

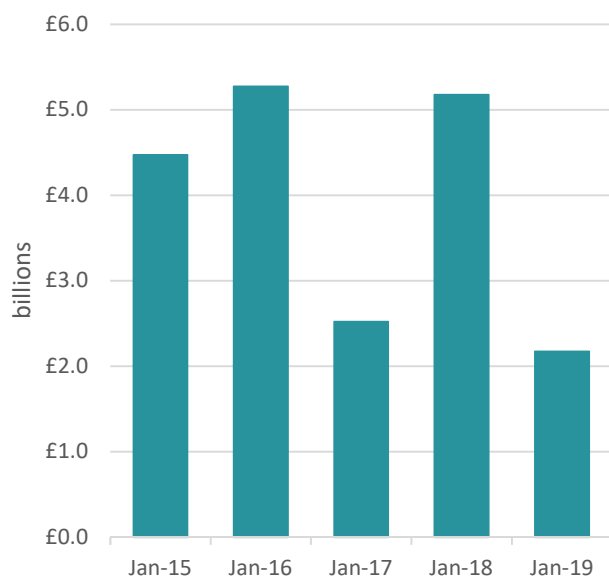
# ECONOMIC SIGNPOSTS

## February 2019: The three key charts of the month

This note should be read in conjunction with: UK Key Indicators | UK Capital View | Monday Note | Proponomics

### 1 Commercial Property – slow January

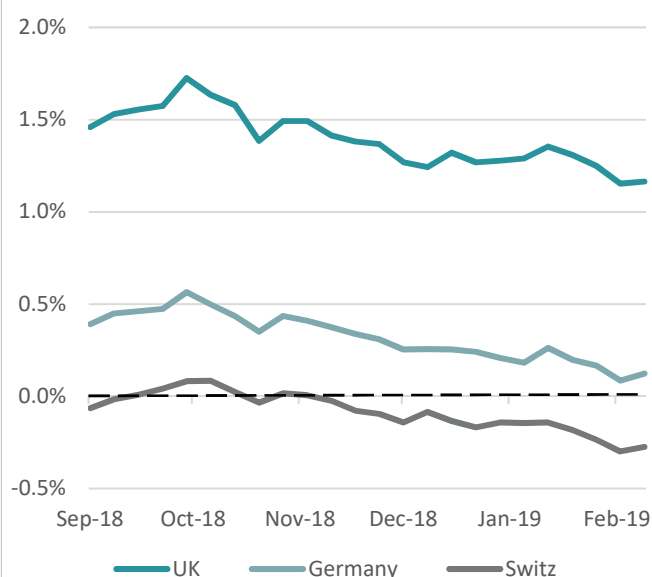
**Property Data:** Investment sales volume for January (£ billion)



- The commercial property investment market has seen the quietest January in five years.
- The office and retail markets saw particularly sharp falls in activity compared to last year. Only leisure saw a rise in activity.
- Leisure / alternatives / other accounted for 67% of sales in January.

### 2 Interest rates – on hold, and nervous

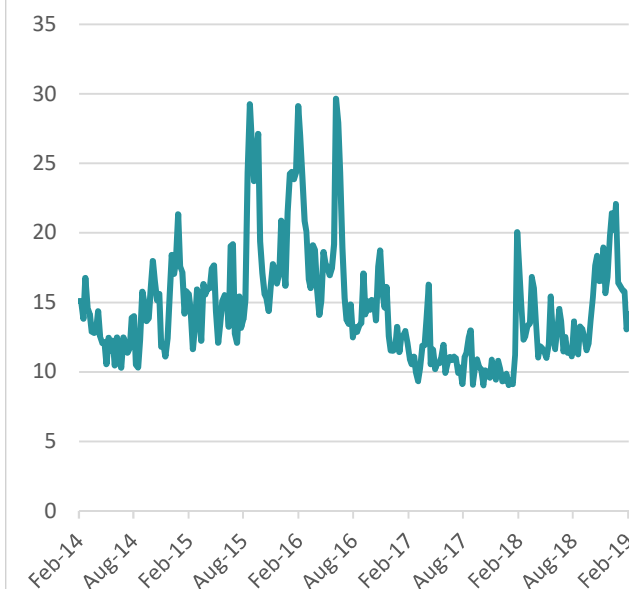
**Thomson Reuters:** Government ten year bond yields



- Leading central banks are now guiding that future increases in interest rates will come later rather than sooner.
- This has extended a period of hardening for bonds on concerns over GDP growth.
- Reflecting the flight to safety, Swiss bonds are pushing deeper into negative territory.

### 3 Volatility – past the worst?

**Thomson Reuters:** FTSE 100 Volatility Index



- Following a volatile autumn, the FTSE Volatility Index has fallen in recent weeks, returning to the 5 year average level.
- This has coincided with tentative rallies for major equity indices.
- Central banks guiding on lower rates may also be encouraging a move back to equities.