

Leading Indicators

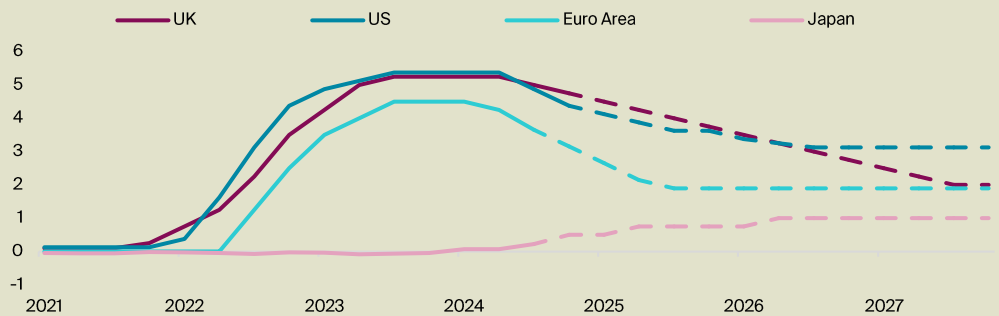
Interest rates, Trump's tariffs, and sterling resilience

4.75%

Last week, the Bank of England (BoE) and the U.S. Federal Reserve (Fed) resumed their easing cycle, each cutting interest rates by -25bps. The BoE reduced its base rate to 4.75%, while the Fed set a target range of 4.50–4.75%. The latest BoE forecasts imply rates falling faster than current market pricing, which should help to unlock activity ahead.

BoE and Fed resume easing cycle

Base rate and forecasts, %



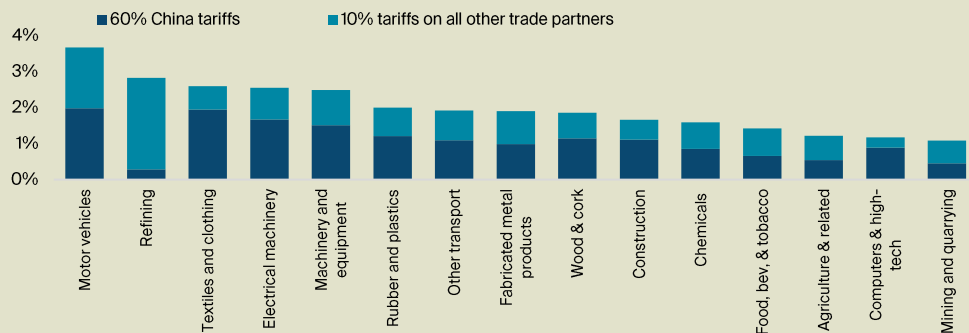
Source: Knight Frank Research, Macrobond, Oxford Economics

3.7%

President-elect Donald Trump has proposed implementing a 10–20% tariff on all imported goods and a 60% or higher tariff on imports from China. If enacted, these tariffs would likely raise input costs across numerous industrial sectors, with the motor vehicle industry projected to see price increases of up to 3.7%.

The potential impact of new US tariffs on imported goods

Estimate of Trump tariffs impact on sector output prices, %



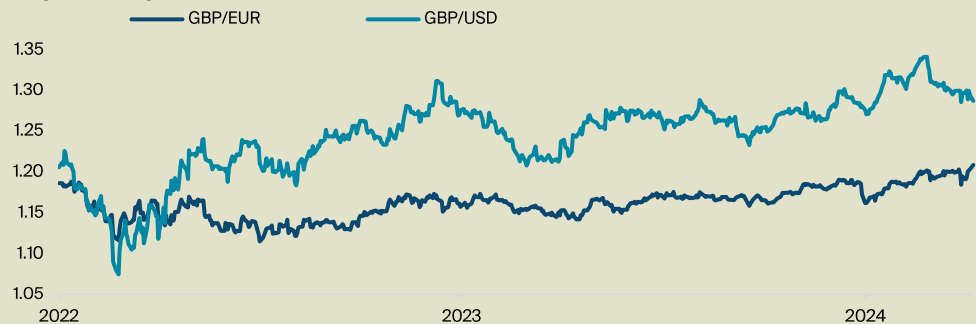
Source: Knight Frank Research, Oxford Economics, OECD

\$1.29

Following the US election and ongoing political instability in Germany, the British pound is demonstrating its resilience as a safe-haven currency. Currently, sterling is trading at \$1.29 against the dollar. Meanwhile, sterling continues to trade at its highest level against the euro since August 2022, currently at €1.21.

