

European Leading Indicators



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Key economic and financial metrics, updated monthly

16th September 2024

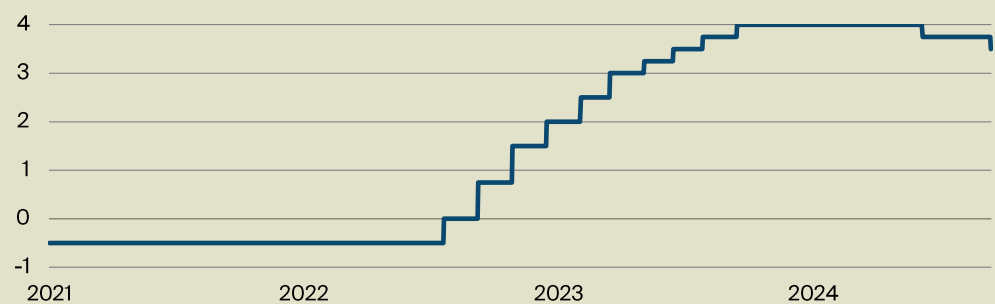
ECB continues to cut interest rates

-25bps

The ECB lowered the deposit facility rate by 25bps at its September meeting, in response to Eurozone inflation easing to 2.2% in August. This follows a similar rate cut by the Riksbank last month and may help unlock investment activity. Forecasters expect one more ECB cut in 2024.

The ECB continues its easing cycle

ECB deposit facility rate (%)



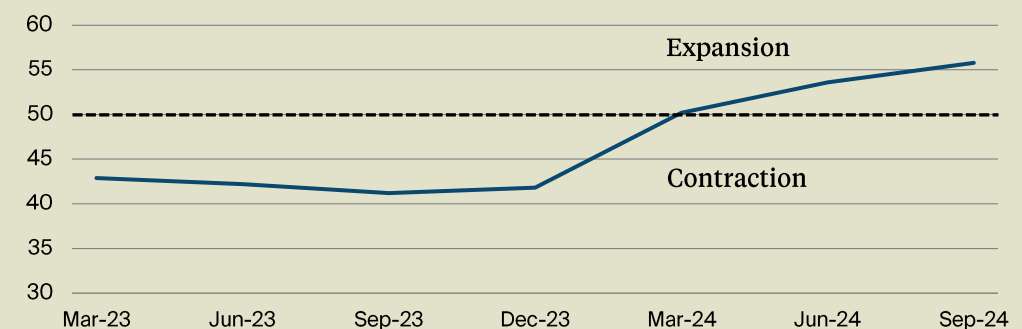
Source: Macrobond, Knight Frank Research

55.8

The Inrev Consensus Indicator for September rose to 55.8, up from 53.6 in June, marking the third consecutive quarter of improvement. This steady rise points to an ongoing recovery in the non-listed European real estate markets.

The Inrev Consensus Indicator continues to rise in September

Inrev Consensus Indicator for non-listed European real estate markets



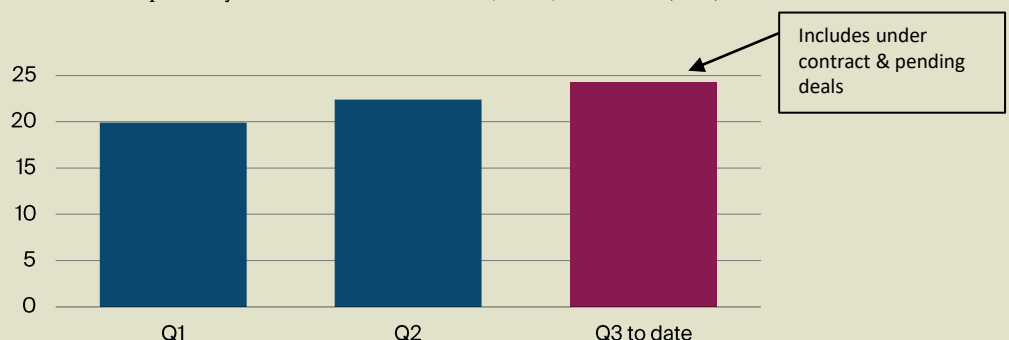
Source: Inrev Consensus Indicator Survey, 2024, Knight Frank Research

€24.2bn

Q3 2024 Eurozone investment could surpass the Q2 level, with volumes to date, including pending deals, reaching €24.2 billion, up from €22.4 billion in Q2. Although overall volumes remain relatively modest, this could signal the start of a turning point.

