European Leading Indicators

Knight Frank

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Key economic and financial metrics, updated monthly

25th November 2026

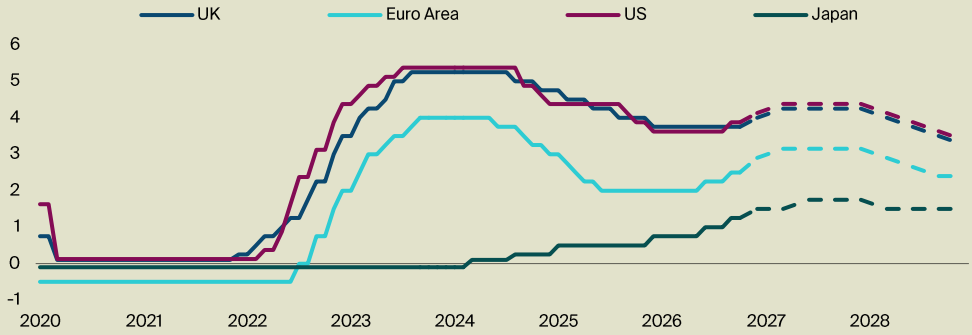
Europe's recovery faces a new rate test

+25bps

The ECB held interest rates steady in October, keeping its deposit rate at 2.50% and main refinancing rate at 2.65%. However, with inflation running at twice its 2% target, markets are pricing in up to two further 25bps hikes, with the first widely expected in December. Similar pressures are being felt globally, as higher energy prices linked to the Middle East have led markets to reassess the rate outlook. The Bank of England has raised rates to 4.00%, with further tightening priced in for the US and Japan.

Higher interest rates return to the global outlook

Global Interest Rate Forecasts (%)



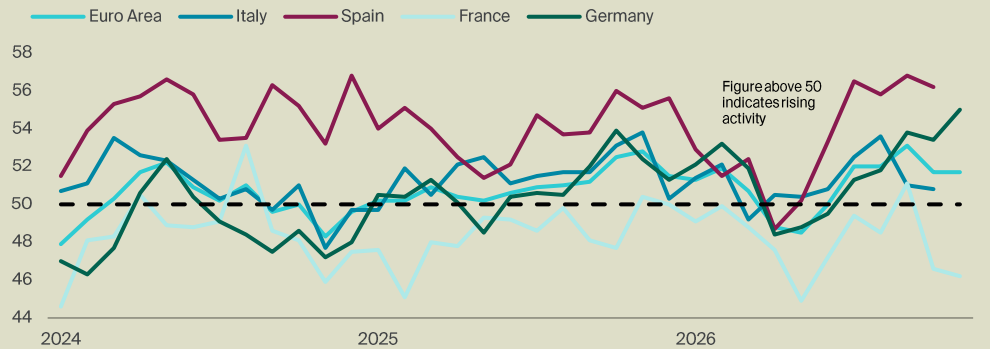
Source: Knight Frank Insight, Macrobond, Oxford Economics

51.7

November's PMI data points to continued, albeit modest, Eurozone growth in Q4, with the Composite PMI holding steady at 51.7 and the Manufacturing PMI rising to 52.9, both remaining in expansionary territory. The latest readings suggest GDP growth of around +0.3% in Q4, although regional performance remains uneven. Germany's manufacturing-led recovery continues to gain momentum, while political uncertainty weighs on activity in France, highlighting the differing pace of recovery across the region.

Eurozone on course for modest Q4 growth, despite regional disparities

Eurozone: Composite PMI by country



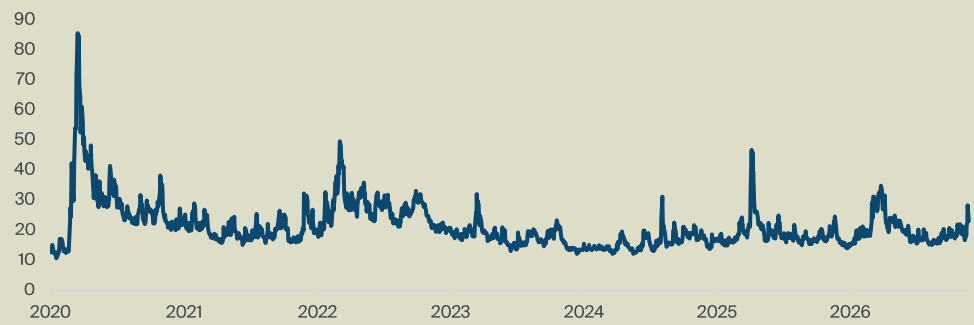
Source: S&P Global, Macrobond, Knight Frank Insight

23.13

Despite ongoing political uncertainty across Europe, equity market volatility has remained relatively contained. The VSTOXX Index, often referred to as Europe's 'fear gauge', stood at 23.13 in late November, below recent peaks and significantly lower than levels recorded during previous periods of market stress. While volatility has risen intermittently throughout 2026, these increases have generally been short-lived, suggesting that political developments have yet to trigger a sustained rise in market volatility.

