

03 May 2024

Weekly Focus

Spring has brought a more muted euro area price pressure

Longer dated yields edged a bit lower in a week with few data surprises and no surprises from the Fed.

In FX markets, yen trading has been the most action packed with USD/JPY touching 160 for the first time since 1990, triggering what looks like intervention from Japanese authorities on several occasions. Data suggests the Bank of Japan has bought close to JPY9 trillion to support the currency, which finally caught some tailwind by the end of the week not least from the oil market. The oil price fell to its lowest level since mid-March, likely triggered by weaker demand and perhaps a reduction of the geopolitical risk premium in the absence of further escalation of the conflict in the Middle East. Also, industrial metal prices corrected a bit lower following the very steep price surge we have seen through April.

Inflation data confirmed that euro area price pressures have muted in the spring after Easter effects blurred the picture somewhat in the promising March data.

Core inflation edged lower to 2.7% but the ECB will continue to worry about service price growth, which corresponds to above 5% annual service inflation. The first estimate of GDP-growth came in a bit stronger than expected at 0.3% for Q1 aiming nicely with the soft-landing scenario playing out but of course also increasing the risk of new inflation headaches.

At the FOMC meeting, the Fed kept rates unchanged and chairman Powell provided few new clues on the policy outlook.

He made it clear that the Fed remains in a good place with its current policy and he did not go into speculation on a potential rate hike, sparking a modest dovish reaction in markets. The Fed decided to taper the pace of QT, which came as no surprise. Q1 productivity growth slowed down sharply offering some explanation behind the recent broad-based increasing price pressures. Job openings declined more than expected in March, which points to easing wage pressures over the next few months.

Chinese manufacturing PMIs were robust and are overall still in line with a moderate manufacturing recovery.

Strong export orders highlight the improvement in growth on export markets in line with our case for a rising global manufacturing cycle. This is also supported by the surge in global metal prices lately. Service PMIs on the other hand were weaker than expected.

Over the coming two weeks, we have lots of interesting data releases.

Markets will pay particularly close attention to US CPI data where we expect a slight moderation in core price momentum following the last couple of months' hot prints. We expect the Bank of England to keep the Bank Rate unchanged next week. Overall, we expect softer communication priming markets for a rate cut in June.

From China we will get another badge of inflation data.

It will likely catch some headlines as China is flirting with sub-zero inflation rates. Retail and home sales will also be interesting to gauge developments in the housing crisis and the domestic economy.

Key global views

- Weak near-term growth outlook in the US and Europe, but recovery from summer 2024
- Global manufacturing cycle moving gradually higher

US and EA inflation to decline further, but core remains sticky

Key market movers

- Mon: EA Sentix
- Tue: RBA and Riksbank meeting
- Thu: BoE meeting
- Fri: ECB minutes
- Sat: Chinese CPI and PPI

Week after Ascension Day

- Tue: German ZEW
- Wed: US CPI
- Thu: Japanese GDP data
- Fri: Chinese retail and home sales, EA final HICP data

Selected reading from Danske Bank

- [Geopolitical Radar](#), 1 May
- [Euro area data overview](#), 1 May
- [Research US - Fed review: Maintaining easing bias](#), 2 May

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Scandi market movers

- In **Denmark**, we get April flash unemployment from Jobindsats on Monday. Unemployment was unchanged in March and stalled lately with the rate at 2.9%. The number of new vacancies as per Jobnet are still at relatively high levels, which lends support to a similar print. On the other hand, those employed in the public sector have gotten their first round of collective agreement-related wage hikes in April (+5.9% hourly for state employees), which can have led to redundancies. It will be interesting to see what the figures show.

On Tuesday, we get bankruptcies for April. The level of bankruptcies has been trending down since the second half of 2023 and in the first three months of 2024 it has hovered around 210 active companies per month, which is close to the historical average. High interest rates and wage growth puts upward pressure on firm costs and thus bankruptcies. On the other hand, global PMIs indicate that the manufacturing cycle turned for the better early this year, which contributes to fewer bankruptcies.

