Investment Research

Danske Bank

FX Forecast Update: Scandi spring support in sight

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Forecast review part I

- **EUR/NOK.** Norges Bank stands out as the only G10 central bank hiking policy rates. With the outlook for hikes in both June and December this year, we think relative rates will become an increasingly NOK-supportive factor. Indeed, rates markets are pricing only one hike for the whole year. Oil prices are also increasingly becoming a supportive factor as OPEC+ production cuts, geopolitical worries and speculative positioning are all sending the black gold higher. If we are right in assuming the global economy will rebound in the second quarter, this should further support oil prices and the NOK via improved risk appetite. We 'roll' our NOK forecasts profile and now see EUR/NOK at 9.50 in 1M (previously 9.60), 9.50 in 3M (unchanged), 9.30 in 6M (9.40), and 9.30 in 12M (unchanged). The unchanged 3M tenor reflects the summer period, during which improved structural liquidity and lower FX market activity have been a NOK headwind historically. Meanwhile, on a 6M tenor, we still pencil in a further move lower for the overvalued EUR/NOK.

- **EUR/SEK.** If the Riksbank comes across as hawkish at the April meeting, which we think it will, the SEK should be supported and a break below 10.40 and possibly a test of 10.20 could be on the cards. Moreover, we think that the market may have overestimated the negative SEK impact stemming from dividends. That said, a shabby domestic growth outlook, weak inflation pressures and a central bank that is expected to eventually give in on any hikes this year suggests that the downside potential in EUR/SEK is limited. Instead, we could see the krona coming under renewed selling pressure later this year when the market is starting to reprice the Riksbank. Based on the above, we lower our 1-3M targets to 10.35 (10.50) and 10.20 (10.40) but raise our 6-12M forecasts to 10.40 (10.30) and 10.50 (10.30), respectively.

- **EUR/DKK** EUR/DKK peaked in December and early January and has traded lower since. It rose temporarily towards the 7.4660 level during the annual dividend season. We forecast EUR/DKK at 7.4610 in 1M, 7.4580 in 3M and 7.4550 in 6-12M.

- **EUR/USD.** The ECB has introduced an easing risk premium on the euro, which could increase (i.e. negative for the cross) if the euro-zone outlook continues to falter. However, price action during the April ECB meeting suggests to us that the market is looking for more than promises before selling the euro from an already short position. We forecast EUR/USD at 1.12 in 1M and 1.13 in 3M, where we see a potential for euro area data to continue to disappoint and underperform other regions. On 6M and 12M, we stick to our forecasts of 1.15 and 1.17, as the China-led recovery along with a US-China trade deal should lend support to EUR/USD.

- **EUR/GBP.** With a medium to long Brexit extension and no reason to believe PM May's deal will pass any time soon, we think it is difficult to see much further GBP strengthening near term. Hence, we have raised our GBP forecasts throughout the forecast horizon and look for EUR/GBP to remain range-bound at 0.85-0.87 in 1-3M. It is difficult to predict what will happen when we get closer to the new Brexit deadline in October, but as we think a further extension is likely, we expect the cross to remain at 0.85-0.87 also in 3-12M. We target the cross in the mid of this range across horizons, i.e. 0.86 in 1M and in 3M (previously 0.83), 0.86 in 6M (0.82), and 0.86 in 12M (0.83).

- **USD/JPY.** The recovery in risky assets to start the year weighed on the JPY on a broader basis. A renewed setback in risk sentiment would support the JPY. Another risk to keep in mind is the potential for oil prices to overshoot if, e.g., supply risks materialise. That in turn would be JPY negative. 2019 does not look particularly USD positive however following a recently more dovish tone from the Fed. We are vigilant, though, to recent disinflationary red flags in Japan. We forecast USD/JPY at 112 in 1M and 113 in 3-12M (up from 110 in 3-6M and 112 in 12M).

- **EUR/CHF.** The cross has been relatively steady recently, notwithstanding the latest ECB-induced volatility. With the ECB on the sidelines, the case for EUR upside has been postponed – yet again. Near term, risk sentiment is set to remain fragile, which could deliver pockets of safe-haven demand and benefit the CHF. However, we expect a China-led stabilisation by mid-year led by dovish central banks, a trade deal and a 'decent Brexit', which should, everything else being equal, support EUR/CHF. The big move higher will require ECB support, which for now seems somewhat far away. We project EUR/CHF at 1.12 in 1M, 1.13 in 3M, 1.15 in 6M and 1.17 in 12M.

- **AUD, NZD, CAD.** Our view remains that the rebound in China is set to benefit the three commodity currencies over the coming months and that relative rates remain a potential source of additional support for the AUD and NZD in particular. The Reserve Bank of New Zealand (RBNZ) and the Reserve Bank of Australia (RBA) have both opened up for the possibility of a rate cut in their forward guidance. However, to a large extent, their easing bias reflects weaker global growth impulses and given our upbeat view on the global economy, we find rates markets' pricing of roughly 40bp worth of cuts for both central banks over the next year as overdone. For now, we maintain our non-consensus view of unchanged policy rates but highlight that risks are skewed towards a cut for both central banks. For Australia specifically, the RBA has pointed out the need for a "trend" higher in unemployment before a cut becomes appropriate. In our view, that also limits the near-term risk of a rate cut. In terms of the Bank of Canada (BoC), we pencil in one rate hike over the next 12M, while markets are pricing roughly a 50% probability of a 25bp cut. Fundamentally, our long-term PPP models suggest that the CAD remains undervalued while the AUD and NZD are close to fairly valued (vs the USD). We now forecast AUD/USD at 0.73 in 1M (previously 0.71), 0.73 in 3M (0.72), 0.75 in 6M (0.73) and 0.76 in 12M (0.74); NZD/USD at 0.68 in 1M (0.67), 0.69 in 3M (0.68), 0.70 in 6M (0.68) and 0.71 in 12M (0.70). Finally, we forecast USD/CAD at 1.32 in 1M (unchanged) 1.30 in 3M (unchanged), 1.27 in 6M (unchanged) and 1.25 in 12M (unchanged).

- **USD/CNY.** The cross has been very stable around 6.7 in recent months and we stick to our forecast of more stability in the short term followed by a gradual decline to 6.6 in 12M. Chinese recovery and a US-China trade deal should add support to the CNY.

- **USD/RUB.** The RUB continues to enjoy inflows, as the US Congress has not been active in pushing through anti-Russia sanctions. The RUB is clearly benefitting from a looser monetary stance by the ECB and Fed, as global EM sentiment has improved and Russia's solid macro combined with attractive carry lures 'yield hunters'. However, sentiment could see a U-turn at any moment, if geopolitics worsens on sudden sanctions by the US. We see USD/RUB at 65.50 in 1M, 68.00 in 3M, 69.00 in 6M, and 70.00 in 12M.

- **EUR/PLN.** EUR/PLN recently broke the lower bound of the 4.28-4.33 range it had traded at over the past year. After spiking at 4.33 in late February, the announcement of the fiscal boost and general good global risk momentum has driven EUR/PLN downward. We see the cross trading heavily in the next months, given a benign global environment driven by China and a US-China trade deal, as well as the impact of a Polish fiscal boost on the economy, creating a tailwind for the PLN from the summer onwards. As a result, we roll over forecasts, seeing EUR/PLN at 4.27 in 1M, 4.25 in 3M, 4.23 in 6M and 4.18 in 12M.

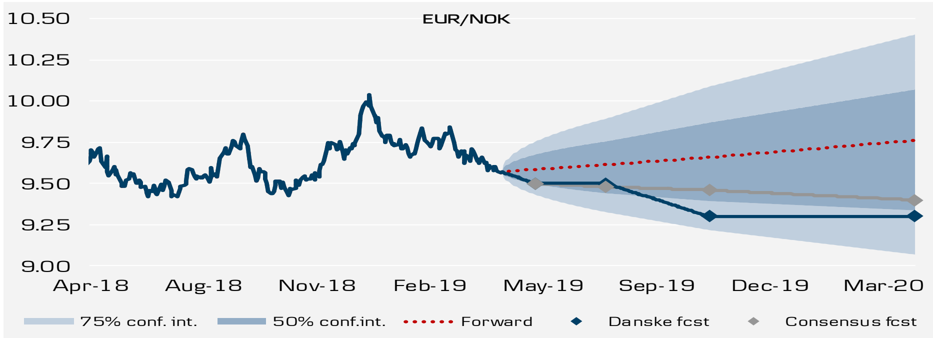
- **USD/TRY.** We raise our USD/TRY near- and long-term outlook due to upcoming monetary easing in H1 19 and the increased fragility of the domestic economy and politics. Large FX debt redemptions by the Turkish private sector and further rate cuts will weigh on the TRY in 2019 and 2020. Thus, we remain bearish on the TRY in the long term, forecasting USD/TRY at the following levels: 5.68 in 1M, 5.75 in 3M, 5.90 in 6M and 6.00 in 12M.

