

# Weekly Focus

## Focus on COVID-19 spreading and Chinese PMI

Risk sentiment has been relatively constructive this week, as data has generally been on the positive side amid positive tones of a potential new US fiscal stimuli package. European rates continue to be range bound in a tight range and we expect Bunds to stay in a -60bp to -40bp range in coming months, amid record-high excess liquidity in the system after the TLTRO 3.5 liquidity operation from the ECB pushed short-end rates lower.

At the ECB Watchers Conference this week, ECB President Christine Lagarde gave a detailed speech about the ongoing strategic review in which she opened the way for examining the merits of inflation make up strategies, similar to the Fed (AIT). She did not indicate any pre-emptive conclusions of the outcome, although including owner-occupied housing in the inflation measurement and potentially giving core inflation a more prominent role may be a likely outcome in our view. She did not give any indication on the near-term policy stance. The ECB is due to release the minutes from its September meeting on Thursday, which should shed light on the economic and inflation debate heading into Q4 and 2021. We still do not expect the ECB to recalibrate the Pandemic Emergency Purchase Programme (PEPP) this year, believing it is more likely to do this next year. Yesterday, ECB Vice-President Luis de Guindos outlined that a reaction function of financial tightening, inflationary outlook and fiscal response would determine the evolution of PEPP. We are also due to get the minutes from the September FOMC meeting and we intend to focus on the discussions about the inflation target strategy and about more QE.

In the US, the first debate between President Trump and Joe Biden did not provide much news, as Trump and Biden kept interrupting each other. Hence, there was little debate on politics, so it did not leave a mark on markets. With the nomination of new Republican Supreme Court judge Amy Coney Barrett, it seems set to be difficult to approve a new US relief package before the US presidential election, despite the positive tones from House Speaker Nancy Pelosi, who said that she has spoken with US Treasury Secretary Steven Mnuchin, as the Democrats seem to have lowered their demands. The White House and Pelosi are still around USD1,000bn apart, so an agreement still seems at least some time down the road.

Brexit is becoming increasingly tricky, most recently with the EU launching a legal action against the UK for breaking the already-approved withdrawal agreement. We assign a 60% chance to a deal and 40% to no deal. The Bank of England (BoE) is currently working on a study of the prospects of a negative interest rate. In the event of a hard Brexit, it may need this tool. In our view, to have a material impact on markets, the BoE would have to 'go big or go home', so a 50bp cut could come. Our base case is for a deal in November.

Next week, we expect focus to be on the spread of COVID-19 and on whether local lockdown measures are starting to pay. It is a relatively slow week in terms of key data releases, where globally we expect Chinese PMI to draw the most attention with the September Caixin PMI. The Chinese economy has recently rebounded solidly, as activity is picking up again. Hence, we also expect to see another relatively strong report on Thursday around the 54 level. In the euro area, hard data should tell us how the economy fared in Q3, with retail sales for August (which we believe are likely to look good) and final services PMIs for September (which we do not expect to share the otherwise good manufacturing PMIs that we got this week).

### Key market movers

- Monday: Euro area final service PMI
- Tuesday: German factory orders
- Wednesday: Fed minutes
- Thursday: China PMI, ECB minutes

### Selected reading from Danske Bank

- *Research Global – Public debt levels post COVID-19: much ado about nothing?*, 30 September
- *Monthly Executive Briefing – Rising concern over slowdown risk*, 30 September
- *COVID-19 Update – Europe now has more daily cases than the US*, 1 October

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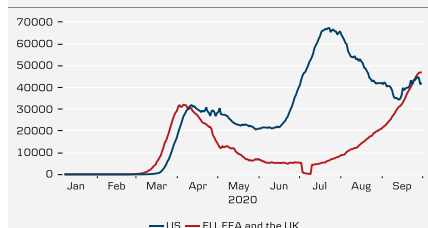


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Video  
Danske Bank research playlist

### COVID-19 daily new infections, 1-week average



Source: Macrobond Financial, Danske Bank

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# Market movers Scandinavia

- In **Denmark**, we should receive the September numbers for bankruptcies and forced sales – of which there have been remarkably few so far – on Monday. Based on petitions for bankruptcy in recent weeks, the past month saw no signs of an increase in bankruptcies despite new restrictions both in Denmark and abroad, hitting already vulnerable businesses, such as bars, restaurants and those in the travel industry. While liquidity from the relief packages is still helping these companies, we believe we will probably see above-average growth in bankruptcies in coming months. Likewise, we may also see a rise in the number of forced sales, although, in our view, a housing market that still appears to be in fine shape and expanding labour market are likely to restrain these.

