

# Leading Indicators



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Key economic and financial metrics, updated weekly

15<sup>th</sup> July 2025

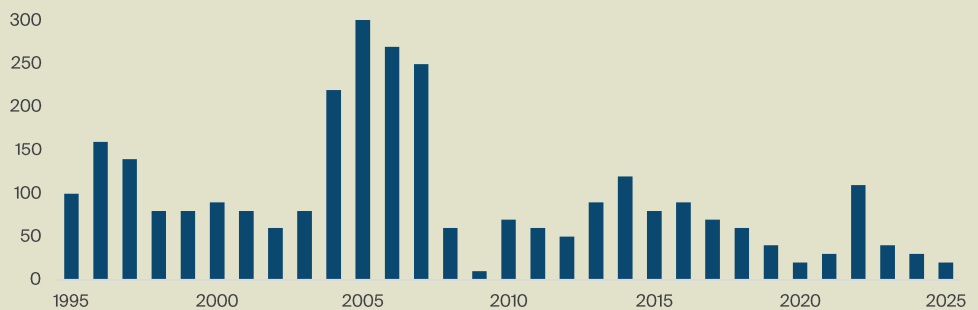
## From reform to resilience: UK equities surge ahead of Reeve's Mansion House agenda

### 75%

Chancellor Rachel Reeves will deliver her Mansion House speech today, where she is expected to unveil major reforms to UK financial regulation. Aimed at boosting growth and competitiveness, the changes include raising the FCA's secondary share issuance threshold from 20% to 75%, a move expected to save firms £40 million a year. The reforms could also support UK CRE by making it easier for listed firms to raise equity, potentially unlocking capital for development and investment.

### Reeves set to target city revival as London IPOs sink

Number of deals



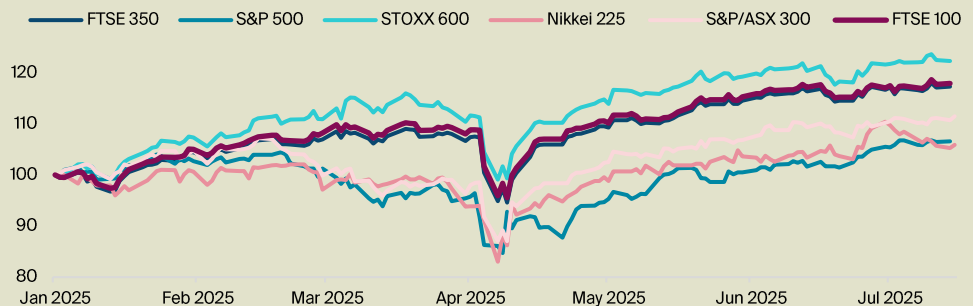
Source: Knight Frank Insight, Dealogic, Financial Times

### +18%

UK equities have performed well this year, with the FTSE 100 rising above the 9,000 mark and gaining +18% YTD, while the FTSE 350 is up +17%. Both indices have outperformed most major global peers, including the S&P 500 (up just +6%). The FTSE's strength has been particularly notable since the April correction, supported by exposure to energy, materials, and defensive sectors. Investor rotation into non-US assets, partly due to concerns over Trump's unpredictable policy stance, has also boosted demand for UK stocks.

### UK, Europe and Japan equities outpace US YTD

Equity market index 01/01/25=100



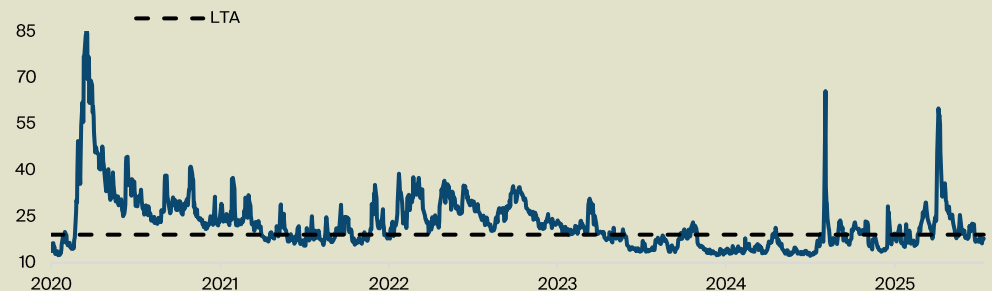
Source: Knight Frank Insight, Macrobond

### 17.9

Market volatility has dropped to its lowest levels this year, with the VIX falling to 17.9, below its long-run average of 20. This comes despite President Trump's latest tariff threats, including a 50% duty on copper, levies on pharmaceuticals, and new tariffs on imports from Japan, South Korea, and the EU. Markets remain calm, as investors anticipate that any measures posing a risk to US growth will ultimately be scaled back.