Q3 could see a further quarterly improvement in investment activity

Eurozone total quarterly CRE investment volumes, 2024, all sectors (€bn)

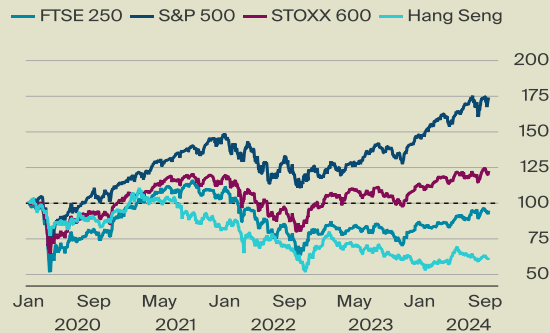


Source: MSCI Real Capital Analytics, Knight Frank Research

Equities

Equity markets

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

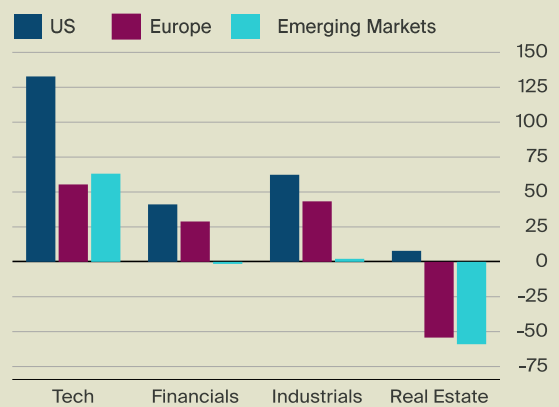


Source: Knight Frank, Macrobond

Index	Last	Percentage change since			
		1 day	1 week	1 month	Jan '20
PX50	70	1.4	-1.4	3.0	41.8
OMXC25	303	4.1	3.9	7.3	61.2
DAX 40	7,966	2.7	0.7	7.0	20.4
FTSE 250	27,472	2.8	0.5	3.9	-5.2
MIB	37,224	1.9	-0.3	6.6	41.4
Hang Seng	2,227	1.5	-0.5	1.4	-38.4
IBEX 35	12,797	3.0	2.4	9.9	19.4
S&P 500	5,626	1.3	2.2	5.3	74.1
STOXX 600	572	2.3	0.8	4.9	22.6
TOPIX	18	2.2	0.4	8.0	15.8

Equity regional sectors

Price return index percentage change since Jan 2020

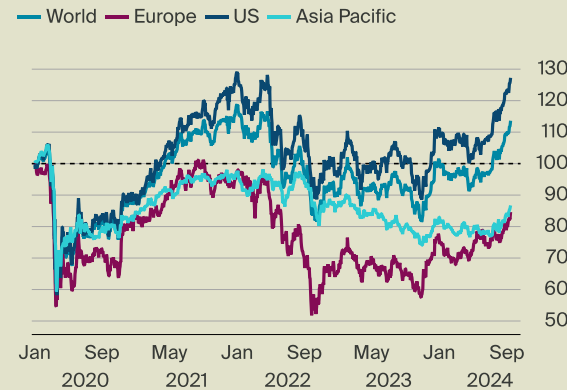


Source: Knight Frank, Macrobond

	Percentage change since Jan 2020		
	US	Europe	World
Tech	132.7%	55.4%	63.1%
Financials	41.1%	28.9%	-1.5%
Industrials	62.3%	43.3%	2.1%
Real Estate	7.9%	-54.2%	-59.0%

