Important disclosures and certifications are contained from page 19 of this report

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FX Forecast Update

Strong USD as Scandi headwinds build

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FX market overview

Recent developments: energy shock drives hawkish rate repricing

- Since our last FX Forecast Update on 21 August, escalating Middle East tensions have added renewed upward pressure on energy prices, pushing Brent crude and TTF gas significantly higher. Coupled with resilient global activity, this has driven a hawkish repricing of major central bank rate expectations, supporting a bear-flattening of the US curve and sending the 10Y US Treasury yield to a multi-year high. At the same time, the relative policy picture has become more divergent. The Fed, the ECB and the BOJ all hiked in September and retained a tightening bias, while the Riksbank is under pressure from a historically wide policy rate gap versus the ECB, and Norges Bank's tightening bias has diminished amid softer growth and downside inflation surprises.

FX implications: stronger USD and commodity currencies

- Over the past month, EUR/USD has drifted below the 1.15 mark amid rising US rates and renewed energy pressure on euro area terms of trade. More broadly in G10 FX, the commodity bloc has been the relative outperformer, with NOK, AUD and CAD supported by higher energy prices, which have partly offset broader USD strength. By contrast, the risk-off backdrop has weighed on high-beta currencies, leaving SEK and NZD among the weakest performers. In Scandies, NOK has remained supported by elevated energy prices and attractive carry amid a still relatively low FX-volatility environment. For SEK, weakness has persisted amid USD strength and a wider ECB-Riksbank policy rate spread.

Outlook: bearish on EUR/USD and structural headwinds for Scandies

- We believe that strong underlying US growth momentum, the Fed's continuing tightening cycle and persistently elevated energy prices will maintain EUR/USD on a declining trend, targeting 1.12 in 12M. For EUR/SEK, we shift our entire forecast profile higher, keeping the door open for a temporary and shallow correction near-term, whilst still expecting a higher EUR/SEK over the coming 6-12 months. For EUR/NOK, we maintain a more neutral near-term stance, as energy prices are likely to remain elevated, but retain a long-term negative view on NOK, driven by elevated unit labour costs in Norway and real-rate convergence with peers.

Key risk to our forecasts: geopolitics and US monetary policy outlook

- Near-term risks are closely tied to the war in Iran, while medium- to long-term risks continue to be tied to the US growth outlook and the US monetary policy outlook. A much firmer focus by the Warsh-led Fed on bringing down nominal pressures in the US economy, could result in a considerably stronger USD and weaker Scandies than what we pencil in. Additionally, should the US economy prove less resilient than what we forecast, fears of a US recession could weigh heavily on the USD, with CHF, JPY and EUR likely proving the biggest beneficiaries in such a scenario. For EUR, a more prolonged ECB hiking cycle, potentially driven by fiscal easing or a more resilient euro area economy, could also cap USD strength. Finally, we will closely monitor uncertainty related to AI and broader signs of a turning global cycle.

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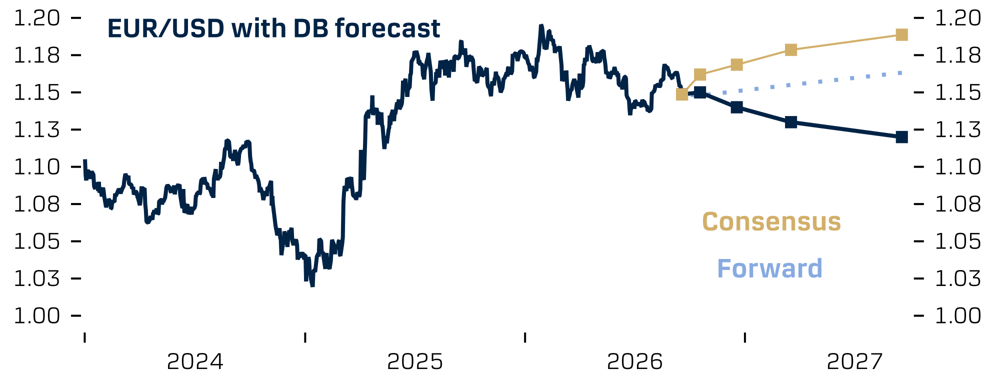
EUR/USD – declining trend intact

- **Cyclical outlook.** Manufacturing cycle indicators continued improving through the summer period despite the persistent volatility in energy prices. That said, we believe the demand observed in the US is domestically driven, while the euro area benefits largely from external tailwinds. In the US, solid growth and labour markets will underpin sticky inflation going forward, while in the euro area, we still see limited evidence of underlying inflation accelerating beyond the energy-related cost pressures. In our view, the relative macro outlook remains a negative driver for EUR/USD going forward.
- **Monetary policy.** Both the ECB and the Fed hiked rates in September, in line with market expectations. Both central banks also guided hawkishly towards continuing their tightening cycles over coming meetings, and we expect two more rate hikes from each. In the very next meetings, we expect the ECB to tighten more aggressively already in October, while we think the Fed will wait until December before hiking. But in the 6-12M horizon, we judge that the ECB is relatively more likely to underdeliver compared to current market expectations, while the opposite is true for the Fed. As such, we think that relative monetary policy is a neutral driver for EUR/USD during the rest of 2026, and a negative driver towards 2027.
- **External balances.** Euro area terms-of-trade are now at the weakest level of the Iran war, as rising natural gas and refined oil product prices increase the cost of energy imports. US trade deficit has also widened further, but largely due to the rising demand for AI-investment goods.
- **Valuation.** We estimate that the PPP fair value for EUR/USD is around 1.25 over 3-5Y horizon.
- **Positioning.** Non-commercial broad USD positioning shifted from long towards neutral during late summer.

Forecast: 1.15 (1M), 1.14 (3M), 1.13 (6M), 1.12 (12M)



	1M	3M	6M	12M
Danske Bank	1.15	1.14	1.13	1.12
Consensus	1.16	1.17	1.18	1.19
Forward	1.15	1.15	1.16	1.16

Note: Past performance is not a reliable indicator of current or future results
Source: Macrobond, Danske Bank

- **Risks.** A sudden drop in energy prices, weakening in US labour markets or loss of confidence in the Fed's independence could lift EUR/USD above our forecast. Clear signs of euro area's economic growth momentum cooling due to the energy shock could also weigh on EUR/USD faster than we expect.
- **Conclusion.** We believe that strong underlying growth momentum in the US, the Fed's continuing tightening cycle and persistently elevated energy prices will maintain EUR/USD on a declining trend over the coming year.

