9 October 2020

Weekly Focus

Prospect of further US fiscal stimulus drives markets

The status of President Donald Trump's health has been anything but clear since he tested positive with COVID-19 on Friday last week. It has been important for markets, though, and his discharge from hospital on Monday boosted global equities. His positive test caused an immediate plunge in his chances of winning the upcoming presidential election, according to prediction polls, which has put pressure on him to get back in the race.

The prospect of further US stimulus has been a key market driver since then. First, risk sentiment soured, after President Trump ended stimulus talks only hours after Fed Chairman Jerome Powell renewed his warning that the economy will stumble without additional fiscal support. Then global equities rebounded as Trump urged Congress to pass piecemeal aid packages for targeted industries, small businesses and consumers. The FOMC Minutes also made it clear that the Fed really wants Congress to do its fair share of supporting the economy, as the Fed (without stating it) fears it is running out of ammunition. The rebound in equities was further supported by new polls that show Joe Biden has a firm lead against Trump ahead of the November elections. Investors expect a Biden win to make the passage of a new stimulus bill more likely.

On the COVID-19 front, the number of new cases is increasing in Europe but in some of the hard-hit countries the increases are more 'linear' than 'exponential', suggesting the reproduction number (the so-called R) is declining, although still above 1. Most European countries have imposed 'local lockdown light' in the worst hit regions.

In Europe, service PMIs showed a mixed picture in September and there are clear links between the domestic virus situation and service activity. Italy and Germany sustained a positive momentum, while Spain and France saw headwinds (see also *Euro Area Monitor – Autumn blues*, 5 October).

The German manufacturing sector gave mixed signals this week. Factory orders continued its uptrend, down only 2.2% y/y in August, while industrial production declined slightly. The strong Chinese rebound has been the wind behind the German comeback, as China is seeing a solid rebound in its economy, with the coronavirus almost absent domestically (see more in our *China Macro Monitor – A bright spot in the global economy*, 5 October). This bodes well for a continued German recovery in the autumn. Next week, the German ZEW figures will mark the first glimpse of October data and how much the second waves of the virus have hit sentiment.

While the Nordic countries have been less hurt economically than many other countries, there are renewed headwinds. Localised restrictions on the back of increasing infections are likely to dampen the recovery and we are concerned that exporters might not yet have seen the full effect of the substantial fall in income elsewhere. We published our view on the Nordic economies this week in *Nordic Outlook – October 2020*, 6 October. In Denmark, we see signs that spending has been lifted by the payout of holiday back-pay, which was initiated late last week. This should boost the economic recovery at a critical stage when spending is struggling with restrictions in the wake of spiking COVID-19 infections (see more in *Spending Monitor,* 6 October).

Key market movers

- Tuesday: German ZEW, UK jobs report, IMF World Economic Outlook

- Thursday: EU summit

- Friday: Final September euro area HICP inflation, US retail sales, EU summit

Selected reading from Danske Bank

- *Nordic Outlook – October 2020*, 6 October

- *Euro Area Macro Monitor*, 5 October

- *China Macro Monitor – A bright spot in the global economy*, 5 October

- *Green Bond Research Overview of green sovereign bonds in Europe*, 5 October

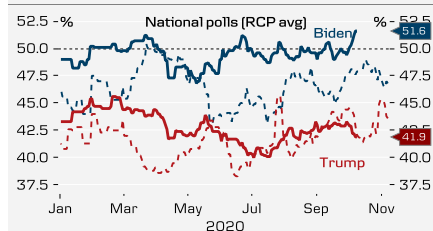- *COVID-19 Update*, 8 October

Follow us on *Twitter*:

@Danske_Research

*Video
Danske Bank research playlist*

Trump under pressure in polls

Note: Dashed lines show polls for Clinton/Trump in 2016-election.
Source RealClearPolitics, Macrobond Financial

Editor:

