

Weekly Focus

ECB to cut rates again next week

Sentiment has been positive this week as markets continue to digest the strong US jobs report from the previous week, and as the conflict in Middle East has not escalated further. On the latter, Israel could launch its revenge attack against Iran any minute. A decision to target a high-ranking Iranian official or any of the country's oil or nuclear sites, would definitely mark an escalation, and Iran would be forced to respond. However, supply in the oil market remains ample, with substantial volumes of spare capacity in Saudi Arabia, so we see a low risk of higher oil prices even if tensions remain. Israel and Iran's tit-for-tat attacks might lift prices in a knee-jerk fear reaction, but as long as energy flows from the Gulf to the rest of the world are not severely disrupted the impact should be temporary.

Inflation continues to slow down across major economies, see our *Global Inflation Watch – Underlying inflation continues to cool gradually*, 10 October. The US September CPI signalled headline inflation slowing further in annual terms, while core inflation remained steady. On a monthly level, prices rose slightly more than we had anticipated, but the upside surprise was mostly linked to food and goods prices, which rarely drive persistent inflation. In any case, the resilience in US macro data reduces the chance of the Fed resuming 50bp rate cuts, and short-term rate dynamics favour a lower EUR/USD.

China was an exception to the positive market mood this week, as investors were disappointed with the lack of details on fiscal stimulus measures. China came out with a big monetary stimulus package two weeks ago, and ever since investors have been hungry for details on the fiscal side. This week, the National Development and Reform Commission gave a briefing which lacked concrete measures, leading to a big sell-off in the Chinese equity market. Next, all eyes are on a Finance Ministry briefing on Saturday. We expect Finance Minister Lan Fo'An to announce a clear stimulus plan, but market expectations have become very high, so there is room for disappointment.

Next week's main event will be the ECB meeting on Thursday. Final September HICP data will be released just a few hours before the rate decision, but it is unlikely to be a gamechanger. We expect the ECB to cut the policy rates again by 25bp which would bring the deposit rate to 3.25%, and markets agree with our view. Focus will again be on Lagarde's remarks and especially the Q&A session. Even if ECB's forward guidance has been non-existent, markets seem convinced that rates will be cut at a relatively steady pace from here. We expect another 25bp cut in December and quarterly cuts next year, and see risks tilted towards even lower rates if euro area growth disappoints.

The next days are busy with Chinese data. On Sunday, China will release CPI for September, but as the data is backward-looking, and given the recent focus on stimulus signals, markets will likely put less emphasis on the numbers. On Monday, China will release trade data for September. Export growth has been trending lower lately as global manufacturing activity has declined. The Chinese data week will be rounded off with a batch of key macro releases (Q3 GDP, retail sales, industrial production) on Friday.

Otherwise, next week's **data calendar** is very light with German ZEW due on Tuesday and US retail sales out on Thursday.

Key global views

- Global manufacturing to gradually improve
- Recession risk is still low
- Fed and ECB to ease further at a gradual pace

Key market movers

- Monday: China trade data
- Tuesday: German ZEW
- Wednesday: UK CPI
- Thursday: ECB meeting, US retail sales
- Friday: China macro data, Japan CPI

Selected reading from Danske Bank

- *Global Inflation Watch – Underlying inflation continues to cool gradually*, 10 October 2024
- *Reading the Markets USD – Fading concerns*, 8 October 2024
- *US election monitor – the race in battleground states is extremely close*, 3 October

Editor

Director
Minna Kuusisto
+358 442 609 979
minna.kuusisto@danskebank.com

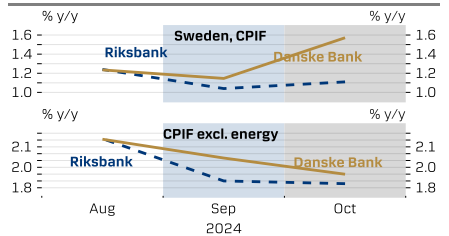
Scandi market movers

- There are no market movers in Denmark next week.
- Based on the Swedish September flash inflation and the Danish and Norwegian September outcomes – all released earlier this week – it appears as if food may have been the price component adding to the higher-than-expected print for the core CPIF excl. energy component. That said, energy turned out lower, either because of a smaller increase in electricity or a bigger drop in petrol prices, with a bigger negative impact on CPIF. Finally, mortgage rates appear to have fallen more than we anticipated. These are our thoughts about what could have caused the deviation to our forecast assuming that the final September CPI, CPIF and CPIF excl. energy released next week will turn out according to the preliminary outcome (i.e. at 1.6% y/y, 1.1 % y/y, and 2.0 % y/y).

