

# Weekly Focus

## Central banks not (yet) too concerned about rise in yields

**The COVID-19 virus continues to pose significant problems for western countries amid new mutations.** Cases are rising in many European countries, notably Eastern Europe. Vaccines seems to be effective against the mutations however. On the vaccinations process, China this week said that it aims to have 40% of population vaccinated by end of July, while in the US Biden said that the US will have enough vaccine supply by the end of May to vaccinate all Americans. The European medical association will likely approve the Johnson and Johnson vaccine on Thursday.

**The Euro area continues to be a two-speed economy at the moment.** This week's PMIs revealed that the manufacturing sectors continues to do well while the service sector activity is undermined by restrictions (restaurants, hotels etc). Notably the German and Italian manufacturing sectors showed strong signs, while Ireland, Spain and France saw the sharpest contraction. In China, focus next week will be on the Chinese government's growth target and reform plans at the National People's Congress.

**The inflation print in the euro-area for February revealed no imminent surge in inflation pressures.** Headline inflation came in at 0.88%, virtually unchanged from January while core inflation fell back by 0.31pp to 1.10% due to base effects falling out. Headline inflation could be boosted in the coming months from higher oil prices as Saudi Arabia did not appear ready to boost production at this week's OPEC meeting.

**US yields are still on the rise, spilling over to European yields:** US 10 year Treasury yields jumped 7.5bp on Wednesday reaching 1.47%. Where inflation expectations by the end of last week took a hit due to higher real rates, real rates as well as inflation expectations both moved higher. On Thursday Federal Reserve Chair Jerome Powell said that the central bank is monitoring financial conditions, while adding that the economy is still a long way from achieving a full recovery from the Covid-19 pandemic and hence Fed tapering its support.

**Next week's ECB meeting will be very closely watched to see if the central bank is concerned the higher yields** are tightening financing conditions in the euro-area to an extent it needs to intervene. We lean towards ECB concluding a continuation to monitor and remain short of conclude an unwarranted tightening. This may come at a later stage if conditions worsen 'enough' (for more see our [preview](#))

**On the political front, tensions are emerging between EU and UK over the Brexit deal.** The two sides are arguing over whether the UK has breached the Northern Ireland protocol or not, as the UK unilaterally has decided not to check (in particular food) exports to Northern Ireland from Great Britain for another six months. We did not see a reaction to GBP but should keep in mind the free trade agreement has not been ratified by the European Parliament yet (although no one, at least at this point, believes that EP would dare to reject it). **An imminent tightening of fiscal policies in Europe is not on the cards as EU is set to extend budget rules suspension through 2022.** This week, the EU Commission says that it would be a mistake pulling back support too quickly and the best thing to do is to support the recovery by extending the suspension for another year.

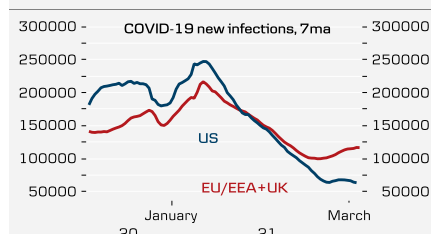
### Key market movers

- **Monday:** German industrial production
- **Wednesday:** US CPI inflation
- **Thursday:** ECB meeting, EU decision on Johnson&Johnson vaccine

### Selected reading from Danske Bank

- [COVID-19 Update: Don't forget about T-cells, 4 March](#)
- [Spending Monitor February spending down 13%, but reopening looks strong, 4 March](#)
- [Armchair Strategists: US real rates will go to zero, 1 March](#)

### Europe seeing an uptick again



Sources: WHO, Macrobond Financial

### Editor

**Chief Analyst**  
Jakob Ekholdt Christensen  
+45 45 12 85 30  
[jakc@danskebank.dk](mailto:jakc@danskebank.dk)

# Scandi market movers

- In **Denmark**, we are scheduled to receive the January figures for both industrial production on Monday morning and exports on Thursday. Industrial production reached pre-corona levels again in December, but the figures have been fluctuating a lot, mostly due to pharmaceutical production, so a dip could easily be on the cards again for January. Danish export markets performed well again in January, however, so the trend should continue to be up for both exports and industrial production. Goods exports still have a little catching up to do to achieve the levels of a year ago, while service exports will continue to underperform for as long as the tourism industry is shut down. In contrast, it's full steam ahead for the shipping industry at the moment, and that is helping service exports. Moreover, preliminary January figures for exports ex-EU indicate a modest increase compared to the same month last year.

