



Financial and capital market updates

Quarterly newsletter

Q1 2026

<https://kpmg.ie/valuations>

Dear reader,

Markets entered 2026 on a constructive footing, supported by resilient growth and expectations of a gradual easing cycle. However, developments through March suggest more **nuanced and uncertain macro environment** could emerge in the future.

While economic activity remained broadly stable across major regions, the disinflationary trend has slowed. Renewed pressures – driven in part by **higher energy prices** and **escalating geopolitical tensions**, particularly the **Iran–Israel–U.S. conflict** – have contributed to a reassessment of the timing and pace of monetary policy easing. As a result, **central banks** are maintaining a **cautious, data-dependent stance**, and markets are adjusting to a potentially prolonged higher-rate environment.

Financial markets have reflected this shift through **increased volatility** and more selective risk-taking. While overall valuations remain supported by earnings resilience, dispersion across sectors and regions has widened, underscoring the importance of disciplined analysis and robust valuation frameworks.

In credit markets, fundamentals remain broadly stable, though spreads have adjusted modestly to reflect evolving macro risks. At the same time, higher base rates continue to support demand for income-oriented assets, including structured credit, where investor focus remains firmly on quality, structure, and relative value.

The KPMG Financial Instruments (KFI) team is uniquely positioned to help clients navigate this environment by providing high-quality independent valuations, leveraging deep technical expertise and market insight. As clients face changing regulatory requirements, evolving capital allocation trends, and increased scrutiny surrounding asset quality and impairment,

KFI provides critical support through application of best-practice valuation methodologies. From private equity and structured products to financial instruments impacted by interest rate volatility, KFI enables businesses to evaluate risk, maintain readiness, and respond with confidence to dynamic market and regulatory developments.

Should any of the matters outlined in this market outlook be of interest, or if you would like to explore the potential implications for your business, please feel free to contact one of our team members listed below. We would be pleased to assist you further.



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Global overview



Valuation trend

Through Q1 2026, global valuations have shown relative resilience but increased volatility, as early expectations of monetary easing have been offset by renewed inflation concerns.

The escalation of the Iran–Israel–U.S. conflict has contributed to rising energy prices, placing upward pressure on discount rates and weighing on equity multiples. While earnings remain supportive in select sectors such as energy and large-cap technology, broader market valuations have become more sensitive to macro uncertainty.

Market movement

European equities have largely traded sideways, with intermittent volatility driven by geopolitical developments and energy price fluctuations. U.S. markets have remained relatively more resilient, supported by large-cap technology, though market breadth has narrowed.

Investor positioning has shifted more defensively in recent weeks, with increased allocation toward energy, infrastructure, and quality balance sheet names, reflected a more cautious risk environment.

Regulatory change

Regulatory focus in 2026 remains centered on valuation transparency, liquidity, and consistency in pricing frameworks.

The European Securities and Markets Authority (ESMA) continue to refine guidance on liquidity stress testing and valuation governance, particularly in less liquid asset classes.

In parallel, both the ECB and the European Banking Authority (EBA) have emphasised strengthened valuation controls in response to increased market volatility and pricing uncertainty.

Economic indicator

Macroeconomic conditions in early 2026 reflect a shift from disinflation toward renewed price pressure, driven in part by external shocks.

The Iran–Israel–U.S. conflict has disrupted energy markets, contributing to higher inflation across major economies. While growth remains positive, it has become more uneven, with downside risks increasing.

Central banks, including the ECB and Fed, have adopted a more cautious stance, with bond yields rising modestly as markets adjust to a prolonged high-rate environment.

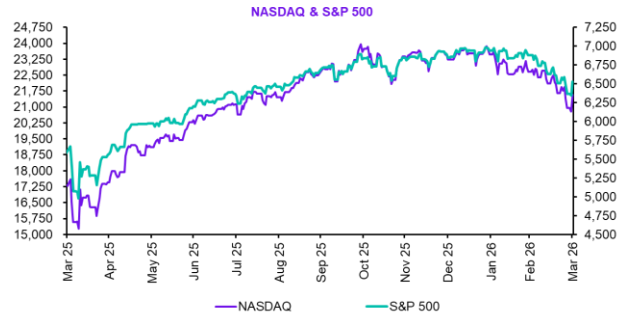


Financial market indicators



Equities

- Global equity markets experienced heightened volatility in March, as **geopolitical risk** and rising yields weighed on sentiment. **European equities** have lagged modestly, reflecting weaker industrial momentum and external demand concerns. Market leadership remains concentrated in large-cap and defensive sectors
- **During March, the S&P 500 lost 5.09% to close at 6,529 points and the NASDAQ lost 4.75% and closed at 21,591 points**



