

Weekly Focus

Momentum setback

The strong start in markets from early January experienced some setback this week on rising infections, as countries are hit by a second wave of COVID-19 despite vaccinations gathering pace as well as bond markets falling back (in yields). With President Biden taking office and the significant fiscal expansion that is about to be discussed together with the bright spots from the Chinese economy, there are reasons to be optimistic about the medium-term outlook, but some retracement could be expected in the very near term. This week, Chinese GDP surprised to the upside, rising 6.5% y/y (consensus 6.2%) from previous 4.9%, partly due to upward revisions to Q3, confirming an overall strong finish to 2020 as also indicated by earlier released data. We still expect to see a gradual decline in economic momentum during 2021 as the catch-up effect, stimuli and strong exports of electronics and medical supplies are likely to fade. In the short term, China may also take a small hit from new lockdowns - especially if it reduces Chinese New Year travelling and festivities (starts around 11 February).

On Monday, we published our *Five Top Macro Questions for 2021*. In this piece we discuss COVID-19, economic normalisation, inflation, fiscal and monetary policy and politics. We argue that while the US and Europe will continue to struggle with COVID-19 near term, we expect restrictions to be removed altogether when the vaccination process has progressed sufficiently. We argue that economic policy will remain accommodative this year but that the Fed more seriously will start tapering talks in Q4 21. Last, but not least, we argue that this year is likely to be a quieter political year.

With regard to COVID-19, the situation in Europe continues to be serious, not least in Spain, where we have seen a sharp worsening as the government drags its feet on restrictions. In the US, the situation has improved and it seems like we have seen a peak. That said, the number of new cases remains very high. The vaccination process has been speeding up slightly but needs to speed up even more. In *COVID-19 Update: Tail risk - that vaccines are ineffective against new mutations*, 21 January, we debate this risk. On Friday next week, the EMA is set to discuss the AstraZeneca vaccine.

We do not expect any major policy changes at next week's FOMC meeting after the Fed changed its QE forward guidance at the December meeting. We expect Fed chair Powell will be asked about the tapering process on the back of the previous weeks' discussions, see *Fed Monitor: Still too early for the Fed to start the normalisation process*, 13 January.

Next week, focus also turns to the World Economic Forum. Global leaders will head (virtually) to Davos to discuss how to rebuild trust across countries. Xi Jinping and other Asian leaders (Modi etc.) are set to speak and Germany's Chancellor Merkel and French President Macron will also participate. Seminars take place from Monday through Friday. IMF is set to publish its World Economic Outlook (WEO) on Tuesday.

The German CDU party elected Armin Laschet as its new leader. He is expected to continue the 'Merkel era policies' and is a consensus building candidate and a pro-EU centrist. The Italian political turmoil is set to abate near term after PM Conte won two no-confidence votes in the Senate.

Key market movers

- Mon-Fri: WEF in Davos
- Mon: German IFO
- Wed: FOMC meeting
- Fri: AstraZeneca vaccine by EMA

Selected reading from Danske Bank

- *Yield Outlook*, 20 January
- *Five Top Macro Questions for 2021*, 18 January
- *COVID-19 Update*, 21 January

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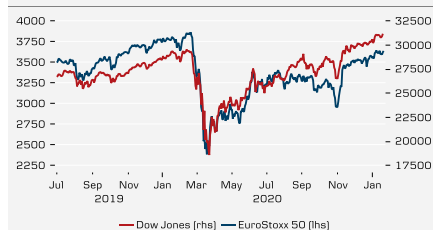


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Video
Danske Bank research playlist

Momentum setback



Note: Past performance is not a reliable indicator of current or future results. It is not possible to invest directly in an index.

Source: Bloomberg, Macrobond Financial, Danske Bank

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Market movers Scandinavia

- In **Denmark**, Tuesday is scheduled to bring retail sales for December, which we expect to fall slightly (seasonally corrected). That said, the overall figure will conceal substantial differences across the retail sector, with a good deal of Christmas shopping and almost all sales following the pre-Christmas imposition of corona restrictions moving online, which was also seen in our *Spending Monitor*, 21 January. Nevertheless, the overall level of retail sales should still outpace December 2019, as a lot of spending – similar to what has been the case so far during the crisis – will continue to have shifted from services, travel, etc. onto goods.

January’s business confidence figures are due on Thursday and reports from the retail and service sectors will doubtless make for grim reading given that both are in full lockdown. In contrast, industry and construction will likely sound a somewhat more positive note, with industry sentiment presumably boosted by the global recovery in the sector. Particularly interesting here will be to see how much this has spilled over onto order books.

