

# European Leading Indicators



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Key economic and financial metrics, updated weekly

14<sup>th</sup> March 2024

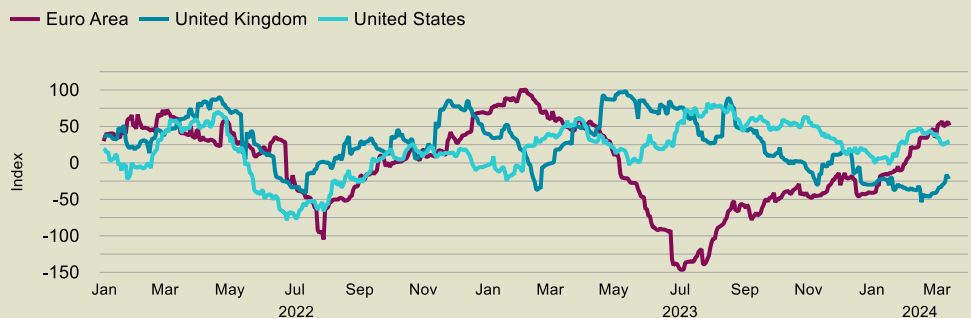
## Is the Eurozone performing better than expected?

### 51.4

The Citi Economic Surprise Index, which measures how economic data compares with consensus expectations, has risen to 51.4 in the Eurozone, pointing to better positive economic momentum than anticipated.

### Eurozone economic data surprises to the upside

Citi Economic Surprise Index



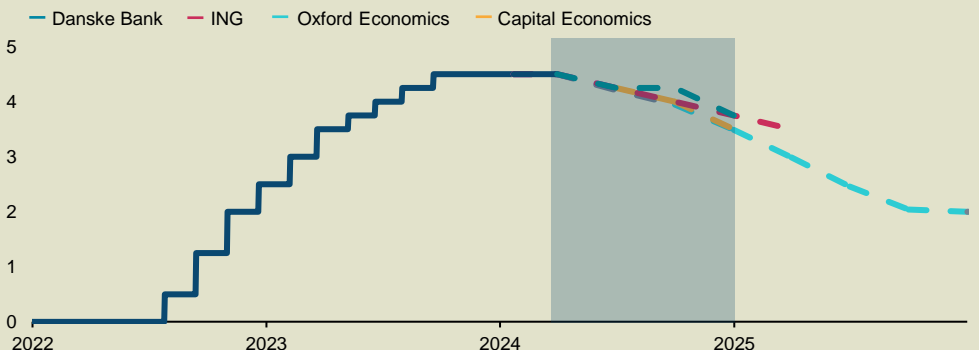
Source: Knight Frank Research, Macrobond

### 25bps

Following the ECB's decision to keep interest rates stable in March, economists expect the first 25bps rate cut in June. The more dovish outlook for monetary policy could support European cross-border activity, with volumes potentially reaching to ca. 8% below the pre-GFC average.

### The interest rate is expected to reach 3.5-3.75% by year end

ECB main policy rate forecasts (%)



Source: Knight Frank Research, Macrobond, Oxford Economics, Capital Economics, ING, Danske Bank

### +13%

The Baltic Dry Index, a measure of global shipping prices is up +13% since January amid geopolitical tensions. This will prompt many firms to focus on supply chain resilience through various strategies such as holding additional stock or nearshoring operations.

### Global shipping costs rise amid geopolitical tensions

Baltic Exchange, Shipping Dry Index (BDI)