Political uncertainty persists, but European markets remain relatively calm

EURO STOXX 50 Volatility Index (VSTOXX)

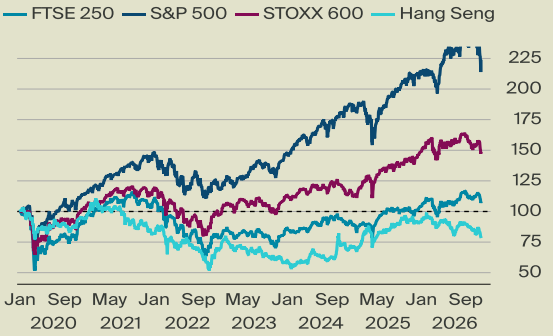


Source: Macrobond, Knight Frank Insight

Equities

Equity markets

Price return index, Jan 2020 = 100, US$

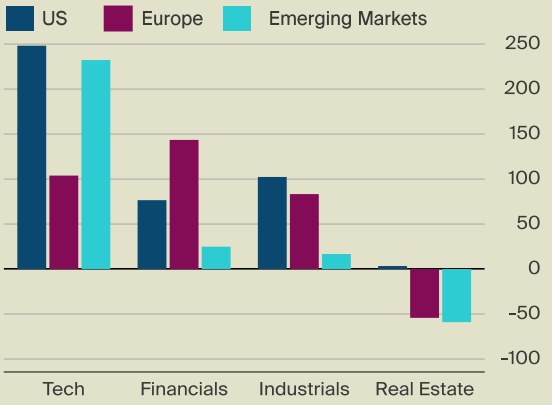


Source: Knight Frank, Macrobond

Index	Last	Percentage change since			
		1 day	1 week	1 month	Jan '20
PX50	116	-2.3	-3.5	-4.4	135.6
OMXC25	284	-0.8	-4.5	0.2	51.2
DAX 40	10,079	-1.2	-6.4	-2.8	52.3
FTSE 250	31,327	-1.3	-4.5	-3.2	8.1
MIB	53,424	-2.6	-6.6	-1.4	102.9
Hang Seng	2,833	-0.9	-6.4	-3.2	-21.7
IBEX 35	20,904	-0.8	-5.4	-1.3	95.0
S&P 500	7,237	0.9	-4.3	-5.6	124.0
STOXX 600	694	-1.0	-5.3	-2.8	48.7
TOPIX	24	2.2	-3.2	-6.9	49.9

Equity regional sectors

Price return index percentage change since Jan 2020

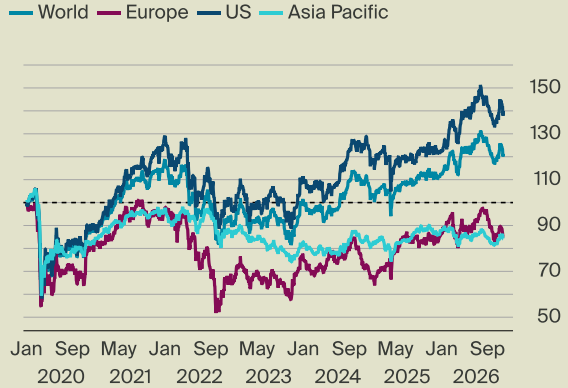


Source: Knight Frank, Macrobond

	Percentage change since Jan 2020		
	US	Europe	World
Tech	248.2%	103.9%	232.2%
Financials	76.5%	143.5%	24.9%
Industrials	102.3%	83.3%	16.7%
Real Estate	3.3%	-54.2%	-59.0%

