

# Leading Indicators



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Key economic and financial metrics, updated weekly

17<sup>th</sup> June 2025

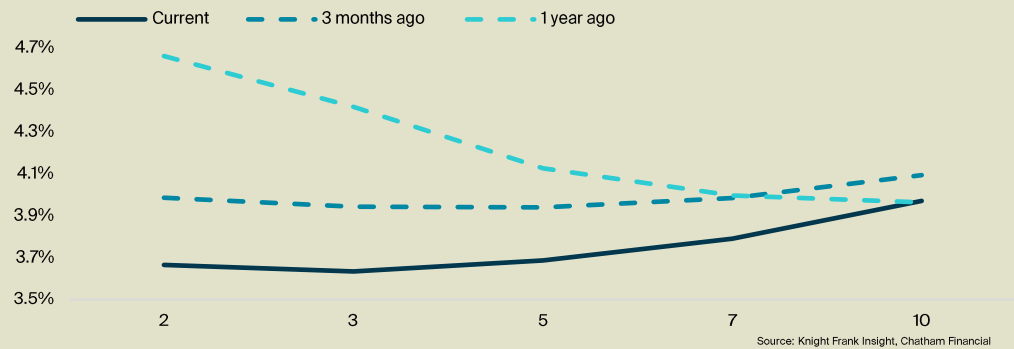
## BoE expected to hold base rate this week, however UK CRE fundamentals hold firm

3.69%

The UK 5-year SONIA swap rate is currently 3.69%, down -12bps over the past month and -44bps over the year. This downward movement comes ahead of the Bank of England's Monetary Policy Committee (MPC) meeting scheduled for Thursday, where policymakers are widely expected to maintain the base rate at 4.25%. Markets now see an 80% probability of a rate cut in August.

### UK swap rates extend gradual decline

SONIA Interest Rate Swap Curve, %

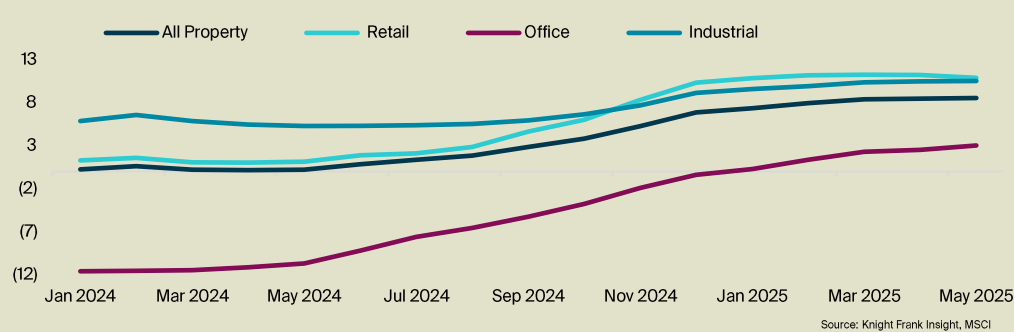


8.55%

UK commercial property has remained relatively resilient to the direct effects of US tariffs and ongoing geopolitical uncertainty. In May, the MSCI UK All Property annualised total return edged up by +7 bps month-on-month to 8.55%, while UK Offices saw a more notable increase of +50bps to 3.03%.

### And continued signs of recovery in UK CRE point to rising investment appeal

UK MSCI Monthly Total Return (annualised), %

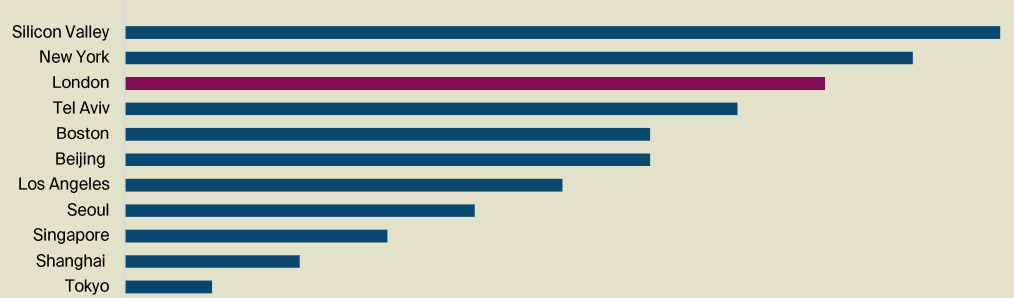


#3

London remains a global powerhouse for startups, ranking #3 worldwide, following Silicon Valley and New York, according to the latest Global Startup Ecosystem Report. Last year, London AI startups secured a record \$3.5billion in VC funding, cementing its position as Europe's top AI hub. With 67 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 2025

