Financial and capital market updates

Quarterly newsletter

Q2 2026

Dear reader,

The second quarter of 2026 reinforced that markets continue to navigate a landscape shaped by evolving **policy expectations, geopolitical developments**, and **structural economic shifts**. While **volatility** remained largely **elevated**, industries such as Information technology showed **resilient performance owing to a boost in the AI investment sphere** The quarter was marked by **uncertainty** around **global trade policy** and **renewed tensions** in the **Middle East**. These developments influenced **commodity prices**, **inflation expectations**, and **market volatility**, prompting central banks to maintain a measured, data-dependent approach. Although the path to **monetary easing** has become **less certain**, markets tried to adapt amidst rising uncertainties due to geopolitical turbulences.

Against this backdrop, valuation discipline has become increasingly important. Greater dispersion across sectors, asset classes, and geographies has created opportunities and challenges, reinforcing the need for robust valuation methodologies supported by sound market intelligence and transparent governance.

Credit markets sought to address growing volatility through reliance over income generating assets. The **European CLO market** sustained **steady** issuance activity, while long term higher interest rates continued to support demand for floating-rate investments and high-quality structured credit.

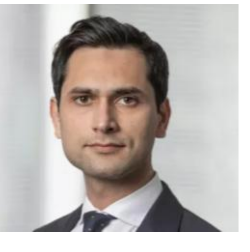
The KPMG Financial Instruments (KFI) team is uniquely positioned to help clients navigate this environment by providing high-quality independent valuations, leveraging deep technical expertise and market insight. As clients face changing regulatory requirements, evolving capital allocation trends, and 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 our team members listed below. We would be pleased to assist you further.

Jorge Fernandez Revilla
Partner, FS Audit
Tel: + 353 (1) 410 2776
jorge.revilla@kpmg.ie

Ni Zhong
Director, KFI
Tel: + 353 (1) 410 2097
ni.zhong@kpmg.ie



Muhammad Bilal
Associate Director, KFI
Tel: +353877442486
muhammad.a.bilal@kpmg.ie

Global overview

Valuation trend

Throughout Q2 2026, global valuations remained broadly resilient despite elevated market volatility and shifting macroeconomic expectations. The escalation of geopolitical tensions in the Middle East during the quarter, coupled with persistent inflationary pressures, tempered earlier optimism around monetary policy easing.

Although markets experienced periods of heightened uncertainty, resilient corporate earnings and continued investment in technology and AI infrastructure helped support valuations. Investors remained increasingly selective, favouring high-quality assets and businesses with strong fundamentals amid a prolonged higher-rate environment.

Market movement

Global equity markets delivered mixed performance in the quarter as investors weighed in on volatile environment due to geopolitical uncertainty and refined expectations by the central banks. **U.S. equities outperformed compared to Q1** due to strong earnings in the technology sector, while **European** markets remained **subdued** amid **weaker growth**.

Investor sentiment improved as **Middle East tensions eased**, though demand remained focused on defensive sectors, including quality, infrastructure, and energy.

Regulatory change

Regulatory focus during Q2 2026 remained centered on valuation governance, liquidity risk management, and transparency across financial markets.

The **European Securities and Markets Authority (ESMA)** continued to strengthen guidance on valuation processes and liquidity stress testing for illiquid assets. Meanwhile, the **European Central Bank (ECB)** and the **European Banking Authority (EBA)** reiterated expectations for robust valuation controls, prudent risk management, and consistent application of fair value methodologies amid ongoing market uncertainty.

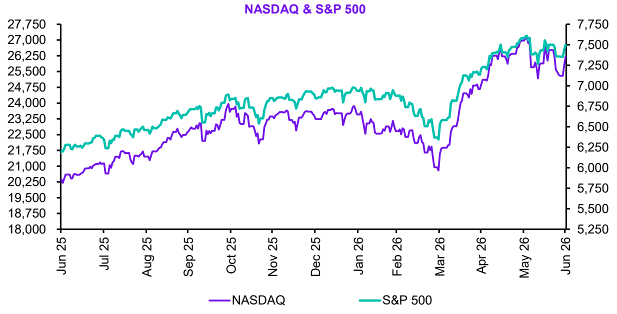
Economic indicator

Macroeconomic conditions remained resilient in Q2 despite ongoing external headwinds. **Inflation eased** gradually but **stayed above central bank targets**, while **labour markets** remained **strong**.
Geopolitical tensions, including the **Middle east conflict**, caused temporary **market volatility**, though concerns remained as **supply disruptions** sustained.
Central banks maintained a cautious, data-driven stance as markets reassessed the timing and pace of policy easing.

