

Weekly Focus

Light at the end of the tunnel

Markets cheered news this week from Pfizer and BioNTech that released late stage phase 3 trial results of their vaccine candidate showing efficacy of more than 90% (see *Very positive vaccine news - early Christmas gift?*, 9 November). A risk rally consequently captured markets with value stocks strongly outperforming growth stocks and Europe outperforming the US. 10Y US treasury and Bund yields jumped by more than 10bp, inflation expectations got a boost, credit spreads tightened and cyclical currencies performed. Although there are still many questions (see *10 questions on Pfizer's vaccine news we still need answers to*, 10 November), we see the vaccine news as a game changer with effects on the global economy and financial markets alike. We are still facing restrictions throughout the winter and the infection numbers are still on the rise in many countries, but markets can now see an end to the crisis. An efficient vaccine not only increases the likelihood that we can return much faster to a world with no restrictions and no risk of new lockdowns, but also reduces a huge cloud of uncertainty with the potential to boost consumer and business confidence.

Joe Biden was officially declared the winner of the US Presidential election by almost everyone except perhaps President Donald Trump and his supporters. However, it may very well be that Joe Biden won the battle but lost the war, as the Democratic Party may not win the majority in the Senate, rendering it impossible for president-elect Biden to get his economic policy through Congress. It all boils down to whether the Democratic Party is able to win two special Senate runoffs in Georgia taking place on 5 January. Short term, president-elect Biden has made it clear that the first thing on his agenda will be the handling of COVID-19 and he has already created a COVID-19 task force.

EU member states and the European Parliament finally struck a deal on the bloc's next seven-year budget and the 'Next generation EU' package. After the dispute over the contentious rule of law mechanism was resolved last week, a compromise on the EU budget size was finally struck this week, after governments agreed to a top-up of EUR15bn for programmes including science, health and university education. Although this clears two crucial stumbling blocks that held up the approval of the EU recovery fund, it might not be the end of the story yet: further discussion still looms over the terms and conditions of the recovery and resilience facility that lies at the heart of the recovery fund and the ratification in national parliaments could also prove a hurdle, with Hungary already threatening to veto the package over the inclusion of the rule of law mechanism.

Lagarde's speech at the ECB Forum gave a clear indication that the ECB's upcoming recalibration of the monetary policy instruments will focus on the PEPP programme and TLTROs. However, the ECB will keep a close eye on economic data in the coming weeks and Friday's release of consumer confidence will give some insights how much the new restrictions have dented sentiment. Brexit negotiations will continue next week and we expect a deal within two to three weeks (see *Deal or no deal? Next two to three weeks are crucial*, 12 November). A range of Fed speeches might reveal more about plans to extend current emergency programmes beyond the end of this year. In Japan we are looking forward to the unveiling of a third stimulus package.

Key market movers

- Tue: US retail sales, Norway Q3 GDP
- Thu: Sweden unemployment rate
- Fri: UK retail sales, Eurozone consumer confidence

Selected reading from Danske Bank

- *COVID-19 Update: Good vaccine news, rays of light in Europe, US worsens*, 12 November
- *ECB Research: Recalibrating - not reinventing - the toolbox*, 12 November
- *Euro Area: Measuring the euro area inflation pulse*, 9 November

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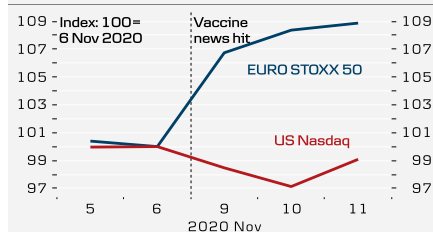


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Video
Danske Bank research playlist

Sector rotation continues: value stocks outperforming growth stocks



Source: Macrobond Financial, Danske Bank

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Market movers Scandinavia

- In **Denmark**, the coming week looks quiet, data-wise. The most important figures are due on Friday when we should get wage-earner employment numbers for September and consumer confidence for November.

The past three months have seen record increases in employment, with around half of the jobs lost in the spring now restored. However, the second leg of the recovery will be more difficult, which was also indicated by the unemployment figures – for although they fell in September, a good deal of momentum was lost. As you can read in our publication on trends in job advertisements (Danish language only), *Jobopslag oktober 2020 - Mange nye jobs at søge i oktober*, 11 October 2020, the number of new positions generally continues to grow, though in sectors hit by coronavirus restrictions, such as the hotel and restaurant industry, the outlook is more gloomy, and this will tend to put a damper on progress in the coming months.