- **Oil.** The oil market balance has tightened rapidly. On the supply side, OPEC+ is implementing output cuts agreed last December and has already begun discussing a possible extension from June. Output in Venezuela is in freefall and Libyan oil output is now at risk following an insurgence. Furthermore, waivers on Iran sanctions are set to expire at the end of April. We expect oil prices to recover further over the course of 2019. We forecast Brent to average USD70/bbl in Q2, rising to USD80/bbl in Q4. We expect OPEC+ cuts, a recovery in global growth and a US-China trade deal to be the main factors underpinning a higher oil price.

EUR/NOK – Norges Bank policy normalisation to support NOK

- **Growth.** Norwegian growth remains supported by the petroleum industries, rising employment, higher disposable income growth and high investment activity. The LFS labour market report disappointed last month, but the more reliable NAV report showed that mainland growth remains above trend potential and that capacity utilisation remains on the rise. The housing market has demonstrated further moderate price gains as strong activity on higher disposable income growth has countered rising supplies, higher rates, tight regulation and lower population growth. For the year overall, we pencil in moderate house price growth. Inflation continues to surprise on the topside, above the 2% inflation target, which supports the case for tighter monetary policy.
- **Monetary policy.** At the monetary policy meeting in March, Norges Bank hiked policy rates by 25bp, sending the sight deposit rate to 1.00%. The revised rate path signalled roughly three rate hikes until the end of 2020, two of which we already expect in 2019. The rate path implies roughly a two-thirds probability of a hike in June and given our view on the domestic and global economy, we now expect hikes in both June and December.
- **Flows.** Foreign banks (proxy for speculative flows) have been net buying NOK over the past month on the back of the hawkish Norges Bank message. That said, from a positioning perspective, we still do not think that long NOK is a crowded trade.
- **Valuation.** From a long-term perspective, the NOK seems fundamentally undervalued. Our PPP model has 8.85 as 'fair'.
- **Risks.** The biggest risk factor to our forecasts lies in the international environment, i.e. global industrial cycle and political events such as Brexit and the ongoing trade negotiations between the US and China. First, it could trigger a broader risk-off environment that would weigh on the NOK directly and then indirectly via the oil price. Second, it could lead to a more cautious Norges Bank despite the strong domestic economy.

Forecast: 9.50 (1M), 9.50 (3M), 9.30 (6M), 9.30 (12M)



EUR/NOK	1M	3M	6M	12M
Forecast (pct'ile)	9.50 (27%)	9.50 (34%)	9.30 (17%)	9.30 (22%)
Fwd. / Consensus	9.59 / 9.50	9.61 / 9.48	9.66 / 9.46	9.76 / 9.40
50% confidence int.	9.49 / 9.67	9.44 / 9.76	9.39 / 9.87	9.34 / 10.07
75% confidence int.	9.42 / 9.75	9.33 / 9.89	9.22 / 10.09	9.07 / 10.40

Source: Danske Bank

Conclusion. Norges Bank stands out as the only G10 central bank hiking policy rates. With the outlook for hikes in both June and December this year, we think relative rates will increasingly become a NOK-supportive factor. Indeed, rates markets are pricing only one hike for the whole year.

Oil prices are also increasingly becoming a supportive factor as OPEC+ production cuts, geopolitical worries and speculative positioning are all sending the black gold higher. If we are right in assuming the global economy to rebound in the second quarter, this should further support both oil prices and the NOK via improved risk appetite.

We 'roll' our NOK forecasts profile and now see EUR/NOK at 9.50 in 1M (previously 9.60), 9.50 in 3M (unchanged), 9.30 in 6M (9.40), and 9.30 in 12M (unchanged). The unchanged 3M tenor reflects the summer period, during which improved structural liquidity and lower FX market activity have been a NOK headwind historically. Meanwhile, on a 6M tenor, we still pencil in a further move lower for the overvalued EUR/NOK.

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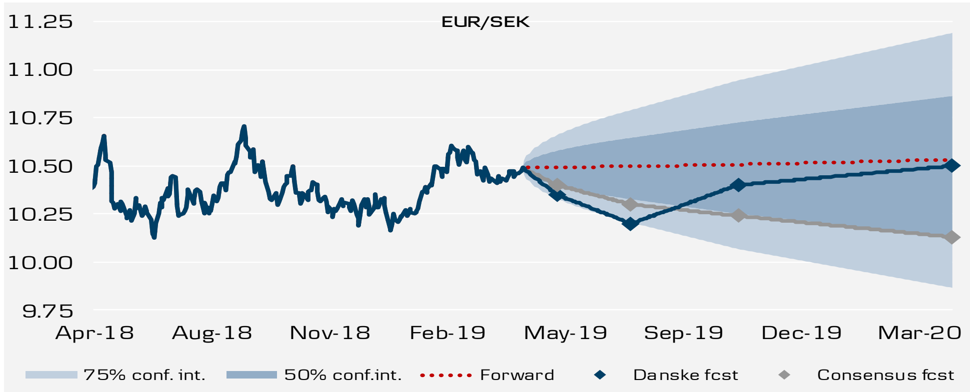
EUR/SEK – A 'hawkish' surprise on the cards?

- **Growth.** We maintain our downbeat view on Swedish growth, projecting GDP growth at 1.0% and 1.5% for 2019 and 2020, respectively (cf. Riksbank's 1.3 and 1.9%). We keep our view that the housing market will be a headwind for investments and believe that another fall in housing prices in the magnitude of 5-10% is likely on the cards. Put this together with stagnant real wages, and the prospect for a rebound in domestic demand looks frail. On the other hand, a global growth pick-up might imply an upside to our forecast.
- **Monetary policy.** Two turned to three (inflation misses, that is), and the deviations have all been rather sizeable (admittedly, January set the tone). While the inflation forecast will almost certainly be revised down, we expect the repo rate path to be left unchanged at the April meeting. Albeit far from a high-conviction call, this would probably be interpreted as slightly hawkish and thus lend support to the SEK in the short run. The bigger picture remains intact, however (i.e. no hike during 2019), which limits the downside potential in the cross.
- **Flows.** Commercial demand for the SEK is still muted on the back of negative rates, and the significant rate gap versus the US may still hold back incentives for Swedish investors (e.g. pension funds) to raise their hedge ratios. While we are in the midst of the Swedish dividend season, we are sceptical that this will have any impact on the krona, as argued in *FX Strategy – Dividends, Seasonality and the SEK*, 11 March.
- **Valuation.** Shrinking external balances, weaker productivity growth and terms of trade have helped to explain the (real) depreciation of the krona exchange rate in recent years. Hence, there are fundamental reasons to believe that the SEK will stay weak for longer.
- **Risks.** The main risk to our forecasts, at least in the short term, is that we get the Riksbank wrong. A softer scenario, e.g. a downward adjustment of the rate path, would certainly be SEK-negative.

Forecast: 10.35 (1M), 10.20 (3M), 10.40 (6M), 10.50 (12M)



EUR/SEK	1M	3M	6M	12M
Forecast (pct'ile)	10.35 (17%)	10.20 (12%)	10.40 (40%)	10.50 (50%)
Fwd. / Consensus	10.49 / 10.40	10.50 / 10.30	10.51 / 10.24	10.53 / 10.13
50% confidence int.	10.39 / 10.59	10.33 / 10.65	10.25 / 10.73	10.13 / 10.86
75% confidence int.	10.32 / 10.67	10.21 / 10.79	10.07 / 10.94	9.87 / 11.19

Source: Danske Bank

- **Conclusion.** If the Riksbank comes across as hawkish at the April meeting, which we think it will, the SEK should be supported and a break below 10.40 and possibly a test of 10.20 could be on the cards. Moreover, we think that the market may have overestimated the negative SEK impact stemming from dividends. That said, a shabby domestic growth outlook, weak inflation pressures and a central bank that we expect to give in eventually on any hikes this year, suggests that the downside potential in EUR/SEK is limited. Instead, we could see the krona coming under renewed selling pressure later this year when the market is starting to reprice the Riksbank. Based on the above, we lower our 1-3M targets to 10.35 (10.50) and 10.20 (10.40) while raising our 6-12M forecasts to 10.40 (10.30) and 10.50 (10.30), respectively.