Financial market indicators

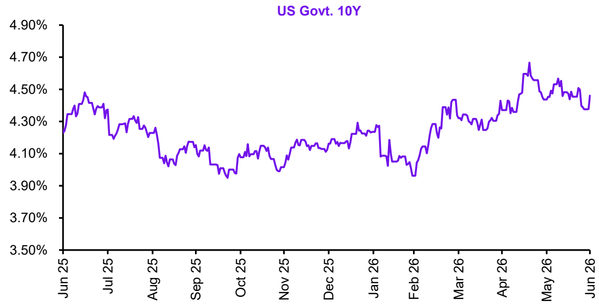
Equities

- Global equity markets remained resilient during the second quarter, supported by **strong corporate earnings** despite persistent geopolitical tensions and changing interest rate expectations. **U.S. equities** outperformed their global peers, led by continued momentum in technology stocks, whereas **European markets** faced headwinds from softer manufacturing data and subdued investor confidence.
- **During Q2, the S&P 500 gained 14.05% to close at 7,499 points and the NASDAQ gained 20.02% and closed at 26,214 points.**



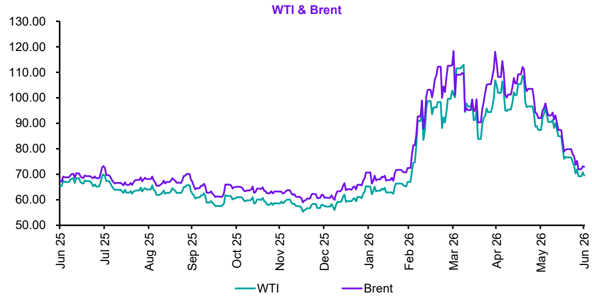
Fixed income

- Fixed income markets were driven by evolving **interest rate expectations** during the second quarter, with investors closely monitoring inflation developments and central bank guidance. Despite elevated sovereign yields and periodic market volatility, **credit markets** remained resilient, supported by strong corporate fundamentals and sustained investor demand.
- **The U.S. 10-year Treasury yield gained by 14 basis points during the quarter and closed at 4.46%.**



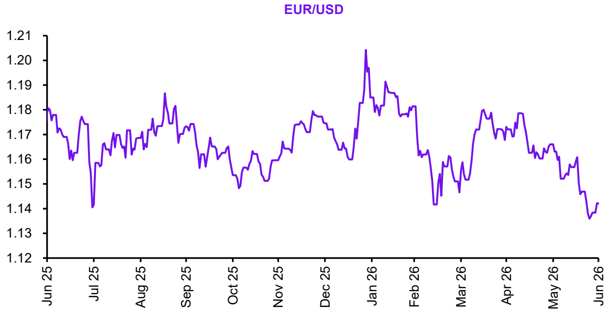
Commodities

- Commodity prices remained sensitive to **geopolitical developments** and **supply-side dynamics** throughout the second quarter, resulting in divergent performance across asset classes. **Energy markets** experienced heightened volatility amid changing supply expectations, while **gold** remained supported by safe-haven demand. Meanwhile, **industrial metals** delivered mixed returns as improving demand prospects were offset by ongoing concerns over global economic growth.
- **Brent crude** settled at **$72.92**, while **WTI crude** closed at **$69.50, losing 27.92% and 30.58% during the quarter.**



FX rates

- Currency markets experienced mixed performance during the second quarter, as investors navigated differing economic conditions and policy outlooks across major regions. **The U.S. dollar** remained supported by relatively high interest rates, while the euro faced pressure from softer growth dynamics. Meanwhile, **emerging market currencies** experienced periods of volatility amid evolving global risk sentiment.
- **Euro ended at 1.1421 USD per EUR, down 1.44% in Q2.**



CLO market updates for 2026

By June 2026, the **European CLO** market remained **strong** despite a more selective issuance environment. **Refinancing** and **reset** activity continued to support **volumes**, while new issuance reflected disciplined pricing amid **evolving monetary policy** expectations and **geopolitical uncertainty**. Strong investor demand for high-quality, floating-rate assets continued to underpin market activity.

In the **U.S**., CLO issuance remained healthy despite **periodic** market **volatility**, supported by strong leveraged loan fundamentals and sustained institutional demand. Credit **quality** remained broadly **stable**, with managers maintaining disciplined portfolio construction and a continued focus on relative value opportunities

Average **US new-issue AAA spreads** remained remarkably consistent, with spreads averaging **SOFR+124bps** for the third consecutive month and trading within a **SOFR+120bps to SOFR+133bps range**.