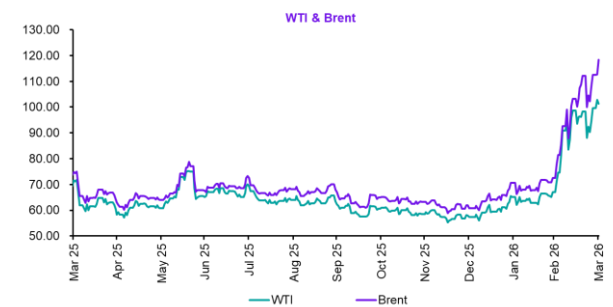
Fixed income

- U.S. Treasury yields have moved higher as inflation expectations increased following energy price shocks. Credit spreads have widened modestly, particularly in lower-rated segments. European sovereign yields have also edged higher amid persistent inflation uncertainty.
- Markets are increasingly aligned around a delayed monetary easing cycle.
- **The U.S. 10-year Treasury yield gained by 36 basis points during March and closed at 4.32%.**



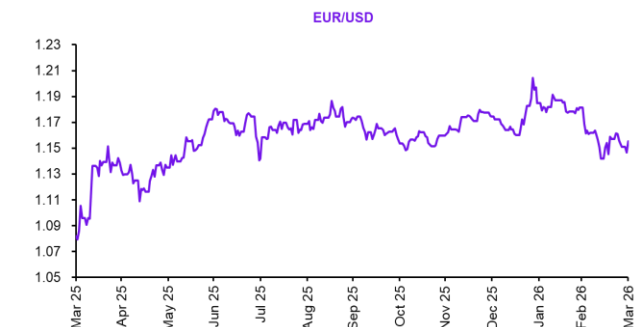
Commodities

- Oil prices have surged sharply due to supply disruption concerns linked to tensions in the Middle East and risks around key shipping routes. Industrial metals have shown mixed performance amid uncertain demand. Gold has remained supported as a hedge against geopolitical and inflation risk.
- **Brent crude settled at \$118.35, while WTI crude closed at \$101.38, gaining 63.29% and 51.27% during March.**



FX rates

- The U.S. dollar has strengthened modestly as rate cuts are repriced. The euro remains relatively stable but under pressure from weaker growth expectations. Emerging market currencies have experienced increased volatility, particularly in energy-importing economies
- **Euro ended at 1.1554 USD per EUR, down 2.20% for March.**



CLO market updates for 2026

By March 2026, the European CLO market continues to demonstrate resilience, albeit with more cautious momentum. Issuance remains supported by refinancing and reset activity, though new deal flow has moderated amid wider spreads and increased macro uncertainty. The escalation of the Iran–Israel–U.S. conflict has contributed to more selective investor demand and a modest repricing of risk.

Ireland remains the jurisdiction of choice for CLO structuring, while strong demand for senior tranches persists, supported by elevated base rates.

In the U.S., CLO issuance has slowed slightly relative to late 2025 levels but remain underpinned by stable underlying loan market fundamentals and continued investor appetite for floating-rate exposure.

Due to the ongoing geopolitical turmoil in the middle east, the global CLO markets have been impacted. Particularly the AAA spreads in Europe reflected a pickup of over 170 bps over 3-month Euribor.

Leveraged loan defaults rose up to 5.1% for the US markets while the Euro loan markets saw the default rates climb to 3.1% amid heightened uncertainty.

Consequently, the constant default rates (**CDRs**) on **EU and US CLOs remained elevated** compared to their long-term historical averages.