Wednesday, we get Danish CPI inflation for February. We expect inflation to increase to 0.6% from 0.5% in January. With the February print comes the annual rent increase, which weighs 22% of the entire consumption basket. Thus, it is hugely important for the level of inflation through the entire year. Rent increases have stabilised at a low level in recent years, though, and this year we expect it to increase slightly from the 0.9% increase, we got last year. The big joker is clothing prices, which is completely off its usual seasonal patterns due to the lockdown. We expect a small increase in clothing prices from the modest January sale.

- A triplet of January data in **Sweden** will provide the most important impetus in terms of macro data in the coming week as PVI, household consumption and the activity indicator are all released. We have already got a first glimpse of the start of Q1 growth in terms of declining January hours worked.

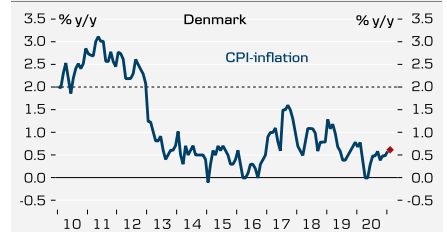
Retail sales rebounded sharply in January after a severe slump in December. This suggests that we should see a slight recovery in January consumption too. Furthermore, NIER data showed that the negative impact on consumer services appears to have bottomed in January, hence, probably not much of a drag from that part.

There are also favourable conditions to expect private sector production (PVI) to take another leg up in January. Even though Manufacturing PMI slowed slightly to 62.5 in January, that high level in itself suggests a further significant expansion of manufacturing activity. Turning to services PMI, which largely capture business-related services rather than consumer-related ones, shot higher in January printing a strong 59.6. These two figures taken together implies PVI should make a positive print.

Finally, as most pieces except hours are pointing higher (and all are part of the activity indicator) it is easily concluded that we should expect a positive outcome here too.

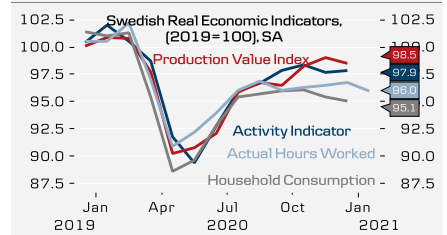
- In **Norway**, the coming week brings a variety of data that will determine how aggressive Norges Bank will be at its rate-setting meeting on 18 March. First up is the central bank's own regional network survey for Q1. Growth in the Norwegian economy was better than expected towards the end of last year, despite additional coronavirus restrictions hitting parts of the service sector. The reason seems to be strong growth in sectors not directly affected by lockdown measures, such as manufacturing, construction and, not least, business services. Together with positive vaccine news, we expect this to help push up the aggregated output index for the next six months to somewhere between 0.5 and 1.0, which would point to growth normalising. We would add, however, that interpreting the index has been harder during the pandemic as a result of the huge fluctuations in activity over the past year. Nor can we rule out the possibility of higher infections and new restrictions having put a damper on optimism.

## We expect slightly higher inflation in February



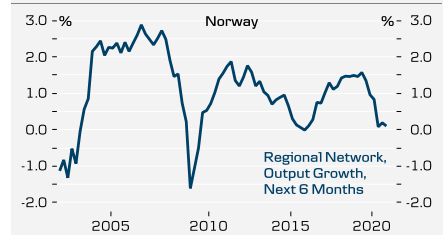
Source: Statistics Denmark, Macrobond Financial

## Sweden: we expect most indicators to show positive start to Q1



Source: SCB

## Will growth expectations surge?



Source: Macrobond, Danske Bank

We will also be keeping an eye on what firms have to say about capacity utilisation, as we believe this gives a good idea of the size of the output gap.

The week also brings inflation for February, which will be very interesting after the surprisingly high January numbers. We expect to see a similar pattern to last year, when unusually low seasonal sales in January led to a less pronounced correction in February. We therefore predict core inflation of 2.9% y/y, which would be very much in line with Norges Bank's projections in December and so have no impact on its rate-setting.

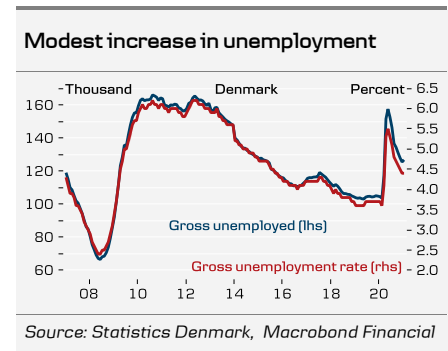
Finally, we have January GDP. We expect the closure of some services and retail in parts of the country to pull mainland output down by 0.5% m/m, but this will probably be overshadowed by the regional network data, which are released the same day.