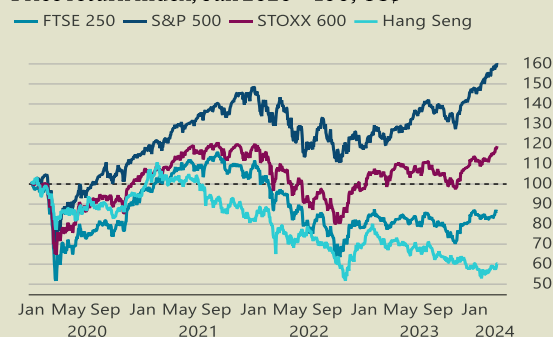


Source: Knight Frank Research, Macrobond

# Equities

## Equity markets

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

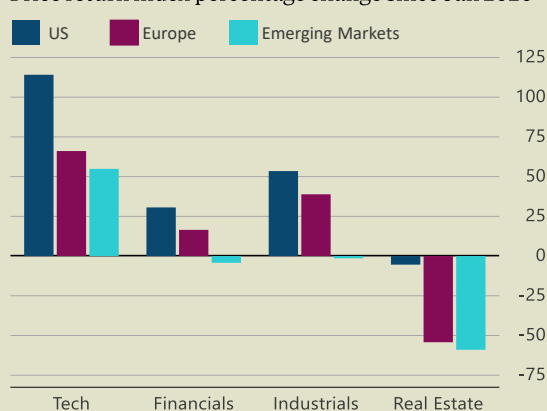


Source: Knight Frank, Macrobond

Index	Last	Percentage change since			
		1 day	1 week	1 month	Jan '20
PX50	64	1.6	2.8	3.0	30.9
OMXC25	287	0.5	3.4	5.3	52.7
DAX 40	7,750	1.4	2.2	7.1	17.1
FTSE 250	25,031	0.1	2.1	3.3	-13.6
MIB	37,074	1.9	2.9	9.5	40.8
Hang Seng	2,183	2.9	5.7	8.4	-39.7
IBEX 35	11,554	2.4	5.1	7.5	7.8
S&P 500	5,165	0.9	1.7	2.9	59.9
STOXX 600	555	1.3	2.9	5.8	18.9
TOPIX	18	-0.6	-2.2	3.0	13.2

## Equity regional sectors

Price return index percentage change since Jan 2020

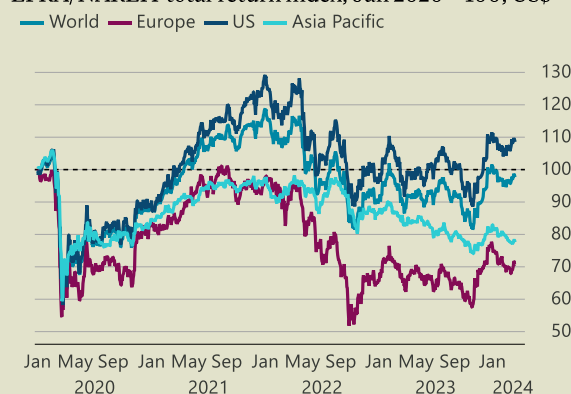


Source: Knight Frank, Macrobond

	Percentage change since Jan 2020		
	US	Europe	World
Tech	114.1%	66.1%	54.9%
Financials	30.6%	16.5%	-4.2%
Industrials	53.5%	38.9%	-1.4%
Real Estate	-5.4%	-54.2%	-59.0%

## REITs by region

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

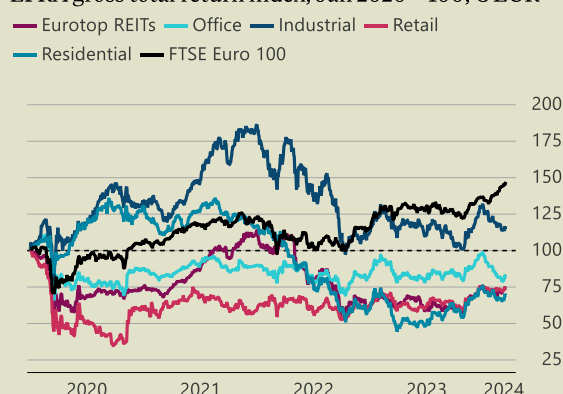


Source: Knight Frank, Macrobond

Index, total return	Last	Percentage change since			
		Original value and base	1 day	1 week	1 month
US	2,594	-0.7	0.5	2.2	8.5
Europe	2,018	-1.1	2.6	0.4	-29.2
World	3,138	-0.7	0.8	1.5	-2.3
Asia Pacific	3,047	-0.9	0.8	-2.6	-22.4