Wednesday brings industrial production for March. Manufacturing outside pharmaceuticals increased substantially in February after a tough 2023 but was still below its 2015-level. The turn of the global manufacturing cycle, and a still strong US economy, should contribute to another increase in March. Pharmaceuticals are strongly affected by Novo Nordisk's performance and given that pharmaceuticals account for about half of manufacturing, the overall figure is somewhat more volatile.

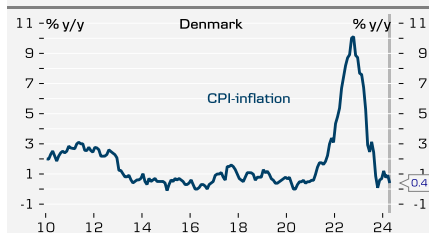
The week ends with April CPI on Friday. We expect inflation declined to 0.4% in April from 0.9% in March. Electricity prices will be a key drag as the much lower summer season net tariffs kick in and spot prices have been quite modest. We also expect summer houses will pull inflation lower, as Easter was early this year and thus the high Easter prices were not registered in the collection week, like they were last year. This will be the last low inflation print for a while, as energy base effects will likely pull inflation back above 2 percent in May.

Due to Ascension Day there is no weekly focus next week. There are no key data releases the following week.

- In **s** next week, the Riksbank announces its monetary policy decision, but only a shorter monetary policy update with no forecasts. While a May cut seems to be the consensus call and 80% discounted by markets, we still believe the Riksbank will wait until June to cut. In March, the Riksbank (RB) announced that "It is likely that the policy rate can be cut in May or June if inflation prospects remain favourable". Given that CPI excl. energy in March came in 0.4 p.p. below the RB's forecast and the RB should therefore start cutting back on their restrictiveness. However, whether they will start to cut in May or June is the tricky part to figure out, this is since the RB must weigh primarily better-than-expected inflation against the repricing of Fed and a weaker SEK, with the risk of inflation pressures returning. A weakening of the SEK has been lifted by the board as a risk to the inflation outlook and given the weakening since the March meeting and YTD it should indeed pose concern. Albeit 3-4% weaker than the RB's March forecast, we primarily believe that a cut at this point will open the door to further SEK weakness as the RB then moves ahead of most other central banks. Instead, keeping the policy rate unchanged can instead bring some near-term support to SEK.

We also get the last growth indicators for March that will enable us to get a somewhat clearer understanding of what contributed to the surprisingly weak GDP-indicator for

We expect inflation declined to 0.4% in April in large part due to lower tariffs



Sources: Statistics Denmark, Danske Bank

The SEK (KIX) is approximately 3-4% weaker than expected by the Riksbank



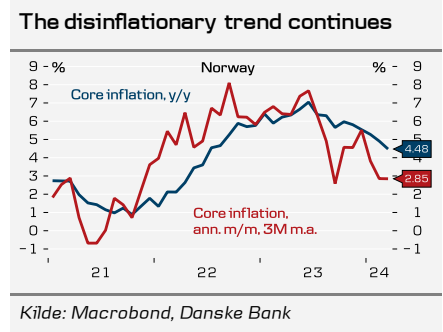
Note: KIX ("krona index") is a geometric index weighing together different bilateral exchange rates based on total flows of processed goods and commodities for 31 countries. It is meant to create an effective (or average) exchange rate.

Source: Macrobond, Riksbank, Danske Bank.

March and Q1. The indicators are PVI and household consumption which have both been moving steadily sideways for the last two years. PVI should improve given the recent strong PMI releases, and because of the recent broad rise NIER's Economic Tendency Survey where e.g., manufacturing is now back at normal levels thanks to substantial optimism about production volumes over the next three months. The survey also reports that consumer confidence has risen for a seventh successive month, although consumers remain pessimistic. Given all fundamental factors, we anticipate that household consumption will improve soon. The National Debt office also announces the outcome of central government payments for April. It will be interesting as in March there was a SEK32bn smaller accumulated deficit than what they forecast back in February, and it is the last announcement before the publication of their Central Government Borrowing report with new forecasts.

