

# Leading Indicators



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Key economic and financial metrics, updated weekly

5<sup>th</sup> August 2025

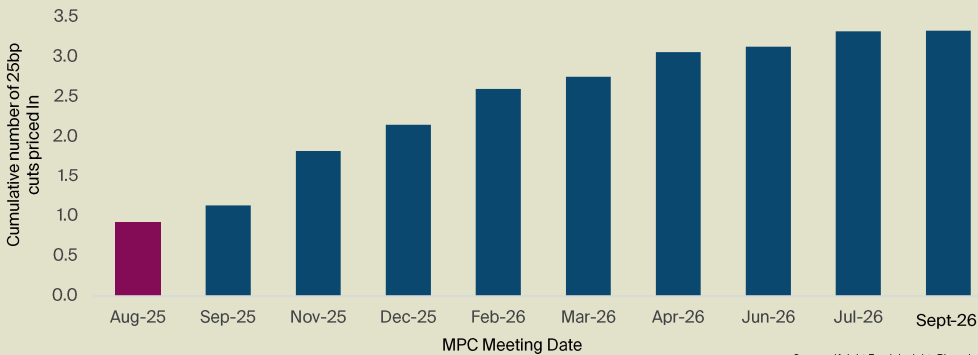
## BoE likely to deliver fifth rate cut on Thursday as markets signal more ahead

4.00%

The Bank of England is expected to deliver its fifth quarter-point rate cut this Thursday, bringing the benchmark rate down from 4.25% to 4.00%. Swaps markets are pricing in a strong likelihood of a cut, with expectations for further easing over the coming year - reaching just over three quarter-point cuts by July and September 2026. While the US Federal Reserve held rates steady last week, the BoE appears set to maintain its gradual easing path as it navigates a weakening labour market.

### Markets see prolonged BoE easing cycle through 2026

Number of quarter-point rate cuts implied by swaps, based on market pricing as of August 2025

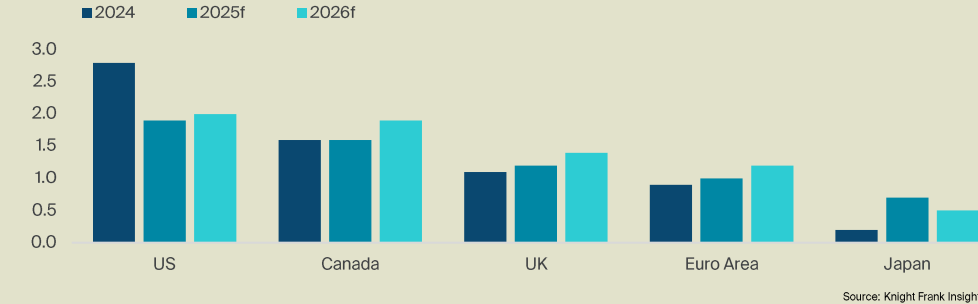


1.2%

The IMF has upgraded its UK growth forecast, raising the 2025 outlook by +10bps to 1.2% and projecting GDP growth of 1.4% in 2026. This positions the UK as the third fastest-growing economy in the G7, behind only the US and Canada. Notably, Britain is also expected to outpace all major European economies in growth this year.

### The UK is expected to outperform European peers in latest economic projections

IMF economic outlook growth projections, July 2025, %

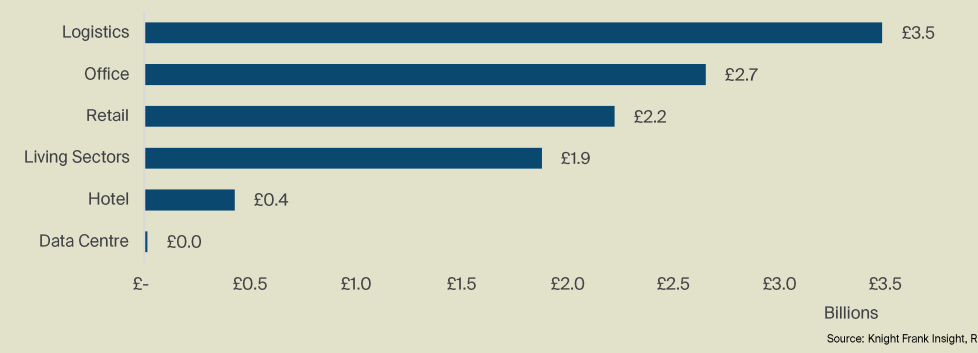


£3.5bn

In Q2 2025, the Logistics sector led with £3.5bn in investment. This was followed by Offices (£2.7bn), Retail (£2.2bn), the Living Sectors (£1.9bn) and Hotels (£0.5bn). Logistics (+71%), Retail (+24%), Offices (+6%) and the Living Sectors (+2%) were the only sectors to record an increase in investment QoQ in Q2 2025. Overall, the uptick across key sectors signals early signs of a broader recovery in UK CRE investment volumes.

