



Equity market update and IPO compass

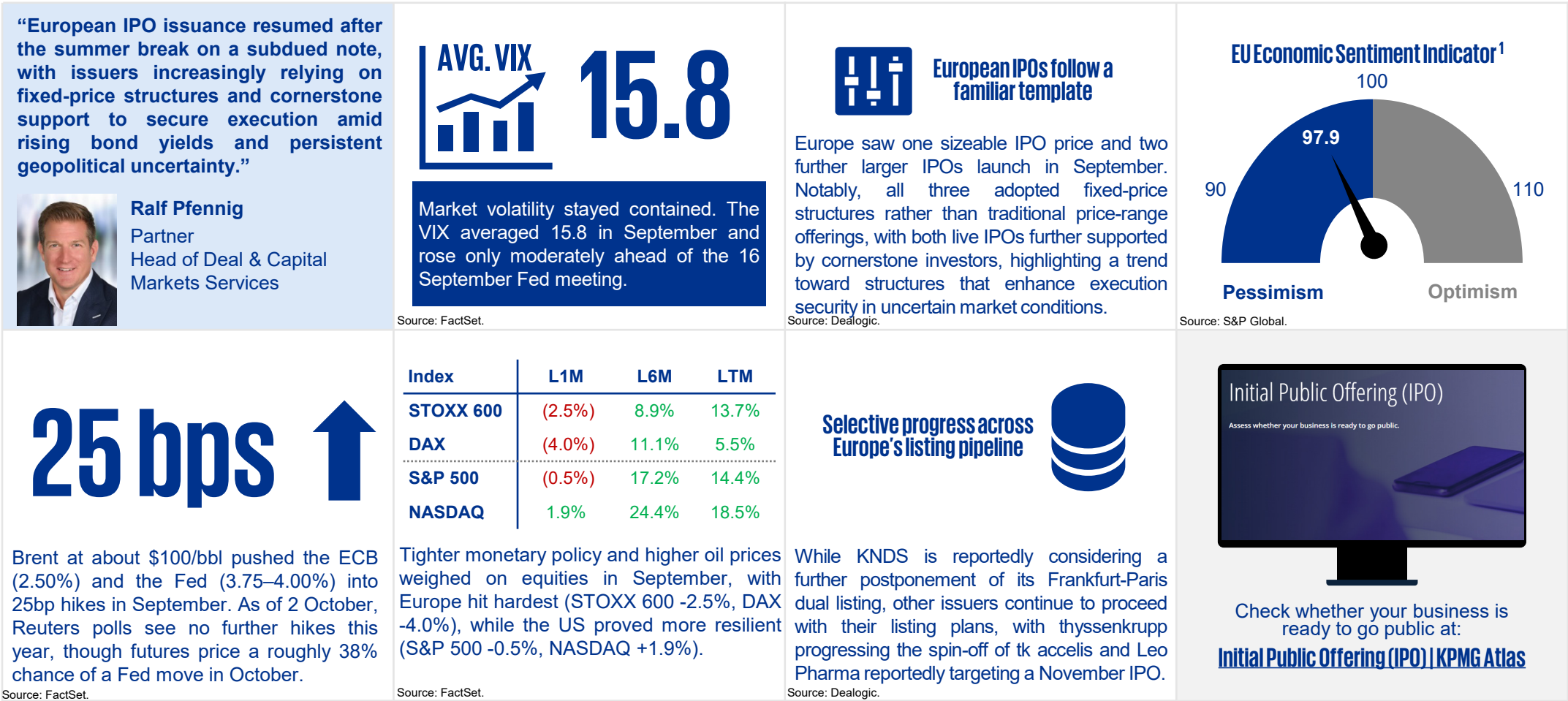
Capital Markets Team

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October 2026



Executive summary



Note 1) See slide 7 for index definitions.