On Tuesday, we plan to publish *Nordic Outlook*, our quarterly analysis of the Nordic economies, in which we give our take on the current situation and how coming years might unfold for the four Nordic countries.

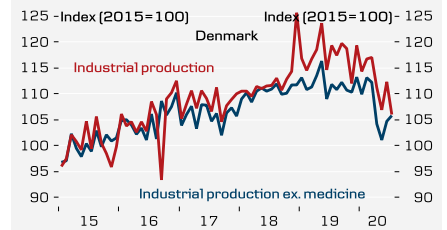
Industrial production figures for August are due on Wednesday and are likely to show a major recovery is underway after production took a dive in July following a plunge of 24.9% in medical production. The rest of the industrial sector has shown signs of improvement in recent months but, even ignoring the medical industry, production was still 7.2% down in July compared with February, so we remain some way from a full recovery.

The week closes with the August numbers for exports, which are currently one of the greatest uncertainty factors in the Danish economy. Our export barometer generally indicated growth across Denmark’s export markets in August but compared with the depth of the crisis, growth looks rather feeble. The Danish krone (DKK) is trading at a 10-year high, which would have squeezed exporters further. Nevertheless, the trend for exports is currently up, though the starting point was low, and uncertainty remains high.

- Data in **Sweden** next week is of high importance and should give us more information about how Q3 developed. Production data, household consumption and the SCB activity indicator (monthly BNP proxy) are all due out. All three of these correlate well with each other (see chart) but also with hours worked. We expect all these indicators to show that the recovery continues to take shape, albeit at a more subdued speed compared with the strong upturn we saw in August (similar to the trend seen in hours worked). In order for our view of Q3 GDP growth of 5% q/q to be intact, these need to remain at least unchanged and we see no particular reason to expect this should not hold.

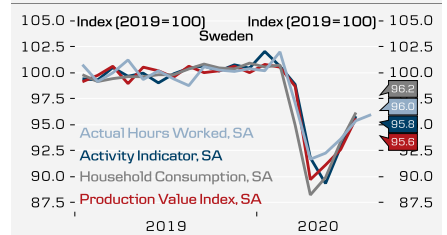
In addition, PMI Services is due to for release. This week’s numbers (PMI manufacturing and NIER) showed that things continue to improve but are below normal levels. We are aware that PMI services (flash estimate) for both Germany and the eurozone in total reversed somewhat. However, we can trace this to an accelerating infection rate. The infection rate in Sweden has increased a bit but it still far from at the speed seen in other countries in Europe and the increase has not led to new restrictions. Therefore, we believe that Swedish services industries should be in a better place than those in the euro area.

Fluctuations in medical production blur the overall trend in industry



Source: Statistics Denmark, Macrobond Financial

Next week’s data should show that the recovery continues to take shape – albeit at a more subdued speed



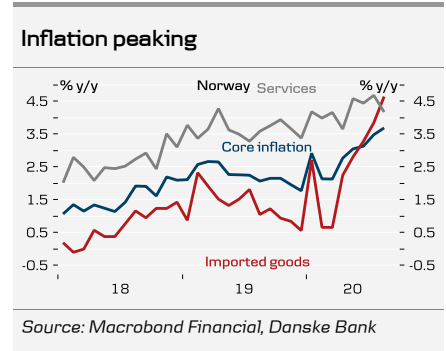
Source: Macrobond Financial

- In **Norway**, core inflation surprised on the upside over the summer, climbing to 3.7% y/y in August. We believe that imported inflation peaked with the strong demand over the summer and will now pull core inflation down to 3.5% y/y in September. Looking ahead, there is still the prospect of a gradually stronger NOK and lower wage growth bringing reduced inflation.

