

Weekly Focus

Rising yields

This week was quiet in terms of data releases but still there were some interesting movements in financial markets. In the fixed income markets, long-term yields rose with the 10yr German government bond yields now trading at -0.33% up from -0.45% in the beginning of the week. US 10yr government bond yields went briefly above 1.30% this week. The increases in Europe are mainly driven by higher inflation expectations supported by growing economic optimism and that we can soon put the pandemic behind us while in the US real rates have started to move higher for the same reason amid speculations of when the Fed could start tapering its QE programme and ultimately hike rates. We still see a case for higher yields, especially in the second half of the year, when restrictions are removed, see *Yield Outlook: Long yields to rise further as vaccines roll out and economies reopen, 16 February*. In the FX markets, the USD has become increasingly cyclical with positive US macro surprises now being positive for USD, something we did not see in 2020. Oil prices have continued higher and were for a short time above USD65/barrel, the highest level since early 2020.

This week we got both Fed and ECB minutes. **The Fed minutes did not reveal anything new and the Fed still signals that it will be patient rolling back accommodation. The ECB minutes were somewhat more interesting with arguments for both dovish and hawkish twists in several places. On balance, however, we think the minutes support our expectation that the ECB will increase bond buying (using the flexibility of its current programme) in response to higher yields.** The main question remains how much they are willing to buy right now. A lot of focus on very low real rates supporting the economy.

US retail sales in January surprised significantly, as restrictions have been eased and the second round of stimulus payments were paid out. **In Italy, former ECB president Mario Draghi is now new Prime Minister**, which reduced the Italian government bond yield spreads to Germany. The government is likely to be pro-EU.

The number of new COVID-19 cases continues to decline in the US and Europe. While the pressure to ease restrictions is on the rise, we expect most to remain in place amid vaccinations. Data from the UK and Israel continue to show that the vaccines are working as they are supposed to. For more details see *COVID-19 Update: New cases moving lower globally, as more vaccine doses are set to speed up roll-out in Europe, 18 February*.

On paper it is a quiet week next week. One of most interesting events is the US FDA decision on whether to approve the Johnson & Johnson vaccine or not. The FDA meeting is on Friday and the emergency use authorisation is expected on Saturday. **The most interesting data release is the US monthly private consumption data for January due on Friday.** We expect a strong number based on this week's retail sales but service consumption remains subdued due to the pandemic. **We do not expect any new signals from next week's Fed speeches including when Fed Chair Jerome Powell delivers his semi-annual monetary policy report to the Senate Banking Committee.** In Sweden, Q4 GDP data is due out on Friday.

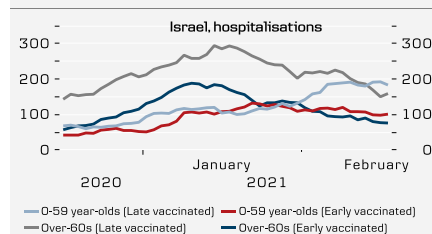
Key market movers

- **Tue:** Fed chair Powell to deliver semi-annual monetary policy report, UK jobs report, Swedish unemployment data (Jan)
- **Fri:** US monthly consumption (Jan), US FDA meeting discussing J&J vaccine, Norwegian unemployment data (Feb), Swedish and Danish Q4 GDP

Selected reading from Danske Bank

- *COVID-19 Update: New cases moving lower globally, as more vaccine doses are set to speed up roll-out in Europe*
- *DK Spending Monitor: Spending weakens in February, as we wait for the reopening*
- *Yield Outlook: Long yields to rise further as vaccines roll out and economies reopen*

Israeli data: Vaccines are working – early vaccination implied earlier decline in hospitalisations



Sources: Our World In Data, Macrobond Financial, Hagai Rossman, Smadar Shilo, Tomer Meir, Malka Gorfine, Uri Shalit, Eran Segal (2021)

Editor

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Scandi market movers

- In **Denmark**, the coming week kicks off with monthly employment data for December. The labour market generally slowed in the final months of 2020 and things probably only got worse in December given the new lockdown just before Christmas. Ministry of Employment jobless figures point to an increase in unemployment of slightly more than 7,000, and that figure is likely to have risen further in January. We will probably have to wait until the spring, when hopefully society can begin to reopen, before we again see labour market growth.