REITs by region

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

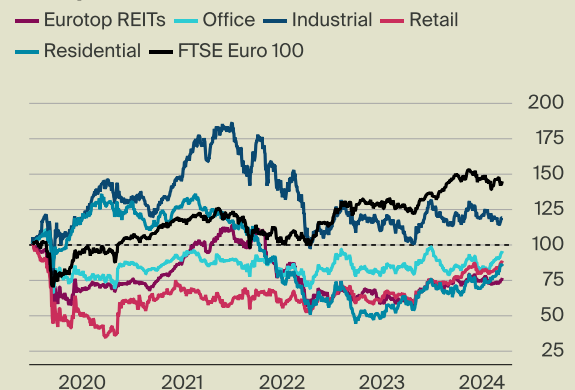


Source: Knight Frank, Macrobond

Index, total return	Last	Percentage change since				
		Original value and base	1 day	1 week	1 month	Jan '20
US	3,042		1.4	3.6	9.0	27.3
Europe	2,412		2.9	3.6	11.1	-15.4
World	3,650		1.7	3.6	9.4	13.6
Asia Pacific	3,404		1.4	3.2	8.3	-13.3

Euro Area REITs by sector

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



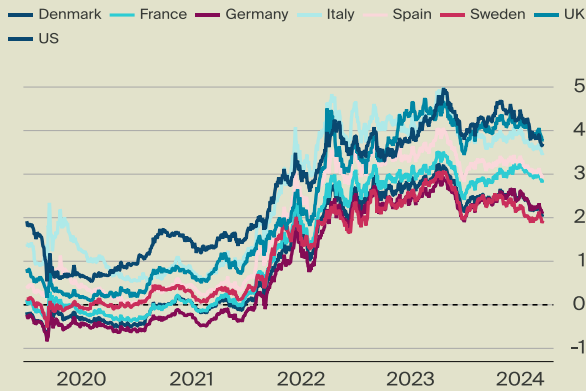
Source: Knight Frank, Macrobond

Index, total return	Last	Percentage change since				
		Original value and base	1 day	1 week	1 month	Jan '20
Eurotop REITs	2,036		2.5	3.8	7.9	-22.9
Office	1,996		1.5	4.4	10.7	-3.8
Industrial	5,629		0.2	2.9	2.2	19.7
Retail	1,569		1.7	3.1	10.9	-10.6
Residential	1,629		1.1	2.0	14.0	-13.0
FTSE Euro 100	3,689		1.7	0.7	4.0	45.7

Bonds & Rates

Government bond yields

10 year government bond yields, %

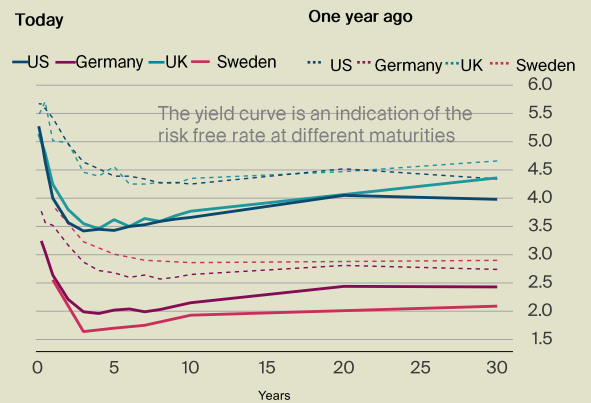


Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20
Denmark	2.08	2.08	2.12	2.16	-0.17
France	2.84	2.85	2.87	2.91	0.11
Germany	2.15	2.15	2.17	2.18	-0.23
Italy	3.44	3.47	3.54	3.56	1.40
Spain	2.94	2.96	2.99	3.02	0.45
Sweden	1.93	1.90	2.00	1.89	0.14
United Kingdom	3.77	3.78	3.89	3.89	0.82
United States	3.66	3.68	3.72	3.85	1.92

Government bond yield curves

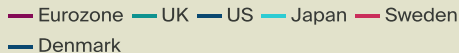
Latest nominal yield curves vs one year ago, %