After three months of strong contributions from sectors shut down in the spring, we expect mainland GDP growth to slow. We expect a fresh downturn in parts of the hotel and restaurant industry and consumption of goods correcting after the summer to end all summers to exacerbate this. Therefore, we expect mainland GDP to climb 0.6% m/m in August.

Housing prices rose slightly more slowly in August, after climbing very strongly from May to July. The market is still relatively tight as measured by the stock-to-sales ratio, especially in Oslo. Therefore, we expect activity to hold up in September, with prices rising a further 0.4% m/m.

Tuesday brings the government budget for 2021. We expect it to confirm our view that spending of oil revenue this year will be NOK40-45bn lower than assumed in the revised national budget in May, resulting in a structural non-oil deficit of 3.8% of GDP. Although the pandemic is set to have ramifications well into next year, the government has been clear that we are now entering a new phase where it intends to have a more targeted response. Therefore, in our view, it is natural to assume that the budget deficit will be even smaller in 2021, such that fiscal policy turns mildly contractionary.



# Scandi update

## Denmark – strong numbers for business and the labour and housing markets

Corporate Denmark kicked off on a positive note on Tuesday when Statistics Denmark released its business confidence indicator for September. The pick-up was particularly noticeable in retail, the service sector and construction. However, the responses to this month’s survey were collected prior to the latest restrictions being introduced, so the views of restaurants and the like may well not reflect their current situation. Industry suffered a minor setback prompted by reduced order books, which is slightly worrying, though we should remember that compared to many other countries, order volumes in Denmark remain at quite decent levels.

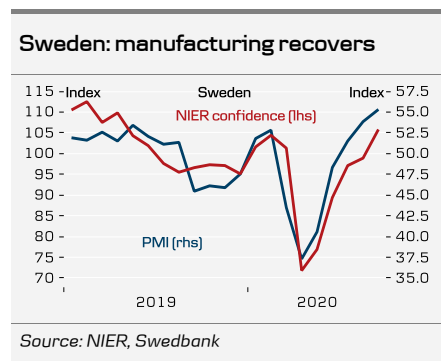
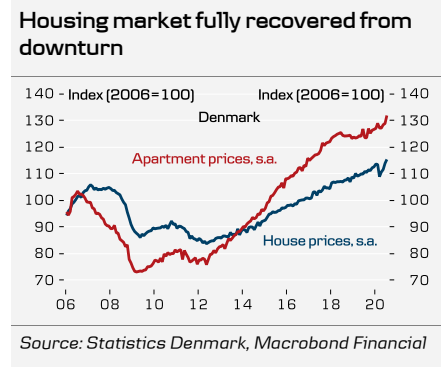
Gross unemployment fell by some 9,700 in August, bringing the unemployment rate down to 4.9% of the workforce and confirming that the labour market has been performing strongly in recent months. Despite the wage-compensation scheme expiring at the end of August, daily unemployment figures indicate the number of new jobs has continued to increase in September, though bearing in mind the latest restrictions and lay-off announcements, swings in the wrong direction are also likely in the time ahead.

Statistics Denmark’s housing prices further reinforced property website Boligsiden’s announcement of new records for both house and apartment prices, which rose 1.3% and 2.3%, respectively (seasonally adjusted) in July. As we have stated before, the robustness of the housing market over the past six months has been remarkable, and underlines that the personal finances of many Danes have actually weathered the crisis well. The absence of any dramatic or lasting decline in house prices is also important for the further recovery of the economy, as Danes need not be concerned about their wealth declining through the value of their homes.

## Sweden – content Riksbank Board, strong data

The Riksbank September Minutes were quite boring. They revealed Board members being content with economic developments, Riksbank action and forecasts. It was a bit surprising that none of the members commented on the KIX forecast change – as if they had not noticed. None of seems to believe a stronger SEK is a problem for the inflation outlook. None of them even appears to see inflation being well below the 2% target for a long time as a problem. Most of them seem to prefer an expansion of QE rather than a return to NIRP *if* more stimulus is needed. Some acknowledged that negative rates might be needed again if long inflation expectations fall too much or the SEK strengthens too much. But that is a big if.

