

# Weekly Focus

## Hawkish Christmas present from the US Federal Reserve

**The tradition of central banks hosting meetings just before Christmas continued this year with policy decisions in the US, Japan, UK, Norway, and Sweden.** The largest present came from the US Federal Reserve in the shape of a significant hawkish surprise. Fed cut the policy rate target by 25bp to 4.25-4.50% as expected, but Powell delivered a clearly hawkish message, highlighting that the easing cycle has entered a “new phase” in which the Fed is looking to slow down the pace of rate cuts. The updated “dots” now project only two 25bp cuts next year compared to four in the September projections. The main reason for the hawkish turn was an upward revision of the inflation forecast to 2.5% y/y in 2025 (from 2.1%) and the fact that most members even saw upside risks to the new inflation projections. The decision pushed the entire UST curve up by some 13-15bp, and the market is now pricing only 40bp worth of cuts from the Fed next year. Due to the change in guidance, we have removed our expectations for a cut in January but continue to expect four cuts next year from March.

**Both the Bank of Japan and Bank of England left their policy rates unchanged at 0.25% and 4.75%, respectively, as broadly expected.** As the economic recovery looks on track, we expect the BoJ to hike the policy rate in January. The BoE delivered a dovish vote split but continue to signal a gradual cutting approach. We expect the next cut in February and a quarter pace thereafter. For Sweden and Norway, see page 4.

**On the data front, the December PMI surveys gave some relief for the growth outlook as services PMIs rose more than expected in both the US, euro area, and UK.** Services PMIs bounced back above 50 in the euro area following the large decline in November in a sign that activity is holding up while the US services PMI rose even further to 58.5 from 56.1. In contrast to the services sector, activity in the manufacturing sector weakened with US manufacturing PMI declining to 48.3, the UK to 47.3, and the euro area remained unchanged at 45.2.

**On the political front, the risk of a government shutdown in the US increased this week** as president-elect Donald Trump told republican congressmen to not support a stopgap funding bill that was otherwise set to pass Congress. With no other plan ready, the government is again facing a risk of a shutdown, less serious for the economy than in 2018, but still an unpleasant Christmas present for public workers.

**In the coming weeks focus will be on the US jobs market report and ISM survey, euro area inflation, and Chinese PMIs and PBoC rate decision.** We expect US nonfarm payrolls growth to slow down to +170k (from +227k), a steady unemployment rate at 4.2%, and average hourly earnings growth at +0.3% m/m SA. We expect euro area HICP inflation to rise to 2.4% y/y in December from 2.2% in November. The increase is mainly due to base effects on energy and food inflation while we expect core inflation to decline from 2.7% y/y in November to 2.6% y/y. In China, we expect the PMIs to be unchanged in December following increases in the past two months. Manufacturing activity is currently underpinned by some front loading of exports to the US in anticipation of tariffs next year. The PBOC will also announce its policy rate, which is expected to be left unchanged.

*The next Weekly Focus will be published on 10 January. We wish our readers Happy Holidays and thank you for following our research!*

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### Key global views

- Outlook for slightly higher growth in Europe and China, slightly lower in the US
- Political uncertainty has limited short-term effect
- Fed and ECB to cut further but at different paces

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### Key market movers

- US job market report (10 Jan)
- US ISM manufacturing (3 Jan) and services (7 Jan)
- Euro area inflation (7 Jan)
- Chinese PMIs (31 Dec, 2 Jan, and 6 Jan). PBOC rate (week 52)
- Tokyo inflation (27 Dec)

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### Selected reading from Danske Bank

- *Research US - Fed review: In a new phase*, 18 December
- *Riksbank – December 2024: 25bp cut but a hawkish signal*, 19 December
- *Bank of England Review – BoE to lag peers in 2025; we stay positive GBP*, 19 December
- *Reading the Markets Norway – NB leaves rates unchanged and firms March cut signal*, 19 December

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### Editor

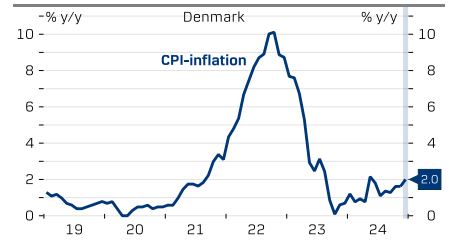
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# Scandi market movers

- In **Denmark**, several economic key figures will be released up until the next issue of the Weekly Focus is published on 10 January. The data includes the unemployment rate, exports and industrial production for November. Additionally, we will receive the unemployment indicator and inflation data for December.