Tuesday is scheduled to bring retail sales figures for January. The pre-Christmas lockdown resulted in a major slide in retail sales in December, and sales likely deteriorated further in January when most brick-and-mortar shops were closed for the entire month. According to our *Spending Monitor - Spending weakens in February, as we wait for the reopening* (18 February), overall consumption in January was 12% down compared to January 2019, though online shopping scooped up much of the loss from physical shops – more so than during the first lockdown.

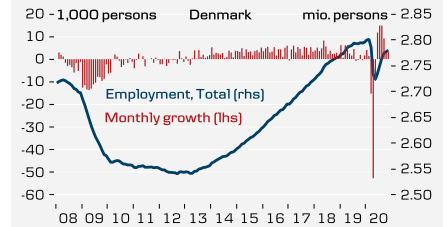
Thursday is set to bring business confidence for February. Given the ongoing lockdown, the news from Danish companies will hardly make for cheery reading, with the retail sector likely to be particularly downbeat. Feedback from the industrial sector should be particularly interesting, as the sector has so far performed well, but now faces a slight slowdown in global industry.

The week closes with national accounts figures for Q4 and Statistics Denmark’s numbers for property prices in December. Monday’s GDP indicator showed that GDP rose by 0.6% in Q4, and the upcoming national accounts will provide a better insight into what drove this growth. Industry and construction probably get much of the credit, while the holiday allowance payouts and subsequent boost to consumption presumably also contributed. Figures from property website *Boligsiden* and estate agents *home* indicate the housing market continued to grow at an undiminished pace in recent months, and this will most likely also be reflected in Statistics Denmark’s property numbers.

- Next week we have a bunch of data in **Sweden** with retail sales, labour force survey (both January figures), NIER economic tendency survey (February), Debt Office new forecast and final Q4 GDP. Regarding the GDP figure, the Q4 GDP indicator came out a bit weaker than what we expected 0.5% q/q compare to our 1% q/q forecast. However, monthly data still suggest the number should be higher and closer to our forecast hence we believe an upward revision will be seen in the final number. The K-shaped recovery expects to remain, where the upward leg consist of strong manufacturing together with businesses services. The downward leg of the K is represented by household consumption. Especially retail sales came out super weak in December, which will add a downward pressure. The labour market appears to have been neutral for GDP growth in Q4.

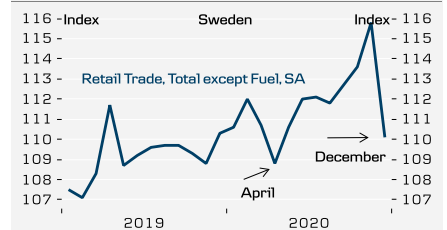
Due to changes in LFS data collection, it will be more difficult than usual to assess the development on the labour market. Hence next week’s release should be interpreted carefully. This makes PES even more important to follow which has shown to be stabilized at a quite high level but with no further rise despite the 2nd wave of Covid-19. Our forecast is that with help of the short-term furloughs, unemployment rate will not go much higher and then recover (at a quite slow pace) together with growth.

Labour market still has some tough months ahead



Source: Statistics Denmark, Macrobond Financial

K-shape recovery with consumption on the weaker side



Source: SCB

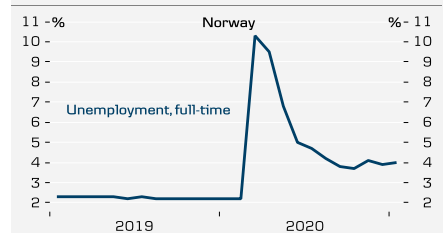
Also retail sales will be out next week which where we saw the biggest fall in a long long time last month. Especially driven by the large decline in sales of non-durables. In January however, the sales should have picked up again (from very low levels) and we forecast +2% m/m and +3% y/y.