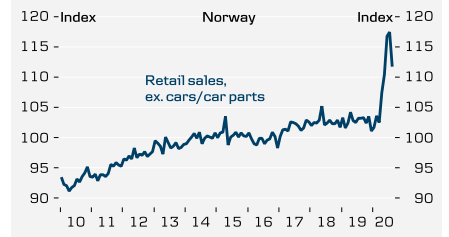
Data mostly surprised on the strong side. The NIER September confidence survey showed manufacturing (105.8, 100 = normal) and retail sales (106.9) now at levels higher than normal. The former was bolstered by a new high in September manufacturing PMI at 55.3. Private services also increased strongly, but levels are still below normal. It is COVID-19 hit consumer-related services that are weighing things down. Construction confidence decreased a bit. Also on a positive note, bolstering the view of a recovering manufacturing sector, was the August trade balance. On a seasonally adjusted basis there is a rising surplus and both exports and imports are rising, suggesting improving international trade. August retail sales moderated slightly on a m/m basis.



## Norway – fall in retail sales is only a correction

Retail sales decreased by 4.9% m/m in August, but we believe this is mainly just a correction after the very strong growth of the three previous months. New travel restrictions and the closed border with Sweden triggered a fresh jump in retail sales in July, and a sharp correction in the monthly data was inevitable as these effects normalise. Retail sales were still 8% higher in August than they were in February before the pandemic struck, which suggests that the decrease was not down to growing fears and reduced mobility. Nor have there been any major changes in household incomes, and the saving rate was above 20% in Q2. So there is little reason to worry about this marking the start of a downward trend in private consumption.

**Retail sales still high**

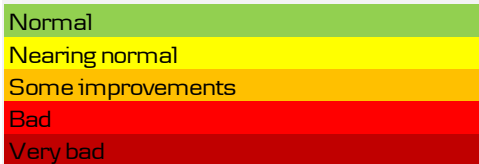


Source: Macrobond Financial, Danske Bank

# Activity tracker

Euro area	Last obs	Value	Last 4 months	1W chg.	1M chg.	Low
Bundesbank weekly activity index*	Week 39	3.68		-0.24	0.65	-6.2
Germany, turnover textiles retail trade, weekly, % y/y	Week 39	-11.0%		12 p.p.	-15 p.p.	-44%
German truck toll mileage (1w m.a.), % y/y	24-Sep	0.1%		-0.1 p.p.	0.5 p.p.	-16.2%
OpenTable restaurant bookings, Germany (1w m.a.)**	30-Sep	4.7%		-5.7 p.p.	-18.5 p.p.	-100%
<b>USA</b>						
NY Fed weekly economic index*	Week 39	-4.62		0.33	0.19	-11.5
Transaction card spending, (1w m.a.), % y/y	22-Sep	-10.3%		-1.4 p.p.	2.2 p.p.	-40.6%
OpenTable restaurant bookings (1w m.a.)**	30-Sep	-41.3%		2.5 p.p.	7.3 p.p.	-100%
<b>Google mobility trends retail &amp; recreation (1w m.a.)**</b>						
Germany	11-Sep	8.6%		5.6 p.p.	15.6 p.p.	-62.1%
France		-1.1%		2 p.p.	5 p.p.	-88.0%
Italy		4.4%		4.9 p.p.	6.4 p.p.	-88.9%
Spain		-8.4%		3.4 p.p.	7.3 p.p.	-91.7%
UK		-15.6%		-2.9 p.p.	6.1 p.p.	-77.6%
Japan		-9.1%		0.4 p.p.	-4.6 p.p.	-37.9%
United States		-11.3%		-0.7 p.p.	3 p.p.	-46.1%
<b>Electricity demand (1w m.a.)***</b>						
Germany	01-Oct	-1.1%		2 p.p.	2.6 p.p.	-16.2%
France		1.8%		6.2 p.p.	7.9 p.p.	-23.1%
Italy		-5.0%		-6.4 p.p.	-1.8 p.p.	-28.2%
Spain		-6.7%		-1.8 p.p.	-0.8 p.p.	-24.2%
UK		-3.9%		3.3 p.p.	2.7 p.p.	-22.1%
Japan	30-Sep	-10.8%		-4.5 p.p.	-9.4 p.p.	-18.3%
United States		-5.3%		7.1 p.p.	-9.9 p.p.	-12.5%

\*NOWcast, Actual index value, \*\*Relative to same day/week in 2019, \*\*\* Relative to same day/week in 15-19 avg.



