

Weekly Focus

Energy price surge prompts early rate hike expectations

The energy crisis continues to worsen, driving up inflation expectations and prompting political reaction. Oil prices continued their surge above USD84 pr barrel, as gas shortages continued to spill over into oil markets. While, natural gas prices in Europe fell back slightly from last week's peak, they remain four times higher than pre-crisis levels. Although the spike in energy prices has yet to feed broader inflation, inflation markets continue to price in higher inflation in the euro area in 5-10 year's time to its highest levels since 2014. To mitigate the increasing costs to the consumers and companies, the European Commission this week presented a toolbox of relief measures to be applied in member countries, including emergency income support to households, state aid for companies and targeted tax reductions. These measures come on top of the already announced temporary VAT cuts in Spain and Italy, which together with Greece are also providing subsidies for fuel payments. In the US, headline inflation increased faster than expectations in September while core inflation (excluding energy and food) only showed modest increases.

The surge in inflation expectations has also prompted expectations of earlier tightening of global monetary policy. In the US, financial markets are now a 50% chance of an interest rate hike by the Federal Reserve in July next year, while it has almost fully priced in a rate hike by September. We partly agree with this view as we changed our Fed call this week to assume two rate hikes in second half of 2022 (September and December), see *Fed Research - Powell likely to remain chair and hike twice next year*, 14 October. This week, Fed minutes from the September meeting showed that there is broad consensus in the policy committee to start the tapering in November or December. The surge in inflation expectations have also prompted market expectations of a rate hike by the ECB, where 10bp is priced for January 2023, which we think is far too premature, see discussion in *Reading the Markets EUR: Markets are out of sync with ECB guidance*, 14 October.

Meanwhile, the global economy is showing signs of abating momentum. This week the ZEW survey for Germany was another print confirming slowing economic activity and outlook in Germany. While the expectations component were still holding up at 22.3 (from 26.5 in Sep), it is nevertheless declining. Not surprisingly the current situation component also declined, but the magnitude of that decline was bigger than expected pointing to headwinds for the German economy in the near future. **Despite the higher energy prices and weakening economic momentum global risk sentiment held up relatively well.**

Next week, focus turns to Preliminary October PMIs for the UK, the US, Japan and the euro area. In the euro area, focus will be on whether supply constraints and mounting energy crisis are affecting companies' order books and cost situation. We will also get the details from the September HICP release on Wednesday, giving more clues what drove the surge in core inflation to 1.9%. It is also worth keeping an eye on consumer confidence on Thursday for any signs that rising energy prices are denting consumers' willingness to spend in Q4. In the US, it is the last week where the Fed members can guide markets ahead of November meeting before the blackout period kicks in on Saturday 23 October. In the UK, the CPI inflation for September on Wednesday will attract attention given Bank of England hawkishness.

Key market movers

- Sunday: BOE governor Bailey speaks
- Wednesday: Euro area September HICP, US Fed Beige book, UK September CPI
- Friday: Preliminary October PMI for euro area, UK, Japan and US
- Other: Gas and oil markets

Selected reading from Danske Bank

- *Fed Research - Powell likely to remain chair and hike twice next year*, 14 October
- *FX Strategy - Debt ceiling solution to push EUR/USD FX forwards higher* 13 October
- *FX Forecast Update - Stagflation risk boosts USD potential*, 13 October
- *Nordic Outlook - Goodbye to crisis*, 5 October 2021