Labour market data will be released next week, both in terms of the Labour Force Survey from Statistics Sweden (LFS) and PES register based. These give a quite different view of the level of unemployment, but the trend is the same, i.e. a higher unemployment rate. For next week, the trend will most likely be intact and we estimate an unemployment rate of 8.5% s.a. up from the previous 8.3% s.a. (LFS). Last month, hours worked exhibited a modest increase of 0.5% m/m but have shown a general decline since March. Conversely, employment have rather moved sideways.

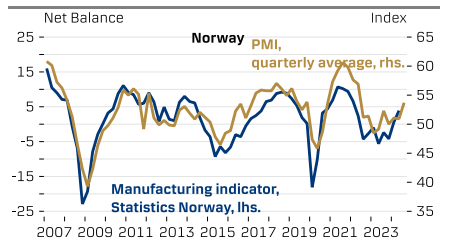
- The **Norwegian** manufacturing sector seems to be recovering, which stands in contrast to European peers. The monthly PMI as well as the actual production data have been improving over the summer. This is probably due to a combination of a boom in oil-related industries and the fact that the weak NOK is currently supporting the export-oriented sectors. We expect this trend to be visible in the Q3 Manufacturing indicator published by Statistics Norway next week.

Sweden: Final September inflation to reveal upside surprise details



Source: SCB, Riksbank, Danske Bank

The manufacturing sector is recovering



Kilde: Macrobond, Danske Bank

Scandi Update

Denmark – Modest decline in inflation, while core inflation increased

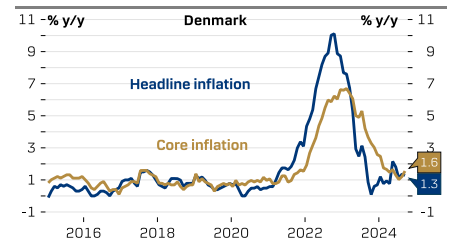
Danish inflation fell to 1.3% in September compared to 1.4% in August. The decline was expected due to lower energy prices in September. Core inflation increased from 1.2% to 1.6%, indicating that increased wage costs are now to some extent being passed through to consumers. This, together with base effects from the decline in food prices last autumn is expected to drive up inflation somewhat through the rest of the year – but still aligned with low and stable inflation growth around 2%.

Industrial production decreased by 4.8% in August compared to July. However, the decrease comes on the back of rapid growth in recent months, so industrial production from June to August was 2.9% higher compared with March to May. The pharmaceutical industry drove the growth over summer, as industrial production decreased by 0.7% after excluding pharmaceuticals over the same period. In line with industrial production, exports increased over the summer as well. From June to August total Danish exports rose 4.8%. This was not entirely driven by the pharmaceutical sector, as we saw a quite significant increase in exports of machinery. In view of the global manufacturing sector underperforming, it is quite impressive that Danish manufactures can uphold a high activity level.

Activity increased quite considerably in the housing market in September. The number of apartments sold increased by 17% in September compared to August, while house sales increased by 6%, after adjusting for seasonal patterns. Price data was released as well, with both house and apartment prices up 0.4%, after seasonal adjustments. This means that apartment prices are back around the level from 2022, which was the highest ever measured in nominal terms. There are still some grounds to cover if we adjust for a higher price level today than in 2022.