REITs by region

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

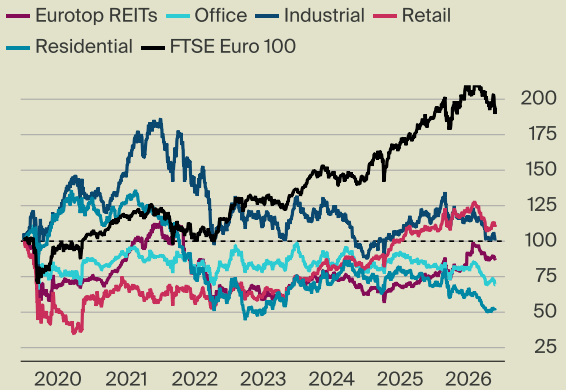


Source: Knight Frank, Macrobond

Index, total return Original value and base	Last	Percentage change since			
		1 day	1 week	1 month	Jan '20
US	3,345	0.2	-2.2	1.7	39.9
Europe	2,427	-0.6	-4.1	-1.3	-14.9
World	3,896	-0.2	-2.5	0.9	21.3
Asia Pacific	3,301	-1.2	-1.8	2.0	-15.9

Euro Area REITs by sector

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



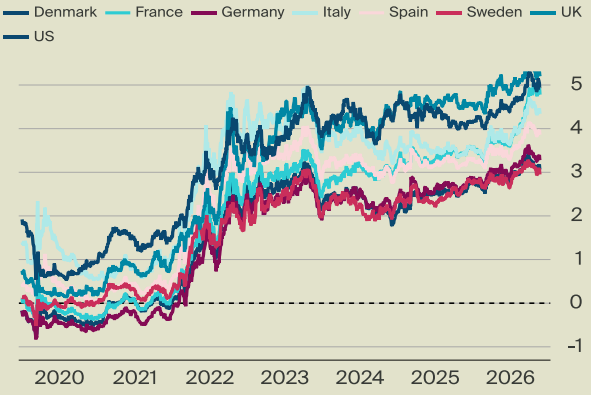
Source: Knight Frank, Macrobond

Index, total return Original value and base	Last	Percentage change since			
		1 day	1 week	1 month	Jan '20
Eurotop REITs	2,351	0.7	-1.6	1.0	-10.9
Office	1,454	-0.5	-4.6	-3.4	-29.9
Industrial	4,818	-0.8	-4.8	-0.6	2.4
Retail	1,977	0.2	-1.6	2.7	12.6
Residential	997	1.3	1.0	2.7	-46.8
FTSE Euro 100	4,974	-0.4	-4.5	0.6	96.4

Bonds & Rates

Government bond yields

10 year government bond yields, %

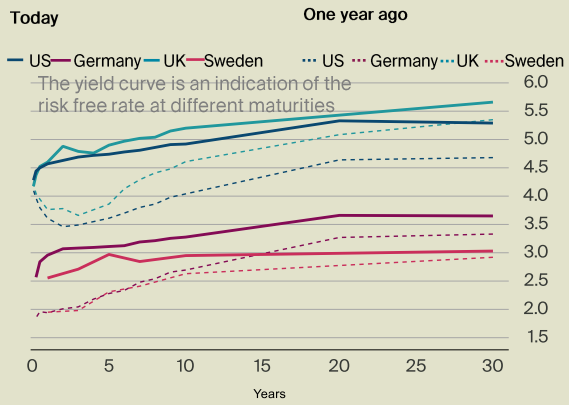


Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20
Denmark	3.06	3.08	3.15	3.15	-0.17
France	4.78	4.88	4.94	5.03	0.11
Germany	3.28	3.30	3.38	3.34	-0.21
Italy	4.34	4.40	4.43	4.60	1.40
Spain	3.86	3.90	3.95	4.05	0.45
Sweden	2.95	2.99	3.10	3.11	0.14
United Kingdom	5.20	5.24	5.35	5.36	0.74
United States	4.92	4.92	5.12	5.00	1.92

Government bond yield curves

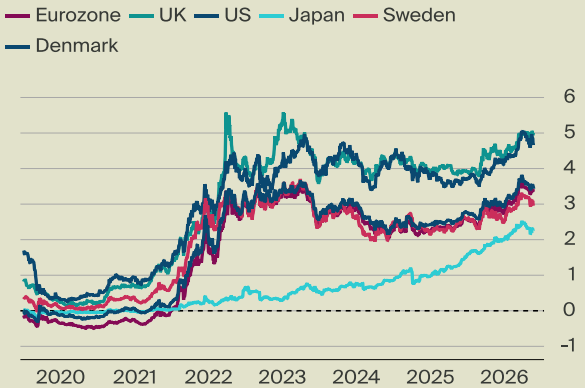
Latest nominal yield curves vs one year ago, %



