FX Forecast Update
Scandi fragility to rule well into autumn

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Important disclosures and certifications are contained from page 24 of this report.

FX views in short: Fed, trade and Brexit woes keep USD on strong footing

- Since our previous *Forecast Update* on 5 August, markets have turned more optimistic regarding October trade talks and no-deal Brexit fears. The GBP is stronger versus peers, and USD/CNH is back around 7.10. The ECB delivered a 'substantial' and 'comprehensive' (in the words of the ECB) easing package and EUR/USD is flirting with sub-1.10 levels again. Both SEK and NOK are little changed on the month, however, seemingly held back by global risks still despite Norges Bank's happy-to-hike approach and the everything-looks-fine story still told by the Riksbank. Meanwhile, the Fed has made it very clear that its eyes are on 'America first' when it comes to policy – and that does not warrant further easing for now.

- Looking into Q4, we expect the UK government to ask for an extension (and call a general election) and for trade talks to possibly end with an interim deal, but, crucially, not a solid breakthrough. We thus think GBP will yet again come under (political and economic) pressure and that the slowdown which we have seen in Europe will stay with us. Notably, Sweden and Eastern Europe are at risk of weakening (further). An interim trade deal may better the outlook, but probably not significantly so. Indeed, the monetary-policy action in Europe continues to appear inadequate and more easing could easily be priced in both the euro area (ECB) and Sweden (Riksbank). Hopes for fiscal policy to come to the rescue should be kept at a minimum at this stage. Notably SEK looks vulnerable still as a weaker Sweden resonates well with the wider narrative of a global manufacturing slowdown.

- In this environment, USD strength is set to persist, but the joker in the pack remains the Fed's reaction function: we continue to expect that the Fed will eventually need to ease further, which in turn would lessen global growth worries, but, at this stage, easing is set to remain half-hearted from a global point of view as the US is set to stay 'too strong'. Looking into 2020, we remain cautiously optimistic that the UK will not end with 'no deal', that an interim trade deal can be reached, and that the Fed will cut more aggressively, which is largely what the global economy needs.

- In terms of forecast changes, we have kept our EUR/USD view unchanged and thus still look for the cross to linger around 1.10 on a 3M horizon and then edge higher. Notably, we also keep a negative view on SEK and GBP alike with EUR/SEK seen creeping towards 11.00 in 12M and the risk of a renewed jump higher in EUR/GBP omnipresent. EUR/NOK should eventually have downside potential yet we target 10.00 by year end. EM FX will remain affected by a strong greenback and we thus expect EM weakness to persist.

Overview of forecast changes

- **EUR/NOK.** The last weeks have yet again illustrated the disconnect between relative rates and the spot exchange rate. While Norges Bank again beat market pricing in September and hiked policy rates for the fourth time in a year both the trade and import weighted NOK are at weaker levels than one year ago. Indeed the persistency of NOK weakness has been an important reason behind the Norwegian economy's outperformance. From a relative productivity perspective, the NOK is not 'cheap' yet, but we would expect a strong carry allure in NOK when global growth rebounds higher. Our base case, however, is that this will not happen in 2019 and with a lower oil projection and year-end worries re-surfacing we raise our forecast profile to 9.90 in 1M (from 9.80), 10.00 in 3M (9.65), 9.70 in 6M (9.60) and 9.50 in 12M (unchanged).

- **EUR/SEK.** We stick to our bearish medium-term view on the krona based on a cyclical economic slowdown and a subdued inflation outlook that will re-challenge the Riksbank – the upcoming wage round will, in our view, not make it any easier to achieve its target. We expect that the Riksbank will not hike rates around year end – which they admittedly still say they will – but instead cut rates in Q1 20. The market is currently pricing in a flat repo rate path for the coming year, hence there is room for SEK-negative re-pricing of the Riksbank in the coming months. So while the SEK is likely to be data dependent, we remain comfortable with an upward-sloping medium-term trajectory for EUR/SEK and have decided to leave the forecast profile unchanged at 10.70 in 1M, 10.80 in 3M, 10.90 in 6M and 11.00 in 12M.

- **EUR/DKK.** We expect EUR/DKK to steady around 7.4670 in 1M and 3M and keep the market alert to whether DN will intervene again in the FX market to cap EUR/DKK topside. Next year we look for EUR/DKK to return to the central rate – we forecast EUR/DKK at 7.4630 in 6M and 7.4600 in 12M.

- **EUR/USD.** Strong forward guidance from the ECB will give some counterweight to a continuation of Fed rate cuts in the short-term. Eventually, the Fed will get ahead of the curve and push EUR/USD higher. We keep our forecasts unchanged at 1.10 in 1M and 3M, 1.13 in 3M and 1.15 in 12M.

- **EUR/GBP.** Since August, mood has turned around once more and markets now price a lower risk of a no-deal Brexit with EUR/GBP back to 0.88 at the time of writing. **B**ut will it last? Our base case remains that an extension is needed and for an election to arrive. In turn, we think political uncertainty will come back and we thus keep our forecast for sterling unchanged. In the run-up to the deadline in October, EUR/GBP will remain volatile. We expect EUR/GBP will settle close to 0.90. In the case of a decent deal or cancelation of Brexit, we believe EUR/GBP will move to around 0.85. In the case of no-deal hard Brexit, we look for close to but below 1.0.

- **USD/JPY.** We change our USD/JPY forecast from 105 to 106 reflecting downside risk as trade talks and the Brexit deadline draw closer. On a 12M horizon, strengthening global demand continues to be the base case which shifts USD/JPY to 110.0 (unchanged forecast).

- **EUR/CHF.** Near term, watch out for renewed risk off which could fuel EUR/CHF dips and to what extent the SNB goes against these with intervention. Also, as the new sight-deposits thresholds take hold, this could fuel both CHF short rates and spot volatility. Longer term, if we are right in the global economy averting a recession, EUR/CHF should slowly grind higher as pressure on the SNB's somewhat empty-looking toolbox abates. We keep our EUR/CHF forecasts unchanged, i.e. we see the cross at 1.09 in 1M, 1.10 in 3M, 1.12 in 6M and 1.14 in 12M.

- **USD/CNY.** Following the recent move higher, we expect USD/CNY to trade between 7-7.20 in the coming months. We keep our 3M target at 7.10 and 6M and 12M target at 7.20. Our expectation of a rise in EUR/USD in 12 months will help to cap the rise in USD/CNY.

- **USD/CAD**. The 'loonie' remains sensitive to changes in global growth expectations, risk appetite and US-China trade negotiations. The domestic economy keeps operating at roughly trend-potential and with inflation close to target the near-term case for easing seems slim. Meanwhile, we pencil in more economic slowdown in the all-important export destination in the US and with 10Y inflation expectations close to the 2016 lows, we maintain our call for two Bank of Canada rate cuts over the next 12M. Fundamentally, we still regard USD/CAD as overvalued with fair-value estimates in the low 1.20s. We forecast USD/CAD at 1.33 in 1M (from 1.32), 1.32 in 3M (1.30), 1.31 in 6M (1.29) and 1.29 in 12M (1.27).

- **NZD/USD and AUD/USD** are set to face downside pressure still. In both Australia and New Zealand, leading indicators have maintained their downward trajectory, with business confidence taking a further hit in recent months. Inflation prints have remained disappointing in Australia, whereas they have been solid if below target in New Zealand. Continued downside risks to inflation prompted the Reserve Bank of New Zealand (RBNZ) to cut the cash rate by 50bp in August while the Reserve Bank of Australia (RBA) kept rates unchanged earlier this month. Overall, both central banks are most certainly considering further easing of monetary policy as their respective economies are weakening and the Fed is set to continue to cut rates. For AUD we keep our forecast profile unchanged, i.e. we expect AUD/USD at 0.67 in 1M, 0.67 in 3M, 0.70 in 6M and 0.70 in 12M (unchanged). We have, however, revised lower our NZD profile as RBNZ could be priced more dovishly in our view. Thus, we see NZD/USD at 0.62 in 1M (0.645), 0.62 in 3M (0.645) and 0.65 in 6M and 12M (both from 0.67). For both AUD and NZD, it goes without saying that in order to see a rise to the highs of 2016-18 we would need to see a strong pick-up in global activity and likely a solid resolution of the trade war.