Macro environment and outlook

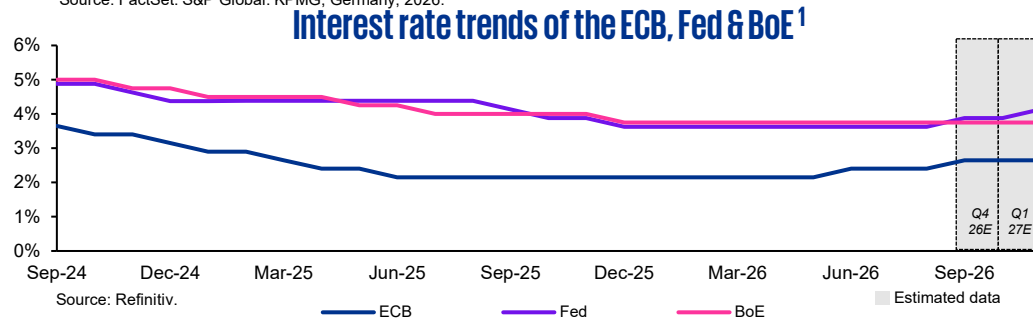
Middle East tensions remained a key source of market uncertainty in September. Renewed disruptions to regional energy infrastructure and shipping routes weighed on supply in the first half of the month and although Middle East exports recovered towards month-end, they remain below pre-crisis levels.

As a result, Brent rose to about \$100/bbl in September, pushing the monetary policy debate firmly towards tightening. The ECB raised rates by 25bps on 10 September, taking the deposit rate to 2.50%, and the Fed followed on 16 September with a unanimous 25bp hike to 3.75–4.00%, its first increase since 2023. As of 2 October, Reuters polls expect no further hikes from either central bank this year, while futures markets implied a roughly 38% chance of another Fed hike in October.

Rising rate expectations put US Treasuries in focus. On 30 September, 10- and 30-year yields hit 5.30% and 5.65%, their highest since 2002, as persistent inflation and government borrowing concerns pushed investors to demand higher returns.

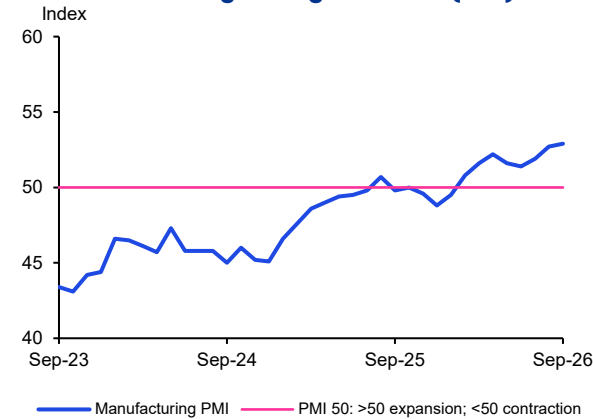
The Eurozone economy remained resilient despite higher oil prices, with manufacturing production and new orders growing at their fastest pace since early 2022 in Q3 according to S&P Global.

Source: FactSet. S&P Global. KPMG, Germany, 2026.



Notes: 1) ECB: refinancing rate, Fed: funds rate, BoE: bank rate; 2) See slide 7 for index definitions; 3) GDP growth: annual percentage growth rate of gross domestic products (GDP) at market prices based on constant local currency; 4) The CPI inflation measures the year-over-year change in prices paid by consumers and is calculated as a weighted average of prices for a basket of goods and services representative of aggregate consumer spending.

S&P Global Eurozone Manufacturing Purchasing Managers' Index (PMI)²

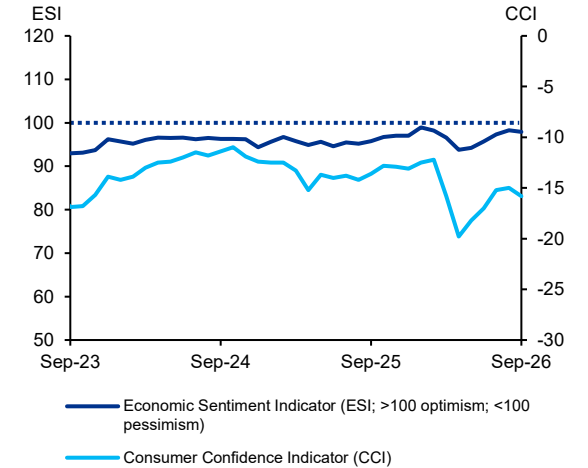


Real GDP growth in percent³

%	2025	2026E	2027E
United States	2.3	2.2	2.0
Germany	0.3	1.0	1.2
United Kingdom	1.2	1.1	1.1
Eurozone	1.3	0.9	1.2
China	5.0	4.6	4.3
Japan	1.2	0.8	0.9

Source: FactSet. Closing prices as of 30 September 2026.

EU Economic Sentiment & Consumer Confidence²



CPI inflation in percent⁴

%	2025	2026E	2027E
United States	2.7	3.4	2.4
Germany	2.2	2.7	2.2
United Kingdom	3.4	3.1	2.6
Eurozone	2.1	2.9	2.4
China	0.1	1.0	1.2
Japan	3.2	2.0	2.2

Source: FactSet. Closing prices as of 30 September 2026.