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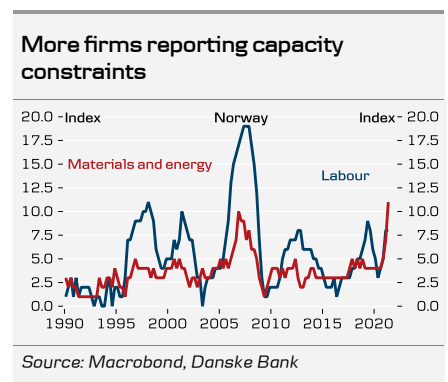
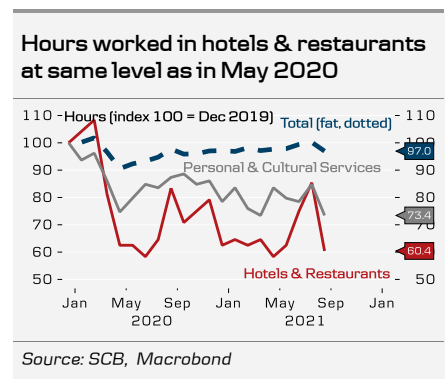
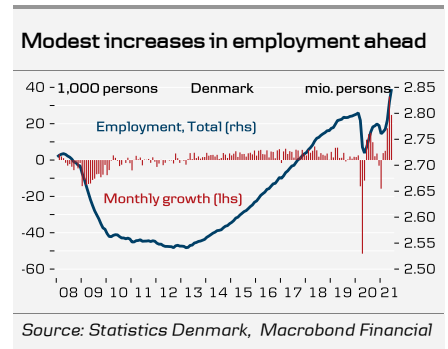
Scandi market movers

- In **Denmark**, we can look forward to consumer expectations figures for October on Thursday. September saw an increase to 8.2 on the back of the Danes' more upbeat perception of their own finances and the Danish economy. We expect to see a modest decline in consumer expectations to 7.5, as strongly rising energy prices could influence the views of some Danes on their own financial situation. However, we expect consumers to maintain a positive stance on Denmark's economy, which they see as running on all cylinders.

Thursday is also scheduled to bring the figures for wage-earner employment in August. The number of wage-earners has been rising sharply over the past 6 months, with the July figures showing 7,000 more in work. That followed major increases in April, May and June, with the momentum likely coming from the need to hire many employees at the same time after the reopening. The number of job ads remains record-high and companies continue to report labour shortages, which confirms the pressure on the labour market. Pulling in the other direction is the phasing out of corona-related jobs, which is now under way and freeing up labour that can be channelled into other industries. We expect the increases in employment to be more modest in the coming months.

- Next week is quite data empty in Sweden with the labour force survey (Thursday) as the only macro release. As mentioned many times, LFS data have been volatile and unreliable since the reconstruction of the statistics in January. Hours worked however seems to be quite unaffected which make the release interesting anyway. Giving the first glimpse of the economic activity during September. A large jump down in hours worked was seen during August mainly driven by a large decrease in hotel and restaurants. As Covid-19 restrictions was lifted by the end of September, it is probably too soon to see any large improvement in sectors hard hit by the pandemic. July and August data for hours worked suggest only 0.2% above Q2 level giving some downside risk to our 1.1% GDP growth forecast on Q3.

- In **Norway**, manufacturing confidence has improved solidly this year, rising in Q2 to its highest since before the financial crisis. Based on leading indicators such as the PMI, however, we expect a slight fall in Q3. Just as interesting will be the indicators of pressures on materials, energy and labour.



Scandi update

Denmark – Inflation rises to 2.2%

Consumer prices rose 2.2% in September relative to the same month last year. Hence, inflation increased from August, when it was 1.8%. The principal cause was energy prices, with surging electricity and gas prices adding strongly to inflation. Rising food prices have also contributed to pushing inflation higher, though food prices have only risen by 1.5% overall since September last year. Core inflation printed at 1.3% in September, which remains modest, also from an international perspective. Energy prices have less of an impact on inflation in Denmark than in the Euro area due to lower energy consumption and more district heating in Denmark. We expect inflation to peak in October, when the full effect of rising energy prices will be felt. However, we expect inflation to be more subdued thereafter.

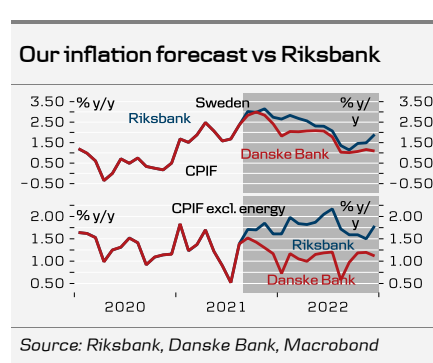
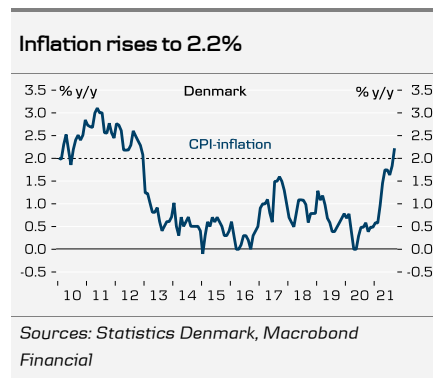
Foreign trade in goods and services rose 0.8% in August when seasonally adjusted. The increase was driven by service exports, which rose, while goods exports retreated a little. Goods exports not being the primary driver of foreign trade was expected as consumers begin to substitute services for goods. This has also been reflected in industrial production, which has been declining if you disregard the pharmaceutical industry.