Source: Knight Frank, Macrobond

Interest rate swaps

5 year swap rates, %

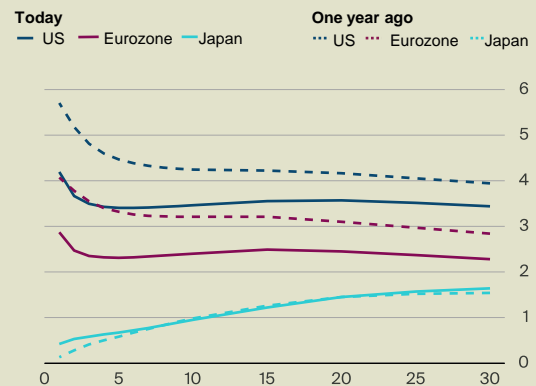


Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20
Eurozone	2.31	2.32	2.35	2.43	-0.13
Denmark	2.46	2.45	2.54	2.59	0.01
Japan	0.67	0.67	0.65	0.60	0.03
Sweden	2.04	2.00	2.06	2.12	0.39
United Kingdom	3.68	3.70	3.84	3.88	0.88
United States	3.41	3.43	3.45	3.67	1.70

Swap curves

Latest swap curves vs one year ago, %



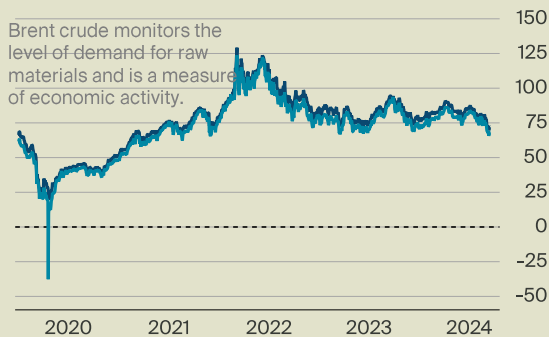
Source: Knight Frank, Macrobond

Commodities & Volatility

Energy

Oil spot prices, \$ per barrel

— Brent Crude — West Texas Intermediate (WTI)



Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20
Brent, \$ per barrel	72.1	72.2	71.5	80.9	66.0
WTI, \$ per barrel	68.3	68.6	67.6	78.9	61.1

Baltic dry index

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

— Baltic dry index



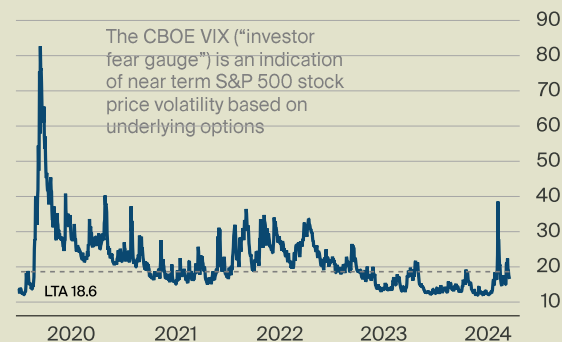
Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20
Baltic Dry	1890	-3.72	-2.63	13.2	73.4

Volatility index

Near term stock price volatility indicator

— CBOE Volatility Index (VIX) --- Long term average



Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20
CBOE VIX	16.6	17.1	22.4	18.1	13.8
Euro Stoxx 50 VIX	16.1	17.5	22.6	18.3	14.0
Nikkei VIX	28.8	26.7	29.1	35.2	14.8
KOSPI VIX	21.7	21.7	26.8	23.6	14.7

Systemic stress

Measures FX, money, sovereign and bond yield volatility

— New ECB Composite Indicator of Systemic Stress (CISS)

