

Weekly Focus

Will markets keep their nerve amid rising US-China tension?

While COVID-19 cases have been slowing down in the US as of late, **infections have started to rise again in a number of European countries** with the advent of the summer travelling season (see *COVID-19 Update – Europe is postponing further reopening*, 6 August). For the most part, it is still too early to call these second waves as seen in the US in July. However, **the latest high frequency data readings suggest the positive development in activity seems to have plateaued amid new virus fears** (see *High Frequency Activity Tracker – Activity has plateaued amid new virus concerns*, 5 August). So far, much of Europe still seems to be ahead of the US in the normalisation process (see *Euro Area Macro Monitor – Change of fortunes*, 5 August), with *retail sales* surprising on the upside at 1.3% y/y in June and *German capital goods orders* staging a decent rebound. US data on the other hand remain more mixed. While non-manufacturing ISM also surprised on the upside with a reading of 58.1 in July, the clouds in the US labour market seem to be gathering, with *ADP private sector employment* up a mere 167,000 in July, well below the 1.2m new jobs expected. The latter is especially worrying, as some 29m Americans are still claiming *unemployment benefit* and progress on the extension of higher unemployment benefit remains slow. At a press conference, President Donald Trump reiterated that he was considering executive action on jobless aid, a suspension of payroll tax and a partial moratorium on evictions, if no deal was reached.

The rift between the US and China on the technology front has also become wider, with the US seeking to ban Chinese video-sharing service TikTok unless it sells its US operations to an American company and US Secretary of State Mike Pompeo urged American companies such as Google and Apple to remove Chinese applications from its app stores. In our view, it is increasingly likely that the two countries are heading for a new cold war (see *Research China: At the foothills of a new cold war – and what it implies*, 31 July). A meeting planned for 15 August on the phase 1 deal could also produce more adverse headlines, as we expect China to have a hard time living up to the conditions of the deal in the current circumstances.

Risk sentiment remained broadly immune to these risks, with a better-than-expected Q2 earnings season and EUR/USD again edging closer to the 1.20 level, on the back of broad USD weakening, boosting equity markets. *Brent oil* broke above USD46/bbl, the highest level since March, on the back of a lower USD and Middle East supply concerns. *Industrial metals* have recovered to pre-corona levels in a sign that global manufacturing is recovering, while gold broke above USD2,000/oz. The spread between Italy and Germany's government bond yields is again close to pre-corona levels following the deal on the EU recovery fund and ongoing ECB purchases. US 10Y treasury yields fell to 0.504%, the lowest level ever, as market expectations of the Fed keeping rates low 'for ever' and rapidly falling rates volatility added to treasury demand. As expected, the Bank of England did not increase its asset purchases and seems to have concluded that negative rates are not the solution to the UK's COVID-19 woes.

In light of the aforementioned headwinds, it will be interesting to see whether markets keep their nerve next week. In particular, **news on a new US stimulus bill will be key for risk sentiment**. Triggers on the macro data front are scarcer, with July CPI data released in a range of Scandinavian countries, while US July retail sales are likely to confirm a setback in the private consumption rebound. More interesting could be how consumer sentiment has developed in August, as US infections seem to have peaked.

Key market movers

- **Monday:** CPI Norway and Denmark
- **Tuesday:** German ZEW, UK Q2 GDP
- **Wednesday:** CPI Sweden
- **Friday:** US retail sales, consumer confidence

Selected reading from Danske Bank

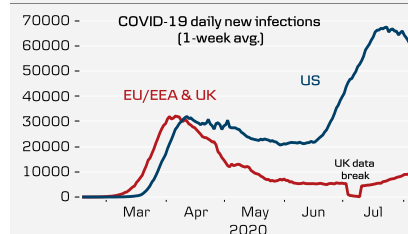
- *High Frequency Activity Tracker – Activity has plateaued amid new virus concerns*, 5 August
- *FX Strategy – Fed 'as long as it takes' pledge puts EUR/USD at 1.20 risk*, 30 July
- *Euro Area Macro Monitor – Change of fortunes*, 5 August