There were 222 declared bankruptcies in Danish companies in September, which was an increase of 3% compared to August. The number of bankruptcies can vary significantly from month to month. Therefore, it is easier to interpret on the trend, where we saw a 12-month moving average decline, since there were 256 declared bankruptcies in September last year. The trend is coming down from extraordinarily high levels a year ago. Today the number of bankruptcies is only slightly higher than the level we saw in the years prior to the pandemic. The number of bankruptcies may continue to decline, as we expect household demand to increase as purchasing power is currently increasing at a high pace.

Inflation decreased, but slightly less than we expected



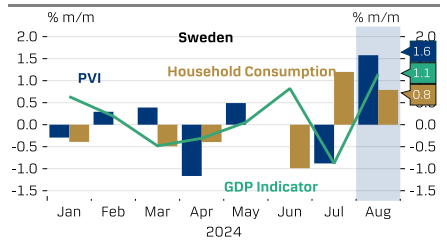
Source: Danske Bank, Statistics Denmark, Macrobond Financial

Sweden – Data supports Riksbank 25bp pace

The September flash inflation showed all three measures coming out 0.1 percentage above Riksbank’s forecasts with CPI, CPIF and CPIF excl. energy printing 1.6 % y/y, 1.2 % y/y, and 2.0 % y/y, respectively. To be sure these are at or below Riksbank’s target and well in line with the plan to cut interest rates “gradually” (i.e. 25 bp). In Market Movers we give some colour about which of the price components that were in play to lift data above expectations.

In addition, further bolstering the case for gradual rate cuts was the slew of August monthly indicators suggesting Q3 GDP growth accelerating. In turn, the August GDP, production and consumption indicators grew by 1.1% mom, 1.6% mom and 0.8% mom on a seasonally adjusted basis. In principle, this appears to be a bounce back after a summer lull in June and July.

Sweden: Growth accelerates after summer lull

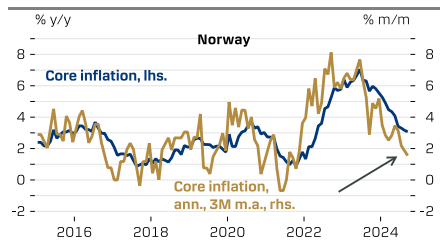


Source: Statistics Sweden

Norway – disinflation continues

Core inflation once again surprised to the downside in September. Annual growth fell from 3.2% to 3.1%, mainly driven by imported inflation slowing to 1.5%. At the same time, keep in mind that inflation was relatively high towards the end of last year and well into 2024, which is keeping annual growth elevated. The annualized monthly growth (seasonally adjusted) for the last three months is only 1.5%, i.e. far below the inflation target of 2%, and at this rate annual growth should fall to 2% as early as March next year. The figure was 0.2 percentage points lower than Norges Bank assumed in its monetary policy report in September and seen in isolation will point in the direction of a rate cut earlier than announced. Having said that, domestic inflation remained at 3.8%, which illustrates the risk of continued high, cost-driven inflation in Norway which will affect NB’s risk assessment.

Core inflation already below target?