Sterling remains resilient

Foreign exchange rates, spot prices



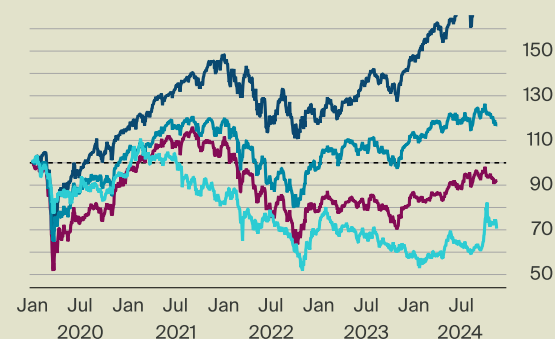
Source: Knight Frank Research, Macrobond

Equities

Equity markets

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

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



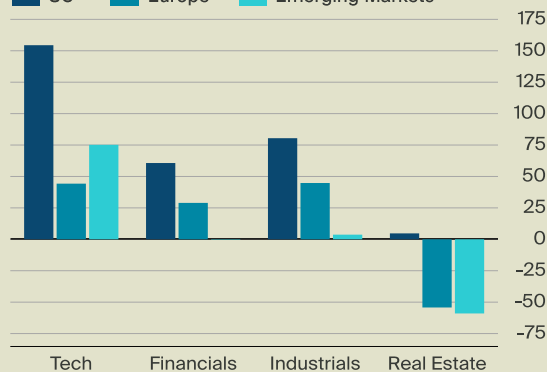
Source: Knight Frank, Macrobond

Index	Last	Percentage change since			
		1 day	1 week	1 month	Jan '20
Original value and base					
DAX 30	7,954	-1.0	-0.9	-1.3	20.2
FTSE 250	26,664	-0.5	0.4	-1.3	-8.0
Hang Seng	2,552	-4.3	-3.5	-6.7	-29.5
IBEX 35	12,347	-1.2	-3.9	-3.0	15.2
MIB	36,563	-0.4	-2.8	-1.8	38.9
S&P 500	6,001	0.5	4.8	3.8	85.8
STOXX 600	545	-1.0	-1.6	-3.8	16.9
TOPIX	18	-0.9	3.0	-2.3	12.8

Equity regional sectors

Price return index percentage change since Jan 2020

■ US ■ Europe ■ Emerging Markets



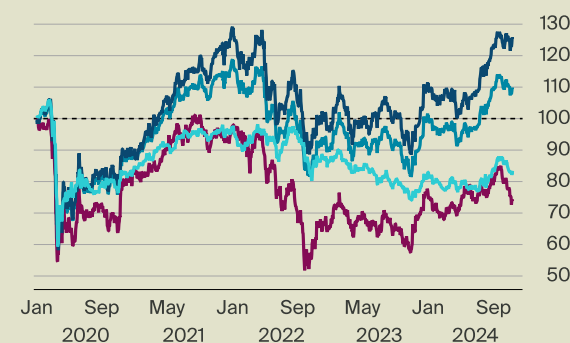
Source: Knight Frank, Macrobond

	Percentage change since Jan 2020		
	US	Europe	World
Tech	154.4%	44.3%	75.2%
Financials	60.7%	29.0%	-0.3%
Industrials	80.4%	44.8%	3.7%
Real Estate	4.7%	-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

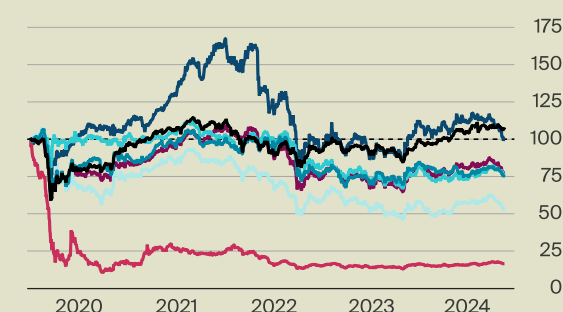
Index, total return	Last	Percentage change since			
		1 day	1 week	1 month	Jan '20
Original value and base					
US	2,997	1.2	3.2	2.6	25.4
Europe	2,105	-0.1	-2.3	-6.9	-26.2
World	3,516	0.8	1.9	0.2	9.4
Asia Pacific	3,275	1.6	0.7	-3.0	-16.6