The Danish Economic Councils published their Danish Economy forecast on Tuesday. In it, the so-called wise men recommended a tighter fiscal policy in 2022 than the government has indicated. A better economic situation in 2022 than in 2019 is what prompted the recommendation, as the government’s proposed fiscal policy is more accommodative than in 2019. They also expect GDP growth of 3.9% and 3.6% in 2021 and 2022, respectively, which is slightly different to our expectations of 4.0% and 3.0% for the respective years.

Sweden – Weaker than expected inflation

September inflation came out lower than we (+ consensus and Riksbank) had expected with CPIF at 2.8% y/y and underlying inflation at 1.5% y/y, meaning 0.2 p.p on both below Riksbank forecast. A large driver was as expected electricity prices (1.3 p.p), clothing prices increased but less than anticipated while food prices - which is the largest post in inflation with a weight on almost 15% - surprisingly decreased. Food producers have given signals about higher prices worldwide but it is good to keep in mind that the impact from the food price index (a basket of international food commodities) in consumer prices is quite low (food prices have a large weight in inflation but the food price index has a lower impact on consumer prices as it is measured in CPIF), but still we expect some higher food prices over coming months.

So what does this mean for the Riksbank at the moment? Not that much we would say, and we don’t believe September figures will change anything. We believe there is a large difference for a central bank if an inflation rate of 2.8% is largely driven by energy or is broadly based. Inflation expectations (survey based) reached 2% this week for the first time since 2018, probably a larger relief for the Riksbank after a period with lower numbers. The market is pricing around 50% probability for a RB-hike by year end 2022-23, which we think is too aggressive.

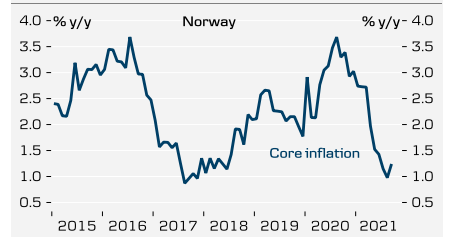


Norway – Core inflation has bottomed out

Core inflation increased moderately to 1.2% y/y in September after falling sharply over the summer and autumn on the back of base effects and lower imported inflation. We are now seeing growing global price pressures, the krone has weakened somewhat, and wage growth is picking up, which all points to core inflation bottoming out.

The government’s budget for 2022 makes slightly less use of oil money than we had anticipated. The government proposes spending just 2.6% of the Government Pension Fund Global next year, which does of course need to be seen in the light of growing signs of pressures building in the Norwegian economy.

