

European Leading Indicators

Key economic and financial metrics, updated monthly

30th September 2026

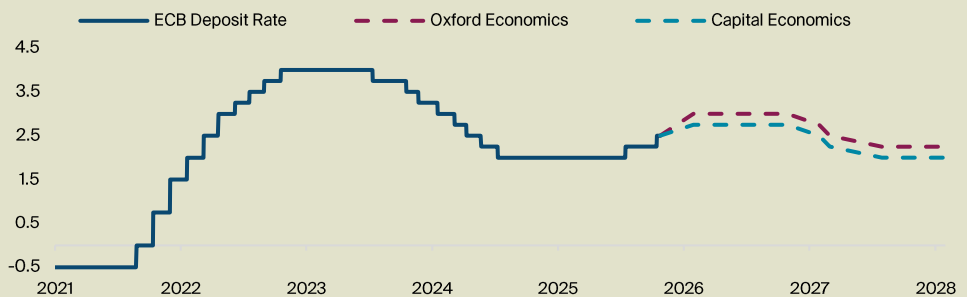
Rising headwinds have yet to knock Europe's underlying momentum

2.50%

The ECB raised its deposit rate by +25bps to 2.50% in September, responding to renewed inflationary pressure from higher energy prices linked to Middle East tensions. With the Federal Reserve also raising rates this month, the move points to a broader global shift towards tighter monetary policy. Economists now expect the ECB to deliver a further one to two hikes, although limited second-round inflation effects could create scope for rates to fall back towards 2% by late 2027 or early 2028.

ECB raises rates as energy pressures return, but limited second-round effects leaves scope for cuts in 2027

ECB deposit rate forecasts (%)



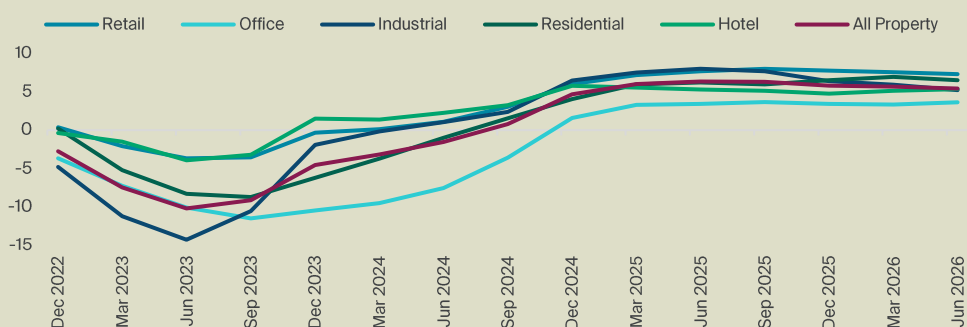
Source: Oxford Economics, Capital Economics, Macrobond, Knight Frank Insight

5.40%

Despite a more uncertain backdrop, European commercial real estate performance remains stable. The latest MSCI Europe Quarterly Index shows returns continue to be supported by underlying income rather than capital appreciation. As of Q2 2026, annualised All Property total returns stood at 5.4%, driven by income return of 4.7% and capital growth of just 0.7%. Retail remained the strongest-performing sector, delivering annualised total returns of 7.3%, followed by Residential (6.5%) and Hotels (5.3%).

European CRE returns remain steady despite uncertainty, with income continuing to do the heavy lifting

MSCI Europe quarterly index, annualised total returns (%)



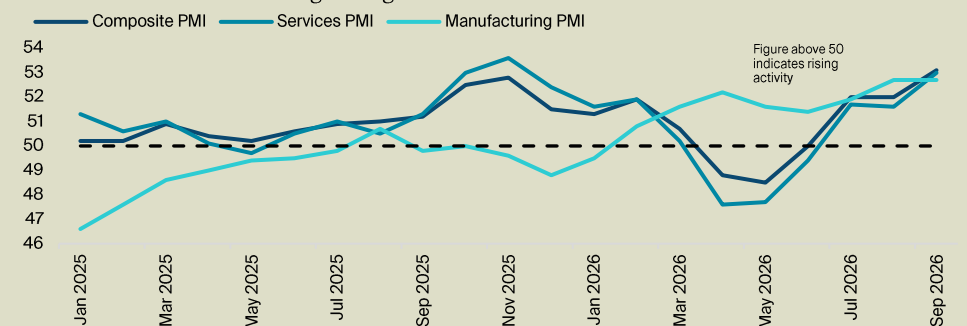
Source: MSCI, Knight Frank Insight

53.1

September's PMI data points to stronger-than-expected momentum across the Eurozone, with the Composite PMI rising to 53.1, its highest level in more than 3 years. Manufacturing activity remained steady at 52.7, while the Services PMI strengthened to 53.0 (from 51.6). Together, these indicators suggest that activity continued to expand despite higher energy prices. If this momentum is sustained, current PMI levels would be consistent with Q3 GDP growth of around +0.3% QoQ.