Equity market overview

Equity markets broadly lost some momentum in September, as tighter monetary policy on both sides of the Atlantic and higher oil prices weighed on investor sentiment. While most major indices ended the month lower, the extent of the losses varied considerably across regions and sectors.

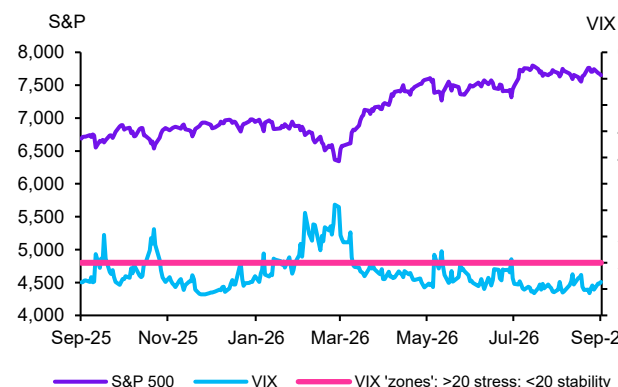
European equities paused after a strong run. The STOXX Europe 600 declined 2.5% over the month, while the DAX and MDAX fell 4.0% and 5.8%, respectively. Higher borrowing costs following the ECB's rate hike and rising energy prices led investors to take profits, particularly in rate-sensitive sectors. Nevertheless, the STOXX 600 remains up 13.7% over the last twelve months, supported by strong gains in Basic Resources (+45%), Oil & Gas (+45%) and Banks (+35%). Looking ahead, the outlook for European equities remains positive, underpinned by solid corporate profitability, a robust European economy and Germany's record 2027 budget, which steps up spending on defence and infrastructure.

In the US, higher government bond yields became the main drag on equity markets. However, performance remained comparatively resilient, with the S&P 500 declining only 0.5% during the month and remaining up 14.4% over the last twelve months. Technology stocks continued to provide support, helping the NASDAQ gain 1.9% in September, led by semiconductor and memory stocks. This outperformance came despite a sharp sell-off in mid-September, after prominent AI industry leaders called for a slower pace in developing the most advanced AI capabilities.

Market volatility stayed contained. The VIX averaged 15.8 in September and rose only moderately ahead of the 16 September Fed meeting, remaining well below the 20 level typically associated with market stress. However, typically expected higher volatility in October, combined with geopolitical tensions and ongoing interest rate uncertainty, could create headwinds going forward.

Source: FactSet. KPMG, Germany, 2026.

S&P & VIX: market trends and volatility LTM



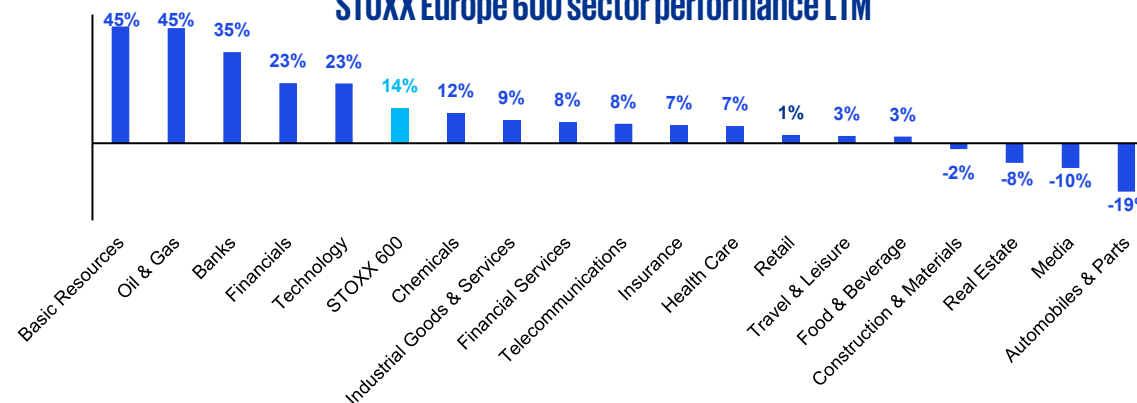
Source: FactSet. Closing prices as of 30 September 2026.

