

# Weekly Focus

## Crucial EU council meeting in the coming week

This week we published a number of flagship publications. First, we examine the economic outlook in the *The Big Picture – Darkest before dawn*, 1 December. In our view, the continued high levels of COVID-19 cases means restrictions are likely to remain through to early spring. Following the strong recovery we saw in Q3, we believe the global economy is likely to see a soft patch in Q4 20 and Q1 21 due to new restrictions and delays in new fiscal stimulus in the US. However, as a vaccine is for distribution widely in H1 21, we see brightening prospects for the global economy taking hold in Q2 and strengthening further in Q3 as pent-up demand is released. Overall, we look for a smaller effect of fiscal and monetary stimulus in 2021 than in 2020. The balance of risks to our global scenario has shifted to the upside due to the positive vaccine outlook, at the same time reducing negative tail-risks for the global economy. We also published *FX Top Trades 2021 – Our guide on how to position for the year ahead*, 3 December, and *Danske Bank EUR and Scandi Fixed Income Top Trades 2021*, 4 December.

Next week is set to see strong focus on the EU Council meeting on Thursday and Friday, where highest on the agenda are Hungary and Poland's threat of a veto of Next Generation EU and Brexit negotiations. Regarding the NGEU, this week EU diplomats said the rift with Hungary and Poland on the NGEU budget and the rule of law is getting worse. Our baseline remains that they will find a solution (60%), as there are strong interests on both sides (countries need money and stability, not political chaos and market turbulence), however, we also acknowledge a risk of a delay to a solution. The adverse scenario of no solution has the potential to trigger a significant political crisis in the EU (see *FX Strategy – EUR/USD, EU budget and recovery fund: standstill for now*, 27 November).

On Thursday, the ECB is widely expected to announce a recalibration of its monetary policy instruments and the uncertainty is what tools it will use. Recent comments have focused on more Pandemic Emergency Purchase Programme (PEPP) and targeted longer term refinancing operations (TLTROs) as the main tools but we expect the ECB to tweak its more technical parameters, such as tiering and collateral rules, as well. We do not expect a material immediate market reaction to the recalibration (see more in *ECB Preview – Recalibrating, not easing*, 3 December).

Finally, Brexit is entering a 'tunnel', where it seems to us to be increasingly plausible that a deal is imminent. The media stories on Brexit focus mostly on the negotiations being in their final stage. We still believe a deal is more likely than not and that the days ahead of the EU summit on Thursday are extremely important for where things are heading.

Finally, OPEC+ agreed yesterday to raise oil production by 500,000bpd in January, which is about a quarter of the initially planned 1.9m bpd hike. In addition, OPEC+ plans to hold monthly consultations next year to discuss further adjustments. The response in oil prices was relatively muted, as the market was expecting OPEC+ to hold back on the initial planned production increase.

### Key market movers

- Monday: German industrial production
- Tuesday: German Zew
- Thursday: ECB meeting
- Thursday/Friday: EU council meeting

### Selected reading from Danske Bank

- *The Big Picture – Darkest before dawn*, 1 December
- *Climate and Financial Markets – What we will look out for in 2021*, 30 November
- *FX Top Trades 2021 – Our guide on how to position for the year ahead*, 3 December
- *EUR and Scandi Fixed Income Top Trades 2021*, 4 December

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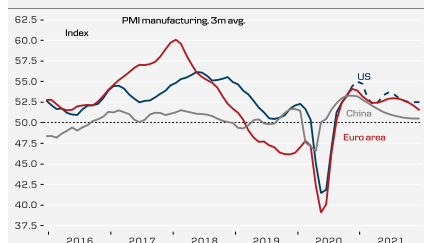


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Video  
Danske Bank research playlist

### PMI manufacturing into 2021



Source: Markit, Macrobond Financial, Danske Bank

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## Market Movers Scandinavia

- In **Denmark**, figures for industrial production in October are due on Monday. Recent months have seen broad-based growth in industry, taking production almost back to pre-coronavirus levels. A supporting factor has been global industry generally shifting up a gear, which has been of particular benefit to the more cyclical segments of the sector. While new coronavirus restrictions have been introduced both in Denmark and globally, these are having less impact on industry than those in the spring, so even if growth slows in the coming months, we should not see a setback like the one earlier in the year.