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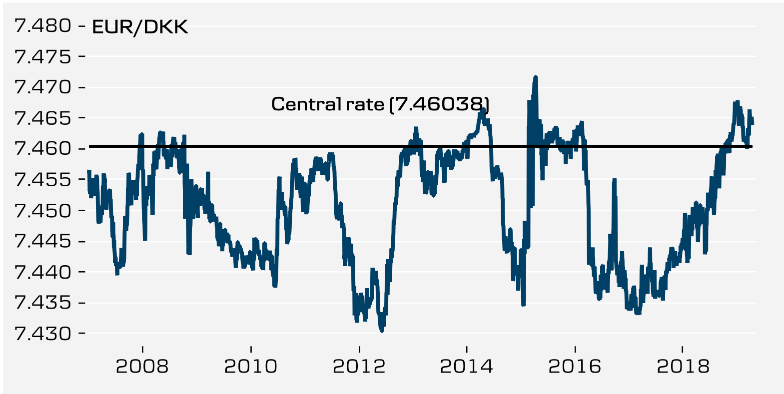
EUR/DKK – Temporary rise due to annual dividend flows

- **FX.** EUR/DKK rose to around 7.4660 during the annual dividend season in DKK. However, it did not reach the 7.4670-80 level where speculation about FX intervention from Danmarks Nationalbank (DN) would start. In turn, DN remained on the sidelines in March. We forecast EUR/DKK at 7.4610 in 1M, 7.4580 in 3M and 7.4550 in 6-12M.
- **Rates & forwards.** We expect DN to keep the rate of interest on certificates of deposit unchanged at minus 0.65% in 12M as we no longer expect the ECB to hike rates. A very high net position has pushed down short-term DK swap rates and EUR/DKK FX forwards.
- **Flows.** The Danish current account surplus remains large, but it has moderated somewhat from the elevated level seen in past years. It still creates fundamental support for the 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 one-third of the surplus is earned in the US.
- **Liquidity.** Over the coming months, the net position will be in the region of DKK200-250bn on most days. In H2, it will rise to the range of DKK220-270bn on most days, but already during July and August we could see it touch the DKK290-300bn level on some days aided by the effect from further government purchases of mortgage bonds and the usual seasonal effects in government payments.

Forecast: 7.4610 (1M), 7.4580 (3M), 7.4550 (6M), 7.4550 (12M)



Source: Danske Bank

- **Conclusion.** EUR/DKK peaked in December and early January and has traded lower since. It rose temporarily towards the 7.4660 level during the annual dividend season. We forecast EUR/DKK at 7.4610 in 1M, 7.4580 in 3M and 7.4550 in 6-12M.

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EUR/USD – Market needs more than promises from ECB

- **Growth.** The US has suffered less from the loss of global growth momentum that gained traction towards the end of last year. However, recently US data has surprised on the downside. We see the US economy turning before the euro zone, as the latter will need to wait for China to stabilise first and President Trump's continued fiscal boost is holding a hand under US activity. A trade deal and a 'decent Brexit' will be positive for the euro zone eventually and could pave the way for positive surprises later in the year as much negativity is priced in on the euro political side.

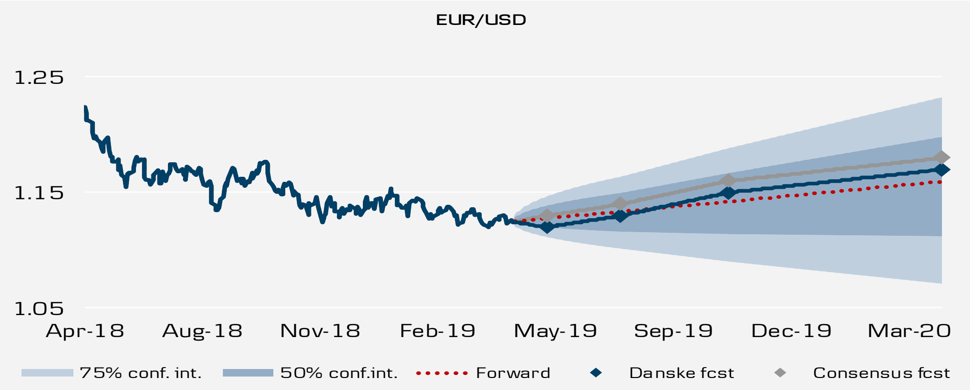
- **Monetary policy.** The ECB certainly surprised us in March: the combination of new TLTROs and a rate guidance that now eliminates the likelihood of a first hike this year, is a clear indication that the ECB can go in either direction from here. Effectively this implies that further easing is back on the table and that an end to negative rates is postponed. However, the April ECB meeting taught us that words alone are not enough to weaken the EUR. The market needs action at this stage. The Fed is on hold for now. On the one hand, data has not deteriorated to warrant real speculation over rate cuts. On the other hand, weak inflation expectations are keeping the Fed alert.

- **Flows.** External balances as measured by relative current-account balances hint at EUR/USD upside medium term, but as history suggests, a deficit such as the US's can be sustained for prolonged periods, notably for a world reserve currency like the dollar. The large euro zone capital outflows, which ECB policy has arguably spurred, have faded but with an end to negative rates deferred, a reversal is not on the cards near term.

- **Valuation.** The 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.

- **Risks.** The bar for the ECB to put rate cuts or more QE on the table seems high, but could also trigger a move in EUR/USD towards 1.10.

Forecast: 1.12 (1M), 1.13 (3M), 1.15 (6M), 1.17 (12M)



EUR/USD	1M	3M	6M	12M
Forecast (pct'ile)	1.12 (29%)	1.13 (45%)	1.15 (59%)	1.17 (58%)
Fwd. / Consensus	1.13 / 1.13	1.13 / 1.14	1.14 / 1.16	1.16 / 1.18
50% confidence int.	1.12 / 1.14	1.12 / 1.15	1.11 / 1.17	1.11 / 1.20
75% confidence int.	1.11 / 1.15	1.10 / 1.16	1.09 / 1.19	1.07 / 1.23

Source: Danske Bank

Conclusion. The ECB has introduced an easing risk premium on the euro, which could increase (i.e. negative for the cross) if the euro zone outlook continues to falter. However, price action during the April ECB meeting suggests to us that the market is looking for more than promises before selling the euro from an already short position. We forecast EUR/USD at 1.12 in 1M and 1.13 in 3M, where we see a potential for euro area data to continue to disappoint and underperform other regions. On 6M and 12M, we stick to our forecast of 1.15 and 1.17 as the China-led recovery and a US-China trade deal should lend support to EUR/USD.