- **USD/RUB.** We see a great selling opportunity in the RUB on the recent strengthening, caused by geopolitical escalation in the Middle East and a rocketing crude price. We expect the situation in oil markets will normalise in the next few weeks, while Russia's Ministry of Finance could increase its FX purchases, if crude prices start climbing on the mid-term horizon. These actions will restrain RUB's excessive rally.

- **EUR/PLN.** The Polish zloty has been on a roller-coaster ride since early August – first weakening on the back of renewed trade war angst, but then strengthening on the back of decent Polish macro-numbers and less trade war anxieties. In the past few days, the currency has weakened on the back of weak global macro data and concerns about an adverse EU court ruling in early October. Given that the global cycle will deteriorate further near-term and there is no substantial relief in US and China trade discussions, we see further upward pressure on EUR/PLN near-term. As a result, we lift our trajectory for the EUR/PLN to 4.42 (previously 4.32) in 1M and 4.40 (prev. 4.25) in 3M. In the longer term, we expect a modest global recovery on the back of further stimulus which should support the zloty, seeing the pair falling to 4.30 in 6M and 4.26 in 12M.

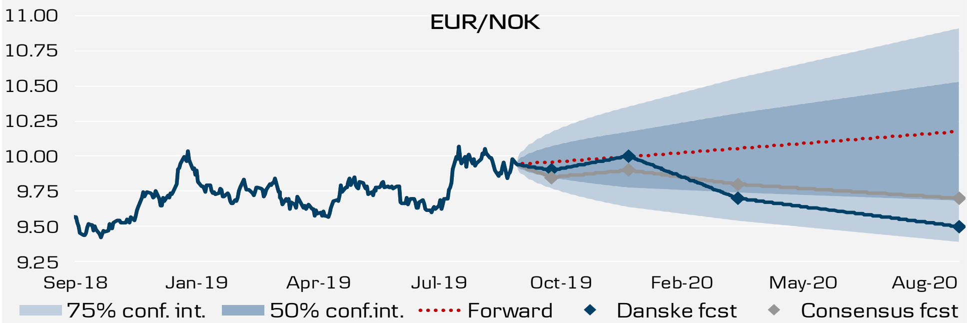
- **USD/TRY.** The TRY has stabilised on continuing global monetary easing, while quick monetary easing by the TCMB has not surprisingly hit the TRY. Decelerating inflation and a dovish central bank fuel hopes for economic stabilisation and growth in 2020. We expect marginal strengthening of the TRY versus the USD in Q4 19 as the US Fed will stay rather dovish. Large FX debt redemptions by the Turkish private sector, possible crude price shocks and weak economic activity combined with double-digit inflation will still weigh on the TRY in the long-term.

- **Oil**. We expect oil prices to remain depressed close to current levels in the coming years mainly due to weak global demand on the back of weak growth, trade tensions and a strong USD. We forecast Brent to average USD65/bbl in Q4 and USD60/bbl in 2020.

EUR/NOK – global NOK headwinds (still) beat hawkish Norges Bank

- **Growth.** Economic releases out of Norway over the last month have confirmed that the mainland economy remains fairly insulated against weaker global growth impulses. The reasons for this are (i) oil investments, (ii) building and construction, (iii) strong public demand and (iv) rising real disposable income stemming from rising employment, higher nominal wages and lower inflation. The latest Regional Network Survey pointed at average annualised mainland growth over the next 6M of 2.7%. This is down from the previous signal of 3.1% but still clearly above peer growth and importantly also the economy's trend potential.
- **Monetary policy.** At the September meeting Norges Bank (NB) hiked the key policy rate by 25bp to 1.50% yet again highlighting NB's emphasis on domestics and a weak NOK. This was the fourth hike in a year. Many market participants had doubted NB would hike rates again amid most other central banks easing policy or staying on hold. Importantly, NB signalled that this was most likely the last hike in the hiking cycle even if the rate path actually implied a 40% probability of another hike in 2020. As we are slightly more upbeat on the labour market and the mainland economy than NB we project another hike in March 2020.
- **Flows.** Foreign banks (proxy for speculative flows) have been net buyers of NOK over the past weeks. However, this buying follows a period of heavy net selling leaving NOK positioning neutral in our view.
- **Valuation.** From a long-term perspective, the NOK seems fundamentally undervalued. Our PPP model has 8.85 as 'fair'. A model incorporating relative productivity also suggests NOK potential after the year-long internal devaluation and NOK weakness.
- **Risks.** The biggest risk factors to our call are (i) a continued outperformance of the USD, (ii) the Fed not cutting rates while global growth remains weak, and/or (iii) if we are wrong on our above-trend call on Norwegian growth. Also, a break-down in US-China trade negotiations would be NOK negative.

Forecast: 9.90 (1M), 10.00 (3M), 9.70 (6M), 9.50 (12M)



EUR/NOK	1M	3M	6M	12M
Forecast (pct'ile)	9.90 (39%)	10.00 (54%)	9.70 (21%)	9.50 (16%)
Fwd. / Consensus	9.96 / 9.85	10.00 / 9.90	10.06 / 9.80	10.18 / 9.70
50% confidence int.	9.83 / 10.07	9.78 / 10.17	9.74 / 10.31	9.68 / 10.53
75% confidence int.	9.74 / 10.17	9.64 / 10.35	9.54 / 10.56	9.39 / 10.91

Source: Danske Bank

Conclusion. The past weeks have yet again illustrated the disconnect between relative rates and the spot exchange rate. While NB again beat market pricing in September and hiked policy rates for the fourth time in a year both the trade and import weighted NOK are at weaker levels than one year ago. Indeed the persistency of NOK weakness has been an important reason behind the Norwegian economy's outperformance.

We think we have to see a substantial change to the external environment in terms of USD strength, China deleveraging and broad commodity performance before we see persistent NOK strength ('*Why is the NOK so weak?'*). From a relative productivity perspective the NOK is not 'cheap' yet we would expect a strong carry allure in NOK when global growth rebounds higher. Our base case, however, is that this will not happen in 2019 and with a lower oil projection and year-end worries re-surfacing we raise our forecast profile to 9.90 in 1M (from 9.80), 10.00 in 3M (9.65), 9.70 in 6M (9.60) and 9.50 in 12M (unchanged).

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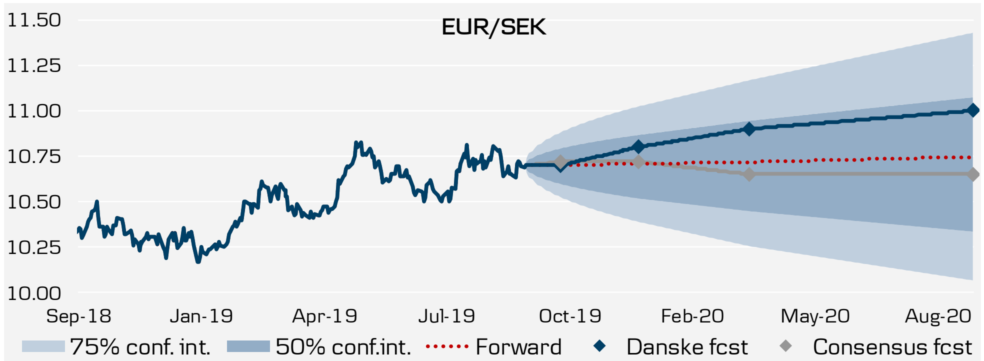
EUR/SEK – new highs before year end

- **Growth.** GDP growth is slowing down more quickly than the Riksbank had expected, as an already weak preliminary Q2 was revised down to 1.0% y/y (1.4). The global outlook seems to deteriorate by the day, not least on key export markets. In addition, the labour market has been a clear disappointment over the last couple of months. In our view, these developments will make it difficult for the Riksbank to deliver on its repo rate forecast. The economic slowdown is a headwind for the SEK.
- **Monetary policy.** We think that the Riksbank will have to back down from its plan to raise rates around year end: (i) inflation is dropping, (ii) inflation expectations are dropping too, (iii) GDP growth is lower, (iv) the labour market weaker and (v) other central banks are cutting rates. In this environment it would make more sense if they reversed policy and cut rates. We look for -25bp around February next year. Since pricing is close to flat, growing expectations of a cut will weigh on the SEK.
- **Flows.** The huge rate gap versus the US has held back commercial and investors' demand for the SEK and fuelled carry trades where SEK has been a preferred funding currency. Net equity portfolio flows were negative again in Q2, primarily due to Swedish investors net buying foreign assets. Part of that was the AP funds, which raised their currency exposure in H1 to 24% on average.
- **Valuation.** The massive depreciation of the SEK over the past years is to a large extent driven by the Riksbank's ultra-easy and SEK-obsessed policies. However, there are more fundamental factors at play too, which have significantly raised long-term fair value in many SEK crosses, see *FX Strategy – Hardships for the SEK,* 13 May. A 'structural' equilibrium in EUR/SEK is probably closer to or even above 10.00 in our view.
- **Risks.** Pronounced risk-off could push EUR/SEK higher faster. A stubborn hawkish stance from the Riksbank could pull in the other direction. The Swedish surprise index is stretched on the downside.