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US is peaking while number of new cases in Europe is increasing



Source: ECDC, Macrobond Financial

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Market Movers Scandinavia

- A number of important key figures are due in **Denmark** next week. Monday should bring foreign trade figures for June along with consumer price data for July. Following sharp declines in March and April, exports righted a little in May, rising 3.3%. Our export indicator suggested a further stabilisation in export conditions in June, which points to a further increase in exports being on the cards. Nevertheless, exports in May were still 10% down on the figures from the start of the year and June was likely still below trend. That being said, the composition of Danish exports has made them rather robust and the decline has been rather limited given the seriousness of the global situation.

We expect Danish CPI inflation to plunge to 0.0% in July, from 0.3% in June. The primary driver is the government’s summer package, which we expect will cut inflation by close to 0.25 percentage point primarily due to half price on cultural experiences such as museums and theatres with a sitting audience, etc. Public transportation also contributes. In addition we expect the summer sale on clothing to deduct more than 0.1 percentage point after surprisingly high prices in June and book prices to decline further from record highs.

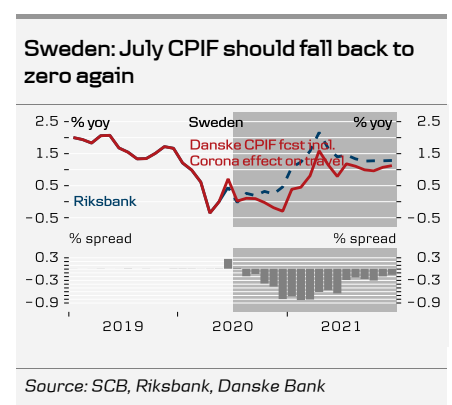
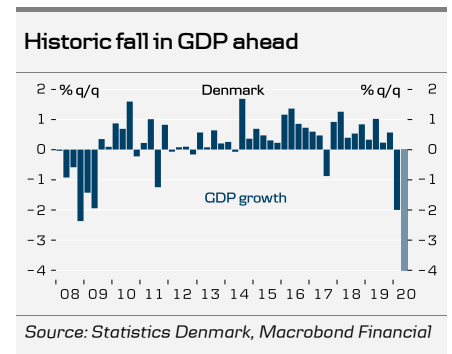
Pulling in the other direction, we have higher energy prices with an increase in the PSO tariff on electricity and more expensive gasoline. We also expect higher cigarette prices, which have only reacted slowly so far after the April tax increase.

With the June figures domestic flight prices were once again collected and spiked 36%. Usually there is not much correlation with international flight prices, which are collected again in July, but of course this adds increased uncertainty.

Statistics Denmark’s GDP indicator is due on Friday. We expect that Denmark’s economy came through Q2 in considerably better shape than much of the rest of Europe. Industrial production ‘only’ fell 5.1%, which is markedly less than either Germany or Sweden, for example. Consumption was very depressed in April, but has largely recovered again. Calculating government production, where many employees have been sent home, is particularly fraught with uncertainty. Production is initially calculated using the input method, which means that everyone sent home and paid is still counted as if they have been at work. According to Eurostat, an attempt should be made to correct for those who could not work from home, for example employees at child day-care and after-school facilities. This adds a degree of uncertainty to the government production figure. We expect GDP fell by 4% in Q2, but as we have outlined, our forecast is tinged with much greater uncertainty than normal.

- This week’s main event in **Sweden** will be July inflation and the Prospera August money market inflation expectations. In addition, the June consumption indicator should provide signs about how the consumption pattern has been dented by the coronavirus in Q2.

