Leading Indicators

knightfrank.com/research

Key economic and financial metrics, updated weekly

16th September 2025

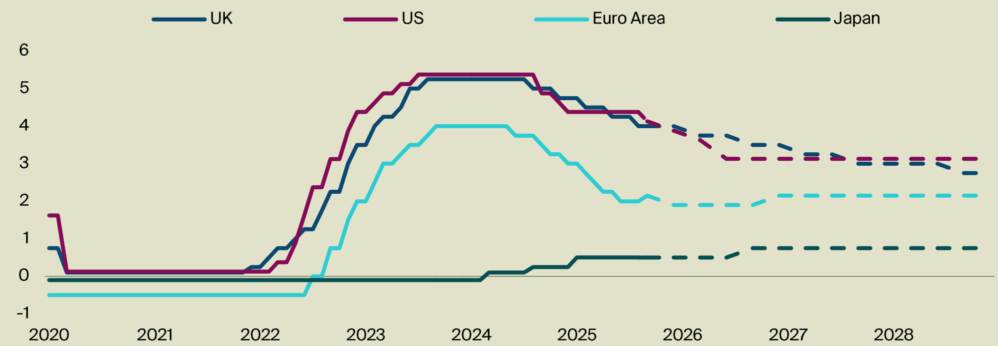
Softer wages, steady rates, stronger flows

4.00%

Central banks globally are gearing up for a pivotal week with key rate decisions ahead. In the US, the Fed is expected to deliver its first rate cut of the year, lowering the target range to 4.00-4.25%. In the UK, the BoE is likely to hold rates steady at 4.00%. With limited fiscal headroom and inflation still elevated, the BoE is expected to remain cautious, maintaining current rates until price pressures show more consistent moderation. Meanwhile, in Japan, policy is set to remain unchanged at near-zero levels.

Fed poised for first rate cut of 2025, BoE expected to stand firm

Central bank interest rate forecasts, %



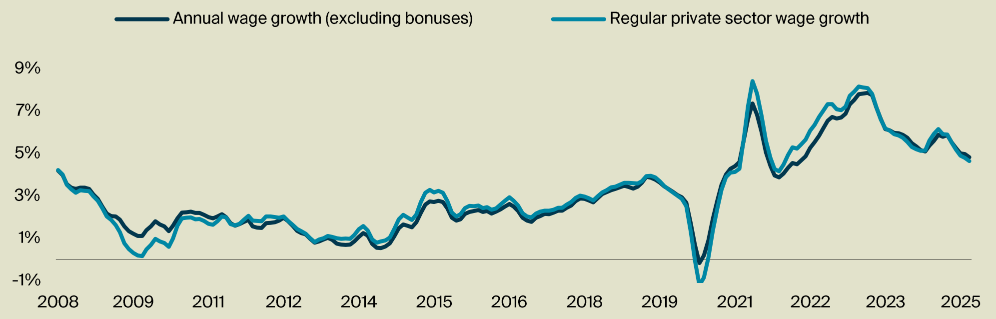
Source: Knight Frank Insight, Macrobond, Oxford Economics

4.8%

The latest UK labour market data reinforces that cautious stance. Annual growth in regular earnings, excl. bonuses, slowed to 4.8% in the three months to July, the weakest in over two years, while payroll employment and vacancies fell, pointing to softer labour demand. Attention now turns to tomorrow's inflation release, where CPI is expected to edge higher to around 3.9–4.0%, before the BoE meets on Thursday.