Performance of selected indices

	Value	L1M	L6M	LTM
DAX	25,199	(4.0%)	11.1%	5.5%
MDAX	30,843	(5.8%)	9.6%	1.9%
ATX	6,856	1.3%	28.3%	47.9%
SMI	13,830	(3.2%)	8.2%	14.2%
STOXX 600	635	(2.5%)	8.9%	13.7%
FTSE 100	10,606	(2.0%)	4.2%	13.4%
NASDAQ	26,861	1.9%	24.4%	18.5%
S&P 500	7,652	(0.5%)	17.2%	14.4%

Source: FactSet. Closing prices as of 30 September 2026.

STOXX Europe 600 sector performance LTM



Source: FactSet. Closing prices as of 30 September 2026.

Issuance activity

Amid ongoing geopolitical uncertainty, European equity capital markets showed limited IPO activity in September, with a continued preference for fixed-price structures over traditional price-range offerings, often supported by cornerstone investor demand to enhance execution certainty in volatile market conditions.

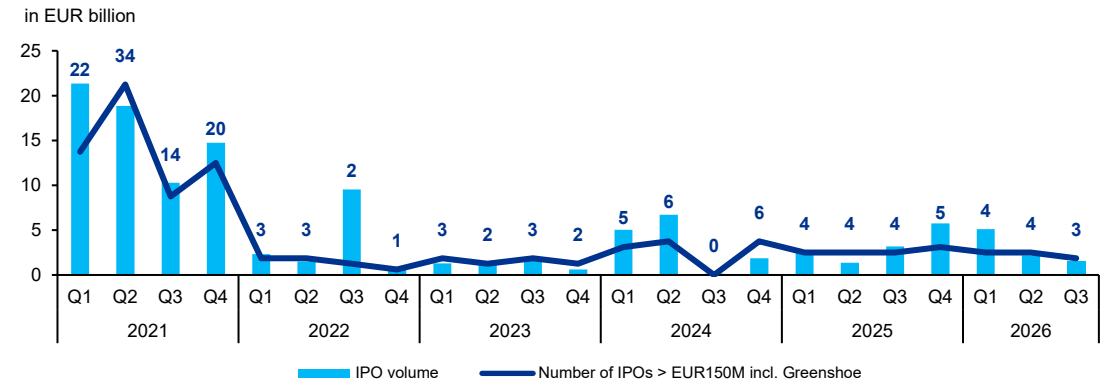
Volare Shipping, a crude oil tanker operator backed by Singapore-based commodities group Trafigura, was the only sizeable IPO to price in Europe during the month. The fixed-price offering raised c. EUR 437m at an implied market capitalisation of c. EUR 1.0bn. Trading is expected to commence in early October on Euronext Growth Oslo, with proceeds earmarked, among other uses, to fund the company's remaining newbuilding capex commitments.

Further, two companies have launched live IPO processes following their intention-to-float announcements in late September. Finnish anti-drone systems provider Sensofusion is targeting a listing on Nasdaq Helsinki with a deal value of c. EUR 275m (excl. overallotment) at an implied market capitalisation of c. EUR 1.6bn. Meanwhile, Airtel Money, the mobile money arm of Airtel Africa, is pursuing a London listing with an expected deal value of c. GBP 529m (excl. overallotment) at an implied market capitalisation of c. GBP 5.3bn. Both transactions are also being marketed as fixed-price offerings, and are supported by cornerstone investor commitments, with bookbuilding and subsequent trading expected to commence in early- to mid-October.

In the US, four sizeable IPOs successfully priced during September. However, some prospective issuers are delaying their listing plans as investors have become increasingly selective amid elevated bond yields, as well as concerns regarding AI spending and valuations. Smart ring company Oura has most recently decided to postpone its IPO on the day originally envisaged for its pricing. Nevertheless, several high-profile issuers, including Anthropic, remain expected to pursue IPOs before year-end.

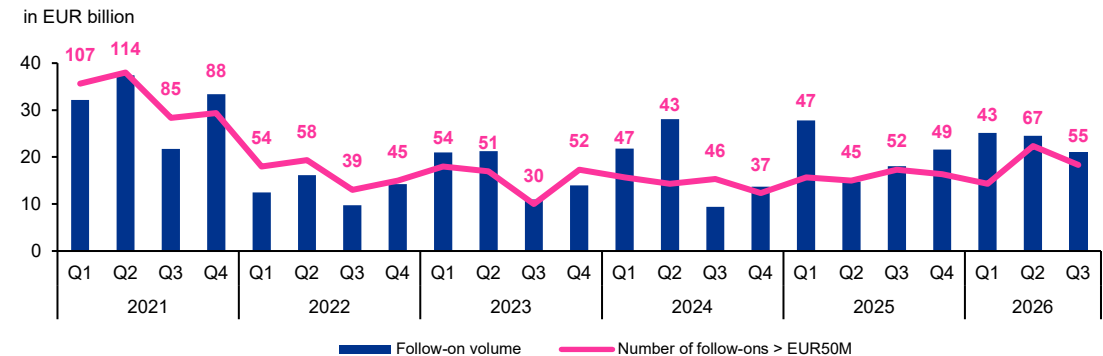
Note: 1) European = Transactions on exchanges in Western Europe, Benelux & Nordics.
Source: Dealogic, KPMG, Germany, 2026.