Source: Google mobility data, ENTSO-E, EIA, Open Table, Statistisches Bundesamt, TextilWirtschaft, Bundesbank, NY Fed, Macrobond Financial  
 Notes: \*NOWcast, Actual index value, \*\*Relative to same day/week in 2019, \*\*\* Relative to same day/week in 15-19 avg.

# Calendar

## Key Data and Events in Week 41

Monday, October 5, 2020					Period	Danske Bank	Consensus	Previous
2:30	JPY	Markit PMI services, final	Index	Sep				45.6
8:00	DKK	Bankruptcies (s.a.)		Sep				
8:00	DKK	Enforced sales (s.a.)		Sep				
8:30	SEK	PMI services	Index	Sep				56.6
9:15	ESP	PMI services	Index	Sep			46.3	47.7
9:45	ITL	PMI services	Index	Sep			46.6	47.1
9:50	FRF	PMI services, final	Index	Sep			47.5	47.5
9:55	DEM	PMI services, final	Index	Sep			49.1	49.1
10:00	EUR	PMI composite, final	Index	Sep			50.1	50.1
10:00	EUR	PMI services, final	Index	Sep			47.6	47.6
10:30	EUR	Sentix Investor Confidence	Index	Oct			-9.5	-8.0
10:30	GBP	PMI services, final	Index	Sep			55.1	55.1
11:00	EUR	Retail sales	m/m/y/y	Aug			2.3% 2.4%	-1.3% 0.4%
15:45	USD	Markit PMI service, final	Index	Sep			54.6	54.6
16:00	USD	ISM non-manufacturing	Index	Sep			56.3	56.9
16:45	USD	Fed's Evans (non-voter, neutral) speaks						
21:15	USD	Fed's Bostic (non-voter, neutral) speaks						
Tuesday, October 6, 2020					Period	Danske Bank	Consensus	Previous
5:30	AUD	Reserve Bank of Australia rate decision	%				0.3%	0.3%
6:00	DKK	Danske Bank publishes Nordic Outlook						
8:00	DEM	Factory orders	m/m/y/y	Aug			3.0% -3.0%	2.8% -7.3%
9:30	SEK	Industrial orders	m/m/y/y	Aug				5.5% -6.4%
9:30	SEK	Private Sector Production	m/m/y/y	Aug				3.2% -4.1%
10:30	GBP	PMI construction	Index	Sep			54.6	54.6
14:30	USD	Trade balance	USD bn	Aug			-66.1	-63.6
16:40	USD	Fed chair Powell (voter, neutral) speaks						
17:45	USD	Fed's Harker (voter, neutral) speaks						
20:00	USD	Fed's Bostic (non-voter, neutral) speaks						
Wednesday, October 7, 2020					Period	Danske Bank	Consensus	Previous
-	USD	Fed's Kaplan (voter, neutral) speaks						
-	CNY	Foreign exchange reserves	USD bn	Sep			3159.5	3164.6
-	PLN	Polish central bank rate decision	%				0.1%	0.1%
7:00	JPY	Leading economic index, preliminary	Index	Aug			89.0	86.7
8:00	DKK	Industrial production	m/m	Aug				-5.6%
8:00	NOK	Manufacturing production	m/m/y/y	Aug				1.8% -6.1%
8:00	NOK	Industrial production	m/m/y/y	Aug				2.5% 7.4%
8:00	DEM	Industrial production	m/m/y/y	Aug			2.0% -8.5%	1.2% -10.0%
9:00	CHF	SNB balance sheet, intervention	CHF bn	Sep				848.3
9:30	SEK	Budget balance	SEK bn	Sep				19.8
16:30	USD	DOE U.S. crude oil inventories	K					-1980
19:00	USD	Fed's Bostic (non-voter, neutral) speaks						
19:00	USD	Fed's Rosengren (non-voter, hawk) speaks						
19:00	USD	Fed's Kashkari (voter, dovish) speaks						
20:00	USD	FOMC minutes						
20:00	USD	Fed's Williams (voter, neutral) speaks						
20:40	USD	Fed's Kashkari (voter, dovish) speaks						
20:40	USD	Fed's Rosengren (non-voter, hawk) speaks						
20:40	USD	Fed's Bostic (non-voter, neutral) speaks						
21:00	USD	Consumer credit	USD bn	Aug			14.5	12.3
21:00	USD	Fed's Williams (voter, neutral) speaks						
22:30	USD	Fed's Evans (non-voter, neutral) speaks						