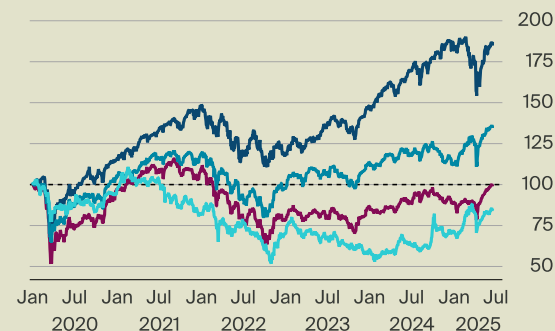


# Equities

## Equity markets

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

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



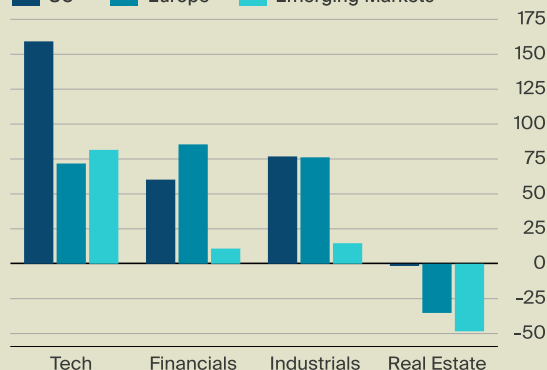
Source: Knight Frank, Macrobond

Index	Last	Percentage change since				
Original value and base	1 day	1 week	1 month	Jan '20	YTD %	
DAX 30	10,292	-0.2	-0.7	3.1	55.5	29.65
FTSE 250	28,938	-0.5	1.1	4.6	-0.1	11.82
Hang Seng	3,055	0.4	-0.8	1.7	-15.6	18.23
IBEX 35	16,357	0.3	0.8	5.0	52.6	35.56
MIB	46,284	0.1	0.1	2.4	75.8	30.45
S&P 500	6,033	-0.2	0.5	2.0	86.7	2.58
STOXX 600	634	-0.4	0.6	3.6	35.8	20.02
TOPIX	19	1.2	0.4	3.1	22.5	9.14

## Equity regional sectors

Price return index percentage change since Jan 2020

■ US ■ Europe ■ Emerging Markets



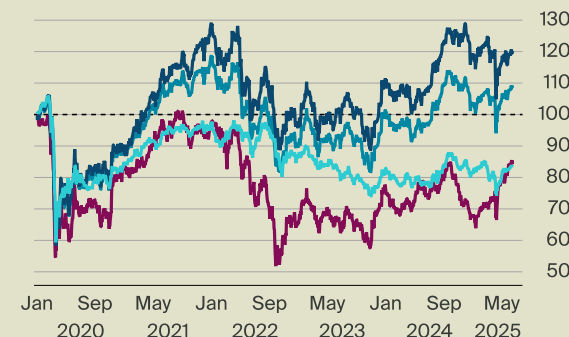
Source: Knight Frank, Macrobond

	Percentage change since Jan 2020		
	US	Europe	World
Tech	159.2%	71.8%	81.5%
Financials	60.2%	85.5%	10.9%
Industrials	76.8%	76.2%	14.7%
Real Estate	-1.6%	-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

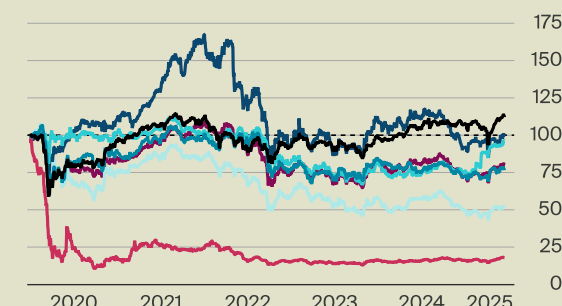
Index, total return	Last	Percentage change since				
Original value and base		1 day	1 week	1 month	Jan '20	YTD %
US	2,846	-1.0	-0.6	0.4	19.1	0.267
Europe	2,421	-0.7	1.9	6.4	-15.1	24.325
World	3,481	-0.8	0.1	2.0	8.3	4.877
Asia Pacific	3,276	0.0	0.0	2.3	-16.5	2.900

