	6.00
	2.50	3.50
	2.15	4.50
	1.75	4.00
	4.00	5.25
	4.25	5.50

### Asset purchasing

	Latest (\$)	1m change (%)
	0.27 tn	2.0
	179 bn	0.5
	6.48 tn	0.8
	7.13 tn	-0.3
	1.74 tn	0.1
	2.66 tn	-0.6
	490 bn	6.3
	1.29 tn	2.1
	4.71 tn	-3.7
	528 bn	3.8
	401 bn	-2.3
	487 bn	0.2
	99.9 bn	-3.9
	1.17 tn	-0.7
	6.59 tn	-0.2

Source: Knight Frank, Macrobond



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