

# Weekly Focus

## ECB to face questions on the Fed's new policy regime

**Looking at COVID-19, the number of new cases in the US is peaking while it is rising in Europe.** However the development across Europe differs by markedly country. In France and Spain, the second wave is as big as the first, while the number of new cases in Italy, Germany and the UK is only rising slowly right now. **One striking thing is that while new cases are rising in Europe, new deaths are not and there is no pressure on hospitals. This means that the politicians do not have to close down the entire economy again** and can focus on local and targeted measures to contain the virus. **The development across the Nordics looks good with few new cases (also in Sweden) and almost no reported deaths.** For more details see *COVID-19 Update: New cases continue to rise in Europe but new deaths remain low and stable*, 3 September. Unfortunately, from an economic perspective, the euro area macro momentum seems to be cooling down driven by (among other things) the development of COVID-19, see *Euro Area Macro Monitor: Cooling down after a hot summer*, 3 September.

The Federal Reserve has changed its monetary policy strategy and as a result **we now expect the Federal Reserve is going to change its forward guidance and increase QE bond buying**, see *Fed Monitor: Forward guidance linked to inflation outcomes and faster QE buying on the cards*, 2 September. Note that the Fed's blackout period begins tomorrow, i.e. no more signals ahead of the Fed's two-day meeting on 15-16 September.

**We look forward to the ECB meeting on Thursday**, which also carries new staff projections. **We expect the ECB to repeat its "readiness to act" stance**, while looking into an uncertain economic and inflationary outlook. As such, we expect a relatively uneventful meeting with no new policy signals. That said, with recent diverging comments from Weidmann/Schnabel vs Lane we may see disagreement building, notably on the QE programme and the size of future policy response. We expect the ECB to face questions on the Fed's average inflation target (AIT) regime and the implications for the ECB's strategic review which is restarting now. **We expect Lagarde to take note of the Fed's AIT regime and say that the ECB will not draw premature conclusions on its own review.**

We do not expect many interesting global data releases next week besides the monthly GDP estimate for July in the UK. Also note that **the EU-UK Brexit negotiations continue on Monday. So far there has not been any breakthrough in the negotiations**, see *Brexit Monitor: Deal or no deal boils down to what PM Boris Johnson wants*, 28 August.

**In Japan, the ruling Lib Dems are in the midst of finding PM Abe's successor.** Formally, this will happen in a party vote on 14 September. The favourite is currently cabinet chief secretary and Abe's right hand man Yoshihide Suga, who said he would continue with Abe's economic policy.

**In the Nordics, we get CPI inflation data for August in Denmark, Sweden and Norway.** In Norway, we get the monthly GDP estimate for July and in Sweden we get production data for July.

### Key market movers

- **Mon:** Brexit talks continue
- **Tue:** Swedish production data, Norwegian monthly GDP
- **Thurs:** ECB meeting, Scandi CPIs, US jobless claims
- **Fri:** UK monthly GDP

### Selected reading from Danske Bank

- *COVID-19 Update: New cases continue to rise in Europe but new deaths remain low nad stable*, 3 September
- *Euro Area Macro Monitor: Cooling down after a hot summer*, 3 September
- *Fed Monitor: Forward guidance linked to inflation outcomes and faster QE buying on the cards*, 2 September

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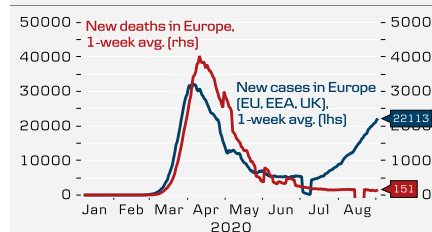


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Video  
Danske Bank research playlist

### Many more new cases in Europe but new deaths remain low and stable



Source: ECDC, Macrobond Financial

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## Market movers Scandinavia

- In **Denmark**, data for industrial production in July is due on Monday. June saw production increase 4% m/m and hopefully a little more of the lost ground will be recouped as both domestic and foreign demand pick up. Unfortunately, provisional figures for corporate revenues point in the wrong direction, though the official figures have previously deviated somewhat from these. From an international perspective, Danish industry has not been particularly hard hit by the crisis overall, as unlike in many other countries production has not been shut down. Nevertheless, those sectors that supply German industry have clearly been affected by the slowdown, so we are unlikely to fully reach pre-crisis levels anytime soon, even though the pharmaceutical industry, in particular, has performed very well.