## 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

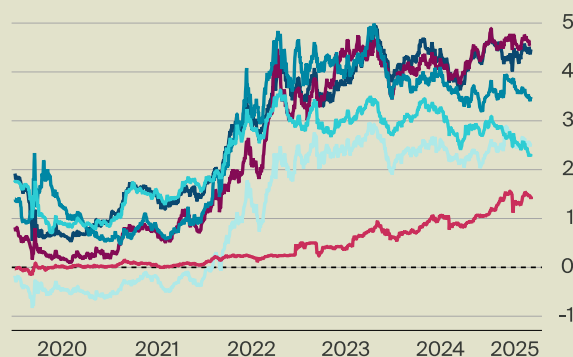
Index, total return	Last	Percentage change since				
Original value and base	1 day	1 week	1 month	Jan '20	YTD %	
All REITs	821	-1.2	1.2	2.7	-19.7	10.6
Office	1,554	-0.6	3.1	0.5	-47.6	6.3
Industrial	1,228	-2.0	1.4	3.7	-0.9	7.1
Retail	64	-1.1	-2.0	4.6	-82.2	10.4
Healthcare	2,188	0.1	3.1	4.2	-3.5	26.8
Residential	1,182	-0.5	0.2	2.7	-22.5	7.0
FTSE 250	19,263	-0.5	0.6	2.4	13.1	5.0

# Bonds & Rates

## Government bond yields

10 year government bond yields, %

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



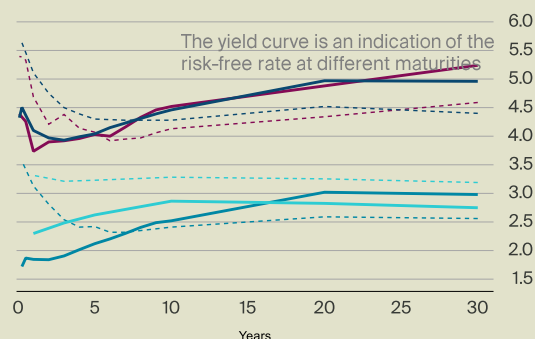
Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20
Italy	3.45	3.45	3.44	3.59	1.40
Japan	1.45	1.40	1.47	1.47	-0.03
Singapore	2.32	2.32	2.30	2.52	1.74
UK	4.55	n/a	4.54	4.65	0.82
US	4.46	4.46	4.47	4.43	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

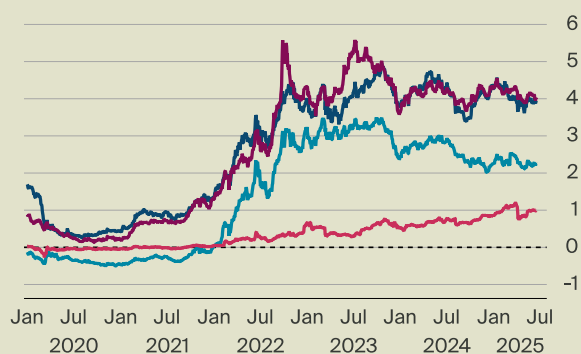


Source: Knight Frank, Macrobond

## Interest rate swaps

5 year swap rates, %

— US — UK — Eurozone — Japan



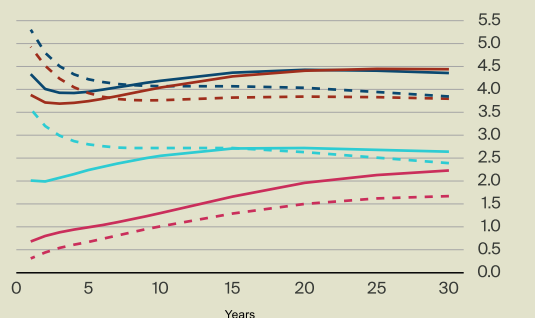
Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20
Eurozone	2.24	2.25	2.26	2.25	-0.13
Japan	0.99	0.98	1.01	0.98	0.03
Singapore	3.66	n/a	n/a	n/a	1.50
UK	3.99	4.02	4.09	4.09	0.88
US	3.95	3.91	4.01	3.99	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