Eurozone activity holds up against the energy shock, with PMIs signalling positive Q3 growth

S&P Global Eurozone Purchasing Managers' Indices



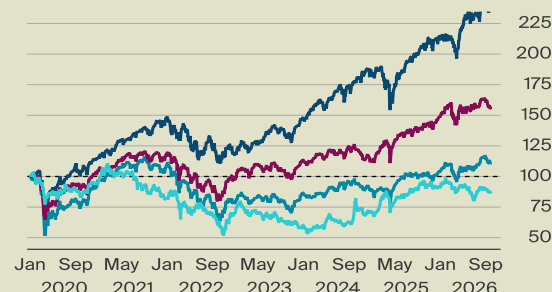
Source: S&P Global, Macrobond, Knight Frank Insight

Equities

Equity markets

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

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



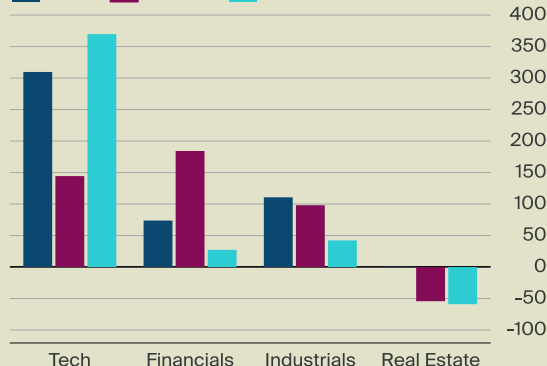
Source: Knight Frank, Macrobond

Index	Last	Percentage change since			
		1 day	1 week	1 month	Jan '20
PX50	127	-0.1	-3.1	-5.9	159.1
OMXC25	279	-0.1	-2.6	-6.5	48.6
DAX 40	10,521	0.3	-0.6	-6.1	59.0
FTSE 250	32,241	1.0	-0.3	-4.7	11.2
MIB	58,798	0.3	-0.5	-3.4	123.3
Hang Seng	3,126	0.0	-2.1	-4.1	-13.6
IBEX 35	22,265	0.0	-0.4	-3.8	107.8
S&P 500	7,684	-0.3	0.4	-0.6	137.8
STOXX 600	726	0.3	-0.4	-4.4	55.5
TOPIX	26	-2.3	-1.4	-0.7	62.5

Equity regional sectors

Price return index percentage change since Jan 2020

■ US ■ Europe ■ Emerging Markets



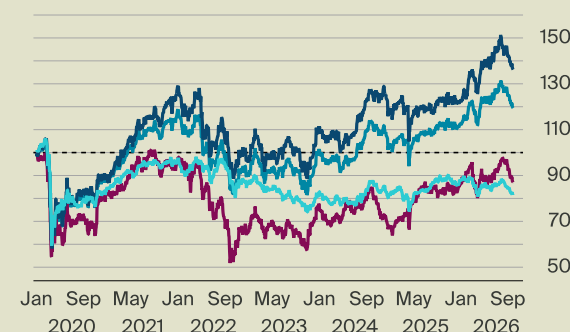
Source: Knight Frank, Macrobond

	Percentage change since Jan 2020		
	US	Europe	World
Tech	309.7%	144.4%	369.8%
Financials	73.8%	184.2%	27.3%
Industrials	110.7%	98.1%	42.2%
Real Estate	0.4%	-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