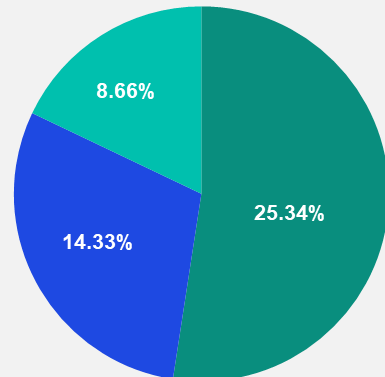
Segment focus : CLO market

2026 Leveraged Loan Issuance- by Industry					
Rank	Industry	Lev Vol (US\$bn)	New Money Lev Vol (US\$bn)	% of Lev Vol	% of New Money Lev Vol
1	Financial Services	47.61	8.42	14.30%	9.80%
2	General Manufacturing	34.16	12.62	10.30%	14.60%
3	Technology	29.31	9.80	8.80%	11.40%
4	REITS	26.35	4.99	7.90%	5.80%
5	Oil and Gas	20.25	6.81	6.10%	7.90%
6	Healthcare	19.99	6.45	6.00%	7.50%
7	Services	19.00	4.06	5.70%	4.70%
8	Broadcasting	17.75	2.75	5.30%	3.20%
9	Business Services	14.74	6.50	4.40%	7.50%
10	Wholesale	11.90	2.40	3.60%	2.80%

March 2026 highlights



\$86.25 Billion New Money Leveraged Volume representing 25.92% of Total Leveraged Loan issuance (\$332.70 Billion)



■ BNP Paribas ■ Barclays ■ BofA Securities

EMEA Q1 Top 3 Bookrunner M&A Ranking Market Share (%)

EU and US Newly Issued AAA Spreads (bps)
















Key rates

Global economic data through March 2026 reflects a more uneven stabilisation path, as resilient growth is increasingly challenged by renewed inflationary pressures and heightened geopolitical risk.

The European Central Bank (ECB) has maintained a cautious, data-dependent stance, as disinflation progress slowed amid rising energy costs linked to ongoing geopolitical tensions. While domestic demand remains relatively stable, markets are now pushing out expectations for policy easing into late 2026. In the U.S., the Federal Reserve (Fed) is navigating a more complex backdrop. Growth has moderated but remains supported by consumer spending, while inflation has re-accelerated modestly—largely driven by energy prices following the escalation of the Iran–Israel–U.S. conflict. Treasury yields have moved higher as markets reassess the likelihood of near-term rate cuts.

Across Europe, purchasing managers' index (PMI) indicators remain mixed. France's composite PMI has softened toward neutral levels, while Ireland continues to benefit from export activity and investment flows, albeit at a slower pace compared to late 2025.

Central Bank

	Current rate	Last Changed Date
 Eurozone (ECB) Main Refinancing Op. Rate	2.15%	11/06/2025
 United Kingdom Bank Rate	3.75%	18/12/2025
 United States (Fed) Target Funds Rate Range	3.50% – 3.75%	28/01/2025
 Canada Target ON Rate	2.25%	29/10/2025
 Mexico Overnight Target Rate	6.75%	28/03/2026
 Brazil Selic Rate	15.00%	25/07/2025
 Australia Cash Rate	4.10%	18/03/2026
 Russia Key Rate	15.50%	10/02/2026
 Japan Key Policy Rate	0.75%	19/12/2025
 China 1Y Loan Prime Rate	3.00%	20/05/2025
 India Policy Repo Rate	5.25%	08/04/2026
 Saudi Arabia Repo Rate	4.25%	10/12/2025
 Ukraine Key Policy Rate	15.00%	19/03/2026

Reference

Reference	Close	% Δ QoQ	% Δ YTD
Euribor 3m	2.08%	2.62%	-23.40%
Euribor 6m	2.48%	17.47%	-3.62%
Euribor 12m	2.87%	27.95%	16.67%
USD SOFR 3m	5.25%	-1.44%	-1.57%
USD SOFR 6m	5.08%	-3.34%	-1.52%
CIBOR 1m	1.93%	0.00%	-31.96%
CIBOR 3m	2.10%	4.85%	-21.36%
USD SOFR 12m	4.74%	-5.86%	-0.55%
SONIA Overnight	3.73%	0.10%	-20.65%
ECB Overnight	1.93%	0.42%	-33.60%
SOFR Overnight	3.68%	-4.91%	-18.04%
SHIBOR Overnight	1.28%	2.41%	-3.77%
Russia Interbank Rate	14.74%	-7.18%	-7.06%