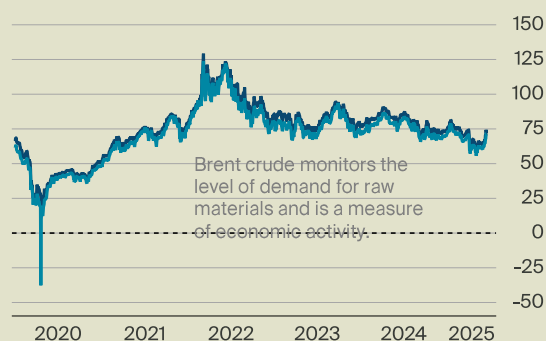
Source: Knight Frank, Macrobond

# 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	72.3	72.3	66.6	65.3	66.0	-3.330
WTI, \$ per barrel	71.7	71.7	64.5	62	61.1	0.182

## 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	1952	-0.813	16.2	40.6	79.1	95.8

## 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	19.1	19.1	17.0	17.2	13.8	10.1
Euro Stoxx 50 VIX	20.0	20.0	17.7	16.4	14.0	17.5
Nikkei VIX	24.6	25.2	23.0	22.9	14.8	13.1
KOSPI VIX	25.8	24.8	24.3	18.1	14.7	22.1

## 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

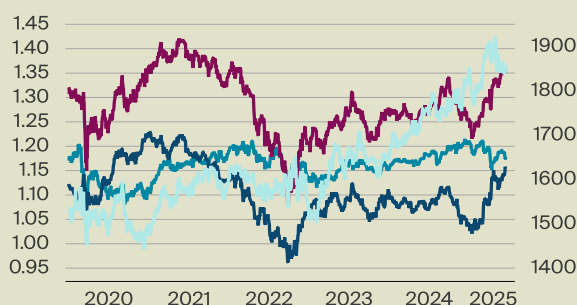
	Last	1 week	1 month	Jan '20
Systemic stress composite	0.094	0.117	0.073	0.023
Equity markets stress sub index	0.078	0.095	0.064	0.009
Bond markets stress sub index	0.032	0.033	0.014	0.02
FX markets stress sub index	0.024	0.039	0.021	0.004

# 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	1.173	1.176	1.187	1.189	1.177
KOR per GBP	1,844	1,858	1,838	1,859	1,525
USD per GBP	1.360	1.358	1.355	1.327	1.321
USD per EUR	1.156	1.156	1.143	1.114	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	1.93	1.91	1.93	1.87	2.32
USD to GBP	-0.02	-0.06	-0.08	-0.11	1.12

## Inflation and monetary policy

### Inflation rate (%)

	May	Apr	Mar	Feb
Australia <sup>1</sup>	n/a	n/a	2.4	2.4
Canada	n/a	1.7	2.3	2.6
China	-0.2	-0.1	-0.1	-0.7
Euro Area	1.9	2.2	2.2	2.3
France	0.7	0.8	0.8	0.8
Germany	2.2	2.1	2.1	2.3
India	2.8	3.2	3.3	3.6
Italy	1.6	1.9	1.9	1.6
Japan	n/a	3.6	3.6	3.7
Saudi Arabia	2.2	2.3	2.3	2.0
South Korea	1.9	2.1	2.1	2.0
Spain	1.9	2.2	2.1	2.9
Sweden	0.2	0.3	0.5	1.3
UK	n/a	3.5	2.6	2.8
US	2.4	2.3	2.4	2.8

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
	2.25	4.00
	4.25	5.25
	4.50	5.50

### Asset purchasing

	Latest (\$)	1m change (%)
	0.26 tn	-1.0
	184 bn	0.9
	6.26 tn	-0.9
	7.16 tn	-0.9
	1.73 tn	0.2
	2.66 tn	-0.6
	445 bn	0.0
	1.25 tn	-0.5
	5.06 tn	0.4
	512 bn	-1.6
	392 bn	-5.0
	487 bn	-1.8
	105 bn	-2.9
	1.18 tn	-1.2
	6.68 tn	-0.5

Source: Knight Frank, Macrobond



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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



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