*Analyst
Bjørn Tangaa Sillemann
+45 45 12 82 29
bjsi@danskebank.dk*

Important disclosures and certifications are contained from page 9 of this report.
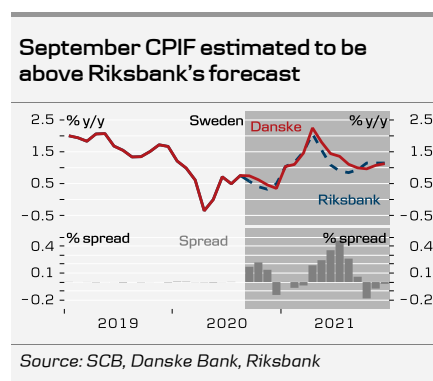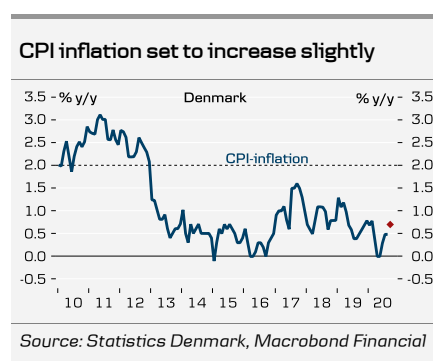
https://research.danskebank.com

Market movers Scandinavia

- We estimate **Danish** CPI inflation increased to 0.7% in September, up from 0.5% in August. We expect the April increase in the tobacco tax to keep pulling inflation somewhat higher, although most of the price increase has been implemented by now, with big increases in July and August. Besides tobacco, the big jokers this month are housing equipment, which has seen a late summer sale, and hotel prices. We expect the former to rebound somewhat in September and the latter to remain low due to the lack of tourists.

- In **Sweden**, we expect September inflation to print 'normal', i.e. both CPIF and CPIF excluding energy are likely to show a 0.5% m/m increase. This would put the inflation rates at 0.7% y/y and 1.4% y/y, respectively, both 0.2pp above the Riksbank's forecasts. The main driver of the increase is seasonally normal hikes on clothing and, to some extent, for hotels and restaurants. However, risks should be skewed on the downside considering COVID-19-related restrictions and safe behaviour. This may have increased online shopping to the detriment of retail and sustained the low demand for travel, transportation and leisure.

Prospera is due to release its October money-market inflation expectations. Despite the bounce in CPIF since April, the reaction of CPIF expectations has been muted, especially on a five-year horizon, printing 1.65% in September and on a declining trend. If this continues, which it may do given that we expect a downward sloping CPIF path over the next couple of months, it would, in our view, spell trouble for Riksbank at some point.

What we have seen recently is that the labour market has stabilised and we believe this picture will be confirmed further next week. The utilisation of short-term furloughs has decreased, according to Statistics Sweden. The risk here, as Statistics Sweden itself has pointed out, is that it has been the summer months. This means that workers who were laid off and who were on holiday may have listed holiday as their main reason for absence, which may have made the utilisation of layoffs appear to be lower than it actually is. Therefore, next week's (September) figures will be particularly important. Another detail that is important in next week's figures is hours worked. Hours worked correlate well with other monthly indicators such as GDP proxy, household consumption and production figures, which means that we will get another indication of how Q3 actually developed. So far, data indicates strong growth and we expect the hours worked next week to confirm this picture. Regarding the unemployment rate, we expect it to be stable at the same level as in August (9.1% seasonally adjusted).

- There are no market movers in **Norway** next week.

CPI inflation set to increase slightly

Source: Statistics Denmark, Macrobond Financial

September CPIF estimated to be above Riksbank's forecast

Source: SCB, Danske Bank, Riksbank

Scandi update

Denmark – pharmaceuticals play games with production and export figures

The number of bankruptcies and forced sales were both largely unchanged in September and remain rather low, particularly in relation to what we might expect at a time when many companies are hard-pressed financially. Part of the explanation for the limited number of bankruptcies is the series of government measures, including the option of postponing tax payments, which has helped support many companies that would otherwise have faced liquidity problems. Nevertheless, we still expect an increase in the number of bankruptcies among some still hard-pressed companies in coming months, particularly in the restaurant, hotel and travel industries.