Source: Danske Bank

# Calendar

## Thursday, October 8, 2020

				Period	Danske Bank	Consensus	Previous
1:01	GBP	RICS house price balance	Index	Sep		0.3	0.4
3:45	CNY	Caixin PMI service	Index	Sep		54.3	54.0
6:00	SEK	Maklarstatistik Swedish housing price data					
7:45	CHF	Unemployment	%	Sep		3.4%	3.4%
8:00	NOK	GDP (mainland)	m/m	Aug	0.6%	1.0%	1.1%
8:00	DEM	Trade balance	EUR bn	Aug		16	19.2
14:30	USD	Initial jobless claims	1000				837

## Friday, October 9, 2020

				Period	Danske Bank	Consensus	Previous
1:30	JPY	Labour cash earnings	y/y	Aug		-1.2%	-1.5%
8:00	GBP	Monthly GDP estimate	m/m q/q	Aug		0.048 0.083	0.066 -0.076
8:00	GBP	Index of services	m/m 3m/3m	Aug		5.1 6.9	6.1 -8.1
8:00	GBP	Trade balance	GBP mio.	Aug		700	1074
8:00	NOK	CPI	m/m y/y	Sep			-0.4% 1.7%
8:00	NOK	PPI	m/m y/y	Sep			1.2% -12.1%
8:00	DKK	Current account (nsa sa)	DKK bn	Aug			... 12.5
8:00	DKK	Trade balance ex ships	DKK bn	Aug			7.1
8:00	DKK	Exports	m/m	Aug			
8:00	NOK	Core inflation (CPI-ATE)	m/m y/y	Sep	... 3.5%	... 3.6%	-0.4% 3.7%
8:45	FRF	Industrial production	m/m y/y	Aug		2.0% ...	3.8% -8.3%
9:30	SEK	Household consumption	m/m y/y	Aug			3.0% -3.7%
14:30	CAD	Net change in full time employment	1000	Sep			205.8

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Source: Danske Bank



## Macroeconomic forecast

### Macro forecast. Scandinavia

	Year	GDP <sup>1</sup>	Private cons. <sup>1</sup>	Public cons. <sup>1</sup>	Fixed inv. <sup>1</sup>	Ex-ports <sup>1</sup>	Im-ports <sup>1</sup>	Infla-tion <sup>1</sup>	Wage growth <sup>1</sup>	Unem-ploym <sup>3</sup>	Public budget <sup>4</sup>	Public debt <sup>4</sup>	Current acc. <sup>4</sup>
Denmark	2019	2.8	1.4	1.2	2.8	5.0	2.4	0.8	2.2	3.7	3.8	33.2	8.9
	2020	-3.5	-1.4	1.4	-6.0	-7.7	-5.7	0.6	2.0	5.4	-6.9	44.1	6.6
	2021	2.5	3.5	0.5	-0.7	4.1	2.8	1.3	2.1	5.2	-1.9	42.1	7.1
Sweden	2019	1.3	1.2	0.5	-1.1	4.2	1.8	1.8	2.6	6.8	0.5	35.7	1.1
	2020	-4.1	-5.0	0.7	-8.1	-1.0	-3.3	0.6	2.4	8.8	-7.4	45.0	4.9
	2021	3.7	4.3	-0.7	4.3	4.2	5.2	1.1	2.4	8.5	-1.0	47.0	4.6
Norway	2019	2.3	1.5	1.7	6.1	1.5	5.2	2.2	3.5	2.3	-	-	-
	2020	-3.5	-5.0	3.5	-6.5	-4.5	-8.0	1.5	3.5	5.1	-	-	-
	2021	3.5	4.0	2.0	0.0	5.0	3.5	2.8	3.3	3.5	-	-	-