Inflation rising as expected



Source: Macrobond, Danske Bank

Activity tracker

| Euro area | Last obs | Value | Last 4 months | 1W chg. | 1M chg. | Low |
|---|----------|--------|---------------|-----------|------------|--------|
| Bundesbank weekly activity index* | Week 41 | 0.03 | | 0.19 | -0.08 | -5.9 |
| German truck toll mileage (1w m.a.), % y/y | 06-Oct | 1.8% | | 1.3 p.p. | 1.4 p.p. | -16.2% |
| OpenTable restaurant bookings, Germany (1w m.a.)** | 13-Oct | 28.4% | | 11.6 p.p. | -2.4 p.p. | -100% |
| USA | | | | | | |
| NY Fed weekly economic index* | Week 41 | 7.54 | | -0.57 | -0.72 | -11.3 |
| Transaction card spending, (1w m.a.), % y/y | 29-Sep | 20.4% | | 1.3 p.p. | -1 p.p. | -40.6% |
| OpenTable restaurant bookings (1w m.a.)** | 13-Oct | -9.0% | | -3.2 p.p. | 7.4 p.p. | -100% |
| Google mobility trends retail & recreation (1w m.a.)** | | | | | | |
| Germany | 10-Oct | 0.7% | | 1.1 p.p. | -5.1 p.p. | -67.3% |
| France | | -5.1% | | 2.7 p.p. | -4.6 p.p. | -88.0% |
| Italy | | -6.7% | | -5.4 p.p. | -11.1 p.p. | -88.9% |
| Spain | | -9.4% | | 0.9 p.p. | -4.6 p.p. | -91.7% |
| UK | | -10.3% | | 1.4 p.p. | -2.7 p.p. | -77.6% |
| Japan | | -10.3% | | 2.9 p.p. | 7.3 p.p. | -37.9% |
| United States | | -5.9% | | -0.3 p.p. | 0.4 p.p. | -46.1% |
| Electricity demand (1w m.a.)*** | | | | | | |
| Germany | 14-Oct | -1.5% | | -3 p.p. | 0.7 p.p. | -8.1% |
| France | | -0.2% | | 2.8 p.p. | 1.5 p.p. | -22.0% |
| Italy | | -1.6% | | -2.6 p.p. | -1.7 p.p. | -11.0% |
| Spain | | -5.8% | | -1 p.p. | -6.6 p.p. | -23.6% |
| UK | 13-Oct | 0.0% | | 0 p.p. | 0 p.p. | -22.2% |
| Japan | | -1.9% | | 1.2 p.p. | 1.4 p.p. | -7.3% |
| United States | | 3.9% | | 2.8 p.p. | 1.4 p.p. | -12.5% |

*NOWcast, Actual index value, **Relative to same day/week in 2019, *** Relative to same day/week in 15-19 avg.

Source: Google mobility data, ENTSO-E, EIA, Open Table, Statistisches Bundesamt, TextilWirtschaft, Bundesbank, NY Fed, Macrobond Financial