Source: Macrobond, Danske Bank

Calendar - 14-18 October 2024

During the week				Period	Danske Bank	Consensus	Previous
Sun 13	CNY	CPI	y/y	Sep		0.6%	0.6%
Sun 13	CNY	PPI	y/y	Sep		-2.6%	-1.8%
Monday, October 14, 2024				Period	Danske Bank	Consensus	Previous
9:00	CNY	Trade balance	USD bn	Sep		91.4	91.0
15:00	USD	Fed's Kashkari speaks					
21:00	USD	Fed's Waller speaks					
23:00	USD	Fed's Kashkari speaks					
Tuesday, October 15, 2024				Period	Danske Bank	Consensus	Previous
-	USD	Budget statement	USD bn	Sep		4.3	-380.1
6:30	JPY	Industrial production, final	m/mly/y	Aug			-3.3% -4.9%
8:00	GBP	Average weekly earnings ex bonuses (3M)	y/y	Aug		4.9%	5.1%
8:00	SEK	Underlying inflation CPIF, final	m/mly/y	Sep		... 1.1%	0.3% 1.1%
8:00	SEK	Underlying inflation CPIF excl energy, final	m/mly/y	Sep		... 2.0%	0.4% 2.0%
8:00	NOK	Trade balance	NOK bn	Sep			66
8:00	SEK	CPI, final	m/mly/y	Sep		... 1.6%	0.2% 1.6%
8:00	GBP	Unemployment rate (3M)	%	Aug		4.1	4.1%
8:45	FRF	HICP, final	m/mly/y	Sep		-1.2% 1.5%	-1.2% 1.5%
9:00	ESP	HICP, final	m/mly/y	Sep			-0.1% 1.7%
11:00	EUR	Industrial production	m/mly/y	Aug		1.6% -1.2%	-0.3% -2.2%
11:00	DEM	ZEW current situation	Index	Oct		-84.0	-84.5
11:00	DEM	ZEW expectations	Index	Oct		10.0	3.6
14:30	USD	Empire Manufacturing PMI	Index	Oct		0.0	11.5
14:30	CAD	CPI	m/mly/y	Sep		... 1.9%	... 2.0%
17:30	USD	Fed's Daly speaks					
23:45	NZD	CPI	q/qly/y	3rd quarter		0.7% 2.2%	0.4% 3.3%
Wednesday, October 16, 2024				Period	Danske Bank	Consensus	Previous
8:00	GBP	CPI	m/mly/y	Sep		0.2% 1.9%	0.3% 2.2%
8:00	GBP	CPI core	y/y	Sep		3.4%	3.6%
10:00	ITL	HICP, final	m/mly/y	Sep		... 0.8%	... 0.8%
14:30	USD	Import prices	m/mly/y	Sep		-0.3% ...	-0.3% 0.8%
20:40	EUR	ECB's Lagarde speaks					
20:40	EUR	ECB's Lagarde speaks					
Thursday, October 17, 2024				Period	Danske Bank	Consensus	Previous
1:50	JPY	Exports	y/y (%)	Sep		0.0	0.1
1:50	JPY	Import	y/y (%)	Sep		0.0	0.0
1:50	JPY	Trade balance, s.a.	JPY bn	Sep		-496.6	-595.9
2:30	AUD	Employment change	1000	Sep		25	47.5
8:00	NOK	Industrial confidence (SSB)	Net. bal.	3rd quarter			3.9
11:00	EUR	HICP inflation, final	m/mly/y	Sep		-0.1% 1.8%	-0.1% 2.2%
11:00	EUR	HICP - core inflation, final	y/y	Sep		2.7%	2.7%
11:00	EUR	Trade balance	EUR bn	Aug		17.7	15.5
13:00	TRY	Central Bank of Turkey rate decision	%			50.0%	50.0%
14:15	EUR	ECB's Lagarde speaks at press conference					
14:15	EUR	ECB announces deposit rate	%		3.25%	3.25%	3.50%
14:30	USD	Philly Fed index	Index	Oct		3.0	1.7
14:30	USD	Retail sales control group	m/m	Sep		0.4%	0.3%
14:30	USD	Initial jobless claims	1000				258
14:45	EUR	ECB's Lagarde speaks					
14:45	EUR	ECB's Lagarde speaks					
15:15	USD	Capacity utilization	%	Sep		77.9%	78.0%
15:15	USD	Industrial production	m/m	Sep		-0.1%	0.8%
15:15	USD	Manufacturing production	m/m	Sep		-0.2%	0.9%
16:00	USD	NAHB Housing Market Index	Index	Oct		42.0	41.0
17:00	USD	DOE U.S. crude oil inventories	K				5810
22:00	USD	TICS international capital flow, Net inflow	USD bn	Aug			156.5
Friday, October 18, 2024				Period	Danske Bank	Consensus	Previous
1:30	JPY	CPI - national	y/y	Sep		2.5%	3.0%
1:30	JPY	CPI - national ex. fresh food	y/y	Sep		2.3%	2.8%
4:00	CNY	Fixed assets investments	y/y	Sep		3.3%	3.4%
4:00	CNY	Industrial production	y/y	Sep		4.6%	4.5%
4:00	CNY	Retail sales	y/y	Sep		2.5%	2.1%
4:00	CNY	Real GDP	q/qly/y	3rd quarter		1.1% 4.6%	0.7% 4.7%
8:00	GBP	Retail sales ex fuels	m/mly/y	Sep		-0.3% 3.1%	1.1% 2.3%
10:00	EUR	Current account	EUR bn	Aug			39.6
10:00	EUR	ECB's survey of professional forecasters					
10:00	EUR	ECB's survey of professional forecasters					
14:30	USD	Building permits	1000 (m/m)	Sep		1465	1470.0 (4.6%)
14:30	USD	Housing starts	1000 (m/m)	Sep		1350	1356.0 (9.6%)
16:00	USD	Fed's Kashkari speaks					
16:00	USD	Fed's Kashkari speaks					
18:10	USD	Fed's Waller speaks					