The week closes with Statistics Denmark’s figures for property prices in November and unemployment in December. According to property website Boligsiden’s figures, the housing market hit new highs for both house and apartment prices in November, and the same signal was also given by our own *Boligbrief*, 6 January 2021. Nevertheless, the pace of growth appears to have slowed slightly, and we expect this to continue in the new year, though we still expect overall price growth of 4%, even if much of that was driven by the strong performance at the start of the year.

Unemployment probably moved in the wrong direction in December, with the Ministry of Employment’s figures, for example, pointing to an increase of 7,140 in the number of jobless. The new restrictions will have piled further pressure on many of the already most vulnerable sectors, and any improvement in unemployment figures will likely have to wait until the spring, when weather and vaccines should permit the economy to reopen – hopefully and presumably permanently this time.

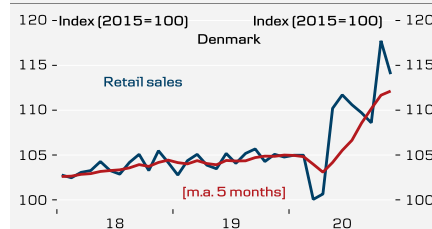
- There are several important data points being released in **Sweden** next week. January money market inflation expectations will surely be in focus as the most recent print for 5y CPIF expectations (December 1.66%) touched previous lows. If there is a dip towards 1.5% the Riksbank needs to be vigilant.

NIER’s January confidence survey is expected to show some moderation in manufacturing and business services recovery, but it should still look fine. At the same time, consumer-related services and durable retail trade is expected to continue to feel the pinch from COVID-19 restrictions. That said, it is to be noted that consumer confidence is on an upward trend, albeit still below normal.

In terms of ‘hard data’ there are the December trade balance and retail sales. Exports’ and imports’ consecutive monthly growth have shown a tendency to slow, but will hopefully have continued to increase in December too. Retail sales showed a strong increase in the three month period up to November and we cannot preclude a temporary correction.

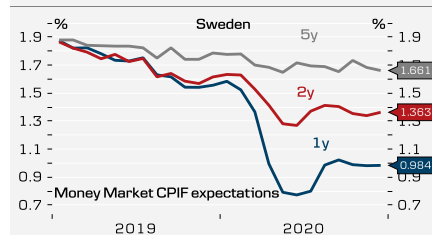
Due to changes in LFS data collection, it will be more difficult than usual to assess developments on the labour market. Hence next week’s release should be interpreted carefully. This makes PES even more important to follow, which has shown 1) an unemployment rate at 8.7% s.a, 2) redundancy notices at a normal level 3) new vacancies almost fully recovered. Overall, the labour market still shows resilience.

Minor decline in retail sales expected – but overall level remains elevated



Source: Statistics Denmark, Macrobond Financial

5y MM expectations at lows dipping further?



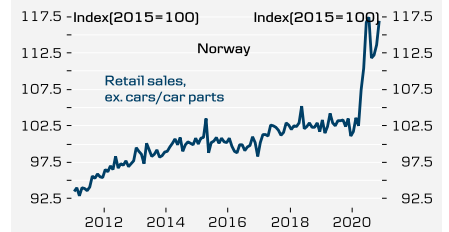
Source: Prospera

- In **Norway**, as in many other countries, retail sales surprised to the upside in 2020, and the 5% m/m increase in November was a particular surprise. Shopping centres are reporting sales growth of around 10% y/y in December, and while this is very healthy, it points to a drop of almost 5% from the extremely high sales in November. After taking account of online shopping contributing to this outperformance, we therefore expect retail sales to shrink by 4% m/m in December.

Following the introduction of the new national coronavirus restrictions at New Year, some industries – especially in the service sector – have had to embark on a further round of temporary and permanent layoffs. The weekly unemployment numbers suggest, however, that the impact has been somewhat smaller than when the previous set of restrictions were introduced in November, and we expect only a moderate increase in seasonally adjusted joblessness from 3.9% in December to 4.1% in January.

Finally, it is worth keeping an eye on growth in household credit, which is beginning to push up on the back of the strong housing market last year. Norges Bank is probably much more likely to react to strong credit growth than to housing price inflation when taking account of financial stability in its rate setting.

Retail sales down sharply in December?



Source: Macrobond Financial, Danske Bank

Scandi update

Denmark – labour market continues to slow

Wage-earner employment rose in November by 3,000, thus marking the sixth month in a row with job growth. Nevertheless, job growth has slowed considerably since the summer, and given that November's increase was largely driven by more public sector healthcare jobs, the figures are not particularly encouraging. The winter's coronavirus restrictions will have put a further damper on the labour market, and we will likely have to wait until the spring before it picks up significantly again.

Consumer confidence slipped a little from -3.8 to -4.1 in January. Confidence was hit by the Danes' view of the economy right now, with the ongoing lockdown playing a decisive role. Nevertheless, the figures are rather uplifting compared to the autumn, driven to a great extent by consumers now have a considerably more upbeat view on both their own finances and the Danish economy as a whole going forward, which is due in no small part to the vaccine rollout.