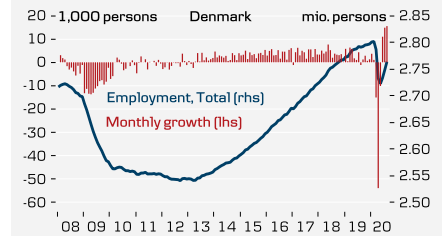
Consumer confidence has presumably been trading water in November, when further restrictions due to the coronavirus and a higher infection rate will have put a lid on sentiment, while positive news on the vaccine front and growth in both the labour and housing markets have probably shored up optimism.

- The main event in **Sweden** next week (which beyond this is quite data empty) is the labour market survey. To follow the unemployment rate is of course important but next week's number will also give us a first sign of how Q4 started in the form of hours worked, which usually correlate quite well with GDP. What we know so far is that a strong rebound in the recovery was seen overall during Q3, but the recovery (if looking at hours worked) somewhat lost momentum by the end of the quarter which makes it more interesting to see which direction we will find during October. The latest restrictions here in Sweden might affect this if looking forward but this is too early to be seen in statistics. Regarding the unemployment rate, indicators such as layoff numbers, AMS unemployment rate and new vacancies all point to a slightly lower unemployment rate during October. But as for hours worked, the future is more uncertain. The fact that the government extended the wage subsidy scheme by another six months was, however, a very important measure since around 100,000 workers are still are covered by the programme.

- In **Norway**, GDP growth slowed slightly in August after three months of strong contributions from the sectors that were shut down in the spring. We reckon that this trend continued into September, but that it is still too early to see any negative effects from higher infections and new restrictions. We therefore expect mainland GDP to climb 0.5% m/m in September, giving growth of 5.2% q/q in Q3.

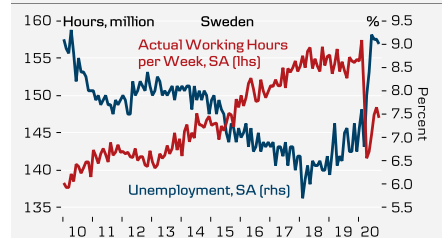
The coming week also brings the Q4 oil investment survey. We are seeing various signs of activity having picked up as indicated by the previous survey, thanks to slightly higher oil prices and changes to the taxation of the oil companies. We do not therefore expect much change to the picture painted last time around of investment activity falling moderately this year and more markedly next year

Can the labour market keep up the pace?



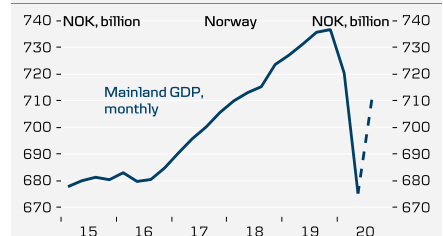
Source: Statistics Denmark, Macrobond Financial

New restrictions make the future more uncertain



Source: SCB, Macrobond Financial

Recovery on track



Source: Macrobond Financial, Danske Bank

Scandi update

Denmark – record growth but still a long way to go

After falling slightly in August, goods exports got back on track in September, with a marked increase of 4.5%. The pharmaceutical industry has distorted the figures for both industrial production and exports in recent months and September was no exception, with a sharp rise of 12.9% following last month’s pronounced decline. Overall, we are now about half-way to recouping what was lost during the corona crisis, but the final half will be harder to recover – not least because a new series of restrictions has been introduced across Denmark’s export markets. Nevertheless, the situation remains markedly better than in the spring, which is also borne out by our latest *Eksporbarometer*, 6 November 2020 (Danish language only).

Inflation declined to 0.4% in October from 0.6% in September. One reason was that electricity prices did not rise quite so much as in October last year. The same applies to flight prices, which continue to be hard hit by the ongoing crisis. These two posts alone reduce inflation by 0.12 percentage points. Higher cigarette prices are strongly adding to inflation at the moment, though the increase in prices following this spring’s jump in duties has stalled in the past two months, even though there is more cost pass-through to come.

