KPMG

Equity market update and IPO compass



Capital Markets Team

—

August 2026

Executive summary

"European issuers remained active in July, with two sizeable IPOs pricing and a broader mix of names positioning for the months ahead beyond the summer break – though, against an already uncertain backdrop, the right timing and structuring will be critical to execution."



Ralf Pfennig
Partner
Head of Deal & Capital Markets Services

AVG. VIX 17.1

The VIX averaged 17.1 in July and drifted back to 16.0 by month end, even as renewed US-Iran tensions briefly pushed volatility above the 20 threshold.

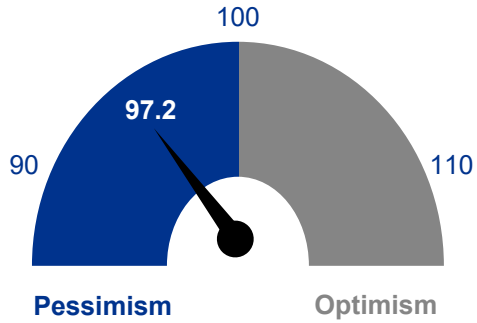
Source: FactSet.

European IPOs follow a familiar template

Europe saw two sizeable debuts price in July with Digi Spain and Switzerland's Infracore. Both came as fixed-price offerings, rather than entering the bookbuilding process with a price range, and each anchored by cornerstone demand – a structure seeming increasingly common in recent European IPOs.

Source: Dealogic.

EU Economic Sentiment Indicator[1]



Source: S&P Global.

Both the ECB and Fed held rates steady in July, but renewed Middle East tensions and volatile energy prices kept the macro outlook uncertain, leaving further tightening firmly in play.

Source: FactSet.

Index	L1M	L6M	LTM
STOXX 600	1.4%	6.7%	18.9%
DAX	2.5%	4.4%	6.5%
S&P 500	(0.1%)	7.9%	18.1%
NASDAQ	(3.2%)	8.1%	20.1%

Equity markets largely looked through the renewed US-Iran conflict in July, though performance diverged by region – European indices held near record highs, while US markets broadly drifted lower, as the focus of the AI trade shifted from demand to returns.

Source: FactSet.

Europe's IPO pipeline broadened across sectors and countries

While KNDS eyes a September relaunch of its recently shelved listing, Europe's IPO pipeline has broadened, encompassing prospective issuers from across the continent and a variety of sectors.

Source: Dealogic.



Check whether your business is ready to go public at:
Initial Public Offering (IPO) | KPMG Atlas

Note 1) See slide 7 for index definitions.

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Macro environment and outlook

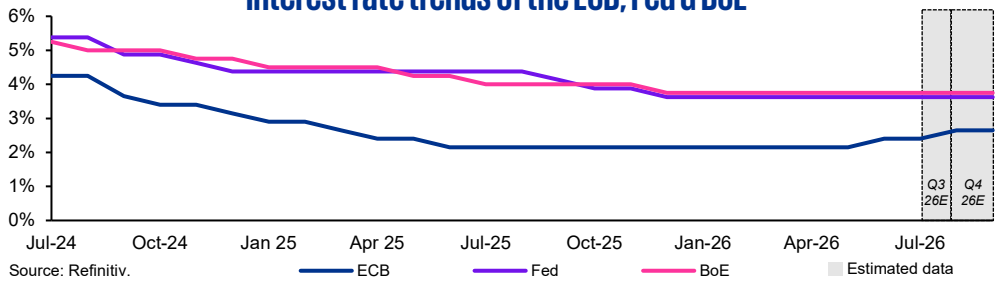
The Middle East conflict escalated once again in July and remained the dominant source of uncertainty for markets, as repeated swings between signs of de-escalation and renewed hostilities kept the macro outlook in flux throughout the month. These tensions culminated in the collapse of last month's US-Iran framework agreement, sending Strait of Hormuz ship transit – which had partially recovered in June – back into decline and leaving flows well below pre-crisis levels.

Oil prices consequently proved highly volatile, continuing to complicate the monetary policy debate. The ECB left rates unchanged at its 23 July meeting, having hiked 25bps in June, preferring to await further clarity on the energy shock and fresh projections ahead of its next meeting in September. Markets, however, continue to price in one further 25bp move in Q3. The Fed similarly held rates steady at its 29 July meeting, keeping its range at 3.50-3.75%, though three officials dissented in favor of a 25bp hike – a notably hawkish split within the committee.