Source: Knight Frank, Macrobond

Interest rate swaps

5 year swap rates, %

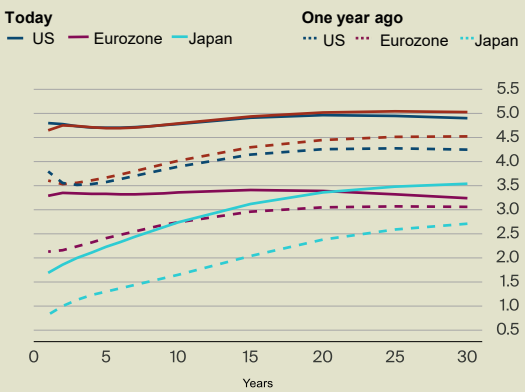


Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20
Eurozone	3.33	3.33	3.39	3.42	-0.13
Denmark	3.43	3.48	3.54	3.55	0.01
Japan	2.23	2.23	2.31	2.29	0.03
Sweden	2.95	2.95	3.09	3.17	0.39
United Kingdom	4.92	4.92	5.04	5.00	0.88
United States	4.70	4.70	4.88	4.79	1.70

Swap curves

Latest swap curves vs one year ago, %

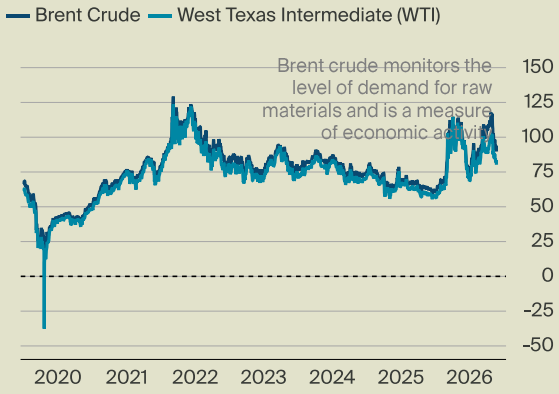


Source: Knight Frank, Macrobond

Commodities & Volatility

Energy

Oil spot prices, $ per barrel

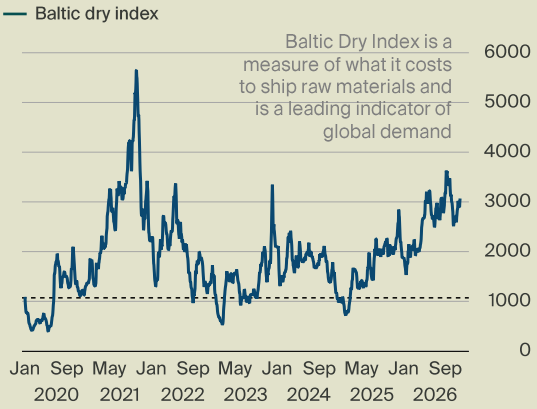


Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20
Brent, $ per barrel	89.7	89.7	94.5	117.8	66.0
WTI, $ per barrel	80.2	80.2	84.6	101	61.1

Baltic dry index

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

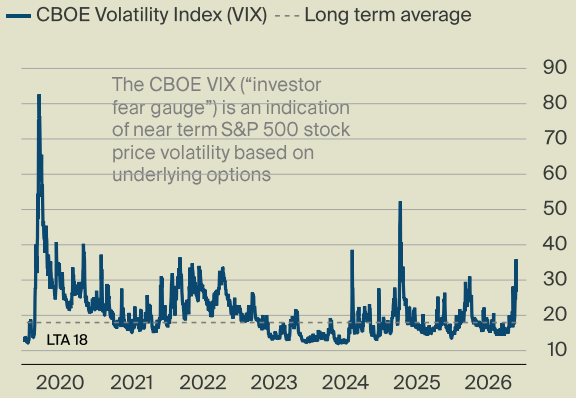


Source: Knight Frank, Macrobond

	Last	Percentage change since 1 day	1 week	1 month	Jan '20
Baltic Dry	3068	5.87	6.05	15.3	181

Volatility index

Near term stock price volatility indicator

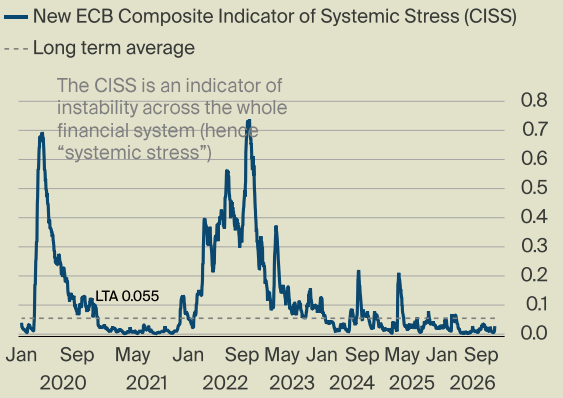


Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20
CBOE VIX	26.6	26.6	25.5	19.5	13.8
Euro Stoxx 50 VIX	23.1	23.1	21.9	21.9	14.0
Nikkei VIX	31.5	33.1	38.6	38.3	14.8
KOSPI VIX	58.5	55.8	53.6	52.1	14.7