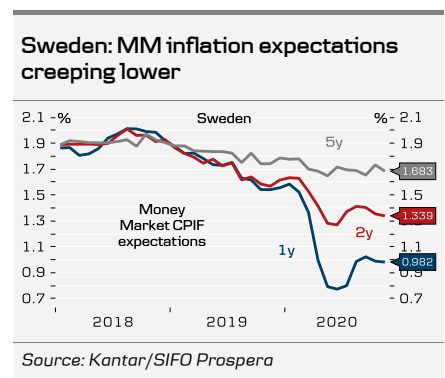
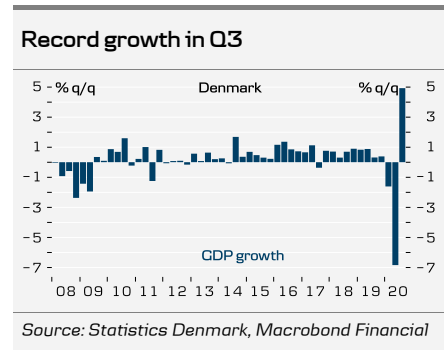
Initial GDP figures for Q3 show quarterly growth of 4.9%, which is the strongest growth in the history of the statistic. The surge is naturally positive but was somewhat easily earned given the sharp fall experienced in Q2. Activity is still running 4% below pre-corona levels and catching up will likely still take quite some time. The easy part of the recovery is now behind us, and new restrictions and lockdowns both in Denmark and abroad will presumably put a damper on growth in Q4.

Sweden – recovering consumption, weak inflation and expectations

The household consumption indicator edged up another 0.6% m/m sa in September, having the best performance of all monthly indicators that we use to track GDP development. Actually, looking at the q/q sa performance says consumption rose 7.3 % in Q3, a pretty impressive rebound. That said, the resurgence in the coronavirus in October and November makes the Q4 outlook very opaque.

October inflation was very close to Danske Bank’s and the markets’ expectations. At a mere 0.3% y/y and 1.1% y/y, CPIF and CPIF excl. Energy are still undershooting the inflation target by a wide margin. However, looking at its forecast, even the Riksbank appears to have given up about being close to 2% over the next two years. Still, in our view, it will be hard for inflation to surpass even 1% over that period.

That brings us to the inflation expectations. Money markets’ CPIF inflation expectations fall back on all horizons in November. 5y expectations, which Riksbank views as a proxy for inflation target credibility, were for 1.7% just a tad above the 1.6% printed earlier this year. And looking forward we could easily see these expectations breaking down towards 1.5% y/y on the back of deteriorating inflation fundamentals such as record low wage cost growth and a crawling appreciation of the SEK. As of now, it is unclear when or if the Riksbank will respond to such a development.

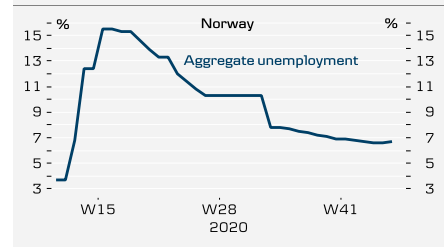


Norway – new restrictions will hit growth in Q4

Total registered unemployment (full-time + part-time) edged up to 6.7% in the second week of November (week 46) from 6.6% the week before, the first increase since the beginning of April. The rise of 2,600 people was due mainly to more layoffs in tourism and transport, and to some extent also bars and restaurants. More than half of the rise was in the Oslo region, which suggests that the cause is the introduction of new virus-related restrictions, especially in the capital. We have therefore revised down our forecast for GDP in the near term and now anticipate a decrease in November and a more moderate rebound in December, given that the restrictions will be in place for a month. We therefore expect mainland GDP to grow by 0.8% q/q in Q4, rather than 1.5%, and have lowered our forecast for 2020 as a whole from -3.6% to -3.8% y/y.

Core inflation edged up from 3.3% in September to 3.4% in October as a result of higher imported inflation, especially for furniture. However, the more or less unchanged domestic inflation of around 3% conceals a faster rise in food and transport prices, offset by lower inflation for communication services (mobile telephony, data etc.) and – interestingly – hotels and restaurants. In the medium term, we still expect inflation to be pulled back down towards the 2% target by lower wage growth and a stronger krone. As long as inflation expectations remain properly anchored, this means that Norges Bank will pay little attention to inflation in its rate setting for the time being. On the other hand, it is unlikely that inflation will drop too low while capacity utilisation continues to rise (growth high enough to bring down unemployment).

