

European Leading Indicators



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Key economic and financial metrics, updated monthly

20th April 2026

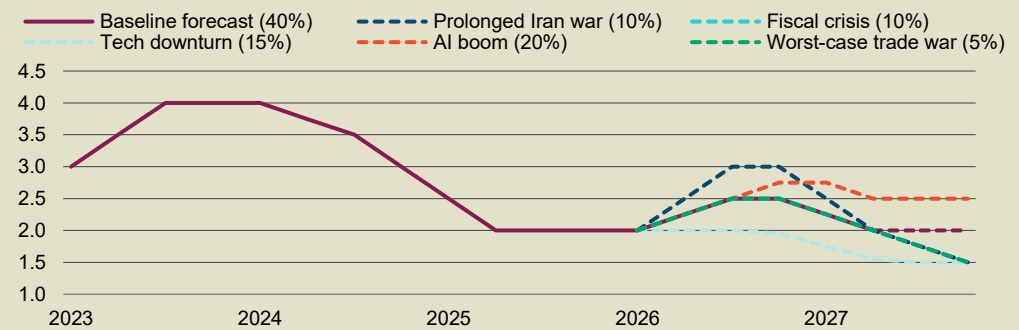
Interest rates, volatility & the return of offices

2.50%

Under its base case scenario, Oxford Economics expects the ECB to raise interest rates twice this year, taking the deposit facility rate to 2.50% by end-2026. The 5-year Euribor swap rate has risen by around 42bps since the onset of the Middle East conflict. However, this repricing has been relatively modest when compared with the more sustained rate adjustment following the Russia-Ukraine invasion.

Base case scenario expects two interest rate hikes this year

ECB deposit facility rate forecasts by scenario (%)



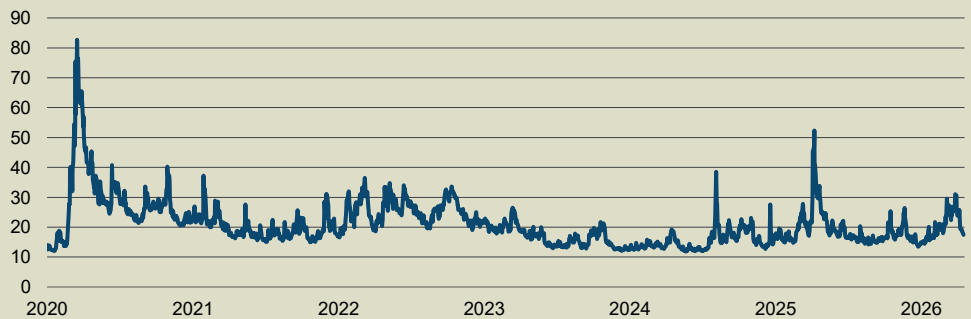
Forecasts as of 13 April 2026
Source: Oxford Economics, Knight Frank Insight

17.48

The CBOE Volatility Index (VIX) – the market's fear gauge – has continued to trend lower from its recent peak, falling to 17.48 and below levels seen last year, when volatility spiked following the spring tariff imposition. While uncertainty remains elevated, this could support more real estate investment activity later in the year as markets digest the implications, as seen in 2025.

Market volatility trends lower

CBOE Volatility Index (VIX)



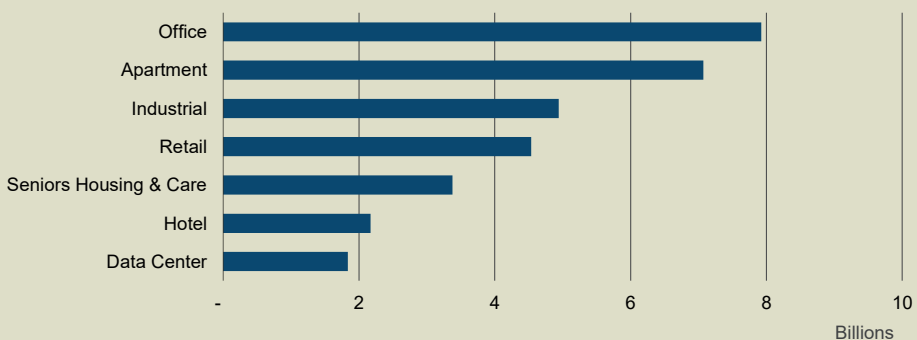
Data updated as of 17 April 2026
Source: MSCI RCA, Knight Frank Insight