# Scandi update

## Denmark – Modest increase in unemployment

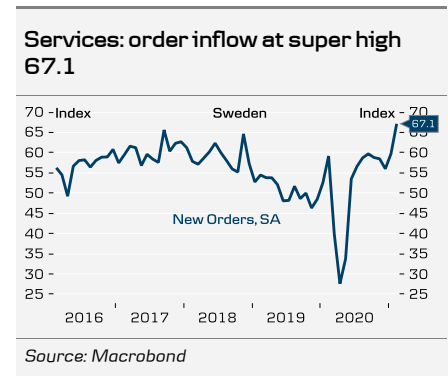
In Denmark, we received the January figures for unemployment. As indicated by the weekly figures from the Ministry of Employment, the number out of work rose. However, 1,300 new jobless claims (seasonally adjusted) seems an extraordinarily small price to pay, and so far the outlook is for no further deterioration in February. We expect unemployment to begin falling as the country reopens again.

There were 212 bankruptcies in February among companies with genuine activity, which was slightly down on January and similar to the years prior to the corona crisis. We continue to expect a wave of bankruptcies on the back of the crisis. Some could materialise in the coming months, but new loan options from the government may delay many until 2022.



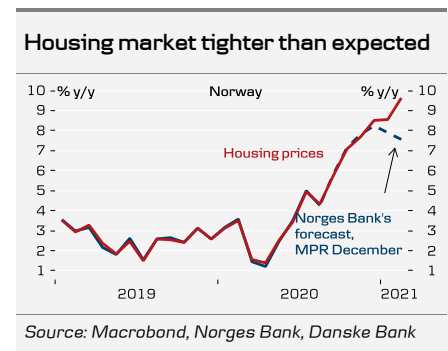
## Sweden – Mixed March PMI's

Some mixed PMI signals was out this week. Manufacturing has been relatively unaffected since the dip during spring. March print did continue at a high level (61.1) but the report is a bit weaker than the headline number suggest. Partly because of the component delivery times increased even more (from already a high level) which in normal times is positive sign since it indicates a strong demand, this time however, some supply chain problems is probably the explanation → rises the risk for lower growth in the coming months. But hopefully this is a short term problem. Regarding the services report, new orders took a large jump to 67.1 from 59.7 (highest level seen since 2010) which is probably explained by the fact that the industry is doing well which pulls up the services linked to this. Needless to say, 2nd or maybe even a 3rd Covid-19 waves have hit Sweden which also make the outlook more fragile.



## Norway – Higher housing prices step up pressure on Norges Bank

Housing prices climbed 1.3% m/m in February, taking the annual rate to 9.7%. The main reason, of course, is a very tight market, with the stock-to-sales ratio down at record-low levels. This is the third successive month of stronger housing price inflation than Norges Bank projected in the December monetary policy report, which means that housing prices will join factors such as growth and wages in prompting an upward revision of the policy rate path in the upcoming report on 18 March.



# Activity tracker

- The Google mobility trends retail & recreation has gained a lot over the past month in both the US and Europe with all countries except France increasing more than 9pp. The turnaround is explained by the partial reopening of retail stores over the past weeks in many European economies. We expect the trend to continue, although there may be a slight setback over the next weeks as many countries are seeing rising infection numbers again, which could put a dampener on the national reopening plans.
- US is full steam ahead with 10% of the US population fully vaccinated and over 20% having received the first dose. On the indicators this is reflected in restaurant bookings steadily rising, up 14.3 pp on the month and 6.9pp on the week. Note that card spending for the past 6 months has been revised upwards this past week, so we should be careful reading too much into the level shift compared to last week's publication.