We expect inflation increased to 2.0% in December, largely driven by energy prices, since last year's big decline in December fuel prices exits the inflation measure.

## We expect inflation at 2.0%

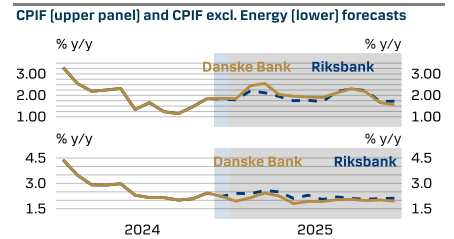


Source: Statistics Denmark, Macrobond, Danske Bank

- In **Sweden**, a lot of data will be released until the next issue of this publication such as November trade balance, household lending and the GDP, production and consumption indicators and not least the December PMIs and preliminary CPIF and CPIF excl. Energy inflation.

Riksbank's monetary policy Minutes will be released on 2 January 2025.

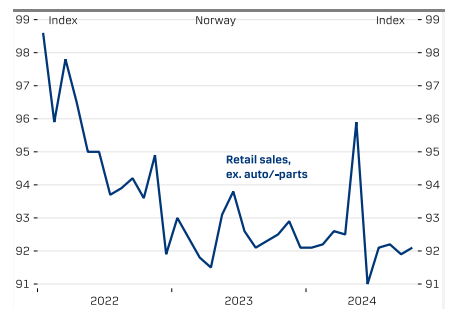
## The forecasts from Riksbank and Danske Bank are identical



Source: SCB, Riksbank, Danske Bank

- In **Norway**, we expect a solid rise of 0.8% m/m in retail sales in November. This is partly due to what seems to have been a solid Black Week for the retail sector. However, this follows a flat Q3 and October and must be seen as disappointing as real wage growth is picking up and the headwinds from higher mortgage rates are fading.

## Retail sales flat since July



Kilde: Macrobond, Danske Bank

# Scandi Update

## Denmark – Increasing optimism within the business sector

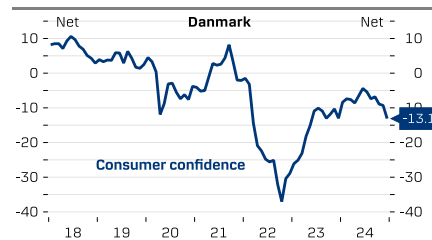
October payrolls expanded by 4,800 persons, primarily from the private sector across most industries. The summer slowdown in employment now appears to have been a false alarm, with job growth returning to relatively high levels. Over the past year, payrolls have expanded by 31,700 people.

The business sentiment indicator for December showed yet another increase, building on the positive progress of recent months. This indicates that businesses have not been deterred by Donald Trump’s election victory and the prospect of tariff increases, nor by the widely discussed challenges in Germany and France. On the contrary, overall business confidence is at its highest level in nearly three years, with upward trends in employment and revenue across most industries.

Consumer sentiment is a very different story. The consumer confidence index fell to -13.1 in December from -9.3 in November. This decline is largely driven by the Danes’ pessimistic outlook on the Danish economy, both in its current state and in expectations for the coming year. Not since the winter of 2023 did we see such a level of pessimism about the future of the Danish economy. These figures reflect the lowest level of consumer confidence this year.

Retail spending decreased 0.2 % m/m in November (adjusted for prices and seasonality), but this is largely driven by the fact that Black Friday came late this year, which means much of the sale has dragged on into December.