Calendar

| During the week | | | | Period | Danske Bank | Consensus | Previous |
|-----------------------------|-----|---|------------|-------------|-------------|------------|---------------|
| Sun 17 | NZD | CPI | q/qly/y | 3rd quarter | | 1.5% 4.2% | 1.3% 3.3% |
| Mon 18 | USD | Budget statement | USD bn | Sep | | -180.0 | -124.6 |
| Monday, October 18, 2021 | | | | Period | Danske Bank | Consensus | Previous |
| - | USD | Budget statement | USD bn | Sep | | -180.0 | -124.6 |
| 4:00 | CNY | Industrial production | y/y | Sep | | 3.8% | 5.3% |
| 4:00 | CNY | Retail sales | y/y | Sep | | 3.5% | 2.5% |
| 4:00 | CNY | Real GDP | q/qly/y | 3rd quarter | | 0.4% 5.0% | 1.3% 7.9% |
| 4:00 | CNY | Fixed assets investments | y/y | Sep | | 7.8% | 8.9% |
| 11:30 | USD | Fed's Quarles (voter, neutral) speaks | | | | | |
| 15:15 | USD | Capacity utilization | % | Sep | | 76.5% | 76.4% |
| 15:15 | USD | Industrial production | m/m | Sep | | 0.2% | 0.4% |
| 15:15 | USD | Manufacturing production | m/m | Sep | | 0.3% | 0.2% |
| 16:00 | USD | NAHB Housing Market Index | Index | Oct | | 75.0 | 76.0 |
| 20:15 | USD | Fed's Kashkari (voter, dovish) speaks | | | | | |
| 22:00 | USD | TICS international capital flow, Net inflow | USD bn | Aug | | | 126.0 |
| Tuesday, October 19, 2021 | | | | Period | Danske Bank | Consensus | Previous |
| 14:00 | HUF | Central Bank of Hungary rate decision | % | | 1.8% | 1.8% | 1.7% |
| 14:30 | USD | Building permits | 1000 (m/m) | Sep | | 1670 | 1721.0 (5.6%) |
| 14:30 | USD | Housing starts | 1000 (m/m) | Sep | | 1610 | 1615.0 (3.9%) |
| 17:00 | USD | Fed's Daly (non-voter, neutral) speaks | | | | | |
| 20:50 | USD | Fed's Bostic (non-voter, neutral) speaks | | | | | |
| Wednesday, October 20, 2021 | | | | Period | Danske Bank | Consensus | Previous |
| 1:50 | JPY | Exports | y/y (%) | Sep | | 0.1 | 0.3 |
| 1:50 | JPY | Import | y/y (%) | Sep | | 0.3 | 0.4 |
| 1:50 | JPY | Trade balance, s.a. | JPY bn | Sep | | -586.4 | -271.8 |
| 8:00 | GBP | CPI | m/mly/y | Sep | | 0.3% 3.2% | 0.7% 3.2% |
| 8:00 | GBP | CPI core | y/y | Sep | | 3.1% | 3.1% |
| 10:00 | EUR | Current account | EUR bn | Aug | | | 21.6 |
| 11:00 | EUR | HICP inflation, final | m/mly/y | Sep | | 0.5% 3.4% | 0.5% 3.0% |
| 11:00 | EUR | HICP - core inflation, final | y/y | Sep | | 1.9% | 1.9% |
| 14:30 | CAD | CPI | m/mly/y | Sep | | | -1.1% |
| 16:30 | USD | DOE U.S. crude oil inventories | K | | | | 6088 |
| 18:00 | USD | Fed's Bostic (non-voter, neutral) speaks | | | | | |
| 18:00 | USD | Fed's Bullard (non-voter, dovish) speaks | | | | | |
| 18:00 | USD | Fed's Evans (non-voter, neutral) speaks | | | | | |
| 18:00 | USD | Fed's Kashkari (voter, dovish) speaks | | | | | |
| 19:00 | USD | Fed's Quarles (voter, neutral) speaks | | | | | |
| Thursday, October 21, 2021 | | | | Period | Danske Bank | Consensus | Previous |
| 8:00 | DKK | Consumer confidence | Net. bal. | Oct | | | 8.2 |
| 8:45 | FRF | Business confidence | Index | Oct | | 110.0 | 111.0 |
| 13:00 | TRY | Central Bank of Turkey rate decision | % | | 17.0% | 17.0% | 18.0% |
| 14:30 | USD | Initial jobless claims | 1000 | | | | 293 |
| 14:30 | USD | Philly Fed index | Index | Oct | | 24.0 | 30.7 |
| 16:00 | EUR | Consumer confidence, preliminary | Net bal. | Oct | | -5.0 | -4.0 |