## Activity tracker

Euro area	Last obs	Value	Last 4 months	1W chg.	1M chg.	Low
Bundesbank weekly activity index*	Week 9	-1.11		-0.45	-0.73	-6.1
Germany, turnover textiles retail trade, weekly, % y/y	Week 51	-54.0%		-42 p.p.	-26 p.p.	-54%
German truck toll mileage (1w m.a.), % y/y	24-Feb	4.8%		3.8 p.p.	4.6 p.p.	-16.2%
OpenTable restaurant bookings, Germany (1w m.a.)**	03-Mar	-99.5%		0 p.p.	0 p.p.	-100%
<b>USA</b>						
NY Fed weekly economic index*	Week 9	-2.28		0.37	-0.40	-11.5
Transaction card spending, (1w m.a.), % y/y	20-Feb	-8.0%		-9.4 p.p.	-5.4 p.p.	-40.6%
OpenTable restaurant bookings (1w m.a.)**	03-Mar	-38.0%		6.9 p.p.	14.3 p.p.	-100%
<b>Google mobility trends retail &amp; recreation (1w m.a.)**</b>						
Germany	28-Feb	-46.3%		4 p.p.	13.1 p.p.	-67.3%
France		-38.7%		2.1 p.p.	1.7 p.p.	-88.0%
Italy		-30.6%		0.6 p.p.	12.4 p.p.	-88.9%
Spain		-39.1%		4.6 p.p.	10.9 p.p.	-91.7%
UK		-53.7%		2.9 p.p.	9.1 p.p.	-77.6%
Japan		-13.0%		6.3 p.p.	11 p.p.	-37.9%
United States		-17.3%		10 p.p.	9.1 p.p.	-46.1%
<b>Electricity demand (1w m.a.)***</b>						
Germany	04-Mar	-8.0%		-1.4 p.p.	-6.6 p.p.	-16.2%
France		-11.2%		1.3 p.p.	-5.9 p.p.	-23.1%
Italy		-7.1%		-1.4 p.p.	-5 p.p.	-28.2%
Spain		-3.0%		-0.5 p.p.	4.3 p.p.	-24.2%
UK		-5.6%		2 p.p.	-3.6 p.p.	-22.1%
Japan		-8.1%		-9.3 p.p.	-11 p.p.	-18.3%
United States	04-Mar	-1.3%		-5.6 p.p.	-5.1 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

# Calendar

During the week				Period	Danske Bank	Consensus	Previous
Sun 07	CNY	Foreign exchange reserves	USD bn	Feb		3200.0	3210.7
Monday, March 8, 2021				Period		Consensus	Previous
6:00	JPY	Leading economic index, preliminary	Index	Jan		96.8	95.3
7:45	CHF	Unemployment	%	Feb		3.6%	3.5%
8:00	DKK	Industrial production	m/m	Jan			2.2%
8:00	NOK	Manufacturing production	m/mly/y	Jan			-0.2% -1.2%
8:00	NOK	Industrial production	m/mly/y	Jan			3.4% 2.7%
8:00	DEM	Industrial production	m/mly/y	Jan		-0.5% -4.4%	0.0% -1.0%
10:30	EUR	Sentix Investor Confidence	Index	Mar			-0.2
Tuesday, March 9, 2021				Period	Danske Bank	Consensus	Previous
-	CNY	Money supply M2	y/y	Feb		9.4%	9.4%
0:30	JPY	Labour cash earnings	y/y	Jan		-1.7%	-3.2%
0:50	JPY	GDP deflator, final	y/y	4th quarter		0.2%	0.2%
0:50	JPY	GDP, final	q/qlann.	4th quarter		3.0% 12.6%	3.0% 12.7%
8:00	DEM	Trade balance	EUR bn	Jan			15.2
8:00	NOK	GDP (mainland)	m/m	Jan	-0.5%	-0.5%	1.0%
9:30	SEK	Industrial orders	m/mly/y	Jan			2.2% 8.2%