**Consumer confidence at lowest level this year**



Source: Danske Bank, Statistics Denmark, Macrobond Financial

## Sweden – Riksbank makes a hawkish cut close to neutral

As expected, The Riksbank cut the policy rate by 25bp to 2.50%, but in terms of the outlook the message was hawkish in relation to our expectations and compared to market pricing. The Riksbank signals that they plan to cut once more during H1 2025 (we expected 1-2 cuts in guidance) and looking at the rate path the probability seems rather evenly distributed between the January and March meetings. The end point of 2.25% in the rate path was unchanged compared to September and again higher than we envisaged at this point (2.10%).

Overall, the Riksbank forecast seems a bit on the optimistic side. As the economy remains weak (“mild recession”), with a negative GDP gap that will not be closed until 2027, inflation more or less at target and the forecast of international policy rates revised lower, it can be questioned if not a more expansionary policy is needed than a rate path ending up at the mid-point of their neutral rate assessment (1.5-3.0%). In the Q&A, Governor Thedéen suggested that current policy may be expansionary already, at this point, a hawkish remark as we see it.

In our view, the risk picture to the Riksbank’s main scenario is clearly on the downside looking into 2025. That said, given the hawkish message from the Riksbank, we adjust our call upwards and now see two more cuts (March and June) from here down to 2.00% (1.75% previously) with a pause in January. The timing of these cuts is uncertain and while our own take would be that the Riksbank should continue to “front load” cuts, their wording of “a more tentative approach” and “carefully evaluate the need for future interest rate adjustments” suggests that they seem ready to “skip” the January meeting.

**Riksbank signals one more cut in either January or March**

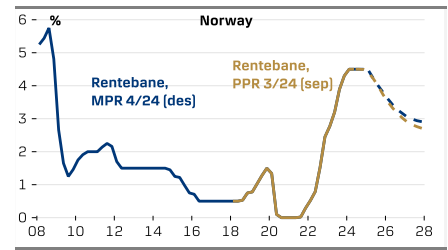
Announcement date	Market pricing		Danske Bank forecast		Riksbank Dec24 MPR	
	Implied Change	Level	Change	Level	Implied change	Level
2024-12-19	-0.25	2.50	-0.25	2.50	-0.25	2.50
2025-01-29	-0.13	2.37	0.00	2.50	-0.14	2.36
2025-03-20	-0.12	2.25	-0.25	2.25	-0.11	2.25
2025-05-08	-0.03	2.22	0.00	2.25	0.00	2.25
2025-06-18	-0.05	2.17	-0.25	2.00	0.00	2.25
2025-08-20	-0.05	2.12	0.00	2.00	0.00	2.25
2025-09-23	-0.03	2.09	0.00	2.00	0.00	2.25
<b>Accumulated 2025</b>	<b>-0.41</b>		<b>-0.50</b>		<b>-0.25</b>	

Source: Riksbank, Danske Bank

## Norway – Norges Bank signals first cut in March

Norges Bank kept the policy rate unchanged at 4.5%, signaling that: “Based on the Committee’s current assessment of the outlook, the policy rate will most likely be reduced in March 2025”. The rate path supports the signal of a first cut in March and indicates further the possibility of about 3.5 cuts next year, closer to 4 than 3 cuts in 2026 and about ½ cut in 2027, so that the policy rate would remain around 2.75% at the end of 2027. However, at the press conference, governor Wolden Bache stated that the rate path was aligned with a policy rate at 3.75% at the end of the year, i.e. three cuts in 2025. We see that Norges Bank has adjusted down the wage estimate for 2025 from 4.3% to 4.2%, and together with somewhat higher productivity growth this means that cost pressures will be lower than expected in September. This helps pull down the inflation estimate, so core inflation is expected to be 2.7% next year, down from 3.0% in September. Nevertheless, the rate path is somewhat higher than last time, which is due to somewhat higher global rates, stronger growth in the domestic economy next year, somewhat higher oil investments and lower Nibor-spreads (from 30bp to 20bp). There are only marginal upward adjustments to the estimate for public demand. As we expect somewhat less pressure in the economy next year, and somewhat lower inflation, we do not change our forecast, and expect unchanged interest rates until March, a total of four rate cuts next year and four cuts in 2026, so that the interest rate will remain at 2.5% at the end of 2026.