First rise in unemployment since April

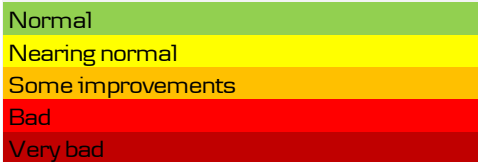


Source: Macrobond Financial, Danske Bank

Activity tracker

| Euro area | Last obs | Value | Last 4 months | 1W chg. | 1M chg. | Low |
|---|----------|--------|---------------|------------|------------|--------|
| Bundesbank weekly activity index* | Week 45 | 1.96 | | -0.37 | -1.30 | -6.4 |
| Germany, turnover textiles retail trade, weekly, % y/y | Week 45 | -19.0% | | 1 p.p. | -19 p.p. | -44% |
| German truck toll mileage (1w m.a.), % y/y | 04-Nov | 5.1% | | -2 p.p. | 0.8 p.p. | -16.2% |
| OpenTable restaurant bookings, Germany (1w m.a.)** | 04-Nov | -48.3% | | -23.7 p.p. | -50.6 p.p. | -100% |
| USA | | | | | | |
| NY Fed weekly economic index* | Week 45 | -2.68 | | 0.50 | 1.36 | -11.5 |
| Transaction card spending, (1w m.a.), % y/y | 03-Nov | -11.4% | | 0.3 p.p. | -0.5 p.p. | -40.6% |
| OpenTable restaurant bookings (1w m.a.)** | 04-Nov | -48.4% | | -6.4 p.p. | -8.1 p.p. | -100% |
| Google mobility trends retail & recreation (1w m.a.)** | | | | | | |
| Germany | 08-Nov | -31.3% | | -14.1 p.p. | -18.7 p.p. | -62.1% |
| France | | -56.9% | | -24.1 p.p. | -39.7 p.p. | -88.0% |
| Italy | | -33.1% | | -6.4 p.p. | -21.7 p.p. | -88.9% |
| Spain | | -39.0% | | -5.9 p.p. | -14.4 p.p. | -91.7% |
| UK | | -39.1% | | -11.9 p.p. | -11.4 p.p. | -77.6% |
| Japan | | -5.0% | | 0.3 p.p. | 6.1 p.p. | -37.9% |
| United Statss | | -16.4% | | 0.3 p.p. | -1.7 p.p. | -46.1% |
| Electricity demand (1w m.a.)*** | | | | | | |
| Germany | 12-Nov | -1.8% | | -5.1 p.p. | -1.6 p.p. | -16.2% |
| France | | -14.3% | | -9.2 p.p. | -16.9 p.p. | -23.1% |
| Italy | | -5.7% | | -7.9 p.p. | -1.5 p.p. | -28.2% |
| Spain | | -5.9% | | -5.9 p.p. | -2 p.p. | -24.2% |
| UK | | -5.6% | | -0.1 p.p. | -5.7 p.p. | -22.1% |
| Japan | 12-Nov | -6.8% | | 2.2 p.p. | 1 p.p. | -18.3% |
| United States | | -4.2% | | -4.6 p.p. | -2 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
 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 47

During the week

| | | | | Period | Danske Bank | Consensus | Previous |
|--------|-----|---------------------------|-----|-------------|-------------|-----------|----------|
| Sun 15 | JPY | GDP deflator, preliminary | y/y | 3rd quarter | | 1.0% | 1.3% |

Monday, November 16, 2020

| | | | | Period | Danske Bank | Consensus | Previous |
|-------|-----|--|----------|-------------|-------------|------------|--------------|
| 0:50 | JPY | GDP, preliminary | q/qlann. | 3rd quarter | | 4.4% 18.9% | -7.9% -28.1% |
| 3:00 | CNY | Fixed assets investments | y/y | Oct | | 1.6% | 0.8% |
| 3:00 | CNY | Industrial production | y/y | Oct | | 6.7% | 6.9% |
| 3:00 | CNY | Retail sales | y/y | Oct | | 5.0% | 3.3% |
| 5:30 | JPY | Industrial production, final | m/m y/y | Sep | | | 4.0% -9.0% |
| 8:00 | NOK | Trade balance | NOK bn | Oct | | | -8 |
| 10:30 | ITL | HICP, final | m/m y/y | Oct | | .. -0.6% | .. -0.6% |
| 14:30 | EUR | ECB's Mersch speaks in <PLACE> | | | | | |
| 14:50 | USD | Empire Manufacturing PMI | Index | Nov | | 13.8 | 10.5 |
| 20:30 | USD | Fed vice chair Clarida (voter, neutral) speaks | | | | | |