### Macro forecast. Euroland

	Year	GDP <sup>1</sup>	Private cons. <sup>1</sup>	Public cons. <sup>1</sup>	Fixed inv. <sup>1</sup>	Ex-ports <sup>1</sup>	Im-ports <sup>1</sup>	Infla-tion <sup>1</sup>	Wage growth <sup>1</sup>	Unem-ploym <sup>3</sup>	Public budget <sup>4</sup>	Public debt <sup>4</sup>	Current acc. <sup>4</sup>
Euro area	2019	1.3	1.3	1.8	5.6	2.5	4.0	1.2	2.0	7.6	-0.6	84.1	3.3
	2020	-8.3	-9.5	-1.3	-13.7	-9.5	-9.9	0.3	-0.7	8.1	-8.5	102.7	3.4
	2021	5.5	6.5	2.7	-1.2	14.9	12.3	0.9	1.3	8.1	-3.5	98.8	3.6
Germany	2019	0.6	1.6	2.7	2.6	1.0	2.6	1.4	3.2	3.1	1.4	59.8	7.1
	2020	-6.2	-4.3	3.0	-4.5	-14.7	-11.0	0.7	1.7	4.0	-7.0	75.6	5.7
	2021	5.0	7.0	3.6	1.8	14.2	13.9	1.5	2.2	3.5	-1.5	71.8	7.0
Finland	2019	1.1	0.8	1.1	-1.0	7.7	3.3	1.0	1.0	6.7	-1.1	59.3	-1.1
	2020	-4.5	-4.0	1.0	-5.0	-12.0	-9.0	0.3	1.2	8.0	-8.4	70.0	-2.0
	2021	2.5	3.5	1.5	2.0	5.0	5.0	1.0	1.5	8.0	-3.7	71.7	-1.5

### Macro forecast. Global

	Year	GDP <sup>1</sup>	Private cons. <sup>1</sup>	Public cons. <sup>1</sup>	Fixed inv. <sup>1</sup>	Ex-ports <sup>1</sup>	Im-ports <sup>1</sup>	Infla-tion <sup>1</sup>	Wage growth <sup>1</sup>	Unem-ploym <sup>3</sup>	Public budget <sup>4</sup>	Public debt <sup>4</sup>	Current acc. <sup>4</sup>
USA	2019	2.2	2.4	2.3	1.9	-0.1	1.1	1.8	3.3	3.7	-4.6	106.8	-2.5
	2020	-4.3	-4.4	2.6	-3.8	-15.7	-13.2	2.1	3.7	8.1	-19.9	130.0	-2.6
	2021	4.5	5.6	3.6	3.4	-0.2	4.5	2.1	0.8	5.5	-9.7	137.0	-2.5
China	2019	6.2	8.0	-	3.8	-	-	2.7	8.0	-	-6.1	-	0.5
	2020	1.0	2.5	-	0.0	-	-	2.7	7.5	-	-6.3	-	0.4
	2021	9.0	9.0	-	10.0	-	-	2.2	7.5	-	-6.2	-	0.2
UK	2019	1.3	0.8	4.1	1.5	2.8	3.3	1.8	3.5	3.8	-2.2	85.4	-3.5
	2020	-5.8	-7.0	0.9	-9.5	-10.9	-13.5	1.4	0.3	7.3	-13.9	97.6	-3.7
	2021	4.2	4.1	3.9	2.8	3.2	4.2	1.7	1.2	6.0	-3.2	99.4	-3.7
Japan	2019	0.7	0.1	1.9	1.3	-1.6	-0.6	0.6	-	2.4	-	-	-
	2020	-5.9	-6.8	1.5	-5.2	-15.0	-6.7	0.1	-	4.0	-	-	-
	2021	2.3	3.1	1.9	-1.6	4.8	1.5	0.2	-	3.8	-	-	-

Source: OECD and Danske Bank. 1) % y/y. 2) % contribution to GDP growth. 3) % of labour force. 4) % of GDP.