### Logistics #1 in Q2 2025

UK CRE Investment Volumes, Q2 2025, £bn

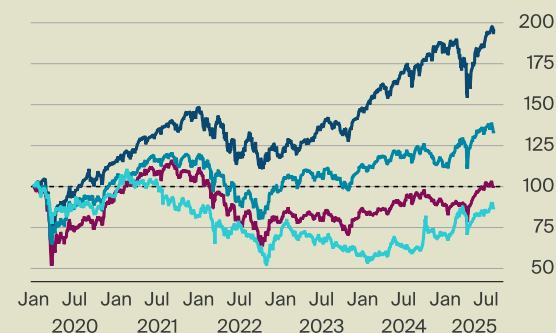


# Equities

## Equity markets

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

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



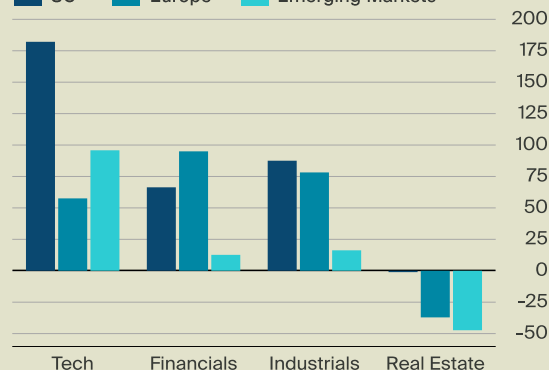
Source: Knight Frank, Macrobond

Index	Last	Percentage change since				
Original value and base	1 day	1 week	1 month	Jan '20	YTD %	
DAX 30	10,291	-0.3	-3.3	-2.3	55.5	29.64
FTSE 250	29,045	-0.1	-2.2	-1.9	0.2	12.24
Hang Seng	3,151	-0.2	-2.6	2.8	-12.9	21.94
IBEX 35	16,633	1.0	-0.4	-0.2	55.2	37.86
MIB	47,054	0.3	-1.5	0.3	78.7	32.62
S&P 500	6,330	-0.1	-0.9	0.8	95.9	7.62
STOXX 600	625	0.0	-3.1	-2.2	33.9	18.33
TOPIX	20	0.2	0.9	2.3	26.3	12.48

## Equity regional sectors

Price return index percentage change since Jan 2020

■ US ■ Europe ■ Emerging Markets



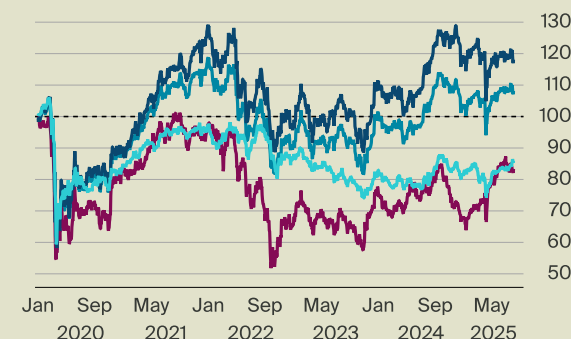
Source: Knight Frank, Macrobond

	Percentage change since Jan 2020		
	US	Europe	World
Tech	182.1%	57.6%	95.8%
Financials	66.4%	95.0%	12.6%
Industrials	87.5%	78.2%	16.2%
Real Estate	-1.1%	-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

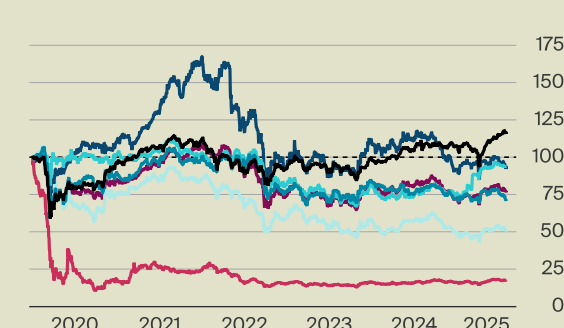
Index, total return Original value and base	Last	Percentage change since				
		1 day	1 week	1 month	Jan '20	YTD %
US	2,822	0.5	-2.2	-1.4	18.1	-0.577
Europe	2,376	1.0	-0.9	-2.3	-16.7	22.027
World	3,472	0.6	-1.5	-1.0	8.1	4.611
Asia Pacific	3,372	-0.2	2.2	2.4	-14.1	5.908