### Market volatility drops despite fresh tariff announcements

CBOE Volatility Index (VIX), near term stock market volatility



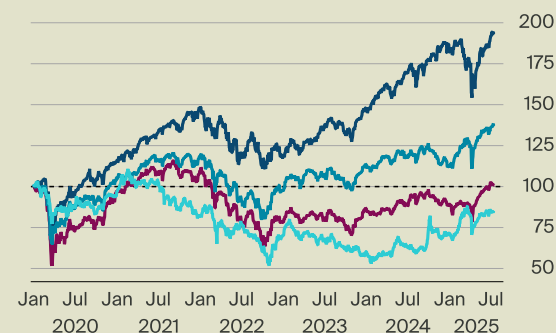
Source: Knight Frank Insight, Macrobond

# Equities

## Equity markets

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

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



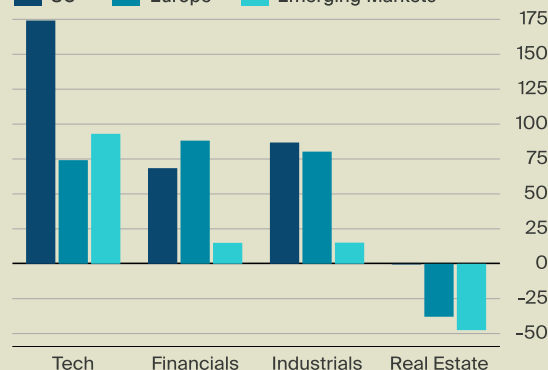
Source: Knight Frank, Macrobond

Index	Last	Percentage change since				
Original value and base	1 day	1 week	1 month	Jan '20	YTD %	
DAX 30	10,576	-1.2	0.8	2.6	59.8	33.22
FTSE 250	29,208	-0.7	-0.7	0.5	0.8	12.86
Hang Seng	3,083	0.7	1.2	0.7	-14.8	19.33
IBEX 35	16,399	-0.7	-0.4	0.5	53.0	35.92
MIB	46,952	-0.8	0.6	1.5	78.3	32.33
S&P 500	6,269	-0.2	-0.2	3.7	94.0	6.58
STOXX 600	639	-1.1	0.3	0.4	36.9	20.99
TOPIX	19	-0.1	-0.7	-1.1	21.3	8.00

## Equity regional sectors

Price return index percentage change since Jan 2020

■ US ■ Europe ■ Emerging Markets



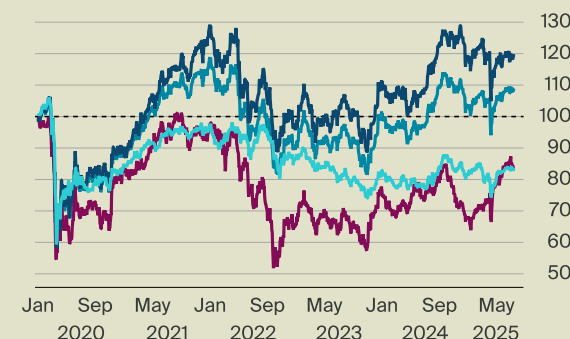
Source: Knight Frank, Macrobond

	Percentage change since Jan 2020		
	US	Europe	World
Tech	174.1%	74.2%	93.1%
Financials	68.5%	88.2%	15.0%
Industrials	86.8%	80.3%	15.1%
Real Estate	-0.5%	-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

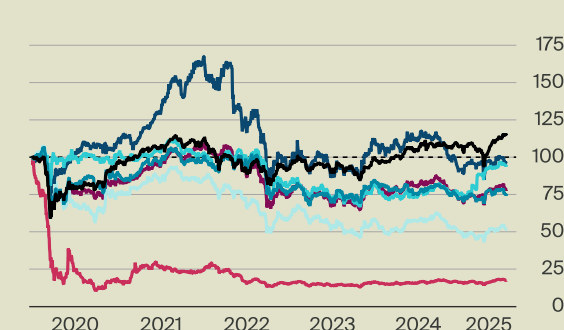
Index, total return	Last	Percentage change since				
Original value and base	1 day	1 week	1 month	Jan '20	YTD %	
US	2,865	0.8	0.1	-0.3	19.9	0.935
Europe	2,381	-0.3	-1.8	-2.3	-16.5	22.285
World	3,499	0.6	-0.3	-0.3	8.9	5.437
Asia Pacific	3,270	-0.3	-0.7	-0.2	-16.7	2.716