Eurozone indicators held up well despite the energy shock, with GDP expanding in Q2 after the prior quarter's contraction, Manufacturing PMI rising to 51.9 index points (with 50 being the expansion threshold), and inflation remaining relatively contained, edging up to 2.9% in July. One key question remains how far higher energy prices ultimately feed through to inflation and demand.

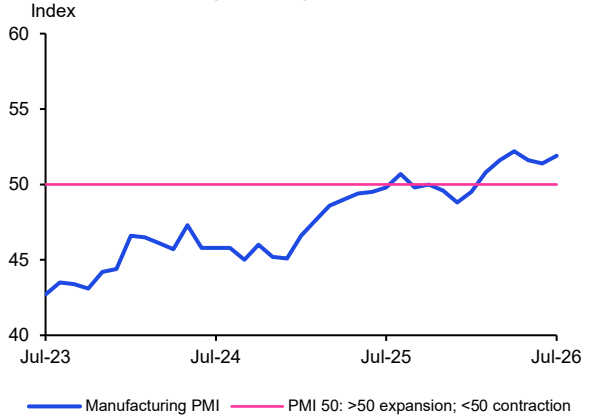
Source: KPMG, Germany, 2026.

Interest rate trends of the ECB, Fed & BoE [1]



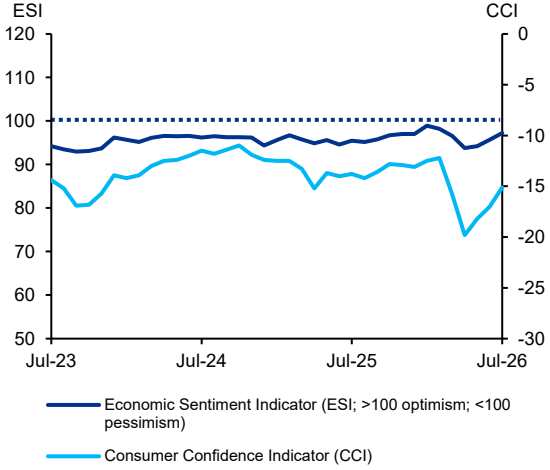
Source: Refinitiv.

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



Source: S&P Global.

EU Economic Sentiment & Consumer Confidence [2]



Source: European Commission.

Real GDP growth in percent [3]

%	2025	2026E	2027E
United States	2.1	2.1	2.0
Germany	0.3	0.6	1.3
United Kingdom	1.3	1.0	1.1
Eurozone	1.3	0.6	1.2
China	5.0	4.6	4.4
Japan	1.1	0.6	0.8

Source: FactSet. Closing prices as of 31 July 2026.

CPI inflation in percent [4]

%	2025	2026E	2027E
United States	2.7	3.3	2.4
Germany	2.2	2.7	2.1
United Kingdom	3.4	3.2	2.4
Eurozone	2.1	2.8	2.1
China	0.1	1.2	1.2
Japan	3.2	2.0	2.0

Source: FactSet. Closing prices as of 31 July 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.

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Equity market overview

Equity markets largely looked through the renewed US-Iran conflict in July, though performance diverged by region – European indices held near record highs, while US markets broadly drifted lower.

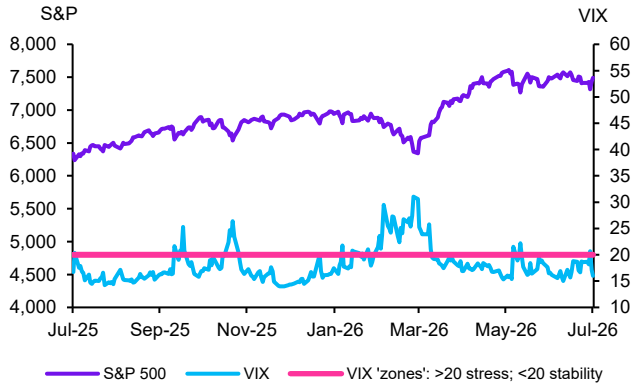
European equities extended their advance in July. The STOXX Europe 600 rose +1.4% to its fourth-highest close on record, having touched a fresh all-time high early in the month and stretching its winning streak to a fourth consecutive month. Germany's DAX added +2.5%, ending just shy of its own record at a third-highest close, while the UK's FTSE 100 outperformed with a +3.5% gain, finishing at its fifth-highest level ever. The advance was underpinned by a brightening earnings outlook and anticipated increases in defense and infrastructure spending, alongside more resilient-than-expected macro data. Oil & Gas was the strongest-performing sector, driven by higher crude prices and strong earnings, while Financials also outperformed on higher rate expectations. Technology lagged, however, amid growing investor scrutiny of AI-related valuations.