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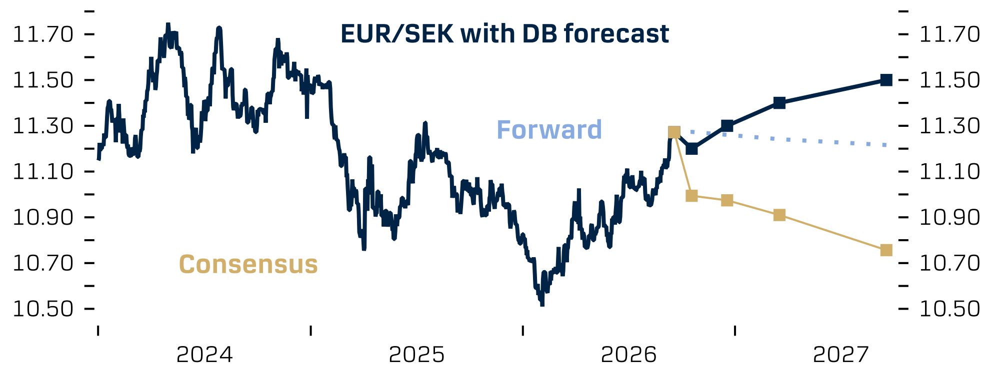
EUR/SEK – current levels motivated by a dovish Riksbank

- **Cyclical outlook.** Swedish economic fundamentals remain sound and after the strong outcome for the second quarter, resource utilisation is close to normal. Swedish GDP is now close to its long-term trend, and we expect the GDP gap to close during autumn and the Swedish economy to be in a normal cyclical position with growth around 2.5% over the coming year. Meanwhile, although the Eurozone economy has proven more resilient than expected amid the sharp rise in energy prices, the Swedish economy is set to outperform the Eurozone clearly over the coming years.
- **Monetary policy.** Following the ECB hike at their September meeting, as per our expectations, the policy rate gap now stands at 75bp – the widest it has ever been. And as our updated central bank calls entail two further ECB hikes in October and December, whereas the Riksbank lingers until November and February, the policy rate spread could widen even further, at least temporarily. If our calls are proven correct, a prolonged period of a policy rate gap of 75bp in favour of the ECB would likely prove a considerable tailwind for EUR/SEK. As such, unless the Riksbank shifts in a significantly more hawkish direction at any of their upcoming meetings, relative monetary policy is likely to weigh on the SEK over both the short- and the medium-term.
- **Flows.** The Swedish savings-investment balance generated net-buying of foreign equities in 2025 and there are no indications of major structural changes being imminent. The AP funds all increased their FX exposure by on average 1 percentage point during H1, which speaks against any structural shift in capital allocation. And as Swedish retail savers continue to buy dollars on a monthly basis, mainly through their investments into global equity funds, we expect capital flows to remain as a structural headwind for the SEK.
- **Valuation**. Both our short-term and long-term valuation models see EUR/SEK as fundamentally justified at levels above 11.00.
- **Risks.** Near-term risks are two-sided and mostly centred around the USD, geopolitics and the Riksbank. Long-term risks are primarily related to any potential reversal of the Swedish capital flows story.

Forecast: 11.20 (1M), 11.30 (3M), 11.40 (6M), 11.50 (12M)



	1M	3M	6M	12M
Danske Bank	11.20	11.30	11.40	11.50
Consensus	10.99	10.97	10.91	10.76
Forward	11.27	11.26	11.24	11.22

Note: Past performance is not a reliable indicator of current or future results
Source: Macrobond, Danske Bank

- **Conclusion.** The Swedish krona's poor performance continues, and recent headwinds include not only a stronger dollar but also an increasing policy rate spread between the ECB and the Riksbank. The recent ECB hike brought the policy rate gap to 75bp – the widest it has ever been – and the pressure is mounting on the Riksbank to act. And if our central bank calls are proven correct, with another 50bp worth of hikes from the ECB and equally from the Riksbank, that gap is set to last all through 2027 as well. As such, relative monetary policy is likely to remain as a tailwind for EUR/SEK not only in the short-term but also over the medium-term. That being said, the recent rally in EUR/SEK has pushed the cross ahead of our 3M projection, and as such the threshold for any correction should be rather low. On balance, we shift our entire forecast profile higher, keeping the door open for a temporary and shallow correction near-term, whilst still expecting a higher EUR/SEK over the coming 6-12 months.

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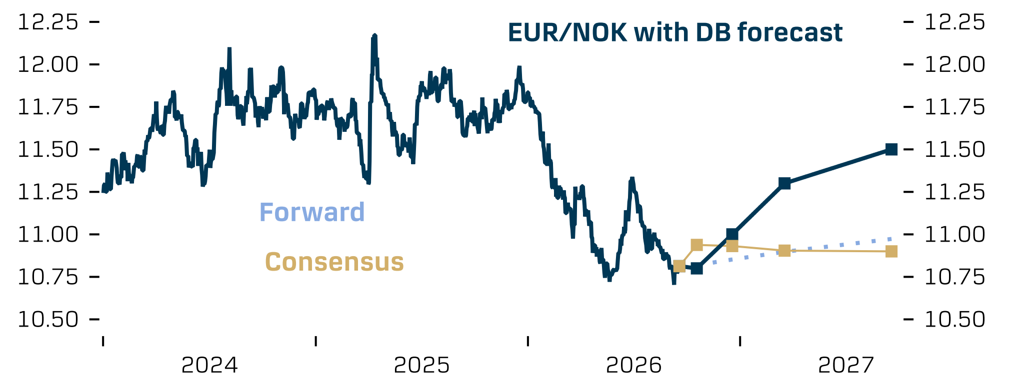
EUR/NOK – NOK rally exhausted