## Euro Area REITs by sector

EPRA gross total return index, Jan 2020 = 100, € EUR



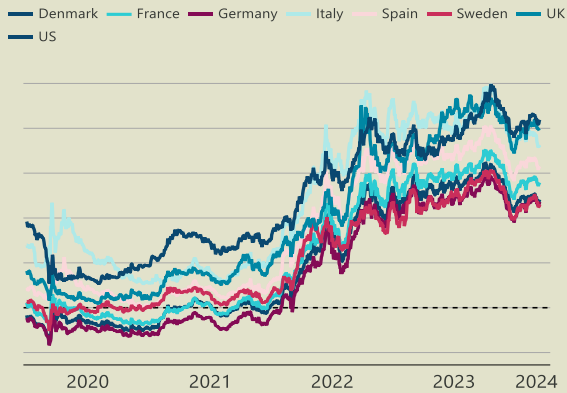
Source: Knight Frank, Macrobond

Index, total return	Last	Percentage change since			
		Original value and base	1 day	1 week	1 month
Eurotop REITs	1,937	-1.2	1.7	5.3	-26.6
Office	1,685	-1.4	3.5	-3.0	-18.8
Industrial	5,327	-2.2	0.6	-4.0	13.3
Retail	1,289	-1.3	2.0	-1.1	-26.6
Residential	1,288	-1.5	4.6	2.1	-31.2
FTSE Euro 100	3,691	1.3	2.1	4.9	45.8

# Bonds & Rates

## Government bond yields

10 year government bond yields, %

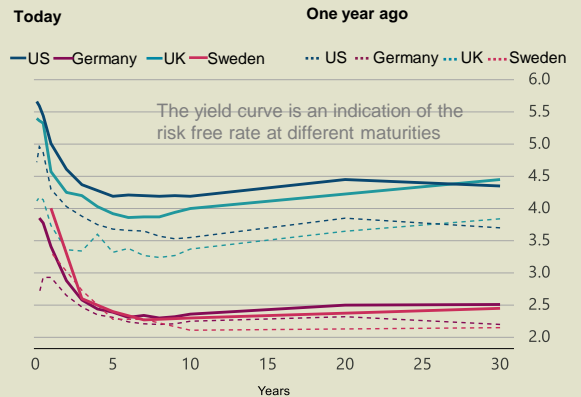


Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20
Denmark	2.41	2.38	2.38	2.50	-0.17
France	2.79	2.77	2.78	2.89	0.11
Germany	2.36	2.32	2.33	2.39	-0.23
Italy	3.57	3.59	3.66	3.93	1.40
Spain	3.15	3.13	3.16	3.34	0.45
Sweden	2.30	2.26	2.37	2.44	0.14
United Kingdom	3.95	3.95	3.99	4.15	0.82
United States	4.19	4.16	4.11	4.31	1.92

## Government bond yield curves

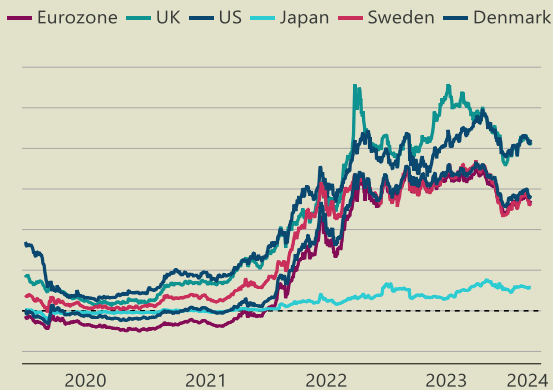
Latest nominal yield curves vs one year ago, %



Source: Knight Frank, Macrobond

## Interest rate swaps

5 year swap rates, %

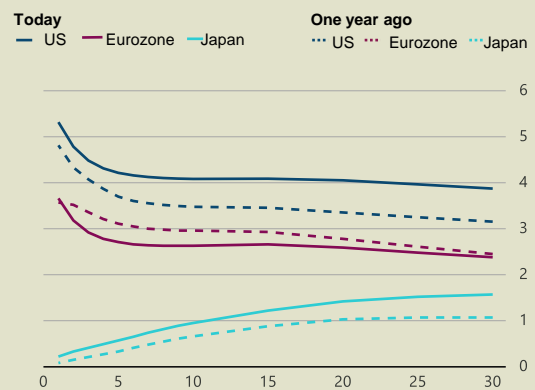


Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20
Eurozone	2.71	2.68	2.71	2.78	-0.13
Denmark	2.84	2.82	2.86	2.94	0.01
Japan	0.57	0.57	0.55	0.62	0.03
Sweden	2.65	2.63	2.72	2.81	0.39
United Kingdom	4.15	4.09	4.17	4.31	0.88
United States	4.22	4.19	4.12	4.28	1.70