9:30	SEK	Private Sector Production	m/mly/y	Jan			-0.5% -1.5%
9:30	SEK	Household consumption	m/mly/y	Jan			-0.4% -6.3%
10:00	NOK	Norges Bank Regional Network Report: Output next 6M	Index	Feb			0.1
11:00	EUR	GDP, final	q/qly/y	4th quarter		-0.6% -5.0%	-0.6% -5.0%
11:00	EUR	Gross fixed investments	q/q	4th quarter			13.6%
11:00	EUR	Government consumption	q/q	4th quarter			4.8%
11:00	EUR	Private consumption	q/q	4th quarter			13.9%
11:00	EUR	Employment, final	q/qly/y	4th quarter			0.3% -2.0%
12:00	USD	NFIB small business optimism	Index	Feb		96.0	95.0
Wednesday, March 10, 2021				Period	Danske Bank	Consensus	Previous
2:30	CNY	CPI	y/y	Feb		-0.3%	-0.3%
2:30	CNY	PPI	y/y	Feb		1.4%	0.3%
8:00	NOK	Core inflation (CPI-ATE)	m/mly/y	Feb		0.5% 2.8%	0.1% 2.7%
8:00	NOK	CPI	m/mly/y	Feb	0.6% 2.9%	... 2.9%	1.1% 2.5%
8:00	NOK	PPI	m/mly/y	Feb			5.3% 0.6%
8:00	DKK	CPI	m/mly/y	Feb			0.2% 0.6%
8:45	FRF	Industrial production	m/mly/y	Jan		0.5% -3.4%	-0.8% -3.0%
14:30	USD	CPI headline	m/mly/y	Feb		0.4% 1.7%	0.3% 1.4%
14:30	USD	CPI core	m/mly/y	Feb		0.2% 1.4%	0.0% 1.4%
16:00	CAD	Bank of Canada rate decision	%		0.3%	0.3%	0.3%
16:30	USD	DOE U.S. crude oil inventories	K				21563
20:00	USD	Budget statement	USD bn	Feb			-162.8
Thursday, March 11, 2021				Period	Danske Bank	Consensus	Previous
-	EUR	EMA is set to approve Johnson & Johnson vaccine					
1:01	GBP	RICS house price balance	Index	Feb			0.5
8:00	DKK	Current account (nsa sa)	DKK bn	Jan			... 12.7
8:00	DEM	Labour costs	q/qly/y	4th quarter			-1.7% 1.7%
8:00	DKK	Trade balance ex ships	DKK bn	Jan			7.6
8:00	DKK	Exports	m/m	Jan			
13:45	EUR	ECB announces refi rate	%		0.00%	0.00%	0.00%
13:45	EUR	ECB announces deposit rate	%		-0.50%	-0.50%	-0.50%
14:30	USD	Initial jobless claims	1000				745
14:30	EUR	ECB's Lagarde speaks at press conference					
Friday, March 12, 2021				Period	Danske Bank	Consensus	Previous
8:00	GBP	Monthly GDP estimate	m/m q/q	Jan		-0.047 -0.024	0.012 0.041
8:00	GBP	Index of services	m/m 3m/3m	Jan		-0.055 ...	1.7% 0.6%
8:00	DEM	HICP	m/mly/y	Feb			0.6% 1.6%
9:00	ESP	HICP	m/mly/y	Feb			-0.6% -0.1%
11:00	EUR	Industrial production	m/mly/y	Jan		-0.5% -2.7%	-1.6% -0.8%
14:30	USD	PPI	m/mly/y	Feb		0.4% 2.7%	1.3% 1.7%
14:30	USD	PPI core	m/mly/y	Feb		0.2% 2.6%	1.2% 2.0%
14:30	CAD	Net change in full time employment	1000	Feb			12.6
16:00	USD	University of Michigan Confidence, preliminary	Index	Mar		78.0	76.8