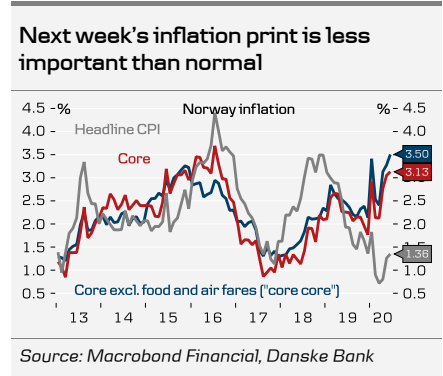
Returning to July inflation, we expect a significant deviation from the usual seasonal pattern. For instance, we bet on bigger clothing sales in July than what we have seen past years as there were none in June, which is typically the case. A second factor is a huge drop in electricity prices, which will pull CPI and CPIF down by 0.2 percentage points by itself. If the forecast is correct core CPIF excl. Energy will dip down 0.3 percentage points to 1.0%, a 10th below the Riksbank’s forecast. CPIF will drop back an even bigger 0.7 percentage points to 0.0% y/y, in line with the Riksbank’s forecast.



It remains to be seen how money market inflation expectations have reacted to the rise in CPIF over the past two months. Expectations have stabilised and turned slightly higher on all horizons and we could see another increase. However, with a surging krona and a deteriorating outlook for wage growth, such increases should prove to be temporary.

- In **Norway**, the main release of the week is the monthly inflation print. That said, the release will be less important than usual as Norges Bank's focus has shifted towards capacity utilisation. Over the past months core inflation has moved higher – well above the 2% inflation target - as the weakening of the currency has lifted imported inflation. Meanwhile, unless we see a new (and unexpected) round of NOK weakness core inflation should move gradually lower over the coming year. Norges Bank has a flexible inflation mandate and will disregard temporarily higher core inflation as long as it does not result in cost-push inflation spirals. Hence at this stage it is much more important for policy setting how unemployment and capacity utilisation develop. That said, we expect core inflation to stay unchanged at 3.1% y/y.

Also quarterly consumer confidence data are due for release. Given how more frequent indicators have rebounded, we expect a sharp rebound as Norwegian households have turned more upbeat on the future amid the ongoing recovery.



Scandi Update

Denmark – July stable, but uncertainty remains

Many people have been enjoying their summer holidays over the past month and the Danish economy, too, has been in a laidback mood and relatively stable with no real news, which in times like these is good news. The stabilisation of the domestic economy has largely been driven by the number and scale of coronavirus outbreaks being very limited throughout the period. As measured by our spending monitor, Danish payment card sales in July hovered around the same level of consumption as last year, though consumption as a whole was probably a little lower, as cash spending likely fell.

The latest housing market figures showed further growth in both house and apartment prices, which in May lay close to pre-coronavirus crisis levels. The number of property viewings has also been high across all property types over the summer. Interest in vacation homes has been particularly pronounced, most likely due to many Danes being forced to take ‘staycations’ this year.

Unemployment has remained stable – even in the latest end-of-month figures, where one could easily have feared more redundancies coming into effect, yet just a net 223 people were added to the dole queues. Nevertheless, considerable uncertainty still shrouds the labour market, with 54,556 on wage compensation schemes as of mid-July that are set to expire at the end of August. Many of these workers risk losing their jobs at this point.

Corporate bankruptcies remain modest so far, as was underlined by Thursday’s bankruptcy figures for July, which came in at a seasonally corrected 179 active companies, marginally up on June’s figure of 178. By comparison, the monthly average in 2019 was 214 active companies. Such a low number of companies going under is very positive. However, risk factors ahead include postponed tax payments that will fall due in the coming months and delayed effects from abroad, though the situation here seems to have generally improved.