- **Cyclical outlook.** The cyclical backdrop for NOK has become more balanced. Mainland growth has softened relative to expectations, with Q2 GDP slightly below consensus, pointing to a weaker momentum than Norges Bank assumed in the June MPR. Rate-sensitive sectors are still under pressure, suggesting limited domestic growth support for the NOK near term. However, the labour market remains tight, with registered unemployment stable at 2.1%, which should keep Norges Bank cautious. Inflation is less supportive of a clearly hawkish stance. Core inflation rebounded to 3.0% y/y in August, but mainly due to base effects and still below Norges Bank's forecast. Core inflation is currently 0.3pp below NB's estimate from the MPR in June, which implies roughly a 25bp lower rate path in the upcoming monetary policy report.
- **Monetary policy.** Norges Bank's tightening bias has diminished amid easing inflation and a softened growth outlook. Following the recent core inflation figures, which came in below expectations for the third consecutive month, we now anticipate the peak policy rate to be 4.25%, with two cuts expected in 2027 and a further two in 2028. A potential improvement in the global energy situation, alongside a declining interest rate differential compared to peers and domestic factors that may drive rates down faster, could weaken the Norwegian krone in the coming years.
- **External balances.** The IMF has urged Norway to adopt a neutral fiscal stance and reassess electricity subsidies to ease pressure on Norges Bank. Meanwhile, NBIM's proposed shift from government bonds to riskier debt highlights the continued importance of oil-fund allocation for Norway's external position.
- **Valuation.** Valuation signals remain NOK-negative, as relatively high unit labour costs and narrowing real rate support suggest a gradual upward drift in EUR/NOK fair value over time.
- **Positioning.** We believe speculative NOK positioning is neutral.

Forecast: 10.80 (1M), 11.00 (3M), 11.30 (6M), 11.50 (12M)



	1M	3M	6M	12M
Danske Bank	10.80	11.00	11.30	11.50
Consensus	10.94	10.93	10.90	10.90
Forward	10.82	10.85	10.90	10.97

Note: Past performance is not a reliable indicator of current or future results
Source: Macrobond, Danske Bank

- **Risks.** Near-term risks are inherently connected to global energy prices, developments in the Persian Gulf and not least US monetary policy.
- **Conclusion.** The NOK remains supported by elevated energy prices and attractive carry amid a still relatively low FX-volatility environment, while the domestic backdrop has become less supportive. We still see the global environment as the key near-term driver, with Fed expectations, risk sentiment and, not least, energy markets being the main factors to watch. While we retain a long-term negative view on NOK, driven by elevated unit labour costs in Norway and real-rate convergence with peers, we maintain a more neutral near-term stance, as energy prices are likely to remain elevated given recent developments in the Middle East, with no near-term resolution in sight.

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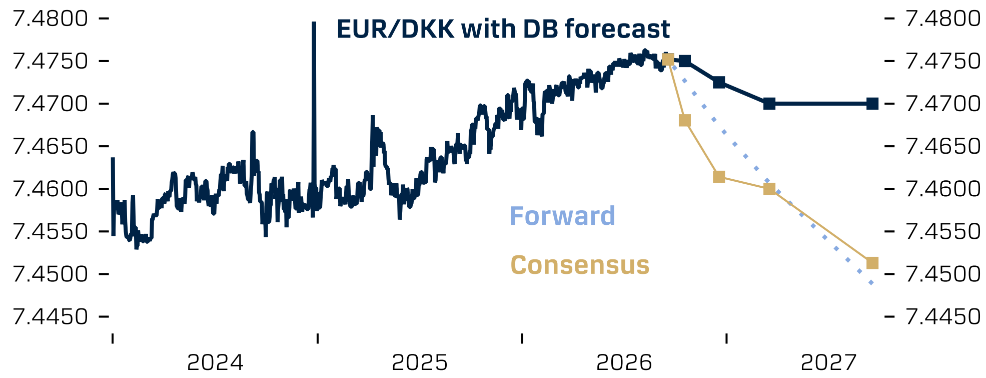
EUR/DKK – still under pressure

- **Cyclical outlook.** The global economy and equity markets are holding up amid rate hikes and rising energy prices, which creates a neutral cyclical environment for EUR/DKK. The energy shock is broadly neutral for the Danish economy, which is in a better position to manage higher energy prices than the euro area economy. Strong equity markets benefit the returns on households' large pension savings. A stronger USD would benefit the competitiveness of Danish exporters with large exports to the US.
- **Monetary policy.** Danmarks Nationalbank (DN) intervened again in August, when EUR/DKK rose back to the high from June. This time intervention amounted to DKK5.6bn, which leaves total intervention since June just above DKK6bn. That is a small amount – we think it will take up to DKK50bn in intervention before DN would hike interest rates unilaterally. We expect DN to keep the policy rate spread unchanged at -40bp the coming 12M. DN followed the 25bp rate hike from the ECB in September and hiked its key policy rate to 2.10%. We expect the ECB to hike two more times this year and DN to follow suit, which leaves the key policy rate at 2.60% at year-end.
- **External balances.** Denmark continues to run a very large current account surplus of around 10-15% of GDP, with pharmaceutical exports making a big contribution to the trade surplus. The significant surplus materialises in a large investment need abroad.
- **Valuation.** The strong Danish external balances keep a 'DKK appreciation risk premium' vis-à-vis the EUR in the FX forward curve.
- **Positioning.** Recent hedging data from the Danish central bank showed that the USD hedge ratio in the domestic life and pension sector was about unchanged at 63% in July, the lowest since February last year before the tariff war started. The EUR hedge ratio rose slightly in July and remains relatively higher than the USD hedge ratio from a historical perspective.

Forecast: 7.4750 (1M), 7.4725 (3M), 7.4700 (6M), 7.4700 (12M)



	1M	3M	6M	12M
Danske Bank	7.4750	7.4725	7.4700	7.4700
Consensus	7.4680	7.4614	7.4600	7.4513
Forward	7.4727	7.4674	7.4607	7.4489

Note: Past performance is not a reliable indicator of current or future results
Source: Macrobond, Danske Bank

- **Risks.** EUR/DKK remains exposed to large movements in equity and fixed income markets via the FX hedge rebalancing effect. US equity outperformance will tend to keep EUR/DKK low, while higher long-term bond yields will support a higher EUR/DKK. DN may opt to allow EUR/DKK to rise above the 7.4760 level around where it intervened in August.
- **Conclusion.** We look for EUR/DKK to fall back to the 7.4725 level on 3M and further down to 7.4700 on a 6-12M horizon, driven by higher equity markets and hedge ratios. In the near term, we expect DN to cap upside around 7.4760.