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	2020	-3.3	-3.0	-0.4	1.7	-8.5	-5.6	0.4	2.5	4.6	-2.6	42.5	7.4
	2021	2.3	3.0	1.6	3.1	3.6	4.7	0.8	2.0	4.7	-1.9	41.1	6.9
	2022	3.4	3.6	0.4	3.8	7.2	6.4	1.2	1.8	3.8	-1.2	40.7	7.7
Sweden	2020	-3.2	-4.7	-0.2	-1.4	-5.5	-6.8	0.5	2.0	8.3	-3.0	39.0	1.3
	2021	3.3	3.8	2.4	4.1	6.9	7.6	1.2	1.9	8.3	-2.8	40.0	5.1
	2022	2.6	3.0	1.5	2.7	3.9	3.9	0.8	1.9	7.3	-1.0	39.0	5.1
Norway	2020	-2.5	-7.6	1.7	-3.9	-0.9	-12.2	1.3	2.0	5.0	-	-	-
	2021	4.0	8.0	2.0	1.0	5.8	5.0	2.5	2.3	3.3	-	-	-
	2022	3.3	5.5	2.0	2.0	4.5	6.0	2.1	2.9	2.6	-	-	-

### 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	2020	-6.8	-8.8	-0.8	-13.7	-9.1	-10.5	0.3	-1.0	7.9	-8.8	101.7	2.6
	2021	4.9	4.5	3.2	-1.2	13.1	10.6	1.1	1.0	8.9	-6.2	102.1	2.6
	2022	3.4	5.3	1.8	2.1	3.5	4.3	1.1	1.0	8.6	-4.4	102.3	2.8
Germany	2020	-5.3	-6.3	3.3	-3.9	-10.2	-9.0	0.4	-0.1	4.2	-6.0	71.2	6.0
	2021	4.0	3.2	4.1	2.8	13.8	10.9	1.2	-0.1	4.2	-4.0	70.1	6.3
	2022	2.2	3.3	1.4	2.1	3.3	4.3	1.3	-0.1	3.7	-2.5	69.0	6.1
Finland	2020	-3.3	-4.0	0.0	-2.5	-10.0	-8.0	0.3	1.9	7.8	-8.0	68.6	-0.6
	2021	2.2	3.5	1.5	2.0	5.0	5.0	1.0	2.5	8.0	-4.1	71.0	-0.6
	2022	2.8	2.7	1.0	3.0	6.0	5.0	1.5	2.5	7.2	-2.4	70.8	-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	2020	-3.5	-3.9	1.1	-1.8	-13.0	-9.3	1.2	4.6	8.1	-16.0	126.4	-2.1
	2021	3.3	4.6	1.4	4.6	1.7	6.6	1.6	2.0	6.5	-12.2	132.3	-2.1
	2022	3.8	4.3	2.1	4.3	2.0	3.8	1.6	2.3	5.3	-7.2	131.9	-2.1
China	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
	2022	5.5	7.0	-	4.0	-	-	2.5	7.0	-	10.9	-	0.4
UK	2020	-9.9	-14.4	-9.9	-8.7	-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
	2022	6.9	8.3	2.1	11.9	5.9	8.2	1.9	1.6	4.6	-4.5	108.3	-3.6
Japan	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	-	-	-
	2022	2.5	2.7	-1.1	3.7	5.3	3.0	0.6	-	2.5	-	-	-

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	05-Mar	0.25	0.19	0.24	1.62	119.3	-	623.5	858.6	854.3
	+3m	0.25	0.20	0.25	1.25	122.0	-	609.8	827.9	819.7
	+6m	0.25	0.20	0.30	1.45	119.0	-	625.6	857.1	857.1
	+12m	0.25	0.20	0.40	1.75	116.0	-	641.8	887.9	887.9
EUR	05-Mar	-0.50	-0.54	-0.48	0.02	-	119.3	743.6	1024.0	1018.8
	+3m	-0.50	-0.55	-0.50	-0.05	-	122.0	744.0	1010.0	1000.0
	+6m	-0.50	-0.55	-0.50	0.00	-	119.0	744.5	1020.0	1020.0
	+12m	-0.50	-0.55	-0.40	0.15	-	116.0	744.5	1030.0	1030.0
JPY	05-Mar	-0.10	-0.08	-0.04	0.13	120.5	108.5	6.17	8.50	8.45
	+3m	-0.10	-	-	-	124.4	102.0	5.98	8.12	8.04
	+6m	-0.10	-	-	-	120.2	101.0	6.19	8.49	8.49
	+12m	-0.10	-	-	-	117.2	101.0	6.35	8.79	8.79
GBP	05-Mar	0.10	0.07	0.26	0.97	86.5	137.9	860.0	1184.2	1178.3
	+3m	0.10	0.07	0.20	0.75	86.0	141.9	865.1	1174.4	1162.8
	+6m	0.10	0.07	0.25	0.85	85.0	140.0	875.9	1200.0	1200.0
	+12m	0.10	0.07	0.40	1.00	85.0	136.5	875.9	1211.8	1211.8
CHF	05-Mar	-0.75	-0.75	-0.64	0.02	110.8	92.9	671.1	924.1	919.5
	+3m	-0.75	-	-	-	108.0	88.5	688.9	935.2	925.9
	+6m	-0.75	-	-	-	110.0	92.4	676.8	927.3	927.3
	+12m	-0.75	-	-	-	110.0	94.8	676.8	936.4	936.4
DKK	05-Mar	-0.60	-0.21	-0.13	0.29	743.62	623.49	-	137.70	137.01
	+3m	-0.60	-0.26	-0.15	0.20	744.00	609.84	-	135.75	134.41
	+6m	-0.60	-0.27	-0.15	0.25	744.50	625.63	-	137.00	137.00
	+12m	-0.60	-0.30	-0.10	0.35	744.50	641.81	-	138.35	138.35
SEK	05-Mar	0.00	-0.02	0.04	0.82	1018.8	854.3	73.0	100.5	100.0
	+3m	0.00	-0.05	-0.05	0.53	1000.0	819.7	74.4	101.0	-
	+6m	0.00	-0.05	-0.05	0.60	1020.0	857.1	73.0	100.0	-
	+12m	0.00	-0.05	-0.05	0.70	1030.0	887.9	72.3	100.0	-
NOK	05-Mar	0.00	0.46	0.86	1.85	1024.0	858.6	72.6	100.0	99.5
	+3m	0.00	0.42	0.85	1.70	1010.0	827.9	73.7	-	99.0
	+6m	0.00	0.61	0.90	1.75	1020.0	857.1	73.0	-	100.0
	+12m	0.25	0.80	1.00	2.00	1030.0	887.9	72.3	-	100.0