Economic calendar

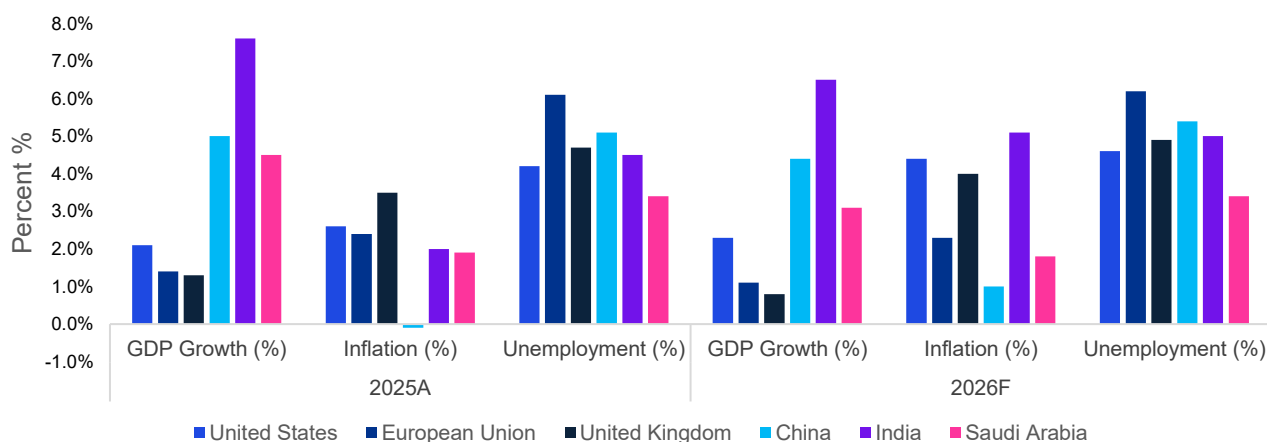
Date	Indicator	Country	Survey	Actual	Prior
02/03/2026	ISM Manufacturing PMI (Feb)	United States	51.80	52.40	52.60
03/03/2026	Core Harmonized Index of Consumer Prices (MoM) (Feb) Prel	Eurozone	-	0.80%	-1.10%
04/03/2026	HCOB Composite PMI (Feb)	Germany	53.10	-	-
05/03/2026	Gross Domestic Product (YoY) (Q4)	Ireland	3.40%	2.20%	11.20%
06/03/2026	Gross Domestic Product s.a. (YoY) (Q4)	Eurozone	1.30%	1.20%	1.40%
07/03/2026	CFTC EUR NC Net Positions	Eurozone	-	€136.50K	€156.90K
09/03/2026	Sentix Investor Confidence (Mar)	Eurozone	-	-3.10	4.20
10/03/2026	BRC Like-For-Like Retail Sales (YoY) (Nov)	United Kingdom	2.40%	0.70%	2.30%
11/03/2026	Consumer Price Index (YoY) (Feb)	United States	2.40%	2.40%	2.40%
12/03/2026	Consumer Price Index (YoY) (Feb)	Ireland	-	2.70%	2.70%
13/03/2026	Industrial Production (MoM) (Jan)	United Kingdom	0.20%	-0.10%	-0.90%
14/03/2026	CFTC EUR NC Net Positions	Eurozone	-	€105.10K	€136.50K
16/03/2026	Industrial Production (MoM) (Feb)	United States	0.10%	0.20%	0.70%
17/03/2026	Consumer Price Index (YoY) (Feb)	Italy	1.60%	1.50%	1.60%
18/03/2026	Core Harmonized Index of Consumer Prices (YoY) (Feb)	Eurozone	2.40%	2.40%	2.40%
19/03/2026	ILO Unemployment Rate (3M) (Jan)	United Kingdom	5.30%	5.20%	5.20%
20/03/2026	Producer Price Index (YoY) (Feb)	Germany	-2.70%	-3.30%	-3.00%
21/03/2026	CFTC GBP NC Net Positions	United Kingdom	-	£-65.50K	£-84.20K
23/03/2026	Consumer Confidence (Mar)	Eurozone	-14.40	-16.30	-12.20
24/03/2026	HCOB Services PMI (Mar) Prel	Eurozone	51.00	-	-
25/03/2026	Consumer Price Index (YoY) (Feb)	United Kingdom	3.00%	3.00%	3.00%
26/03/2026	Initial Jobless Claims	United States	210K	210K	205K
27/03/2026	Consumer Confidence (Mar)	Ireland	-	56.70	65.20
28/03/2026	CFTC S&P 500 NC Net Positions	United States	-	\$-80.90K	\$-113.10K
30/03/2026	Consumer Confidence (Mar)	Eurozone	-16.30	-16.30	-16.30
31/03/2026	Gross Domestic Product (YoY) (Q4)	United Kingdom	1.00%	1.00%	1.00%

Macroeconomic outlook

The global economy ended the first quarter of 2026 facing increased uncertainty, with growth holding up but becoming increasingly uneven across regions, as geopolitical tensions and higher energy prices added to existing headwinds. According to the IMF's April 2026 World Economic Outlook, global growth is expected to ease through 2026, reflecting tighter financial conditions and slowing demand, despite continued support from technology-related investment.