Forecast: 10.70 (1M), 10.80 (3M), 10.90 (6M), 11.00 (12M)



EUR/SEK	1M	3M	6M	12M
Forecast (pct'ile)	10.70 (52%)	10.80 (67%)	10.90 (71%)	11.00 (71%)
Fwd. / Consensus	10.70 / 10.72	10.71 / 10.72	10.72 / 10.65	10.75 / 10.65
50% confidence int.	10.58 / 10.81	10.52 / 10.87	10.45 / 10.94	10.33 / 11.07
75% confidence int.	10.50 / 10.90	10.39 / 11.02	10.25 / 11.17	10.07 / 11.43

Source: Danske Bank

- **Conclusion.** We stick to our bearish medium-term view on the krona based on a cyclical economic slowdown and a subdued inflation outlook that will re-challenge the Riksbank – the upcoming wage round will, in our view, not make it any easier to achieve its target. We expect that the Riksbank will not hike rates around year end which they still say they will, but instead cut rates in Q1 20. The market is currently pricing in a flat repo rate path for the coming year, hence there is room for SEK-negative re-pricing of the Riksbank in the coming months. So, while the SEK is likely to be data dependent, we remain comfortable with an upward-sloping medium-term trajectory for EUR/SEK and have decided to leave the forecast profile unchanged at 10.70 in 1M, 10.80 in 3M, 10.90 in 6M and 11.00 in 12M.

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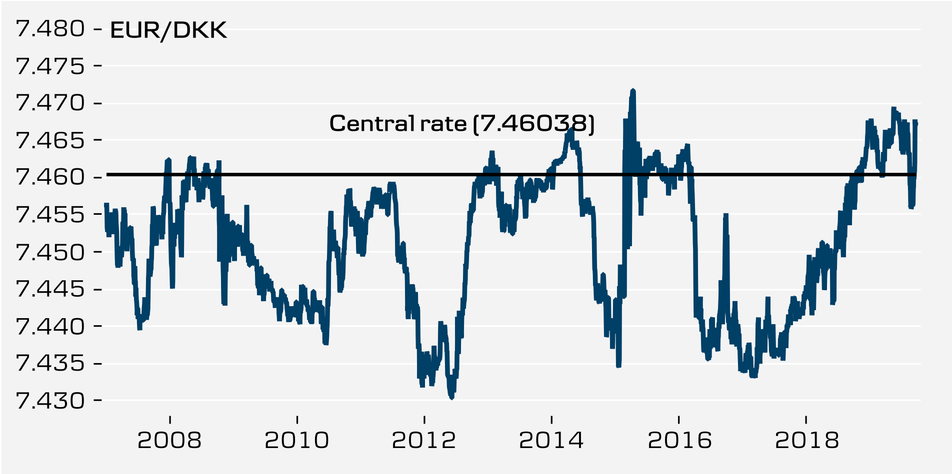
EUR/DKK – back at the weak end of the trading range

- **FX.** EUR/DKK bounced right back to the weak end of the trading range following the ECB meeting, where the 10bp rate cut from Danmarks Nationalbank (DN) effectively increased the DKK-EUR interest rate spread. EUR/DKK is now trading close to the high levels of H1 and the DN FX intervention levels from December and January. We look for EUR/DKK to stay close to these levels the rest of the year before returning close to the central rate next year.
- **Rates & forwards.** After 10bp in rate cuts from both ECB and DN in September, we look for both central banks to keep rates on hold over the forecast horizon. The discount in FX forwards has increased following the rate cuts, partly because the market was not priced for DN to follow ECB 1:1 and because the introduction of a tiered deposit system in the euro area dampens the pass through of the ECB's rate cut.
- **Flows.** The Danish current-account surplus remains large but has moderated somewhat from the elevated level seen in past years. It still creates fundamental support for DKK. A high savings rate and low investment activity will maintain this situation in the coming years. Denmark has significant exposure to the US as around 1/3 of the surplus is earned in the US.
- **Liquidity.** The net position will rise further towards the end of the year keeping an ample supply of liquidity in the DKK market. In its budget proposal for 2020, the Ministry of Finance plans to withdraw around DKK30bn in liquidity next year as pension return tax payments could be close to record highs. If confirmed in the final budget it will tighten liquidity a bit next year.

Forecast: 7.4670 (1M), 7.4670 (3M), 7.4630 (6M), 7.4600 (12M)



Source: Danske Bank

- **Conclusion.** We expect EUR/DKK to steady around 7.4670 in 1M and 3M and keep the market alert to whether DN will intervene again in the FX market to cap EUR/DKK topside. Next year we look for EUR/DKK to return to the central rate – we forecast EUR/DKK at 7.4630 in 6M and 7.4600 in 12M.

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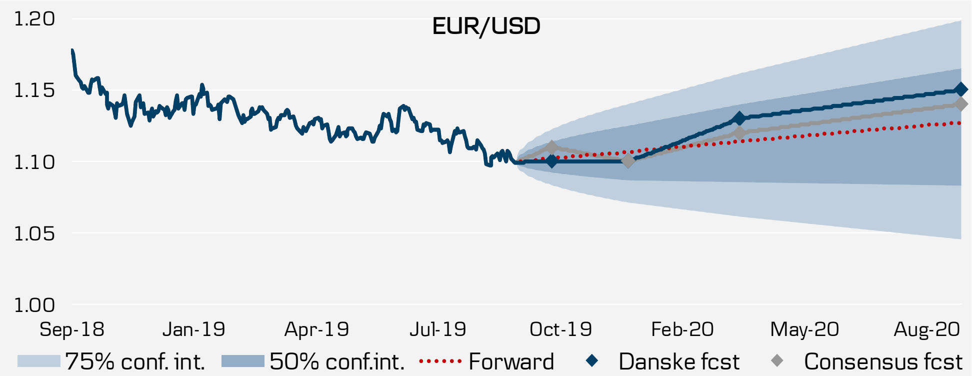
EUR/USD – steady in the coming months

- **Growth.** Trade war escalation, geopolitical tensions, downturn in global manufacturing and slow adjustment of monetary policy from the Fed and the ECB are all factors weighing on the US and euro area economies. However, the US economy still looks relatively stronger. We do not see an imminent turn around for the better, but a chance of stabilisation around the current weaker levels. Inflationary pressures remain muted in both economies and inflation expectations are at risk of becoming de-anchored.
- **Monetary policy.** In our view, the September ECB meeting could very well turn out to be a game changer for EUR/USD. Even though the ECB cut its deposit rate less than expected and introduced a tiered deposit system, Draghi and co did come close to convincing markets of its easing commitment with its strong forward guidance and an open-ended QE programme. This may over time support higher inflation expectations and weigh on EUR/USD. The Fed cut rates again in September and we look for another 25bp rate cut on each of the coming four meetings. Eventually, this should bring Fed ahead of the curve on monetary easing. But for now, the Fed is unwilling to pre-commit to further hikes.
- **Flows.** External balances as measured by relative current-account balances hint at EUR/USD upside medium term but history suggests a deficit like the US one can be sustained for prolonged periods, notably for a world reserve currency like the dollar.
- **Valuation.** USD remains generally overvalued on most measures and our MEVA and PPP estimates for EUR/USD are in the 1.20s, suggesting the direction of gravity should still be higher medium term.
- **Positioning.** The market has added short EUR/USD positions again.