Export figures for October are expected on Wednesday and developments in industrial production will presumably be clearly reflected here. As indicated by our export barometer (*Eksportbarometer: Ny Covid-tilgang holder eksportmarkederne i gang*, 6 November), conditions generally improved for Danish exports in October and hopefully this will also be reflected in the figures for the month.

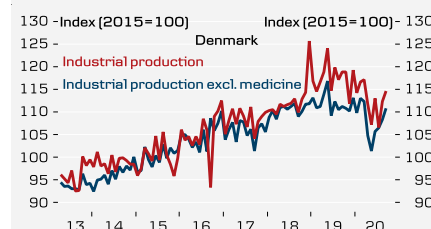
We expect Danish CPI inflation to decrease to 0.2% in November, from 0.4% in October. Declining gasoline prices drag down and we expect tobacco prices to increase only slowly from here, as cigarettes have less than 5% to go before full impact from the April tax increase and the turnover of other tobacco seems to make price increases here very slow. Hotel prices were 15% down y/y in October and we expect them to keep weighing down as long as travel restrictions are in place globally.

- Most importantly, the **Swedish Riksbank** releases monetary policy minutes. Two board members dissented to the decision to extend and expand the QE programme by SEK200bn; one was against it (Flodén) and the other (Bremán) objected to the size. We are sceptical about the idea to already now increase the programme in H2 next year but the expansion in Q1 was reasonable in our view given the Riksbank's concerns about the macro outlook. Obviously, the Riksbank's monetary policy stimulus is close to maximum as it is hard to envisage that QE could depress rate levels much further and as the Riksbank is unwilling to cut rates back below zero, as this is connected with growing cost for banks. We will look for how the members perceive the room for additional stimulus going forward.

Secondly, November inflation is out and we expect CPIF at 0.0 % y/y and CPIF excl. Energy at 1.0 % y/y, both -0.1 p.p. below the Riksbank's forecasts. Energy is a neutral factor this month. Airline tickets and charter packages give a negative contribution as usual in November, which is partially balanced by higher prices mainly on clothing, food and furniture. Given the backdrop with an appreciating SEK, the risk is tilted to the downside. Prospera is due to release its 'big' quarterly Q4 inflation survey too. Focus is on CPIF 5y expectations, which printed 1.7 % in Q3. Since then, inflation has slowed and, hence, expectations may have dropped further.

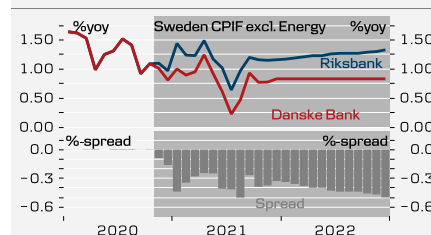
Thirdly, the production value index (PVI), the activity and consumption indicators for October are in the spotlight. These will be important signs of how the economy started Q4. We expect them to vindicate positive indications from other data such as hours worked and business turnover.