We will publish an RB review shortly after the policy rate decision on Wednesday and an April Inflation Preview ahead of the release on 15 May. Otherwise, the noteworthy statistic releases the week after next will be the Public Employment Service's unemployment statistics and the Prospera money market inflation expectations. After the recent unexpected sudden increase in the unemployment rate released from Statistics Sweden, it will be useful to see if the increase was really that worrisome and if it is reflected in the redundancy notices and the unemployment rate from the Public Employment Service's. Money market expectations are now fully in line with the 2% inflation target on all horizons and no surprises are expected. On 15 May, the Riksbank will also publish the minutes from the May monetary policy meeting.

- **Norwegian inflation** is drifting downwards, and core inflation decreased from 6.0% y/y in October to 4.5% in March. This is partly driven by base effects, but the underlying inflation is also decreasing. As recently as December, the annualized monthly growth (smoothed over 3 months) was 5.5% but fell to 2.9% in March. We expect that the disinflationary trend will continue throughout the year, even when base effects are disregarded. As a result, we expect core inflation to slow to 4.3% in April, even though there might be some two-sided risks of price adjustments since Easter was in March this year. On the other hand, there has been a moderate pick-up in growth in Q1, so we expect a mainland-GDP growth at 0.2% q/q in Q1 with risk tilted to the upside.



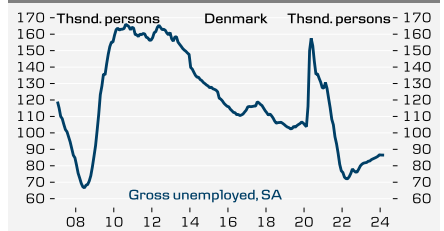
Scandi update

Denmark – No unemployment change in March

Final unemployment showed no change in March, which is in line with what Jobindsats figures showed last week. Unemployment had been trending up since 2022 but has lately stalled at the rate at 2.9%. This reflects a very robust labour market, and while it is less tight than previously the figures indicate that there is no long line of unemployed ready to take on the still relatively high number of vacancies.

As expected, Danmarks Nationalbank did not intervene in the currency market in April.

Unemployment has stalled recently

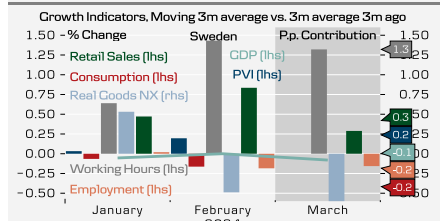


Source: Danske Bank, Statistics Denmark, Macrobond Financial

Sweden – despite some recent small hassle, the Swedish business cycle is clearly recovering

The GDP indicator for the Q1 was weaker than expected, with substantial downward revisions to the January and February monthly figures. Including the March monthly GDP indicator of -0.3% makes the Q1 q/q figure land at -0.1% (-1.1% y/y). Note that this indicator measure is highly volatile and is heavily revised, based on a more limited data set and as such it contains no details. We will have to wait until 30 May for the full Q1 GDP release. Given the development recently, GDP has most probably been dragged down by the recent setbacks in export sector after the collapse in iron ore export and significant decrease in electricity (although machinery and transport equipment continue to increase). Retail sales data for March was slightly weaker (-0.4% M/M), but the moving-average for Q1 is 0.3% higher than Q4 (calendar- and seasonality adjusted) so retail sales should still have contributed positive to the GDP in Q1. Things are improving in the retail sector, which are in line with the positive sentiment shift reported by NIER Economic Tendency Survey and from surveys conducted by Commerce Sweden.