| 16:00 | USD | Existing home sales | m (m/m) | Sep | | 6.02 | 5.88 -2.0% |
| Friday, October 22, 2021 | | | | Period | Danske Bank | Consensus | Previous |
| - | EUR | S&P may publish Italy's debt rating | | | | | |
| - | EUR | Fitch may publish Netherlands's debt rating | | | | | |
| - | EUR | Fitch may publish Finland's debt rating | | | | | |
| - | EUR | S&P may publish Greece's debt rating | | | | | |
| - | EUR | Fitch may publish Austria's debt rating | | | | | |
| 1:01 | GBP | GfK consumer confidence | Index | Oct | | -16.0 | -13.0 |
| 1:30 | JPY | CPI - national | y/y | Sep | | 0.2% | -0.4% |
| 1:30 | JPY | CPI - national ex. fresh food | y/y | Sep | | 0.1% | 0.0% |
| 2:30 | JPY | Nikkei Manufacturing PMI, preliminary | Index | Oct | | | 51.5 |
| 2:30 | JPY | Markit PMI services, preliminary | Index | Oct | | | 47.8 |
| 8:00 | GBP | Retail sales ex fuels | m/mly/y | Sep | | 0.1% -1.6% | -1.2% -0.9% |
| 8:00 | NOK | Industrial confidence (SSB) | Net. bal. | 3rd quarter | | | 11.3 |
| 9:15 | FRF | PMI manufacturing, preliminary | Index | Oct | | 54.0 | 55.0 |
| 9:15 | FRF | PMI services, preliminary | Index | Oct | | 55.0 | 56.2 |
| 9:30 | DEM | PMI manufacturing, preliminary | Index | Oct | | 56.8 | 58.4 |
| 9:30 | DEM | PMI services, preliminary | Index | Oct | | 55.0 | 56.2 |
| 10:00 | EUR | PMI manufacturing, preliminary | Index | Oct | | 57.0 | 58.6 |
| 10:00 | EUR | PMI composite, preliminary | Index | Oct | | 55.0 | 56.2 |
| 10:00 | EUR | PMI services, preliminary | Index | Oct | | 55.4 | 56.4 |
| 10:00 | EUR | ECB's survey of professional forecasters | | | | | |
| 10:30 | GBP | PMI manufacturing, preliminary | Index | Oct | | 55.5 | 57.1 |
| 10:30 | GBP | PMI services, preliminary | Index | Oct | | 54.5 | 55.4 |
| 12:30 | RUB | Central Bank of Russia rate decision | % | | 7.0% | 7.0% | 6.8% |
| 14:30 | CAD | Retail sales | m/m | Aug | | | -0.6% |
| 15:45 | USD | Markit PMI manufacturing, preliminary | Index | Oct | | 60.5 | 60.7 |
| 15:45 | USD | Markit PMI service, preliminary | Index | Oct | | 55.1 | 54.9 |
| 16:00 | USD | Fed's Daly (non-voter, neutral) 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 ³ | Public budget ⁴ | Public debt ⁴ | Current acc. ⁴ |
|---------|------|------------------|----------------------------|---------------------------|-------------------------|-----------------------|-----------------------|-------------------------|--------------------------|-------------------------|----------------------------|--------------------------|---------------------------|
| Denmark | 2020 | -2.1 | -1.4 | -1.7 | 5.1 | -7.0 | -4.1 | 0.4 | 2.3 | 4.7 | -0.2 | 42.1 | 8.1 |
| | 2021 | 4.0 | 3.4 | 3.8 | 8.9 | 3.5 | 3.3 | 1.6 | 3.1 | 3.9 | -1.4 | 37.8 | 7.8 |
| | 2022 | 3.0 | 3.4 | -0.8 | 2.9 | 6.1 | 5.1 | 1.3 | 2.8 | 3.2 | 0.4 | 36.9 | 7.6 |
| Sweden | 2020 | -3.1 | -4.7 | -0.5 | 0.6 | -5.2 | -5.8 | 0.5 | 2.1 | 8.3 | -3.1 | 37.7 | 1.4 |
| | 2021 | 3.9 | 3.8 | 2.9 | 6.5 | 6.0 | 7.3 | 2.0 | 2.7 | 8.8 | -0.8 | 37.0 | 5.3 |
| | 2022 | 3.5 | 4.1 | 1.7 | 5.2 | 3.0 | 4.0 | 1.6 | 1.8 | 7.5 | 0.2 | 33.0 | 4.7 |
| Norway | 2020 | -2.5 | -6.9 | 1.7 | -3.8 | -0.5 | -11.9 | 1.3 | 3.1 | 5.0 | - | - | - |
| | 2021 | 3.8 | 4.2 | 3.0 | 1.0 | 2.7 | 3.5 | 3.2 | 3.0 | 3.1 | - | - | - |
| | 2022 | 4.0 | 7.0 | 1.7 | 2.0 | 7.0 | 7.0 | 1.6 | 3.3 | 2.3 | - | - | - |