### Somewhat higher rate path



Source: Macrobond, Danske Bank

# Calendar – 23-27 December 2024

Monday, December 23, 2024				Period	Danske Bank	Consensus	Previous
8:00	GBP	GDP, final	q/qly/y	3rd quarter		0.1% 1.0%	0.1% 1.0%
9:00	ESP	GDP, final	q/qly/y	3rd quarter		0.8% 3.4%	0.8% 3.4%
14:30	CAD	GDP	m/mly/y	Oct		0.2% 1.6%	0.1% 1.6%
16:00	USD	Conference Board consumer confidence	Index	Dec		113.0	111.7
Tuesday, December 24, 2024				Period	Danske Bank	Consensus	Previous
14:00	USD	Building permits, final	1000 (m/m)	Nov			1505.0 (6.1%)
14:30	USD	Core capital goods orders, preliminary	%	Nov		0.1%	-0.2%
16:00	USD	New home sales	1000 (m/m)	Nov		665	610.0 (-17.3%)
Wednesday, December 25, 2024				Period	Danske Bank	Consensus	Previous
6:00	JPY	Leading economic index, final	Index	Oct			108.6
Thursday, December 26, 2024				Period	Danske Bank	Consensus	Previous
12:00	TRY	Central Bank of Turkey rate decision	%			48.5%	50.0%
14:30	USD	Initial jobless claims	1000				220
17:00	USD	DOE U.S. crude oil inventories	K			-1700	-934
Friday, December 27, 2024				Period	Danske Bank	Consensus	Previous
0:30	JPY	Unemployment rate	%	Nov		2.5%	2.5%
0:30	JPY	Job-to-applicant ratio		Nov		1.25	1.25
0:30	JPY	Tokyo CPI Ex-Fresh Food YoY	y/y	Dec		2.5%	2.2%
0:30	JPY	Tokyo CPI Ex-Fresh Food, Energy YoY	y/y	Dec		1.9%	1.9%
0:50	JPY	Industrial production, preliminary	m/mly/y	Nov		-3.5% -3.1%	2.8% 1.4%
0:50	JPY	Retail trade	m/mly/y	Nov		0.5% 1.5%	-0.2% 1.3%
2:30	CNY	Industrial profits	y/y	Nov			-10.0%
8:00	SEK	Trade balance	SEK bn	Nov			0.6
8:00	NOK	Retail sales, s.a.	m/m	Nov	0.8%		0.2%
14:30	USD	Advance goods trade balance	USD bn	Nov		-101.1	-98.3