UK labour market cools as pay growth eases

UK annual wage growth (excl. bonuses) and private sector wage growth, %



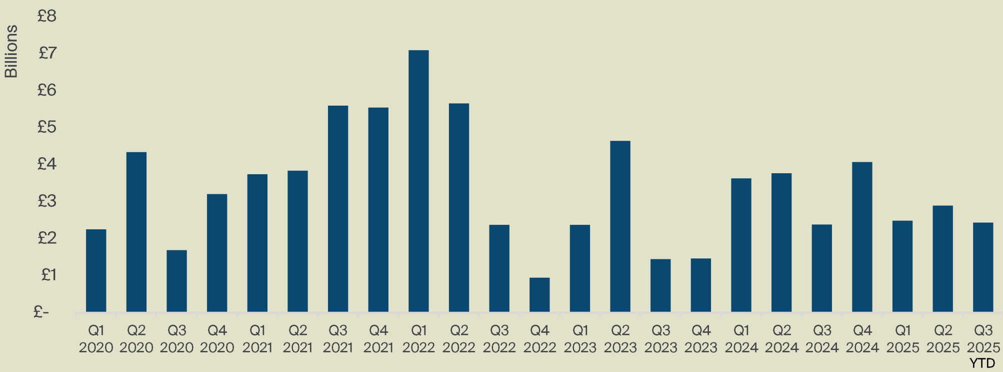
Source: Knight Frank Insight, ONS

+2%

The UK and US are set to unveil over $10bn in deals during President Trump's visit this week, led by a nuclear partnership to fast-track advanced reactor approvals, a clear sign of closer bilateral cooperation. Against a backdrop of modest tariffs on UK exports, overall terms remain constructive, with new commitments in energy and tech expected to draw further US capital. Already, US investment into UK commercial real estate in Q3 is tracking +2% higher than the same period in 2024, pointing to resilient demand and scope for further inflows as ties with the US strengthen.

Strengthening bilateral ties signals opportunity for further inflows

US cross-border investment into UK CRE (All Property), £bn



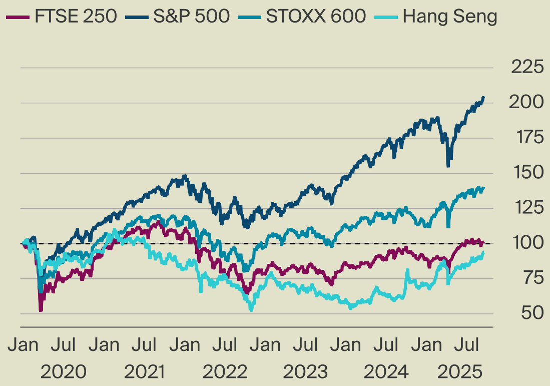
Source: Knight Frank Insight, MSCI RCA

Knight Frank

Equities

Equity markets

Price return index, Jan 2020 = 100, US$

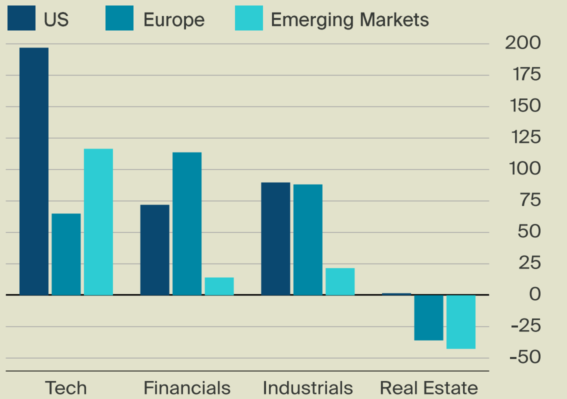


Source: Knight Frank, Macrobond

Index Original value and base	Last	1 day	Percentage change since 1 week	1 month	Jan '20	YTD %
DAX 30	10,463	0.4	0.8	-1.7	58.1	31.8
FTSE 250	29,415	0.0	0.8	-0.4	1.5	13.7
Hang Seng	3,399	0.2	3.3	4.3	-6.1	31.5
IBEX 35	18,103	0.7	3.9	2.1	68.9	50.0
MIB	50,628	1.7	3.7	1.8	92.3	42.7
S&P 500	6,615	0.4	2.1	2.3	104.8	12.5
STOXX 600	655	0.6	1.6	1.5	40.4	24.0
TOPIX	21	0.5	1.2	3.7	36.2	21.3