Forecast: 1.10 (1M), 1.10 (3M), 1.13 (6M), 1.15 (12M)



EUR/USD	1M	3M	6M	12M
Forecast (pct'ile)	1.10 (45%)	1.10 (41%)	1.13 (67%)	1.15 (66%)
Fwd. / Consensus	1.10 / 1.11	1.11 / 1.10	1.11 / 1.12	1.13 / 1.14
50% confidence int.	1.09 / 1.11	1.09 / 1.13	1.09 / 1.14	1.08 / 1.17
75% confidence int.	1.08 / 1.12	1.07 / 1.14	1.06 / 1.16	1.05 / 1.20

Source: Danske Bank

- **Risks.** If the Fed steps up easing more forcefully in the short-term, we could see a faster rebound in EUR/USD than we now project. Given current 50/50 market pricing of a 25bp cut in October the next releases of ISM and non-farm will be even more important for EUR/USD in the short-term
- **Conclusion.** Strong forward guidance from ECB will give some counterweight to a continuation of Fed rate cuts in the short-term. Eventually, the Fed will get ahead of the curve and push EUR/USD higher. We keep our forecasts unchanged at 1.10 in 1M and 3M, 1.13 in 3M and 1.15 in 12M.

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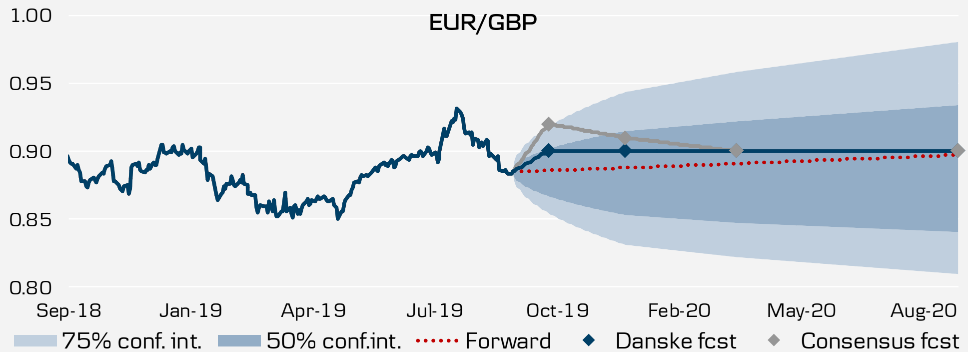
EUR/GBP – time to prepare for the next round of uncertainty

- **FX.** GBP weakened somewhat after Theresa May stepped down. Additional weakening came on the back of declining domestic demand and with Boris Johnson having taken office, we have seen a further but mild weakening of GBP. Since August, the mood has turned around once more and markets now price a lower risk of a no-deal Brexit with EUR/GBP back to 0.88 at the time of writing.
- **Brexit.** Our base case is another Brexit extension, including an election and we think it is time to prepare for the next round of political uncertainty. Markets think there is progress between EU and UK and that the UK parliament will not accept a no-deal outcome. In turn, GBP has strengthened. Our base case remains that an extension is needed and for an election to arrive. In turn, we think political uncertainty will come back and we thus keep our forecast for sterling unchanged.
- **Growth.** GDP expectations are running around 1%, and downside risk is prevalent but as of today the numbers out of UK remain decent.
- **Monetary policy.** The Bank of England continues to be quite passive. In practice, monetary policy is unlikely to change before either (i) we see a much stronger worsening in UK data or (ii) a dramatic (or peaceful) Brexit is completed, after which policy may move in either direction
- **Valuation.** GBP remains fundamentally undervalued. Our G10 MEVA model puts EUR/GBP at 0.78 (our Brexit-corrected MEVA estimate for the cross is around 0.83 and cyclically adjusted fair-value is 0.85). The PPP estimate is 0.76.
- **Flows.** Investor positioning is short GBP but it has been trimmed slightly.
- **Risks.** The Brexit risk premium has diminished since August. In turn, the risk is now for it to get priced back into the cross.

Forecast: 0.90 (1M), 0.90 (3M), 0.90 (6M), 0.90 (12M)



EUR/GBP	1M	3M	6M	12M
Forecast (pct'ile)	0.90 (70%)	0.90 (65%)	0.90 (62%)	0.90 (58%)
Fwd. / Consensus	0.89 / 0.92	0.89 / 0.91	0.89 / 0.90	0.90 / 0.90
50% confidence int.	0.87 / 0.90	0.85 / 0.91	0.85 / 0.92	0.84 / 0.93
75% confidence int.	0.85 / 0.92	0.83 / 0.94	0.82 / 0.96	0.81 / 0.98

Source: Danske Bank

Conclusion. In the run-up to the deadline in October, EUR/GBP will remain volatile. Our base case continues to be an extension of Brexit and a new election. We expect EUR/GBP will settle close to 0.90. In the case of a decent deal or cancellation of Brexit, we believe EUR/GBP will move to around 0.85. In the case of no deal, we look for close to but below 1.0. In terms of EUR/GBP forecasts we keep these unchanged at 0.90 throughout our forecast horizon.

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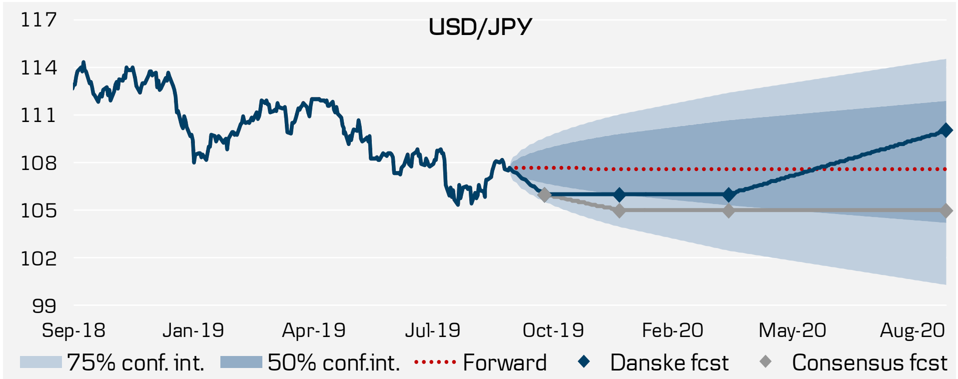
USD/JPY – JPY faces headwind as optimism brews, but only temporarily?

- **FX.** USD/JPY has been shifted around by major but quarterly trends in global sentiment. In the recent month, global markets have seen renewed optimism on everything from trade talks, Brexit risk and global demand. October is likely to be quite the trend setter for USD/JPY as the Fed's next move is a coin toss and trade talks may or may not change the global outlook. We keep our forecast for a stronger JPY and expect that US rates will come back down, but it's a close call. We expect global sentiment to remain the key driver in the cross as risk-off, commodity sell-off and falling US rates run together and amplify each other to take USD/JPY lower.
- **Monetary policy.** We do not expect any changes in rates or magnitude of the Quantitative and Qualitative Easing (QQE) framework on this side of 2021. But the probability of a cut in the policy rate has risen. In the end it will come down to how the economy weathers the October VAT-hike and global risk sentiment and the effect it might have on the yen.
- **Terms of trade.** Commodity prices have come up slightly, supporting JPY weakness. Looking ahead, there is a significant amount of positive expectation built into current market prices (see above) and October may very well end with a fizzle and thus stronger JPY.
- **Flows.** Japan continues to be a significant capital exporter via its large current account surplus of above 3% of GDP, suggesting the currency relative to fundamentals is somewhat weak.
- **Valuation.** PPP is around 80, while our MEVA model suggests 108.
- **Positioning.** Investors are overall long JPY.

Forecast: 106.0 (1M), 106.0 (3M), 106.0 (6M), 110.0 (12M)



USD/JPY	1M	3M	6M	12M
Forecast (pct'ile)	106.00 (16%)	106.00 (25%)	106.00 (29%)	110.00 (62%)
Fwd. / Consensus	107.63 / 106.00	107.62 / 105.00	107.62 / 105.00	107.60 / 105.00
50% confidence int.	106.68 / 108.91	105.97 / 109.81	105.30 / 110.67	104.20 / 111.89
75% confidence int.	105.49 / 109.62	103.95 / 111.03	102.45 / 112.39	100.29 / 114.53

Source: Danske Bank

- **Conclusion.** We change our USD/JPY forecast from 105 to 106 which continues to reflect that we see downside risk in USD/JPY as trade talks and the Brexit deadline draw closer. On a 12M horizon, strengthening global demand continues to be the base case, which we think will shift USD/JPY to 110.0 (unchanged from previous forecasts).
- **Risks.** Drivers set to take JPY back above 110 include (i) an inflation-driving Fed cut (ii) strong BoJ easing and/or (iii) improving global macro. Events to take JPY below 105 include (i) declining commodity prices (ii) continued deterioration of global demand (iii) further negative news from the trade war, especially as optimism has been broad-based when going into the October talks.