Both the IMF and OECD warn that rising geopolitical tensions and energy-market disruptions are testing global economic resilience, with risks pointing to slower growth, lingering inflation, and greater exposure to future shocks.

Q1 2026 Macro Update



United States

- **GDP Growth:** 2.1% (2025A), 2.3% (2026E)
- **Inflation:** 2.6% (2025A), 4.4% (2026E)
- **Unemployment:** ~4.2% (2025A), ~4.6% (2026E)
- Forecasts show GDP growth edging up slightly in 2026, supported by continued investment despite tighter financial conditions. Inflation rises into 2026, while a softening labour market makes employment the key uncertainty.

China

- **GDP Growth:** 5.0% (2025A), 4.4% (2026E)
- **Inflation:** -0.1% (2025A), 1.0% (2026E)
- **Unemployment:** ~1.1% (2025A), ~5.4% (2026E)
- China growth slows slightly in 2026, held back by property-sector weakness and weaker global demand. Inflation picks up from low levels, while rising unemployment reflects subdued domestic conditions.

European Union (EU)

- **GDP Growth:** 1.4% (2025A), 1.1% (2026E)
- **Inflation:** 2.4% (2025A), 2.3% (2026E)
- **Unemployment:** ~6.1% (2025A), ~6.2% (2026E)
- EU projections point to subdued growth, weighed down by weak demand and high borrowing costs. Inflation is easing, but unemployment rises slightly, reflecting soft economic conditions across the region.

India

- **GDP Growth:** 7.6% (2025A), 6.5% (2026E)
- **Inflation:** 2.2% (2025A), 5.1% (2026E)
- **Unemployment:** ~4.5% (2025A), ~5.0% (2026E)
- India's growth is expected to ease slightly in 2026 after a strong 2025 performance. Inflation rises, reflecting firmer price pressures, while unemployment edges up modestly, pointing to mild labour-market softening.

United Kingdom

- **GDP Growth:** 1.3% (2025A), 0.8% (2026E)
- **Inflation:** 3.5% (2025A), 4.0% (2026E)
- **Unemployment:** ~4.7% (2025A), 4.9% (2026E)
- UK growth is expected to remain weak, as tight fiscal and financial conditions continue to hold back economic activity. Inflation rises into 2026, while unemployment edges higher, reflecting a softening labour market amid modest growth.

Middle East (Saudi Arabia)

- **GDP Growth:** 4.5% (2025A), 3.1% (2026E)
- **Inflation:** 1.9% (2025A), 1.8% (2026E)
- **Unemployment:** ~3.4% (2025A), ~3.4% (2026E)
- Before the geopolitical tensions in the Middle East began in March 2026, Saudi Arabia was expected to achieve stronger growth in 2026, supported by higher oil output and steady non-oil activity. Since then, the outlook has weakened, although inflation remains low and employment prospects are less certain.

Source: KPMG analysis, International Monetary Fund (2026): World Economic Outlook (April 2026), Organisation for Economic Co-operation and Development (2025). OECD Economic Outlook Interim Report (March 2026), Euro Stat; Bloomberg, S&P Capital IQ

Note: * Unemployment forecasts for Saudi Arabia are unavailable; 2026 is assumed equal to 2025.

Market benchmarking

2026

To support performance evaluation, we have conducted a comprehensive benchmarking exercise on liquid public equities for each calendar year with total shareholder returns including capital gains and dividends. These returns (with caution) can be used as a benchmark to evaluate the performance of investments in equity and equity like investments. Please note that March 2026 (Q1) returns reflect the impact of the US–Iran–Israel conflict and are not directly comparable with prior years.