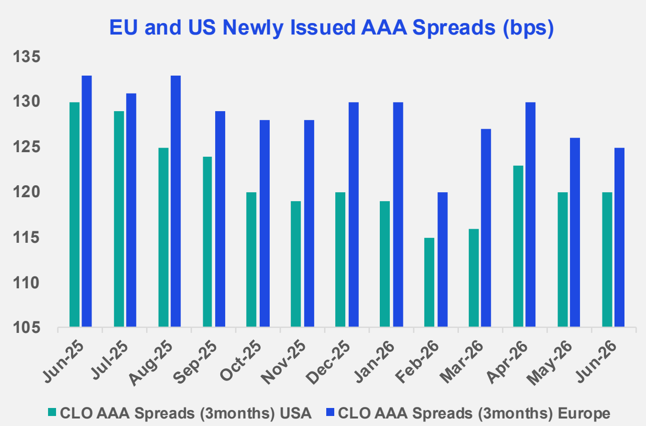
In **Europe**, **investor demand** supported a further **tightening** in **new-issue AAA spreads**, which **narrowed** slightly to around **SOFR+127bps**, marking the second consecutive month of improvement.

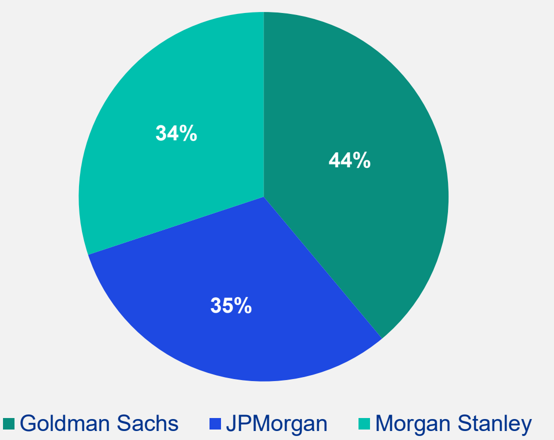
Segment focus : CLO market

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	111.85	29.16	16.10%	13.40%
2	General Manufacturing	66.90	24.98	9.60%	11.40%
3	Technology	62.20	29.36	9.00%	13.40%
4	Healthcare	59.43	23.30	8.60%	10.70%
5	Oil and Gas	41.73	11.65	6.00%	5.30%
6	REITS	38.52	9.41	5.50%	4.30%
7	Business Services	37.42	18.90	5.40%	8.70%
8	Services	35.25	10.25	5.10%	4.70%
9	Wholesale	27.12	4.83	3.90%	2.20%
10	Automotive	19.27	2.82	2.80%	1.30%

June 2026 highlights

$164.66 billion new money leveraged volume representing 32.95% of total leveraged loan issuance ($332.70 Billion)





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

Key rates

Global economic data through June 2026 reflected resilient but uneven growth, as easing inflation was balanced by **geopolitical uncertainty** and evolving trade developments. Markets increasingly focused on the timing and pace of monetary policy easing.
The **European Central Bank (ECB)** maintained a cautious, data dependent approach as inflation continued to moderate and economic activity remained subdued. While policy easing expectations improved during the quarter, policymakers remained attentive to external risks and underlying price pressures.
In the U.S., the **Fed**eral Reserve kept rates unchanged as strong labour markets and steady consumer spending supported growth. Inflation continued to ease gradually, although trade policy uncertainty and geopolitical developments encouraged a measured outlook for future rate cuts.
Across Europe, purchasing managers' index (PMI) readings remained mixed. Manufacturing activity showed early signs of stabilisation, while the services sector continued to support growth despite softer business confidence and uneven regional momentum.

Central Bank	Current rate	Last Changed Date
Eurozone (ECB) | Main Refinancing Op. Rate	2.40%	11/06/2026
United Kingdom | Bank Rate	3.75%	18/06/2026
United States (Fed) | Target Funds Rate Range	3.50% – 3.75%	28/01/2025
Canada | Target ON Rate	2.25%	10/06/2026
Mexico | Overnight Target Rate	6.50%	09/05/2026
Brazil | Selic Rate	14.50%	09/05/2026
Australia | Cash Rate	4.35%	06/05/2026
Russia | Key Rate	14.50%	14/05/2026
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%	05/06/2026
Saudi Arabia | Repo Rate	4.25%	10/12/2025
Ukraine | Key Policy Rate	15.00%	19/03/2026

Reference	Close	%Δ QoQ	%Δ YTD
Euribor 3m	2.32%	11.78%	14.71%
Euribor 6m	2.57%	3.76%	21.88%
Euribor 12m	2.73%	-4.95%	21.62%
USD SOFR 3m	5.25%	-1.44%	-1.57%
USD SOFR 6m	5.08%	-3.34%	-1.52%
CIBOR 1m	2.18%	13.12%	13.12%
CIBOR 3m	2.29%	9.20%	14.50%
USD SOFR 12m	4.74%	-5.86%	-0.55%
SONIA Overnight	3.73%	0.06%	0.16%
ECB Overnight	2.18%	13.12%	13.59%
SOFR Overnight	3.68%	0.00%	-4.91%
SHIBOR Overnight	1.36%	6.50%	2.49%
Russia Interbank Rate	14.25%	-3.32%	-10.15%