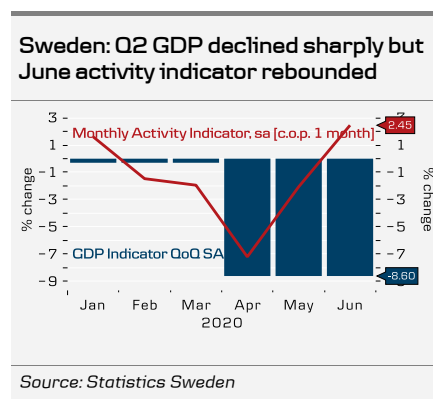
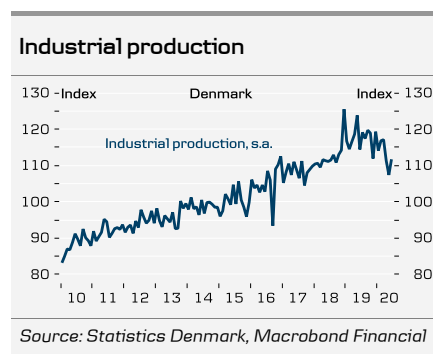
Finally, we received June’s industrial production figures on Friday, which after falling in both April and May rose by 4.0%. Danish industry has proved rather robust compared to many other countries, in part because it has not been closed down and also because the mix of industries is less sensitive to business conditions than in Germany or Sweden, for example.

Sweden – several signs of a rebound emerging

The Swedish economy contracted more than we had expected in Q2 judging by the GDP indicator (a preliminary estimate of the regular figure released later). It fell by 8.6% q/q s.a. (see chart), while we expected -7.1 %. That said, this is somewhat of a sunk cost and it is more interesting to try to gauge the speed of recovery.

Indeed, the June private sector production value index (PVI) rose by 0.7% m/m s.a. and even more importantly, the June activity indicator (a monthly GDP tracker) rose by 2.4% m/m sa (see chart). Both these prints suggest that the economy rebounded by the end of Q2. This trend is further corroborated by July manufacturing (51.0) and services (54.8) PMI rising above the 50 threshold level.

In principle, the economy is set for a recovery in H2. COVID-19 developments in Sweden and elsewhere and government action in terms of retaining measures to support businesses or even new stimulus will decide the pace of the recovery.

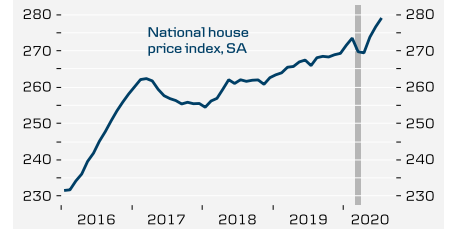


Norway – housing market now 2% above pre COVID-19 peak

The highlight of this week has been Real Estate Norway's house price release, which showed the third consecutive week of healthy house price gains. Specifically, the national house price rise in July was 0.9% m/m s.a. sending the housing market 2% above the pre COVID-19 peak. Activity data, lending surveys and anecdotal evidence suggest the housing market will remain hot and that further rises are in store. Given Norges Bank's focus at preventing financial imbalances building up over time, we think the housing market increasingly marks a topside risk to policy rates.

The week also brought PMIs and industrial production data. The former once again suffered from poor respondent rates in July and hence we think the print should be ignored. Industrial production showed a 0.4% m/m rise in June. Things are looking slightly better but we are still far below pre COVID-19 levels. Relative to February levels total manufacturing production is still 7% down, non-oil manufacturing is 4% lower, while oil-related manufacturing is down 14%. Hence, the manufacturing sector is a clear drag on growth in Q2 but will be countered by very large goods demand from the expenditure side of the national accounts.