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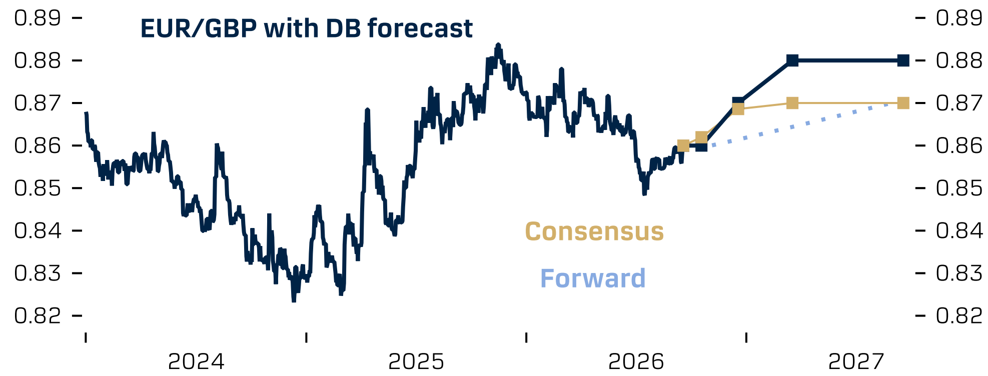
EUR/GBP – slightly weaker GBP

- **Cyclical outlook.** Growth has shown improvement in the UK in the near term, supported by strong PMI figures and an upside surprise in monthly GDP in July. However, the labour market is softening, with lower wage growth, higher unemployment and persistent payroll declines. There are prominent risks that growth could lose momentum during the second half of the year. Inflation remains elevated and continues to overshoot the Bank of England's (BoE) forecast, but spillover effects to core inflation have not yet materialised, and energy prices are still the sole driver of the higher headline figures.
- **Monetary policy.** The BoE kept the policy rate unchanged at 3.75%, with the vote split 6-3 in favour of a hold. The policy summary and minutes were less hawkish than the market had expected. Our base case remains for an unchanged policy rate until next summer, as the current rate is already restrictive. Risks remain tilted to the upside, and the balancing act between inflation and growth will continue to be challenging for the BoE.
- **External balances.** The UK runs a large current-account deficit, which makes GBP vulnerable when capital inflows fade; this keeps GBP at risk vs EUR in the wake of souring global risk appetite.
- **Positioning.** Non-commercial positioning is long EUR/GBP.
- **Risks.** Near-term risks are inherently connected to global energy prices and the developments in Iran as well as the global investment environment. The key risk to EUR/GBP trading substantially higher than our forecast is a sharp sell-off in global risk, which could be triggered by further escalation in the Middle East. Other risks are related to developments in the relative growth outlook between the euro area and the UK. If growth fares better than expected in the UK, this could send EUR/GBP substantially lower.

Forecast: 0.86 (1M), 0.87 (3M), 0.88 (6M), 0.88 (12M)



	1M	3M	6M	12M
Danske Bank	0.86	0.87	0.88	0.88
Consensus	0.86	0.87	0.87	0.87
Forward	0.86	0.86	0.86	0.87

Note: Past performance is not a reliable indicator of current or future results
Source: Macrobond, Danske Bank

- **Conclusion.** EUR/GBP has rebounded slightly higher to 0.86 after trading close to 0.8450 over the summer. Political instability has once again faded and with a more pragmatic pick for UK chancellor, fiscal sustainability worries have taken a backseat. However, we are attentive to budget risks ahead of the Autumn Statement. The UK economy has also performed better than expected although the past weeks data releases have been to the weaker side. We highlight that the UK economy remains fragile and that we see scope for the significant repricing of the BoE to revert to a larger extent than for the ECB, opening for a move higher in EUR/GBP. We continue to forecast EUR/GBP to move higher from current levels but now see the outlook more balanced.

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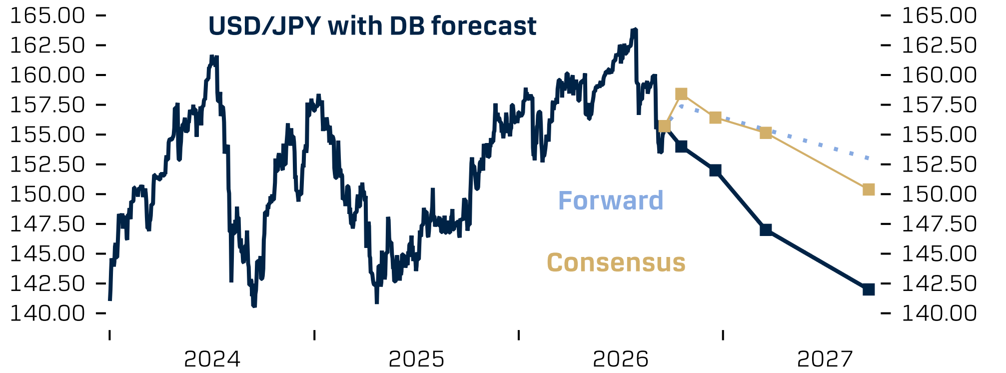
USD/JPY – structurally on a downward path

- **Cyclical outlook.** Q2 GDP was revised up to 1.4% annualised from the preliminary 1.1%, driven by stronger business fixed investment. The key headwinds in the Japanese economy remain the bleak trade outlook, fragile domestic demand, and the ongoing disruption from the Strait of Hormuz conflict. The standout data point recently has been wages. July nominal wages rose 4.7% y/y – the strongest gain since 1997 and the sixth consecutive month of increases – well above the 3.8% consensus. The wage picture is unambiguously strong. The consumption side, however, remains the weak link: household spending fell 3.6% y/y in July, as persistent inflation continues to erode purchasing power.
- **Monetary policy.** The Bank of Japan (BoJ) hiked the policy rate to 1.25% at the September meeting, as the picture has shifted materially since the July meeting where it kept rates unchanged. Since then, we have seen hawkish communication from the BoJ and US Treasury Secretary Bessent's unusually vocal comments, reportedly claiming "asymmetric information" on the BoJ's next moves. While this has reinforced market expectations, it has also put the BoJ in a difficult position – any failure to deliver would not only surprise markets but risk sending the JPY sharply lower, with markets almost expecting three more 25bp hikes by July next year. We expect two further 25bp hikes on a 12M period.
- **External balances.** The structural story is unchanged, but the risks have intensified. Export competitiveness remains strong – the weak JPY and robust global chip demand are delivering record export values – and the primary income surplus continues to anchor the current account in surplus. Elevated energy prices weigh on the energy-import-dependent economy.
- **Positioning.** Speculators are short positioned in USD/JPY.
- **Risks.** Markets are increasingly pricing in Fed rate hikes. If upcoming US data continues to support the shift and the USD/JPY rate differential narrows less than expected, the BoJ could be tested on its commitment to support the JPY.