## Financial forecast

Bond and money markets										
		Key interest rate	3m interest rate	2-yr swap yield	10-yr swap yield	Currency vs EUR	Currency vs USD	Currency vs DKK	Currency vs NOK	Currency vs SEK
USD	02-Oct	0.25	0.23	0.22	0.69	117.2	-	634.9	932.4	892.2
	+3m	0.25	0.23	0.23	0.70	123.0	-	605.5	837.4	837.4
	+6m	0.25	0.23	0.23	0.80	123.0	-	605.7	821.1	821.1
	+12m	0.25	0.23	0.33	1.10	118.0	-	631.8	855.9	855.9
EUR	02-Oct	-0.50	-0.51	-0.50	-0.24	-	117.2	744.2	1093.0	1045.9
	+3m	-0.50	-0.47	-0.45	-0.20	-	123.0	744.8	1030.0	1030.0
	+6m	-0.50	-0.47	-0.45	-0.15	-	123.0	745.0	1010.0	1010.0
	+12m	-0.50	-0.47	-0.35	0.00	-	118.0	745.5	1010.0	1010.0
JPY	02-Oct	-0.10	-0.10	-0.06	0.03	120.5	105.2	6.18	9.07	8.68
	+3m	-0.10	-	-	-	134.1	109.0	5.55	7.68	7.68
	+6m	-0.10	-	-	-	137.8	112.0	5.41	7.33	7.33
	+12m	-0.10	-	-	-	132.2	112.0	5.64	7.64	7.64
GBP	02-Oct	0.10	0.06	0.07	0.40	90.7	129.2	820.1	1204.5	1152.6
	+3m	0.10	0.07	0.15	0.45	88.0	139.8	846.3	1170.5	1170.5
	+6m	0.10	0.07	0.20	0.55	86.0	143.0	866.3	1174.4	1174.4
	+12m	0.10	0.07	0.25	0.65	86.0	137.2	866.9	1174.4	1174.4
CHF	02-Oct	-0.75	-0.78	-0.69	-0.36	107.9	92.0	689.9	1013.2	969.5
	+3m	-0.75	-	-	-	111.0	90.2	670.9	927.9	927.9
	+6m	-0.75	-	-	-	113.0	91.9	659.3	893.8	893.8
	+12m	-0.75	-	-	-	114.0	96.6	653.9	886.0	886.0
DKK	02-Oct	-0.60	-0.20	-0.22	-0.02	744.2	634.9	-	146.9	140.5
	+3m	-0.60	-0.25	-0.20	0.00	744.8	605.5	-	138.3	138.3
	+6m	-0.60	-0.25	-0.20	0.00	745.0	605.7	-	135.6	135.6
	+12m	-0.60	-0.26	-0.15	0.15	745.5	631.8	-	135.5	135.5
SEK	02-Oct	0.00	-0.06	-0.04	0.31	1045.9	892.2	71.2	104.5	100.0
	+3m	0.00	0.00	0.00	0.35	1030.0	837.4	72.3	100.0	-
	+6m	0.00	0.00	0.00	0.35	1010.0	821.1	73.8	100.0	-
	+12m	0.00	0.05	0.00	0.45	1010.0	855.9	73.8	100.0	-
NOK	02-Oct	0.00	0.28	0.43	0.89	1093.0	932.4	68.1	100.0	95.7
	+3m	0.00	0.26	0.65	1.15	1030.0	837.4	72.3	-	100.0
	+6m	0.00	0.26	0.80	1.30	1010.0	821.1	73.8	-	100.0
	+12m	0.00	0.33	0.90	1.50	1010.0	855.9	73.8	-	100.0

Commodities												
		2020				2021				Average		
	02-Oct	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2020	2021	
ICE Brent	39	35	35	40	40	45	45	50	60	38	50	

Source Danske Bank

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