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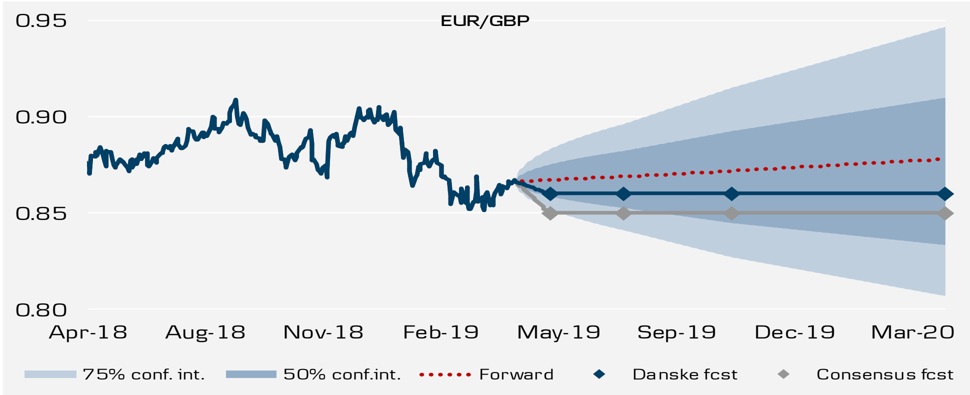
EUR/GBP – Range-trading for longer with Brexit postponed

- **Growth.** While UK PMIs were subdued in Q1, monthly GDP data has performed better than expected, and Q1 does not look too grim from a GDP growth perspective. However, some of the growth may be related to the preparations for Brexit and thus be temporary in nature. With a medium to long extension of Brexit, the period with high political uncertainty is prolonged, which will likely continue to be a drag on the economy that is growing slower than before the EU referendum. We expect growth to run below 1.5% y/y in the coming years.
- **Monetary policy.** The Bank of England does not seem in a hurry to raise rates in the current environment with weaker data in the UK, weakness in Europe and prolonged Brexit uncertainty. With the ECB and Fed on hold, we believe the Bank of England is on hold as well. Hence, we do not think there will be much support to the GBP from relative rates.
- **Flows.** The UK runs a current-account deficit, notably against EU countries, which is a fundamental supporting factor for EUR/GBP. Foreign investors' appetite for UK assets may rebound when we get some Brexit clarification.
- **Valuation.** The GBP remains undervalued on fundamentals, with our PPP estimate for EUR/GBP standing at 0.76. When the negative effects for the UK of a 'decent' Brexit are accounted for, we are not too far from 'fair', however. Our Brexit-corrected MEVA estimate is 0.83.
- **Risks.** Brexit remains a key driver for the GBP and uncertainty will keep the GBP undervalued until we get further clarification – and we may not get much news near term with Brexit extended until 31 October. We find no reason to believe PM May's deal will pass or that cross-party talks will prove successful any time soon, and thus the GBP will remain headline-driven near term. If, against expectations, a deal passes over the coming months, it should be GBP-positive. No deal Brexit is now "far away" again and markets may start to get slightly more sensitive to macro data again.

Forecast: 0.86 (1M), 0.86 (3M), 0.86 (6M), 0.86 (12M)



EUR/GBP	1M	3M	6M	12M
Forecast (pct'ile)	0.86 (29%)	0.86 (37%)	0.86 (40%)	0.86 (43%)
Fwd. / Consensus	0.87 / 0.85	0.87 / 0.85	0.87 / 0.85	0.88 / 0.85
50% confidence int.	0.86 / 0.87	0.85 / 0.88	0.84 / 0.89	0.83 / 0.91
75% confidence int.	0.85 / 0.88	0.84 / 0.90	0.83 / 0.91	0.81 / 0.95

Source: Danske Bank

Conclusion. With a medium to long Brexit extension and no reason to believe May's deal will pass or that cross-party talks will prove successful any time soon, we think it is difficult to see much further GBP-strengthening near term. Hence, we have raised our GBP forecasts throughout the forecast horizon and look for EUR/GBP to remain range-bound at 0.85-0.87 in 1-3M. It is more difficult to predict what will happen when we get closer to the new Brexit deadline in October, but as we think a further extension is likely, we expect the cross to remain at 0.85-0.87 also in 3-12M. In case of a no deal Brexit by the end of October, we still expect EUR/GBP to move towards parity. If May's deal passes, we would expect EUR/GBP to move down to 0.83. We target the cross at 0.86 in 1M and in 3M (prev. 0.83), 0.86 in 6M (0.82), and 0.86 in 12M (0.83).

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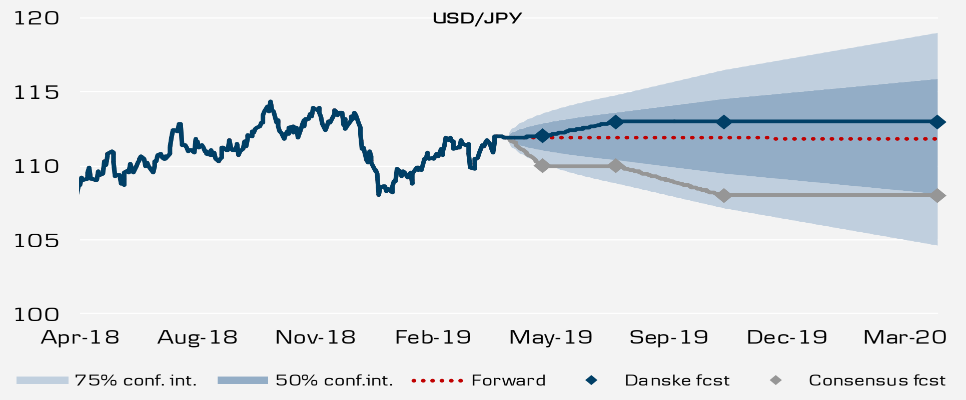
USD/JPY – Upside risks from higher oil prices and trade talks

- **Inflation and monetary policy.** Slow money supply growth and nominal GDP growth on the verge of turning negative has started to plague the JPY. In our view, these disinflationary trends are important to monitor and could quickly turn into deflationary trends. The Bank of Japan (BoJ) continues to emphasise its willingness to keep monetary policy accommodative and we expect no changes before the end of 2020 at the earliest. However, its actions are starting to look contradictory as, in our view, slowing monetary growth will not bring the BoJ closer to its inflation aim – it could furthermore start to become a JPY-positive.
- **Terms of trade.** Higher oil and metal prices this year is weighing on Japan's terms of trade and thus the JPY. As risk sentiment recovers and a trade deal looms, commodity prices will likely move higher.
- **Flows.** Japan continues to be a significant capital exporter via its large current account surplus of close to 4% of GDP, which further depresses Japanese real interest rates. Japanese investors have started buying US assets again following a more or less constant outflow in the previous year.
- **Money market.** JPY excess liquidity has started to fall recently and with the BOJ on hold, it is unlikely to pick up again in the short term. For Japanese investors and USD/JPY, USD money market conditions remain more important. JPYUSD XCCY basis has widened again.
- **Valuation.** PPP is around 80, while our MEVA model suggests 104 is 'fundamentally' justified.
- **Positioning.** Investors are neutral positioned overall in the JPY, long positioned in USD/JPY and slightly short positioned in EUR/JPY and AUD/JPY.

Forecast: 112 (1M), 113 (3M), 113 (6M), 113 (12M)



USD/JPY	1M	3M	6M	12M
Forecast (pct'ile)	112.00 (49%)	113.00 (65%)	113.00 (59%)	113.00 (56%)
Fwd. / Consensus	111.89 / 110.00	111.88 / 110.00	111.87 / 108.00	111.86 / 108.00
50% confidence int.	111.06 / 112.87	110.39 / 113.61	109.49 / 114.53	108.10 / 115.88
75% confidence int.	110.15 / 113.54	108.81 / 114.78	107.14 / 116.47	104.62 / 118.99

Source: Danske Bank

- **Risks.** The recovery in risky assets to start the year weighed on the JPY on a broader basis. A renewed setback in risk sentiment would support the JPY. Another risk to keep in mind is the potential for oil prices to overshoot if, e.g. supply risks materialise. That in turn would be JPY-negative. Finally, the US has started to look towards the JPY in a potential second stage of the world trade war (another JPY-negative risk factor).
- **Conclusion.** 2019 does not look to be particularly USD-positive following a recently more dovish tone from the Fed. However, we are vigilant to recent disinflationary red flags in Japan. We forecast USD/JPY at 112 in 1M and 113 in 3-12M (up from 110 in 3-6M and 112 in 12M).

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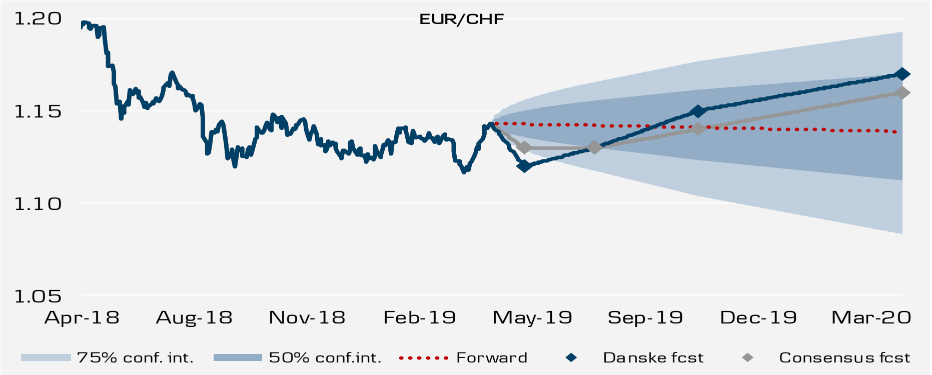
EUR/CHF – SNB still waiting for Godot?