Forecast: 154 (1M), 152 (3M), 147 (6M), 142 (12M)



	1M	3M	6M	12M
Danske Bank	154	152	147	142
Consensus	158	156	155	150
Forward	157	157	155	153

Note: Past performance is not a reliable indicator of current or future results
Source: Macrobond, Danske Bank

- **Conclusion.** Since our last update, the backdrop has shifted in favour of a stronger JPY. A more hawkish BoJ, a meaningful repricing of the rate differential, and growing evidence of carry-trade unwinding have all been supportive of the JPY. While the near-term trajectory may admittedly remain more uncertain amid elevated energy prices, we think the structural case for USD/JPY to trend lower over a 12M horizon remains compelling. It rests on a convergence of forces – BoJ tightening, the Fed likely being closer to its peak than the BoJ, carry-trade unwinding, repatriation flows, and eventual normalization of energy prices – several of which are already in motion.

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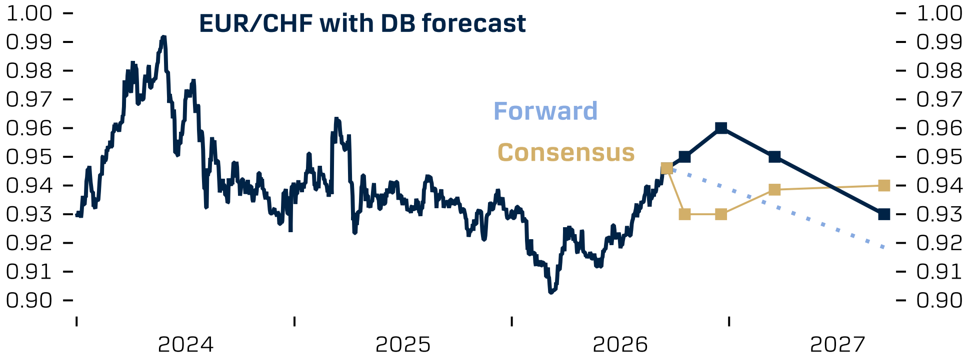
EUR/CHF

Forecast: 0.95 (1M), 0.96 (3M), 0.95 (6M), 0.93 (12M)



Note: Past performance is not a reliable indicator of current or future results
Source: Macrobond, Danske Bank

- EUR/CHF has continued to move higher over the past month, now trading around the 0.9450 mark. We attribute the recent move to especially widening rate differentials to peers and a resilient European economy with a string of positive growth surprises. The former was also exacerbated by a Bloomberg sources story flagging that the SNB would leave the policy rate unchanged at 0% until end of 2027, a view we share. The ongoing rise in JPY rates and recent jitters in JPY FX has also made the Swiss Franc increasingly attractive as an alternative funding currency, with widening rate differential to peers.
- We therefore continue to expect EUR/CHF to rise on a 1-3M horizon. We expect the cross to move towards 0.96 as we expect the above-mentioned dynamics to provide headwind for CHF. Over the longer-term we remain bearish on EUR/CHF and think the outlook for Fed tightening and an environment with tighter global monetary policy conditions favours a stronger CHF. We target the cross at 0.93 in 12 months.

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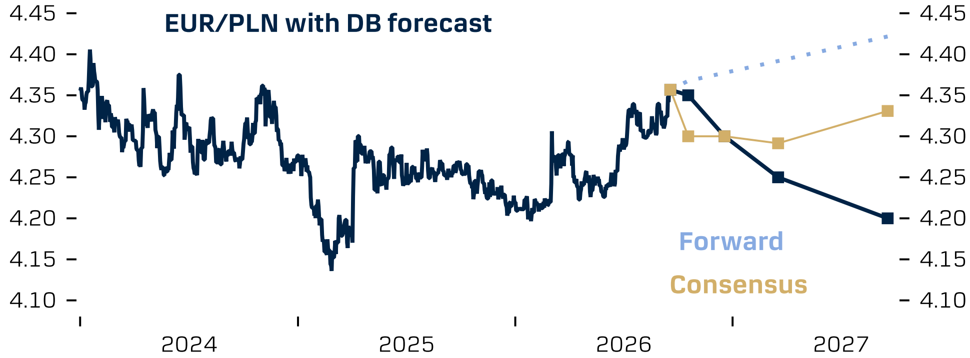
EUR/PLN

Forecast: 4.35 (1M), 4.30 (3M), 4.25 (6M), 4.20 (12M)



Note: Past performance is not a reliable indicator of current or future results
Source: Macrobond, Danske Bank

- Polish inflation reached a 14-month high in August, with CPI printing at 3.4%. The main culprits behind recent months' uptick have been the surging energy prices, where Poland stands out as particularly vulnerable given its relatively high import share of energy. The inflation backdrop prompted National Bank of Poland Governor Glapinski to state that rate cuts are "absolutely unrealistic" currently, reversing his pre-summer guidance of further cuts in autumn. However, although rates markets have turned around and are now pricing in three hikes over the coming year, MPC members still deem hikes as unlikely in the near-term.
- With the announcement of the 2027 draft budget, some fiscal concerns were raised regarding the fiscal sustainability, seeing as the budget forecasts a deficit of 7.1% of GDP, which would be the widest fiscal shortfall within EU. Together with the uptick in inflation and geopolitical tensions, this continues to weigh on the Zloty. However, we still see scope for a turnaround in 2027 and continue to foresee a downward sloping trajectory for EUR/PLN, targeting 4.20 in 12M.