In the NIER February survey we will look for whether the dichotomy between the soaring sectors (manufacturing, business services and non-durable retail trade) and the plunging sectors (consumer services and durable retail trade) is diverging/converging and to what extent this is tilting the overall confidence. The last print of the overall Economic Tendency Indicator was 100 i.e. at normal, while hiring is still lagging significantly.

At the current juncture it is extremely uncertain what the Debt Office will come up with regarding new budget projections. The Macro forecasts from October do not stand out much compared with other forecasters however, unemployment does not seem do reach as high as the D.O feared then (10.7% in 2021). What we know as a fact though is that actual monthly budget numbers since the October forecast (months of October – January) have been consistently better than expected. In the early phase of the pandemic the government flagged for an extensive kick-start of the economy once, the pandemic was over (105bn in stimulus in 2021). Still, the development to-date suggests that the Debt Office will present a lower 2021 deficit, guestimate is a deficit in the range SEK20–40bn and a budget in proximity of balance in 2022. Notice though, this is to a large extent a matter of guessing.

- In **Norway**, unemployment began to climb again at New Year due to new coronavirus restrictions closing some services and parts of the retail sector. However, this has been exclusively in the form of temporary layoffs, and limited to the regions and industries locked down. Now that the restrictions have been relaxed somewhat in the Bergen area, and to some extent the area around Oslo, we do not expect the jobless rate to rise further. We therefore anticipate unchanged registered unemployment of 4.0% (fully unemployed, seasonally adjusted) in February. We will also be looking for signs of the stricter entry rules from abroad creating problems for manufacturing and construction, with all or parts of some sites having to shut down due to foreign labour being unable to get there. We have not, however, seen any indications of this in the weekly numbers to date.

Jobless rate pushed up by more temporary layoffs



Source: Macrobond, Danske Bank

Scandi update

Denmark – Second-worst year for Danish GDP growth ever

Initial GDP estimates for Q4 show quarterly growth of 0.6%. That adds up to negative GDP growth for 2020 as a whole of 3.7%, making it the second-worst year – only surpassed by 2009 – since Denmark began to properly track GDP growth in 1967. Hence, 2020 was a pretty awful year for the Danish economy, yet Denmark has in fact endured the crisis relatively well – both compared to many other countries and relative to what many feared back in March when the full impact of COVID-19 became apparent. The final quarter of the year was a rather mixed bag, as it encompassed both re-openings and lockdowns as well as holiday allowance pay-outs, but we will have to wait until next week for the full details. That being said, growth was probably driven by the buoyant industrial and construction sectors along with a consumer spending spree triggered by the hitherto frozen holiday allowance pay-outs.