European¹ IPO emission volume (in EUR billion) and no. of offerings per quarter



Note: 1) European = Transactions on exchanges in Western Europe, Benelux & Nordics.
Source: Dealogic.

European¹ follow-on emission volume (in EUR billion) and no. of offerings per quarter



Note: 1) European = Transactions on exchanges in Western Europe, Benelux & Nordics.
Source: Dealogic.

IPO compass and outlook

Selected European IPO emission activity YTD ¹

Pricing	Issuer	Exchange country	Dealogic Sector	Market Cap. (€m) ²	Deal Value (€m) ³	Aftermarket perform.	
						First day ⁴	Current ⁴
Sep-26	Volare Shipping Ltd	NO	Transportation	1,002	437	-	-
Jul-26	Digi Spain Telecom SA	ES	Tele-communications	1,662	301	(8.0%)	14.3%
Jul-26	Infracore SA	CH	Real Estate/Property	896	258	0.0%	(8.2%)
May-26	Biomar Group AS	DK	Food & Beverage	1,452	380	0.0%	15.9%
May-26	UzNIF JSC	UK/UZ	Government	1,667	591	4.0%	37.6%
May-26	TSK Group	ES	Construction/Building	587	172	5.0%	45.1%
May-26	Silex Microsystems AB	SE	Computers & Electronics	892	184	178.5%	110.3%
Mar-26	Vincorion SE	DE	Defense	850	336	10.0%	4.0%
Feb-26	Capital Tankers Corp	NO	Transportation	1,562	402	(9.7%)	29.6%
Jan-26	ASTA Energy Solutions AG	DE	Metal & Steel	420	190	35.6%	104.7%
Jan-26	CSG BV	NL	Defense	25,000	3,800	31.4%	(41.4%)

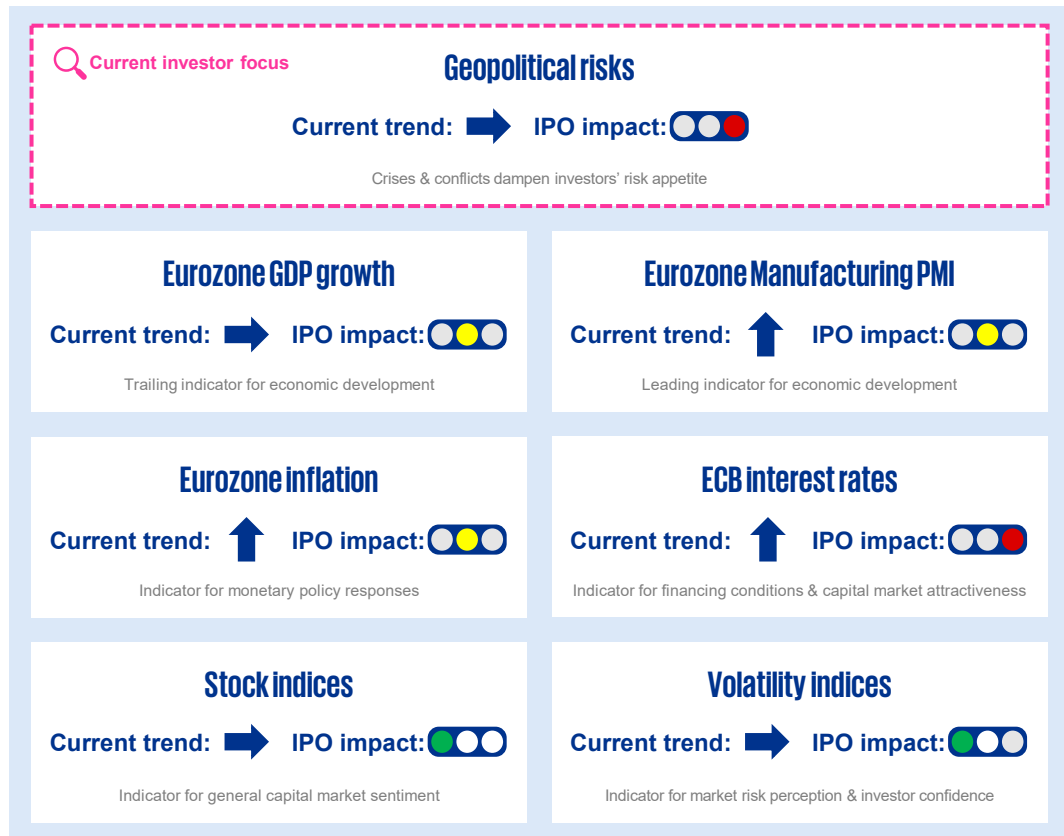
Note: 1) Considering transactions with deal value >€150m excl. Greenshoe, excl. SPACs, 2) At IPO, 3) Excl. Greenshoe, 4) Compared to issue price at IPO as of 30 September 2026. Source: Dealogic.