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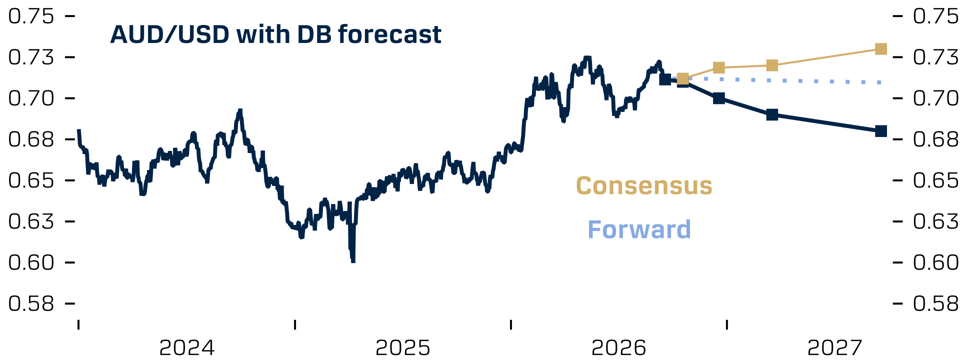
AUD/USD

Forecast: 0.71 (1M), 0.70 (3M), 0.69 (6M), 0.68 (12M)

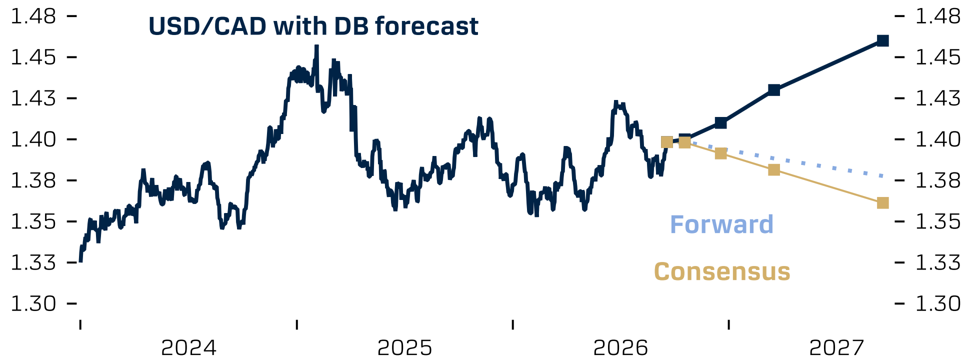


Note: Past performance is not a reliable indicator of current or future results
Source: Macrobond, Danske Bank

- AUD/USD has benefitted from an improvement in the global manufacturing cycle, a rise in commodity prices and Australia's tight monetary policy. But looking ahead, the Fed's rate hikes and weak growth in Australia's key export market China are set to turn the cross lower.
- The Reserve Bank of Australia (RBA) maintained its monetary policy unchanged in August, as widely expected, but Governor Bullock maintained the door open for further rate hikes if needed. As energy prices have risen and July CPI surprised to the topside, markets are pricing more than two additional rate hikes for the coming year. In our view, this looks stretched given the already elevated policy rate level and the continuing rise in Australia's unemployment rate.
- Australia's terms-of-trade have improved due to higher LNG and metal prices. But if the combination of higher energy costs and tighter US monetary policy start to weigh on the global growth outlook, the tailwind will quickly turn around. We maintain our modestly downward-sloping profile unchanged.

USD/CAD

Forecast: 1.40 (1M), 1.41 (3M), 1.43 (6M), 1.46 (12M)



Note: Past performance is not a reliable indicator of current or future results
Source: Macrobond, Danske Bank

- USD/CAD has traded largely rangebound over the past month, caught between CAD terms-of-trade support from higher oil prices and broader USD strength from trade uncertainty and rising Fed hike expectations.
- The Bank of Canada (BoC) kept its policy rate unchanged at 2.25% in September, noting increased upside inflation risks and continued tariff-related growth uncertainty. Markets price around 30bp of tightening by year-end and a more meaningful cycle through 2027. In our view, this looks stretched given trade-related growth risks, signs of a cooling labour market and limited evidence of broader inflation pressures. We expect the BoC to remain on hold over the next 12M, while the Fed hikes in December and March. As such, relative monetary policy remains supportive of USD/CAD.
- Still-wide rate differentials, the Fed's continuing tightening cycle and persistent trade uncertainty should keep USD/CAD on a gradually rising path over the coming year, although elevated oil prices should continue to cushion CAD in the near term.

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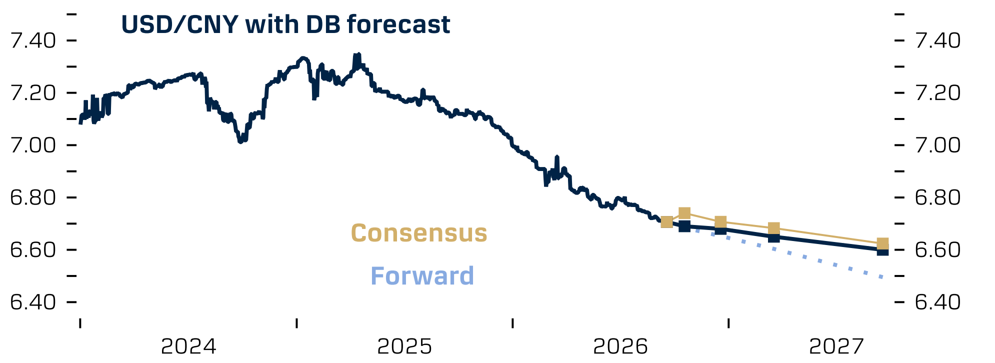
USD/CNY – trend lower intact ahead of Xi-Trump summit

- **CNY the past month.** USD/CNY has continued lower to 6.70 from 6.74 a month ago. After the daily fixing saw a slower decline for a while, the pace of decline has increased again lately. It may be due to the upcoming Xi-Trump summit in Washington but also signals that the desired direction for CNY is still gradual appreciation.
- **Growth outlook.** China's GDP growth slowed to 4.3% in Q2 following 5% in Q1. August data showed more of the same with a two-speed economy with still slow growth in private consumption and investments outside tech, while exports and tech investments continue to grow at a strong pace. Especially exports of EVs, EV batteries, microchips and robotics see high growth. The housing crisis keeps lingering but with a few rays of light, such as a stabilisation of home sales and a falling rate of decline in new home prices. The Chinese leadership has pushed for stronger investments in so-called "six networks" to lift growth into the 4½-5% growth target band for 2026. We have revised down growth to 4.6% in 2026 while retaining a 4.7% projection for 2027.
- **Monetary policy.** People's Bank of China (PBOC) has not eased policy in 16 months and surprised by not cutting rates this year despite economic weakness and signals of more room to ease. We look for a moderate decline in policy rates of 0.2 percentage points over the rest of the year but see a risk that China keeps rates steady and uses fiscal policy instead. PBOC's Governor has signalled that lower credit growth reflects deleveraging and a focus on the quality of lending rather than the quantity.
- **FX policy.** PBOC continues to guide USD/CNY lower through the fixing in its managed currency regime. This has been the policy for some time now and we expect the path of gradual decline in the cross to be the preferred policy also over the next year – and possibly longer.
- **Flows.** China has a current account surplus of close to 4% of GDP, lifted by a goods trade surplus of close to 7% of GDP driving inflows. Net FDI is negative, though, as inbound FDI has weakened while outbound FDI has increased with Chinese companies increasingly going global.