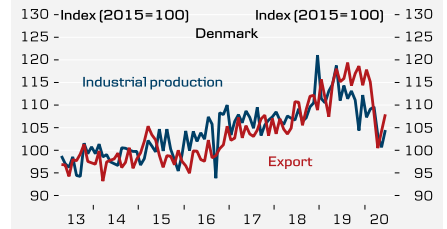
This story is likely to be repeated in Tuesday's export figures for July, where the spring downturn has recently been replaced by something of a pick-up, led by pharmaceutical exports. Our export barometer for July (see: *Eksportbarometer – Eksportmarkederne på ret køl i fortsat urolige farvande*, 5 August 2020) indicated an improvement across Denmark's export markets, which should also be reflected in the latest figures.

We expect Danish CPI inflation to increase to 0.8% in August, from 0.5% in July. Pulling upwards, we have the April increase in the tobacco tax. We expect prices to continue increasing at approximately the same pace as in July where they went up by 7%. In addition, most of the government's summer package, with half-off museums, will fade to ¼ of the effect from July. The uncertainty on the CPI prints remains elevated this month, as tobacco prices are increasing at an unknown pace, the seasonal pattern on clothing has changed completely and book prices remain highly elevated.

- In **Sweden** we are not very convinced about the outcome of August inflation after a couple of months with clothing prices 'levitating' and apparently defying the gravity of plunging sales. Hence, after moderate sales (high prices) we go for slightly lower clothing price increases in August. Electricity prices turned around sharply in August, probably rising more than 10 % m/m. That will in itself add 0.4 (!) percentage points this month. We expect airline tickets and charter prices to have behaved in the normal seasonal way (i.e. going down), but be aware of problems with collecting data. German charter prices appear to have behaved normally. Risks to the forecast appear skewed to the downside. Firstly, eurozone core MUICP dropped significantly (see chart) possibly suggesting a similar drop in Swedish CPIF excl. Energy. However, one needs to be aware that eurozone data may have been affected by VAT tax cuts. Secondly, there is an unusually big gap between German and Swedish food prices, implying Swedish prices could fall more than we have assumed. Our August forecasts see CPIF at 0.9% y/y which is 0.6 percentage points above Riksbank and CPIF excl. Energy at 1.5% y/y, 0.2 percentage points above Riksbank. The reason for the big CPIF difference is of course the unexpected surge in electricity prices.

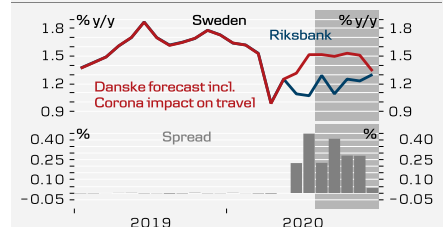
Economic activity fell sharply during the first half-year and Swedish Q2 GDP dipped 8.3% q/q sa. The decline was driven by a plunge in especially household consumption and net exports. Several monthly indicators such as the activity and consumption indicators, production value index and hours worked however, turned up in May/June indicating that the bottom was in April/May. Hours worked rose again in July and next week, July figures for the remaining indicators will be out. We expect these to follow the pick-up, pointing to a positive start to Q3. With that said, all these indicators suggest that, so far, only 1/3 of the drop in March-April has been closed.