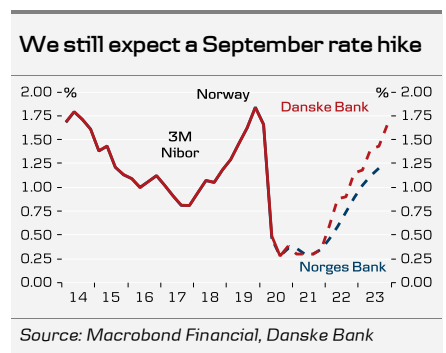
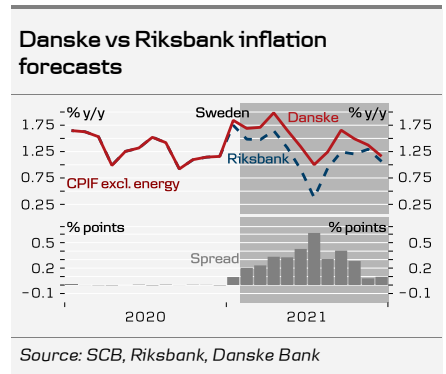
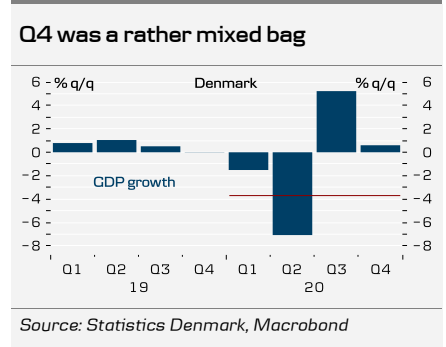
Consumer confidence fell from -4.1 to -5.2 in February. The decline was prompted by a deteriorating view of the Danish economy, with Danes turning more negative on both the current picture and when looking 12 months ahead – doubtless driven by the ongoing lockdown. In contrast, the Danes’ view of their own finances was much more positive, in fact the most positive since pre-corona times. This serves to underline that while the crisis has hit some people hard, there are also many Danes who are not unduly affected. In fact, many find they have more money in their pockets and have had their finances further bolstered by a strong housing market.

Sweden – Inflation moving higher on Covid19 impact

January inflation turned out higher than we expected, CPIF and CPIF excl. Energy printing 1.7 % y/y and 1.8 % y/y respectively. It was not the “re-weighting effect” on these numbers per se that surprised, but rather weak sales on clothing, higher prices on food and hotels/restaurants as well as imputed prices on transportation being out of line with the seasonal pattern. Hence, it seems Covid19 still has a considerable impact on inflation. Short-term, inflation is set to spike higher up to April, longer-term we see inflation fading toward 1 % next year.

Norway – No new signals from Norges Bank

As expected, Norges Bank governor Øystein Olsen did not put out any new monetary policy signals in his annual address. Instead, he reiterated that the process of normalising interest rates will commence once economic conditions “are normalising”. He also repeated that negative rates are highly unlikely. We still expect the bank to raise its policy rate in September, provided that the goal of vaccinating the bulk of the adult population “over the course of the summer” is met.



Activity tracker

- The Activity Tracker has been somewhat stagnant over the past couple of weeks as economies over the world – and particularly in Europe - wait for the spring and vaccines to force down infection numbers and enable a reopening of the economies. The US and Japan have opened up more than in Europe, which is evident in the gradually improving mobility data and US restaurant bookings, where the latter is up 6.4 percentage points as compared to last week.
- Generally, the activity data related to the manufacturing side of the economies have not been as affected by the second lockdown as by the first, which is also shown by the fact that electricity demand across the studied economies are almost all at normal levels or higher. While other indicators point towards a global industrial cycle that has peaked, this is not evident in the global electricity demand, which have climbed to very high levels in both the US, Japan and France. However, some of this development may also have been driven by a very cold February, and at the same time, German truck toll mileage have fallen significantly in recent weeks to 8.6% below 2019-levels.

