

European Leading Indicators

Key economic and financial metrics, updated monthly

14th August 2025

Signals of improving inbound capital in Q3

€13.7bn

Europe remains the key destination for global capital. Inbound investment for Q3 to date, incl. pending deals, has reached €13.7bn, already surpassing Q2 volumes. Rising activity from global markets like Canada and the UAE reflects a shift towards safe-haven locations.

2.0%

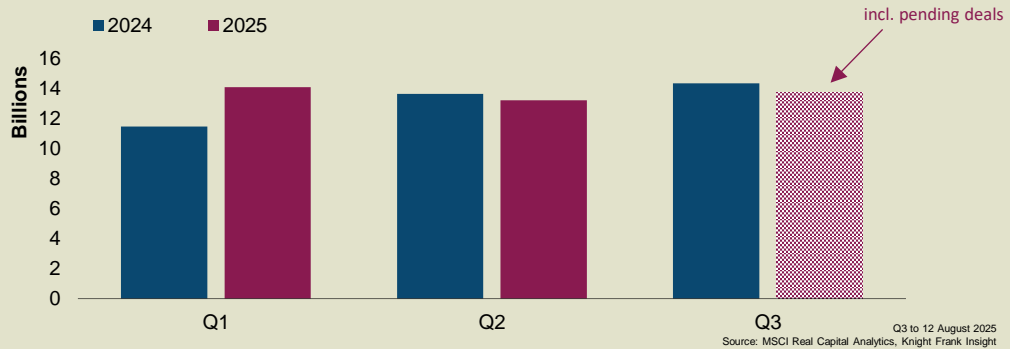
The likelihood of an ECB cut in September has diminished, with Eurozone inflation holding steady at 2.0% in July. Capital Economics expects the deposit rate to remain at the current level of 2.0%, while Oxford Economics still forecasts one final cut in December.

5

Biotech is one of Europe's global strengths, home to five of the world's top 10 countries for biotech companies. This has a direct impact on real estate, supporting the demand for lab space with high-spec, non-standard building requirements, as highlighted in our Tech for Good Series.

Signals of improving inbound activity in Q3

CRE inbound capital into Europe (excl. UK), €bn



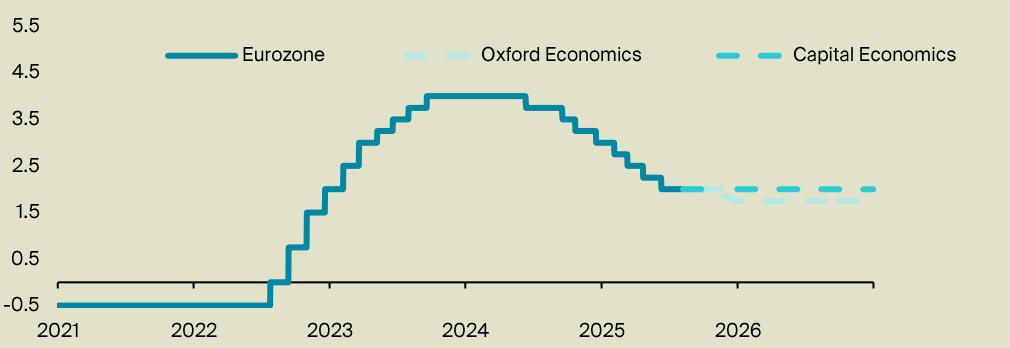
Quarter	2024 (€bn)	2025 (€bn)
Q1	11.5	14.0
Q2	13.5	13.0
Q3	14.0	13.7

Q3 2025 to date incl. pending deals

Q3 to 12 August 2025
Source: MSCI Real Capital Analytics, Knight Frank Insight

The ECB is likely to keep interest rates on hold in September

ECB deposit rate forecasts (%)