Tuesday, November 17, 2020

| | | | | Period | Danske Bank | Consensus | Previous |
|-------|-----|---|-----------|-------------|-------------|-----------|------------|
| 8:00 | NOK | GDP (total) | q/q | 3rd quarter | | | -5.1% |
| 8:00 | NOK | GDP (mainland) | q/q | 3rd quarter | 5.2% | 5.2% | -6.3% |
| 8:00 | NOK | Consumer confidence | Net. bal. | 4th quarter | | | -6.6 |
| 9:00 | NOK | GDP (mainland) | m/m | Sep | 0.5% | 0.6% | 0.6% |
| 10:00 | SEK | NIER economic forecasts | | | | | |
| 14:00 | HUF | Central Bank of Hungary rate decision | % | | | 0.6% | 0.6% |
| 14:30 | USD | Retail sales control group | m/m | Oct | | 0.5% | 1.4% |
| 14:30 | USD | Import prices | m/m y/y | Oct | | 0.2% ... | 0.3% -1.1% |
| 15:15 | USD | Industrial production | m/m | Oct | | 1.0% | -0.6% |
| 15:30 | USD | Capacity utilization | % | Oct | | 72.4% | 71.5% |
| 16:00 | USD | Manufacturing production | m/m | Oct | | 1.1% | -0.3% |
| 16:00 | USD | NAHB Housing Market Index | Index | Nov | | 85.0 | 85.0 |
| 22:00 | USD | TICS international capital flow, Net inflow | USD bn | Sep | | | 86.3 |

Wednesday, November 18, 2020

| | | | | Period | Danske Bank | Consensus | Previous |
|-------|-----|--|------------|--------|-------------|-------------|---------------|
| 0:50 | JPY | Exports | y/y (%) | Oct | | 0.0 | 0.0 |
| 0:50 | JPY | Import | y/y (%) | Oct | | -0.1 | -0.2 |
| 0:50 | JPY | Trade balance, s.a. | JPY bn | Oct | | 117.4 | 475.8 |
| 8:00 | GBP | PPI - input | m/m y/y | Oct | | -0.2% -2.8% | 1.1% -3.7% |
| 8:00 | GBP | CPI | m/m y/y | Oct | | -0.1% 0.6% | 0.4% 0.5% |
| 8:00 | GBP | CPI core | y/y | Oct | | 1.3% | 1.3% |
| 11:00 | EUR | HICP inflation, final | m/m y/y | Oct | | 0.2% -0.3% | 0.2% -0.3% |
| 11:00 | EUR | HICP - core inflation, final | y/y | Oct | | 0.2% | 0.2% |
| 14:30 | CAD | CPI | m/m y/y | Oct | | | .. 0.5% |
| 14:30 | USD | Building permits | 1000 (m/m) | Oct | | 1568 | 1545.0 (4.7%) |
| 14:30 | USD | Housing starts | 1000 (m/m) | Oct | | 1445 | 1415.0 (1.9%) |
| 16:30 | USD | DOE U.S. crude oil inventories | K | | | | 4277 |
| 18:30 | USD | Fed's Williams (voter, neutral) speaks | | | | | |
| 19:30 | USD | Fed's Bullard (non-voter, dovish) speaks | | | | | |