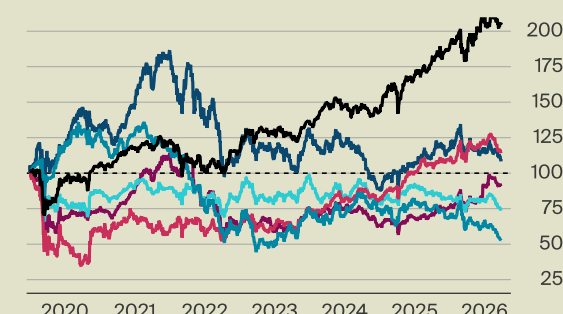
Index, total return	Last	Percentage change since			
		1 day	1 week	1 month	Jan '20
Original value and base					
US	3,255	-0.5	-0.9	-5.8	36.2
Europe	2,481	-0.2	-1.7	-8.5	-13.0
World	3,836	-0.3	-0.9	-5.9	19.4
Asia Pacific	3,222	0.1	0.1	-3.4	-17.9

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

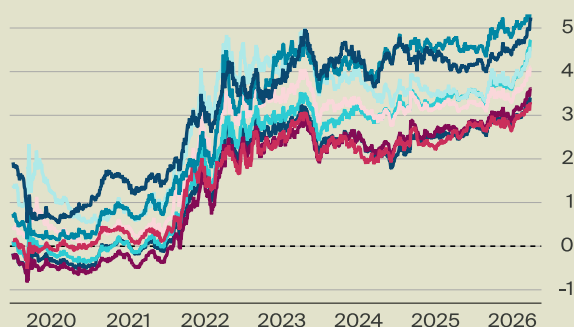
Index, total return	Last	Percentage change since			
		1 day	1 week	1 month	Jan '20
Original value and base					
Eurotop REITs	2,367	-0.7	-0.5	-4.7	-10.4
Office	1,511	-0.6	-2.5	-8.5	-27.2
Industrial	5,034	-0.6	-2.5	-6.4	7.0
Retail	1,978	-0.4	-1.2	-5.9	12.7
Residential	975	0.2	-2.8	-13.1	-48.0
FTSE Euro 100	5,127	0.5	1.0	-1.8	102.4

Bonds & Rates

Government bond yields

10 year government bond yields, %

Denmark France Germany Italy Spain Sweden UK
US

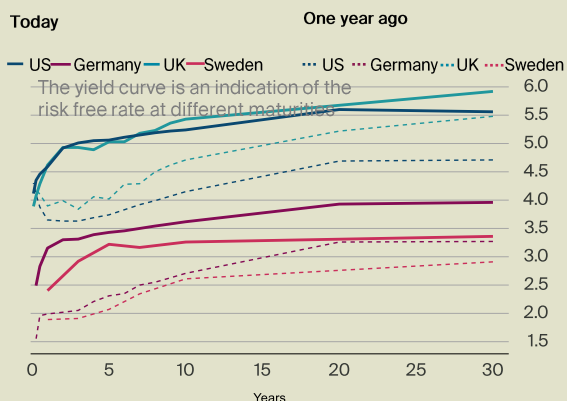


Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20
Denmark	3.42	3.42	3.25	3.09	-0.17
France	4.73	4.72	4.46	4.12	0.11
Germany	3.62	3.63	3.45	3.27	-0.21
Italy	4.55	4.55	4.33	4.09	1.40
Spain	4.11	4.11	3.90	3.72	0.45
Sweden	3.26	3.27	3.12	3.06	0.14
United Kingdom	5.43	5.39	5.20	5.14	0.74
United States	5.24	5.17	4.96	4.73	1.92