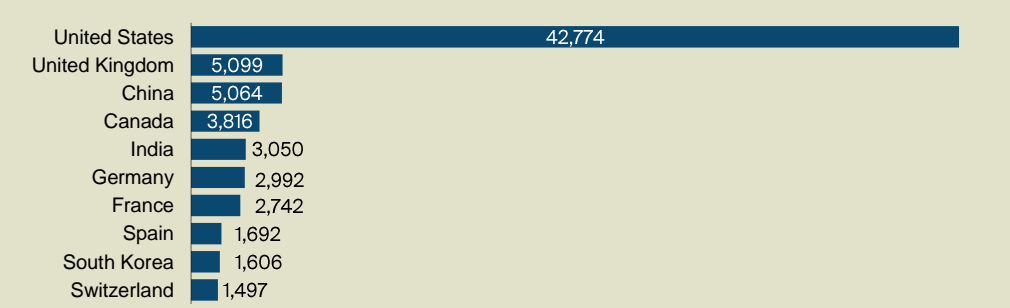


Year	Eurozone (%)	Oxford Economics (%)	Capital Economics (%)
2021	-0.5	-0.5	-0.5
2022	-0.5	-0.5	-0.5
2023	1.5	1.5	1.5
2024	3.5	3.5	3.5
2025	2.5	2.5	2.5
2026	1.5	1.5	1.5

Source: Macrobond, Oxford Economics, Capital Economics, Knight Frank Insight

Europe is a major biotech hub

Top 10 countries by number of HQ'd biotech companies



Country	Number of HQ'd biotech companies
United States	42,774
United Kingdom	5,099
China	5,064
Canada	3,816
India	3,050
Germany	2,992
France	2,742
Spain	1,692
South Korea	1,606
Switzerland	1,497

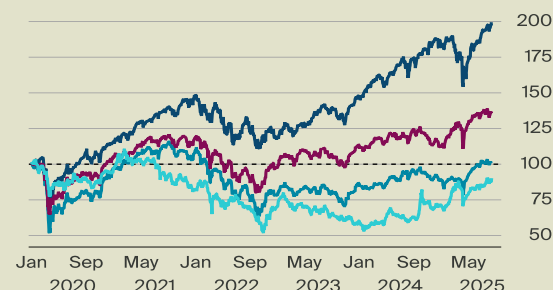
Source: Knight Frank Insight

Equities

Equity markets

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

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



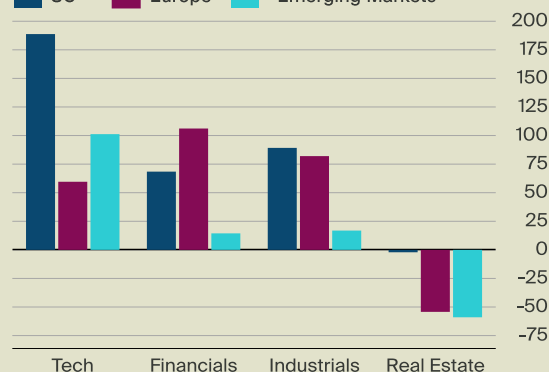
Source: Knight Frank, Macrobond

Index	Last	Percentage change since			
		1 day	1 week	1 month	Jan '20
PX50	109	0.4	3.8	5.8	122.8
OMXC25	261	-0.1	2.0	-5.5	38.6
DAX 40	10,503	-0.5	2.1	-1.9	58.7
FTSE 250	29,477	-0.1	1.5	0.2	1.7
MIB	48,933	0.9	4.0	3.3	85.9
Hang Seng	3,263	2.8	2.9	6.6	-9.8
IBEX 35	17,338	0.3	4.2	4.9	61.8
S&P 500	6,446	0.9	1.8	2.6	99.5
STOXX 600	639	0.3	2.3	-1.0	37.0
TOPIX	21	2.0	4.9	8.7	32.2