Equity regional sectors

Price return index percentage change since Jan 2020

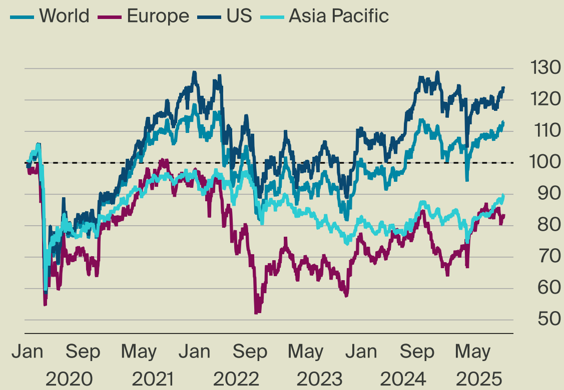


Source: Knight Frank, Macrobond

	Percentage change since Jan 2020 US	Europe	World
Tech	196.9%	65.0%	116.5%
Financials	71.9%	113.7%	14.1%
Industrials	89.7%	88.2%	21.6%
Real Estate	1.6%	-54.2%	-59.0%

REITs by region

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

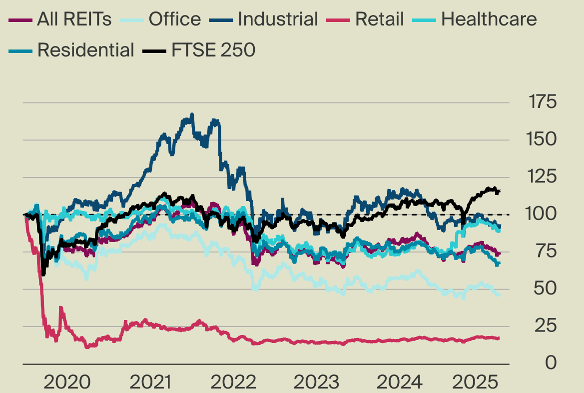


Source: Knight Frank, Macrobond

Index, total return Original value and base	Last	1 day	Percentage change since 1 week	1 month	Jan '20	YTD %
US	2,954	-0.5	0.4	5.1	23.6	4.09
Europe	2,386	1.4	1.4	-1.1	-16.3	22.51
World	3,636	0.0	1.0	4.4	13.2	9.55
Asia Pacific	3,532	1.1	2.9	3.2	-10.0	10.93

UK REITs by sector

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



Source: Knight Frank, Macrobond

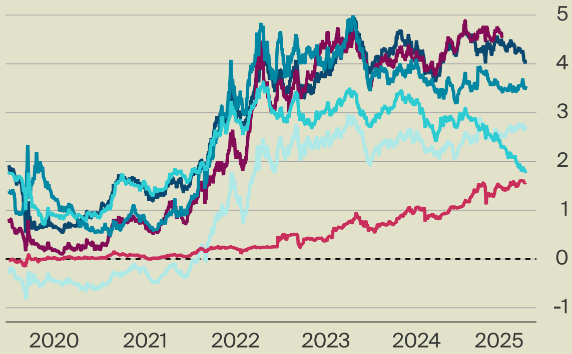
Index, total return Original value and base	Last	1 day	Percentage change since 1 week	1 month	Jan '20	YTD %
All REITs	764	1.1	0.8	-2.1	-25.3	3.0
Office	1,376	0.3	-0.8	-5.8	-53.6	-5.9
Industrial	1,160	2.8	0.9	-0.2	-6.4	1.1
Retail	63	-0.2	2.4	-2.1	-82.6	7.7
Healthcare	2,049	1.6	1.0	-0.2	-9.7	18.7
Residential	1,039	0.1	1.0	-2.8	-31.9	-6.0
FTSE 250	19,772	-0.2	0.4	-0.5	16.0	7.8