## 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

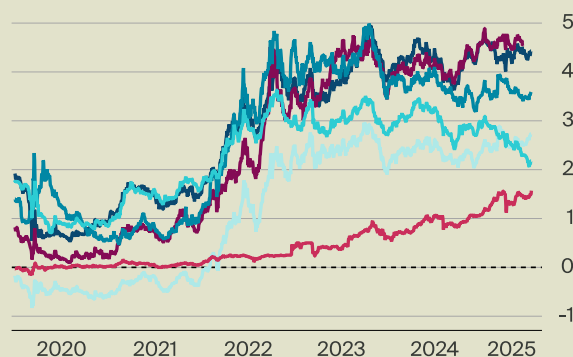
Index, total return	Last	Percentage change since				
Original value and base	1 day	1 week	1 month	Jan '20	YTD %	
All REITs	801	0.1	-1.4	-3.6	-21.7	7.9
Office	1,544	0.9	-1.3	-1.3	-47.9	5.6
Industrial	1,184	-0.8	-1.5	-5.5	-4.5	3.2
Retail	63	0.0	-1.6	-3.4	-82.6	7.8
Healthcare	2,146	0.3	0.2	-1.8	-5.4	24.3
Residential	1,147	0.5	-0.4	-3.5	-24.8	3.8
FTSE 250	19,720	0.1	0.8	1.9	15.7	7.5

# Bonds & Rates

## Government bond yields

10 year government bond yields, %

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



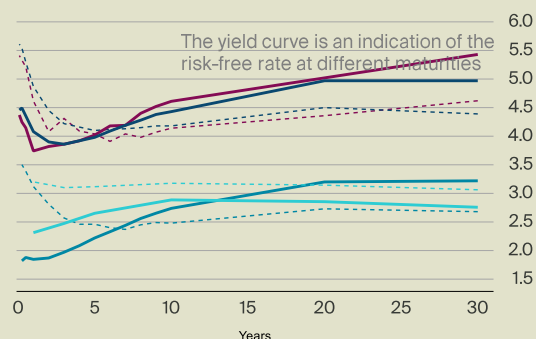
Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20
Italy	3.59	3.59	3.53	3.48	1.40
Japan	1.57	1.50	1.46	1.45	-0.03
Singapore	2.18	2.18	2.10	2.27	1.74
UK	4.55	n/a	n/a	n/a	0.82
US	4.43	4.43	4.42	4.41	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

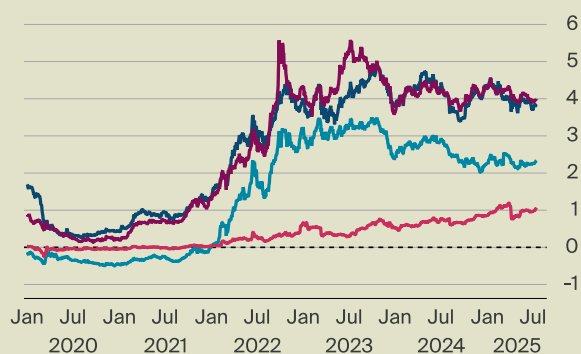


Source: Knight Frank, Macrobond

## Interest rate swaps

5 year swap rates, %

— US — UK — Eurozone — Japan



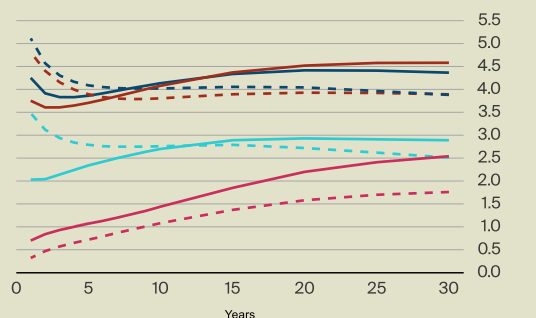
Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20
Eurozone	2.34	2.33	2.27	2.25	-0.13
Japan	1.07	1.05	0.99	0.98	0.03
Singapore	3.66	n/a	n/a	n/a	1.50
UK	3.95	3.98	3.95	4.02	0.88
US	3.86	3.85	3.83	3.91	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



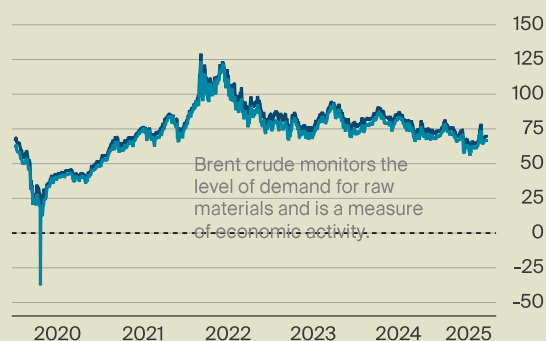
Source: Knight Frank, Macrobond

# 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	69.1	70.6	69.2	74.4	66.0	-7.66
WTI, \$ per barrel	65.9	67.6	66.8	71.6	61.1	-7.91