GDP Q1 was probably dragged down by isolated export sectors



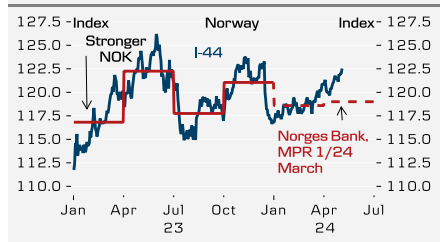
Note: Seasonally Adjusted, 3 Months-Moving Average. Source: Statistics Sweden, calculations by Danske Bank

Swedish PMI continues to improve, with Manufacturing PMI increasing from 50.4 to 51.4. In the underlying indices, orders increased from 51.5 to a healthy 54.6 (both domestic and exports), production edged somewhat lower from 54.9 to 52.2, price index for raw materials and intermediate goods increased from 46.8 to 53.4, so a rather big jump and a larger jump than what we saw in ISM US Manufacturing Prices Paid this week. Purchasing managers report that above all, metal prices have risen in April, likely in the wake of higher global metal commodity prices and a weaker SEK. However, the development should not be of concern as it is still below the index's average level in the period between the financial crisis and the pandemic when inflation was in line with the inflation target. But overall, we see this as a positive reading and an indication that economic conditions continue to improve.

Norway – Norges Bank slightly hawkish

As expected, Norges Bank kept the policy rate unchanged at 4.5% at the meeting in May. At the same time, the interest rate committee reiterated that ‘...the policy rate will likely be kept at today’s level for some time ahead’. Norges Bank points out in this connection that the development since the March meeting is pulling in a different direction, where global rate expectations are somewhat higher, the NOK somewhat weaker, wage growth somewhat higher and economic growth somewhat stronger than they added due in March. But at the same time, current inflation has been somewhat lower than expected. Overall, Norges Bank nonetheless considers that ‘The data so far could suggest that a tight monetary policy stance may be needed for somewhat longer than previously envisaged.’ We still expect Norges Bank to keep the policy rate unchanged until September, when they will cut rates by 25bp, supported by rate cuts in other countries and lower inflation.