### Will industry and exports continue to pick up?



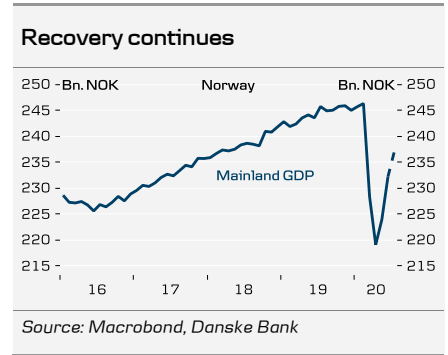
Source: Statistics Denmark, Macrobond Financial

### Sweden: another print above Riksbank forecast, but below 2% target



Source: SCB, Riksbank, Danske Bank

- In **Norway**, core inflation has surprised to the upside over the summer, driven by higher prices for both imported goods and some domestically produced goods and services. While the former is down to the combination of a weaker krone over the winter and closed borders, the latter can probably be explained by an increase in costs due to the pandemic. We expect a slightly smaller rise in import prices in August, pulling core inflation down to 3.3% y/y. Statistics Norway also publishes GDP figures for July during the week. We expect them to show further recovery in the sectors that were shut down during the spring, albeit at a somewhat slower pace than in June. Private consumption seems to have maintained its momentum, and there are also clear signs that exports have picked up, and so we expect mainland GDP to climb a further 2.0% m/m in July after jumping 3.7% in June.



# Scandi Update

## Denmark – national accounts, the budget and a deluge of data

It has been an eventful week for the Danish economy, which started off with a deluge of data – including the national accounts for Q2, unemployment figures for July and house prices in June. In addition, the government presented its latest Economic Survey, an updated 2025 plan and its budget for 2021.

The national accounts showed that GDP fell by 6.9% relative to Q1. This was somewhat better than the initial estimate of -7.4% but remains the largest fall in Danish GDP ever. The decline was broad based, hitting private consumption, business investment, exports and public consumption – where we tried to adjust for the fact that public sector production in reality fell despite employees continuing to be paid. Private consumption tumbled 7.2%, which was surprisingly more than indicated by our *Spending Monitor*, 1 September 2020. One problem here may have been the calculations around online trade, and if this proves to be the case a later upward revision to the GDP figures could be on the cards. Nevertheless, despite the record decline in GDP, Denmark remains at the more positive end of the scale from an international perspective.

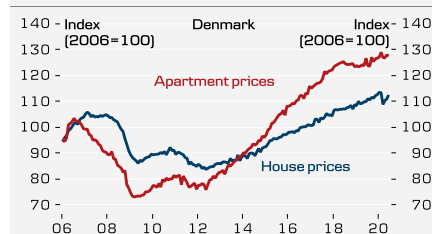
Unemployment numbers for July arrived on the same day. The figures revealed that the number of jobless fell by 5,500 to 5.2% of the workforce from May's peak of 5.6%. In reality, however, progress has been even better, as many on wage compensation schemes, who are not included in the statistic, have also returned to work. Nor did the expiry of the wage compensation schemes give rise to any increase in unemployment, according to provisional figures from the Ministry of Employment – in fact, the number of unemployed fell by 6,800 in the first two days of September, taking the overall increase in jobless numbers since 9 March to just 28,861.

House prices rose 1.6% in June, while apartment prices fell by 0.5% (both seasonally adjusted). Following the latest increase, house prices are now back at end-2019 levels and so have recouped most of the losses incurred after the downturn in March. Apartment prices did not fall by quite as much in the spring, so developments have been more evenly spread in recent months – nevertheless, prices are still up 0.7% year-on-year. As well as the news on house prices, the government announced during the week that the first new property valuations (for tax purposes) would be postponed, meaning a good number of Danes will have to wait to get their excess tax payments returned. All else being equal, this will likely have a negative impact on private consumption.