Equity regional sectors

Price return index percentage change since Jan 2020

■ US ■ Europe ■ Emerging Markets



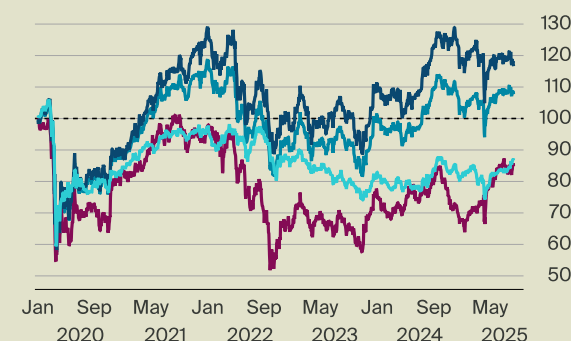
Source: Knight Frank, Macrobond

	Percentage change since Jan 2020		
	US	Europe	World
Tech	188.8%	59.6%	101.2%
Financials	68.4%	106.2%	14.4%
Industrials	89.2%	82.0%	16.8%
Real Estate	-2.1%	-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

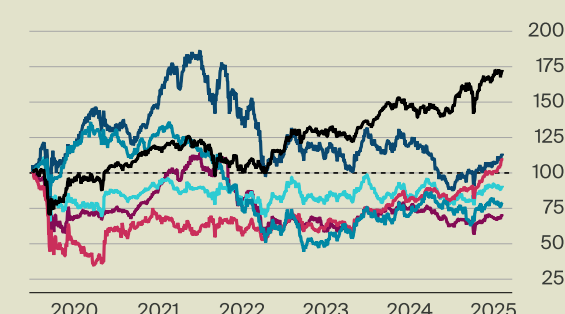
Index, total return	Last	Percentage change since			
		1 day	1 week	1 month	Jan '20
Original value and base					
US	2,787	-1.3	-0.3	-1.9	16.6
Europe	2,423	0.1	3.5	1.5	-15.0
World	3,460	-0.9	0.6	-0.6	7.7
Asia Pacific	3,429	0.3	2.3	4.6	-12.7

Euro Area REITs by sector

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

— Eurotop REITs — Office — Industrial — Retail

— Residential — FTSE Euro 100



Source: Knight Frank, Macrobond

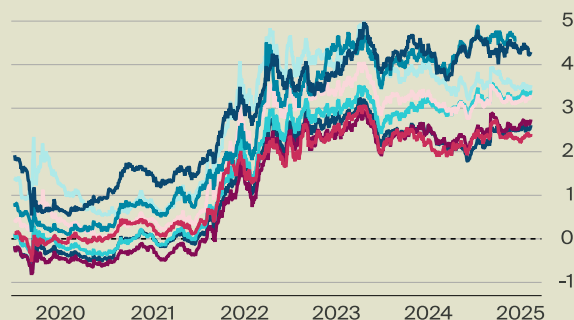
Index, total return	Last	Percentage change since			
		1 day	1 week	1 month	Jan '20
Original value and base					
Eurotop REITs	1,801	-0.2	4.0	2.5	-31.8
Office	1,828	0.5	2.7	-0.7	-11.9
Industrial	5,176	0.3	3.6	4.8	10.1
Retail	1,884	0.7	5.1	8.2	7.4
Residential	1,452	0.5	4.7	0.1	-22.5
FTSE Euro 100	4,257	0.1	3.1	-0.9	68.1

Bonds & Rates

Government bond yields

10 year government bond yields, %

Denmark France Germany Italy Spain Sweden UK
US

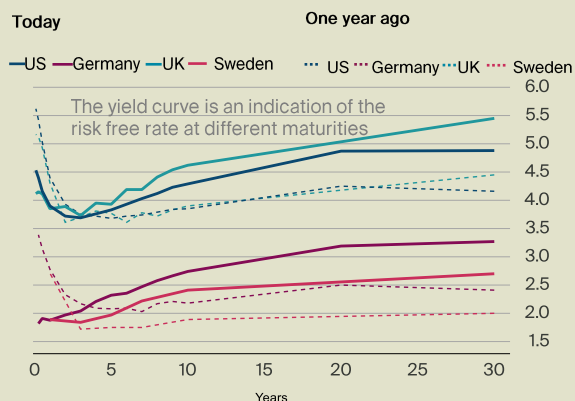


Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20
Denmark	2.61	2.56	2.50	2.60	-0.17
France	3.41	3.36	3.28	3.41	0.11
Germany	2.74	2.69	2.62	2.74	-0.21
Italy	3.53	3.48	3.42	3.57	1.40
Spain	3.30	3.26	3.19	3.27	0.45
Sweden	2.41	2.35	2.35	2.35	0.14
United Kingdom	4.55	n/a	n/a	n/a	0.82
United States	4.29	4.27	4.22	4.43	1.92