US markets were held back as the focus of the AI trade shifted from the strength of demand to the returns on heavy capex spending. The S&P 500 (-0.1%) and Nasdaq (-3.2%) fell for a second straight month, led lower by a sharp unwind in Semiconductors and mixed Big Tech earnings. Market leadership broadened in turn, rotating out of crowded AI and momentum trades into cyclical and value sectors. Broader corporate earnings, which largely exceeded expectations, and cooler-than-expected inflation lent support, though the announcement of new US tariffs added fresh policy uncertainty.

The VIX averaged 17.1 in July and drifted back to 16.0 by month-end, even as renewed US-Iran tensions briefly pushed volatility above the 20 threshold – suggesting investors continue to look through short-term noise for now.

Source: FactSet. KPMG, Germany, 2026.

S&P & VIX: market trends and volatility LTM



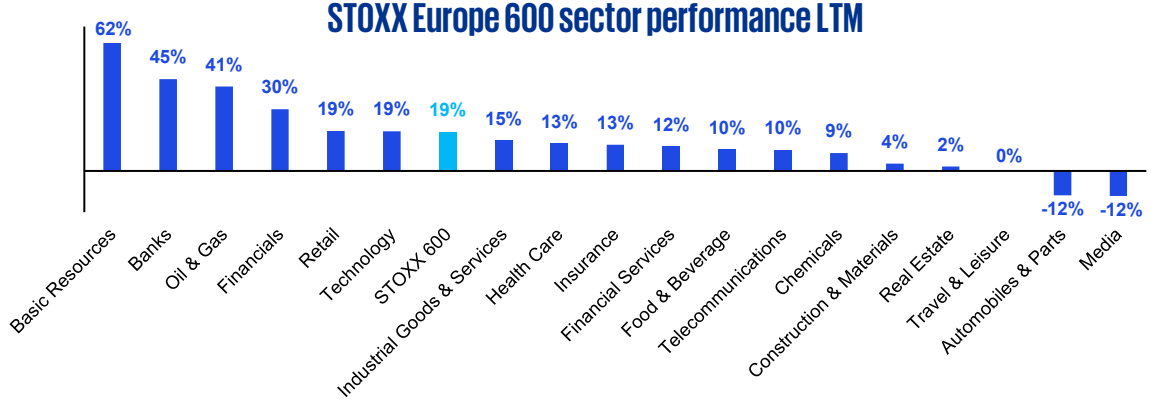
Source: FactSet. Closing prices as of 31 July 2026.

Performance of selected indices

	Value	L1M	L6M	LTM
DAX	25,629	2.5%	4.4%	6.5%
MDAX	31,981	0.5%	2.6%	3.1%
ATX	6,458	(0.1%)	15.2%	42.8%
SMI	14,346	1.1%	8.8%	21.2%
STOXX 600	649	1.4%	6.7%	18.9%
FTSE 100	10,868	3.5%	6.3%	19.0%
NASDAQ	25,374	(3.2%)	8.1%	20.1%
S&P 500	7,490	(0.1%)	7.9%	18.1%

Source: FactSet. Closing prices as of 31 July 2026.

STOXX Europe 600 sector performance LTM



Source: FactSet. Closing prices as of 31 July 2026.

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Issuance activity

Despite continued geopolitical uncertainty and the approaching summer break, equity capital markets in both Europe and the US remained relatively active in July.

In Europe, two sizeable IPOs priced during the month, both structured as fixed price offerings – rather than entering the bookbuilding process with a price range – and each anchored by cornerstone demand to bolster transaction security, an approach that has featured increasingly prominently in recent European IPOs.