The government has revised up its estimate for economic growth this year, and now expects a contraction of 'only' -0.45% compared to -5.3% in their previous forecast. According to the government, the contraction will be led by a fall in exports of 10.2%. However, despite the indisputably sizeable challenges facing Danish exporters this year, we have a more favourable outlook here at Danske Bank, which is why our view on the Danish economy as a whole is also slightly more positive. The government appears determined to use Denmark's healthy financial situation to support the economy – in particular, through a 'war chest' of DKK9.2bn, though this has not yet been earmarked for anything specific. The government's plan is to grow the deficit as much as possible within the limits of the budget deficit rules but without exceeding them – despite the EU suspending the limits in both 2020 and 2021.

Both the number of bankruptcies and the number of forced sales (repossession) rose in August – by 4% and 11%, respectively – but generally remain at the lower end of the scale considering the seriousness of the crisis. That being said, economic slowdowns typically take some time before they manifest themselves in these figures, so further increases could well be on the cards in the coming months as relief packages, etc. expire. Overall, however,

### Housing prices have recovered well



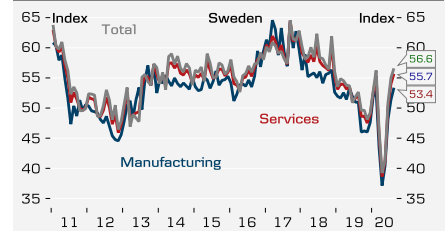
Source: Statistics Denmark, Macrobond Financial

the figures support the general impression that the impact of the corona crisis on Danish companies and homeowners has been considerably less than feared.

### Sweden – broad-based rise in both PMI services and manufacturing but employment lagging behind

August PMI (both manufacturing and services) came out better than expected – a broad-based increase in both indexes, but the print in manufacturing was especially driven by the inflow of new orders. The largest increase was seen in export orders which rose to 56.7 from earlier 50.3. Regarding services, the sub-index delivery times declined, which these days is seen as a positive sign since it indicates fewer supply chain problems. At the same time, this is weighing on the total PMI meaning that details are even stronger than the headline reading suggests. Business volume also continued to improve. Although the sub-index employment increased in both services and manufacturing, both indexes still remain below 50 meaning companies are continuing to reduce the number of employees. However, despite the fact that soft indicators are rising, which is of course positive, hard data suggest that only 1/3 of the drop in March-April has been closed.

PMI services above 50 for third consecutive month



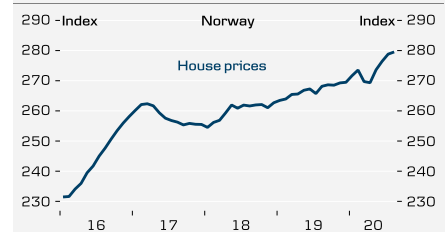
Source: NIER, Macrobond Financial

### Norway – housing market tightening

Housing prices climbed for a fourth month in August, gaining 0.3% despite there still being more than 200,000 people out of work. Good income protection, lower interest rates and a relatively limited supply of housing are probably the main drivers. Looking ahead, we expect that the interest rate effect will gradually fade, and that higher homebuilding activity will gradually bring a better balance to the housing market. However, it is probably tight enough for Norges Bank to bring forward its planned rate increases slightly.

The household saving rate rose to 20.8% in Q2 from 14.8% in Q1 and 7.9% in 2019, which goes to show that the dive in private consumption in H1 was caused not by a steep fall in income but by higher savings (remembering that the drop in spending was due entirely to lower consumption of services, as retail sales have been very strong). This is one of the upside risks that we have been highlighting in amongst all the downside risks – consumption late this year and going into next year could well be boosted by households spending some of these savings.