Activity tracker

Euro area	Last obs	Value	Last 4 months	1W chg.	1M chg.	Low
Bundesbank weekly activity index*	Week 7	-0.72		-0.08	-0.59	-6.1
Germany, turnover textiles retail trade, weekly, % y/y	Week 51	-54.0%		-42 p.p.	-26 p.p.	-54%
German truck toll mileage (1w m.a.), % y/y	10-Feb	-8.6%		-9.5 p.p.	-5.6 p.p.	-16.2%
OpenTable restaurant bookings, Germany (1w m.a.)**	17-Feb	-99.6%		0 p.p.	-0.2 p.p.	-100%
USA						
NY Fed weekly economic index*	Week 7	-2.31		-0.33	-0.37	-11.5
Transaction card spending, (1w m.a.), % y/y	21-Jan	-14.7%		-0.4 p.p.	0.5 p.p.	-40.6%
OpenTable restaurant bookings (1w m.a.)**	17-Feb	-47.1%		6.4 p.p.	10.2 p.p.	-100%
Google mobility trends retail & recreation (1w m.a.)**						
Germany	13-Feb	-59.4%		-3.1 p.p.	0.3 p.p.	-67.3%
France		-43.7%		-0.3 p.p.	-3.3 p.p.	-88.0%
Italy		-33.0%		0.9 p.p.	6 p.p.	-88.9%
Spain		-47.0%		2.7 p.p.	-1 p.p.	-91.7%
UK		-61.0%		-0.1 p.p.	3.3 p.p.	-77.6%
Japan		-16.9%		4.6 p.p.	4.1 p.p.	-37.9%
United States		-25.3%		-1 p.p.	-0.9 p.p.	-46.1%
Electricity demand (1w m.a.)***						
Germany	17-Feb	0.5%		2.9 p.p.	1.5 p.p.	-16.2%
France		11.7%		15.7 p.p.	8.9 p.p.	-23.1%
Italy		0.5%		5.8 p.p.	1.4 p.p.	-28.2%
Spain		-4.1%		1.5 p.p.	-7.9 p.p.	-24.2%
UK		0.0%		0.2 p.p.	2.3 p.p.	-22.1%
Japan		8.8%		2.1 p.p.	2.1 p.p.	-18.3%
United States		17.4%		13 p.p.	20.3 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
Monday, February 22, 2021					Period	Danske Bank	Consensus	Previous
10:00	DEM	IFO - business climate	Index	Feb		90.1	90.1	
10:00	DEM	IFO - current assessment	Index	Feb		89.0	89.2	
10:00	DEM	IFO - expectations	Index	Feb		91.8	91.1	
21:30	USD	Fed's Bowman (voter, neutral) speaks						
Tuesday, February 23, 2021					Period	Danske Bank	Consensus	Previous
8:00	GBP	Unemployment rate (3M)	%	Dec		5.1%	5.0%	
8:00	GBP	Average weekly earnings ex bonuses (3M)	y/y	Dec		4.1%	3.6%	
11:00	EUR	HICP inflation, final	m/m y/y	Jan		0.2% 0.9%	0.2% -0.3%	
11:00	EUR	HICP - core inflation, final	y/y	Jan		1.4%	1.4%	
14:00	HUF	Central Bank of Hungary rate decision	%			0.6%	0.6%	
15:00	USD	FHFA house price index	m/m	Dec			1.0%	
16:00	USD	Conference Board consumer confidence	Index	Feb		90.0	89.3	
16:00	USD	Fed chair Powell (voter, neutral) speaks						
Wednesday, February 24, 2021					Period	Danske Bank	Consensus	Previous
2:00	NZD	Reserve Bank of New Zealand (cash rate decision)	%			0.3%	0.3%	
8:00	DKK	Retail sales	m/m y/y	Jan			-7.7% 1.0%	
8:00	DEM	GDP, final	q/q y/y	4th quarter		0.1% -3.9%	0.1% -3.9%	
8:00	DEM	Private consumption	q/q	4th quarter			10.8%	
8:00	DEM	Government consumption	q/q	4th quarter			0.8%	
8:00	DEM	Gross fixed investments	q/q	4th quarter			3.6%	
8:45	FRF	Business confidence	Index	Feb			92.0	
16:00	USD	New home sales	1000 (m/m)	Jan		859	842.0 (1.6%)	
16:00	USD	Fed chair Powell (voter, neutral) speaks						
16:30	USD	Fed's Brainard (voter, dovish) speaks						
16:30	USD	DOE U.S. crude oil inventories	K				-7257	
19:00	USD	Fed vice chair Clarida (voter, neutral) speaks						
22:00	USD	Fed vice chair Clarida (voter, neutral) speaks						
Thursday, February 25, 2021					Period	Danske Bank	Consensus	Previous
6:00	JPY	Leading economic index, final	Index	Dec			94.9	
8:00	DEM	GfK consumer confidence	Net. Bal.	Mar		-15	-15.6	
8:45	FRF	Consumer confidence	Index	Feb			92.0	
9:00	SEK	Consumer confidence	Index	Feb			93.1	
9:00	SEK	Economic Tendency Survey	Index	Feb			100.0	
9:00	SEK	Manufacturing confidence	Index	Feb			113.3	
9:30	SEK	Household lending	y/y	Jan			5.4%	
10:00	EUR	Loans to households (adj. for sales and sec.)	%	Jan				
10:00	EUR	Loans to NFCs (adj. for sales and sec.)	%	Jan				
10:00	EUR	Money supply (M3)	y/y	Jan			12.3%	
11:00	EUR	Service confidence	Net bal.	Feb			-17.8	
11:00	EUR	Industrial confidence	Net bal.	Feb			-5.9	
11:00	EUR	Economic confidence	Index	Feb		92.0	91.5	
11:00	EUR	Consumer confidence	Net bal.	Feb			-14.8	
14:30	USD	Initial jobless claims	1000				861	
14:30	USD	GDP, 2nd release	q/q AR	4th quarter		0.041	0.04	
14:30	USD	Fed's Bostic (non-voter, neutral) speaks						
14:30	USD	Core capital goods orders, preliminary	%	Jan			0.7%	
16:00	USD	Pending home sales	m/m y/y	Jan			-0.3% 22.8%	
16:30	USD	Fed's Bullard (non-voter, dovish) speaks						
17:10	USD	Fed's Quarles (voter, neutral) speaks						
21:00	USD	Fed's Williams (voter, neutral) speaks						