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

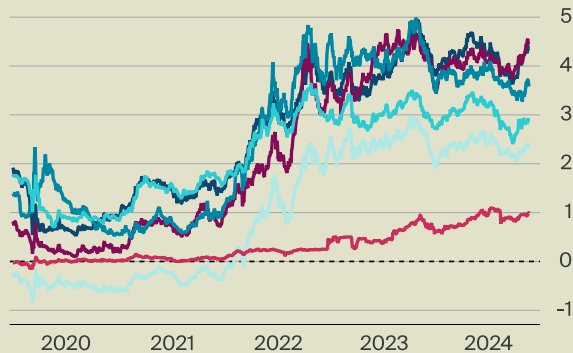
Index, total return	Last	Percentage change since			
		1 day	1 week	1 month	Jan '20
Original value and base					
All REITs	797	0.8	-1.0	-5.7	-22.1
Office	1,605	0.9	-0.6	-7.0	-45.8
Industrial	1,250	0.9	-0.8	-7.0	0.8
Retail	60	-0.1	-0.2	-4.7	-83.4
Healthcare	1,750	0.7	-1.7	-2.5	-22.8
Residential	1,163	1.3	-0.4	-4.2	-23.8
FTSE 250	18,372	0.4	1.2	0.3	7.8

Bonds & Rates

Government bond yields

10 year government bond yields, %

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



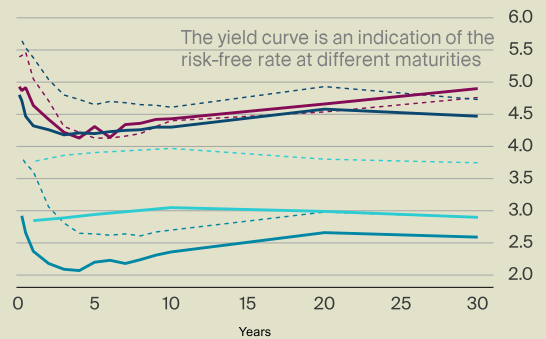
Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20
Italy	3.58	3.58	3.70	3.49	1.40
Japan	0.99	1.00	0.94	0.95	-0.03
Singapore	2.84	2.84	2.87	2.82	1.74
UK	4.43	4.43	4.53	4.21	0.82
US	4.30	n/a	4.26	4.08	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

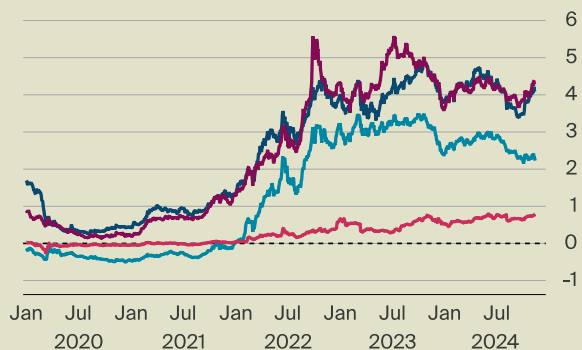


Source: Knight Frank, Macrobond

Interest rate swaps

5 year swap rates, %

— US — UK — Eurozone — Japan



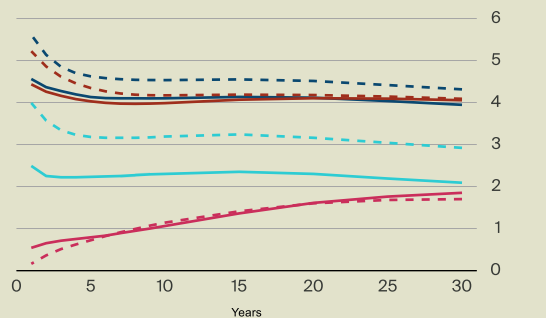
Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20
Eurozone	2.23	2.28	2.37	2.37	-0.13
Japan	0.79	0.78	0.74	0.72	0.03
Singapore	3.66	n/a	n/a	n/a	1.50
UK	4.27	4.27	4.29	4.07	0.88
US	4.13	4.11	4.05	3.83	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
Brent, \$ per barrel	71.8	71.8	75.4	78.7	66.0
WTI, \$ per barrel	68.1	68.1	71.8	73.7	61.1

Baltic dry index

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

— Baltic dry index



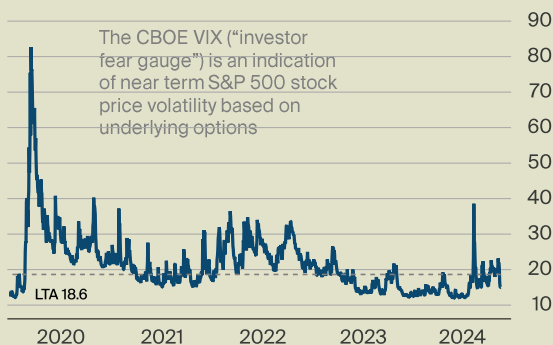
Source: Knight Frank, Macrobond

	Last	Percentage change since			
		1 day	1 week	1 month	Jan '20
Baltic Dry	1634	9.3	16.3	-9.67	49.9