### Can industry continue to pick up?



Source: Statistics Denmark, Macrobond Financial

### Swedish inflation will be low for longer



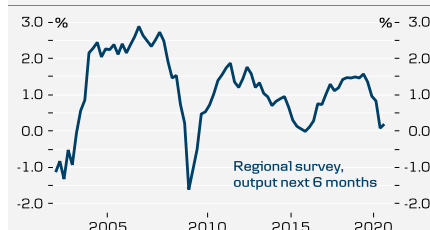
Source: SCB, Riksbank, Danske Bank

- In **Norway**, the most important release ought to be Norges Bank's regional network survey. Rising infections, tighter restrictions and weaker growth have probably pushed up uncertainty in the short term, but the positive news on vaccines may have helped reduce the risk of a deeper and/or more protracted downturn. Expectations ought to be stronger than in the previous survey in September in the oil service industry, the export industry, domestically oriented manufacturing and the retail trade, largely unchanged in construction and commercial services, and much more negative in household services. All in all, there is reason to expect a substantial increase in the aggregated output index for the next six months. Given the major variations between sectors, we will also be keeping an eye on the indicators for capacity utilisation and labour supply constraints.

The GDP figures for October will probably be largely unaffected by the new coronavirus restrictions, which were mainly introduced at the end of the month and in early November. Although the numbers will therefore be slightly out of date, growth in October will still give us an idea of how sharp a slowdown we can expect in Q4. We predict that mainland GDP increased by 0.4% m/m in October, with this growth being relatively broad-based.

Inflation will probably be something of a sideshow once again in November. While the core rate has been somewhat lower than expected over the past couple of months, it is still well above the 2% target. The prospect of a stronger krone and slightly lower wage growth suggests that prices will slow during the course of 2021 and there is little reason for this to have an impact on monetary policy for as long as inflation expectations remain properly grounded. On the other hand, there is little reason to fear inflation falling too far, while capacity utilisation continues to rise.

#### Hopes of substantially better outlook



Source: Macrobond Financial, Danske Bank

# Scandi Update

## Denmark – Data points to broad progress

National Accounts figures for Q3 concurred with the GDP indicator to show record-high growth of 4.9%. Private consumption was responsible for much of the expansion, growing 4.2%, mainly due to the reopening of large parts of the economy, which has put the retail sector in particular back on track (see *Spending Monitor*, 2 December 2020). Exports also rose substantially, by 5.3%, which means goods exports are now just 3% shy of pre-coronavirus levels. However, overall exports remain 10% below pre-coronavirus levels, not least due to the dearth of tourists.

Unemployment fell by 3,600 in October, marking the fifth consecutive month with fewer jobless. The unemployment rate is now running at 4.6%, which is still some way above the 3.7% rate in February, but nevertheless very low given the depth of the crisis and compared to the situation internationally. That being said, the labour market has lost momentum of late, in part due to the new restrictions – most recently those applied to the capital region – and these will undoubtedly also put a damper on labour market developments in the coming months.

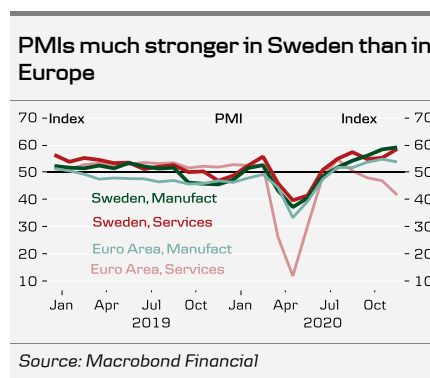
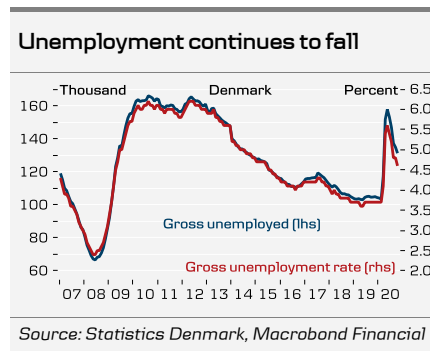
The housing market slowed a little in September, when house and apartment prices rose by 0.3% and 0.2%, respectively. Prices have shot up after the dip in the spring and now hover around record levels – 2.7% and 4.5% higher, respectively, than they did in February. The pace of growth has been remarkable considering the crisis and may well have helped to support consumers – though there is of course a risk of the housing market overheating, so perhaps it is alright that the pace of appreciation now appears to be slowing slightly.