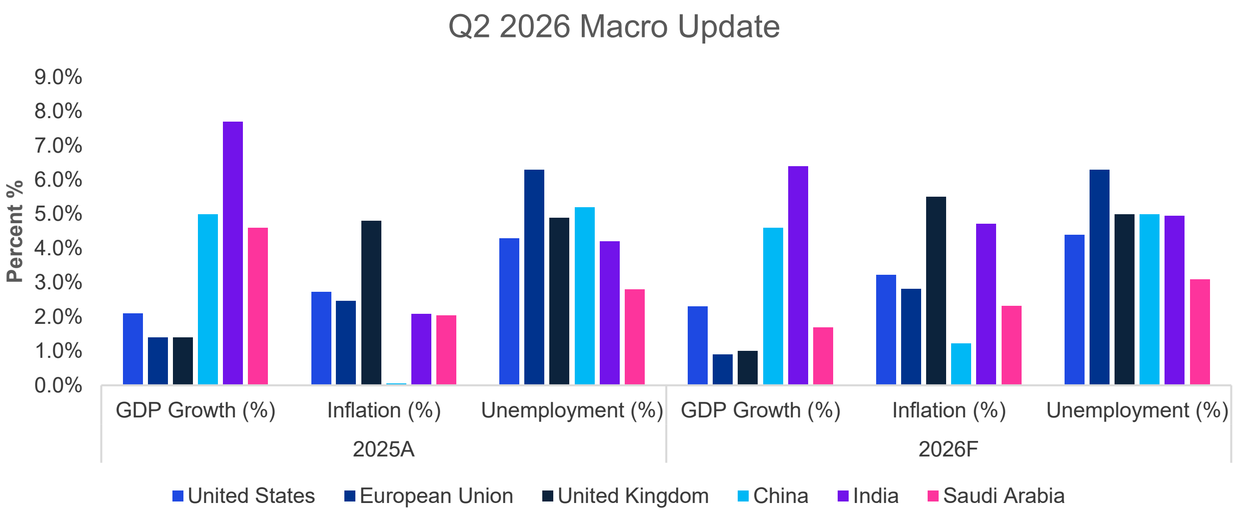
Economic calendar

Date	Indicator	Country	Survey	Actual	Prior
01/06/2026	ISM Manufacturing PMI (May)	United States	53.00	54.00	52.70
02/06/2026	Core Harmonized Index of Consumer Prices (MoM) (May) Prel	Eurozone	-	0.30%	0.90%
03/06/2026	HCOB Composite PMI (May)	Germany	48.60	-	-
04/06/2026	Retail Sales (YoY) (Apr)	Eurozone	0.30%	1.00%	2.10%
05/06/2026	Average Hourly Earnings (MoM) (May)	United States	0.30%	0.30%	0.20%
08/06/2026	Factory Orders n.s.a. (YoY) (Apr)	Germany	-	1.60%	6.10%
09/06/2026	BRC Like-For-Like Retail Sales (YoY) (May)	United Kingdom	0.60%	3.40%	-3.40%
10/06/2026	Consumer Price Index (YoY) (May)	United States	4.20%	4.20%	4.20%
11/06/2026	ECB Main Refinancing Operations Rate	Eurozone	2.40%	2.40%	2.15%
12/06/2026	Harmonized Index of Consumer Prices (YoY) (May)	Germany	2.70%	2.70%	2.70%
15/06/2026	Industrial Production s.a. (MoM) (Apr)	Eurozone	0.10%	0.30%	0.40%
16/06/2026	ZEW Survey – Economic Sentiment (Jun)	Germany	-6.00	10.50	-10.20
17/06/2026	Consumer Price Index (YoY) (May)	United Kingdom	-	2.80%	2.80%
18/06/2026	BoE Interest Rate Decision	United Kingdom	3.75%	3.75%	3.75%
19/06/2026	Producer Price Index (YoY) (May)	Germany	2.50%	2.20%	1.70%
22/06/2026	Consumer Confidence (Jun) Prel	Eurozone	-17.50	-17.70	19.00
23/06/2026	HCOB Manufacturing PMI (Jun) Prel	Eurozone	51.20	-	-
24/06/2026	IFO – Expectations (Jun)	Germany	85.00	84.10	83.90
25/06/2026	Core Personal Consumption Expenditures - Price Index (MoM) (May)	United States	0.30%	0.30%	0.30%
26/06/2026	Michigan Consumer Sentiment Index (Jun)	United States	50.00	49.50	48.90
29/06/2026	Economic Sentiment Indicator (Jun)	Eurozone	94.30	95.00	93.70
30/06/2026	Gross Domestic Product (YoY) (Q1)	United Kingdom	1.10%	0.90%	1.10%

Macroeconomic outlook

The global economy faced a more challenging environment in the first half of 2026, as geopolitical tensions, trade disruptions and policy uncertainty weighed on growth, investment and business confidence. Economic activity remained positive across most major markets, but momentum softened amid weaker demand and heightened market volatility.