A weaker NOK is a headache for NB



Source: Macrobond, Danske Bank

Calendar – 6-17 May 2024

During the week				Period	Danske Bank	Consensus	Previous
Sat 04	USD	Fed's Williams speaks					
Monday, May 6, 2024				Period	Danske Bank	Consensus	Previous
3:45	CNY	Caixin PMI service	Index	Apr		52.5	52.7
8:30	SEK	PMI services	Index	Apr			53.9
9:15	ESP	PMI services	Index	Apr		56.0	56.1
9:45	ITL	PMI services	Index	Apr		54.9	54.6
9:50	FRF	PMI services, final	Index	Apr		50.5	50.5
9:55	DEM	PMI services, final	Index	Apr		53.3	53.3
10:00	EUR	PMI composite, final	Index	Apr		51.4	51.4
10:00	EUR	PMI services, final	Index	Apr		52.9	52.9
10:30	EUR	Sentix Investor Confidence	Index	May		-6.0	-5.9
11:00	EUR	PPI	m/mly/y	Mar		-7.8% -0.6%	-8.3% -1.0%
18:50	USD	Fed's Barkin speaks					
19:00	USD	Fed's Williams speaks					
Tuesday, May 7, 2024				Period	Danske Bank	Consensus	Previous
-	CNY	Foreign exchange reserves	USD bn	Apr			3245.7
2:30	JPY	Markit PMI services, final	Index	Apr			54.6
6:30	AUD	Reserve Bank of Australia rate decision	%		4.35%	4.35%	4.35%
7:45	CHF	Unemployment	%	Apr		2.3%	2.3%
8:00	DEM	Factory orders	m/mly/y	Mar		0.4% -0.8%	0.2% -10.6%
9:00	CHF	Foreign Currency Reserves	CHF bn	Apr			715.1
10:30	GBP	PMI construction	Index	Apr		50.5	50.2
11:00	EUR	Retail sales	m/mly/y	Mar		0.6% -0.2%	-0.5% -0.7%
17:30	USD	Fed's Kashkari speaks					
21:00	USD	Consumer credit	USD bn	Mar		16.5	14.1
Wednesday, May 8, 2024				Period	Danske Bank	Consensus	Previous
6:00	SEK	Maklarstatistik Swedish housing price data					
8:00	NOK	Manufacturing production	m/mly/y	Mar			-1.1% -2.2%
8:00	NOK	Industrial production	m/mly/y	Mar			-4.3% 1.8%
8:00	DKK	Current account (nsa/sa)	DKK bn	Mar			... 29.7
8:00	DEM	Industrial production	m/mly/y	Mar		-1.0% -3.4%	2.1% -4.9%
8:00	DKK	Industrial production	m/m	Mar			1.6%
8:00	DKK	Trade balance ex ships	DKK bn	Mar			9.8
8:00	DKK	Exports	m/m	Mar			980.0%
8:00	SEK	Budget balance	SEK bn	Apr			-0.3
9:30	SEK	Riksbank, rate decision	%		4.00%	4.00%	4.00%
16:30	USD	DOE U.S. crude oil inventories	K				7265
Thursday, May 9, 2024				Period	Danske Bank	Consensus	Previous
-	CNY	Trade balance	USD bn	Apr		81.4	58.6
-	CNY	Money supply M2	y/y	Apr		8.3%	8.3%
-	CNY	Money supply M2	y/y	Apr		8.3%	8.3%
-	PLN	Polish central bank rate decision	%		5.75%	5.75%	5.75%
1:01	GBP	RICS house price balance	Index	Apr			0.0
1:30	JPY	Labour cash earnings	y/y	Mar		1.4%	1.4%
7:00	JPY	Leading economic index, preliminary	Index	Mar		111.1	111.8
13:00	GBP	BoE minutes				0.0525	0.0525
13:00	GBP	BoE Bank rate	%		5.25%	5.25%	5.25%
14:30	USD	Initial jobless claims	1000				208
Friday, May 10, 2024				Period	Danske Bank	Consensus	Previous
8:00	GBP	GDP, preliminary	q/qly/y	1st quarter		0.4% 0.0%	-0.3% -0.2%
8:00	GBP	Monthly GDP estimate	m/m q/q	Mar		0.001 ...	0.001 ...
8:00	GBP	Index of services	m/m 3m/3m	Mar		0.001 ...	0.001 0.002
8:00	SEK	Industrial orders	m/mly/y	Mar			4.6% -3.5%
8:00	SEK	Private Sector Production	m/mly/y	Mar			0.3% -0.8%
8:00	SEK	Household consumption	m/mly/y	Mar			-0.5% -0.3%
8:00	NOK	CPI	m/mly/y	Apr			0.2% 3.9%
8:00	NOK	PPI	m/mly/y	Apr			2.7% -6.9%
8:00	DKK	CPI	m/mly/y	Apr		-0.2% 0.4%	0.0% 0.9%
8:00	NOK	Core inflation (CPI-ATE)	m/mly/y	Apr		0.8% 4.3%	... 4.3%
13:30	EUR	ECB minutes from April Meeting					
14:30	CAD	Net change in full time employment	1000	Apr			-0.7
15:00	USD	Fed's Bowman speaks					
16:00	USD	University of Michigan Confidence, preliminary	Index	May		77.0	77.2
20:00	USD	Budget statement	USD bn	Apr			-236.5