Government bond yield curves

Latest nominal yield curves vs one year ago, %

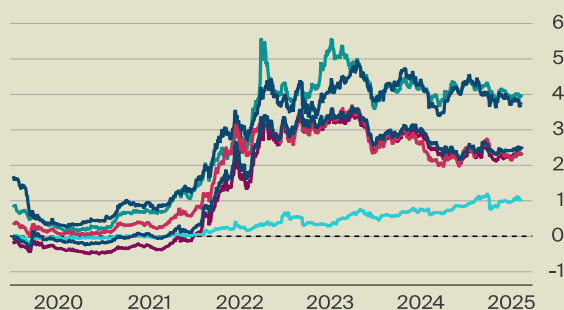


Source: Knight Frank, Macrobond

Interest rate swaps

5 year swap rates, %

Eurozone UK US Japan Sweden
Denmark

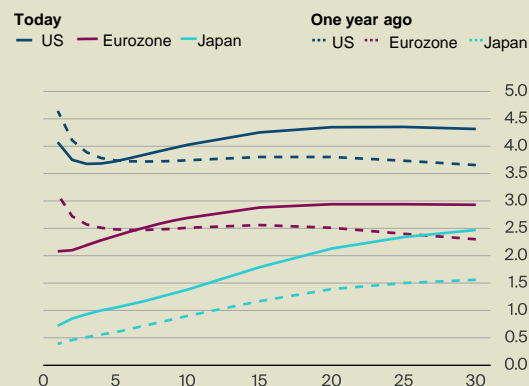


Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20
Eurozone	2.36	2.36	2.31	2.33	-0.13
Denmark	2.47	2.52	2.45	2.49	0.01
Japan	1.05	1.05	1.04	1.05	0.03
Sweden	2.31	2.31	2.31	2.27	0.39
United Kingdom	3.99	3.99	3.92	3.98	0.88
United States	3.72	3.72	3.67	3.85	1.70

Swap curves

Latest swap curves vs one year ago, %

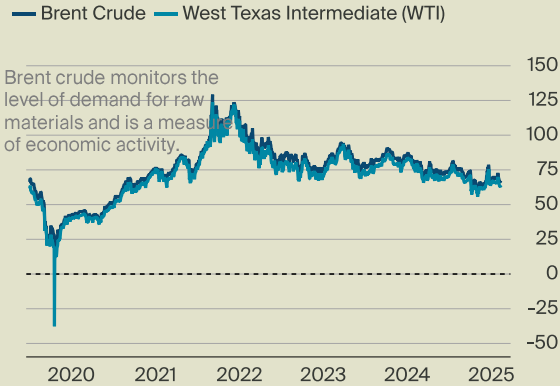


Source: Knight Frank, Macrobond

Commodities & Volatility

Energy

Oil spot prices, \$ per barrel

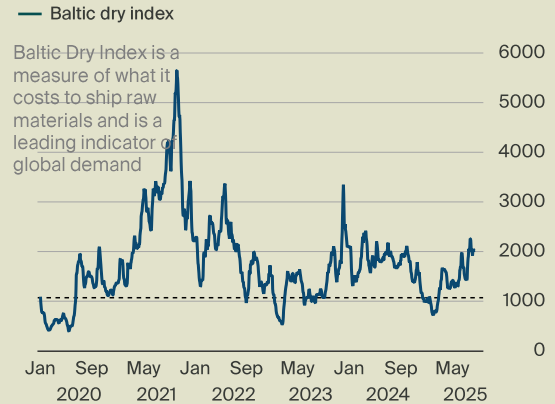


Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20
Brent, \$ per barrel	66.1	66.1	66.9	70.6	66.0
WTI, \$ per barrel	62.5	62.5	63.7	67.4	61.1