Government bond yield curves

Latest nominal yield curves vs one year ago, %

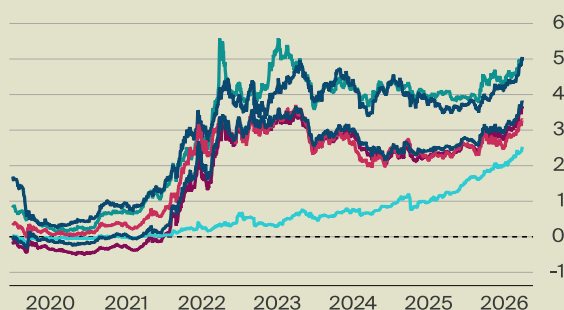


Source: Knight Frank, Macrobond

Interest rate swaps

5 year swap rates, %

Eurozone UK US Japan Sweden
Denmark

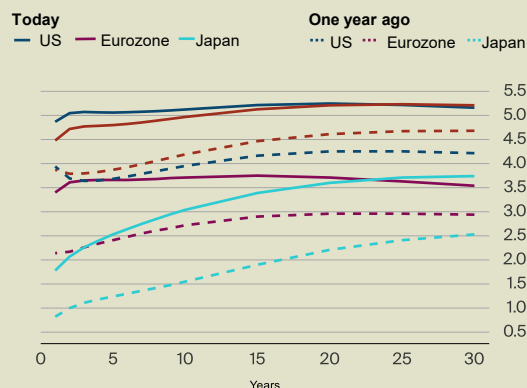


Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20
Eurozone	3.66	3.62	3.46	3.17	-0.13
Denmark	3.80	3.82	3.63	3.31	0.01
Japan	2.53	2.50	2.40	2.31	0.03
Sweden	3.29	3.30	3.14	2.93	0.39
United Kingdom	5.02	4.95	4.85	4.64	0.88
United States	5.06	4.97	4.83	4.48	1.70

Swap curves

Latest swap curves vs one year ago, %

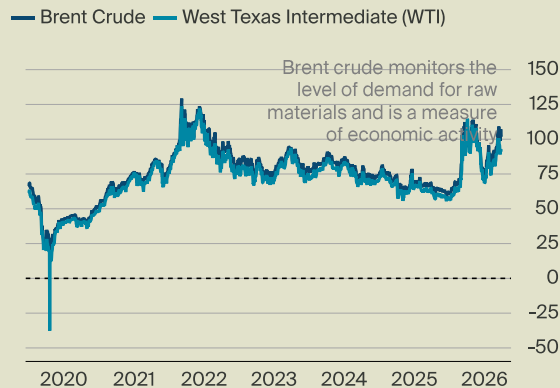


Source: Knight Frank, Macrobond

Commodities & Volatility

Energy

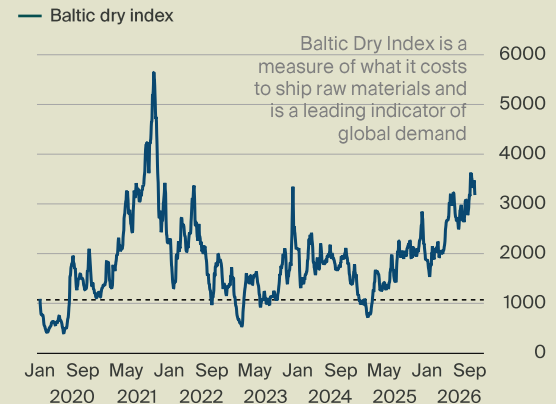
Oil spot prices, \$ per barrel



	Last	1 day	1 week	1 month	Jan '20
Brent, \$ per barrel	101.7	101.7	98.9	87.8	66.0
WTI, \$ per barrel	91.8	91.8	89.1	84	61.1

Baltic dry index

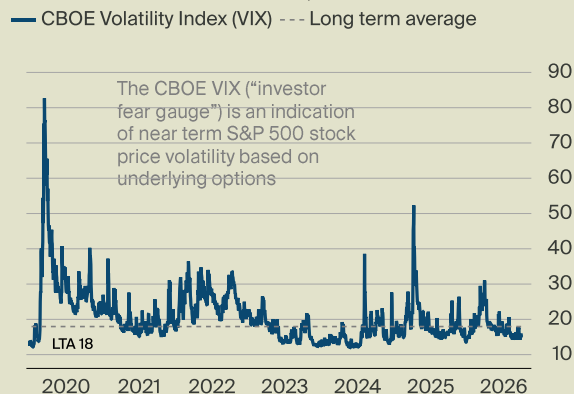
Baltic Exchange, Shipping Dry index (BDI), US\$



	Last	1 day	1 week	1 month	Jan '20
Baltic Dry	3178	-7.24	-7.4	-0.251	192

Volatility index

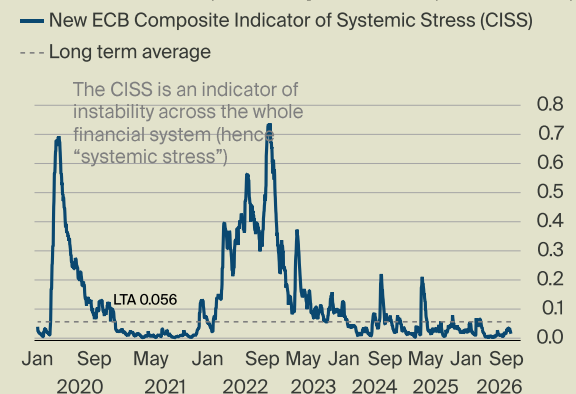
Near term stock price volatility indicator