Source: Danske Bank

Calendar

Friday, February 26, 2021

				Period	Danske Bank	Consensus	Previous
0:50	JPY	Industrial production, preliminary	m/m/y/y	Jan		3.9% -5.4%	-1.0% -2.6%
0:50	JPY	Retail trade	m/m/y/y	Jan		-1.3% -2.6%	-0.7% -0.2%
7:45	CHF	GDP	q/q/y/y	4th quarter		0.5% -1.8%	7.2% -1.6%
8:00	DKK	GDP, preliminary	q/q/y/y	4th quarter			5.2% ...
8:00	NOK	Credit indicator (C2)	y/y	Jan			4.8%
8:00	DKK	Gross unemployment s.a.	K (%)	Jan			125.5 (4.4)
8:00	DKK	CB's securities statistics		Jan			
8:00	DKK	Foreign portfolio investments		Jan			
8:45	FRF	Household consumption	m/m/y/y	Jan			23.0% 3.7%
8:45	FRF	HICP, preliminary	m/m/y/y	Feb			0.3% 0.8%
8:45	FRF	GDP, final	q/q/y/y	4th quarter			-1.3% -5.0%
9:00	CHF	KOF leading indicator	Index	Feb		97.0	96.5
9:00	ESP	HICP, preliminary	m/m/y/y	Feb			-0.4% 0.4%
9:30	SEK	Retail sales s.a.	m/m/y/y	Jan	2.0% 3.0%		-4.9% -0.6%
9:30	SEK	GDP	q/q/y/y	4th quarter			4.9% -2.5%
9:30	SEK	PPI	m/m/y/y	Jan			1.2% -2.7%
9:30	SEK	Trade balance	SEK bn	Jan			2.7
10:00	NOK	Norges Bank's daily FX purchases	m	Mar			-1700
10:00	NOK	Unemployment	%	Feb	4.0%		4.4%
12:00	EUR	Portugal, GDP, final	q/q/y/y	4th quarter			0.4% -5.9%
14:30	USD	Advance goods trade balance	USD bn	Jan		-83.0	-82.5
14:30	USD	Personal spending	m/m	Jan		0.7%	-0.2%
14:30	USD	PCE headline	m/m/y/y	Jan		0.2% ...	0.4% 1.3%
14:30	USD	PCE core	m/m/y/y	Jan		0.1% 1.4%	0.3% 1.5%
15:45	USD	Chicago PMI	Index	Feb		61.0	63.8
16:00	USD	University of Michigan Confidence	Index	Feb		76.2	76.2