The latest IMF and OECD outlooks project slower global growth in 2026, reflecting the impact of ongoing geopolitical developments, trade fragmentation and tighter financial conditions. Inflation has increased modestly in several economies, driven by higher energy and input costs, while uneven growth continues to weigh on the global outlook.



United States

- **GDP Growth**: 2.1% (2025A), 2.3% (2026E)
- **Inflation**: 2.7% (2025A), 3.2% (2026E)
- **Unemployment**: ~4.3% (2025A), ~4.4% (2026E)

- US growth is expected to remain relatively steady in 2026 despite trade policy uncertainty and slower global demand. Inflation is projected to rise modestly as tariffs and supply chain disruptions increase costs, while unemployment is expected to edge higher.

European Union (EU)

- **GDP Growth:** 1.4% (2025A), 0.9% (2026E)
- **Inflation:** 2.5% (2025A), 2.8% (2026E)
- **Unemployment:** ~6.3% (2025A), ~6.3% (2026E)

- EU growth is expected to weaken in 2026 as soft domestic demand and muted industrial activity continue to weigh on the region. Inflation is forecast to increase slightly due to higher energy and input costs, while unemployment remains broadly stable.

United Kingdom

- **GDP Growth:** 1.4% (2025A), 1.0% (2026E)
- **Inflation**: 4.8% (2025A), 5.5% (2026E)
- **Unemployment:** ~4.9% (2025A), 5.0% (2026E)

- Economic momentum remains weak as restrictive fiscal and financial conditions continue to constrain activity. Growth is expected to moderate further in 2026, while inflation and unemployment both edge higher.

China

- **GDP Growth:** 5.0% (2025A) , 4.6% (2026E)
- **Inflation:** 0.1% (2025A), 1.2% (2026E)
- **Unemployment:** ~5.2% (2025A), ~5.0% (2026E)

- China's growth is expected to ease in 2026 as property market weakness and subdued domestic demand continue to weigh on activity. Inflation remains low despite a modest increase, reflecting limited pricing power and weak consumer demand.

India

- **GDP Growth:** 7.7% (2025A), 6.4% (2026E)
- **Inflation:** 2.1% (2025A), 4.7% (2026E)
- **Unemployment:** ~4.2% (2025A), ~4.9% (2026E)

- India's growth is expected to moderate in 2026 following a strong 2025, though it remains among the fastest-growing major economies. Inflation is projected to rise as robust domestic demand and consumption continue to support economic activity.

Middle East (Saudi Arabia)

- **GDP Growth:** 4.6% (2025A), 1.7% (2026E)
- **Inflation:** 2.0% (2025A), 2.3% (2026E)
- **Unemployment:** ~2.8% (2025A), ~3.1% (2026E)

- Saudi Arabia's growth is expected to slow in 2026 as lower oil production and softer economic activity weigh on momentum. Inflation is expected to remain contained, while labour market conditions remain broadly stable.

Source: KPMG analysis, International Monetary Fund (2026): World Economic Outlook (July 2026), Organisation for Economic Co-operation and Development (2026). EuroStat; Bloomberg, S&P Capital IQ

Market benchmarking
2026

To support performance evaluation, we have conducted a comprehensive benchmarking exercise on public equities for each calendar year with annualised 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.

Regional equity performance Q2 2026:

	Sampled Companies as of 30/06/2026		Annualised Total shareholder return on Equity									Estimated Investment payback (Years)
Region	**By Count**	**By Market Cap %**	**Dec-19**	**Dec-20**	**Dec-21**	**Dec-22**	**Dec-23**	**Dec-24**	**Dec-25**	**Jun-26**	**CAGR**	
Asia / Pacific Developed Markets	3,959	8.9%	20%	15%	-1%	-17%	14%	12%	33%	23%	12%	6.0
Asia Emerging (Excluding China & India)	2,765	2.9%	23%	20%	18%	-12%	18%	30%	28%	38%	21%	3.7
China	5,678	7.9%	28%	30%	-1%	-23%	-13%	24%	38%	2%	9%	7.8
India	1,542	2.5%	5%	14%	27%	-8%	25%	14%	-1%	-8%	8%	8.7
Canada	466	2.6%	27%	9%	22%	-12%	14%	23%	37%	8%	16%	4.6
EU	2,294	10.9%	26%	14%	15%	-18%	21%	17%	31%	5%	14%	5.3
United Kingdom	462	2.9%	22%	-7%	14%	-10%	13%	18%	31%	8%	11%	6.6
Latin America and Caribbean	666	1.2%	14%	-8%	-8%	3%	34%	-4%	37%	8%	9%	8.0
Middle East	1,171	1.5%	14%	6%	27%	-3%	6%	8%	10%	0%	9%	8.2
Sub-Saharan Africa & North Africa	387	0.5%	0%	-5%	9%	-4%	3%	52%	52%	0%	12%	6.1
United States of America	3,031	58.3%	32%	20%	26%	-20%	27%	34%	18%	8%	18%	4.2
Global	**22,421**	**100.0%**	**27%**	**17%**	**17%**	**-18%**	**19%**	**27%**	**23%**	**9%**	**15%**	**4.9**
S&P 500 Returns			**29%**	**16%**	**27%**	**-19%**	**24%**	**23%**	**16%**	**10%**	**19%**	