The number of both bankruptcies and forced sales remained decidedly low in November. Bankruptcies rose marginally, by 2% (seasonally adjusted), relative to October, though at the same time the bankruptcies resulted in 15% fewer lost jobs. Forced sales hit their lowest level since 2007 if we ignore April this year, when the courts were closed. These are remarkably good numbers, but the coming months will continue to challenge a great many industries, so the low level of bankruptcies in particular should definitely not be taken for granted.

## Sweden – Strong PMIs

November PMIs were out this week and both the manufacturing and the services index surprised on the positive side. Services came out very strong at 58.6 (55.3 last month). The increase was driven by all sub-groups but the numbers should be interpreted with some caution as PMIs mainly measure business-related services rather than consumer-related (which are the worst hit). Also delivery times jumped a lot higher, which usually means higher demand, but it could be driven by supply disruptions. Worth to note, however, is that the rise in COVID-19 cases and increased restrictions so far do not seem to have affected the larger services companies.

Regarding the manufacturing industry, it is the same as elsewhere. Industry continues to be strong and does not seem to be affected of the second wave of COVID-19 cases. Order inflow is at the highest level since 2017, especially driven by export orders but domestic orders are also at a high level. This indicates that the manufacturing industry is set to stay healthy.

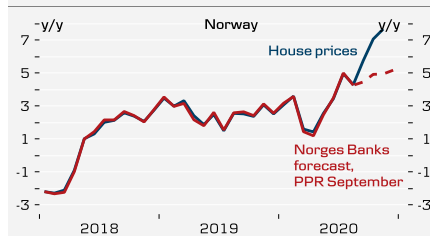


## Norway – Housing prices putting pressure on Norges Bank

Housing prices climbed 0.8% m/m in November, taking the annual rate up to 7.8%. Strong demand relative to the supply of housing has led to enthusiastic bidding pushing up prices in many parts of the country. Lower interest rates mean, of course, that bidders can afford more. Housing starts are still relatively modest, which suggests that the market will remain tight next year. The housing market is much tighter than Norges Bank anticipated in the September monetary policy report, which projected a rise of 4.9% y/y. The housing market is therefore putting mounting pressure on Norges Bank to start normalising interest rates earlier than signalled (Q3 22).



















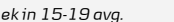
The latest weekly jobless data showed a decrease after three weeks of increases due to layoffs in parts of the service sector. Although it is too early to draw any firm conclusions, this would suggest that the wave of layoffs triggered by the new coronavirus restrictions in October/November has subsided and that unemployment will level off in December.