## Swap curves

Latest swap curves vs one year ago, %

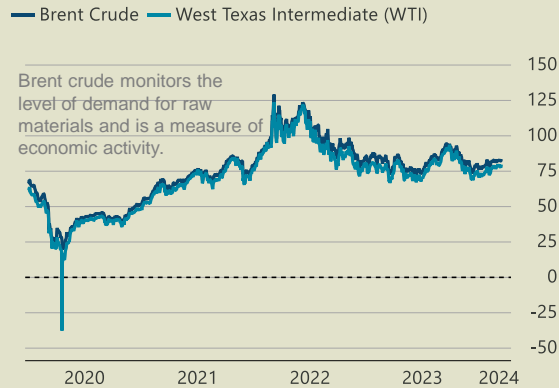


Source: Knight Frank, Macrobond

# Commodities & Volatility

## Energy

Oil spot prices, \$ per barrel

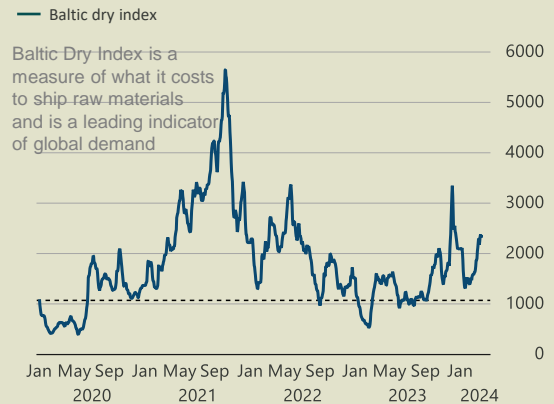


Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20
Brent, \$ per barrel	83.6	82.1	82.7	82.5	66.0
WTI, \$ per barrel	79.7	77.6	79.1	77.9	61.1

## Baltic dry index

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

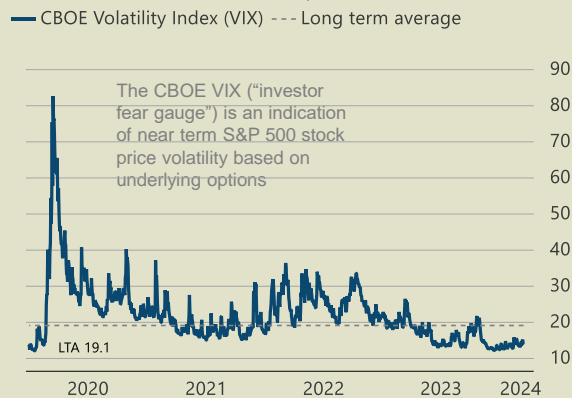


Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20
Baltic Dry	2370	-0.294	8.92	49.5	117

## Volatility index

Near term stock price volatility indicator

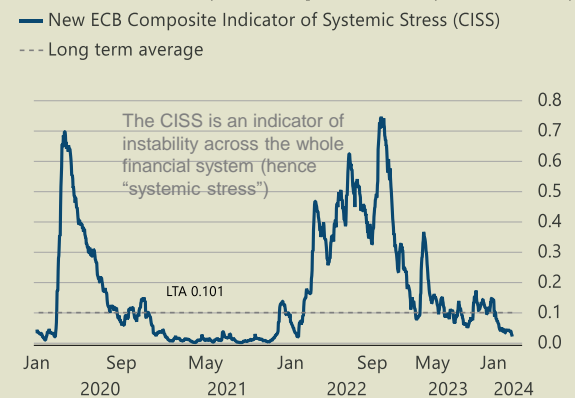


Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20
CBOE VIX	13.8	13.8	14.4	14.4	13.8
Euro Stoxx 50 VIX	13.1	13.1	13.9	14.4	14.0
Nikkei VIX	21.4	21.4	21.7	19.5	14.8
KOSPI VIX	16.5	16.9	17.3	18.0	14.7