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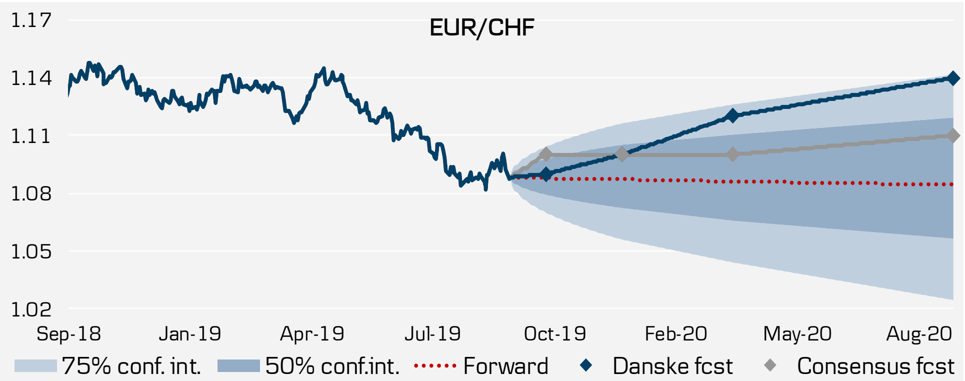
EUR/CHF – mind the SNB's new policy tool

- **Economic outlook.** Swiss data have generally come in on the weak side of expectations lately – as has also been the case in the eurozone. The KOF leading indicator remains below 100 and while it may have stabilised, Swiss manufacturing PMI is lingering below 50. Unemployment remains stubbornly low though – yet inflation continues to decline as CHF has strengthened. And the SNB was forced to make a substantial downward revision of its conditional inflation forecast in September, now seeing CPI at a mere 0.2% y/y in 2020 on average.
- **Monetary policy.** Despite what the ECB intended to be a 'stimulus package', the SNB kept both the new SNB policy rate (effectively a target for SARON) and the sight-deposit rate unchanged at -0.75% in September. While this may hint that the SNB has given up on following ECB easing, it is worth noting that: (i) euro and Swiss short-end rates have in fact moved up in recent weeks (due to tiering and limited hopes for more to come), (ii) global risks have faded for now (trade, Brexit) and kept a hand under EUR/CHF, (iii) SNB has provided itself with a new policy tool, i.e. exemption thresholds for sight deposits which will be reviewed on a monthly basis going forward (and raised by 1 November). The latter means that the SNB can adjust these to control the pass-through from policy to market rates and hence better adjust the 'marginal' rate paid on CHF deposits. Finally, intervention remains a policy tool.
- **Flows.** Speculative positioning is largely neutral for CHF.
- **Valuation.** Both our medium-term valuation (MEVA) and PPP models suggest that fundamentals warrant EUR/CHF around 1.25, i.e. CHF remains 'overvalued'. Note that the SNB maintains the saying regarding the franc that it is 'highly valued'.
- **Risks**. SNB remains vulnerable if further easing is needed, given that Swiss policy rates are already close to a possible 'reversal rate' where further cuts become counterproductive – and if deflation fears grab hold, EUR/CHF is vulnerable.

Forecast: 1.09 (1M), 1.10 (3M), 1.12 (6M), 1.14 (12M)



EUR/CHF	1M	3M	6M	12M
Forecast (pct'ile)	1.09 (52%)	1.10 (67%)	1.12 (83%)	1.14 (86%)
Fwd. / Consensus	1.09 / 1.10	1.09 / 1.10	1.09 / 1.10	1.08 / 1.11
50% confidence int.	1.08 / 1.10	1.07 / 1.11	1.07 / 1.11	1.06 / 1.12
75% confidence int.	1.07 / 1.11	1.06 / 1.12	1.04 / 1.13	1.02 / 1.14

Source: Danske Bank

Conclusion. While our longer-term bias remains for an uptick in EUR/CHF on fundamental grounds, it is difficult to see this playing out near term. In an environment where trade woes and Brexit fears could swiftly resurface and where the call for easing is unlikely to abate, SNB remains vulnerable to renewed deflation fears. Near term, watch out for renewed risk off, which could fuel EUR/CHF dips, and to what extent the SNB goes against these with intervention. Also, as the new sight-deposits thresholds take hold this could fuel both CHF short rates and spot volatility. Longer term, if we are right in the global economy averting a recession, EUR/CHF should slowly grind higher as pressure on the SNB's somewhat empty-looking toolbox abates.

We keep our EUR/CHF forecasts unchanged across horizons, i.e. we continue to see the cross at 1.09 in 1M, 1.10 in 3M, 1.12 in 6M and 1.14 in 12M.

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USD/CNY – trade war and weak economy to weigh on CNY still

- **Growth.** Chinese PMI data point to a slowdown in growth but no hard landing. While the downward pressure continues, continued stimulus will work as a counterweight. We look for economic activity to stay weak in the rest of 2019 and improve only slightly in 2020 on the back of stimulus. Our base case is that we do not see a significant further escalation of the trade war but that the uncertainty will be with us for a long time and that we will not have a deal on this side of the US election in November 2020.

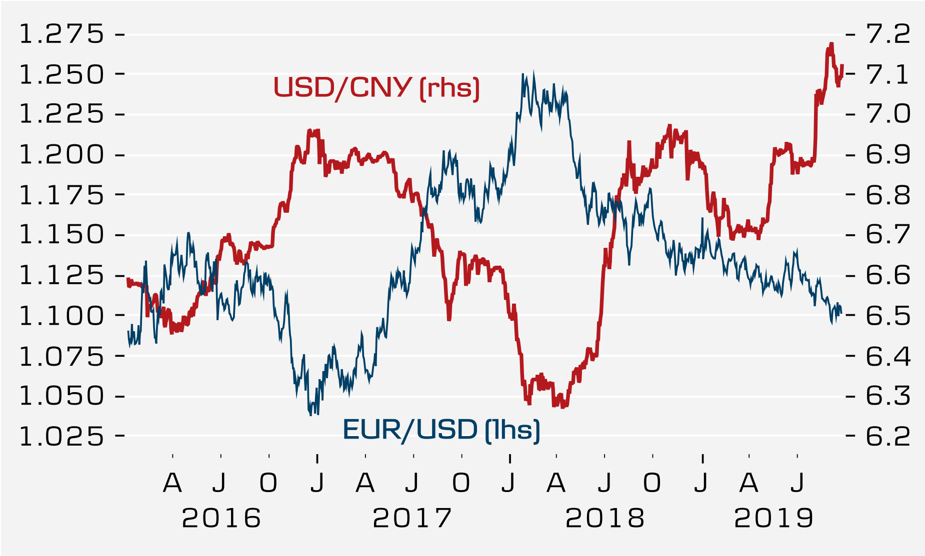
- **Monetary policy.** China has eased monetary policy since April last year by cutting the Reserve Requirement Ratio (RRR) and through measures to improve credit availability to the private sector. The RRR was cut again this month and we look for a further reduction by 50bp in Q4. We also expect more fiscal easing.

- **FX policy**. CNY continues to be a managed peg against a basket of currencies. The People's Bank of China (PBoC) has increasingly let the market determine the CNY rate and intervenes less frequently than in the past. But the PBoC aims to dampen volatility if currency moves are too sharp. In September, the PBoC kept the fixing very stable and mostly at a stronger level than the spot level, which is a signal they wish to dampen further weakening.

- **Flows**. FX reserves have increased moderately this year showing little sign of outflows. However, anecdotal evidence suggests that China has tightened capital controls to stem outflows. Also, portfolio inflows this year have been supported by an increase in the weight of Chinese equities in the MSCI Emerging Markets index as well as the inclusion of Chinese bonds in the Bloomberg Barclays index from 1 April.

- **Valuation.** The CNY is close to long-term fair valuation. China's current account surplus has declined from the peak at 10% of GDP in 2007 to 0.4% of GDP in 2018.

Forecast: 7.05 (1M), 7.10 (3M), 7.20 (6M), 7.20 (12M)



Source: Danske Bank

- **Conclusion.** Following the recent move higher, we expect USD/CNY to trade between 7-7.20 in the coming months. We keep our 3M target at 7.10 and 6M and 12M target at 7.20. Our expectation of a rise in EUR/USD in 12 months will help to cap the rise in USD/CNY.