### Tight housing market pushing up prices



Source: Macrobond Financial, Norges Bank

# Activity tracker

Euro area	Last obs	Value	Last 4 months	1W chg.	1M chg.	Low
Bundesbank weekly activity index*	Week 48	1.09		-0.21	-1.18	-6.0
Germany, turnover textiles retail trade, weekly, % y/y	Week 48	-24.0%		4 p.p.	-4 p.p.	-44%
German truck toll mileage (1w m.a.), % y/y	18-Nov	2.3%		0.3 p.p.	0.8 p.p.	-16.2%
OpenTable restaurant bookings, Germany (1w m.a.)**	02-Dec	-97.4%		0.5 p.p.	-67.8 p.p.	-100%
USA						
NY Fed weekly economic index*	Week 48	-2.31		0.56	0.87	-11.5
Transaction card spending, (1w m.a.), % y/y	22-Nov	-6.6%		4.2 p.p.	2.9 p.p.	-40.6%
OpenTable restaurant bookings (1w m.a.)**	02-Dec	-59.9%		-6.5 p.p.	-14.4 p.p.	-100%
Google mobility trends retail & recreation (1w m.a.)**						
Germany	29-Nov	-29.9%		3.6 p.p.	-15.3 p.p.	-62.1%
France		-45.3%		9.1 p.p.	-24.9 p.p.	-88.0%
Italy		-42.1%		3.9 p.p.	-17.4 p.p.	-88.9%
Spain		-35.4%		4.6 p.p.	-2.6 p.p.	-91.7%
UK		-48.4%		1.6 p.p.	-21.1 p.p.	-77.6%
Japan		-6.9%		1.4 p.p.	-2.1 p.p.	-37.9%
United States		-25.1%		-5.4 p.p.	-8.4 p.p.	-46.1%
Electricity demand (1w m.a.)***						
Germany	02-Dec	-2.5%		-0.6 p.p.	-7 p.p.	-16.2%
France		-4.7%		-0.3 p.p.	0.6 p.p.	-23.1%
Italy		-3.3%		0.6 p.p.	-6 p.p.	-28.2%
Spain		-4.4%		1.8 p.p.	-4.9 p.p.	-24.2%
UK		-8.2%		0.8 p.p.	-3.3 p.p.	-22.1%
Japan		-5.3%		0.8 p.p.	3.3 p.p.	-18.3%
United States	03-Dec	-1.0%		1.3 p.p.	-2.3 p.p.	-12.5%
*NOWcast, Actual index value, **Relative to same day/week in 2019, *** Relative to same day/week in 15-19 avg.						

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

Normal
Nearing normal
Some improvements
Bad
Very bad

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 50

### During the week

				Period	Danske Bank	Consensus	Previous
Mon 07	CNY	Foreign exchange reserves	USD bn	Nov		3150.0	3128.0
Mon 07	CNY	Trade balance	USD bn	Nov		53.8	58.4

### Monday, December 7, 2020

				Period	Danske Bank	Consensus	Previous
-	CNY	Trade balance	USD bn	Nov		53.8	58.4
-	CNY	Foreign exchange reserves	USD bn	Nov		3150.0	3128.0
6:00	JPY	Leading economic index, preliminary	Index	Oct		93.3	92.5
8:00	DKK	Industrial production	m/m	Oct			2.0%
8:00	NOK	Manufacturing production	m/mly/y	Oct			-0.5% -3.4%
8:00	NOK	Industrial production	m/mly/y	Oct			-1.7% 6.3%
8:00	DEM	Industrial production	m/mly/y	Oct		1.3% -4.8%	1.6% -7.3%
9:00	CHF	SNB balance sheet, intervention	CHF bn	Nov			871.5
9:30	SEK	Budget balance	SEK bn	Nov			-36
9:30	SEK	Industrial orders	m/mly/y	Oct			0.3% -0.3%
9:30	SEK	Private Sector Production	m/mly/y	Oct			0.4% -3.7%
9:30	SEK	Riksbank publishes minutes					
9:30	SEK	Current account	SEK bn	3rd quarter			63.2
10:30	EUR	Sentix Investor Confidence	Index	Dec			-10.0
21:00	USD	Consumer credit	USD bn	Oct		18.0	16.2

### Tuesday, December 8, 2020

				Period	Danske Bank	Consensus	Previous
0:30	JPY	Labour cash earnings	y/y	Oct		-0.7%	-0.9%
0:50	JPY	GDP deflator, final	y/y	3rd quarter		1.1%	1.1%
0:50	JPY	GDP, final	q/q ann.	3rd quarter		5.0% 21.6%	5.0% 21.4%
6:00	SEK	Maklarstatistik Swedish housing price data					
7:45	CHF	Unemployment	%	Nov		3.4%	3.3%
10:00	NOK	Norges Bank Regional Network Report: Output next 6M	Index	Nov			0.2
11:00	DEM	ZEW current situation	Index	Dec		-67.5	-64.3
11:00	DEM	ZEW expectations	Index	Dec		40.5	39.0
11:00	EUR	GDP, final	q/qly/y	3rd quarter		12.6% -4.4%	12.6% -4.4%
11:00	EUR	Gross fixed investments	q/q	3rd quarter			-17.1%
11:00	EUR	Government consumption	q/q	3rd quarter			-2.5%
11:00	EUR	Private consumption	q/q	3rd quarter			-12.4%
11:00	EUR	Employment, final	q/qly/y	3rd quarter			0.9% -2.0%
12:00	USD	NFIB small business optimism	Index	Nov		102.5	104.0
14:30	USD	Unit labour cost, final	q/q	3rd quarter		-8.9%	-8.9%