Forecast: 6.69 (1M), 6.68 (3M), 6.65 (6M), 6.60 (12M)



	1M	3M	6M	12M
Danske Bank	6.69	6.68	6.65	6.60
Consensus	6.74	6.71	6.68	6.62
Forward	6.68	6.65	6.60	6.50

Note: Past performance is not a reliable indicator of current or future results
Source: Macrobond, Danske Bank

- **Valuation.** With a trade surplus close to 7% of GDP and a depreciation of the real exchange rate over the past 2-3 years, the CNY looks undervalued.
- **Conclusion.** With the declining trend in USD/CNY we keep our forecast of 6.60 in 12 months unchanged. We have lowered the short-term forecasts slightly to reflect the latest market move and that a month has passed.
- **Risks.** We see risks as broadly balanced, with the main uncertainty to the forecast related to how fast the cross declines rather than the direction of the cross.

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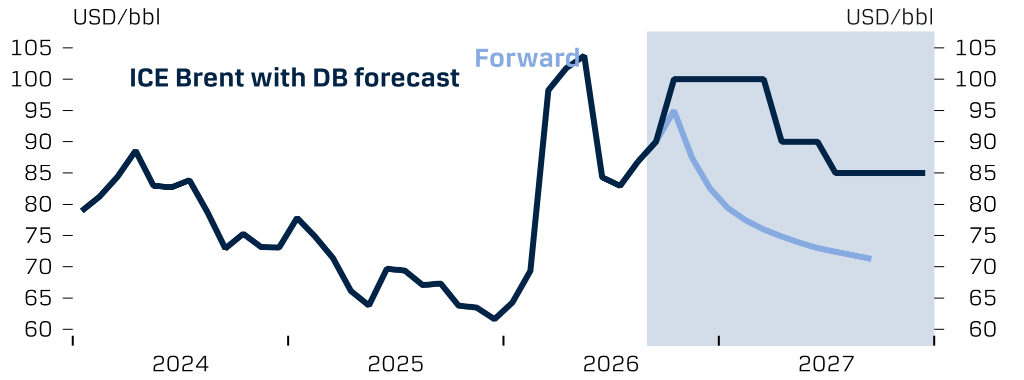
Oil – to stay high until the beginning of next year

- **Macro.** The oil market balance has started to tighten sharply in recent weeks as the supply crisis around the Strait of Hormuz has started to spread, and the market has turned increasingly pessimistic about the prospect of improvements this year. In addition, spare reserves have begun to run low. The US has significantly slowed selling of strategic reserves after the summer and there are tentative signs of China also starting to be pressured on its reserves.
- Global oil demand is still holding up despite tightening monetary policy in the US and Europe, which is also adding to the tighter market balance. We expect sound growth in the global economy next year, which should keep global oil demand supported. The USD remains steady amid rising US interest rates. A stronger USD would ease oil demand.
- Other producers have started to reap the benefits of higher oil prices and increase production. Most notable Venezuela continues to gradually grow production. This effect is nowhere near enough to offset the lost output from the Middle East, but over time the impact would grow. On a smaller, more local scale, the hurricane season in the US looks to be historically mild, which means the US looks to avoid usual disruptions to its energy market from bad storms.
- **Risks.** A deal to open the Strait of Hormuz and/or a sharply stronger USD would lead to a faster drop in oil prices than what we forecast. Vice versa new disruptions, e.g. to the Saudi East-West pipeline could push prices higher.
- **Conclusion.** We now expect the price on Brent crude to stay around the USD100/bbl level in Q4'26 and Q1'27 and then gradually fall to USD85/bbl during 2027 as we assume a normalisation of supply conditions next year.

Forecast: 90 (Q3'26), 100 (Q4'26) 100 (Q1'27) 90 (Q2'27) 85 (Q3'27) 85 (Q4'27)



Note: Past performance is not a reliable indicator of current or future results
Source: Macrobond, Danske Bank

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Danske Bank FX forecasts vs EUR

G10				Last Update:	18/09/2026
	Spot	+1m	+3m	+6m	+12m
Exchange rates vs EUR					
EUR/USD	1.15	1.15	1.14	1.13	1.12
EUR/JPY	181	177	173	166	159
EUR/GBP	0.86	0.86	0.87	0.88	0.88
EUR/CHF	0.95	0.95	0.96	0.95	0.93
EUR/SEK	11.29	11.20	11.30	11.40	11.50
EUR/NOK	10.81	10.80	11.00	11.30	11.50
EUR/DKK	7.4754	7.4750	7.4725	7.4700	7.4700
EUR/AUD	1.61	1.62	1.63	1.64	1.65
EUR/NZD	2.01	1.98	1.97	1.95	1.93
EUR/CAD	1.61	1.61	1.61	1.62	1.64
EM					
	Spot	+1m	+3m	+6m	+12m
EUR/PLN	4.36	4.35	4.30	4.25	4.20
EUR/HUF	364	360	350	340	330
EUR/CZK	24.3	24.3	24.2	24.0	24.0
EUR/TRY	55.9	56.4	59.3	64.4	73.9
EUR/ZAR	18.6	18.7	18.8	18.9	19.0
EUR/CNY	7.68	7.69	7.62	7.51	7.39
EUR/INR	110.1	111.0	110.8	110.1	109.8

Source: Danske Bank

Danske Bank FX forecasts vs DKK

G10				Last Update:	18/09/2026
	Spot	+1m	+3m	+6m	+12m
Exchange rates vs DKK					
USD/DKK	652.42	650.00	655.48	661.06	666.96
JPY/DKK	4.13	4.22	4.31	4.50	4.70
GBP/DKK	870.55	869.19	858.91	848.86	848.86
CHF/DKK	790.16	786.84	778.39	786.32	803.23
SEK/DKK	66.21	66.74	66.13	65.53	64.96
NOK/DKK	69.14	69.21	67.93	66.11	64.96
EUR/DKK	747.54	747.50	747.25	747.00	747.00
AUD/DKK	464.64	461.50	458.84	456.13	453.54
NZD/DKK	372.36	377.00	380.18	383.42	386.84
CAD/DKK	465.60	464.29	464.88	462.28	456.82
EM					
	Spot	**+1m**	**+3m**	**+6m**	**+12m**
PLN/DKK	171.34	171.84	173.78	175.76	177.86
HUF/DKK	2.05	2.08	2.14	2.20	2.26
CZK/DKK	30.72	30.76	30.88	31.13	31.13
TRY/DKK	13.36	13.27	12.61	11.60	10.11
ZAR/DKK	40.10	39.88	39.73	39.58	39.23
CNY/DKK	97.38	97.16	98.13	99.41	101.06
INR/DKK	6.81	6.74	6.74	6.79	6.81