Commodities												
		2021				2022				Average		
	05-Mar	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2021	2022	
ICE Brent	68	55	55	60	60	65	65	65	65	58	65	

Source Danske Bank



## Disclosures

This research report has been prepared by Danske Bank A/S ('Danske Bank'). The author of this research report is Jakob Ekholdt Christensen, Chief Analyst

### Analyst certification

Each research analyst responsible for the content of this research report certifies that the views expressed in the research report accurately reflect the research analyst's personal view about the financial instruments and issuers covered by the research report. Each responsible research analyst further certifies that no part of the compensation of the research analyst was, is or will be, directly or indirectly, related to the specific recommendations expressed in the research report.

### Regulation

Danske Bank is authorised and subject to regulation by the Danish Financial Supervisory Authority and is subject to the rules and regulation of the relevant regulators in all other jurisdictions where it conducts business. Danske Bank is subject to limited regulation by the Financial Conduct Authority and the Prudential Regulation Authority (UK). Details on the extent of the regulation by the Financial Conduct Authority and the Prudential Regulation Authority are available from Danske Bank on request.

Danske Bank's research reports are prepared in accordance with the recommendations of the Danish Securities Dealers Association.

### Conflicts of interest

Danske Bank has established procedures to prevent conflicts of interest and to ensure the provision of high-quality research based on research objectivity and independence. These procedures are documented in Danske Bank's research policies. Employees within Danske Bank's Research Departments have been instructed that any request that might impair the objectivity and independence of research shall be referred to Research Management and the Compliance Department. Danske Bank's Research Departments are organised independently from and do not report to other business areas within Danske Bank.

Research analysts are remunerated in part based on the overall profitability of Danske Bank, which includes investment banking revenues, but do not receive bonuses or other remuneration linked to specific corporate finance or debt capital transactions.

Danske Bank is a market maker and liquidity provider and may hold positions in the financial instruments mentioned in this research report.

Danske Bank, its affiliates and subsidiaries are engaged in commercial banking, securities underwriting, dealing, trading, brokerage, investment management, investment banking, custody and other financial services activities, may be a lender to the companies mentioned in this publication and have whatever rights are available to a creditor under applicable law and the applicable loan and credit agreements. At any time, Danske Bank, its affiliates and subsidiaries may have credit or other information regarding the companies mentioned in this publication that is not available to or may not be used by the personnel responsible for the preparation of this report, which might affect the analysis and opinions expressed in this research report.

### Financial models and/or methodology used in this research report

Calculations and presentations in this research report are based on standard econometric tools and methodology as well as publicly available statistics for each individual fixed income asset.

We base our conclusion on an estimation of the financial risk profile of the financial asset. By combining these risk profiles with market technical and financial asset-specific issues such as rating, supply and demand factors, macro factors, regulation, curve structure, etc., we arrive at an overall view and risk profile for the specific financial asset. We compare the financial asset to those of peers with similar risk profiles and on this background, we estimate whether the specific financial asset is attractively priced in the specific market. We express these views through buy and sell recommendations. These signal our opinion about the financial asset's performance potential in the coming three to six months.

More information about the valuation and/or methodology and the underlying assumptions is accessible via <https://danskeci.com/ci/research/research-disclaimer>. Select *Fixed Income Research Methodology*.

### Risk warning

Major risks connected with recommendations or opinions in this research report, including a sensitivity analysis of relevant assumptions, are stated throughout the text.

### Completion and first dissemination

The completion date and time in this research report mean the date and time when the author hands over the final version of the research report to Danske Bank's editing function for legal review and editing.

The date and time of first dissemination mean the date and estimated time of the first dissemination of this research report. The estimated time may deviate up to 15 minutes from the effective dissemination time due to technical limitations.

See the final page of this research report for the date and time of completion and first dissemination.

### Validity time period

This communication as well as the communications in the list referred to below are valid until the earlier of (a) dissemination of a superseding communication by the author, or (b) significant changes in circumstances following its dissemination, including events relating to the market or the issuer, which can influence the price of the issuer or financial instrument.

### Investment recommendations disseminated in the preceding 12-month period

A list of previous investment recommendations disseminated by the lead analyst(s) of this research report in the preceding 12-month period can be found at <https://danskeci.com/ci/research/research-disclaimer>. Select *Fixed Income Trade Recommendation History*

Other previous investment recommendations disseminated by Danske Bank are also available in the database.