- **Risks.** These are skewed to the upside for USD/CNY in the short term as further trade war escalation by US President Donald Trump cannot be ruled out.

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USD/RUB – stabilisation on increased oil shock risk

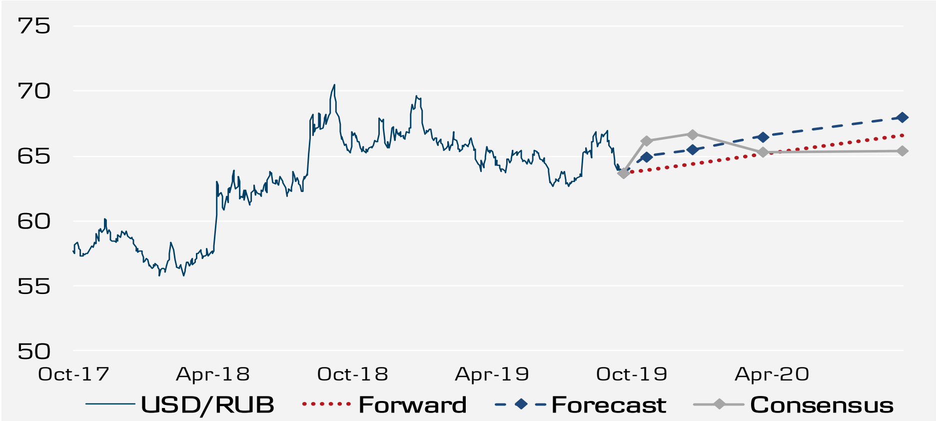
- **Growth.** Russian economic growth accelerated to 0.9% y/y in Q2 19 versus 0.5% expansion a quarter earlier. Major growth drivers were mining and quarrying, transport, storage and financial services. Wholesale and retail trade shrank in line with decelerating household activity. We expect 2019 GDP to expand 1.2% y/y, seeing some downside risk to our forecast. We see some acceleration to 1.7% in 2020 due to notable monetary easing and initiation of several investment projects by the state.

- **Monetary policy.** Russia's central bank (CBR) delivered a 25bp cut in September, communicating its own intentions well in advance. Currently, inflation is tracking slightly above the target, but continues to decelerate. We expect the central bank to cut the key rate by 25bp at least one more time in 2019, seeing some chance for a second cut during Q4 19.

- **Flows.** In line with other emerging market currencies, inflows into the RUB restarted on prolonged ECB dovishness. The spiking oil price is also supporting RUB inflows. Combined with a dovish CBR, RUB's carry trade attractiveness continues to vanish. Yet, inflows into Russia's local debt by foreigners have been significant, fuelled by stable macro indicators.

- **Valuation.** Real rates in Russia remain positive despite the CBR's cuts. Looking at RUB's technical, such as relative strength indicator and Bollinger bands, we see that the USD/RUB is staying close to its 'fair value' territory despite the recent oil price increase.

Forecast: 65.00 (1M), 65.50 (3M), 66.50 (6M), 68.00 (12M)



USD/RUB	1M	3M	6M	12M
Forecast	65.00	65.50	66.50	68.00
Fwd./Consesus	63.93 / 66.15	64.43 / 66.68	65.15 / 65.32	66.59 / 65.42

Source: Danske Bank

- **Conclusion.** We see a great selling opportunity in the RUB on the recent strengthening, caused by geopolitical escalation in the Middle East and the rocketing crude price. We expect the situation in oil markets will normalise in the next few weeks, while Russia's Ministry of Finance could increase its FX purchases, if crude prices start climbing on the medium-term horizon. These action will restrain RUB's excessive rally.

- **Risks.** As anti-Russia sanctions by the US are not on the topical agenda right now, we see less extreme downside risks for our RUB forecast. A new oil shock would rather support RUB's rally.

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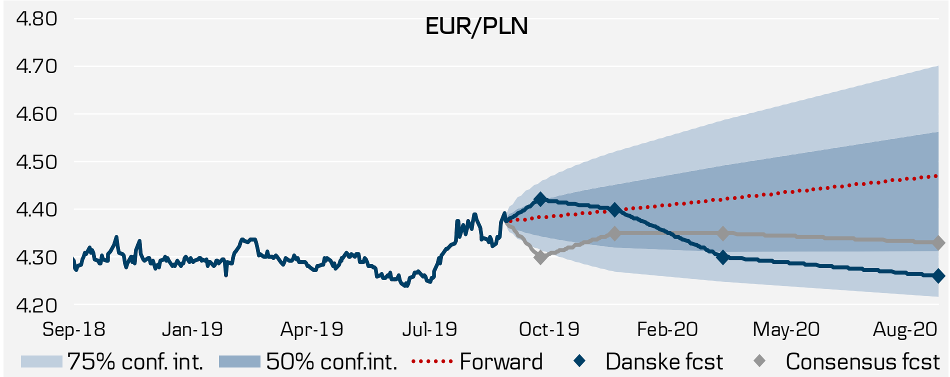
EUR/PLN – external headwinds for the zloty

- **Economic developments.** The global trade war is starting to show its impact on the Polish economy. Although the PMI index increased slightly to 48.8 in August, it remains in contractionary territory and unexpectedly industrial production also fell back to a level lower than the same month last year. Meanwhile the domestic economy still shows decent growth with retail sales growing around 6%, supported by still strong wage and employment growth. In addition, the government, which is expected to win next month's election, has unveiled further expansionary fiscal policies for the next four-year term, targeting a 70% increase in minimum wage income. On the external political front the EU court of justice will announce on 3 October its ruling on the legality of the FX loan conversions, which could affect some of the Polish banks quite negatively.

- **Monetary policy.** Headline inflation has climbed since the beginning of 2019 to 2.9% in August, a six year high. Both core and food prices are driving the price increases while energy price inflation has been a drag. Along with the NBP, we are forecasting a rise in inflation until Q1 20 after which inflation will fall. Given the weak global environment, the central bank is seeing through the temporary rise in inflation and has kept its policy rate rhetoric unchanged. The market is currently pricing in one rate cut from early next year until mid-2021, which is a little less than in mid-August when global trade anxiety was more prevalent.

- **Risks.** Risks are balanced for EUR/PLN. Among key upside risks are possible further escalation of China-US trade war and an outright military conflict in the Middle East while downside risk for the FX pair includes an interim trade deal between the US and China and less of an adverse ruling from the EU on Polish FX loans and better global macro data.

Forecast: 4.42 (1M), 4.40 (3M), 4.30 (6M), 4. 26 (12M)



EUR/PLN	1M	3M	6M	12M
Forecast (pct'ile)	4.42 (74%)	4.40 (58%)	4.30 (21%)	4.26 (16%)
Fwd. / Consensus	4.38 / 4.30	4.40 / 4.35	4.42 / 4.35	4.47 / 4.33
50% confidence int.	4.33 / 4.42	4.32 / 4.45	4.31 / 4.49	4.31 / 4.56
75% confidence int.	4.30 / 4.47	4.27 / 4.52	4.25 / 4.59	4.22 / 4.70

Source: Danske Bank

- **Conclusion.** The Polish zloty has been on a roller-coaster ride since early August – first weakening on the back of renewed trade war angst, but then strengthening on the back of decent Polish macro-numbers and less trade war anxieties. In the past few days, the currency has weakened on the back of weak global macro data and concerns about an adverse EU court ruling in early October. Given that the global cycle will deteriorate further near-term and there is no substantial relief in US and China trade discussions, we see further upward pressure on EUR/PLN near-term. As a result, we lift our trajectory for the EUR/PLN to 4.42 (previously 4.32) in 1M and 4.40 (prev. 4.25) in 3M. In the longer-term we expect a modest global recovery on the back of further stimulus which should support the zloty, seeing the pair falling to 4.30 in 6M and 4.26 in 12M.