Housing prices up 2% on February



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 35	3.19		0.69	3.17	-6.6
Germany, turnover textiles retail trade, weekly, % y/y	Week 35	4.0%		15 p.p.	18 p.p.	-44%
German truck toll mileage (1w m.a.), % y/y	26-Aug	-0.9%		-3.1 p.p.	-1.5 p.p.	-16.2%
OpenTable restaurant bookings, Germany (1w m.a.)**	02-Sep	19.8%		-2.7 p.p.	2.9 p.p.	-100%
<b>USA</b>						
NY Fed weekly economic index*	Week 35	-4.41		0.90	2.35	-11.5
Transaction card spending, (1w m.a.), % y/y	23-Aug	-12.3%		1.5 p.p.	5.6 p.p.	-40.6%
OpenTable restaurant bookings (1w m.a.)**	02-Sep	-44.4%		4 p.p.	13.7 p.p.	-100%
<b>Google mobility trends retail &amp; recreation (1w m.a.)**</b>						
Germany	30-Aug	-1.4%		2 p.p.	2 p.p.	-62.1%
France		-4.7%		0.6 p.p.	2.6 p.p.	-88.0%
Italy		-1.7%		1.1 p.p.	4.6 p.p.	-88.9%
Spain		-15.9%		1.3 p.p.	3 p.p.	-91.7%
UK		-11.9%		6.6 p.p.	17.4 p.p.	-77.6%
Japan		-9.7%		1.9 p.p.	3.7 p.p.	-37.9%
United States		-13.7%		0.4 p.p.	1.1 p.p.	-46.1%
<b>Electricity demand (1w m.a.)***</b>						
Germany	03-Sep	-3.7%		-1 p.p.	4.8 p.p.	-16.2%
France		-5.8%		-1.2 p.p.	-4.6 p.p.	-23.1%
Italy		-4.4%		-7.9 p.p.	-5 p.p.	-28.2%
Spain		-9.3%		-7.7 p.p.	-8.5 p.p.	-24.2%
UK		-8.2%		0.6 p.p.	3.7 p.p.	-22.1%
Japan	02-Sep	-1.4%		2.6 p.p.	7.7 p.p.	-18.3%
United States		2.4%		-3.1 p.p.	1.6 p.p.	-10.5%