Regional equity performance Q1 2026:

Region	Sampled Companies		Calendar Total shareholder return on Equity									Investment payback (Years)
	By Count	By Market Cap %	Dec-19	Dec-20	Dec-21	Dec-22	Dec-23	Dec-24	Dec-25	Mar-26	CAGR	
Asia / Pacific Developed Markets	3959	8.9%	20%	15%	-2%	-24%	14%	12%	33%	9%	10%	7.4
Asia Emerging (Excluding China & India)	2765	2.9%	23%	20%	18%	-24%	17%	30%	28%	11%	17%	4.5
China	5678	7.8%	28%	30%	-1%	-24%	-13%	24%	38%	2%	10%	7.6
India	1542	2.5%	5%	15%	27%	-22%	25%	14%	-1%	-15%	10%	7.1
Canada	466	2.6%	27%	9%	22%	-23%	13%	23%	37%	6%	16%	4.7
EU	2294	10.9%	26%	14%	15%	-24%	21%	17%	31%	-1%	14%	5.3
United Kingdom	462	2.9%	22%	-7%	14%	-24%	13%	18%	30%	6%	11%	6.8
Latin America and Caribbean	666	1.2%	14%	-8%	-8%	-22%	34%	-4%	37%	10%	8%	8.7
Middle East	1171	1.5%	14%	6%	27%	-20%	6%	8%	10%	7%	9%	7.7
Sub-Saharan Africa & North Africa	387	0.5%	0%	-5%	9%	-23%	3%	52%	51%	6%	13%	5.7
United States of America	3031	58.4%	32%	20%	26%	-20%	27%	34%	18%	-2%	18%	4.2
Global	22421	100.0%	27%	17%	17%	-18%	19%	27%	23%	0%	15%	5.0
S&P 500 Returns			31%	18%	29%	-18%	26%	25%	18%	-5%	20%	

Global equities extended their late-2025 momentum into early 2026, but sentiment deteriorated as the US–Iran–Israel conflict drove oil prices higher. Rising inflation concerns and increased volatility drove global equity returns down sharply from 23% at the end of 2025 to around 0% by Q1 2026, while performance varied widely across regions.

The United States (US) equity market generated -2% this quarter as geopolitical tensions and weaker performance in the technology sector weighed on returns, despite economic resilience. Europe weakened in early 2026, with the EU generating a return of -1% as higher energy prices linked to geopolitical conflict dampened investor confidence, while the UK and Canada proved more resilient, supported by stronger exposure to energy and defensive sectors. In Asia, China slowed to around 2% amid weak consumer demand and ongoing stress in the property sector, while Asia excluding China and India remained strong at around 11%. Sub-Saharan Africa and North Africa saw returns ease to around 6% following strong gains in the prior year.

Sector performance was volatile this year. Energy led gains as higher commodity prices and supply disruptions supported returns, while Utilities (10%) and Consumer Staples (7%) also performed well as investors favoured defensive sectors. In contrast, growth-oriented sectors lagged, with Communication Services (-6%), Information Technology (-3%) and Financials (-4%) underperforming amid tighter financial conditions. Payback metrics remained uneven, with Information Technology at 2.8 in comparison to while capital-intensive sectors such as Real Estate.

Sectoral equity performance Q1 2026:

Sector	Sampled Companies		Calendar Total shareholder return on Equity									Estimated Investment payback (Years)
	By Count	By Market Cap %	Dec-19	Dec-20	Dec-21	Dec-22	Dec-23	Dec-24	Dec-25	Mar-26	CAGR	
Communication Services	896	7.6%	24%	20%	13%	-35%	32%	43%	30%	-6%	15%	4.9
Consumer Discretionary	2864	11.5%	26%	34%	8%	-31%	26%	26%	11%	-9%	12%	6.1
Consumer Staples	1532	6.0%	24%	15%	8%	-9%	1%	8%	10%	7%	8%	9.2
Energy	698	4.0%	11%	-27%	32%	38%	10%	5%	12%	37%	10%	7.5
Financials	2483	16.9%	24%	0%	16%	-12%	13%	36%	30%	-4%	14%	5.3
Health Care	2149	9.5%	24%	19%	13%	-7%	3%	5%	15%	-3%	10%	7.6
Industrials	4563	12.3%	26%	11%	17%	-15%	17%	22%	27%	4%	14%	5.3
Information Technology	3096	24.4%	52%	46%	32%	-31%	50%	45%	27%	-3%	28%	2.8
Materials	2585	4.4%	17%	25%	15%	-14%	6%	5%	37%	6%	12%	6.2
Real Estate	893	0.8%	24%	-1%	-2%	-23%	0%	11%	17%	-3%	3%	27.2
Utilities	661	2.7%	21%	5%	11%	-5%	1%	18%	22%	10%	10%	7.2
Global	22420	100.0%	27%	17%	17%	-18%	19%	27%	23%	0%	15%	5.0
S&P 500 Returns			31%	18%	29%	-18%	26%	25%	18%	-5%	20%	

Source: KPMG analysis, S&P Capital IQ, Bloomberg.