On Tuesday, we published our latest forecasts for the four Nordic economies: *Nordic Outlook*, 6 October. The Danish economy has developed broadly in line with our previous forecast, so the overall picture is almost unchanged, with GDP forecast at -3.5% and 3.0% for 2020 and 2021, respectively. Meanwhile, the biggest positive surprise has been the labour market, where the downturn has not been as pronounced as feared and the rebound has been quite strong. This is the reason we are revising down our unemployment forecast considerably, though we still do expect a return to pre-corona levels before 2022.
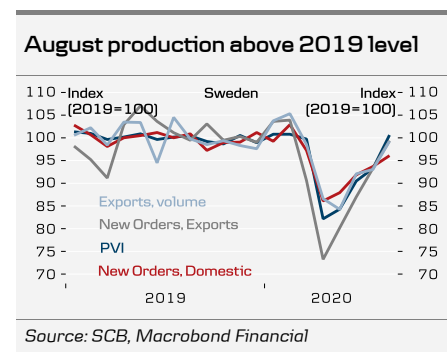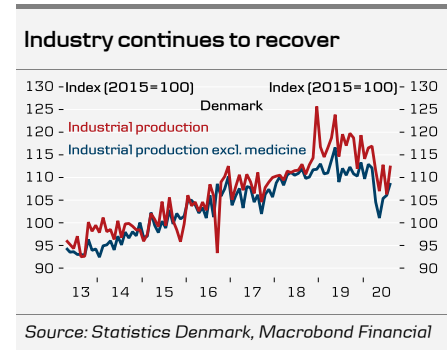
Industrial production rose as expected in September after the steep fall in pharmaceutical production the previous month. Production rose 5.9% in all compared with August, boosted by an increase in pharmaceutical production of close to 20%. However, the underlying trend was also positive, with the rest of the industrial sector rising a decent 2.5%. Hence, the general recovery in industry is continuing, even if there is still some way to go to get back to the levels at the start of the year.

The one-off holiday allowance payouts are already beginning to have an impact on our consumption figures. Danes have lodged applications for around DKK40bn before tax so far and it seems that a large chunk of the money paid out to date has been spent on consumption of clothing, shoes, cosmetics and electrical goods. You can read more about this in our *Spending Monitor*, 7 October. While it is still too early to draw any conclusions about how large a share of the holiday allowance money will go to consumption, initial signs bode well for the retail industry in particular.

The week closed with export figures for August, which were down 1.4% on July. The decline was due mainly to a marked fall in pharmaceutical exports, which was no real surprise given the plunge in pharmaceutical production in July. However, this should right itself in coming months on the back of the surge in pharmaceutical production in September. In contrast, exports excluding pharmaceuticals rose 1.5%, so while there is still a long way back to pre-coronavirus times, we believe we are on the right track for now and the foundations for further growth are also present.

Sweden – strong growth and tax revenues, less funding need

Data this week continued to confirm the strong bounce in Q3 GDP, albeit at a more subdued speed, as expected, compared with the strong upturn we saw in July. Monthly GDP proxy and production numbers increased by +0.7% m/m and +1.2% m/m, respectively, meaning our forecast of approximately +5% q/q growth in Q3 is still intact. Data shows that parts of the industry sector have almost recovered, while economic activity in several service sectors remains subdued, although the demand, production and income sides are all represented in the recovery and more than half the Q2 decline seems to have been regained in Q3.