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 ²	Public budget ³	Public debt ³	Current acc. ³
Denmark	2023	2.5	1.3	0.2	-6.6	10.4	3.7	3.3	4.1	2.8	3.3	33.6	9.8
	2024	1.8	1.0	1.7	-1.8	3.7	0.8	1.5	5.1	2.9	2.1	32.0	10.1
	2025	2.0	2.1	2.6	3.8	2.6	3.3	1.9	3.5	3.1	1.1	30.5	10.9
Sweden	2023	0.1	-2.2	1.1	-1.1	3.5	-0.8	8.6	3.8	7.7	-0.5	32.0	4.8
	2024	1.2	0.1	0.8	-1.8	2.4	0.8	2.8	3.5	8.4	-0.8	33.0	5.6
	2025	2.4	2.6	1.9	1.6	3.5	3.3	0.6	2.5	8.2	-0.2	33.0	5.7
Norway	2023	1.1	-0.8	3.4	0.0	1.4	0.7	5.5	5.3	1.8	-	-	-
	2024	0.7	1.3	2.2	4.0	3.0	1.5	3.2	5.1	2.1	-	-	-
	2025	2.0	2.9	1.8	4.0	3.0	2.0	2.0	3.8	2.4	-	-	-
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 ²	Public budget ³	Public debt ³	Current acc. ³
Euro area	2023	0.5	0.8	1.2	1.1	-0.4	-0.7	5.4	5.2	6.6	-3.6	90.2	2.9
	2024	0.7	0.8	1.2	-0.5	1.3	-0.2	2.4	4.3	6.5	-3.0	90.1	2.8
	2025	1.2	1.3	0.8	1.3	3.0	3.1	2.0	3.4	6.6	-2.9	90.7	2.9
Finland	2023	-1.2	0.3	3.4	-9.0	0.2	-6.6	6.3	4.2	7.2	-2.7	77.1	-0.4
	2024	-0.4	0.2	0.5	-5.0	-1.0	-1.5	1.9	3.0	8.3	-4.1	80.3	-0.7
	2025	1.8	1.2	0.2	5.0	3.0	3.5	1.5	3.0	8.0	-3.5	81.8	-0.5
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 ²	Public budget ³	Public debt ³	Current acc. ³
USA	2023	2.9	2.5	3.9	2.4	2.8	-1.2	4.1	4.3	3.6	-6.3	122.3	-3.0
	2024	2.5	2.1	3.4	4.1	2.0	4.1	2.9	3.2	4.1	-6.7	123.1	-2.8
	2025	1.5	1.2	2.6	3.5	1.9	4.5	2.5	2.5	4.7	-6.5	125.1	-2.6
China	2023	5.2	6.6	-	4.6	-	-	0.2	-	5.2	-7.1	83.6	1.5
	2024	4.8	4.5	-	5.0	-	-	0.3	-	5.3	-7.4	88.6	1.3
	2025	5.2	5.6	-	5.5	-	-	1.7	-	5.2	-8.1	93.5	1.2
UK	2023	0.1	-	-	-	-	-	7.3	-	4.0	-	-	-
	2024	1.1	-	-	-	-	-	2.8	-	4.6	-	-	-
	2025	1.4	-	-	-	-	-	1.9	-	4.9	-	-	-