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 | 2020 | -6.5 | -8.0 | 1.4 | -7.5 | -9.3 | -9.2 | 0.3 | -0.6 | 7.9 | -7.2 | 98.0 | 3.0 |
| | 2021 | 5.3 | 3.6 | 3.3 | 3.8 | 9.5 | 6.7 | 2.2 | 3.1 | 7.8 | -7.8 | 102.2 | 3.1 |
| | 2022 | 4.2 | 5.9 | 1.8 | 2.2 | 4.5 | 4.1 | 1.7 | 2.0 | 7.5 | -3.5 | 100.4 | 3.1 |
| Germany | 2020 | -4.9 | -6.1 | 3.5 | -3.0 | -10.1 | -9.2 | 0.4 | 0.0 | 3.9 | -4.2 | 69.8 | 6.9 |
| | 2021 | 3.4 | 0.0 | 2.7 | 2.2 | 9.1 | 8.4 | 2.7 | 1.2 | 3.7 | -7.5 | 73.0 | 7.5 |
| | 2022 | 4.4 | 5.4 | 2.1 | 2.0 | 4.7 | 3.8 | 1.7 | 1.8 | 3.4 | -2.5 | 72.1 | 6.9 |
| Finland | 2020 | -2.9 | -4.7 | 0.5 | -0.7 | -6.8 | -6.5 | 0.3 | 1.8 | 7.8 | -5.4 | 69.5 | 0.8 |
| | 2021 | 3.3 | 4.0 | 2.5 | 4.0 | 3.5 | 4.5 | 2.0 | 2.5 | 7.7 | -4.4 | 70.5 | 0.6 |
| | 2022 | 3.0 | 3.5 | 1.0 | 4.0 | 6.5 | 6.5 | 1.8 | 2.7 | 7.1 | -2.6 | 70.5 | 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 | 2020 | -3.4 | -3.8 | 2.5 | -2.7 | -13.6 | -8.9 | 1.2 | 4.6 | 8.1 | -16.0 | 126.4 | -2.1 |
| | 2021 | 5.6 | 7.8 | 0.8 | 8.9 | 4.3 | 13.7 | 4.4 | 2.0 | 4.7 | -12.2 | 132.3 | -2.1 |
| | 2022 | 3.3 | 2.6 | 0.8 | 4.1 | 2.4 | 3.6 | 3.1 | 2.3 | 3.5 | -7.2 | 131.9 | -2.1 |
| China | 2020 | 2.3 | -0.8 | - | 4.6 | - | - | 2.4 | 4.0 | - | -11.2 | 66.3 | 1.8 |
| | 2021 | 8.0 | 11.1 | - | 5.2 | - | - | 0.5 | 5.5 | - | -7.5 | 68.9 | 1.6 |
| | 2022 | 4.5 | 5.0 | - | 3.5 | - | - | 1.8 | 5.5 | - | -6.8 | 72.0 | 1.5 |
| UK | 2020 | -9.7 | -10.5 | -6.3 | -9.1 | -14.7 | -16.8 | 0.9 | 2.0 | 4.5 | -12.2 | 104.5 | -2.0 |
| | 2021 | 7.5 | 5.1 | 10.2 | 10.2 | -0.5 | 0.2 | 2.4 | 1.2 | 4.7 | -13.9 | 97.6 | -3.8 |
| | 2022 | 6.4 | 7.9 | 2.1 | 9.7 | 5.5 | 8.0 | 2.7 | 1.6 | 4.1 | -3.2 | 99.4 | -3.6 |
| Japan | 2020 | -4.7 | -6.5 | 2.8 | -4.3 | -11.8 | -7.3 | -0.2 | - | 2.8 | - | - | - |
| | 2021 | 2.4 | 2.0 | 1.9 | 0.5 | 13.2 | 7.6 | -0.2 | - | 2.8 | - | - | - |
| | 2022 | 2.6 | 3.8 | 1.4 | 0.7 | 4.7 | 3.8 | 0.4 | - | 2.6 | - | - | - |