Systemic stress

Measures FX, money, sovereign and bond yield volatility



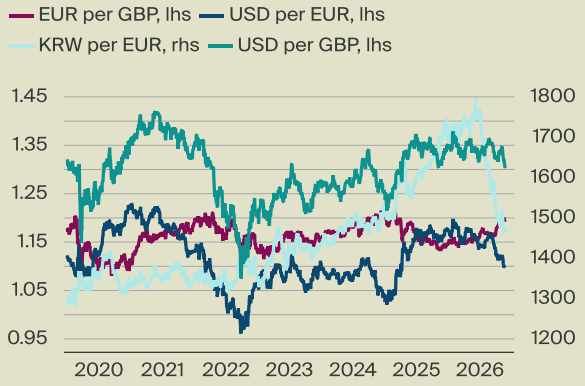
Source: Knight Frank, Macrobond

	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	1.097	1.09	1.1	1.12	1.121
USD per GBP	1.303	1.303	1.32	1.339	1.321
GBP per EUR	0.8367	0.8371	0.8334	0.8371	0.8456
SEK per EUR	11.23	11.22	11.13	11.12	10.5
KRW per EUR	1474	1465	1470	1486	1293

Inflation and monetary policy

	Inflation rates (%)				Interest rates (%)		Asset purchasing	
	Oct	Sep	Aug	Jul	Last	Jan '21	Latest ($)	1m change (%)
Belgium	5.3	4.7	4.0	3.6	2.65	0.00	405 bn	1.5
Czech Republic	2.4	2.5	1.9	1.7	4.00	0.25	184 bn	0.8
Denmark	2.2	2.2	2.0	1.7	2.25	0.05	113 bn	0.1
Eurozone	4.0	3.8	3.2	2.9	2.65	0.00	7.3 tn	1.3
Finland	3.1	2.5	2.2	2.1	2.65	0.00	139 bn	-9.2
France	3.4	3.1	2.4	2.1	2.65	0.00	1.85 tn	-0.6
Germany	2.8	3.2	2.9	2.7	2.65	0.00	2.66 tn	-0.6
Ireland	4.3	4.1	3.7	3.4	2.65	0.00	196 bn	-3.9
Italy	5.5	4.2	3.3	2.9	2.65	0.00	1.29 tn	-3.9
Netherlands	3.7	3.4	3.3	3.1	2.65	0.00	505 bn	10.8
Norway	3.6	3.4	3.3	3.0	4.50	0.00	2.15 tn	-4.2
Poland	3.4	4.0	3.3	3.0	3.75	0.10	342 bn	4.9
Romania	6.9	6.6	6.2	8.2	6.50	1.50	98.3 bn	-0.5
Spain	4.9	4.9	4.3	3.6	2.65	0.00	1.02 tn	-0.4
Sweden	0.9	1.1	0.3	0.2	2.00	0.00	101 bn	2.6
Switzerland	1.5	1.0	0.8	0.4	0.00	-0.75	1.13 tn	-1.0
United Kingdom	3.6	3.4	3.1	2.8	4.00	0.10	1.17 tn	0.0
United States	4.1	3.7	3.4	3.3	4.00	0.25	6.71 tn	0.7

Source: Knight Frank, Macrobond



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Traditional commercial real estate investors are widening their universe to real assets, with infrastructure, and particularly energy, moving centre stage.

View report



Data Centre Atlas

Navigating the data centre landscape across key markets in North America, Europe, the Middle East, Africa, and Asia Pacific.

View report

Recent research



Q-Trend Office Market Berlin – Q3 2026

Q-Trend Berlin, the quarterly short report, looks at developments and trends on the Berlin office market.



CEE Investment Market

Overview of the commercial property investment market in CEE, review and outlook.

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



Nik Potter
Associate
Capital Markets Insight
+44 20 7861 5146
nik.potter@knightfrank.com



Khadija Hussain
Senior Analyst
Capital Markets Insight
+44 20 8176 9671
khadija.hussain@knightfrank.com

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