Industry continues to recover

Source: Statistics Denmark, Macrobond Financial

August production above 2019 level
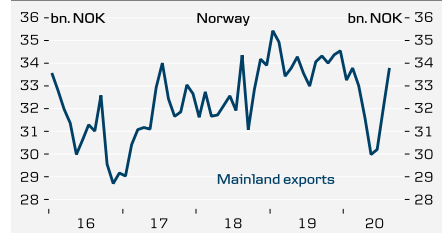
Source: SCB, Macrobond Financial

The September borrowing requirement was again significantly below the Debt Office's forecast, bringing the aggregated May to September funding deviation to SEK137bn below the forecast. The monthly average shortfall has been SEK28bn. The main drivers are stronger tax revenues and less use of government stimulus measures. This suggests a downward revision of the Debt Office's new forecast, due on 21 October. So far, the Debt Office has reduced mainly foreign loans. However, it has already cut T-bill issuance below the intended level. More is likely to come if underlying budget trends prevail.

Norway – tight budget based on optimistic forecasts

The government's proposed budget for 2021 was more contractionary than expected. Spending of oil money, as measured by the structural non-oil deficit, is estimated at NOK313.4bn, down NOK90.9bn this year. This means that the budget indicator, which measures the budget's impact on the economy, will be highly contractionary in 2021 at around 2.9% of mainland GDP. Whether this is sensible is very difficult to say given current levels of uncertainty. It is much tighter than Norges Bank assumed in its September monetary policy report, which could mean that interest rates stay low for somewhat longer than previously expected. However, we should also see this in light of the government's assumption that there will be much less need for coronavirus-related measures than this year. The government's 'coronavirus-adjusted' budget indicator for next year is +1.0% of GDP, which means that, apart from there being less coronavirus-related spending, more oil money will be transferred to firms and households than this year.

Growth in mainland GDP fell to 0.6% m/m in August but an upward revision of the July numbers means that growth over the past two months has been exactly as expected and we are still on course for expansion of slightly over 5% in Q3. There is no doubt that growth is slowing, partly because of lower activity in the hotel and restaurant industry given the new restrictions. However, it is also due to a fall in private consumption following the summer spike. It is encouraging that growth is now more broad based, with a continued upward trend in business investment, rising oil investment and a rapid increase in mainland exports, which are actually now back to pre-coronavirus levels. This is a relief given all the uncertainty about how global growth will affect the Norwegian economy.

Mainland exports back to pre-coronavirus levels

Source: Danske Bank, Macrobond Financial

Activity tracker

Euro area	Last obs	Value	Last 4 months	1W chg.	1M chg.	Low
Bundesbank weekly activity index*	Week 40	3.52		-0.23	-0.10	-6.2
Germany, turnover textiles retail trade, weekly, % y/y	Week 40	-12.0%		-1 p.p.	-2 p.p.	-44%
German truck toll mileage (1w m.a.), % y/y	01-Oct	3.0%		2.9 p.p.	2.7 p.p.	-16.2%
OpenTable restaurant bookings, Germany (1w m.a.)**	07-Oct	3.0%		-1.7 p.p.	-11.2 p.p.	-100%
USA						
NY Fed weekly economic index*	Week 40	-4.18		0.76	0.90	-11.5
Transaction card spending, (1w m.a.), % y/y	27-Sep	-10.4%		-0.4 p.p.	2.5 p.p.	-40.6%
OpenTable restaurant bookings (1w m.a.)**	07-Oct	-35.7%		5.7 p.p.	-6.1 p.p.	-100%
Google mobility trends retail & recreation (1w m.a.)						
Germany		-10.3%		-0.9 p.p.	-6.7 p.p.	-62.1%
France		-17.9%		0.1 p.p.	-9.3 p.p.	-88.0%
Italy		-10.6%		0.4 p.p.	-3.1 p.p.	-88.9%
Spain	04-Oct	-25.4%		-0.7 p.p.	-6.6 p.p.	-91.7%
UK		-26.4%		-2.1 p.p.	-10 p.p.	-77.6%
Japan		-7.9%		-3.3 p.p.	5.3 p.p.	-37.9%
United Statss		-14.4%		1 p.p.	-0.7 p.p.	-46.1%
Electricity demand (1w m.a.)*						
Germany		4.7%		6.1 p.p.	7.9 p.p.	-16.2%
France		2.9%		1.8 p.p.	7.7 p.p.	-23.1%
Italy		-2.5%		1.7 p.p.	2.1 p.p.	-28.2%
Spain	07-Oct	-4.5%		2.2 p.p.	4.4 p.p.	-24.2%
UK		-1.0%		2.8 p.p.	7.3 p.p.	-22.1%
Japan		-10.2%		0.5 p.p.	-6.9 p.p.	-18.3%
United States	07-Oct	-10.3%		-4.9 p.p.	-10.5 p.p.	-12.5%