Source: Danske Bank

Calendar – 6-17 May 2024

During the week				Period	Danske Bank	Consensus	Previous
Sat 11	CNY	CPI	y/y	Apr		0.1%	0.1%
Sat 11	CNY	PPI	y/y	Apr		-2.3%	-2.8%
Monday, May 13, 2024				Period	Danske Bank	Consensus	Previous
Tuesday, May 14, 2024				Period	Danske Bank	Consensus	Previous
6:30	NOK	Consumer confidence	Net. bal.	2nd quarter			-26.6
8:00	DEM	HICP, final	m/mly/y	Apr			0.6% 2.4%
8:00	GBP	Unemployment rate (3M)	%	Mar			4.2%
8:00	GBP	Average weekly earnings ex bonuses (3M)	y/y	Mar			6.0%
9:00	ESP	HICP, final	m/mly/y	Apr			0.6% 3.4%
11:00	DEM	ZEW current situation	Index	May			-79.2
11:00	DEM	ZEW expectations	Index	May			42.9
12:00	USD	NFIB small business optimism	Index	Apr			88.5
14:30	USD	PPI	m/mly/y	Apr		0.3% ..	0.2% 2.1%
14:30	USD	PPI core	m/mly/y	Apr			0.2% 2.4%
Wednesday, May 15, 2024				Period	Danske Bank	Consensus	Previous
8:00	SEK	Underlying inflation CPIF	m/mly/y	Apr	-0.16% 3.42%		0.1% 2.2%
8:00	SEK	Underlying inflation CPIF excl energy	m/mly/y	Apr	0.34% 2.84%		0.1% 2.2%
8:00	NOK	Trade balance	NOK bn	Apr			64
8:00	SEK	CPI	m/mly/y	Apr	-0.16% 3.42%		0.1% 4.1%
8:45	FRF	HICP, final	m/mly/y	Apr			0.6% 2.4%
11:00	EUR	Industrial production	m/mly/y	Mar			0.8% -6.4%
11:00	EUR	GDP, preliminary	q/qly/y	1st quarter	0.3% 0.4%		0.3% 0.4%
11:00	EUR	Employment, preliminary	q/qly/y	1st quarter			0.3% 1.2%
14:30	USD	Empire Manufacturing PMI	Index	May			-14.3
14:30	USD	CPI headline	m/mly/y	Apr		0.3% ..	0.4% 3.5%
14:30	USD	CPI core	m/mly/y	Apr		0.3% ..	0.4% 3.8%
14:30	USD	Retail sales control group	m/m	Apr			1.1%
16:00	USD	NAHB Housing Market Index	Index	May			51.0
16:30	USD	DOE U.S. crude oil inventories	K				
22:00	USD	TICS international capital flow, Net inflow	USD bn	Mar			51.6
Thursday, May 16, 2024				Period	Danske Bank	Consensus	Previous
1:50	JPY	GDP deflator, preliminary	y/y	1st quarter		3.3%	3.9%
1:50	JPY	GDP, preliminary	q/qlann.	1st quarter		-0.4% -1.6%	0.1% 0.4%
3:30	AUD	Employment change	1000	Apr			-6.6
6:30	JPY	Industrial production, final	m/mly/y	Mar			3.8% -6.7%
8:00	SEK	Prospera inflation expectations					
10:00	ITL	HICP, final	m/mly/y	Apr			.. 1.0%
14:30	USD	Philly Fed index	Index	May			15.5
14:30	USD	Initial jobless claims	1000				
14:30	USD	Import prices	m/mly/y	Apr			0.4% 0.4%
14:30	USD	Building permits	1000 (m/m)	Apr		1500	1467.0 (-3.7%)
14:30	USD	Housing starts	1000 (m/m)	Apr		1435	1321.0 (-14.7%)
15:15	USD	Capacity utilization	%	Apr		78.5%	78.4%
15:15	USD	Industrial production	m/m	Apr		0.2%	0.4%
15:15	USD	Manufacturing production	m/m	Apr			0.5%
21:50	USD	Fed's Bostic speaks					
Friday, May 17, 2024				Period	Danske Bank	Consensus	Previous
4:00	CNY	Industrial production	y/y	Apr			4.5%
4:00	CNY	Retail sales	y/y	Apr			3.1%
4:00	CNY	Fixed assets investments	y/y	Apr			4.5%
7:30	FRF	ILO unemployment	%	1st quarter			7.5%
11:00	EUR	HICP inflation, final	m/mly/y	Apr	0.6% 2.4%		0.6% 2.4%
11:00	EUR	HICP - core inflation, final	y/y	Apr	2.7%		2.7%