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	-3.7	-3.1	-1.2	0.8	-8.8	-6.6	0.4	2.5	4.6	-2.6	42.5	7.4
	2021	2.3	3.0	1.6	3.1	3.6	4.7	0.8	2.0	4.7	-1.9	41.1	6.9
	2022	3.4	3.6	0.4	3.8	7.2	6.4	1.2	1.8	3.8	-1.2	40.7	7.7
Sweden	2020	-3.2	-4.7	-0.2	-1.4	-5.5	-6.8	0.5	2.0	8.3	-3.0	39.0	5.3
	2021	3.3	3.8	2.4	4.1	6.9	7.6	1.2	1.9	8.3	-2.8	40.0	5.1
	2022	2.6	3.0	1.5	2.7	3.9	3.9	0.8	1.9	7.3	-1.0	39.0	5.1
Norway	2020	-2.5	-7.6	1.7	-3.9	-0.9	-12.2	1.3	2.0	5.0	-	-	-
	2021	4.0	8.0	2.0	1.0	5.8	5.0	2.5	2.3	3.3	-	-	-
	2022	3.3	5.5	2.0	2.0	4.5	6.0	2.1	2.9	2.6	-	-	-

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	-6.8	-8.8	-0.8	-13.7	-9.1	-10.5	0.3	-1.0	8.0	-8.8	101.7	2.6
	2021	4.9	4.5	3.2	-1.2	13.1	10.6	1.1	1.0	8.9	-6.2	102.1	2.6
	2022	3.4	5.3	1.8	2.1	3.5	4.3	1.1	1.0	8.6	-4.4	102.3	2.8
Germany	2020	-5.3	-5.9	4.5	-3.7	-10.2	-8.8	0.4	-0.1	4.2	-6.0	71.2	6.0
	2021	4.0	3.2	4.1	2.8	13.8	10.9	1.2	-0.1	4.2	-4.0	70.1	6.3
	2022	2.2	3.3	1.4	2.1	3.3	4.3	1.3	-0.1	3.7	-2.5	69.0	6.1
Finland	2020	-3.3	-4.0	0.0	-2.5	-10.0	-8.0	0.3	1.9	7.8	-8.0	68.6	-0.6
	2021	2.2	3.5	1.5	2.0	5.0	5.0	1.0	2.5	8.0	-4.1	71.0	-0.6
	2022	2.8	2.7	1.0	3.0	6.0	5.0	1.5	2.5	7.2	-2.4	70.8	-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	-3.5	-3.9	1.1	-1.8	-13.0	-9.3	1.2	4.6	8.1	-16.0	126.4	-2.1
	2021	3.3	4.6	1.4	4.6	1.7	6.6	1.6	2.0	6.5	-12.2	132.3	-2.1
	2022	3.8	4.3	2.1	4.3	2.0	3.8	1.6	2.3	5.3	-7.2	131.9	-2.1
China	2020	1.7	1.5	-	3.0	-	-	3.0	7.5	-	-11.9	-	0.6
	2021	9.2	9.0	-	10.0	-	-	2.0	7.0	-	-11.8	-	0.4
	2022	5.5	7.0	-	4.0	-	-	2.5	7.0	-	10.9	-	0.4
UK	2020	-9.9	-14.4	-9.9	-8.7	-12.5	-21.1	0.9	2.0	4.4	-19.0	109.1	-2.0
	2021	5.2	4.2	4.0	6.2	6.4	6.1	1.6	1.2	4.9	-7.7	109.3	-3.8
	2022	6.9	8.3	2.1	11.9	5.9	8.2	1.9	1.6	4.6	-4.5	108.3	-3.6
Japan	2020	-5.6	-7.0	1.9	-5.7	-12.8	-7.5	-0.2	-	2.8	-	-	-
	2021	2.7	2.4	1.8	-1.0	9.1	1.5	0.3	-	2.7	-	-	-
	2022	2.5	2.7	-1.1	3.7	5.3	3.0	0.6	-	2.5	-	-	-