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USD/TRY – the lira faces a new risk: possible oil price shocks

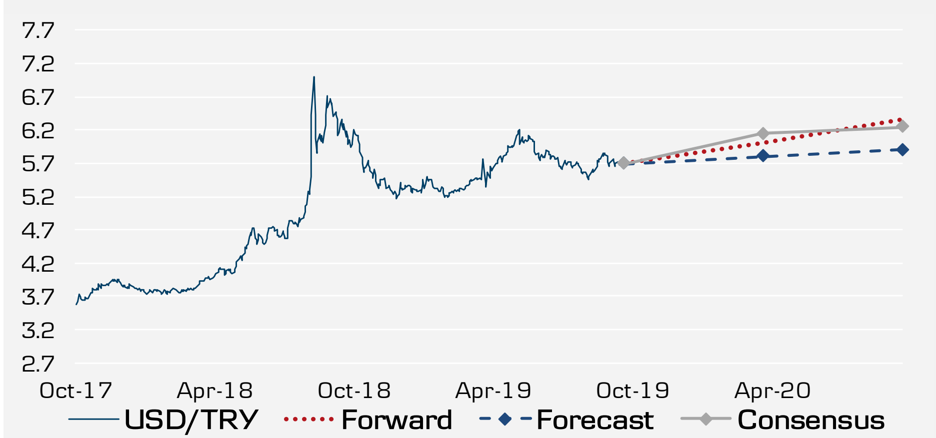
- **Growth.** The Turkish economy continued to shrink, posting a 1.5% y/y contraction in Q2 19 versus a 2.4% fall (revised) a quarter earlier. Yet there is a clear recovery in consumer and business confidence as the TRY has stabilised, inflation continues to decelerate and the central bank has started massive monetary easing. In the near term, more support will come from advancing monetary easing and exports on a weak TRY. We expect 2019 GDP to contract 2.0% y/y, 2020 GDP to expand 1.7% y/y and 2.6% y/y in 2021.

- **Monetary policy.** Turkey's central bank (TCMB) continued with massive cuts, lowering the key rate by 325bp to 16.50% as inflation continued to fall. There is a clear change in the TCMB's stance after its governor was changed earlier in 2019. We expect that inflation will continue to decrease slowly, staying in double-digit territory through H2 19. Yet, we expect more cuts by the TCMB in Q4 19, as there is still enough room for a positive real rate and the Turkish economy badly needs monetary stimulus on global monetary easing.

- **Valuation.** Inflows into Turkish assets continue to depend on both global risk sentiment and Turkish domestic factors, staying extremely volatile. The increased fragility of domestic factors is weighing on economic performance expectations. According to technical analysis (Relative Strength Index), USD/TRY has returned to its 'fair value' levels.

- **Risks.** Major downside risks to our TRY forecasts include a hawkish Fed, renewed political pressure on the TCMB, further escalation of the trade war and geopolitical confrontation with the US on Russia's air defence system. A possible oil price spike on geopolitics would weigh on the TRY further.

Forecast: 5.67 (1M), 5.70 (3M), 5.80 (6M) and 5.90 (12M)



USD/TRY	1M	3M	6M	12M
Forecast	5.67	5.7	5.80	5.9
Fwd./Consesus	5.75 / 5.75	5.86 / 6.00	6.02 / 6.15	6.35 / 6.25

Source: Danske Bank

- **Conclusion.** The TRY has stabilised on continuing global monetary easing, while quick monetary easing by the TCMB has not surprisingly hit the TRY. Decelerating inflation and a dovish central bank fuel hopes for economic stabilisation and growth in 2020. We expect marginal strengthening of the TRY versus the USD in Q4 19 as the US Fed will stay rather dovish. Large FX debt redemptions by the Turkish private sector, possible crude price shocks and weak economic activity combined with double-digit inflation will still weigh on the TRY in the long-term.

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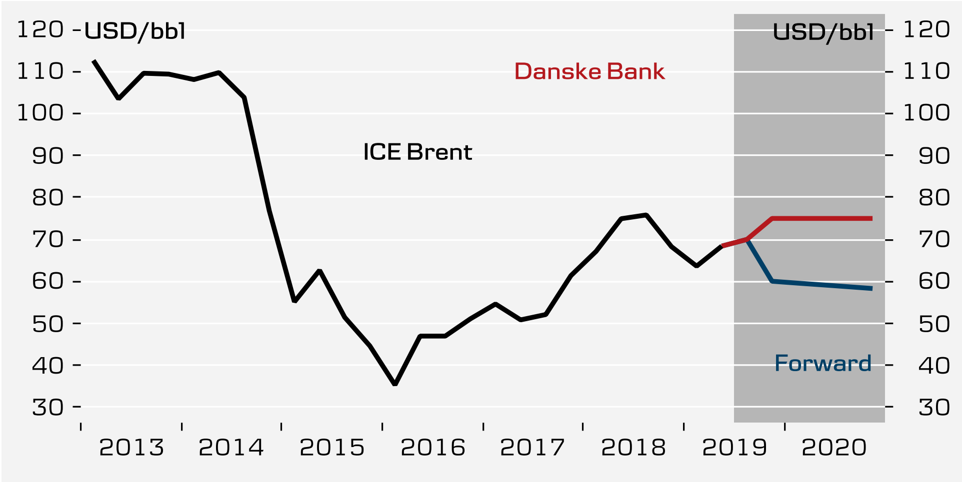
Oil – weak demand and Middle East tensions

- **Macro.** Weak demand following a further drop in global manufacturing activity, escalation of the trade war and Brexit anxiety has raised concerns about a growing surplus on the world oil market. Consequently, OPEC+ has started to look deeper into individual country compliance with oil supply cuts agreed in June. We expect global economic weakness to persist in 2020 and do not foresee a trade deal on this side of the 2020 US Presidential election. On the supply side, all eyes are on Saudi Arabia following the drone attack on two of its production facilities. The Saudis are planning a swift return to normal, which means that in the short-term damages from the attack should be manageable. Longer-term the recent events may lead to higher strategic reserves, e.g. at Asian importers as insurance against future attacks.
- **Forward curve.** Backwardation in the Brent crude oil market forward curve has widened following the spike in crude prices triggered by the attack on Saudi Arabia's oil production. Hence, the market is not particularly concerned about the longer-term ramifications of the attack.
- **Positioning.** Speculative investors hold stretched long positions in WTI.
- **Risks.** In the short-term, the main risks to our oil prices forecasts are on the upside from a further rise in tensions between the US and Iran and on the downside from further escalation in the trade war and deterioration in the global economy coupled with a still strong USD. More attacks on oil production facilities remain a tail risk in our view, but will likely keep a small premium on oil prices going forward.

Forecast: USD65/bbl (Q4), USD60/bbl (2020)



Source: Danske Bank

- **Conclusion.** We expect oil prices to remain depressed and close to current levels over the coming years mainly due to weak global demand on the back of weak growth, trade tensions and a strong USD. We forecast Brent to average USD65/bbl in Q4 and USD60/bbl in 2020.

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Danske Bank FX forecasts vs EUR

G10	Spot	+1m	+3m	+6m (Last Update:)	+12m (24/09/2019)
Exchange rates vs EUR					
EUR/USD	1.099	1.10	1.10	1.13	1.15
EUR/JPY	118.3	117	117	120	127
EUR/GBP	0.885	0.90	0.90	0.90	0.90
EUR/CHF	1.089	1.090	1.100	1.120	1.140
EUR/SEK	10.692	10.70	10.80	10.90	11.00
EUR/NOK	9.938	9.90	10.00	9.70	9.50
EUR/DKK	7.467	7.4670	7.4670	7.4630	7.4600
EUR/AUD	1.621	1.642	1.642	1.614	1.643
EUR/NZD	1.747	1.705	1.705	1.687	1.716
EUR/CAD	1.457	1.463	1.452	1.480	1.484
EM	**Spot**	**+1m**	**+3m**	**+6m**	**+12m**
EUR/PLN	4.380	4.42	4.40	4.30	4.26
EUR/HUF	335	320	328	320	315
EUR/CZK	25.856	25.60	25.60	25.50	25.30
EUR/RUB	70.006	71.50	72.05	75.15	78.20
EUR/TRY	6.248	6.24	6.27	6.55	6.79
EUR/ZAR	16.331	16.34	16.28	16.95	16.68
EUR/BRL	4.580	4.33	4.10	4.11	4.03
EUR/CNY	7.812	7.76	7.81	8.14	8.28
EUR/INR	77.931	80.30	75.90	77.97	79.35