Source: Danske Bank

Calendar

| Thursday, November 19, 2020 | | | Period | Danske Bank | Consensus | Previous |
|-----------------------------|-----|--|-----------|-------------|--------------|-------------|
| - | USD | Fed's Kaplan (voter, neutral) speaks | | | | |
| 1:30 | USD | Fed's Bostic (non-voter, neutral) speaks | | | | |
| 1:30 | AUD | Employment change | 1000 | Oct | -30 | -29.5 |
| 8:30 | NOK | Oil investment survey | | | | |
| 9:30 | SEK | Unemployment (n.s.a. s.a.) | % | Oct | | 8.3% 9.0% |
| 10:00 | EUR | Current account | EUR bn | Sep | | 19.9 |
| 12:00 | TRY | Central Bank of Turkey rate decision | % | | 15.0% | 10.3% |
| 14:30 | DKK | Consumer confidence | Net. bal. | Nov | | -6.2 |
| 15:45 | GBP | Retail sales ex fuels | m/m y/y | Oct | -0.2% 5.9% | 1.6% 6.4% |
| 16:00 | USD | Initial jobless claims | 1000 | | | 709 |
| 16:00 | USD | Philly Fed index | Index | Nov | 22.0 | 32.3 |
| 17:30 | USD | Existing home sales | m (m/m) | Oct | 6.44 | 6.54 9.4% |
| Friday, November 20, 2020 | | | Period | Danske Bank | Consensus | Previous |
| - | EUR | Fitch may publish Portugal's debt rating | | | | |
| 4:30 | JPY | CPI - national | y/y | Oct | -0.4% | 0.0% |
| 4:30 | JPY | CPI - national ex. fresh food | y/y | Oct | -0.7% | -0.3% |
| 6:00 | GBP | GfK consumer confidence | Index | Nov | -34.0 | -31.0 |
| 6:30 | JPY | Nikkei Manufacturing PMI, preliminary | Index | Nov | | 48.7 |
| 7:00 | JPY | Markit PMI services, preliminary | Index | Nov | | 47.7 |
| 9:30 | SEK | Capacity utilization, industry | % | 3rd quarter | | 82.8% |
| 14:30 | CAD | Retail sales | m/m | Sep | | 0.4% |
| 14:30 | USD | Fed's Kaplan (voter, neutral) speaks | | | | |
| 16:00 | EUR | Consumer confidence, preliminary | Net bal. | Nov | -17.9 | -15.5 |

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

For further 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 | 0.4 | 2.0 | 8.7 | -5.8 | 40.0 | 4.9 |
| | 2021 | 3.8 | 4.2 | 2.8 | 2.5 | 6.2 | 4.6 | 0.8 | 2.0 | 9.0 | -1.0 | 39.0 | 4.6 |
| Norway | 2019 | 2.3 | 1.5 | 1.7 | 6.1 | 1.5 | 5.2 | 2.2 | 3.5 | 2.3 | - | - | - |
| | 2020 | -3.8 | -7.1 | 1.7 | -5.6 | -4.3 | -10.5 | 1.5 | 2.0 | 5.0 | - | - | - |
| | 2021 | 3.9 | 6.7 | 2.0 | -0.8 | 4.5 | 3.8 | 2.8 | 2.3 | 3.3 | - | - | - |

Macro forecast. Euroland

| | Year | GDP 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 | 1.4 | 1.8 | 5.7 | 2.5 | 3.9 | 1.2 | 2.0 | 7.6 | -0.6 | 84.0 | 3.1 |
| | 2020 | -7.0 | -8.8 | -0.8 | -13.7 | -9.1 | -10.5 | 0.2 | -1.0 | 7.8 | -8.5 | 102.7 | 2.6 |
| | 2021 | 5.4 | 5.3 | 3.2 | -1.2 | 13.1 | 10.6 | 1.0 | 1.0 | 8.0 | -3.5 | 98.8 | 2.6 |
| Germany | 2019 | 0.6 | 1.6 | 2.7 | 2.6 | 1.0 | 2.6 | 1.4 | 3.2 | 3.1 | 1.5 | 59.6 | 7.1 |
| | 2020 | -5.5 | -6.4 | 4.3 | -5.7 | -11.3 | -8.1 | 0.5 | -0.1 | 4.1 | -7.0 | 75.6 | 5.7 |
| | 2021 | 4.4 | 4.2 | 4.6 | 1.4 | 12.4 | 11.9 | 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 | -1.0 | 59.3 | -0.2 |
| | 2020 | -4.5 | -4.0 | 1.0 | -5.0 | -12.0 | -9.0 | 0.3 | 1.9 | 8.2 | -8.4 | 70.0 | -0.9 |
| | 2021 | 2.5 | 3.5 | 1.5 | 2.0 | 5.0 | 5.0 | 1.0 | 2.5 | 8.2 | -3.7 | 71.7 | -0.6 |