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
CBOE VIX	15.0	15.0	20.5	20.5	13.8
Euro Stoxx 50 VIX	16.8	16.8	19.9	18.5	14.0
Nikkei VIX	23.1	23.7	27.2	28.7	14.8
KOSPI VIX	21.6	19.8	22.5	22.0	14.7

Systemic stress

Measures FX, money, sovereign and bond yield volatility

— New ECB Composite Indicator of Systemic Stress (CISS)

--- Long term average



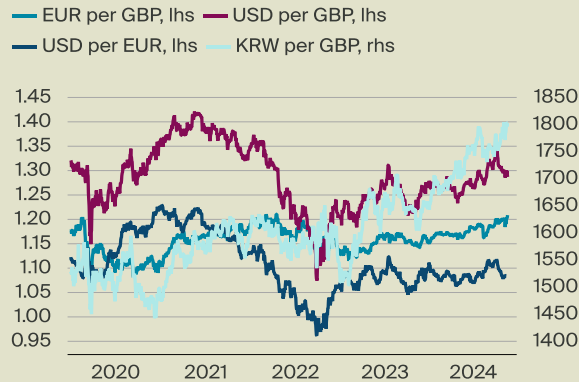
Source: Knight Frank, Macrobond

	Last	1 week	1 month	Jan '20
Systemic stress composite	0.087	0.077	0.081	0.023
Equity markets stress sub index	0.083	0.078	0.076	0.009
Bond markets stress sub index	0.038	0.029	0.056	0.02
FX markets stress sub index	0.045	0.037	0.052	0.004

Currencies & Monetary Policy

Currencies

Spot prices

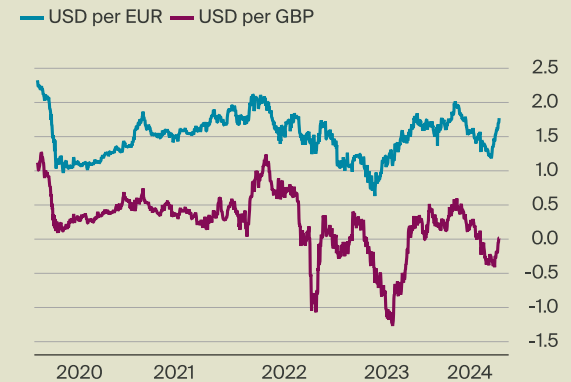


Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20
EUR per GBP	1.209	1.204	1.191	1.195	1.177
KOR per GBP	1,804	1,804	1,786	1,767	1,525
USD per GBP	1.287	1.294	1.298	1.308	1.321
USD per EUR	1.085	n/a	n/a	1.094	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	1.77	1.71	1.62	1.33	2.32
USD to GBP	0.02	0.02	-0.11	-0.33	1.12

Inflation and monetary policy

Inflation rate (%)

	Oct	Sep	Aug	Jul
Australia ¹	n/a	2.9	2.9	2.9
Canada	n/a	1.6	2.0	2.5
China	0.3	0.5	0.7	0.6
Euro Area	2.0	1.7	2.2	2.6
France	1.2	1.1	1.8	2.3
Germany	2.1	1.6	1.8	2.3
India	6.2	5.5	3.7	3.6
Italy	0.9	0.7	1.1	1.3
Japan	n/a	2.5	3.0	2.8
Saudi Arabia	n/a	1.7	1.6	1.5
South Korea	1.3	1.6	2.0	2.6
Spain	1.8	1.5	2.2	2.7
Sweden	n/a	1.6	1.9	2.6
UK	n/a	1.7	2.2	2.2
US	n/a	2.4	2.6	2.9

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

Interest rates (%)

	Last	Jan '23
	4.35	3.10
	3.75	4.25
	4.35	4.35
	3.40	2.50
	3.40	2.50
	3.40	2.50
	6.50	6.25
	3.40	2.50
	0.25	-0.10
	5.25	5.00
	3.25	3.25
	3.40	2.50
	3.25	2.50
	4.75	3.50
	4.75	4.50

Asset purchasing

	Latest (\$)	1m change (%)
	0.28 tn	-0.4
	207 bn	-3.6
	6.48 tn	3.7
	6.95 tn	-0.3
	1.67 tn	-1.5
	2.66 tn	-0.6
	425 bn	-6.8
	1.23 tn	0.7
	4.96 tn	0.3
	499 bn	-2.4
	416 bn	2.6
	487 bn	0.3
	109 bn	0.1
	1.22 tn	-1.2
	6.99 tn	-0.7

Source: Knight Frank, Macrobond



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Quantifying Technology in Real Estate explores how emerging technologies are transforming the real estate landscape. This report examines key trends across sectors, highlighting how technological integration is driving innovation and influencing real estate strategies for the future.

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