Source: Danske Bank

Danske Bank

Danske Bank FX forecasts vs DKK

G10	Spot	+1m	+3m	+6m	+12m
				Last Update:	24/09/2019
Exchange rates vs DKK					
USD/DKK	6.79	6.79	6.79	6.60	6.49
JPY/DKK	6.31	6.40	6.40	6.23	5.90
GBP/DKK	8.442	8.30	8.30	8.29	8.29
CHF/DKK	6.857	6.85	6.79	6.66	6.54
SEK/DKK	0.698	0.70	0.69	0.68	0.68
NOK/DKK	0.751	0.75	0.75	0.77	0.79
EUR/DKK	7.4667	7.4670	7.4670	7.4630	7.4600
AUD/DKK	4.605	4.55	4.55	4.62	4.54
NZD/DKK	4.274	4.38	4.38	4.42	4.35
CAD/DKK	5.126	5.10	5.14	5.04	5.03
EM	**Spot**	**+1m**	**+3m**	**+6m**	**+12m**
PLN/DKK	1.705	1.689	1.697	1.736	1.751
HUF/DKK	2.23	2.33	2.28	2.33	2.37
CZK/DKK	0.289	0.292	0.292	0.293	0.295
RUB/DKK	0.107	0.104	0.104	0.099	0.095
TRY/DKK	1.195	1.197	1.191	1.139	1.099
ZAR/DKK	0.457	0.457	0.459	0.440	0.447
BRL/DKK	1.631	1.723	1.820	1.814	1.853
CNY/DKK	0.956	0.963	0.956	0.917	0.901
INR/DKK	0.096	0.093	0.098	0.096	0.094

Source: Danske Bank

Danske Bank

Danske Bank FX forecasts vs SEK

Last Update: 24/09/2019

G10	Spot	+1m	+3m	+6m	+12m
Exchange rates vs SEK					
USD/SEK	9.72	9.73	9.82	9.65	9.57
JPY/SEK	9.04	9.18	9.26	9.10	8.70
GBP/SEK	12.09	11.89	12.00	12.11	12.22
CHF/SEK	9.82	9.82	9.82	9.73	9.65
EUR/SEK	10.69	10.70	10.80	10.90	11.00
NOK/SEK	1.08	1.08	1.08	1.12	1.16
DKK/SEK	1.43	1.43	1.45	1.46	1.47
AUD/SEK	6.59	6.52	6.58	6.75	6.70
NZD/SEK	6.12	6.27	6.33	6.46	6.41
CAD/SEK	7.34	7.31	7.44	7.36	7.41
EM	**Spot**	**+1m**	**+3m**	**+6m**	**+12m**
PLN/SEK	2.44	2.42	2.45	2.53	2.58
HUF/SEK	3.19	3.34	3.29	3.41	3.49
CZK/SEK	0.41	0.42	0.42	0.43	0.43
RUB/SEK	0.15	0.15	0.15	0.15	0.14
TRY/SEK	1.71	1.72	1.72	1.66	1.62
ZAR/SEK	0.65	0.66	0.66	0.64	0.66
BRL/SEK	2.33	2.47	2.63	2.65	2.73
CNY/SEK	1.369	1.380	1.383	1.340	1.329
INR/SEK	0.137	0.133	0.142	0.140	0.139

Source: Danske Bank

Danske Bank FX forecasts vs NOK

G10	Spot	+1m	+3m	+6m	+12m
Exchange rates vs NOK					
USD/NOK	9.04	9.00	9.09	8.58	8.26
JPY/NOK	8.40	8.49	8.58	8.10	7.51
GBP/NOK	11.24	11.00	11.11	10.78	10.56
CHF/NOK	9.13	9.08	9.09	8.66	8.33
SEK/NOK	0.93	0.93	0.93	0.89	0.86
EUR/NOK	9.94	9.90	10.00	9.70	9.50
DKK/NOK	1.33	1.33	1.34	1.30	1.27
AUD/NOK	6.13	6.03	6.09	6.01	5.78
NZD/NOK	5.69	5.81	5.86	5.75	5.53
CAD/NOK	6.82	6.77	6.89	6.55	6.40
EM	**Spot**	**+1m**	**+3m**	**+6m**	**+12m**
PLN/NOK	2.27	2.24	2.27	2.26	2.23
HUF/NOK	2.96	3.09	3.05	3.03	3.02
CZK/NOK	0.38	0.39	0.39	0.38	0.38
RUB/NOK	0.14	0.14	0.14	0.13	0.12
TRY/NOK	1.59	1.59	1.59	1.48	1.40
ZAR/NOK	0.61	0.61	0.61	0.57	0.57
BRL/NOK	2.17	2.28	2.44	2.36	2.36
CNY/NOK	1.272	1.277	1.280	1.192	1.147
INR/NOK	0.128	0.123	0.132	0.124	0.120

Source: Danske Bank

Danske Bank

Danske Bank FX forecasts vs USD

G10	Spot	+1m	+3m	Last Update: +6m	24/09/2019 +12m
Exchange rates vs USD					
EUR/USD	1.099	1.10	1.10	1.13	1.15
USD/JPY	107.6	106	106	106	110
GBP/USD	1.243	1.22	1.22	1.26	1.28
USD/CHF	0.991	0.99	1.00	0.99	0.99
USD/SEK	9.725	9.73	9.82	9.65	9.57
USD/NOK	9.039	9.00	9.09	8.58	8.26
USD/DKK	6.792	6.79	6.79	6.60	6.49
AUD/USD	0.678	0.67	0.67	0.70	0.70
NZD/USD	0.629	0.65	0.65	0.67	0.67
USD/CAD	1.325	1.33	1.32	1.31	1.29
EM	**Spot**	**+1m**	**+3m**	**+6m**	**+12m**
USD/PLN	3.984	4.02	4.00	3.81	3.70
USD/HUF	305	291	298	283	274
USD/CZK	23.518	23.27	23.27	22.57	22.00
USD/RUB	63.680	65.00	65.50	66.50	68.00
USD/TRY	5.681	5.67	5.70	5.80	5.90
USD/ZAR	14.854	14.85	14.80	15.00	14.50
USD/BRL	4.166	3.94	3.73	3.64	3.50
USD/CNY	7.11	7.05	7.10	7.20	7.20
USD/INR	70.88	73.00	69.00	69.00	69.00

Source: Danske Bank

Danske Bank

Danske Bank FX forecasts vs GBP

G10			Siste opdatering:	24/09/2019	
	Spot	+1m	+3m	+6m	+12m
Exchange rates vs GBP					
GBP/USD	1.24	1.22	1.22	1.26	1.28
GBP/JPY	133.78	130	130	133	141
EUR/GBP	0.88	0.90	0.90	0.90	0.90
GBP/CHF	1.23	1.21	1.22	1.24	1.27
GBP/SEK	12.09	11.89	12.00	12.11	12.22
GBP/NOK	11.24	11.00	11.11	10.78	10.56
GBP/DKK	8.44	8.30	8.30	8.29	8.29
GBP/AUD	1.83	1.82	1.82	1.79	1.83
GBP/NZD	1.98	1.89	1.89	1.87	1.91
GBP/CAD	1.65	1.63	1.61	1.64	1.65
EM					
	Spot	+1m	+3m	+6m	+12m
GBP/PLN	4.95	4.91	4.89	4.78	4.73
GBP/HUF	379.07	356	364	356	350
GBP/CZK	29.23	28.44	28.44	28.33	28.11
GBP/RUB	79.15	79.44	80.06	83.49	86.89
GBP/TRY	7.06	6.93	6.97	7.28	7.54
GBP/ZAR	18.46	18.15	18.09	18.83	18.53
GBP/BRL	5.18	4.82	4.56	4.57	4.47
GBP/CNY	8.83	8.62	8.68	9.04	9.20
GBP/INR	88.11	89.22	84.33	86.63	88.17

Source: Danske Bank

Disclosures

This research report has been prepared by Danske Bank A/S ('Danske Bank'). The authors of this research report are Christin Tuxen (Chief Analyst), Jens Nærvig Pedersen (Senior Analyst), Kristoffer Kjær Lomholt (Senior Analyst), Jakob Ekholdt Christensen (Chief Analyst), Stefan Mellin (Senior Analyst), Jesper Petersen (Analyst), Vladimir Miklashevsky (Senior Analyst), Allan von Mehren (Chief Analyst), Lars Sparresø Merklin, (Senior Analyst), Andreas Mey Kjøller (Assistant Analyst), Jesper Petersen (Analyst) and Adam Schoolcraft (Graduate).

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