*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.

Danske Bank

Calendar

Key Data and Events in Week 42

During the week				Period	Danske Bank	Consensus	Previous
Sat 10	CNY	Money supply M2	y/y	Sep		10.4%	10.4%
Thu 15 - 16	EU	EU summit					

Monday, October 12, 2020				Period	Danske Bank	Consensus	Previous
8:00	DKK	CPI	m/m|y/y	Sep	...|0.7%		-0.4%|0.5%

Tuesday, October 13, 2020				Period	Danske Bank	Consensus	Previous
-	USD	Budget statement	USD bn	Sep			-200.1
-	CNY	Trade balance	USD bn	Sep		59.3	58.9
8:00	GBP	Average weekly earnings ex bonuses (3M)	y/y	Aug		0.6%	0.2%
8:00	DEM	HICP, final	m/m|y/y	Sep		-0.4%|-0.4%	-0.4%|-0.4%
8:00	GBP	Unemployment rate (3M)	%	Aug		4.3%	4.1%
9:30	SEK	CPI	m/m|y/y	Sep		0.3%|0.6%	-0.1%|0.8%
9:30	SEK	Underlying inflation CPIF	m/m|y/y	Sep	0.5%|0.7%	0.3%|0.6%	-0.1%|0.7%
11:00	DEM	ZEW current situation	Index	Oct		-60.5	-66.2
11:00	DEM	ZEW expectations	Index	Oct		71.0	77.4
12:00	USD	NFIB small business optimism	Index	Sep		101.2	100.2
14:30	USD	CPI headline	m/m|y/y	Sep		0.2%|1.4%	0.4%|1.3%
14:30	USD	CPI core	m/m|y/y	Sep		0.2%|1.8%	0.4%|1.7%

Wednesday, October 14, 2020				Period	Danske Bank	Consensus	Previous
6:30	JPY	Industrial production, final	m/m|y/y	Aug			1.7%|-13.3%
8:00	SEK	Prospera inflation expectations					
9:00	ESP	HICP, final	m/m|y/y	Sep		0.4%|-0.6%	0.4%|-0.6%
11:00	EUR	Industrial production	m/m|y/y	Aug		0.6%|-7.2%	4.1%|-7.7%
14:30	USD	PPI	m/m|y/y	Sep		0.1%|0.2%	0.3%|-0.2%
14:30	USD	PPI core	m/m|y/y	Sep		0.2%|0.9%	0.4%|0.6%
15:00	USD	Fed vice chair Clarida (voter, neutral) speaks					
16:30	USD	Fed's Quarles (voter, neutral) speaks					
21:00	USD	Fed's Quarles (voter, neutral) speaks					
21:00	USD	Fed's Kaplan (voter, neutral) speaks					