Source: Danske Bank

# Calendar – 30 December 2024 – 3 January 2025

Monday, December 30, 2024				Period	Danske Bank	Consensus	Previous
1:30	JPY	Nikkei Manufacturing PMI, final	Index	Dec			49.5
8:00	SEK	Household lending	y/y	Nov			1.3%
9:00	ESP	HICP, preliminary	m/m/y/y	Dec		0.3% 2.7%	0.0% 2.4%
9:00	CHF	KOF leading indicator	Index	Dec		101.0	101.8
10:00	NOK	Norges Bank's daily FX purchases	m	Jan			150
15:45	USD	Chicago PMI	Index	Dec		42.5	40.2
16:00	USD	Pending home sales	m/m/y/y	Nov		0.8% ...	2.0% 6.6%
Tuesday, December 31, 2024				Period	Danske Bank	Consensus	Previous
2:30	CNY	PMI manufacturing	Index	Dec		50.2	50.3
2:30	CNY	PMI non-manufacturing	Index	Dec		50.2	50.0
15:00	USD	FHFA house price index	m/m	Oct			0.7%
Wednesday, January 1, 2025				Period	Danske Bank	Consensus	Previous
Thursday, January 2, 2025				Period	Danske Bank	Consensus	Previous
-	DEM	Retail sales	m/m/y/y	Nov		0.2% ...	-0.5% 4.8%
2:45	CNY	Caixin PMI manufacturing	Index	Dec		51.7	51.5
7:00	EUR	S&P may publish Netherlands's debt rating		Dec		46	46.6
8:30	SEK	PMI manufacturing	Index	Dec			53.8
9:15	ESP	PMI manufacturing	Index	Dec		52.9	53.1
9:45	ITL	PMI manufacturing	Index	Dec		45.0	44.5
9:50	FRF	PMI manufacturing, final	Index	Dec		41.9	41.9
9:55	DEM	PMI manufacturing, final	Index	Dec		42.5	42.5
10:00	EUR	S&P may publish Greece's debt rating, final		Dec			50.9
10:00	NOK	PMI manufacturing	Index	Dec			50.7
10:00	EUR	PMI manufacturing, final	Index	Dec		45.2	45.2
10:00	EUR	Money supply (M3)	y/y	Nov		3.4%	3.4%
10:00	EUR	Loans to households (adj. for sales and sec.)	%	Nov		3.4%	3.4%
10:00	EUR	Loans to NFCs (adj. for sales and sec.)	%	Nov		3.4%	3.4%
10:30	GBP	PMI manufacturing, final	Index	Dec		47.3	47.3
14:30	USD	Initial jobless claims	1000				
15:30	CAD	RBC manufacturing PMI	Index	Dec			52.0
15:45	USD	Markit PMI manufacturing, final	Index	Dec			48.3
16:00	USD	Construction spending	m/m	Nov		0.3%	0.4%
17:00	USD	DOE U.S. crude oil inventories	K				
Friday, January 3, 2025				Period	Danske Bank	Consensus	Previous
-	USD	Total vehicle sales	m	Dec		16.5	16.5
9:55	DEM	Unemployment	%	Dec		6.2%	6.1%
16:00	USD	ISM manufacturing	Index	Dec		48.5	48.4
17:00	DKK	Currency reserves	DKK bn	Dec			637.6
17:00	USD	Fed's Barkin speaks					