€7.9bn

Offices were the most invested sector in Q1 2026, with volumes surpassing Q1 levels of the past two years, according to preliminary MSCI RCA data. The Active Capital survey also ranks offices as the top investment target in 2026, cited by 69% of respondents. However, investor demand is increasingly polarised, favouring well-located, ESG-compliant assets over stock at risk of long-term obsolescence.

Offices led investment activity in Q1 2026

Europe (excl. UK) CRE investment by sector (€bn), Q1 2026 preliminary

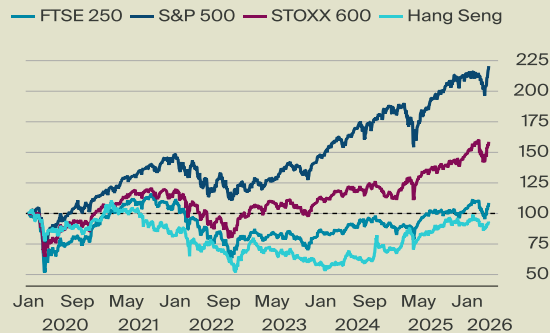


Source: MSCI RCA, Knight Frank Insight

Equities

Equity markets

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

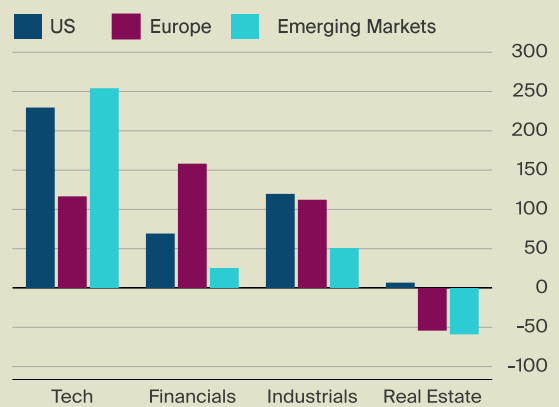


Source: Knight Frank, Macrobond

Index	Last	Percentage change since			
		1 day	1 week	1 month	Jan '20
PX50	131	0.8	5.3	10.6	167.6
OMXC25	282	0.8	4.3	8.7	50.2
DAX 40	10,861	2.6	4.8	7.4	64.1
FTSE 250	31,487	2.4	5.8	7.5	8.6
MIB	57,738	1.6	4.4	13.3	119.3
Hang Seng	3,341	0.9	1.6	1.3	-7.7
IBEX 35	21,839	1.8	3.3	11.2	103.8
S&P 500	7,126	1.5	4.4	6.4	120.6
STOXX 600	740	1.7	3.5	7.7	58.6
TOPIX	24	-0.1	1.8	4.8	51.6

Equity regional sectors

Price return index percentage change since Jan 2020

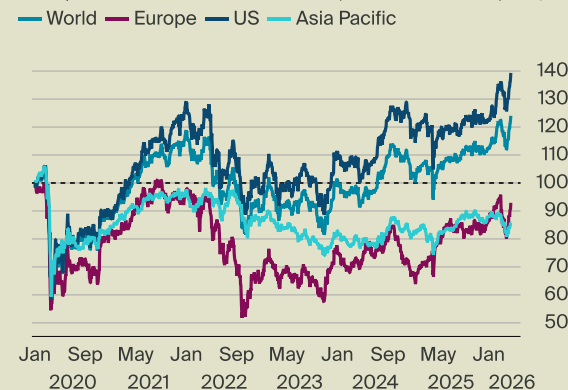


Source: Knight Frank, Macrobond

Sector	Percentage change since Jan 2020		
	US	Europe	World
Tech	229.6%	116.6%	254.2%
Financials	69.3%	158.2%	25.5%
Industrials	119.8%	112.3%	50.9%
Real Estate	6.8%	-54.2%	-59.0%