## 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

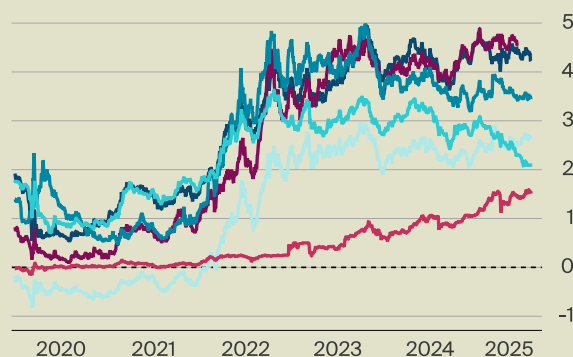
Index, total return	Last	Percentage change since				
Original value and base	1 day	1 week	1 month	Jan '20	YTD %	
All REITs	792	-0.2	-1.1	-2.9	-22.6	6.7
Office	1,508	-1.7	-2.8	-3.9	-49.1	3.1
Industrial	1,162	-0.6	-1.6	-3.7	-6.3	1.3
Retail	64	0.6	1.7	-0.9	-82.3	9.3
Healthcare	2,121	-0.4	-0.1	-1.4	-6.5	22.9
Residential	1,095	0.6	-2.3	-5.4	-28.2	-0.9
FTSE 250	19,869	-0.5	-1.1	0.9	16.6	8.3

# Bonds & Rates

## Government bond yields

10 year government bond yields, %

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



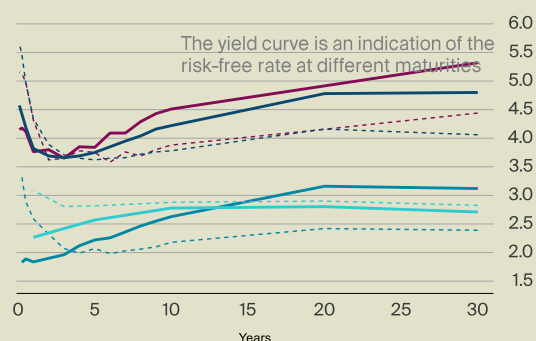
Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20
Italy	3.44	3.44	3.49	3.43	1.40
Japan	1.51	1.55	1.56	1.44	-0.03
Singapore	2.06	2.06	2.11	2.07	1.74
UK	4.51	4.51	4.61	4.55	0.74
US	4.22	4.22	4.34	4.35	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

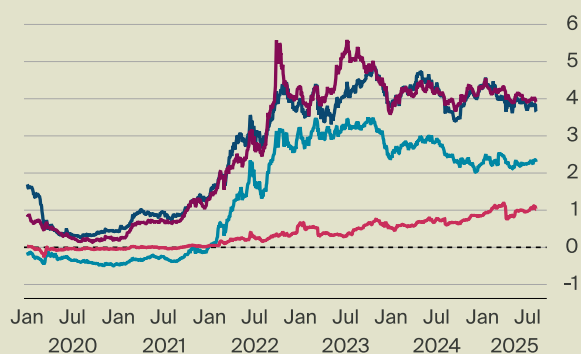


Source: Knight Frank, Macrobond

## Interest rate swaps

5 year swap rates, %

— US — UK — Eurozone — Japan



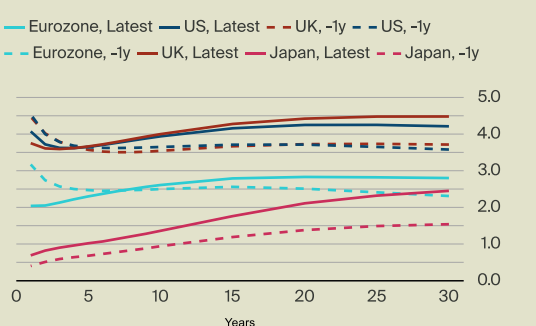
Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20
Eurozone	2.30	2.34	2.34	2.24	-0.13
Japan	1.02	1.02	1.10	0.97	0.03
UK	3.91	3.92	4.03	3.93	0.88
US	3.65	3.66	3.87	3.82	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