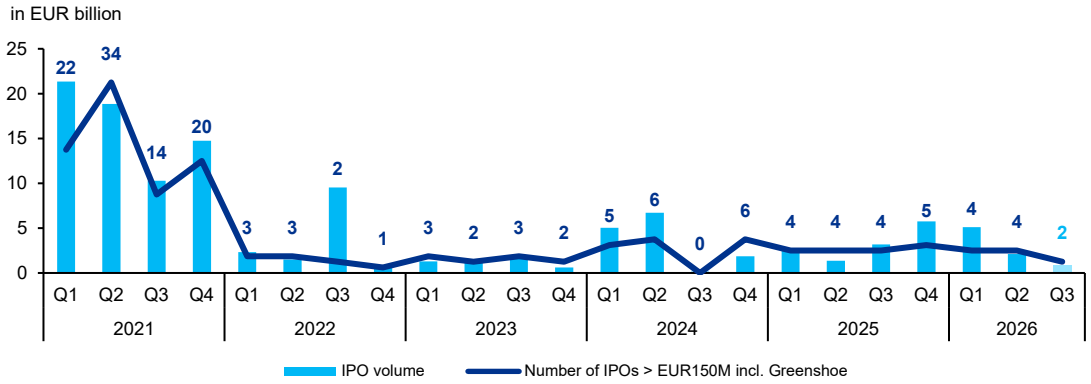
Digi Spain Telecom, a telecoms networks and services operator and subsidiary of Romanian group Digi Communications, commenced trading on the Spanish Stock Exchanges on 16 July. The offering raised c. EUR 287m at an implied market capitalisation of c. EUR 1,662m, with Spanish investor Global Portfolio Investments providing c. EUR 100m of cornerstone support. Although the book was reportedly c. 5x oversubscribed, aftermarket trading proved softer, with the stock ending the month down 1.8% versus its issue price.

Switzerland saw the debut of Infracore, a healthcare real estate company backed by Aevis Victoria and Medical Properties Trust, which listed on the SIX Swiss Exchange on 8 July. Cornerstone commitments from Cohen & Steers and Swiss Finance & Property Group underpinned the c. EUR 246m raise, implying a market capitalisation of c. EUR 896m, with demand reportedly concentrated among specialist real estate and long-only investors. The shares likewise drifted lower post-listing, closing the month down 1.9% versus issue price.

US primary markets held up reasonably well, with five sizeable IPOs pricing in July. The month was further headlined by the largest-ever US equity offering by a foreign issuer, the USD 26.5bn Nasdaq listing of Korea-listed semiconductor manufacturer SK hynix, which surpassed Alibaba's 2014 record. While the year's dominant IPO themes of AI infrastructure and biotech remained in play, issuance broadened further in July to include, among others, consumer names.

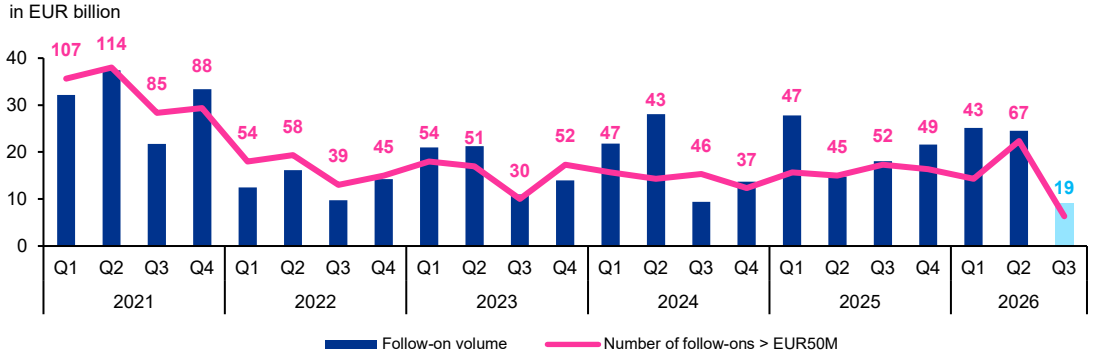
Note: 1) European = Transactions on exchanges in Western Europe, Benelux & Nordics.
Source: Dealogic, KPMG, Germany, 2026.

European[1] IPO emission volume (in EUR billion) and no. of offerings per quarter



Note: = Current status for Q3-2026 as of 31 July 2026; 1) European = Transactions on exchanges in Western Europe, Benelux & Nordics
Source: Dealogic.

European[1] follow-on emission volume (in EUR billion) and no. of offerings per quarter



Note: = Current status for Q3-2026 as of 31 July 2026; 1) European = Transactions on exchanges in Western Europe, Benelux & Nordics.
Source: Dealogic.