- **Growth.** Data out of Switzerland continues to deteriorate, with the PMI continuing to drop sharply and reaching close to the 50 level. The KOF leading indicator has also declined markedly but is showing some signs of stabilisation. Unemployment remains low at 2.5%, and inflation has stabilised above 0.5%. Swiss GDP fell back to 1.4% y/y in Q4 but a US-China trade deal – as we look for during Q2 – could eventually help stabilise the euro zone growth outlook and Swiss activity with it.
- **Monetary policy.** At the April meeting the ECB confirmed that it is keeping its options open – but is unwilling to commit in either direction. For the SNB, this means that policy will most certainly have to remain unchanged for an even longer period. At its March meeting, as widely expected, the SNB kept its key policy rate unchanged at -0.75%. The SNB also maintains the saying that the franc is 'highly valued' and reserves its right to intervene to curb CHF strength. That said, it will likely require a drop in EUR/CHF towards 1.10 for intervention to come into play in our view. We think the SNB will keep rates and its dovish stance little changed on a 12M horizon. The SNB is currently priced largely at par with the ECB for the next 12M, which seems fair given that it will require a sustained uptick in EUR/CHF before the SNB looks to shift into more 'genuine normalisation' mode.
- **Flows.** Speculative positioning remains stretched on EUR and CHF shorts alike.
- **Valuation.** Both our G10 MEVA and PPP models suggest the cross should move higher over the medium to long term, with fundamental estimates in the mid 1.20s.
- **Risks.** While the CHF at times showed good resilience to rising Italian debt concerns in 2018, renewed focus/worries over Italian fiscal sustainability could fuel CHF strength considering the lack of SNB policy tools to go firmly against it. In contrast, no-deal Brexit risks are now abating, however.

Forecast: 1.12 (1M), 1.13 (3M), 1.15 (6M), 1.17 (12M)



EUR/CHF	1M	3M	6M	12M
Forecast (pct'ile)	1.12 (5%)	1.13 (24%)	1.15 (59%)	1.17 (74%)
Fwd. / Consensus	1.14 / 1.13	1.14 / 1.13	1.14 / 1.14	1.14 / 1.16
50% confidence int.	1.14 / 1.15	1.13 / 1.16	1.12 / 1.16	1.11 / 1.17
75% confidence int.	1.13 / 1.16	1.12 / 1.17	1.10 / 1.18	1.08 / 1.19

Source: Danske Bank

- **Conclusion.** EUR/CHF has been relatively steady lately, notwithstanding the latest ECB-induced volatility. With the ECB sidelined, the case for EUR upside has been postponed. Near term, risk sentiment is set to remain fragile which could deliver pockets of safe-haven demand and benefit the CHF. However, we expect a China-led stabilisation by mid-year, led by dovish central banks, a trade deal and a 'decent Brexit', which should support EUR/CHF. However, a sustained break higher would require ECB support, which now seems far away. As a result, the SNB will be stuck with an empty toolbox and a below-target inflation for an extended period. There is also a risk that the market could test the SNB's willingness to do more and send EUR/CHF towards 1.10 again. But, in our case base, where economic and political risks are set to clear in Europe, we still see some limited upside potential in the cross. We project EUR/CHF at 1.12 in 1M, 1.13 in 3M, 1.15 in 6M, and 1.17 in 12M.

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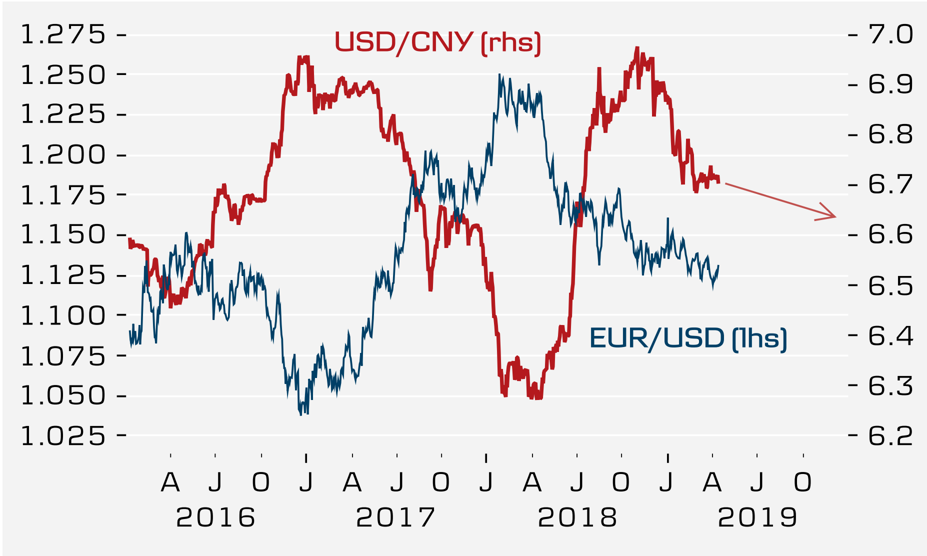
USD/CNY – More CNY tailwind from recovery and trade deal

- **Growth.** Following a sharp slowdown at the end of 2018, a string of indicators have pointed to a moderate recovery unfolding from March. PMIs, exports, car sales, credit growth and metal prices have picked up in recent months, which is normally a sign of rising activity in China. We look for a moderate recovery in 2019 on the back of the growing impact from monetary and fiscal stimulus and a trade deal with the US within two months.
- **Monetary policy.** Chinese bond yields fell sharply in 2018 and early 2019 but have reversed course lately on improving data. Credit growth picked up in Q1 after a period of weakness for most of 2018. We see a 50/50 chance that the Reserve Requirement Ratio will be cut further. However, the PBoC is more likely to focus on targeted lending measures that can improve credit availability to the private sector.
- **FX policy.** The CNY continues to be a managed peg against a basket of currencies. The PBoC allows the market to play a bigger role but intervenes occasionally to avoid too rapid movements that could cause instability. We expect a trade deal with the US to include a chapter in which China commits to not deliberately weakening the currency.
- **Flows.** FX reserves are broadly stable and there are no signs of large outflows. Portfolio inflows should rise this year after an increase in the weight of Chinese equities in the MSCI Emerging Markets index and the inclusion of Chinese bonds in the Bloomberg Barclays index from 1 April.
- **Valuation.** The CNY is close to 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: 6.70 (1M), 6.70 (3M), 6.65 (6M), 6.60 (12M)



Source: Danske Bank

- **Risks:** We see risks as balanced. A US-China trade deal in Q2 and a Chinese recovery could lead to greater strengthening of the CNY than we expect. However, further strengthening of the trade-weighted USD could lead a weaker CNY versus USD.
- **Conclusion.** We stick to our forecast of 6.60 in 12M. A trade deal with the US and a bottoming of growth in H1 will give some tailwind to the CNY and push USD/CNY lower. Our expectation of a weaker USD versus EUR in 12M should also weigh on USD/CNY.

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USD/RUB – Sanctions oblivion cheers the RUB

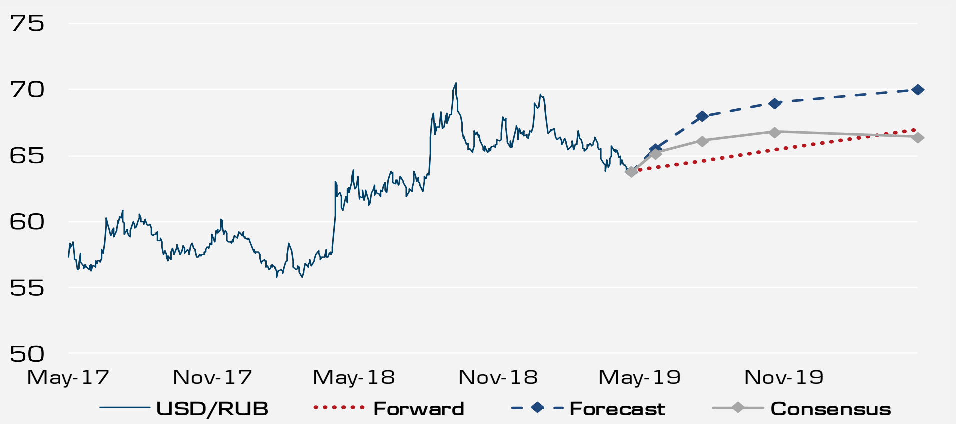
- **Growth.** Russia's statistical service Rosstat published a detailed 2018 GDP breakdown, where Q4 18 growth ended up at 2.7% y/y and Q3 18 expansion was revised up to 2.2% y/y from 1.5% y/y. Expenditure-wise, household consumption and net exports did particularly well. Economically, brisk activity came from mining and quarrying, construction and financial intermediation. We see upside risks to our 1.3% y/y growth forecast as the Bank of Russia is softening its tone notably.