### Wednesday, December 9, 2020

				Period	Danske Bank	Consensus	Previous
2:30	CNY	CPI	y/y	Nov		0.0%	0.5%
2:30	CNY	PPI	y/y	Nov		-1.8%	-2.1%
8:00	DKK	Current account (nsa sa)	DKK bn	Oct			... 13.0
8:00	DEM	Trade balance	EUR bn	Oct			20.6
8:00	DEM	Labour costs	q/qly/y	3rd quarter			1.9% 5.1%
8:00	SEK	Prospera inflation expectations					
8:00	DKK	Trade balance ex ships	DKK bn	Oct			7.2
8:00	DKK	Exports	m/m	Oct			
8:00	NOK	GDP (mainland)	m/m	Oct	0.4%	0.4%	0.6%
9:30	SEK	Service production	m/mly/y	Oct			0.4% 5.3%
10:00	SEK	Monthly Swedish Activity indicator		Oct			
16:00	CAD	Bank of Canada rate decision	%		0.3%	0.3%	0.3%
16:30	USD	DOE U.S. crude oil inventories	K				-679

Source: Danske Bank

# Calendar

Thursday, December 10, 2020					Period	Danske Bank	Consensus	Previous
-	CNY	Money supply M2	y/y	Nov			10.5%	10.5%
1:01	GBP	RICS house price balance	Index	Nov			0.6	0.7
8:00	GBP	Monthly GDP estimate	m/m q/q	Oct			0.004 0.099	0.011 0.08
8:00	GBP	Index of services	m/m 3m/3m	Oct			0.3% 9.8%	1% 14.2%
8:00	NOK	CPI	m/m y/y	Nov			... 1.7%	0.3% 1.7%
8:00	NOK	PPI	m/m y/y	Nov				4.1% -6.0%
8:00	DKK	CPI	m/m y/y	Nov		.. 0.2%		0.2% 0.4%
8:00	NOK	Core inflation (CPI-ATE)	m/m y/y	Nov		... 3.2%	... 3.3%	0.1% 3.4%
8:45	FRF	Industrial production	m/m y/y	Oct			0.4% -5.5%	1.4% -6.0%
9:30	SEK	CPI	m/m y/y	Nov			... 0.2%	-0.1% 0.3%
9:30	SEK	Underlying inflation CPIF	m/m y/y	Nov			0.0% 0.1%	0.0% 0.3%
9:30	SEK	Household consumption	m/m y/y	Oct				0.6% -3.8%
13:45	EUR	ECB's Lagarde speaks at press conference						
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	Initial jobless claims	1000					712
14:30	USD	CPI headline	m/m y/y	Nov			0.1% 1.1%	0.0% 1.2%
14:30	USD	CPI core	m/m y/y	Nov			0.2% 1.5%	0.0% 1.6%
20:00	USD	Budget statement	USD bn	Nov				-284.1
Friday, December 11, 2020					Period	Danske Bank	Consensus	Previous
-	EUR	Fitch may publish Spain's debt rating						
-	EUR	Fitch may publish Spain's debt rating						
8:00	GBP	BoE Financial Stability Report						
8:00	DEM	HICP, final	m/m y/y	Nov				-1.0% -0.7%
9:00	ESP	HICP, final	m/m y/y	Nov				0.1% -0.9%
14:30	USD	PPI	m/m y/y	Nov			0.1% 0.6%	0.3% 0.5%
14:30	USD	PPI core	m/m y/y	Nov			0.2% 1.5%	0.1% 1.1%
16:00	USD	University of Michigan Confidence, preliminary	Index	Dec			76.3	76.9
18:40	USD	Fed's Quarles (voter, neutral) speaks						