Thursday, October 15, 2020				Period	Danske Bank	Consensus	Previous
-	USD	Fed's Kaplan (voter, neutral) speaks					
2:30	AUD	Employment change	1000	Sep		-35	111
3:30	CNY	PPI	y/y	Sep		-1.9%	-2.0%
3:30	CNY	CPI	y/y	Sep		1.9%	2.4%
8:00	NOK	Trade balance	NOK bn	Sep			-2.9
8:45	FRF	HICP, final	m/m|y/y	Sep		-0.6%|0.0%	-0.6%|0.0%
9:30	SEK	Unemployment (n.s.a.|s.a.)	%	Sep	...|9.1%		8.8%|9.1%
14:30	USD	Empire Manufacturing PMI	Index	Oct		12.0	17.0
14:30	USD	Philly Fed index	Index	Oct		14.5	15.0
14:30	USD	Initial jobless claims	1000				840
14:30	USD	Import prices	m/m|y/y	Sep		0.3%|...	0.9%|-1.4%
15:00	USD	Fed's Bostic (non-voter, neutral) speaks					
17:00	USD	DOE U.S. crude oil inventories	K				501
17:00	USD	Fed's Kaplan (voter, neutral) speaks					
17:00	USD	Fed's Quarles (voter, neutral) speaks					
23:00	USD	Fed's Kashkari (voter, dovish) speaks					

Friday, October 16, 2020				Period	Danske Bank	Consensus	Previous
10:00	ITL	HICP, final	m/m|y/y	Sep		...|-0.9%	...|-0.9%
11:00	EUR	HICP inflation, final	m/m|y/y	Sep		0.1%|-0.3%	0.1%|-0.3%
11:00	EUR	HICP - core inflation, final	y/y	Sep		0.2%	0.2%
11:00	EUR	Trade balance	EUR bn	Aug			20.3
14:30	USD	Retail sales control group	m/m	Sep		0.2%	-0.1%
15:15	USD	Capacity utilization	%	Sep		72.0%	71.4%
15:15	USD	Industrial production	m/m	Sep		0.6%	0.4%
15:15	USD	Manufacturing production	m/m	Sep		0.8%	1.0%
16:00	USD	University of Michigan Confidence, preliminary	Index	Oct		80.0	80.4
22:00	USD	TICS international capital flow, Net inflow	USD bn	Aug			-88.7

The editors do not guarantee the accurateness of figures, hours or dates stated above

For furher information, call (+45) 45 12 85 22.

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	2.8	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	0.5	2.0	4.8	-3.4	43.2	7.5
	2021	3.0	4.6	2.9	0.4	4.6	4.6	1.2	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	0.6	2.0	8.7	-5.8	40.0	4.9
	2021	3.8	4.2	2.8	2.5	6.2	4.6	1.1	2.0	9.0	-1.0	39.0	4.6
Norway	2019	2.3	1.5	1.7	6.1	1.5	5.2	2.2	3.5	2.3	-	-	-
	2020	-3.6	-6.8	1.7	-5.6	-4.3	-10.5	1.5	2.0	5.0	-	-	-
	2021	3.7	6.3	2.0	-0.8	4.5	3.8	2.8	2.3	3.3	-	-	-