Source: Danske Bank

Macroeconomic forecast

Macro forecast. Scandinavia

	Year	GDP ¹	Private cons. ¹	Public cons. ¹	Fixed inv. ¹	Ex-ports ¹	Im-ports ¹	Infla-tion ¹	Wage growth ¹	Unem-ploym ²	Public budget ³	Public debt ³	Current acc. ³
Denmark	2023	1.9	1.0	0.0	-5.0	13.4	8.6	3.3	4.1	2.8	3.5	29.7	13.2
	2024	2.1	2.2	1.3	-1.9	8.8	6.3	2.0	5.3	3.0	1.9	28.0	12.5
	2025	2.0	1.7	1.8	2.4	1.9	1.7	1.9	3.6	3.1	1.1	26.7	12.5
Sweden	2023	0.2	-2.5	1.8	-1.2	3.7	-0.6	8.6	3.8	7.7	-0.4	29.0	5.8
	2024	1.5	1.7	0.7	-0.5	3.0	2.9	2.5	3.3	8.3	-0.8	30.0	5.9
	2025	2.0	2.4	1.5	2.7	3.2	3.8	1.0	2.5	8.1	-0.8	30.0	5.6
Norway	2023	1.1	-0.7	3.6	0.3	1.4	0.7	5.5	5.3	1.8	-	-	-
	2024	1.1	1.3	2.0	4.0	3.5	1.5	3.8	4.7	2.3	-	-	-
	2025	2.1	2.5	1.6	4.0	2.0	1.8	2.0	3.5	2.5	-	-	-

Macro forecast. Euroland

	Year	GDP ¹	Private cons. ¹	Public cons. ¹	Fixed inv. ¹	Ex-ports ¹	Im-ports ¹	Infla-tion ¹	Wage growth ¹	Unem-ploym ²	Public budget ³	Public debt ³	Current acc. ³
Euro area	2023	0.5	0.6	0.8	1.4	-1.0	-1.4	5.4	4.5	6.6	-3.2	90.6	2.5
	2024	0.5	0.7	0.9	1.8	1.2	1.9	2.3	4.3	6.6	-2.9	89.9	2.0
	2025	1.3	1.5	1.0	1.2	2.9	3.1	2.0	3.4	6.6	-2.7	89.0	2.0
Finland	2023	-1.0	0.4	4.5	-4.2	-1.7	-7.1	6.3	4.2	7.2	-2.7	75.8	-1.4
	2024	-0.4	0.2	0.1	-1.5	-2.0	-1.0	2.0	3.5	7.9	-3.6	78.0	-0.4
	2025	1.9	1.2	0.2	4.0	3.0	2.5	1.6	2.5	7.4	-2.8	78.7	0.0

Macro forecast. Global

	Year	GDP ¹	Private cons. ¹	Public cons. ¹	Fixed inv. ¹	Ex-ports ¹	Im-ports ¹	Infla-tion ¹	Wage growth ¹	Unem-ploym ²	Public budget ³	Public debt ³	Current acc. ³
USA	2023	2.5	2.2	4.1	0.6	2.6	-1.7	4.1	4.3	3.6	-5.8	124.6	-3.0
	2024	2.0	1.6	3.5	2.1	2.3	2.8	3.1	3.2	3.9	-5.8	126.8	-2.8
	2025	1.4	1.1	2.0	3.6	2.9	4.4	2.4	2.5	4.2	-5.8	128.6	-2.6
China	2023	5.2	6.6	-	4.6	-	-	0.2	-	5.2	-7.1	83.0	1.5
	2024	4.5	5.5	-	3.8	-	-	0.7	-	5.2	-7.0	87.4	1.4
	2025	4.5	5.5	-	3.8	-	-	1.5	-	5.2	-7.3	91.8	1.1
UK	2023	0.1	-	-	-	-	-	7.3	-	4.0	-	-	-
	2024	0.0	-	-	-	-	-	2.5	-	4.5	-	-	-
	2025	1.0	-	-	-	-	-	1.9	-	4.9	-	-	-