Source: Danske Bank

# Calendar – 6-10 January 2025

Monday, January 6, 2025				Period	Danske Bank	Consensus	Previous
1:30	JPY	Markit PMI services, final	Index	Dec			51.4
2:45	CNY	Caixin PMI service	Index	Dec			51.5
9:15	ESP	PMI services	Index	Dec			53.1
9:45	ITL	PMI services	Index	Dec			49.2
9:50	FRF	PMI services, final	Index	Dec			48.2
9:55	DEM	PMI services, final	Index	Dec			51.0
10:00	EUR	PMI composite, final	Index	Dec			49.5
10:00	EUR	PMI services, final	Index	Dec			51.4
10:30	EUR	Sentix Investor Confidence	Index	Jan			-17.5
10:30	GBP	PMI services, final	Index	Dec			51.4
14:00	DEM	HICP, preliminary	m/mly/y	Dec			-0.7% 2.4%
15:45	USD	Markit PMI service, final	Index	Dec			58.5
16:00	USD	Core capital goods orders, final	%	Nov			
Tuesday, January 7, 2025				Period	Danske Bank	Consensus	Previous
-	CNY	Foreign exchange reserves	USD bn	Dec			3265.9
8:00	NOK	Manufacturing production	m/mly/y	Nov			-1.6% 0.3%
8:00	NOK	Industrial production	m/mly/y	Nov			9.8% 2.1%
8:00	DKK	Gross unemployment s.a.	K (%)	Nov			0.029
8:30	SEK	PMI services	Index	Dec			50.9
8:30	CHF	CPI	m/mly/y	Dec			-0.1% 0.7%
8:45	FRF	HICP, preliminary	m/mly/y	Dec			-0.1% 1.7%
9:00	CHF	Foreign Currency Reserves	CHF bn	Dec			724.6
10:30	GBP	PMI construction	Index	Dec			55.2
11:00	ITL	HICP, preliminary	m/mly/y	Dec			0.0% 1.5%
11:00	EUR	Unemployment	%	Nov	6.4%		6.3%
11:00	EUR	HICP inflation, preliminary	m/mly/y	Dec	-0.3% 2.4%		-0.3% ...
11:00	EUR	HICP - core inflation, preliminary	y/y	Dec	2.7%		2.7%
11:00	EUR	HICP inflation, preliminary, preliminary	y/y	Dec			2.3%
14:00	USD	Fed's Barkin speaks					
14:30	USD	Trade balance	USD bn	Nov			-73.8
16:00	USD	JOLTS Job openings	K	Nov			7744 7744
16:00	USD	ISM non-manufacturing	Index	Dec		53.5	52.1
Wednesday, January 8, 2025				Period	Danske Bank	Consensus	Previous
6:00	JPY	Consumer confidence	Index	Dec			36.4
8:00	DEM	Factory orders	m/mly/y	Nov			-1.5% 5.7%
8:00	SEK	Underlying inflation CPIF, preliminary	m/mly/y	Dec			0.5% 1.8%
8:00	SEK	Underlying inflation CPIF excl energy, preliminary	m/mly/y	Dec			0.5% 1.8%
8:00	SEK	CPI, preliminary	m/mly/y	Dec			0.3% 1.6%
8:45	FRF	Consumer confidence	Index	Dec			90.0
11:00	EUR	PPI	m/mly/y	Nov			-3.2% 0.4%
11:00	EUR	Industrial confidence	Net bal.	Dec			-11.1
11:00	EUR	Economic confidence	Index	Dec			95.8
11:00	EUR	Consumer confidence, final	Net bal.	Dec			
11:00	EUR	Service confidence	Net bal.	Dec			5.3
14:15	USD	ADP employment	1000	Dec			146
16:30	USD	DOE U.S. crude oil inventories	K				
20:00	USD	FOMC minutes					
21:00	USD	Consumer credit	USD bn	Nov			19.2
Thursday, January 9, 2025				Period	Danske Bank	Consensus	Previous
-	CNY	CPI	y/y	Dec			0.2%
-	CNY	Money supply M2	y/y	Dec			7.1%
-	CNY	PPI	y/y	Dec			-2.5%
0:30	JPY	Labour cash earnings	y/y	Nov		2.7%	2.6%
8:00	NOK	PPI	m/mly/y	Dec			3.3% 0.0%
8:00	DKK	Current account (nsa sa)	DKK bn	Nov			... 48.8
8:00	DEM	Industrial production	m/mly/y	Nov			-1.0% -4.5%
8:00	DKK	Industrial production	m/m	Nov			5.5%
10:00	EUR	ECB Publishes Economic Bulletin					
11:00	EUR	Retail sales	m/mly/y	Nov			-0.5% 1.9%
14:30	USD	Initial jobless claims	1000				
15:00	USD	Fed's Harker speaks					
18:40	USD	Fed's Barkin speaks					
Friday, January 10, 2025				Period	Danske Bank	Consensus	Previous
6:00	JPY	Leading economic index, preliminary	Index	Nov			
7:45	CHF	Unemployment	%	Dec			2.6%
8:00	SEK	Budget balance	SEK bn	Dec			17.9
8:00	NOK	Core inflation (CPI-ATE)	m/mly/y	Dec			0.1% 3.0%
8:00	SEK	Industrial orders	m/mly/y	Nov			1.0% -1.0%
8:00	SEK	Private Sector Production	m/mly/y	Nov			-0.8% 0.2%
8:00	SEK	Household consumption	m/mly/y	Nov			-0.3% -1.1%
8:00	NOK	CPI	m/mly/y	Dec			0.3% 2.4%
8:00	DKK	CPI	m/mly/y	Dec	-0.2% 2.0%		-0.3% 1.6%
8:45	FRF	Household consumption	m/mly/y	Nov			-0.4% 0.4%
8:45	FRF	Industrial production	m/mly/y	Nov			-0.1% -0.6%
14:30	CAD	Net change in full time employment	1000	Dec			54.2
14:30	USD	Unemployment	%	Dec	4.2%		4.2%
14:30	USD	Average hourly earnings, non-farm	m/mly/y	Dec	0.3% ...		0.4% 4.0%
14:30	USD	Non farm payrolls	1000	Dec	170		227
16:00	USD	University of Michigan Confidence, preliminary	Index	Jan			