Baltic dry index

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

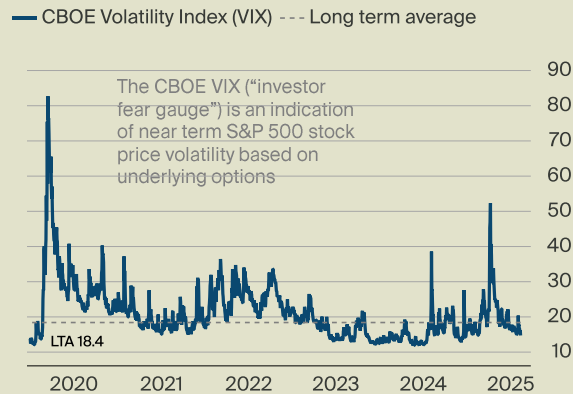


Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20
Baltic Dry	2025	-0.638	1.55	21.8	85.8

Volatility index

Near term stock price volatility indicator



Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20
CBOE VIX	14.7	14.7	16.8	16.4	13.8
Euro Stoxx 50 VIX	16.7	16.7	18.4	17.1	14.0
Nikkei VIX	24.5	24.7	26.4	22.9	14.8
KOSPI VIX	20.1	21.2	21.9	21.7	14.7

Systemic stress

Measures FX, money, sovereign and bond yield volatility



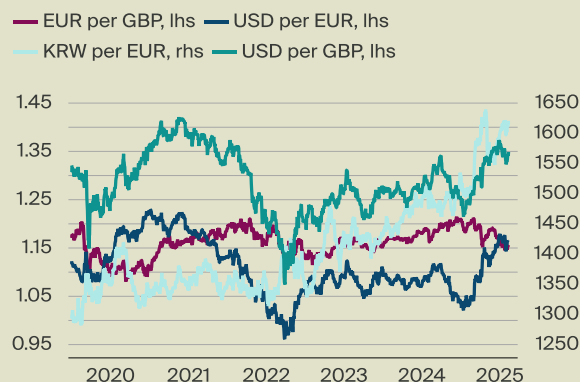
Source: Knight Frank, Macrobond

	Last	1 week	1 month	Jan '20
Systemic stress composite	0.094	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

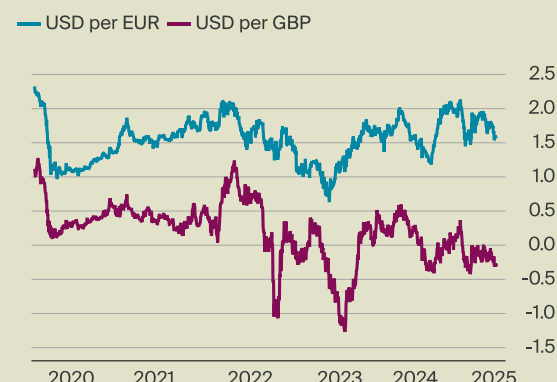
Spot prices



	Last	1 day	1 week	1 month	Jan '20
USD per EUR	1.167	1.16	1.156	1.169	1.121
USD per GBP	1.349	1.341	1.329	1.35	1.321
GBP per EUR	0.8646	0.8651	0.87	0.8657	0.8456
SEK per EUR	11.16	11.19	11.19	11.16	10.5
KRW per EUR	1618	1615	1605	1608	1293

Hedging benefits

Hedging benefit p.a. on a 5 year forward



	Last	1 day	1 week	1 month	Jan '20
USD to EUR	1.56	1.59	1.58	1.73	2.32
USD to GBP	-0.31	-0.27	-0.29	-0.13	1.12

Inflation and monetary policy

Inflation rates (%)

	July	June	May	Apr
Belgium	1.9	2.1	2.0	2.5
Czech Republic	2.7	2.9	2.4	1.8
Denmark	2.3	1.9	1.6	1.5
Eurozone	2.0	2.0	1.9	2.2
Finland	n/a	0.2	0.5	0.5
France	1.0	1.0	0.7	0.8
Germany	2.0	2.0	2.2	2.0
Ireland	1.7	1.8	1.7	2.2
Italy	1.7	1.7	1.6	1.9
Netherlands	2.9	3.1	3.3	4.1
Norway	3.3	3.0	3.0	2.5
Poland	3.2	4.3	4.4	4.7
Romania	7.8	5.7	5.4	4.8
Spain	2.7	2.3	2.0	2.2
Sweden	n/a	0.7	0.2	0.3
Switzerland	0.2	0.1	-0.1	0.0
United Kingdom	n/a	3.6	3.4	3.5
United States	2.7	2.7	2.4	2.3