REITs by region

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

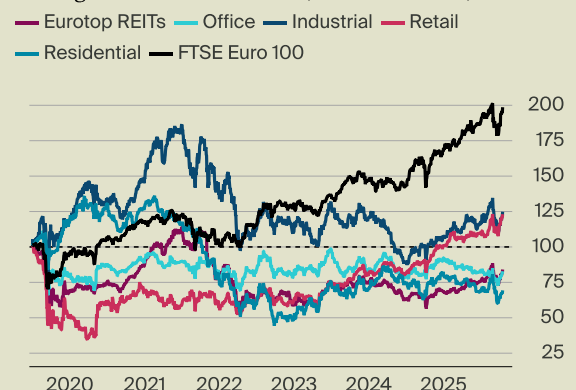


Source: Knight Frank, Macrobond

Index, total return	Last	Percentage change since			
		1 day	1 week	1 month	Jan '20
Original value and base					
US	3,330	2.3	4.2	5.3	39.3
Europe	2,649	2.6	5.6	8.1	-7.1
World	3,984	2.1	4.3	5.5	24.0
Asia Pacific	3,365	1.0	2.2	0.9	-14.3

Euro Area REITs by sector

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



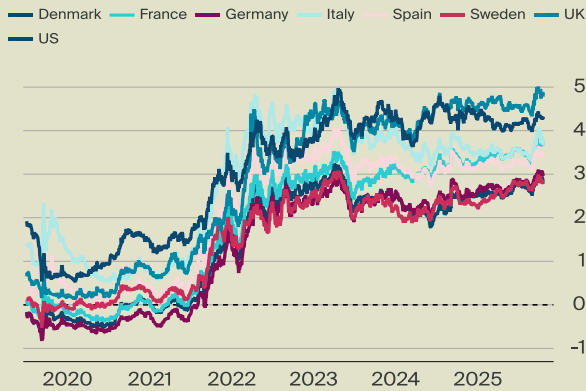
Source: Knight Frank, Macrobond

Index, total return	Last	Percentage change since			
		1 day	1 week	1 month	Jan '20
Original value and base					
Eurotop REITs	2,161	3.2	4.2	6.1	-18.2
Office	1,673	1.5	4.3	6.6	-19.4
Industrial	5,715	2.7	3.9	4.4	21.5
Retail	2,103	1.7	3.0	8.2	19.8
Residential	1,264	2.1	4.1	0.6	-32.5
FTSE Euro 100	4,896	1.9	2.7	6.2	93.3

Bonds & Rates

Government bond yields

10 year government bond yields, %

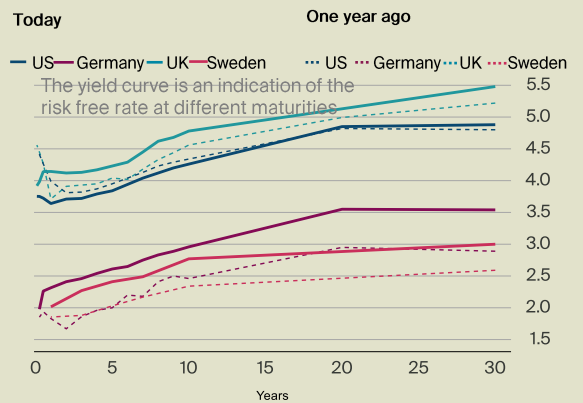


Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20
Denmark	2.82	2.89	2.91	2.77	-0.17
France	3.66	3.74	3.75	3.57	0.11
Germany	2.96	3.02	3.04	2.91	-0.21
Italy	3.67	3.80	3.81	3.67	1.40
Spain	3.38	3.47	3.49	3.40	0.45
Sweden	2.77	2.83	2.84	2.74	0.14
United Kingdom	4.78	4.88	4.84	4.72	0.74
United States	4.26	4.32	4.31	4.20	1.92

Government bond yield curves

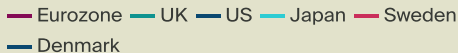
Latest nominal yield curves vs one year ago, %