European IPO outlook

While European equity capital markets have reopened following the summer break, IPO activity has been subdued in September. On the pipeline side, KNDS is reportedly considering a further postponement of its Frankfurt-Paris dual listing amid weak peer trading. At the same time, other issuers continue to proceed with their listing plans. thyssenkrupp is progressing the planned spin-off of tk accelis, which could take place end of October. Leo Pharma is reportedly preparing for a November listing and could become Denmark's largest listing in around a decade. Separately, London-based AI infrastructure provider Nscale is reportedly pursuing a US IPO in 2026.

Source: Dealogic, KPMG, Germany, 2026

Factors influencing IPO market activity



Note: ⬆ ➡ ⬇ : Increase/ flat/ decrease in indicating factor; ●●● : positive/ neutral/ negative impact on IPO activity.
 Source: Dealogic, S&P Global, FactSet, Refinitiv, KPMG, Germany, 2026.

Appendix - definitions

Definitions and methodologies of referenced survey data indices

S&P Global Eurozone Manufacturing Purchasing Managers' Index (PMI)

The S&P Global Eurozone Manufacturing PMI is compiled by S&P Global from responses to questionnaires sent to survey panels of manufacturers in Germany, France, Italy, Spain, the Netherlands, Austria, Ireland and Greece, totalling around 3,000 private sector companies. The panels are each stratified by detailed sector and company workforce size, based on contributions to each country's GDP. The index is the sum of the percentage of 'higher' responses and half the percentage of 'unchanged' responses. The indices vary between 0 and 100, with a reading above 50 indicating an overall increase compared to the previous month, and below 50 an overall decrease.

Economic Sentiment Indicator (ESI)

The ESI reflects overall economic confidence, particularly in the European Union, based on surveys of various sectors such as industry, services and consumers. Expressed as an index with a long-term mean of 100, an ESI above 100 indicates optimism and stronger confidence, while a value below 100 suggests pessimism and weaker confidence. The ESI helps gauge economic trends and outlooks.

Consumer Confidence Index (CCI)

The CCI is the arithmetic average of the balances (in percentage points) of the answers to the questions on the past and expected financial situation of households, the expected general economic situation and the intentions to make major purchases over the next 12 months. It is used as an economic indicator to gauge consumer spending behaviour. Values above zero percent (percentage points) indicate positive views of the economy, whereas values below zero percent (percentage points) indicate negative views, and a value of zero reflects an equal balance of positive and negative views.

Source: European Commission, S&P Global, MSCI.

Capital Markets team

Author



Ralf Pfennig

Partner
Head of Deal &
Capital Markets Services

T +49 221 2073 5801
M +49 173 576 4695
ralfpfennig@kpmg.com



Till Karrer

Partner
Head of Funding Advisory

T +49 69 9587 4607
M +49 160 97891143
tkarrer@kpmg.com



Susanne Gatzweiler

Senior Manager
Deals & Performance

T +49 221 2073 1159
M +49 151 567 49271
sgatzweiler@kpmg.com

Co-authors



Florian Lohse

Deals & Performance



Amin Qazi

Deals & Performance



Philip Evermann

Deals & Performance



Legal notice:

Author:

Ralf Pfennig

Partner, Head of Deal & Capital Markets Services

T +49 221 2073 5801

ralfpfennig@kpmg.com

Publisher:

KPMG AG Wirtschaftsprüfungsgesellschaft

50679 Cologne

Germany



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kpmg.de

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