\*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

Monday, September 7, 2020					Period	Danske Bank	Consensus	Previous
-	CNY	Trade balance	USD bn	Aug		49.7	62.3	
-	GBP	EU-UK trade talks continue						
-	CNY	Foreign exchange reserves	USD bn	Aug		3170.5	3154.4	
8:00	DKK	Industrial production	m/m	Jul			4.0%	
8:00	NOK	Manufacturing production	m/mly/y	Jul			0.4% -7.2%	
8:00	NOK	Industrial production	m/mly/y	Jul			-2.2% 3.1%	
8:00	DEM	Industrial production	m/mly/y	Jul		4.9% -6.2%	8.9% -11.7%	
9:00	CHF	SNB balance sheet, intervention	CHF bn	Aug			845.8	
9:30	SEK	Budget balance	SEK bn	Aug			-34.4	
9:30	SEK	Current account	SEK bn	2nd quarter			80.6	
10:30	EUR	Sentix Investor Confidence	Index	Sep		-12.0	-13.4	
12:00	EUR	Ireland, GDP	q/qly/y	2nd quarter			1.2% 5.1%	
Tuesday, September 8, 2020					Period	Danske Bank	Consensus	Previous
1:30	JPY	Labour cash earnings	y/y	Jul		-1.7%	-2.0%	
1:50	JPY	GDP deflator, final	y/y	2nd quarter		1.5%	1.5%	
1:50	JPY	GDP, final	q/q ann.	2nd quarter		-8.1% -28.5%	-7.8% -27.8%	
6:00	SEK	Maklarstatistik Swedish housing price data						
8:00	DKK	Current account (nsa sa)	DKK bn	Jul			... 14.7	
8:00	DEM	Trade balance	EUR bn	Jul		15	15.5	
8:00	DEM	Labour costs	q/qly/y	2nd quarter			2.4% 4.3%	
8:00	DKK	Trade balance ex ships	DKK bn	Jul			8.6	
8:00	DKK	Exports	m/m	Jul				
8:00	NOK	GDP (mainland)	m/m	Jul	2.0%	2.0%	3.7%	
9:30	SEK	Industrial orders	m/mly/y	Jul			6.7% -11.9%	
9:30	SEK	Private Sector Production	m/mly/y	Jul			0.7% -8.5%	
11:00	EUR	GDP, final	q/qly/y	2nd quarter		-12.1% -15.0%	-12.1% -15.0%	
11:00	EUR	Gross fixed investments	q/q	2nd quarter			-1.8%	
11:00	EUR	Government consumption	q/q	2nd quarter			-0.4%	
11:00	EUR	Private consumption	q/q	2nd quarter			-4.6%	
11:00	EUR	Employment, final	q/qly/y	2nd quarter			-2.8% -2.9%	
12:00	USD	NFIB small business optimism	Index	Aug		98.9	98.8	
21:00	USD	Consumer credit	USD bn	Jul		12.8	8.9	
Wednesday, September 9, 2020					Period	Danske Bank	Consensus	Previous
3:30	CNY	CPI	y/y	Aug		2.4%	2.7%	
3:30	CNY	PPI	y/y	Aug		-1.9%	-2.4%	
7:45	CHF	Unemployment	%	Aug		3.4%	3.3%	
8:00	SEK	Prospera inflation expectations						
16:00	CAD	Bank of Canada rate decision	%			0.3%	0.3%	
Thursday, September 10, 2020					Period	Danske Bank	Consensus	Previous
-	CNY	Money supply M2	y/y	Aug		10.7%	10.7%	
1:01	GBP	RICS house price balance	Index	Aug		0.2	0.1	
8:00	NOK	CPI	m/mly/y	Aug			0.7% 1.3%	
8:00	NOK	PPI	m/mly/y	Aug			0.0% -13.3%	
8:00	DKK	CPI	m/mly/y	Aug	... 0.8%		0.8% 0.5%	
8:00	NOK	Core inflation (CPI-ATE)	m/mly/y	Aug	... 3.3%	... 3.4%	0.9% 3.5%	
8:45	FRF	Industrial production	m/mly/y	Jul		5.1% -7.4%	12.7% -11.7%	
9:30	SEK	CPI	m/mly/y	Aug	-0.0% 0.9%	-0.1% 0.8%	0.2% 0.5%	
9:30	SEK	Underlying inflation CPIF	m/mly/y	Aug	0.0% 0.9%	0.0% 0.8%	0.2% 0.5%	
9:30	SEK	Household consumption	m/mly/y	Jul			2.9% -5.8%	
13:45	EUR	ECB announces refi rate	%			0.00%	0.00%	
13:45	EUR	ECB announces deposit rate	%			-0.50%	-0.50%	
14:30	USD	PPI	m/mly/y	Aug		0.2% -0.4%	0.6% -0.4%	
14:30	USD	PPI core	m/mly/y	Aug		0.2% ...	0.5% 0.3%	
14:30	USD	Initial jobless claims	1000				881	
14:30	EUR	ECB's Lagarde speaks at press conference						
17:00	USD	DOE U.S. crude oil inventories	K				-9362	
Friday, September 11, 2020					Period	Danske Bank	Consensus	Previous
-	EUR	S&P may publish Portugal's debt rating						
-	EUR	S&P may publish Austria's debt rating						
8:00	DEM	HICP, final	m/mly/y	Aug		-0.2% -0.1%	-0.2% -0.1%	
8:00	GBP	Monthly GDP estimate	m/m q/q	Jul		0.058 -0.073	0.087 -0.191	
8:00	GBP	Index of services	m/m 3m/3m	Jul		0.066 -0.08	0.077 -0.199	
8:00	GBP	Trade balance	GBP mio.	Jul		3100	5336	
9:00	ESP	HICP, final	m/mly/y	Aug		0.0% -0.6%	0.0% -0.6%	
10:00	EUR	ECB's Weidmann speaks in <PLACE>						
14:30	USD	CPI headline	m/mly/y	Aug		0.3% 1.2%	0.6% 1.0%	
14:30	USD	CPI core	m/mly/y	Aug		0.2% 1.6%	0.6% 1.6%	
20:00	USD	Budget statement	USD bn	Aug			-63.0	