## Systemic stress

Measures FX, money, sovereign and bond yield volatility



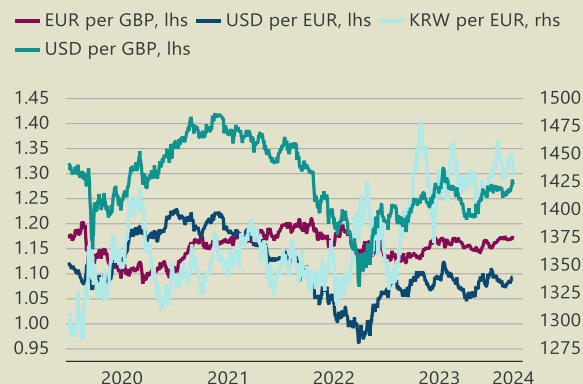
Source: Knight Frank, Macrobond

	Last	1 week	1 month	Jan '20
Systemic stress composite	0.053	0.057	0.085	0.023
Equity markets stress sub index	0.021	0.015	0.019	0.009
Bond markets stress sub index	0.040	0.039	0.059	0.02
FX markets stress sub index	0.015	0.008	0.023	0.004

# Currencies & Monetary Policy

## Currencies

### Spot prices

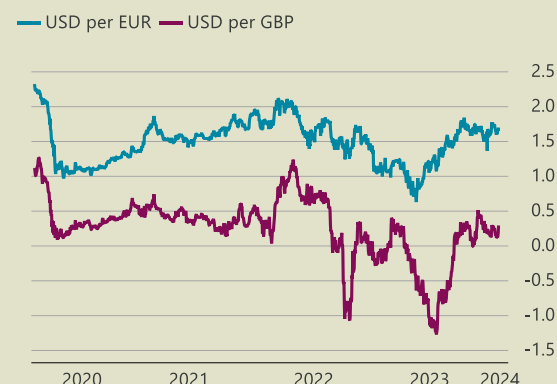


Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20
USD per EUR	1.094	1.092	1.09	1.072	1.121
USD per GBP	1.278	1.278	1.274	1.26	1.321
GBP per EUR	0.8551	0.8541	0.8558	0.8506	0.8456
SEK per EUR	11.2	11.19	11.23	11.33	10.5
KRW per EUR	1439	1433	1450	1436	1293

## 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	1.70	1.66	1.65	1.63	2.32
USD to GBP	0.29	0.18	0.12	0.14	1.12

## Inflation and monetary policy

### Inflation rates (%)

	Feb	Jan	Dec	Nov
Belgium	3.2	1.8	1.4	0.8
Czech Republic	2.0	2.3	6.9	7.3
Denmark	0.8	1.2	0.7	0.6
Eurozone	2.6	2.8	2.9	2.4
Finland	3.0	3.3	3.6	3.3
France	2.9	3.1	3.7	3.5
Germany	2.6	2.9	3.7	3.2
Ireland	n/a	4.1	4.6	3.9
Italy	0.8	0.8	0.6	0.7
Netherlands	2.8	3.2	1.2	1.6
Norway	4.5	4.7	4.8	4.8
Poland	n/a	3.9	6.1	6.1
Romania	8.1	7.4	6.6	6.7
Spain	2.8	3.4	3.1	3.2
Sweden	n/a	5.4	4.4	5.8
Switzerland	1.2	1.3	1.7	1.4
United Kingdom	n/a	4.0	3.9	3.9
United States	3.2	3.1	3.3	3.1

### Interest rates (%)

	Last	Jan '21
Belgium	4.50	0.00
Czech Republic	6.25	0.25
Denmark	3.75	0.05
Eurozone	4.50	0.00
Finland	4.50	0.00
France	4.50	0.00
Germany	4.50	0.00
Ireland	4.50	0.00
Italy	4.50	0.00
Netherlands	4.50	0.00
Norway	4.50	0.00
Poland	5.75	0.10
Romania	7.00	1.50
Spain	4.50	0.00
Sweden	4.00	0.00
Switzerland	1.75	-0.75
United Kingdom	5.25	0.10
United States	5.50	0.25

### Asset purchasing

	Latest (\$)	1m change (%)
Belgium	381 bn	5.2
Czech Republic	148 bn	0.8
Denmark	98.4 bn	0.9
Eurozone	7.43 tn	-0.7
Finland	176 bn	-0.5
France	1.73 tn	-0.3
Germany	2.66 tn	-0.6
Ireland	192 bn	-4.0
Italy	1.35 tn	-0.1
Netherlands	498 bn	12.7
Norway	1.64 tn	2.9
Poland	229 bn	-0.1
Romania	77.7 bn	2.3
Spain	1.03 tn	-1.1
Sweden	120 bn	-1.8
Switzerland	929 bn	0.9
United Kingdom	1.37 tn	0.0
United States	7.54 tn	-1.2


Source: Knight Frank, Macrobond



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