Market deals

2026 Outlook

The first quarter of 2026 opened on a more cautious note, following a strong year-end close in Q4 2025, with global markets moderating amid heightened geopolitical tensions and increased volatility. While activity slowed relative to Q4 2025, year-on-year deal activity remained broadly resilient across mergers and acquisitions (M&A), equity capital markets (ECM), debt capital markets (DCM), and private placements and IPOs.

Global M&A aggregate declined slightly, falling to USD 1.14 trillion in Q1 2026, mostly driven by large-cap US transactions (USD 676 billion) and renewed cross-border interest. ECM activity remained relatively similar in Q1 2026 compared with Q4 2025, with the US contributing ~50% of total aggregate transaction value. DCM activity increased by ~65% in Q1 2026, with the number of transactions rising by more than 800 over the quarter.

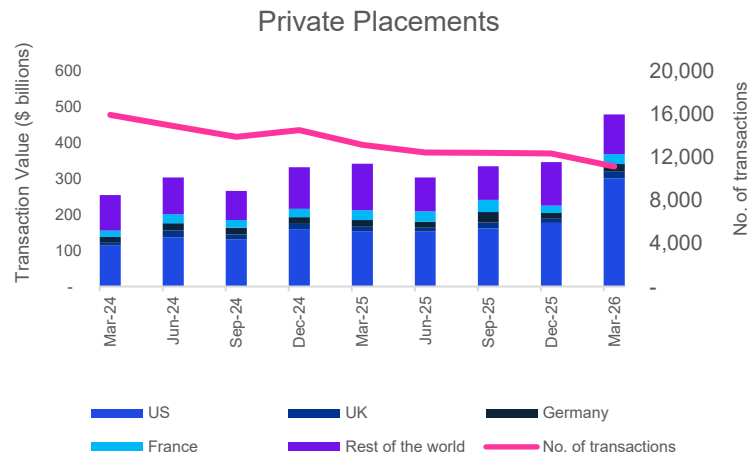
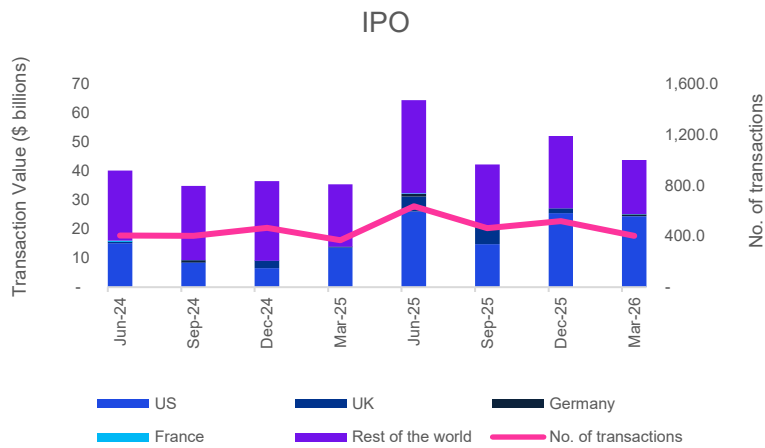
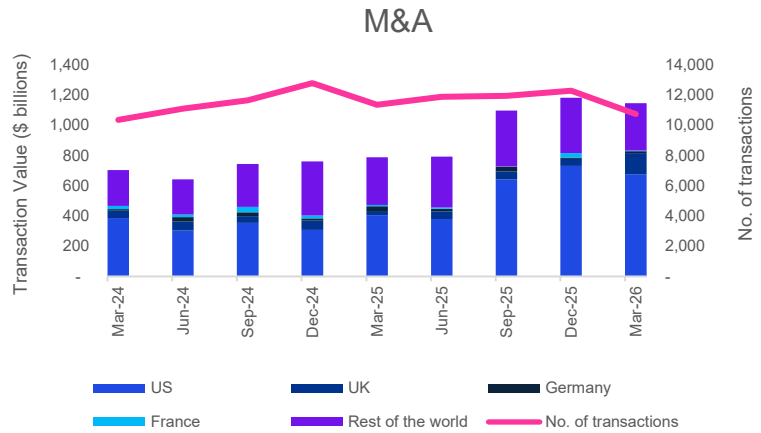
Global IPO activity eased into March 2026 amid market volatility and geopolitical uncertainty. Private-placement activity increased in Q1 2026, totalling 11,144 transactions and USD 479 billion globally, with the US accounting for ~63% of total deal activity. Looking ahead into 2026, deal activity is expected to remain selective, with sponsors and corporates focusing on transactions with clear strategic value and pricing certainty

United States

The US led global deal activity in Q1 2026, with US M&A totalling USD 676 billion, including USD 397 billion in February, capped by SpaceX's acquisition of xAI in February 2026, combining space, artificial intelligence, and data infrastructure into the world's most valuable private technology platform.