Source: Knight Frank, Macrobond

Interest rate swaps

5 year swap rates, %

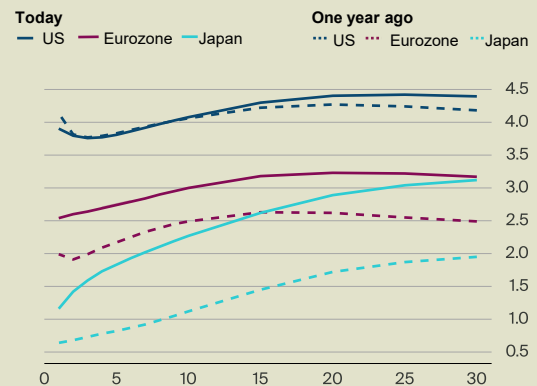


Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20
Eurozone	2.74	2.82	2.87	2.70	-0.13
Denmark	2.91	2.98	3.03	2.86	0.01
Japan	1.83	1.85	1.88	1.69	0.03
Sweden	2.61	2.67	2.76	2.62	0.39
United Kingdom	4.24	4.33	4.37	4.21	0.88
United States	3.81	3.88	3.89	3.74	1.70

Swap curves

Latest swap curves vs one year ago, %

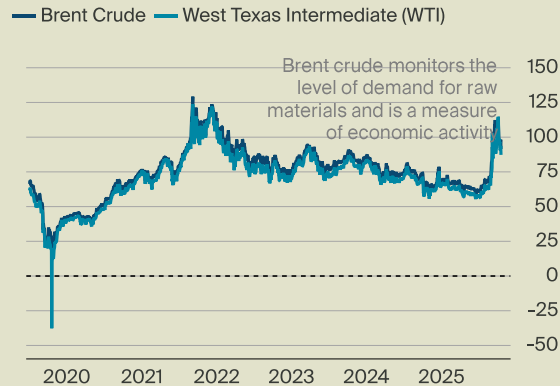


Source: Knight Frank, Macrobond

Commodities & Volatility

Energy

Oil spot prices, \$ per barrel

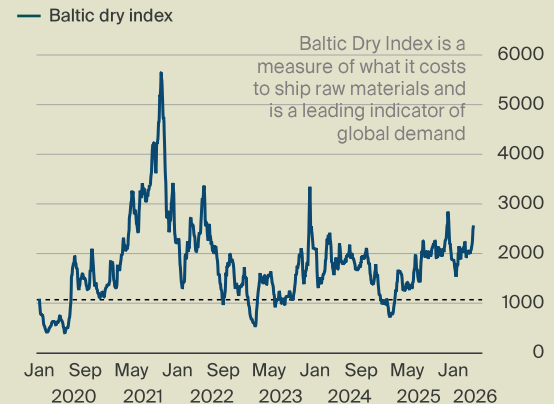


Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20
Brent, \$ per barrel	91.5	98.2	94.2	103.5	66.0
WTI, \$ per barrel	87.3	93.7	95.8	95.1	61.1

Baltic dry index

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

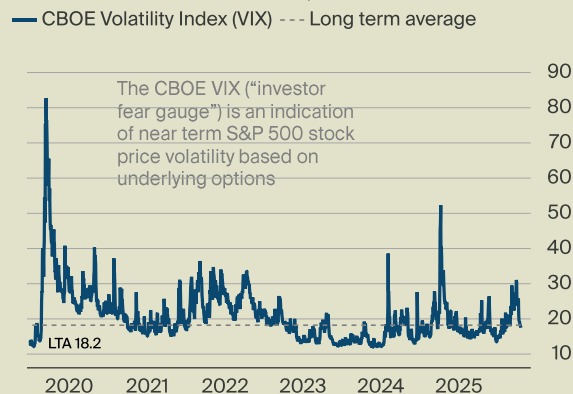


Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20
Baltic Dry	2567	3.34	16.6	26.8	136

Volatility index

Near term stock price volatility indicator



Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20
CBOE VIX	17.5	17.5	19.1	26.8	13.8
Euro Stoxx 50 VIX	19.4	19.4	22.8	31.8	14.0
Nikkei VIX	32.9	28.4	32.0	35.1	14.8
KOSPI VIX	50.3	48.5	50.1	55.6	14.7