Bonds & Rates

Government bond yields

10 year government bond yields, %

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



Source: Knight Frank, Macrobond

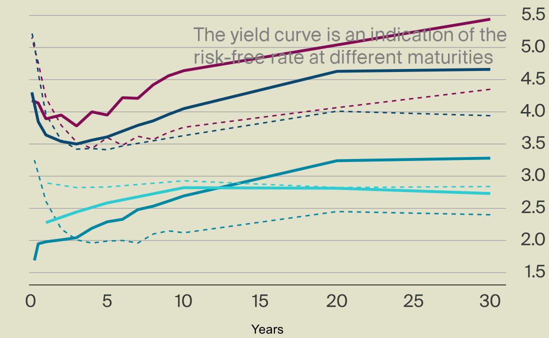
	Last	1 day	1 week	1 month	Jan '20
Italy	3.50	3.54	3.49	3.57	1.40
Japan	1.57	1.57	1.57	1.55	-0.03
Singapore	1.79	1.77	1.82	1.88	1.74
UK	4.64	4.67	4.62	4.68	0.74
US	4.05	4.06	4.05	4.33	1.92

Yield curves

Latest nominal yield curves vs one year ago, %

Today
— US — UK — Germany — S. Korea

One year ago
··· US ··· UK ··· Germany ··· S. Korea

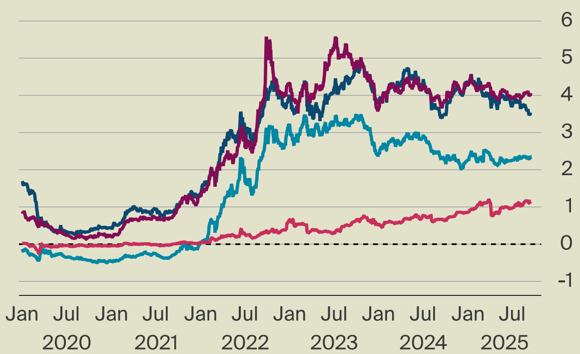


Source: Knight Frank, Macrobond

Interest rate swaps

5 year swap rates, %

— US — UK — Eurozone — Japan



Source: Knight Frank, Macrobond

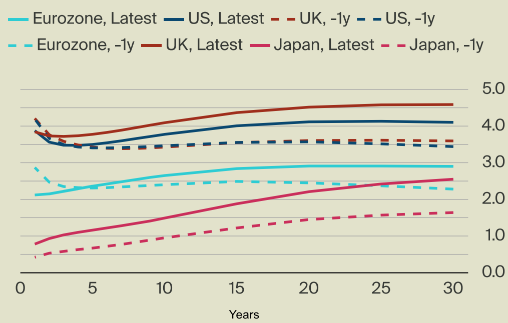
	Last	1 day	1 week	1 month	Jan '20
Eurozone	2.36	2.37	2.28	2.39	-0.13
Japan	1.16	1.16	1.10	1.11	0.03
UK	4.02	4.05	3.98	4.03	0.88
US	3.50	3.51	3.46	3.75	1.70

Swap curves

Latest swap curves vs one year ago, %

Today
— US — UK — Euro Area — Japan

One year ago
··· US ··· UK ··· Euro Area ··· Japan



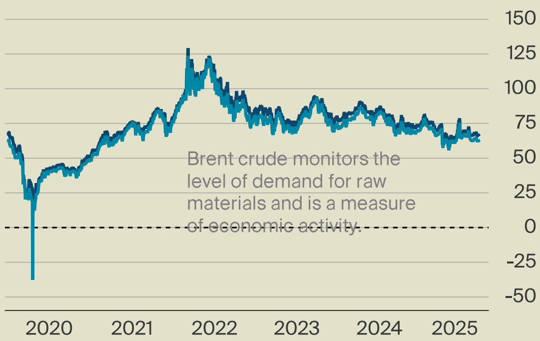
Source: Knight Frank, Macrobond

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	67.4	67.4	66.4	66.1	66.0	-9.88
WTI, $ per barrel	63.1	63.1	62.8	61.7	61.1	-11.86

Baltic dry index

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

— Baltic dry index

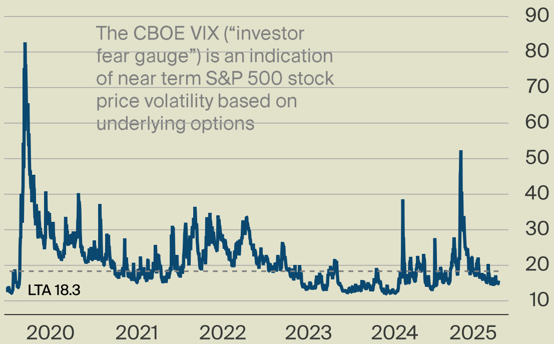
Source: Knight Frank, Macrobond

	Last	Percentage change since				
		1 day	1 week	1 month	Jan '20	YTD %
Baltic Dry	2154	1.32	3.61	5.38	97.6	116