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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]
Jul-26	Digi Spain Telecom SA	ES	Tele-communications	1,662	287	(8.0%)	(1.8%)
Jul-26	Infracore SA	CH	Real Estate/ Property	896	246	0.0%	(1.9%)
May-26	Biomar Group AS	DK	Food & Beverage	1,452	380	0.0%	0.5%
May-26	UzNIF JSC	UK/UZ	Government	1,667	591	4.0%	31.0%
May-26	TSK Group	ES	Construction/ Building	587	172	5.0%	19.6%
May-26	Silex Microsystems AB	SE	Computers & Electronics	892	184	178.5%	112.3%
Mar-26	Vincorion SE	DE	Defense	850	336	10.0%	9.3%
Feb-26	Capital Tankers Corp	NO	Transportation	1,562	402	(9.7%)	(4.5%)
Jan-26	ASTA Energy Solutions AG	DE	Metal & Steel	420	190	35.6%	79.7%
Jan-26	CSG BV	NL	Defense	25,000	3,800	31.4%	(33.9%)

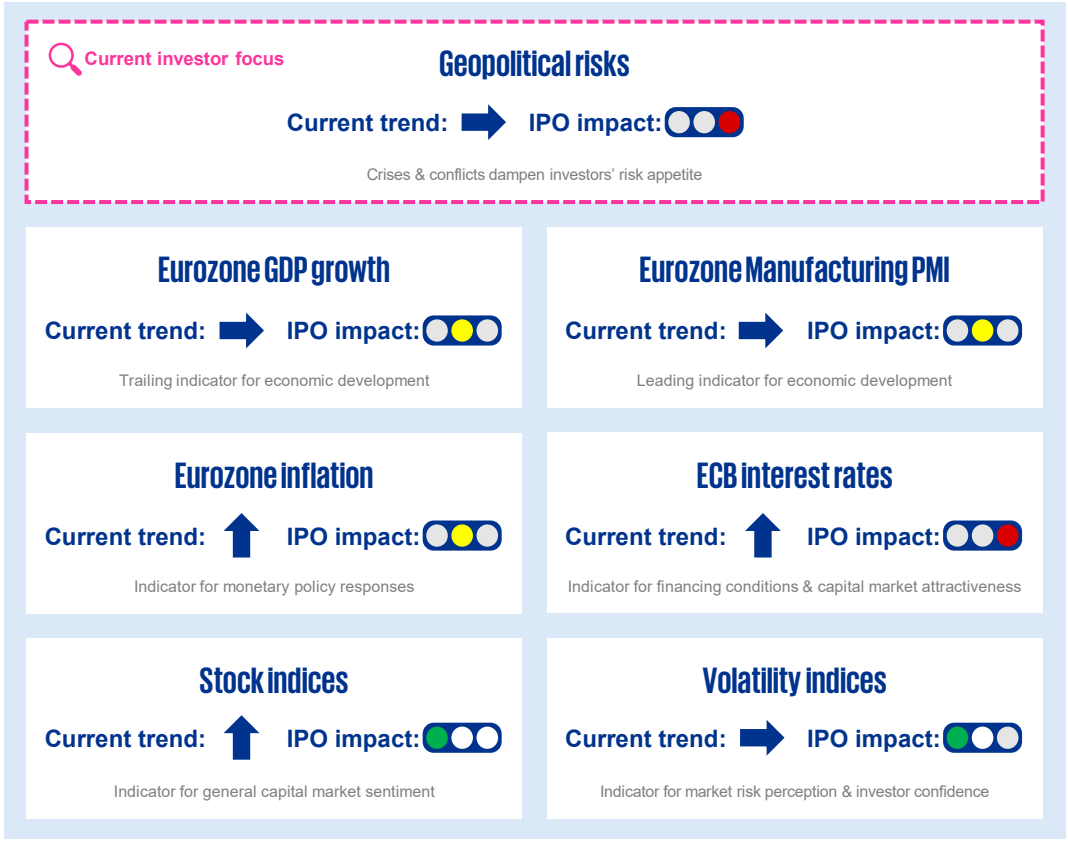
Note: 1) Considering transactions with deal value >€150m excl. Greenshoe, excl. SPACs, 2) At IPO, 3) Excl. Greenshoe, 4) Compared to issue price at IPO as of 31 July 2026. Source: Dealogic.

European IPO outlook

Europe's IPO pipeline has continued to broaden beyond defense, though execution remains contingent on sector sentiment, macro headlines and the interest rate trajectory. KNDS, having postponed its Frankfurt-Paris dual listing amid muted peer valuations, is reportedly weighing a September relaunch, among other options. In Germany, thyssenkrupp is said to be considering a spin-off of supply chain services arm tk accelis in Frankfurt before year-end. In Spain, hotel operator Hotel Investment Partners and renewables group IGNIS are both preparing post-summer listings, while Denmark's Leo Pharma is advancing towards a Copenhagen debut. Separately, London-headquartered, Nvidia-backed AI infrastructure company Nscale is reportedly targeting a US listing later 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.

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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.

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