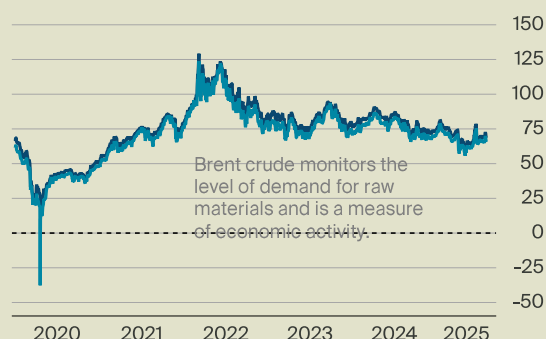
Source: Knight Frank, Macrobond

# 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	68.6	69.5	69.5	68.3	66.0	-8.29
WTI, \$ per barrel	65.7	66.7	66.7	65.1	61.1	-8.20

## Baltic dry index

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

— Baltic dry index



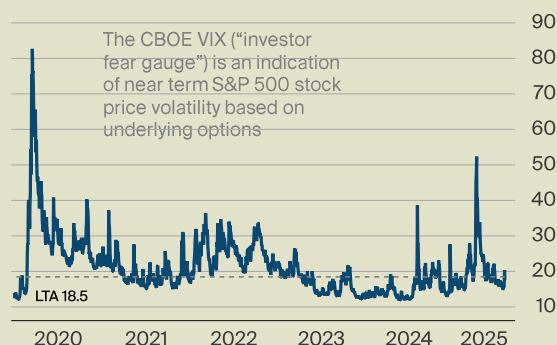
Source: Knight Frank, Macrobond

	Last	Percentage change since				
		1 day	1 week	1 month	Jan '20	YTD %
Baltic Dry	1970	-1.65	-11.5	37.2	80.7	97.6

## 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	17.5	17.5	16.0	16.4	13.8	0.98
Euro Stoxx 50 VIX	19.7	19.7	16.7	19.1	14.0	15.71
Nikkei VIX	23.7	26.2	22.7	26.7	14.8	8.58
KOSPI VIX	22.3	24.1	22.3	25.5	14.7	5.53

## 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

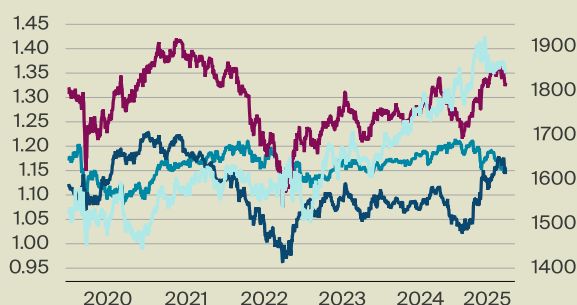
	Last	1 week	1 month	Jan '20
Systemic stress composite	0.094	0.117	0.073	0.023
Equity markets stress sub index	0.078	0.095	0.064	0.009
Bond markets stress sub index	0.032	0.033	0.014	0.02
FX markets stress sub index	0.024	0.039	0.021	0.004

# 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	1.150	1.148	1.153	1.158	1.177
KOR per GBP	1,841	1,842	1,862	1,859	1,525
USD per GBP	1.329	1.326	1.341	1.364	1.321
USD per EUR	1.156	1.156	1.161	1.176	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	1.55	1.54	1.75	1.80	2.32
USD to GBP	-0.31	-0.28	-0.20	-0.12	1.12

## Inflation and monetary policy

### Inflation rate (%)

	July	June	May	Apr
Australia <sup>1</sup>	n/a	2.0	2.0	2.0
Canada	n/a	1.9	1.7	1.7
China	n/a	-0.1	-0.2	-0.1
Euro Area	2.0	2.0	1.9	2.2
France	1.0	1.0	0.7	0.8
Germany	2.0	2.0	2.2	2.0
India	n/a	2.1	2.8	3.2
Italy	1.7	1.7	1.6	1.9
Japan	n/a	3.3	3.5	3.6
Saudi Arabia	n/a	2.3	2.2	2.3
South Korea	2.1	2.2	1.9	2.1
Spain	n/a	2.3	2.0	2.3
Sweden	n/a	0.7	0.2	0.3
UK	n/a	3.6	3.4	3.5
US	n/a	2.7	2.4	2.3

### 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 (%)
	0.25 tn	-1.7
	180 bn	-3.0
	6.38 tn	1.5
	7.18 tn	-1.8
	1.74 tn	-1.6
	2.66 tn	-0.6
	464 bn	1.3
	1.27 tn	-1.7
	4.79 tn	0.5
	522 bn	-2.0
	409 bn	-0.2
	487 bn	-0.7
	99.9 bn	0.1
	1.16 tn	-0.7
	6.64 tn	-0.3

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

Source: Knight Frank, Macrobond



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