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 | 15-Oct | 0.25 | 0.12 | 0.50 | 1.56 | 116.1 | - | 640.8 | 840.0 | 863.1 |
| | +3m | 0.25 | 0.11 | 0.30 | 1.50 | 114.0 | - | 652.6 | 894.7 | 886.0 |
| | +6m | 0.25 | 0.11 | 0.40 | 1.55 | 112.0 | - | 664.7 | 928.6 | 919.6 |
| | +12m | 0.25 | 0.22 | 0.90 | 2.05 | 110.0 | - | 676.8 | 945.5 | 954.5 |
| EUR | 15-Oct | -0.50 | -0.55 | -0.40 | 0.21 | - | 116.1 | 744.0 | 975.3 | 1002.2 |
| | +3m | -0.50 | -0.54 | -0.50 | 0.12 | - | 114.0 | 744.0 | 1020.0 | 1010.0 |
| | +6m | -0.50 | -0.54 | -0.50 | 0.15 | - | 112.0 | 744.5 | 1040.0 | 1030.0 |
| | +12m | -0.50 | -0.54 | -0.40 | 0.45 | - | 110.0 | 744.5 | 1040.0 | 1050.0 |
| JPY | 15-Oct | -0.10 | -0.08 | 0.01 | 0.13 | 120.5 | 114.3 | 6.17 | 8.09 | 8.32 |
| | +3m | -0.10 | - | - | - | 131.1 | 115.0 | 5.68 | 7.78 | 7.70 |
| | +6m | -0.10 | - | - | - | 129.9 | 116.0 | 5.73 | 8.00 | 7.93 |
| | +12m | -0.10 | - | - | - | 127.6 | 116.0 | 5.83 | 8.15 | 8.23 |
| GBP | 15-Oct | 0.10 | 0.13 | 0.91 | 1.23 | 84.5 | 137.4 | 880.7 | 1154.5 | 1186.3 |
| | +3m | 0.10 | 0.07 | 0.60 | 1.15 | 85.0 | 134.1 | 875.3 | 1200.0 | 1188.2 |
| | +6m | 0.10 | 0.07 | 0.55 | 1.25 | 84.0 | 133.3 | 886.3 | 1238.1 | 1226.2 |
| | +12m | 0.10 | 0.07 | 0.70 | 1.55 | 83.0 | 132.5 | 897.0 | 1253.0 | 1265.1 |
| CHF | 15-Oct | -0.75 | -0.76 | -0.57 | 0.15 | 107.2 | 92.4 | 693.9 | 909.6 | 934.6 |
| | +3m | -0.75 | - | - | - | 107.0 | 93.9 | 695.3 | 953.3 | 943.9 |
| | +6m | -0.75 | - | - | - | 108.0 | 96.4 | 689.4 | 963.0 | 953.7 |
| | +12m | -0.75 | - | - | - | 109.0 | 99.1 | 683.0 | 954.1 | 963.3 |
| DKK | 15-Oct | -0.60 | -0.28 | -0.11 | 0.48 | 744.02 | 640.80 | - | 131.09 | 134.70 |
| | +3m | -0.60 | -0.28 | -0.20 | 0.39 | 744.00 | 652.63 | - | 137.10 | 135.75 |
| | +6m | -0.60 | -0.28 | -0.22 | 0.40 | 744.50 | 664.73 | - | 139.69 | 138.35 |
| | +12m | -0.60 | -0.28 | -0.12 | 0.70 | 744.50 | 676.82 | - | 139.69 | 141.03 |
| SEK | 15-Oct | 0.00 | -0.08 | 0.13 | 0.90 | 1002.2 | 863.1 | 74.2 | 97.3 | 100.0 |
| | +3m | 0.00 | -0.02 | 0.05 | 0.83 | 1010.0 | 886.0 | 73.7 | 101.0 | - |
| | +6m | 0.00 | -0.02 | 0.05 | 0.85 | 1030.0 | 919.6 | 72.3 | 101.0 | - |
| | +12m | 0.00 | -0.02 | 0.05 | 0.93 | 1050.0 | 954.5 | 70.9 | 99.0 | - |
| NOK | 15-Oct | 0.25 | 0.70 | 1.43 | 1.90 | 975.3 | 840.0 | 76.3 | 100.0 | 102.8 |
| | +3m | 0.50 | 0.92 | 1.25 | 1.80 | 1020.0 | 894.7 | 72.9 | - | 99.0 |
| | +6m | 0.75 | 1.20 | 1.55 | 1.90 | 1040.0 | 928.6 | 71.6 | - | 99.0 |
| | +12m | 1.00 | 1.35 | 1.85 | 2.20 | 1040.0 | 945.5 | 71.6 | - | 101.0 |

| Commodities | | | | | | | | | | | | |
|-------------|--------|------|----|----|----|------|----|----|----|---------|------|--|
| | | 2021 | | | | 2022 | | | | Average | | |
| | 15-Oct | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | 2021 | 2022 | |
| ICE Brent | 85 | 55 | 65 | 70 | 75 | 75 | 75 | 75 | 75 | 66 | 75 | |

Source Danske Bank

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