Source: Danske Bank

# Macroeconomic forecast

Macro forecast. Scandinavia													
	Year	GDP <sup>1</sup>	Private cons. <sup>1</sup>	Public cons. <sup>1</sup>	Fixed inv. <sup>1</sup>	Ex-ports <sup>1</sup>	Im-ports <sup>1</sup>	Infla-tion <sup>1</sup>	Wage growth <sup>1</sup>	Unem-ploym <sup>2</sup>	Public budget <sup>3</sup>	Public debt <sup>3</sup>	Current acc. <sup>3</sup>
Denmark	2024	3.0	0.2	1.4	-1.2	6.3	1.2	1.4	5.2	2.9	2.7	31.8	12.5
	2025	2.5	1.9	2.6	3.0	2.7	2.4	1.8	3.6	3.1	1.5	29.7	12.8
	2026	2.3	2.3	2.0	3.6	3.1	3.7	1.7	3.2	3.1	0.9	28.0	12.8
Sweden	2024	0.7	0.3	1.1	-1.4	2.3	2.2	3.0	3.5	8.4	-1.2	33.0	4.9
	2025	2.5	2.5	2.1	2.1	3.8	3.8	1.7	3.5	8.2	-0.8	33.0	4.9
	2026	2.2	2.8	1.1	2.8	3.2	3.6	1.2	3.2	7.7	-0.2	32.0	4.7
Norway	2024	0.9	1.3	2.2	4.0	5.0	1.8	3.0	5.1	2.1	-	-	-
	2025	1.9	3.0	2.0	1.4	2.0	2.0	2.3	3.8	2.4	-	-	-
	2026	1.7	2.5	2.0	1.5	1.0	1.8	2.0	3.3	2.4	-	-	-
Macro forecast. Euroland													
	Year	GDP <sup>1</sup>	Private cons. <sup>1</sup>	Public cons. <sup>1</sup>	Fixed inv. <sup>1</sup>	Ex-ports <sup>1</sup>	Im-ports <sup>1</sup>	Infla-tion <sup>1</sup>	Wage growth <sup>1</sup>	Unem-ploym <sup>2</sup>	Public budget <sup>3</sup>	Public debt <sup>3</sup>	Current acc. <sup>3</sup>
Euro area	2024	0.7	0.7	1.9	-2.2	1.8	-0.2	2.4	4.5	6.4	-3.0	89.1	3.0
	2025	0.9	1.1	1.0	0.7	1.8	2.1	2.0	3.4	6.7	-3.1	89.9	3.0
	2026	1.4	1.5	0.8	1.8	2.5	2.6	2.0	3.1	6.6	-2.8	90.0	2.8
Finland	2024	-0.3	-0.2	1.0	-5.5	1.0	-0.8	1.6	2.9	8.3	-3.9	80.5	0.2
	2025	1.8	1.5	0.2	4.5	3.5	4.0	1.2	3.1	8.1	-3.6	82.2	-0.2
	2026	1.6	1.5	0.5	5.5	3.0	4.5	1.8	3.0	7.3	-2.6	82.6	-0.2
Macro forecast. Global													
	Year	GDP <sup>1</sup>	Private cons. <sup>1</sup>	Public cons. <sup>1</sup>	Fixed inv. <sup>1</sup>	Ex-ports <sup>1</sup>	Im-ports <sup>1</sup>	Infla-tion <sup>1</sup>	Wage growth <sup>1</sup>	Unem-ploym <sup>2</sup>	Public budget <sup>3</sup>	Public debt <sup>3</sup>	Current acc. <sup>3</sup>
USA	2024	2.7	2.7	3.4	3.9	3.1	5.7	2.9	3.9	4.0	-6.7	123.1	-3.3
	2025	1.9	2.2	3.0	1.8	2.2	5.3	2.7	3.5	4.4	-6.5	125.1	-3.1
	2026	2.1	1.8	1.8	4.3	3.5	4.4	2.4	3.5	4.3	7.0	128.0	-3.0
China	2024	4.7	4.5	-	5.0	-	-	0.2	-	5.1	-7.4	90.1	1.4
	2025	4.7	5.6	-	5.5	-	-	1.5	-	5.2	-8.1	94.3	1.4
	2026	4.8	5.8	-	5.5	-	-	1.5	-	5.2	-8.2	98.2	1.3
UK	2024	0.9	-	-	-	-	-	2.5	-	4.3	-	-	-
	2025	1.3	-	-	-	-	-	2.5	-	4.7	-	-	-
	2026	1.5	-	-	-	-	-	2.0	-	4.5	-	-	-