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	19-Feb	0.25	0.18	0.20	1.37	121.3	-	613.3	845.7	829.1
	+3m	0.25	0.20	0.25	1.25	122.0	-	609.8	827.9	819.7
	+6m	0.25	0.20	0.30	1.45	119.0	-	625.6	857.1	857.1
	+12m	0.25	0.20	0.40	1.75	116.0	-	641.8	887.9	887.9
EUR	19-Feb	-0.50	-0.54	-0.50	0.00	-	121.3	743.6	1025.5	1005.4
	+3m	-0.50	-0.55	-0.50	-0.05	-	122.0	744.0	1010.0	1000.0
	+6m	-0.50	-0.55	-0.50	0.00	-	119.0	744.5	1020.0	1020.0
	+12m	-0.50	-0.55	-0.40	0.15	-	116.0	744.5	1030.0	1030.0
JPY	19-Feb	-0.10	-0.08	-0.03	0.14	120.5	105.4	6.17	8.51	8.34
	+3m	-0.10	-	-	-	124.4	102.0	5.98	8.12	8.04
	+6m	-0.10	-	-	-	120.2	101.0	6.19	8.49	8.49
	+12m	-0.10	-	-	-	117.2	101.0	6.35	8.79	8.79
GBP	19-Feb	0.10	0.06	0.19	0.84	86.7	139.8	857.5	1182.5	1159.3
	+3m	0.10	0.07	0.20	0.75	86.0	141.9	865.1	1174.4	1162.8
	+6m	0.10	0.07	0.25	0.85	85.0	140.0	875.9	1200.0	1200.0
	+12m	0.10	0.07	0.40	1.00	85.0	136.5	875.9	1211.8	1211.8
CHF	19-Feb	-0.75	-0.76	-0.65	-0.03	108.4	89.4	685.9	945.8	927.3
	+3m	-0.75	-	-	-	108.0	88.5	688.9	935.2	925.9
	+6m	-0.75	-	-	-	110.0	92.4	676.8	927.3	927.3
	+12m	-0.75	-	-	-	110.0	94.8	676.8	936.4	936.4
DKK	19-Feb	-0.60	-0.23	-0.15	0.25	743.64	613.27	-	137.90	135.20
	+3m	-0.60	-0.26	-0.15	0.20	744.00	609.84	-	135.75	134.41
	+6m	-0.60	-0.27	-0.15	0.25	744.50	625.63	-	137.00	137.00
	+12m	-0.60	-0.30	-0.10	0.35	744.50	641.81	-	138.35	138.35
SEK	19-Feb	0.00	-0.02	0.00	0.66	1005.4	829.1	74.0	102.0	100.0
	+3m	0.00	-0.05	-0.05	0.53	1000.0	819.7	74.4	101.0	-
	+6m	0.00	-0.05	-0.05	0.60	1020.0	857.1	73.0	100.0	-
	+12m	0.00	-0.05	-0.05	0.70	1030.0	887.9	72.3	100.0	-
NOK	19-Feb	0.00	0.45	0.72	1.67	1025.5	845.7	72.5	100.0	98.0
	+3m	0.00	0.42	0.85	1.70	1010.0	827.9	73.7	-	99.0
	+6m	0.00	0.61	0.90	1.75	1020.0	857.1	73.0	-	100.0
	+12m	0.25	0.80	1.00	2.00	1030.0	887.9	72.3	-	100.0

Commodities												
		2021				2022				Average		
	19-Feb	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2021	2022	
ICE Brent	63	55	55	60	60	65	65	65	65	58	65	

Source Danske Bank

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