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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	2.5	3.7	3.8	33.3	8.9
	2020	-3.5	-1.8	-0.6	-1.7	-12.4	-10.2	0.4	2.0	4.8	-3.4	43.2	7.5
	2021	3.0	4.6	2.9	0.4	4.6	4.6	0.8	1.8	4.2	-2.2	41.2	7.5
Sweden	2019	1.3	1.2	0.4	-1.2	4.2	1.8	1.8	2.6	6.8	0.5	35.7	1.1
	2020	-3.3	-5.1	-0.3	-3.7	-6.1	-7.1	0.4	2.0	8.7	-5.8	40.0	4.9
	2021	3.8	4.2	2.8	2.5	6.2	4.6	0.8	2.0	9.0	-1.0	39.0	4.6
Norway	2019	2.3	1.4	1.9	4.8	0.5	4.7	2.2	3.5	2.3	-	-	-
	2020	-3.5	-7.1	1.7	-5.0	-4.0	-10.5	1.5	2.0	5.0	-	-	-
	2021	3.9	6.7	2.0	-0.8	4.5	3.8	2.8	2.3	3.3	-	-	-

## 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	1.4	1.8	5.7	2.5	3.9	1.2	2.0	7.6	-0.6	85.9	3.1
	2020	-7.0	-8.8	-0.8	-13.7	-9.1	-10.5	0.2	-1.0	7.9	-8.8	101.7	2.6
	2021	4.9	4.5	3.2	-1.2	13.1	10.6	1.0	1.0	8.9	-6.2	102.1	2.6
Germany	2019	0.6	1.6	2.7	2.6	1.0	2.6	1.4	3.2	3.1	1.5	59.6	7.1
	2020	-5.4	-6.0	4.3	-4.8	-10.1	-8.9	0.4	-0.1	4.2	-6.0	71.2	5.7
	2021	3.9	3.3	2.4	1.4	12.4	10.9	1.4	1.5	4.2	-4.0	70.0	7.0
Finland	2019	1.1	0.8	1.1	-1.0	7.7	3.3	1.0	2.1	6.7	-1.0	59.3	-0.2
	2020	-4.5	-4.0	1.0	-5.0	-12.0	-9.0	0.3	1.9	8.2	-8.4	70.0	-0.9
	2021	2.5	3.5	1.5	2.0	5.0	5.0	1.0	2.5	8.2	-3.7	71.7	-0.6

## 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	-3.4	-3.8	1.0	-2.6	-13.7	-10.8	1.2	4.6	8.1	-16.0	126.0	-2.1
	2021	3.3	4.6	1.5	4.4	1.7	6.4	1.6	2.0	6.4	-12.2	132.0	-2.1
China	2019	6.2	7.4	-	5.0	-	-	2.5	10.2	-	-6.3	-	0.5
	2020	1.7	1.5	-	3.0	-	-	3.0	7.5	-	-11.9	-	0.6
	2021	9.2	9.0	-	10.0	-	-	2.0	7.0	-	-11.8	-	0.4
UK	2019	1.3	0.8	4.1	1.5	2.8	3.3	1.8	3.5	3.8	-2.3	85.4	-3.5
	2020	-11.1	-14.4	-9.9	-12.8	-12.5	-21.1	0.9	2.0	4.4	-19.0	109.1	-2.0
	2021	5.2	4.2	4.0	6.2	6.4	6.1	1.6	1.2	4.9	-7.7	109.3	-3.8
Japan	2019	0.7	0.1	1.9	1.3	-1.6	-0.6	0.6	-	2.4	-	-	-
	2020	-5.6	-7.0	1.9	-5.7	-12.8	-7.5	-0.2	-	2.8	-	-	-
	2021	2.7	2.4	1.8	-1.0	9.1	1.5	0.3	-	2.7	-	-	-