	Last	1 day	1 week	1 month	Jan '20
CBOE VIX	16.1	16.1	14.2	14.4	13.8
Euro Stoxx 50 VIX	17.9	17.9	16.7	15.5	14.0
Nikkei VIX	27.7	27.5	24.2	23.3	14.8
KOSPI VIX	43.9	44.7	42.4	50.1	14.7

Systemic stress

Measures FX, money, sovereign and bond yield volatility



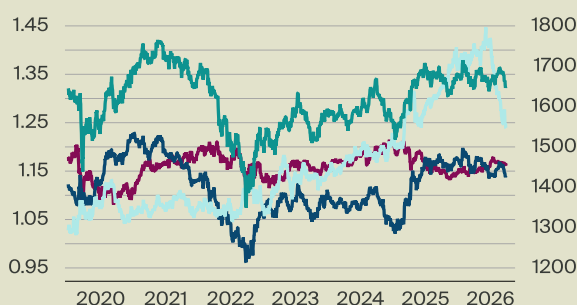
	Last	1 week	1 month	Jan '20
Systemic stress composite	0.094	0.117	0.073	0.023
Equity markets stress sub index	0.078	0.095	0.064	0.009
Bond markets stress sub index	0.032	0.033	0.014	0.02
FX markets stress sub index	0.024	0.039	0.021	0.004

Currencies & Monetary Policy

Currencies

Spot prices

EUR per GBP, lhs USD per EUR, lhs
KRW per EUR, rhs USD per GBP, lhs



Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20
USD per EUR	1.136	1.14	1.147	1.161	1.121
USD per GBP	1.325	1.325	1.337	1.357	1.321
GBP per EUR	0.8574	0.861	0.8579	0.8559	0.8456
SEK per EUR	11.32	11.31	11.28	11.12	10.5
KRW per EUR	1546	1547	1576	1600	1293

Inflation and monetary policy

	Inflation rates (%)				Interest rates (%)		Asset purchasing	
	Sep	Aug	Jul	Jun	Last	Jan '21	Latest (\$)	1m change (%)
Belgium	4.7	4.0	3.6	3.4	2.65	0.00	405 bn	1.5
Czech Republic	n/a	1.9	1.7	1.5	3.75	0.25	184 bn	0.8
Denmark	n/a	2.0	1.7	1.9	2.25	0.05	113 bn	0.1
Eurozone	n/a	3.2	2.9	2.8	2.65	0.00	7.3 tn	1.3
Finland	n/a	2.2	2.1	2.1	2.65	0.00	139 bn	-9.2
France	n/a	2.4	2.1	1.8	2.65	0.00	1.85 tn	-0.6
Germany	n/a	2.9	2.7	2.3	2.65	0.00	2.66 tn	-0.6
Ireland	n/a	3.7	3.4	3.4	2.65	0.00	196 bn	-3.9
Italy	n/a	3.3	2.9	3.0	2.65	0.00	1.29 tn	-3.9
Netherlands	n/a	3.3	3.1	2.9	2.65	0.00	505 bn	10.8
Norway	n/a	3.3	3.0	2.7	4.50	0.00	2.15 tn	-4.2
Poland	n/a	3.3	3.0	2.4	3.75	0.10	342 bn	4.9
Romania	n/a	6.2	8.2	10.4	6.50	1.50	98.3 bn	-0.5
Spain	4.9	4.3	3.6	3.2	2.65	0.00	1.02 tn	-0.4
Sweden	n/a	0.3	0.2	0.7	1.75	0.00	101 bn	2.6
Switzerland	n/a	0.8	0.4	0.5	0.00	-0.75	1.13 tn	-1.0
United Kingdom	n/a	3.1	2.8	2.6	3.75	0.10	1.17 tn	0.0
United States	n/a	3.4	3.3	3.5	4.00	0.25	6.71 tn	0.7

Source: Knight Frank, Macrobond



From Real Estate to Real Assets: Infrastructure in the spotlight

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

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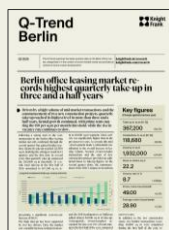


Data Centre Atlas

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

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Q-Trend Office Market Berlin - Q2 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



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