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*	19-Dec	4.50	-	4.14	4.06	0.96	-	7.19	11.40	11.02
	+3m	4.50	-	3.90	3.90	0.96	-	7.17	11.54	10.96
	+6m	4.00	-	3.65	3.80	0.98	-	7.31	11.96	11.37
	+12m	3.50	-	3.50	3.70	1.00	-	7.46	12.40	11.70
EUR	19-Dec	3.00	2.85	2.22	2.31	-	1.04	7.4607	11.83	11.44
	+3m	2.50	2.26	2.10	2.25	-	1.04	7.4575	12.00	11.40
	+6m	2.00	1.80	1.90	2.20	-	1.02	7.4550	12.20	11.60
	+12m	1.50	1.55	1.70	2.15	-	1.00	7.4550	12.40	11.70
JPY	19-Dec	0.25	-	-	-	0.006	0.006	4.56	7.23	6.99
	+3m	0.25	-	-	-	0.006	0.007	4.85	7.80	7.41
	+6m	0.75	-	-	-	0.007	0.007	5.11	8.36	7.95
	+12m	1.00	-	-	-	0.007	0.007	5.33	8.86	8.36
GBP*	19-Dec	4.75	-	4.32	4.11	1.21	1.17	9.02	14.31	13.83
	+3m	4.50	-	4.15	3.95	1.22	1.27	9.09	14.63	13.90
	+6m	4.25	-	3.95	3.85	1.23	1.26	9.20	15.06	14.32
	+12m	3.75	-	3.65	3.60	1.22	1.22	9.09	15.12	14.27
CHF	19-Dec	0.50	-	-	-	1.07	1.11	8.01	12.70	12.28
	+3m	0.50	-	-	-	1.09	1.13	8.11	13.04	12.39
	+6m	0.25	-	-	-	1.10	1.12	8.19	13.41	12.75
	+12m	0.00	-	-	-	1.11	1.11	8.28	13.78	13.00
DKK	19-Dec	2.60	2.72	2.28	2.44	0.134	0.139	-	1.59	1.53
	+3m	2.10	2.16	2.15	2.35	0.134	0.139	-	1.61	1.53
	+6m	1.60	1.70	1.95	2.30	0.134	0.137	-	1.64	1.56
	+12m	1.10	1.45	1.75	2.25	0.134	0.134	-	1.66	1.57
SEK	19-Dec	2.50	2.54	2.33	2.56	0.087	0.091	0.65	1.03	-
	+3m	2.50	2.34	2.10	2.50	0.088	0.091	0.65	1.05	-
	+6m	2.00	2.09	2.10	2.60	0.086	0.088	0.64	1.05	-
	+12m	2.00	2.10	2.15	2.75	0.085	0.085	0.64	1.06	-
NOK	19-Dec	4.50	4.68	4.25	3.91	0.085	0.088	0.63	-	0.97
	+3m	4.50	4.45	4.00	3.80	0.083	0.087	0.62	-	0.95
	+6m	4.25	4.20	3.80	3.70	0.082	0.084	0.61	-	0.95
	+12m	3.50	3.71	3.41	3.60	0.081	0.081	0.60	-	0.94

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

Commodities												
	19-Dec	2024				2025				Average		
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2024	2025	
ICE Brent	73	82	85	79	80	75	80	85	85	80	81	

Source Danske Bank

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