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-Dec	0.25	0.23	0.24	0.93	121.7	-	611.4	875.5	843.3
	+3m	0.25	0.23	0.30	1.10	120.0	-	620.4	883.3	858.3
	+6m	0.25	0.23	0.30	1.15	119.0	-	625.8	882.4	848.7
	+12m	0.25	0.23	0.35	1.35	116.0	-	642.7	896.6	870.7
EUR	04-Dec	-0.50	-0.53	-0.53	-0.24	-	121.7	744.3	1065.7	1026.5
	+3m	-0.50	-0.52	-0.45	-0.10	-	120.0	744.5	1060.0	1030.0
	+6m	-0.50	-0.52	-0.45	-0.10	-	119.0	744.8	1050.0	1010.0
	+12m	-0.50	-0.52	-0.35	0.10	-	116.0	745.5	1040.0	1010.0
JPY	04-Dec	-0.10	-0.12	-0.05	0.05	120.5	104.0	6.18	8.84	8.52
	+3m	-0.10	-	-	-	124.8	104.0	5.97	8.49	8.25
	+6m	-0.10	-	-	-	122.6	103.0	6.08	8.57	8.24
	+12m	-0.10	-	-	-	119.5	103.0	6.24	8.70	8.45
GBP	04-Dec	0.10	0.04	0.09	0.51	90.4	134.7	823.5	1179.1	1135.7
	+3m	0.10	0.07	0.10	0.65	86.0	139.5	865.7	1232.6	1197.7
	+6m	0.10	0.07	0.15	0.75	86.0	138.4	866.0	1220.9	1174.4
	+12m	0.10	0.07	0.20	0.85	86.0	134.9	866.9	1209.3	1174.4
CHF	04-Dec	-0.75	-0.78	-0.71	-0.28	108.4	89.1	686.4	982.8	946.6
	+3m	-0.75	-	-	-	109.0	90.8	683.0	972.5	945.0
	+6m	-0.75	-	-	-	110.0	92.4	677.0	954.5	918.2
	+12m	-0.75	-	-	-	110.0	94.8	677.7	945.5	918.2
DKK	04-Dec	-0.60	-0.22	-0.20	-0.01	744.31	611.44	-	143.18	137.91
	+3m	-0.60	-0.26	-0.18	0.10	744.50	620.42	-	142.38	138.35
	+6m	-0.60	-0.27	-0.20	0.10	744.75	625.84	-	140.99	135.62
	+12m	-0.60	-0.30	-0.10	0.30	745.50	642.67	-	139.50	135.48
SEK	04-Dec	0.00	-0.10	-0.03	0.38	1026.5	843.3	72.5	103.8	100.0
	+3m	0.00	-0.05	0.03	0.30	1030.0	858.3	72.3	102.9	-
	+6m	0.00	-0.05	0.10	0.40	1010.0	848.7	73.7	104.0	-
	+12m	0.00	-0.05	0.10	0.40	1010.0	870.7	73.8	103.0	-
NOK	04-Dec	0.00	0.35	0.49	1.15	1065.7	875.5	69.8	100.0	96.3
	+3m	0.00	0.39	0.65	1.40	1060.0	883.3	70.2	-	97.2
	+6m	0.00	0.30	0.80	1.50	1050.0	882.4	70.9	-	96.2
	+12m	0.00	0.45	1.05	1.75	1040.0	896.6	71.7	-	97.1

Commodities													
	04-Dec	2020				2021				Average			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2020	2021		
ICE Brent	49	35	35	40	40	45	45	50	60	38	50		

Source Danske Bank

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