US ECM issuance totalled USD 144.7 billion in Q1 2026 (a 6% decrease quarter-on-quarter from USD 153.9 billion in Q4 2025), representing ~50% of global issuance for the quarter. US DCM activity increased significantly in Q1 2026, with issuance around 65% higher than in Q4 2025, while the US still accounted for nearly half of global volumes.

US IPO activity eased in Q1 2026, though the market continued to represent a significant share of global issuance. US private-placement activity increased materially through the quarter, rising by ~70%, and continued to maintain a substantial portion of global market flow.



Market deals

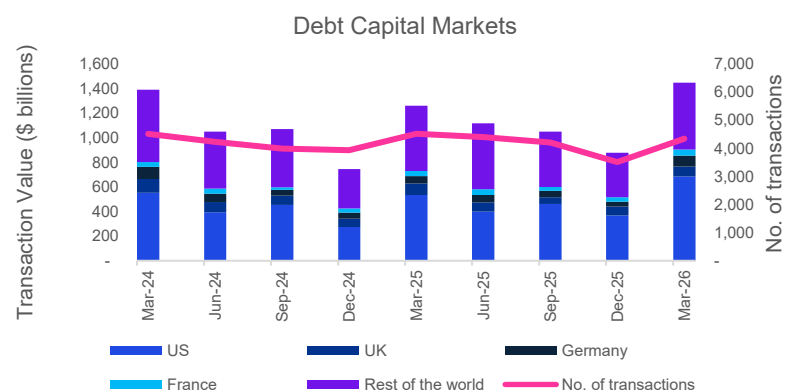
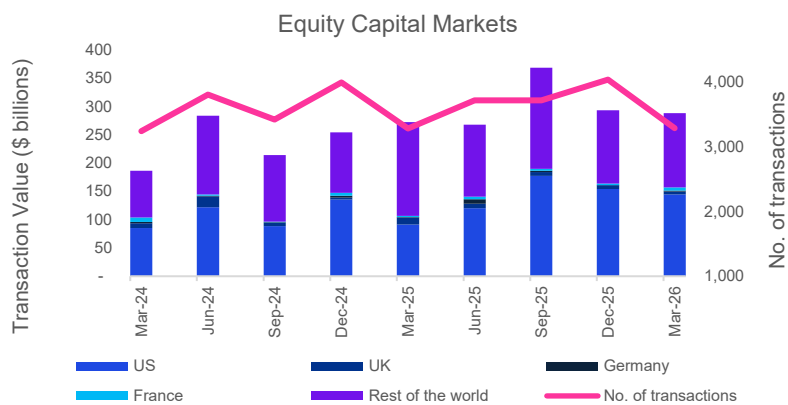
2026 Outlook

United Kingdom & Europe

The UK recorded strong M&A activity in the first quarter of 2026, with deal values totalling USD 140 billion, representing a ~200% increase compared to the previous quarter. Germany and France recorded USD 13 billion and USD 5 billion, respectively. ECM markets across Europe remained broadly stable during the quarter. The UK recorded USD 5 billion in issuance, while Germany and France saw lighter but steady activity. IPO issuance remained limited across major European exchanges, though the UK hosted listings such as iFOREX on the London Stock Exchange in Q1 2026. DCM markets strengthened materially, with issuance of USD 80 billion in the UK, USD 88 billion in Germany, and USD 48 billion in France, as borrowers increased refinancing activity amid improving credit conditions.

Rest of the World

The Rest of the World maintained active deal momentum in early 2026, with M&A activity reaching USD 314 billion, supported by strong contributions from Asia and the Middle East. ECM issuance totalled USD 131 billion, driven by several sizeable offerings across Asian markets. IPO activity remained stable, generating USD 19 billion in proceeds, largely supported by emerging-market listings. DCM issuance increased significantly to USD 545 billion quarter-on-quarter (an increase of ~50%), reflecting stronger corporate and sovereign borrowing activity as issuers took advantage of improving credit conditions in early 2026.



Source: KPMG analysis, S&P Capital IQ Pro

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