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	2.3	2.2	1.2	2.4	1.8	0.5	0.8	2.2	3.7	3.8	33.2	7.8
	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	-0.1	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	5.0	2.5	4.0	1.2	2.0	7.6	-0.6	84.1	3.3
	2020	-8.4	-6.4	1.4	-6.5	-10.5	-9.4	0.3	0.4	8.1	-8.5	102.7	3.4
	2021	5.5	7.7	3.5	0.7	14.4	12.6	1.1	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	0.9	1.2	-1.0	7.5	2.4	1.0	1.0	6.7	-1.1	59.2	-0.5
	2020	-5.5	-6.0	4.0	-10.0	-13.0	-11.0	0.2	1.2	8.0	-9.4	71.5	-1.5
	2021	3.5	4.5	1.0	3.0	6.0	5.0	1.2	1.5	8.0	-3.8	72.5	-1.3

## 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	105.0	-2.5
	2020	-5.3	-5.6	2.7	-10.0	-8.0	-12.4	2.1	3.7	9.0	-17.9	127.0	-2.6
	2021	4.4	5.3	3.3	2.1	3.3	4.3	2.1	0.8	7.0	-9.8	134.0	-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	1.5	1.0	3.4	0.7	5.0	4.6	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	-4.0	-5.2	3.2	-6.4	-11.5	-10.3	0.1	-	4.0	-	-	-
	2021	2.6	3.3	4.9	-2.0	3.5	2.4	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	04-Sep	0.25	0.25	0.22	0.67	118.4	-	628.4	890.4	874.8
	+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	04-Sep	-0.50	-0.48	-0.47	-0.20	-	118.4	744.1	1054.3	1035.9
	+3m	-0.50	-0.48	-0.40	-0.15	-	123.0	744.8	1030.0	1030.0
	+6m	-0.50	-0.48	-0.35	-0.10	-	123.0	745.0	1010.0	1010.0
	+12m	-0.50	-0.48	-0.30	0.10	-	118.0	745.5	1010.0	1010.0
JPY	04-Sep	-0.10	-0.06	-0.04	0.05	120.5	106.2	6.17	8.75	8.60
	+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	04-Sep	0.10	0.06	0.10	0.41	89.1	132.9	834.8	1183.0	1162.3
	+3m	0.10	0.07	0.15	0.50	88.0	139.8	846.3	1170.5	1170.5
	+6m	0.10	0.07	0.20	0.60	86.0	143.0	866.3	1174.4	1174.4
	+12m	0.10	0.07	0.25	0.75	86.0	137.2	866.9	1174.4	1174.4
CHF	04-Sep	-0.75	-0.72	-0.67	-0.32	107.8	91.0	690.3	978.2	961.1
	+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	04-Sep	-0.60	-0.23	-0.19	0.01	744.1	628.4	-	141.7	139.2
	+3m	-0.60	-0.24	-0.15	0.05	744.8	605.5	-	138.3	138.3
	+6m	-0.60	-0.25	-0.10	0.10	745.0	605.7	-	135.6	135.6
	+12m	-0.60	-0.26	-0.10	0.30	745.5	631.8	-	135.5	135.5
SEK	04-Sep	0.00	-0.02	-0.05	0.31	1035.9	874.8	71.8	101.8	100.0
	+3m	0.00	0.00	0.00	0.35	1030.0	837.4	72.3	100.0	-
	+6m	0.00	0.10	0.05	0.35	1010.0	821.1	73.8	100.0	-
	+12m	0.00	0.05	0.10	0.45	1010.0	855.9	73.8	100.0	-
NOK	04-Sep	0.00	0.25	0.44	0.93	1054.3	890.4	70.6	100.0	98.3
	+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	0.28	0.90	1.55	1010.0	855.9	73.8	-	100.0

Commodities												
		2020				2021				Average		
	04-Sep	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2020	2021	
ICE Brent	44	35	35	40	40	45	45	50	60	38	50	

Source Danske Bank

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