See <https://danskeci.com/ci/research/research-disclaimer> for further disclosures and information.

This research has been prepared by Danske Bank A/S. It is provided for informational purposes only and should not be considered investment, legal or tax advice. It does not constitute or form part of, and shall under no circumstances be considered as, an offer to sell or a solicitation of an offer to purchase or sell any relevant financial instruments (i.e. financial instruments mentioned herein or other financial instruments of any issuer mentioned herein and/or options, warrants, rights or other interests with respect to any such financial instruments) ('Relevant Financial Instruments').

This research report has been prepared independently and solely on the basis of publicly available information that Danske Bank A/S considers to be reliable but Danske Bank A/S has not independently verified the contents hereof. While reasonable care has been taken to ensure that its contents are not untrue or misleading, no representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or reasonableness of the information, opinions and projections contained in this research report and Danske Bank A/S, its affiliates and subsidiaries accept no liability whatsoever for any direct or consequential loss, including without limitation any loss of profits, arising from reliance on this research report.

The opinions expressed herein are the opinions of the research analysts and reflect their opinion as of the date hereof. These opinions are subject to change and Danske Bank A/S does not undertake to notify any recipient of this research report of any such change nor of any other changes related to the information provided in this research report.

This research report is not intended for, and may not be redistributed to, retail customers in the United Kingdom (see separate disclaimer below) and retail customers in the European Economic Area as defined by Directive 2014/65/EU.

This research report is protected by copyright and is intended solely for the designated addressee. It may not be reproduced or distributed, in whole or in part, by any recipient for any purpose without Danske Bank A/S's prior written consent.

## Disclaimer related to distribution in the United States

This research report was created by Danske Bank A/S and is distributed in the United States by Danske Markets Inc., a U.S. registered broker-dealer and subsidiary of Danske Bank A/S, pursuant to SEC Rule 15a-6 and related interpretations issued by the U.S. Securities and Exchange Commission. The research report is intended for distribution in the United States solely to 'U.S. institutional investors' as defined in SEC Rule 15a-6. Danske Markets Inc. accepts responsibility for this research report in connection with distribution in the United States solely to 'U.S. institutional investors'.

Danske Bank A/S is not subject to U.S. rules with regard to the preparation of research reports and the independence of research analysts. In addition, the research analysts of Danske Bank A/S who have prepared this research report are not registered or qualified as research analysts with the New York Stock Exchange or Financial Industry Regulatory Authority but satisfy the applicable requirements of a non-U.S. jurisdiction.

Any U.S. investor recipient of this research report who wishes to purchase or sell any Relevant Financial Instrument may do so only by contacting Danske Markets Inc. directly and should be aware that investing in non-U.S. financial instruments may entail certain risks. Financial instruments of non-U.S. issuers may not be registered with the U.S. Securities and Exchange Commission and may not be subject to the reporting and auditing standards of the U.S. Securities and Exchange Commission.

## Disclaimer related to distribution in the United Kingdom

In the United Kingdom, this document is for distribution only to (I) persons who have professional experience in matters relating to investments falling within article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the 'Order'); (II) high net worth entities falling within article 49(2)(a) to (d) of the Order; or (III) persons who are an elective professional client or a per se professional client under Chapter 3 of the FCA Conduct of Business Sourcebook (all such persons together being referred to as 'Relevant Persons'). In the United Kingdom, this document is directed only at Relevant Persons, and other persons should not act or rely on this document or any of its contents.

## Disclaimer related to distribution in the European Economic Area

This document is being distributed to and is directed only at persons in member states of the European Economic Area ('EEA') who are 'Qualified Investors' within the meaning of Article 2(c) of the Prospectus Regulation (Regulation (EU) 2017/1129) ('Qualified Investors'). Any person in the EEA who receives this document will be deemed to have represented and agreed that it is a Qualified Investor. Any such recipient will also be deemed to have represented and agreed that it has not received this document on behalf of persons in the EEA other than Qualified Investors or persons in the UK and member states (where equivalent legislation exists) for whom the investor has authority to make decisions on a wholly discretionary basis. Danske Bank A/S will rely on the truth and accuracy of the foregoing representations and agreements. Any person in the EEA who is not a Qualified Investor should not act or rely on this document or any of its contents.

**Report completed:** 5 March 2021, 13:30 CET

**Report first disseminated:** 5 March 2021, 13:45 CET