Housing market back above COVID-19 peak



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 31	-0.06		0.91	3.78	-6.9
Germany, turnover textiles retail trade, weekly, % y/y	Week 31	-14.0%		-12 p.p.	-3 p.p.	-44%
German truck toll mileage (1w m.a.), % y/y	30-Jul	0.5%		0 p.p.	4.2 p.p.	-16.2%
OpenTable restaurant bookings, Germany (1w m.a.)**	05-Aug	15.6%		-2.8 p.p.	20.6 p.p.	-100%
USA						
NY Fed weekly economic index*	Week 31	-6.20		0.81	0.99	-11.5
Transaction card spending, (1w m.a.), % y/y	31-Jul	-11.1%		6.8 p.p.	6.7 p.p.	-40.6%
OpenTable restaurant bookings (1w m.a.)**	05-Aug	-58.1%		1.8 p.p.	3.3 p.p.	-100%
Google mobility trends retail & recreation (1w m.a.)**						
Germany	02-Aug	-3.4%		1.3 p.p.	4.7 p.p.	-62.1%
France		-7.3%		-0.3 p.p.	4.4 p.p.	-88.0%
Italy		-6.6%		1.1 p.p.	6.4 p.p.	-88.9%
Spain		-18.0%		1.1 p.p.	0.7 p.p.	-91.7%
UK		-28.0%		3 p.p.	21.7 p.p.	-77.6%
Japan		-12.9%		-5.4 p.p.	-2 p.p.	-37.9%
United States		-14.4%		0.9 p.p.	-3 p.p.	-46.1%
Electricity demand (1w m.a.)***						
Germany	06-Aug	-7.6%		1.5 p.p.	0.4 p.p.	-16.2%
France		-2.9%		-1.3 p.p.	2.2 p.p.	-23.1%
Italy		-2.6%		0.6 p.p.	5 p.p.	-28.2%
Spain		-2.8%		-4 p.p.	-0.1 p.p.	-24.2%
UK		-10.6%		2.2 p.p.	8.2 p.p.	-22.1%
Japan	05-Aug	-7.0%		0.9 p.p.	0 p.p.	-18.3%
United States		-1.7%		-1.9 p.p.	-3.7 p.p.	-10.5%

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 33

During the week

				Period	Danske Bank	Consensus	Previous
Mon 10	CNY	Money supply M2	y/y	Jul		11.1%	11.1%

Monday, August 10, 2020

				Period	Danske Bank	Consensus	Previous
3:30	CNY	PPI	y/y	Jul		-2.5%	-3.0%
3:30	CNY	CPI	y/y	Jul		2.6%	2.5%
7:45	CHF	Unemployment	%	Jul		3.4%	3.3%
8:00	DKK	Trade balance ex ships	DKK bn	Jun			9.2
8:00	DKK	Exports	m/m	Jun			920.0%
8:00	NOK	CPI	m/m y/y	Jul			0.2% 1.4%
8:00	NOK	PPI	m/m y/y	Jul			-1.3% -14.4%
8:00	DKK	Current account (nsa sa)	DKK bn	Jun			.. 13.3
8:00	DKK	CPI	m/m y/y	Jul	.. 0.0%		0.1% 0.3%
8:00	NOK	Core inflation (CPI-ATE)	m/m y/y	Jul			0.4% 3.1%
9:30	SEK	Household consumption	m/m y/y	Jun			1.2% -9.7%
10:30	EUR	Sentix Investor Confidence	Index	Aug		-16.8	-18.2

Tuesday, August 11, 2020

				Period	Danske Bank	Consensus	Previous
6:00	SEK	Maklarstatistik Swedish housing price data					
8:00	GBP	Unemployment rate (3M)	%	Jun		4.1%	3.9%
8:00	GBP	Average weekly earnings ex bonuses (3M)	y/y	Jun		-0.1%	0.7%
11:00	DEM	ZEW current situation	Index	Aug		-69.5	-80.9
11:00	DEM	ZEW expectations	Index	Aug		52.0	59.3
12:00	USD	NFIB small business optimism	Index	Jul		98.5	100.6
14:30	USD	PPI	m/m y/y	Jul		0.3% -0.7%	-0.2% -0.8%
14:30	USD	PPI core	m/m y/y	Jul		0.1% 0.1%	-0.3% 0.1%
18:00	USD	Fed's Daly (non-voter, neutral) speaks					