Source: Danske Bank

Note: The convention used is 1/100

Danske Bank FX forecasts vs SEK

G10				Last Update:	18/09/2026
	Spot	+1m	+3m	+6m	+12m
Exchange rates vs SEK					
USD/SEK	9.85	9.74	9.91	10.09	10.27
JPY/SEK	6.24	6.32	6.52	6.86	7.23
GBP/SEK	13.15	13.02	12.99	12.95	13.07
CHF/SEK	11.93	11.79	11.77	12.00	12.37
EUR/SEK	11.29	11.20	11.30	11.40	11.50
NOK/SEK	1.04	1.04	1.03	1.01	1.00
DKK/SEK	1.51	1.50	1.51	1.53	1.54
AUD/SEK	7.02	6.91	6.94	6.96	6.98
NZD/SEK	5.63	5.65	5.75	5.85	5.96
CAD/SEK	7.03	6.96	7.03	7.05	7.03
EM					
	Spot	+1m	+3m	+6m	+12m
PLN/SEK	2.59	2.57	2.63	2.68	2.74
HUF/SEK	3.10	3.11	3.23	3.35	3.48
CZK/SEK	0.46	0.46	0.47	0.48	0.48
TRY/SEK	0.20	0.20	0.19	0.18	0.16
ZAR/SEK	0.61	0.60	0.60	0.60	0.60
CNY/SEK	1.471	1.456	1.484	1.517	1.556
INR/SEK	0.103	0.101	0.102	0.104	0.105

Source: Danske Bank

Danske Bank FX forecasts vs NOK

G10	Spot	+1m	+3m	+6m	+12m
				Last Update:	18/09/2026
Exchange rates vs NOK					
USD/NOK	9.44	9.39	9.65	10.00	10.27
JPY/NOK	5.98	6.10	6.35	6.80	7.23
GBP/NOK	12.59	12.56	12.64	12.84	13.07
CHF/NOK	11.43	11.37	11.46	11.89	12.37
SEK/NOK	0.96	0.96	0.97	0.99	1.00
EUR/NOK	10.81	10.80	11.00	11.30	11.50
DKK/NOK	1.45	1.44	1.47	1.51	1.54
AUD/NOK	6.72	6.67	6.75	6.90	6.98
NZD/NOK	5.39	5.45	5.60	5.80	5.96
CAD/NOK	6.73	6.71	6.84	6.99	7.03
EM	**Spot**	**+1m**	**+3m**	**+6m**	**+12m**
PLN/NOK	2.48	2.48	2.56	2.66	2.74
HUF/NOK	2.97	3.00	3.14	3.32	3.48
CZK/NOK	0.44	0.44	0.45	0.47	0.48
TRY/NOK	0.19	0.19	0.19	0.18	0.16
ZAR/NOK	0.58	0.58	0.58	0.60	0.60
CNY/NOK	1.41	1.40	1.44	1.50	1.56
INR/NOK	0.10	0.10	0.10	0.10	0.10

Source: Danske Bank

Danske Bank FX forecasts vs USD

G10			Last Update:	18/09/2026	
	Spot	+1m	+3m	+6m	+12m
Exchange rates vs USD					
EUR/USD	1.15	1.15	1.14	1.13	1.12
USD/JPY	158	154	152	147	142
GBP/USD	1.33	1.34	1.31	1.28	1.27
USD/CHF	0.83	0.83	0.84	0.84	0.83
USD/SEK	9.85	9.74	9.91	10.09	10.27
USD/NOK	9.44	9.39	9.65	10.00	10.27
USD/DKK	6.52	6.50	6.55	6.61	6.67
AUD/USD	0.71	0.71	0.70	0.69	0.68
NZD/USD	0.57	0.58	0.58	0.58	0.58
USD/CAD	1.40	1.40	1.41	1.43	1.46
EM					
	Spot	+1m	+3m	+6m	+12m
USD/PLN	3.81	3.78	3.77	3.76	3.75
USD/HUF	318	316	307	301	295
USD/CZK	21.24	21.13	21.23	21.24	21.43
USD/TRY	48.79	49.00	52.00	57.00	66.00
USD/ZAR	16.27	16.30	16.50	16.70	17.00
USD/CNY	6.70	6.69	6.68	6.65	6.60
USD/INR	95.87	96.50	97.20	97.40	98.00

Source: Danske Bank

Danske Bank FX forecasts vs GBP

G10				Last Update:	18/09/2026
	Spot	+1m	+3m	+6m	+12m
Exchange rates vs GBP					
GBP/USD	1.33	1.34	1.31	1.28	1.27
GBP/JPY	211	206	199	189	181
EUR/GBP	0.86	0.86	0.87	0.88	0.88
GBP/CHF	1.10	1.10	1.10	1.08	1.06
GBP/SEK	13.15	13.02	12.99	12.95	13.07
GBP/NOK	12.59	12.56	12.64	12.84	13.07
GBP/DKK	8.71	8.69	8.59	8.49	8.49
GBP/AUD	1.87	1.88	1.87	1.86	1.87
GBP/NZD	2.34	2.31	2.26	2.21	2.19
GBP/CAD	1.87	1.87	1.85	1.84	1.86
EM					
	Spot	+1m	+3m	+6m	+12m
GBP/PLN	5.08	5.06	4.94	4.83	4.77
GBP/HUF	424	419	402	386	375
GBP/CZK	28.34	28.26	27.82	27.27	27.27
GBP/TRY	65.15	65.52	68.14	73.19	84.00
GBP/ZAR	21.71	21.80	21.62	21.44	21.64
GBP/CNY	8.94	8.95	8.75	8.54	8.40
GBP/INR	128.22	129.04	127.37	125.07	124.73

Source: Danske Bank

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