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	5.6	2.5	4.0	1.2	2.0	7.6	-0.6	84.1	3.3
	2020	-8.3	-9.5	-1.3	-13.7	-9.5	-9.9	0.3	-1.0	8.1	-8.5	102.7	3.4
	2021	5.5	6.5	2.7	-1.2	14.9	12.3	0.8	1.0	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	0.5	-0.1	4.0	-7.0	75.6	5.7
	2021	5.0	7.0	3.6	1.8	14.2	13.9	1.2	1.5	3.5	-1.5	71.8	7.0
Finland	2019	1.1	0.8	1.1	-1.0	7.7	3.3	1.0	2.1	6.7	-1.1	59.3	-0.5
	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[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	106.8	-2.5
	2020	-4.3	-4.4	2.6	-3.8	-15.7	-13.2	2.1	3.7	8.1	-19.9	130.0	-2.6
	2021	4.5	5.6	3.6	3.4	-0.2	4.5	2.1	0.8	5.5	-9.7	137.0	-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	1.3	0.8	4.1	1.5	2.8	3.3	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	-5.9	-6.8	1.5	-5.2	-15.0	-6.7	0.1	-	4.0	-	-	-
	2021	2.3	3.1	1.9	-1.6	4.8	1.5	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	09-Oct	0.25	0.23	0.24	0.80	117.8	-	632.0	924.0	884.9
	+3m	0.25	0.23	0.23	0.70	120.0	-	620.4	900.0	875.0
	+6m	0.25	0.23	0.23	0.80	120.0	-	620.6	883.3	858.3
	+12m	0.25	0.23	0.33	1.10	118.0	-	631.8	889.8	872.9
EUR	09-Oct	-0.50	-0.51	-0.51	-0.23	-	117.8	744.3	1088.2	1042.1
	+3m	-0.50	-0.47	-0.45	-0.20	-	120.0	744.5	1080.0	1050.0
	+6m	-0.50	-0.47	-0.45	-0.15	-	120.0	744.8	1060.0	1030.0
	+12m	-0.50	-0.47	-0.35	0.00	-	118.0	745.5	1050.0	1030.0
JPY	09-Oct	-0.10	-0.10	-0.05	0.05	120.5	106.0	6.18	9.03	8.65
	+3m	-0.10	-	-	-	124.8	104.0	5.97	8.65	8.41
	+6m	-0.10	-	-	-	123.6	103.0	6.03	8.58	8.33
	+12m	-0.10	-	-	-	121.5	103.0	6.13	8.64	8.47
GBP	09-Oct	0.10	0.06	0.08	0.43	90.9	129.6	818.8	1197.2	1146.5
	+3m	0.10	0.07	0.15	0.45	86.0	139.5	865.7	1255.8	1220.9
	+6m	0.10	0.07	0.20	0.55	86.0	139.5	866.0	1232.6	1197.7
	+12m	0.10	0.07	0.25	0.65	86.0	137.2	866.9	1220.9	1197.7
CHF	09-Oct	-0.75	-0.77	-0.73	-0.34	107.8	91.5	690.5	1009.6	966.9
	+3m	-0.75	-	-	-	108.0	90.0	689.4	1000.0	972.2
	+6m	-0.75	-	-	-	110.0	91.7	677.0	963.6	936.4
	+12m	-0.75	-	-	-	112.0	94.9	665.6	937.5	919.6
DKK	09-Oct	-0.60	-0.21	-0.20	-0.01	744.3	632.0	-	146.2	140.0
	+3m	-0.60	-0.25	-0.20	0.00	744.5	620.4	-	145.1	141.0
	+6m	-0.60	-0.25	-0.20	0.00	744.8	620.6	-	142.3	138.3
	+12m	-0.60	-0.26	-0.15	0.15	745.5	631.8	-	140.8	138.2
SEK	09-Oct	0.00	-0.06	-0.03	0.32	1042.1	884.9	71.4	104.4	100.0
	+3m	0.00	0.00	0.00	0.35	1050.0	875.0	70.9	102.9	-
	+6m	0.00	0.00	0.00	0.35	1030.0	858.3	72.3	102.9	-
	+12m	0.00	0.05	0.00	0.45	1030.0	872.9	72.4	101.9	-
NOK	09-Oct	0.00	0.28	0.44	0.93	1088.2	924.0	68.4	100.0	95.8
	+3m	0.00	0.26	0.65	1.15	1080.0	900.0	68.9	-	97.2
	+6m	0.00	0.26	0.80	1.30	1060.0	883.3	70.3	-	97.2
	+12m	0.00	0.33	0.90	1.50	1050.0	889.8	71.0	-	98.1

Commodities

		2020				2021				Average		
	09-Oct	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2020	2021	
ICE Brent	43	35	35	40	40	45	45	50	60	38	50	

Source Danske Bank

Disclosures

This research report has been prepared by Danske Bank A/S ('Danske Bank'). The author of this research report is Bjørn Tangaa Sillemann, 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.

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 security, issuer and/or country. Documentation can be obtained from the authors on request.

Risk warning

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

Date of first publication

See the front page of this research report for the date of first publication.

General disclaimer

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(e) 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: 9 October 2020, 12:30 CEST
Report first disseminated: 9 October 2020, 12:40 CEST