Systemic stress

Measures FX, money, sovereign and bond yield volatility



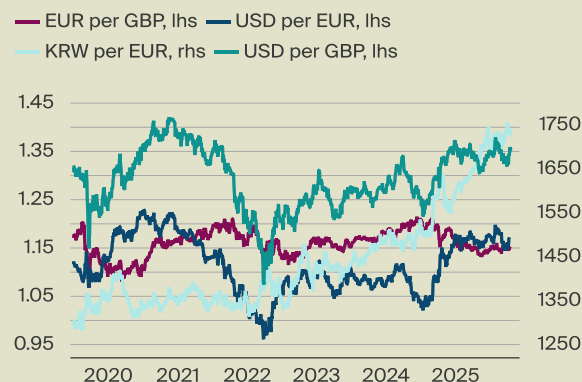
Source: Knight Frank, Macrobond

	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

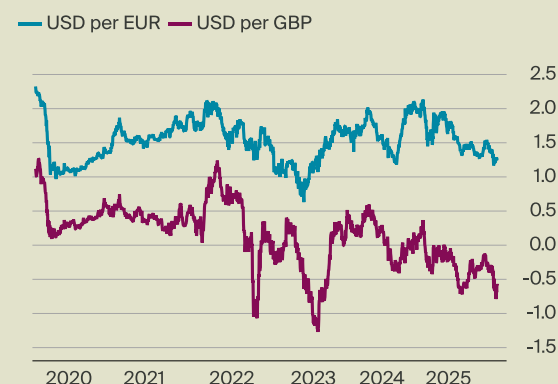


Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20
USD per EUR	1.181	1.177	1.173	1.152	1.121
USD per GBP	1.357	1.352	1.346	1.334	1.321
GBP per EUR	0.8707	0.8706	0.8711	0.8637	0.8456
SEK per EUR	10.77	10.82	10.85	10.7	10.5
KRW per EUR	1724	1742	1738	1716	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	1.27	1.28	1.26	1.38	2.32
USD to GBP	-0.59	-0.57	-0.79	-0.30	1.12

Inflation and monetary policy

Inflation rates (%)

	Mar	Feb	Jan	Dec
Belgium	1.6	1.4	1.1	2.1
Czech Republic	1.9	1.4	1.6	2.0
Denmark	1.2	0.7	0.8	1.9
Eurozone	2.6	1.9	1.7	2.0
Finland	1.3	0.6	-0.2	0.2
France	1.7	0.9	0.3	0.8
Germany	2.7	2.1	2.1	1.8
Ireland	3.6	2.7	2.7	2.8
Italy	1.7	1.5	1.0	1.2
Netherlands	2.7	2.4	2.4	2.9
Norway	3.6	2.7	3.6	3.2
Poland	3.0	2.1	2.1	2.4
Romania	9.9	9.3	9.6	9.7
Spain	3.4	2.3	2.3	2.9
Sweden	0.5	0.5	0.5	0.3
Switzerland	0.3	0.1	0.1	0.1
United Kingdom	n/a	3.0	3.0	3.3
United States	3.3	2.4	2.4	2.7

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	
4.00	0.00	
3.75	0.10	
6.50	1.50	
2.15	0.00	
1.75	0.00	
0.00	-0.75	
3.75	0.10	
3.75	0.25	

Asset purchasing

	Latest (\$)	1m change (%)
405 bn	1.5	
184 bn	0.8	
113 bn	0.1	
7.3 tn	1.3	
139 bn	-9.2	
1.85 tn	-0.6	
2.66 tn	-0.6	
196 bn	-3.9	
1.29 tn	-3.9	
505 bn	10.8	
2.15 tn	-4.2	
342 bn	4.9	
98.3 bn	-0.5	
1.02 tn	-0.4	
101 bn	2.6	
1.13 tn	-1.0	
1.17 tn	0.0	
6.71 tn	0.7	

Source: Knight Frank, Macrobond



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Offices on the rebound

The report looks at the current office trends shaping European capital markets as momentum is beginning to emerge.

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Q-Trend Berlin

The Q-Trend examines the latest quarterly data on the Berlin office market.



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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 Insight
+44 20 3909 6842
william.matthews@knightfrank.com



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



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



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