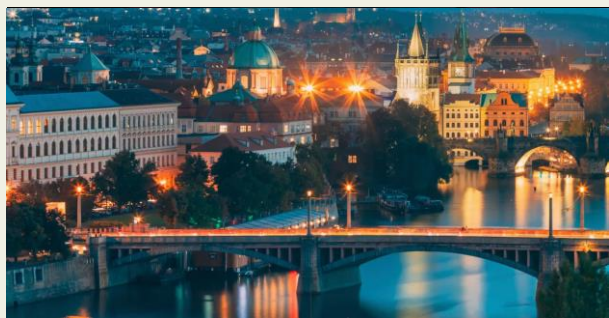
Interest rates (%)

	Last	Jan '21
	2.15	0.00
	3.50	0.25
	1.75	0.05
	2.15	0.00
	2.15	0.00
	2.15	0.00
	2.15	0.00
	2.15	0.00
	2.15	0.00
	2.15	0.00
	4.25	0.00
	5.00	0.10
	6.50	1.50
	2.15	0.00
	2.00	0.00
	0.00	-0.75
	4.00	0.10
	4.50	0.25

Asset purchasing

	Latest (\$)	1m change (%)
	387 bn	-1.6
	163 bn	-2.1
	112 bn	-1.1
	709 tn	-0.6
	153 bn	-11.5
	1.74 tn	-1.5
	2.66 tn	-0.6
	192 bn	0.7
	1.25 tn	0.0
	489 bn	-1.6
	2.04 tn	2.7
	295 bn	-0.5
	83.6 bn	-0.4
	1.03 tn	-0.7
	102 bn	0.4
	1.07 tn	1.8
	1.17 tn	0.0
	6.64 tn	-0.3

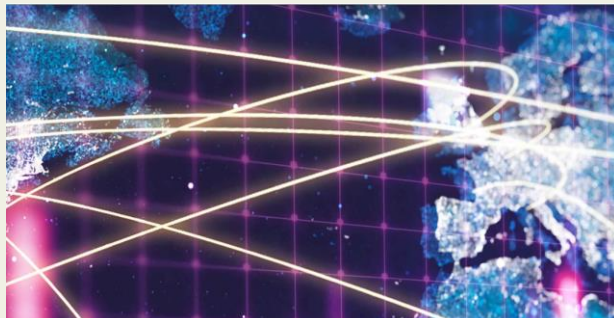
Source: Knight Frank, Macrobond



What's driving investment in Europe? Insights from across the continent

Our local experts from across our European research network share the latest insights and perspectives from their respective markets.

[View the video](#)



Active Capital 2025: Noise, nuance and opportunity

Start of year momentum in cross-border real estate investment has met with geopolitical uncertainty and diverging regional dynamics. In this environment, understanding market, sector and asset-level nuances is more critical than ever to identify opportunities.

[View the article](#)

Recent research



Czech Investment Market Q2 2025

The first six months showed a revival in the investment market and increased investor activity.



The Tech for Good Series 2025

Insight Paper 1: Reshaping Care and Real Estate

We like questions, if you've got one about our research, or would like some property advice, we would like to hear from you



William Matthews
Partner
Head of Commercial Research
+44 20 3909 6842
william.matthews@knightfrank.com



Victoria Ormond, CFA
Partner
Head of Capital Markets Research
+44 20 7861 5009
victoria.ormond@knightfrank.com



Judith Fischer
Partner
European Commercial Research
+44 20 3866 8033
judith.fischer@knightfrank.com



Jessica Tsang
Global Research Data Manager
Commercial Research
+44 20 7861 1160
jessica.tsang@knightfrank.com