--- Long term average



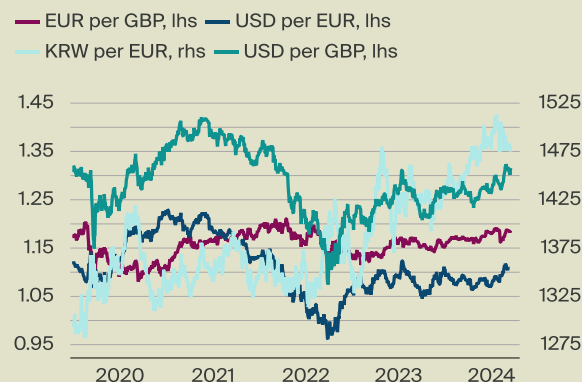
Source: Knight Frank, Macrobond

	Last	1 week	1 month	Jan '20
Systemic stress composite	0.056	0.058	0.048	0.023
Equity markets stress sub index	0.057	0.071	0.064	0.009
Bond markets stress sub index	0.036	0.040	0.039	0.02
FX markets stress sub index	0.013	0.027	0.020	0.004

Currencies & Monetary Policy

Currencies

Spot prices

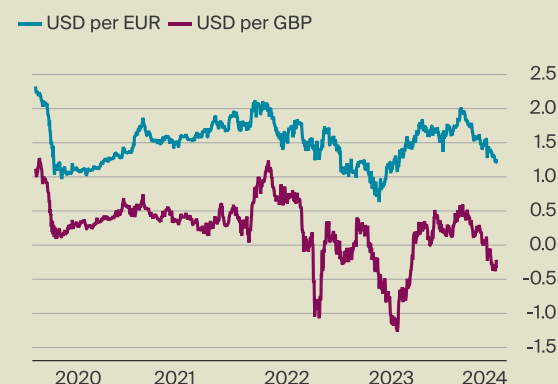


Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20
USD per EUR	1.109	1.104	1.111	1.096	1.121
USD per GBP	1.316	1.308	1.316	1.282	1.321
GBP per EUR	0.8434	0.8437	0.8441	0.8543	0.8456
SEK per EUR	11.31	11.39	11.4	11.51	10.5
KRW per EUR	1475	1480	1480	1499	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	1.21	1.21	1.22	1.38	2.32
USD to GBP	-0.25	-0.24	-0.38	-0.12	1.12

Inflation and monetary policy

	Inflation rates (%)				Interest rates (%)		Asset purchasing	
	Aug	July	June	May	Last	Jan '21	Latest (\$)	1m change (%)
Belgium	2.9	3.6	3.7	3.4	3.65	0.00	367 bn	-5.3
Czech Republic	2.2	2.2	2.0	2.6	4.50	0.25	151 bn	2.4
Denmark	1.4	1.1	1.8	2.2	3.25	0.05	101 bn	-0.1
Eurozone	2.2	2.6	2.5	2.6	3.65	0.00	716 tn	-0.1
Finland	1.2	1.0	1.3	1.5	3.65	0.00	133 bn	-21.0
France	1.8	2.3	2.2	2.3	3.65	0.00	1.63 tn	0.2
Germany	1.8	2.3	2.2	2.4	3.65	0.00	2.66 tn	-0.6
Ireland	1.7	2.2	2.3	2.8	3.65	0.00	193 bn	-1.7
Italy	1.1	1.3	0.8	0.8	3.65	0.00	1.28 tn	-0.3
Netherlands	3.6	3.7	3.2	2.7	3.65	0.00	446 bn	2.9
Norway	2.6	2.8	2.6	3.0	4.50	0.00	1.85 tn	-0.7
Poland	4.5	4.4	2.7	2.6	5.75	0.10	247 bn	-2.4
Romania	5.1	5.4	4.9	5.1	6.50	1.50	80.6 bn	-1.4
Spain	2.3	2.8	3.4	3.6	3.65	0.00	997 bn	-0.8
Sweden	1.9	2.6	2.6	3.7	3.50	0.00	121 bn	0.5
Switzerland	1.1	1.3	1.3	1.4	1.25	-0.75	920 bn	-1.2
United Kingdom	n/a	2.2	2.0	2.0	5.00	0.10	1.24 tn	0.0
United States	2.6	2.9	3.0	3.3	5.50	0.25	712 tn	-0.9

Source: Knight Frank, Macrobond



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