- **Monetary policy.** Russia's central bank (CBR) kept the key rate unchanged at 7.75% in March 2018, as we expected, in line with Bloomberg and Reuters consensus. Under the current global monetary setup, we could see two 25bp cuts already in 2019.

- **Flows.** On the lack of progress in anti-Russia legislation by the US, non-residents have actively returned to purchasing local debt. The solid macro has supported inflows into both stocks and fixed income instruments as geopolitical risk has not materialised.

- **Valuation.** Given lack of broad sanctions news, the RUB has gained slightly on the oil price increase. While the Brent 30-day average climbed 4.1% over the past 30 days, as of 15 April 2019, RUB/USD gained just 1.6% over the same period, as Russia's Ministry of Finance has been active with FX purchases.

Forecast: 65.50 (1M), 68.00 (3M), 69.00 (6M), 70.00 (12M)



USD/RUB	1M	3M	6M	12M
Forecast	65.5	68	69	70
Fwd./Consesus	64.08 / 65.19	64.62 / 66.15	65.41 / 66.81	66.92 / 66.43

Source: Danske Bank

- **Risks.** Geopolitical risks will remain the major driver going forward. The second round of elections in Ukraine on 21 April and Russia's reaction should be followed closely.

- **Conclusion.** The RUB continues to enjoy inflows as the US Congress has not been active in pushing through anti-Russia sanctions. The RUB is clearly benefitting from a looser monetary stance by the ECB and Fed, as global EM sentiment has improved and Russia's solid macro combined with attractive carry lures 'yield hunters'. However, sentiment could see a U-turn at any moment, if geopolitics worsens on sudden sanctions by the US. We see USD/RUB at 65.50 in 1M, 68.00 in 3M, 69.00 in 6M, and 70.00 in 12M.

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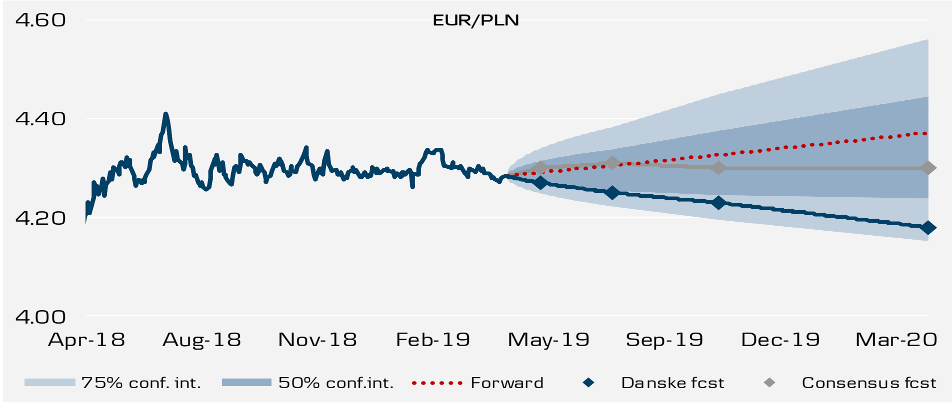
EUR/PLN – Vanishing external risks support PLN

- **Economic developments.** Momentum in the Polish economy shows signs of stabilising. PMI manufacturing increased to 48.7 after hovering around 47 over the past three months. Furthermore, growth in industrial production is solid, while construction spending rebounded strongly in February (growing 15% y/y). On the consumption side, retail sales are still strong, expanding above 5% in real terms and supported by low unemployment and rapid growth in wages. With the global economy likely to rebound in the coming quarters, external demand together with fiscal expansion would boost Polish GDP growth. However, given the negative carry over the weak growth number in Q4, we have lowered our real GDP growth forecast for 2019 to 3.6% (from 3.7%), but raised our 2020 forecast to 4.1% (from 3.1%).
- **Monetary policy.** In light of higher energy prices, headline inflation picked up speed in March to 1.7% compared with 1.2% in February. Core inflation is also rising slowly, reaching 1.4% in March - the first time this measure has risen above 1% since 2014. In light of the prospective fiscal expansion, several National Bank of Poland board members have flagged the risk of higher interest rates to curtail a possible rise in inflation. However, the governor continues to play down the need for tighter monetary policy. We think that core inflation will increase further to 1.7 towards the end of the year. The market has priced in a 10bp rate hike in the latter half of 2020, which seems fair to us.
- **Risks.** Risks are skewed to the downside for EUR/PLN in the near term: The possible upside risks from a disorderly Brexit and a failure by the US and China to strike a trade deal have vanished for now. Downside risks for the cross include improvement in risk sentiment, a further rebound in the EUR and strong economic releases in Poland leading a more hawkish repricing by the central bank.

Forecast: 4.27 (1M), 4.25 (3M), 4.23 (6M), 4.18 (12M)



EUR/PLN	1M	3M	6M	12M
Forecast (pct'ile)	4.27 (31%)	4.25 (22%)	4.23 (20%)	4.18 (15%)
Fwd. / Consensus	4.29 / 4.30	4.31 / 4.31	4.33 / 4.30	4.37 / 4.30
50% confidence int.	4.26 / 4.31	4.25 / 4.34	4.25 / 4.38	4.24 / 4.44
75% confidence int.	4.25 / 4.34	4.22 / 4.38	4.20 / 4.45	4.15 / 4.56

Source: Danske Bank

- **Conclusion.** The EUR/PLN recently broke the lower bound of the 4.28-4.33 range it had traded at over the past year. After spiking at 4.33 in late February, the announcement of the fiscal boost and general good global risk momentum has driven the EUR/PLN downward. We see the cross trading heavily in the coming months, given a benign global environment driven by China, a US-China trade deal and the impact of Polish fiscal boost on the economy, creating a tailwind for the PLN from the summer onwards. As a result, we roll over our forecasts, seeing EUR/PLN at 4.27 in 1M, 4.25 in 3M, 4.23 in 6M and 4.18 in 12M.

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Danske Bank

USD/TRY – Domestic woes join geopolitics in a storm for the lira

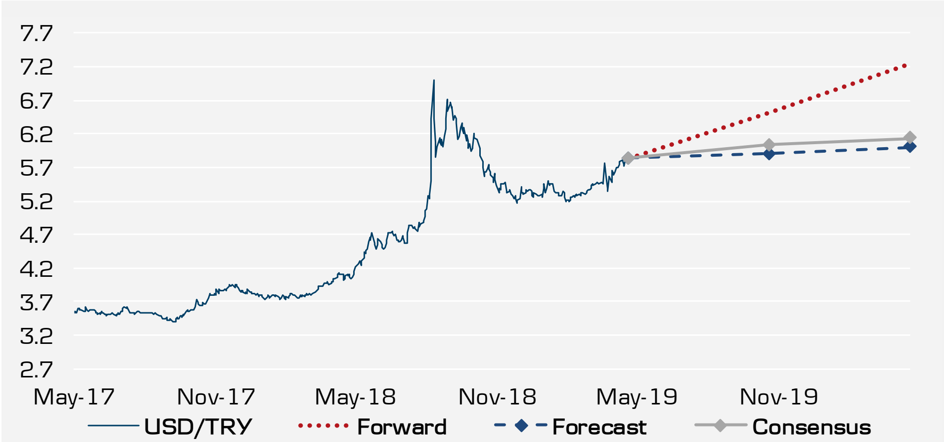
- **Growth.** The Turkish economy has entered a recession, as we had expected. Q4 18 GDP shrank 2.4% q/q versus -1.6% q/q a quarter earlier, falling -3.0% year-on-year (we expected -2.5% y/y, together with Bloomberg consensus) versus +1.8% y/y (revised) in Q3 18. Although there has been some improvement in manufacturing PMI, it remains below 50.0. We expect 2019 GDP growth to reach 1.1% y/y, with increasing downside risks to our projections, and 2020 GDP to expand 2.1% y/y.