Note: June 2026 (untill Q2) returns are presented on a non-annualised basis due to the exceptional market impact of the Iran - US conflict and oil crisis.

Global equity markets remained volatile through the first half of 2026 as geopolitical tensions arising from the US-Iran conflict pushed oil prices higher and reignited inflation concerns. Trade policy uncertainty, rising input costs and shifting supply chains contributed to uneven regional performance. Markets with greater exposure to energy, materials and industrial sectors benefited from stronger commodity prices, while continued investment in semiconductors, electronics manufacturing and AI-related industries supported selected growth markets.

The United States (8%) delivered positive but slower returns as trade uncertainty and higher inflation expectations weighed on sentiment. **The EU (5%) and UK (8%)** generated positive returns, supported by defensive sectors and improving investor confidence, while **Canada (8%)** benefited from stronger commodity and energy prices. In Asia, **China (-2%)** remained under pressure amid persistent property market weakness, while **India (-8%)** reflected valuation pressures following a strong run in prior periods. **Emerging Asia** excluding China and India **(38%)** was the strongest-performing region, supported by supply-chain diversification, manufacturing investment and continued demand for semiconductor and electronics production. **Latin America (8%)** benefited from stronger commodity prices, while the **Middle East (0%)** and **Sub-Saharan Africa & North Africa (0%)** remained volatile amid geopolitical uncertainty, currency movements and fluctuating commodity markets.

Sector performance remained mixed through the first half of 2026. **Information Technology (26%)** continued to lead returns, driven by sustained investment in artificial intelligence infrastructure, semiconductor demand and digital transformation spending, with AI-linked leaders such as Nvidia, TSMC and Broadcom outperforming broader markets. **Energy (19%) and Industrials (10%)** also benefited from higher oil prices, infrastructure spending and supply-chain investment. In contrast, **Consumer Discretionary (-7%) and Real Estate (-10%)** remained under pressure from weaker consumer spending, elevated financing costs and softer property markets. **Materials (6%) and Financials (4%)** lagged broader market performance as weaker Chinese demand, excess capacity and continued macroeconomic uncertainty weighed on earnings and investor sentiment. Payback metrics remained uneven, with Technology offering the shortest payback period and Real Estate remaining the least attractive sector.

Sectoral equity performance Q2 2026:

	Sampled Companies as of 30/06/2026		Annualised Total shareholder return on Equity									Estimated Investment payback (Years)
Sector	**By Count**	**By Market Cap %**	**Dec-19**	**Dec-20**	**Dec-21**	**Dec-22**	**Dec-23**	**Dec-24**	**Dec-25**	**Jun-26**	**CAGR**	
Communication Services	896	7.6%	24%	20%	13%	-34%	32%	43%	30%	-3%	14%	5.4
Consumer Discretionary	2,864	11.5%	26%	34%	8%	-30%	25%	26%	11%	-7%	10%	7.1
Consumer Staples	1,532	6.0%	24%	15%	8%	-9%	1%	8%	10%	7%	8%	8.7
Energy	698	4.0%	11%	-27%	32%	38%	10%	5%	12%	19%	12%	6.4
Financials	2,483	16.8%	24%	0%	16%	-12%	13%	36%	30%	4%	14%	5.4
Health Care	2,149	9.5%	24%	19%	13%	-7%	3%	5%	15%	1%	9%	8.0
Industrials	4,563	12.3%	26%	11%	17%	-15%	17%	22%	26%	10%	15%	5.1
Information Technology	3,096	24.4%	52%	46%	32%	-31%	50%	45%	27%	26%	30%	2.7
Materials	2,585	4.4%	17%	25%	15%	-14%	6%	5%	37%	6%	12%	6.1
Real Estate	893	0.8%	24%	-1%	-3%	-23%	0%	11%	18%	-10%	1%	68.9
Utilities	661	2.7%	21%	5%	11%	-5%	1%	18%	22%	9%	11%	6.8
Global	**22,420**	**100.0%**	**27%**	**17%**	**17%**	**-18%**	**19%**	**27%**	**23%**	**9%**	**15%**	**4.9**
S&P 500 Returns			**29%**	**16%**	**27%**	**-19%**	**24%**	**23%**	**16%**	**10%**	**19%**	

Note: June 2026 (untill Q2) returns are presented on a non-annualised basis due to the exceptional market impact of the Iran - US conflict and oil crisis.