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	15.7	15.7	15.0	15.1	13.8	-9.57
Euro Stoxx 50 VIX	15.5	15.5	16.7	15.8	14.0	-8.88
Nikkei VIX	24.1	24.4	24.6	24.6	14.8	10.74
KOSPI VIX	21.0	20.7	18.7	20.5	14.7	-0.52

Systemic stress

Measures FX, money, sovereign and bond yield volatility

— New ECB Composite Indicator of Systemic Stress (CISS)

- - - Long term average

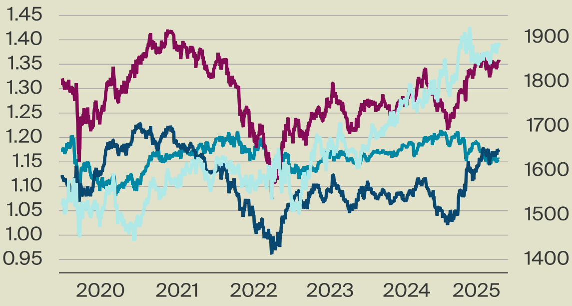
Source: Knight Frank, Macrobond

	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	1.156	1.156	1.152	1.158	1.177
KOR per GBP	1,884	1,888	1,878	1,880	1,525
USD per GBP	1.359	1.356	1.354	1.356	1.321
USD per EUR	1.171	1.171	1.175	1.171	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	1.32	1.33	1.39	1.57	2.32
USD to GBP	-0.68	-0.67	-0.65	-0.37	1.12

Inflation and monetary policy

	Inflation rate (%)				Interest rates (%)		Asset purchasing	
	Aug	July	June	May	Last	Jan '24	Latest ($)	1m change (%)
Australia[1]	n/a	n/a	2.0	2.0	3.60	4.35	0.26 tn	-0.1
Canada	n/a	1.7	1.9	1.7	2.75	5.00	179 bn	0.5
China	-0.6	-0.2	-0.1	-0.2	4.35	4.35	6.48 tn	0.8
Euro Area	2.1	2.0	2.0	1.9	2.15	4.50	7.1 tn	-0.4
France	0.9	1.0	1.0	0.7	2.15	4.50	1.72 tn	0.2
Germany	2.3	2.0	2.0	2.2	2.15	4.50	2.66 tn	-0.6
India	2.1	1.6	2.1	2.8	5.50	6.50	466 bn	2.6
Italy	1.6	1.7	1.7	1.6	2.15	4.50	1.26 tn	-0.3
Japan	n/a	3.1	3.3	3.5	0.50	-0.10	4.91 tn	0.3
Saudi Arabia	2.3	2.2	2.0	2.1	5.00	6.00	509 bn	-2.4
South Korea	1.7	2.1	2.2	1.9	2.50	3.50	401 bn	-2.3
Spain	2.6	2.7	2.3	2.0	2.15	4.50	487 bn	-1.3
Sweden	1.1	0.8	0.7	0.2	2.00	4.00	102 bn	-1.9
UK	n/a	3.8	3.6	3.4	4.00	5.25	1.18 tn	-0.7
US	2.9	2.7	2.7	2.4	4.50	5.50	6.61 tn	-0.5

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

Source: Knight Frank, Macrobond

(Y)OUR SPACE

Welcome to the fourth edition of (Y)OUR SPACE—Knight Frank's global research campaign that explores the forces reshaping work, workplace, and the real estate strategies evolving in response. In a world defined by disruption, this is the occupier voice: clear, direct, and rooted in the realities of corporate life.

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

The Tech for Good Series 2025

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

UK Real Estate Navigator: Q2 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