- **Monetary policy.** Turkey's central bank (TCMB) kept the one-week repo rate at 24.00% in March 2019. Given the slowdown in inflation to below 20% y/y for the first time in many months and its aim for further deceleration, the central bank could start cutting soon to support the economy. However, we expect the easing to be cautious and moderate, as sharp moves could hurt the TRY.

- **Valuation.** Net flows into Turkish assets remain negative despite improved global EM sentiment. The increased fragility of domestic factors is weighing on economic performance expectations. According to technical analysis (Relative Strength Index), USD/TRY is becoming overbought, which means that the TRY has more space to stabilise in the near-term.

- **Risks.** Major downside risks to our TRY forecasts include more aggressive monetary easing than markets are pricing, the Fed becoming more hawkish and geopolitical confrontation with the US on Russia's air defence system.

Forecast: 5.68 (1M), 5.75 (3M), 5.90 (6M) and 6.00 (12M)



USD/TRY	1M	3M	6M	12M
Forecast	5.68	5.75	5.90	6
Fwd./Consesus	5.94 / 5.80	6.16 / 5.90	6.51 / 6.03	7.24 / 6.13

Source: Danske Bank

- **Conclusion.** We raise our USD/TRY near- and long-term outlook due to upcoming monetary easing in H1 19 and the increased fragility of the domestic economy and politics. Large FX debt redemptions by the Turkish private sector and further rate cuts are set to weigh on the TRY in 2019 and 2020. Thus, we remain bearish on the TRY in the long term, expecting the USD/TRY to reach the following levels: 5.68 in 1M (previously 5.52), 5.75 in 3M (previously 5.55), 5.90 in 6M (previously 5.70) and 6.00 in 12M.

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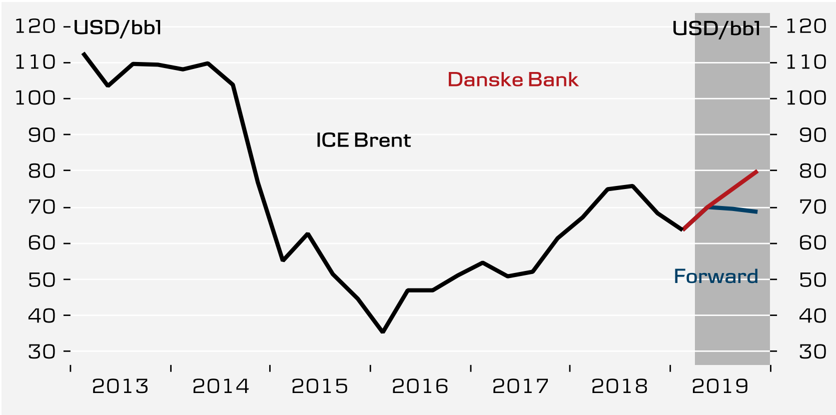
Oil – Supply risks on the radar

- **Macro.** The oil market balance has tightened rapidly. On the supply side, OPEC+ is implementing output cuts agreed last December and has already begun discussing a possible extension from June. Output in Venezuela is in freefall and Libyan oil output is now at risk following an insurgence. Furthermore, waivers on Iran sanctions are set to expire at the end of April. The macro backdrop remains relatively weak, highlighted by weak macroeconomic data and sluggish global trade growth. However, we see some rays of light since some signs point towards a stabilisation of Chinese economic growth, which could spill over to the rest of the world economy. Furthermore, we have also seen some progress in trade talks recently pointing to the possibility of a US-China trade deal during Q2.
- **Forward curve.** Backwardation in the Brent crude oil market forward curve has widened following the move above USD70/bbl in the spot price. Backwardation should remain wide as spot prices rise further this year in accordance with our forecast.
- **Positioning.** Speculative investors have rebuilt long positions, which has brought positioning in WTI back close to historically stretched long territory.
- **Risks.** The coming months will be important for the oil market. As mentioned above, current waivers on Iran sanctions expire at the end of April. The US has announced that it plans to draw 5m bbl on its strategic reserves in May. Finally, OPEC is set to meet again on 25 June to discuss an extension of current output cuts.

Forecast: USD65/bbl (Q1), USD70/bbl (Q2), USD75/bbl (Q3), USD80/bbl (Q4)



Source: Danske Bank

- **Conclusion.** We expect oil prices to recover further over the course of 2019. We forecast Brent to average USD70/bbl in Q2, rising to USD80/bbl in Q4. We expect OPEC+ cuts, a recovery in global growth and a US-China trade deal to be the main factors underpinning a higher oil price.

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Danske Bank FX forecasts vs EUR and USD

	Spot	Forecast +1m	+3m	+6m	+12m	Forecast vs forward outright, % +1m	+3m	+6m	+12m
Exchange rates vs EUR									
USD	1.126	1.12	1.13	1.15	1.17	-0.8	-0.4	0.6	0.8
JPY	125.9	125	128	130	132	-0.4	1.3	3.1	4.9
GBP	0.866	0.86	0.86	0.86	0.86	-0.8	-1.0	-1.4	-2.1
CHF	1.146	1.12	1.13	1.15	1.17	-2.3	-1.3	0.5	2.4
DKK	7.4657	7.4610	7.4580	7.4550	7.4550	0.0	0.0	0.0	0.1
NOK	9.59	9.50	9.50	9.30	9.30	-1.0	-1.3	-3.9	-4.9
SEK	10.51	10.35	10.20	10.40	10.50	-1.5	-3.0	-1.2	-0.4
Exchange rates vs USD									
JPY	111.9	112	113	113	113	0.4	1.7	2.5	4.0
GBP	1.30	1.30	1.31	1.34	1.36	0.0	0.6	2.0	2.9
CHF	1.02	1.00	1.00	1.00	1.00	-1.5	-1.0	-0.1	1.6
DKK	6.63	6.66	6.60	6.48	6.37	0.8	0.4	-0.6	-0.7
NOK	8.52	8.48	8.41	8.09	7.95	-0.3	-0.9	-4.4	-5.6
SEK	9.33	9.24	9.03	9.04	8.97	-0.7	-2.6	-1.7	-1.2
CAD	1.34	1.32	1.30	1.27	1.25	-1.2	-2.5	-4.6	-5.7
AUD	0.71	0.73	0.73	0.75	0.76	2.5	2.4	5.0	6.0
NZD	0.67	0.68	0.69	0.70	0.71	2.0	3.3	4.6	5.7
RUB	63.73	65.50	68.00	69.00	70.00	2.3	5.3	5.6	4.7
CNY	6.72	6.70	6.70	6.65	6.60	-0.3	-0.3	-1.1	-2.0

Note: GBP, AUD and NZD are denominated in local currency rather than USD

Source: Danske Bank

Danske Bank FX forecasts vs DKK

	Forecast					Forecast vs forward outright, %			
	Spot	+1m	+3m	+6m	+12m	+1m	+3m	+6m	+12m
Exchange rates vs DKK									
EUR	7.4657	7.4610	7.4580	7.4550	7.4550	0.0	0.0	0.0	0.1
USD	6.63	6.66	6.60	6.48	6.37	0.8	0.4	-0.6	-0.7
JPY	5.93	5.95	5.84	5.74	5.64	0.4	-1.4	-3.0	-4.5
GBP	8.62	8.68	8.67	8.67	8.67	0.8	1.0	1.4	2.2
CHF	6.51	6.66	6.60	6.48	6.37	2.3	1.3	-0.5	-2.3
NOK	0.78	0.79	0.79	0.80	0.80	1.0	1.3	4.0	5.2
SEK	0.71	0.72	0.73	0.72	0.71	1.5	3.0	1.1	0.5
CAD	4.96	5.05	5.08	5.10	5.10	1.9	2.9	4.1	5.3
AUD	4.72	4.86	4.82	4.86	4.84	3.3	2.8	4.4	5.2
NZD	4.42	4.53	4.55	4.54	4.52	2.7	3.7	4.0	5.0
PLN	1.74	1.75	1.75	1.76	1.78	0.6	1.4	2.4	4.8
CZK	0.29	0.29	0.29	0.30	0.30	0.2	0.9	3.1	5.0
HUF	2.33	2.33	2.38	2.40	2.44	0.1	2.6	3.7	6.0
RUB	0.10	0.10	0.10	0.09	0.09	-1.6	-4.7	-5.9	-5.2
CNY	0.99	0.99	0.99	0.97	0.97	1.0	0.7	0.5	1.3