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

Market deals

2026 outlook

The first half of 2026 was characterised by heightened geopolitical uncertainty, rising energy prices and increased market volatility following escalating tensions in the Middle East. Despite these challenges, **global deal activity remained resilient**, supported by **strong Debt Capital Markets (DCM)** issuance and **improved Equity Capital Markets (ECM) and IPO activity**.

Global M&A activity reached ~USD 2.5 trillion in H1 2026, with the US accounting for nearly 50% of global deal value. Dealmaking remained **concentrated in technology, energy and industrial sectors**, while ECM issuance reached ~USD 760 billion. DCM issuance exceeded ~USD 3.0 trillion, **as issuers increasingly accessed credit markets to refinance debt and secure funding** amid heightened volatility and evolving rate expectations.

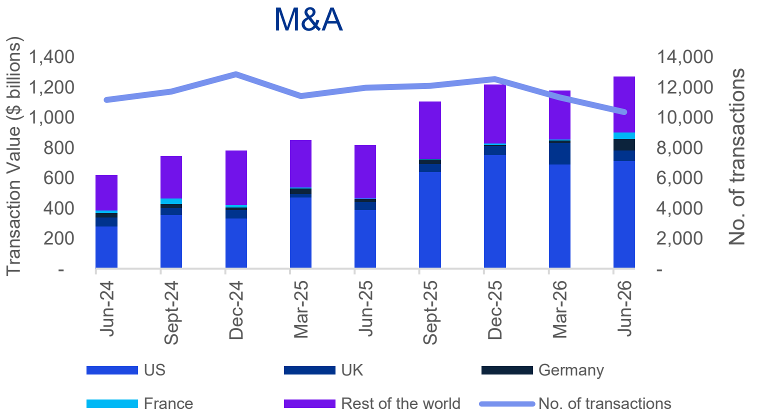
Global IPO proceeds surged to ~USD 144 billion in Q2 2026, with the **US contributing more than 80% of total issuance**. Demand was driven by AI, semiconductor and power-generation businesses, highlighted by offerings such as Cerebras Systems and Fervo Energy. Private placement activity generated ~USD 850 billion (H1 2026) across ~21,000 transactions, reflecting continued investor preference for larger, high-quality growth opportunities.

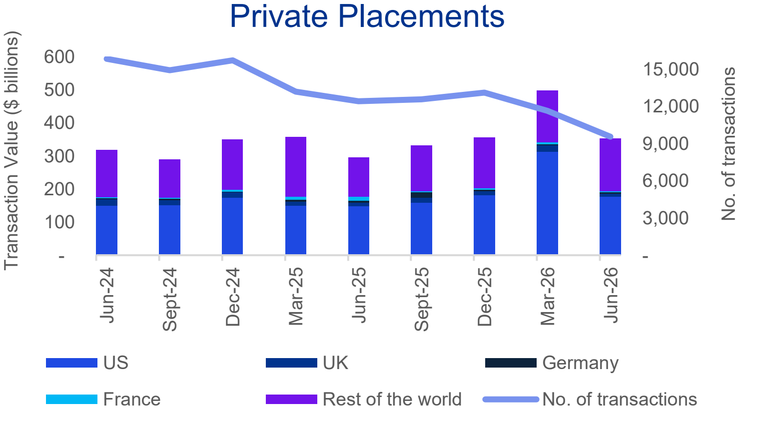
United States

The US remained the largest contributor to global deal activity during H1 2026, generating ~USD 1.4 trillion of M&A value and accounting **for nearly 60% of global transaction value.**

M&A activity increased from ~USD 691 billion in Q1 to ~USD 716 billion in Q2, **driven by continued activity across AI, semiconductor and technology sectors.** Notable transactions included **SpaceX's acquisition of xAI in February 2026**, which valued xAI at ~USD 250 billion through an all-stock transaction. Investor interest was further supported by **SpaceX's June 2026 IPO**, which debuted at a valuation of ~USD 1.77 trillion.

ECM issuance reached ~USD 281 billion, representing more than 50% of global volumes, supported by major offerings such as **Cerebras Systems' USD 6.4 billion IPO and Fervo Energy's USD 2.2 billion IPO**. Meanwhile, DCM issuance totalled ~USD 538 billion during Q2 2026 as corporates continued refinancing activity amid market uncertainty, while IPO proceeds reached ~USD 119 billion, accounting for more than 80% of global issuance.