## Baltic dry index

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

— Baltic dry index



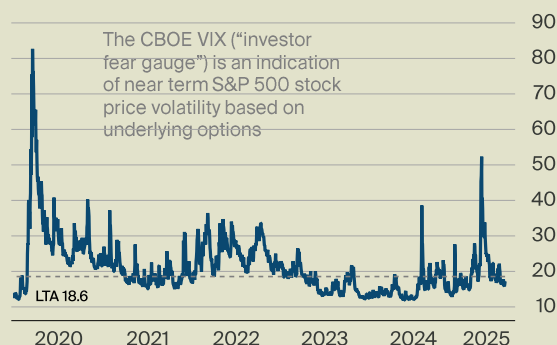
Source: Knight Frank, Macrobond

	Last	Percentage change since				
		1 day	1 week	1 month	Jan '20	YTD %
Baltic Dry	1783	21.7	24.2	-9.4	63.6	78.8

## 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	17.2	17.2	16.8	20.8	13.8	-0.865
Euro Stoxx 50 VIX	17.7	17.7	17.4	21.7	14.0	4.353
Nikkei VIX	23.6	24.0	25.5	27.4	14.8	8.077
KOSPI VIX	22.5	22.6	23.5	24.9	14.7	6.291

## 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

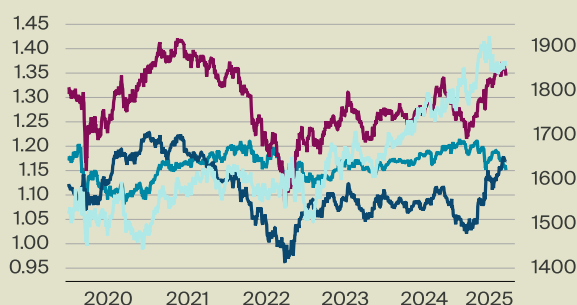
	Last	1 week	1 month	Jan '20
Systemic stress composite	0.094	0.117	0.073	0.023
Equity markets stress sub index	0.078	0.095	0.064	0.009
Bond markets stress sub index	0.032	0.033	0.014	0.02
FX markets stress sub index	0.024	0.039	0.021	0.004

# Currencies & Monetary Policy

## Currencies

### Spot prices

EUR per GBP, lhs    USD per GBP, lhs  
USD per EUR, lhs    KRW per GBP, rhs



Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20
EUR per GBP	1.151	1.155	1.162	1.176	1.177
KOR per GBP	1,860	1,858	1,864	1,858	1,525
USD per GBP	1.345	1.351	1.364	1.358	1.321
USD per EUR	1.170	1.170	1.173	1.156	1.123

## Hedging benefits

### Hedging benefit p.a. on a 5 year forward

USD per EUR    USD per GBP



Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20
USD to EUR	1.74	1.73	1.81	1.91	2.32
USD to GBP	-0.10	-0.13	-0.11	-0.06	1.12

## Inflation and monetary policy

### Inflation rate (%)

	June	May	Apr	Mar
Australia <sup>1</sup>	n/a	n/a	n/a	2.4
Canada	n/a	1.7	1.7	2.3
China	-0.1	-0.2	-0.1	-0.1
Euro Area	2.0	1.9	2.2	2.2
France	1.0	0.7	0.8	0.8
Germany	2.0	2.2	2.0	2.2
India	2.1	2.8	3.2	3.3
Italy	1.7	1.6	1.9	1.9
Japan	n/a	3.5	3.6	3.6
Saudi Arabia	2.3	2.2	2.3	2.3
South Korea	2.2	1.9	2.1	2.1
Spain	n/a	2.0	2.3	2.1
Sweden	0.7	0.2	0.3	0.5
UK	n/a	3.4	3.5	2.6
US	n/a	2.4	2.3	2.4

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

### Interest rates (%)

	Last	Jan '24
	3.85	4.35
	2.75	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
	5.00	6.00
	2.50	3.50
	2.15	4.50
	2.00	4.00
	4.25	5.25
	4.50	5.50

### Asset purchasing

	Latest (\$)	1m change (%)
	0.27 tn	2.5
	180 bn	-3.0
	6.38 tn	1.5
	7.23 tn	-1.8
	1.71 tn	-1.1
	2.66 tn	-0.6
	461 bn	3.9
	1.27 tn	-1.7
	4.89 tn	-2.3
	533 bn	4.2
	409 bn	-0.2
	487 bn	-0.2
	102 bn	-4.0
	1.18 tn	-0.7
	6.66 tn	-0.2

Source: Knight Frank, Macrobond



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