Source: Danske Bank

Danske Bank FX forecasts vs SEK

	Forecast					Forecast vs forward outright, %			
	Spot	+1m	+3m	+6m	+12m	+1m	+3m	+6m	+12m
Exchange rates vs SEK									
EUR	10.51	10.35	10.20	10.40	10.50	-1.5	-3.0	-1.2	-0.4
USD	9.33	9.24	9.03	9.04	8.97	-0.7	-2.6	-1.7	-1.2
JPY	8.34	8.25	7.99	8.00	7.94	-1.1	-4.3	-4.1	-5.1
GBP	12.13	12.03	11.86	12.09	12.21	-0.7	-2.0	0.2	1.7
CHF	9.16	9.24	9.03	9.04	8.97	0.8	-1.6	-1.6	-2.8
NOK	1.10	1.09	1.07	1.12	1.13	-0.5	-1.7	2.8	4.7
DKK	1.41	1.39	1.37	1.40	1.41	-1.4	-2.9	-1.1	-0.5
CAD	6.98	7.00	6.94	7.12	7.18	0.4	-0.1	3.0	4.8
AUD	6.64	6.75	6.59	6.78	6.82	1.8	-0.2	3.2	4.6
NZD	6.22	6.28	6.23	6.33	6.37	1.2	0.7	2.8	4.4
PLN	2.45	2.42	2.40	2.46	2.51	-0.9	-1.6	1.2	4.3
CZK	0.41	0.40	0.40	0.41	0.42	-1.2	-2.0	1.9	4.5
HUF	3.27	3.23	3.26	3.35	3.44	-1.3	-0.4	2.6	5.5
RUB	0.15	0.14	0.13	0.13	0.13	-3.0	-7.5	-7.0	-5.7
CNY	1.39	1.38	1.35	1.36	1.36	-0.4	-2.3	-0.6	0.8

Source: Danske Bank

Danske Bank FX forecasts vs NOK

	Forecast					Forecast vs forward outright, %			
	Spot	+1m	+3m	+6m	+12m	+1m	+3m	+6m	+12m
Exchange rates vs NOK									
EUR	9.59	9.50	9.50	9.30	9.30	-1.0	-1.3	-3.9	-4.9
USD	8.51	8.48	8.41	8.09	7.95	-0.3	-0.9	-4.4	-5.6
JPY	7.61	7.57	7.44	7.16	7.03	-0.6	-2.6	-6.8	-9.3
GBP	11.07	11.05	11.05	10.81	10.81	-0.2	-0.3	-2.5	-2.9
CHF	8.36	8.48	8.41	8.09	7.95	1.3	0.0	-4.3	-7.1
SEK	0.91	0.92	0.93	0.89	0.89	0.5	1.7	-2.7	-4.5
DKK	1.28	1.27	1.27	1.25	1.25	-1.0	-1.3	-3.8	-5.0
CAD	6.37	6.43	6.47	6.37	6.36	0.9	1.6	0.1	0.1
AUD	6.06	6.19	6.14	6.07	6.04	2.3	1.4	0.4	0.0
NZD	5.67	5.77	5.80	5.66	5.64	1.7	2.4	0.0	-0.2
PLN	2.24	2.22	2.24	2.20	2.22	-0.4	0.1	-1.6	-0.4
CZK	0.37	0.37	0.37	0.37	0.37	-0.8	-0.4	-0.8	-0.2
HUF	2.99	2.97	3.04	3.00	3.05	-0.9	1.2	-0.2	0.8
RUB	0.13	0.13	0.12	0.12	0.11	-2.6	-6.0	-9.5	-9.9
CNY	1.27	1.27	1.25	1.22	1.20	0.0	-0.6	-3.4	-3.7

Source: Danske Bank

Danske Bank EMEA FX forecasts

		EUR		USD		DKK		SEK		NOK	
		Danske	Forward	Danske	Forward	Danske	Forward	Danske	Forward	Danske	Forward
PLN	**23-Apr-19**	**4.29**		**3.81**		**174**		**245**		**224**	
	+1M	4.27	4.30	3.81	3.81	175	174	242	245	222	223
	+3M	4.25	4.31	3.76	3.80	175	173	240	244	224	223
	+6M	4.23	4.33	3.68	3.79	176	172	246	243	220	223
	+12M	4.18	4.38	3.57	3.77	178	170	251	241	222	223
HUF	**23-Apr-19**	**321**		**285**		**2.33**		**3.27**		**2.99**	
	+1M	320	321	284	284	2.33	2.33	3.23	3.27	2.97	2.99
	+3M	313	321	277	283	2.38	2.32	3.26	3.27	3.04	3.00
	+6M	310	322	270	281	2.40	2.32	3.35	3.27	3.00	3.01
	+12M	305	323	261	278	2.44	2.31	3.44	3.26	3.05	3.03
CZK	**23-Apr-19**	**25.7**		**22.8**		**29.0**		**40.8**		**37.3**	
	+1M	25.7	25.8	22.9	22.8	29.0	29.0	40.3	40.8	37.0	37.3
	+3M	25.6	25.8	22.7	22.8	29.1	28.9	39.8	40.7	37.1	37.2
	+6M	25.2	26.0	21.9	22.7	29.6	28.7	41.3	40.5	36.9	37.2
	+12M	25.0	26.2	21.4	22.6	29.8	28.4	42.0	40.2	37.2	37.3
RUB	**23-Apr-19**	**71.7**		**63.7**		**10.4**		**14.6**		**13.4**	
	+1M	73.4	72.2	65.5	64.0	10.2	10.3	14.1	14.5	12.9	13.3
	+3M	76.8	73.2	68.0	64.6	9.7	10.2	13.3	14.4	12.4	13.1
	+6M	79.4	74.7	69.0	65.3	9.4	10.0	13.1	14.1	11.7	13.0
	+12M	81.9	77.6	70.0	66.8	9.1	9.6	12.8	13.6	11.4	12.6
TRY	**23-Apr-19**	**6.57**		**5.84**		**114**		**160**		**146**	
	+1M	6.36	6.72	5.68	5.94	117	111	163	156	149	143
	+3M	6.50	6.99	5.75	6.16	115	107	157	150	146	138
	+6M	6.79	7.45	5.90	6.51	110	100	153	141	137	130
	+12M	7.02	8.42	6.00	7.24	106	88	150	125	132	116
CNY	**23-Apr-19**	**7.56**		**6.72**		**99**		**139**		**127**	
	+1M	7.50	7.58	6.70	6.72	99	98	138	139	127	127
	+3M	7.57	7.62	6.70	6.72	99	98	135	138	125	126
	+6M	7.65	7.69	6.65	6.72	97	97	136	137	122	126
	+12M	7.72	7.82	6.60	6.74	97	95	136	135	120	125
ZAR	**23-Apr-19**	**16.0**		**14.2**		**46.7**		**65.7**		**59.9**	
	+1M	16.0	16.1	14.25	14.3	46.7	46.3	64.8	65.2	59.5	59.6
	+3M	16.4	16.3	14.50	14.4	45.5	45.8	62.3	64.5	58.0	59.1
	+6M	16.7	16.6	14.50	14.5	44.7	44.9	62.4	63.4	55.8	58.3
	+12M	16.7	17.2	14.25	14.9	44.7	43.2	63.0	61.2	55.8	56.7
BRL	**23-Apr-19**	**4.43**		**3.94**		**168.5**		**237.1**		**216.3**	
	+1M	4.41	4.45	3.94		169.1	167.6	234.5	235.9	215.3	215.5
	+3M	4.12	4.50	3.65		180.8	165.9	247.3	233.8	230.3	214.1
	+6M	4.08	4.56	3.55		182.6	163.3	254.7	230.5	227.8	211.9
	+12M	3.86	4.69	3.30		193.1	158.7	272.0	224.6	240.9	208.3

Source: Danske Bank

Danske Bank

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