Macro forecast. Global

| | Year | GDP 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 | -3.4 | -3.6 | 1.5 | -2.8 | -13.4 | -10.0 | 1.3 | 4.6 | 8.1 | -19.9 | 130.0 | -2.6 |
| | 2021 | 5.2 | 6.2 | 2.5 | 4.4 | 2.8 | 8.3 | 2.1 | 2.0 | 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 | -2.3 | 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 | 13-Nov | 0.25 | 0.22 | 0.26 | 0.87 | 118.2 | - | 630.3 | 916.1 | 864.4 |
| | +3m | 0.25 | 0.23 | 0.30 | 1.10 | 120.0 | - | 620.4 | 900.0 | 875.0 |
| | +6m | 0.25 | 0.23 | 0.30 | 1.15 | 120.0 | - | 620.6 | 883.3 | 858.3 |
| | +12m | 0.25 | 0.23 | 0.35 | 1.35 | 118.0 | - | 631.8 | 889.8 | 872.9 |
| EUR | 13-Nov | -0.50 | -0.51 | -0.52 | -0.22 | - | 118.2 | 744.7 | 1082.5 | 1021.4 |
| | +3m | -0.50 | -0.52 | -0.45 | -0.10 | - | 120.0 | 744.5 | 1080.0 | 1050.0 |
| | +6m | -0.50 | -0.52 | -0.45 | -0.10 | - | 120.0 | 744.8 | 1060.0 | 1030.0 |
| | +12m | -0.50 | -0.52 | -0.35 | 0.10 | - | 118.0 | 745.5 | 1050.0 | 1030.0 |
| JPY | 13-Nov | -0.10 | -0.10 | -0.05 | 0.05 | 120.5 | 105.1 | 6.18 | 8.98 | 8.48 |
| | +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 | 13-Nov | 0.10 | 0.04 | 0.08 | 0.49 | 89.8 | 131.6 | 829.3 | 1205.5 | 1137.4 |
| | +3m | 0.10 | 0.07 | 0.10 | 0.65 | 86.0 | 139.5 | 865.7 | 1255.8 | 1220.9 |
| | +6m | 0.10 | 0.07 | 0.15 | 0.75 | 86.0 | 139.5 | 866.0 | 1232.6 | 1197.7 |
| | +12m | 0.10 | 0.07 | 0.20 | 0.85 | 86.0 | 137.2 | 866.9 | 1220.9 | 1197.7 |
| CHF | 13-Nov | -0.75 | -0.78 | -0.72 | -0.30 | 108.1 | 91.5 | 688.9 | 1001.4 | 944.9 |
| | +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 | 13-Nov | -0.60 | -0.23 | -0.20 | 0.00 | 744.7 | 630.3 | - | 145.4 | 137.2 |
| | +3m | -0.60 | -0.26 | -0.18 | 0.10 | 744.5 | 620.4 | - | 145.1 | 141.0 |
| | +6m | -0.60 | -0.27 | -0.20 | 0.10 | 744.8 | 620.6 | - | 142.3 | 138.3 |
| | +12m | -0.60 | -0.30 | -0.10 | 0.30 | 745.5 | 631.8 | - | 140.8 | 138.2 |
| SEK | 13-Nov | 0.00 | -0.08 | -0.04 | 0.36 | 1021.4 | 864.4 | 72.9 | 106.0 | 100.0 |
| | +3m | 0.00 | -0.05 | 0.03 | 0.30 | 1050.0 | 875.0 | 70.9 | 102.9 | - |
| | +6m | 0.00 | -0.05 | 0.10 | 0.40 | 1030.0 | 858.3 | 72.3 | 102.9 | - |
| | +12m | 0.00 | -0.05 | 0.10 | 0.40 | 1030.0 | 872.9 | 72.4 | 101.9 | - |
| NOK | 13-Nov | 0.00 | 0.43 | 0.48 | 1.08 | 1082.5 | 916.1 | 68.8 | 100.0 | 94.4 |
| | +3m | 0.00 | 0.39 | 0.65 | 1.40 | 1080.0 | 900.0 | 68.9 | - | 97.2 |
| | +6m | 0.00 | 0.30 | 0.80 | 1.50 | 1060.0 | 883.3 | 70.3 | - | 97.2 |
| | +12m | 0.00 | 0.45 | 1.05 | 1.75 | 1050.0 | 889.8 | 71.0 | - | 98.1 |

| Commodities | | | | | | | | | | | | |
|-------------|--------|------|----|----|----|------|----|----|----|---------|------|--|
| | | 2020 | | | | 2021 | | | | Average | | |
| | 13-Nov | 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

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