Wednesday, August 12, 2020

				Period	Danske Bank	Consensus	Previous
4:00	NZD	Reserve Bank of New Zealand (cash rate decision)	%			0.3%	0.3%
8:00	GBP	GDP, preliminary	q/q y/y	2nd quarter		-21.2% -22.5%	-2.2% -1.7%
8:00	GBP	Monthly GDP estimate	m/m q/q	Jun		0.08 ..	0.018 ..
8:00	GBP	Index of services	m/m 3m/3m	Jun		7.7 -20.1	0.9 -18.9
8:00	GBP	Trade balance	GBP mio.	Jun		2700	4296
9:30	SEK	Underlying inflation CPIF	m/m y/y	Jul		-0.1% 0.2%	0.6% 0.7%
9:30	SEK	Current account	SEK bn	2nd quarter			80.6
9:30	SEK	CPI	m/m y/y	Jul	-0.3% 0.0%		0.6% 0.7%
10:00	ITL	HICP, final	m/m y/y	Jul		.. 0.9%	.. 0.9%
11:00	EUR	Industrial production	m/m y/y	Jun		10.5% -10.7%	12.4% -20.9%
14:30	USD	CPI headline	m/m y/y	Jul		0.3% 0.7%	0.6% 0.6%
14:30	USD	CPI core	m/m y/y	Jul		0.2% 1.1%	0.2% 1.2%
16:00	USD	Fed's Rosengren (non-voter, hawk) speaks					
16:30	USD	DOE U.S. crude oil inventories	K				-7373
17:00	USD	Fed's Kaplan (voter, neutral) speaks					
20:00	USD	Budget statement	USD bn	Jul			-864.1
21:00	USD	Fed's Daly (non-voter, neutral) speaks					

Source: Danske Bank

Calendar

Thursday, August 13, 2020

				Period	Danske Bank	Consensus	Previous
1:01	GBP	RICS house price balance	Index	Jul		-0.1	-0.2
3:30	AUD	Employment change	1000	Jul		30	210.8
7:30	FRF	ILO unemployment	%	2nd quarter			7.8%
8:00	SEK	Prospera inflation expectations					
8:00	DEM	HICP, final	m/m y/y	Jul		-0.5% 0.0%	-0.5% 0.0%
8:30	NOK	Consumer confidence	Net. bal.	3rd quarter			-7.6
9:00	ESP	HICP, final	m/m y/y	Jul			-1.6% -0.7%
9:15	SEK	NIER economic forecasts					
14:30	USD	Initial jobless claims	1000				1186
14:30	USD	Import prices	m/m y/y	Jul		0.5% ...	1.4% -3.8%

Friday, August 14, 2020

				Period	Danske Bank	Consensus	Previous
-	EUR	Moody's may publish Ireland's debt rating					
4:00	CNY	Industrial production	y/y	Jul		5.1%	4.8%
4:00	CNY	Retail sales	y/y	Jul		0.1%	-1.8%
4:00	CNY	Fixed assets investments	y/y	Jul		-1.6%	-3.1%
8:00	DKK	GDP indicator	q/q	2nd quarter	-4.0%		-1.9%
8:45	FRF	HICP, final	m/m y/y	Jul			0.4% 0.9%
10:30	EUR	Portugal, GDP, preliminary	q/q y/y	2nd quarter			-14.1% -16.5%
11:00	EUR	Trade balance	EUR bn	Jun			8
11:00	EUR	GDP, preliminary	q/q y/y	2nd quarter		-12.1% -15.0%	-12.1% -15.0%
11:00	EUR	Employment, preliminary	q/q y/y	2nd quarter			-0.2% 0.4%
14:30	USD	Unit labour cost, preliminary	q/q	2nd quarter		5.5%	5.1%
14:30	USD	Retail sales control group	m/m	Jul		0.8%	5.6%
15:15	USD	Capacity utilization	%	Jul		70.3%	68.6%
15:15	USD	Industrial production	m/m	Jul		2.7%	5.4%
15:15	USD	Manufacturing production	m/m	Jul		3.0%	7.2%
16:00	USD	University of Michigan Confidence, preliminary	Index	Aug		71.0	72.5