Source: OECD and Danske Bank. 1) % y/y. 2) % of labour force. 3) % 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-May	5.50	-	4.88	4.27	0.94	-	6.98	11.06	10.92
	+3m	5.25	-	4.63	4.14	0.94	-	7.03	11.04	10.75
	+6m	5.00	-	4.28	4.04	0.95	-	7.10	11.43	10.95
	+12m	4.50	-	3.80	3.95	0.97	-	7.23	11.75	11.17
EUR	02-May	4.00	3.78	3.37	2.85	-	1.07	7.4573	11.82	11.67
	+3m	3.75	3.59	3.13	2.64	-	1.06	7.4550	11.70	11.40
	+6m	3.50	3.33	2.88	2.65	-	1.05	7.4500	12.00	11.50
	+12m	3.00	2.85	2.65	2.65	-	1.03	7.4500	12.10	11.50
JPY	02-May	0.10	-	-	-	0.006	0.006	4.53	7.18	7.09
	+3m	0.10	-	-	-	0.006	0.007	4.78	7.51	7.32
	+6m	0.20	-	-	-	0.007	0.007	4.89	7.88	7.55
	+12m	0.20	-	-	-	0.007	0.007	5.09	8.27	7.86
GBP*	02-May	5.25	-	4.72	4.05	1.17	1.09	8.71	13.81	13.63
	+3m	5.00	-	4.43	3.89	1.14	1.20	8.47	13.30	12.95
	+6m	4.75	-	4.24	3.90	1.12	1.18	8.37	13.48	12.92
	+12m	4.25	-	4.00	3.90	1.12	1.16	8.37	13.60	12.92
CHF	02-May	1.50	-	-	-	1.02	1.09	7.64	12.11	11.95
	+3m	1.25	-	-	-	1.02	1.08	7.61	11.94	11.63
	+6m	1.00	-	-	-	1.03	1.08	7.68	12.37	11.86
	+12m	0.50	-	-	-	1.04	1.07	7.76	12.60	11.98
DKK	02-May	3.60	3.78	3.48	2.99	0.134	0.143	-	1.59	1.56
	+3m	3.35	3.49	3.29	2.85	0.134	0.142	-	1.57	1.53
	+6m	3.10	3.23	3.03	2.85	0.134	0.141	-	1.61	1.54
	+12m	2.60	2.75	2.80	2.85	0.134	0.138	-	1.62	1.54
SEK	02-May	4.00	3.88	3.39	2.87	0.086	0.092	0.64	1.01	-
	+3m	3.75	3.81	2.88	2.80	0.088	0.093	0.65	1.03	-
	+6m	3.50	3.56	2.85	2.85	0.087	0.091	0.65	1.04	-
	+12m	3.00	3.12	2.65	2.90	0.087	0.090	0.65	1.05	-
NOK	02-May	4.50	4.81	4.67	4.01	0.085	0.090	0.63	-	0.99
	+3m	4.50	4.59	4.39	3.79	0.085	0.091	0.64	-	0.97
	+6m	4.25	4.17	4.19	3.75	0.083	0.088	0.62	-	0.96
	+12m	3.50	3.75	3.80	3.75	0.083	0.085	0.62	-	0.95

*Notes: GBP swaps are SONIA, USD swaps are SOFR

Commodities

	02-May	2024				2025				Average	
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2024	2025
ICE Brent	84	82	85	80	80	85	85	85	85	82	85

Source Danske Bank

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