Source: OECD and Danske Bank. 1) % y/y. 2) % of labour force. 3) % 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*	10-Oct	5.00	-	3.78	3.60	0.92	-	6.83	10.76	10.41
	+3m	4.50	-	3.31	3.45	0.91	-	6.78	10.55	10.27
	+6m	4.00	-	3.25	3.45	0.93	-	6.90	11.02	10.74
	+12m	3.25	-	3.15	3.50	0.93	-	6.97	11.40	10.84
EUR	10-Oct	3.50	3.22	2.47	2.49	-	1.09	7.4606	11.75	11.37
	+3m	3.00	2.91	2.21	2.40	-	1.10	7.4575	11.60	11.30
	+6m	2.75	2.65	2.15	2.50	-	1.08	7.4550	11.90	11.60
	+12m	2.25	2.21	2.10	2.60	-	1.07	7.4550	12.20	11.60
JPY	10-Oct	0.25	-	-	-	0.616	0.672	459.22	723.18	699.63
	+3m	0.50	-	-	-	0.654	0.719	487.74	758.67	739.05
	+6m	0.75	-	-	-	0.681	0.735	507.56	810.19	789.76
	+12m	1.00	-	-	-	0.703	0.752	523.86	857.28	815.12
GBP*	10-Oct	5.00	-	4.10	3.86	1.19	1.09	8.91	14.03	13.58
	+3m	4.75	-	3.81	3.65	1.20	1.33	8.98	13.98	13.61
	+6m	4.25	-	3.60	3.65	1.19	1.29	8.88	14.17	13.81
	+12m	3.50	-	3.26	3.60	1.18	1.26	8.77	14.35	13.65
CHF	10-Oct	1.00	-	-	-	1.07	1.17	7.96	12.54	12.13
	+3m	0.75	-	-	-	1.04	1.15	7.77	12.08	11.77
	+6m	0.50	-	-	-	1.05	1.14	7.85	12.53	12.21
	+12m	0.50	-	-	-	1.06	1.14	7.93	12.98	12.34
DKK	10-Oct	3.10	3.13	2.54	2.61	0.134	0.146	-	1.57	1.52
	+3m	2.60	2.81	2.25	2.55	0.134	0.148	-	1.56	1.52
	+6m	2.35	2.55	2.20	2.65	0.134	0.145	-	1.60	1.56
	+12m	1.85	2.11	2.15	2.75	0.134	0.144	-	1.64	1.56
SEK	10-Oct	3.25	3.05	2.27	2.47	0.088	0.096	0.66	1.03	-
	+3m	2.75	2.77	2.09	2.59	0.088	0.097	0.66	1.03	-
	+6m	2.25	2.37	2.30	2.70	0.086	0.093	0.64	1.03	-
	+12m	2.00	2.10	2.35	2.80	0.086	0.092	0.64	1.05	-
NOK	10-Oct	4.50	4.81	4.08	3.78	0.085	0.093	0.64	-	0.97
	+3m	4.50	4.71	3.76	3.50	0.086	0.095	0.64	-	0.97
	+6m	4.25	4.45	3.65	3.55	0.084	0.091	0.63	-	0.97
	+12m	3.75	3.96	3.55	3.60	0.082	0.088	0.61	-	0.95

*Notes: GBP swaps are SONIA, USD swaps are SOFR

Commodities

	10-Oct	2024				2025				Average	
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2024	2025
ICE Brent	79	82	85	80	80	85	85	85	85	82	85

Source Danske Bank

Disclosures

This research report has been prepared by Danske Bank A/S ('Danske Bank').

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 issues 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 regulated by the Danish Financial Services Authority (Finanstilsynet). Danske Bank is authorised by the Prudential Regulation Authority in the UK. Subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. Details about the extent of our regulation by the Prudential Regulation Authority are available from us on request.

Danske Bank's research reports are prepared in accordance with the recommendations of Capital Market Denmark.

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.

Expected updates

Weekly

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: 11 October 2024, 13.15 CET

Report first disseminated: 11 October 2024, 13.30 CET