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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 ³	Public budget ⁴	Public debt ⁴	Current acc. ⁴
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	0.5	2.0	5.4	-6.9	44.1	6.6
	2021	2.5	3.5	0.5	-0.7	4.1	2.8	1.2	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 ¹	Private cons. ¹	Public cons. ¹	Fixed inv. ¹	Ex-ports ¹	Im-ports ¹	Infla-tion ¹	Wage growth ¹	Unem-ploym ³	Public budget ⁴	Public debt ⁴	Current acc. ⁴
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	1.7	2.7	2.6	1.0	2.5	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 ¹	Private cons. ¹	Public cons. ¹	Fixed inv. ¹	Ex-ports ¹	Im-ports ¹	Infla-tion ¹	Wage growth ¹	Unem-ploym ³	Public budget ⁴	Public debt ⁴	Current acc. ⁴
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	07-Aug	0.25	0.24	0.20	0.53	118.5	-	628.8	899.1	870.1
	+3m	0.25	0.30	0.25	0.60	116.0	-	642.7	896.6	879.3
	+6m	0.25	0.25	0.25	0.80	112.0	-	665.6	928.6	928.6
	+12m	0.25	0.25	0.30	1.10	112.0	-	665.6	919.6	928.6
EUR	07-Aug	-0.50	-0.47	-0.43	-0.24	-	118.5	745.1	1065.2	1031.0
	+3m	-0.50	-0.38	-0.30	-0.05	-	116.0	745.5	1040.0	1020.0
	+6m	-0.50	-0.38	-0.30	0.05	-	112.0	745.5	1040.0	1040.0
	+12m	-0.50	-0.38	-0.25	0.20	-	112.0	745.5	1030.0	1040.0
JPY	07-Aug	-0.10	-0.05	-0.04	0.02	120.5	105.6	6.18	8.84	8.56
	+3m	-0.10	-	-	-	126.4	109.0	5.90	8.23	8.07
	+6m	-0.10	-	-	-	125.4	112.0	5.94	8.29	8.29
	+12m	-0.10	-	-	-	125.4	112.0	5.94	8.21	8.29
GBP	07-Aug	0.10	0.07	0.11	0.30	90.3	131.2	825.1	1179.6	1141.7
	+3m	0.10	0.14	0.30	0.50	90.0	128.9	828.3	1155.6	1133.3
	+6m	0.10	0.14	0.35	0.50	86.0	130.2	866.9	1209.3	1209.3
	+12m	0.10	0.14	0.40	0.55	86.0	130.2	866.9	1197.7	1209.3
CHF	07-Aug	-0.75	-0.70	-0.65	-0.33	107.9	91.1	690.6	987.3	955.6
	+3m	-0.75	-	-	-	108.0	93.1	690.3	963.0	944.4
	+6m	-0.75	-	-	-	109.0	97.3	683.9	954.1	954.1
	+12m	-0.75	-	-	-	110.0	98.2	677.7	936.4	945.5
DKK	07-Aug	-0.60	-0.20	-0.15	-0.02	745.1	628.8	-	143.0	138.4
	+3m	-0.60	-0.18	-0.10	0.15	745.5	642.7	-	139.5	136.8
	+6m	-0.60	-0.21	-0.10	0.25	745.5	665.6	-	139.5	139.5
	+12m	-0.60	-0.22	-0.05	0.45	745.5	665.6	-	138.2	139.5
SEK	07-Aug	0.00	0.02	0.00	0.28	1031.0	870.1	72.3	103.3	100.0
	+3m	0.00	0.10	0.05	0.45	1020.0	879.3	73.1	102.0	-
	+6m	0.00	0.10	0.05	0.50	1040.0	928.6	71.7	100.0	-
	+12m	0.00	0.10	0.10	0.65	1040.0	928.6	71.7	99.0	-
NOK	07-Aug	0.00	0.28	0.42	0.82	1065.2	899.1	69.9	100.0	96.8
	+3m	0.00	0.30	0.65	1.10	1040.0	896.6	71.7	-	98.1
	+6m	0.00	0.30	0.70	1.30	1040.0	928.6	71.7	-	100.0
	+12m	0.00	0.30	0.90	1.50	1030.0	919.6	72.4	-	101.0

Commodities												
	07-Aug	2020				2021				Average		
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2020	2021	
ICE Brent	45	35	35	40	40	45	45	50	60	38	50	

Source Danske Bank

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