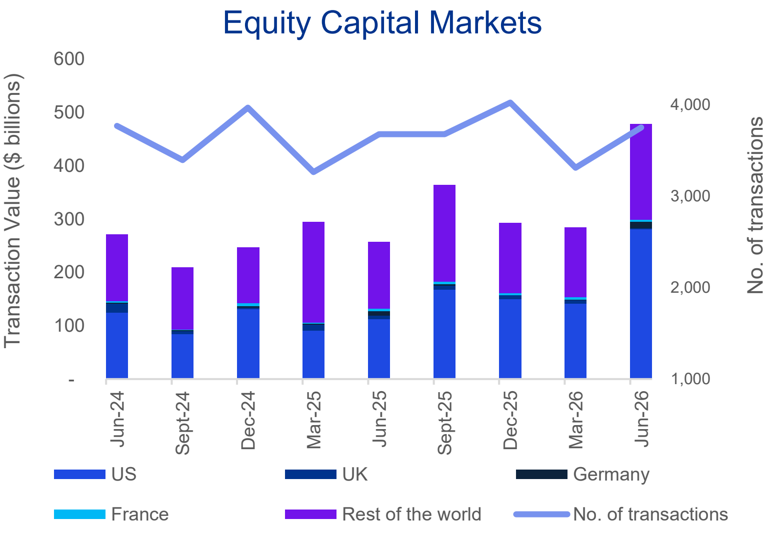


Market deals (cont'd)

2026 outlook

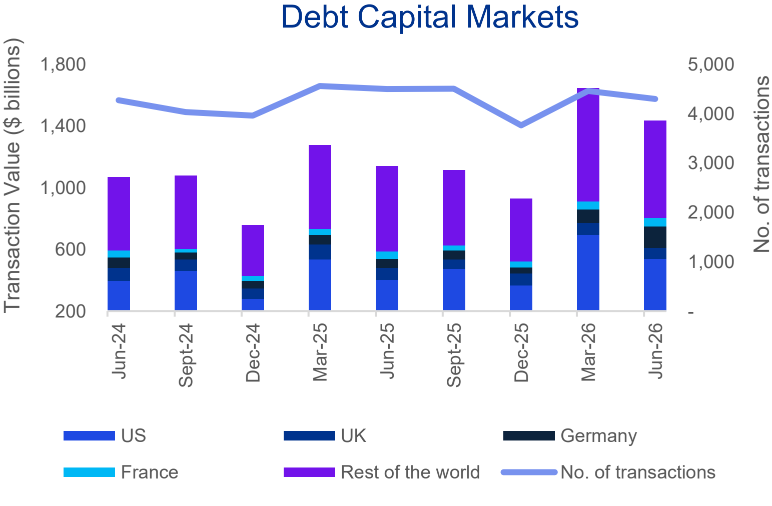
United Kingdom

UK deal activity moderated during Q2 2026, with M&A value declining from ~USD 142 billion in Q1 to ~USD 69 billion in Q2 following a particularly strong start to the year. While ECM issuance moderated following a stronger first quarter, IPO activity improved as market conditions became more supportive during Q2. DCM issuance remained resilient at ~USD 70 billion, supported by refinancing activity and sustained access to credit markets.



Europe

European deal activity strengthened materially during Q2 2026, led by Germany and France. German M&A value increased from ~USD 15 billion in Q1 to ~USD 75 billion in Q2, while France recorded ~USD 42 billion of deal activity, driven by a number of larger transactions completed during the first half of the year. ECM issuance improved significantly in Germany, although **broader IPO activity remained selective** amid slower economic growth and geopolitical uncertainty. DCM markets remained active as issuers continued refinancing and funding activities across the region.



Rest of the World

The Rest of the World maintained strong deal momentum during Q2 2026, with M&A activity increasing from ~USD 322 billion in Q1 to ~USD 369 billion in Q2, supported by continued activity across Asia and the Middle East.

ECM issuance also strengthened from ~USD 130 billion to ~USD 179 billion, **driven by foreign investment, semiconductor manufacturing and supply-chain diversification across Emerging Asia**. While DCM issuance moderated from record Q1 levels, it remained elevated at ~USD 630 billion in Q2, supported by funding demand across the energy, transport and technology sectors.

Source: KPMG analysis, S&P Capital IQ Pro

Contact us

KPMG,
1 Harbourmaster Place,
IFSC,
Dublin, D01 F6F5

Jorge Fernandez Revilla
Partner, FS Audit
Tel: + 353 (1) 410 2776
jorge.revilla@kpmg.ie

Ni Zhong
Associate Director, KFI
Tel: + 353 (1) 410 2097
ni.zhong@kpmg.ie

Muhammad Bilal
Associate Director, KFI
Tel: +353877442486
muhammad.a.bilal@kpmg.ie

https://kpmg.ie/valuations

https://kpmg.ie/media