Sweden – no news from Riksbank

The takeaways from our webinarium with Deputy Governor Jansson were that: 1) he generally considers QE to be a 'complement' to rate cuts, 2) if there is a need for a more forceful monetary policy going forward, then a repo rate cut would be necessary, 3) that said, he does sound a bit optimistic that inflation may actually pick up this year, 4) even if inflation were to pick up, there would be no reason to be hasty in removing stimulus, 5) SEK is clearly stronger than forecast, much less appreciation expected going forward, 6) wage growth 'on the low side' is worrying, 7) he sees raising the inflation target as an option and 8) Fed AIT is an interesting way to address low global normal rates. Vice Deputy Skingsley later said that a rate cut is not precluded, but that thus far QE measures have been considered more appropriate.

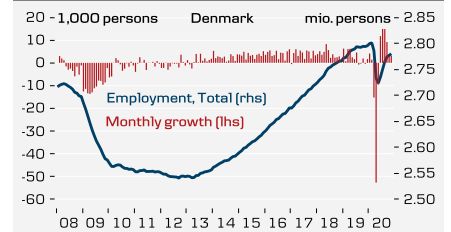
December property prices continued to rise according to Valueguard's HOX, rising a strong 1.3% m/m. The rise was driven by price gains in small houses while condos fell back slightly. Data for the first half of January shows further gains.

Norway – no new signals from Norges Bank

Norges Bank left its policy rate unchanged at 0.00%. This was, of course, only an interim meeting accompanied by a press release alone and coming little more than a month after the last full meeting. In a nutshell, the central bank says that developments since then have been more or less as expected and so repeats its line that the policy rate will remain on hold until there are clear signs that economic conditions are normalising. In the December monetary policy report, the bank indicated a first rate increase in March 2022, and it saw no reason to put out different signals this time around.

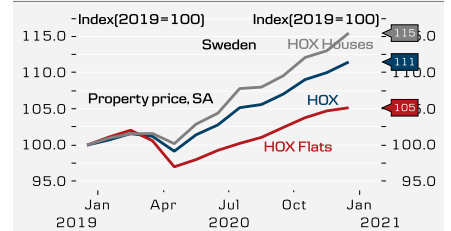
Delving into the details, Norges Bank acknowledges that the new containment measures will hold back growth in early 2021 but also notes that the slowdown in Q4, both at home and abroad, was less pronounced than expected. It also states that vaccinations have started, and that the winding down of containment measures will allow growth to pick up later in the year, something which will be boosted by expansionary fiscal policy in the US. We also noted that the bank gives higher oil prices and rising risk appetite the credit for a stronger krone. Although inflation has been slightly lower than expected, it is still well above target. Finally, the bank says that the premium in the money market has risen, but does not appear to be overly concerned.

Employment just modestly higher in November



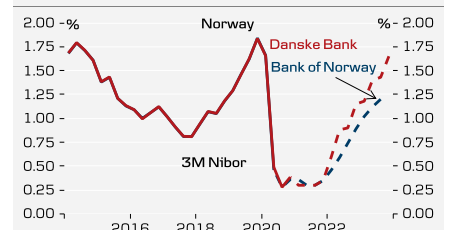
Source: Statistics Denmark, Macrobond Financial

Sweden: Roaring housing market



Source: Valueguard

Norges Bank signals March 2022 hike



Source: Macrobond Financial, Danske Bank

We still think that Norway, most other European countries and the US will manage to vaccinate enough of the population in H1 that all restrictions can be lifted from the summer and infection fears will no longer have any great impact on behaviour. We therefore still expect Norges Bank to start raising interest rates in September this year.

Activity tracker

- The European economies kept trending downwards last week across trackers. Google Mobility decreasing roughly 1.5p.p on average in a week, where most countries extended their lockdown restrictions at least until mid-February. Further German trucking toll mileage has been showing signs of weakening by falling 9.8p.p over the past week. Trucking toll mileage is a good indicator for economic production and trade and thus it will be interesting to keep an eye if this trend continues into next week, as this tracker has been little affected by the lockdown measures up until now.
- Across the Atlantic there has been only small changes over the past week most notably US Electricity demand fell 6.9p.p. while most other categories kept their sideways trend. On the positive side, US restaurant bookings seems to be recovering, albeit slowly, since December.

Activity tracker

Euro area	Last obs	Value	Last 4 months	1W chg.	1M chg.	Low
Bundesbank weekly activity index*	Week 3	-0.37		-0.32	-0.90	-6.2
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	13-Jan	-2.7%		-9.8 p.p.	-7.5 p.p.	-16.2%
OpenTable restaurant bookings, Germany (1w m.a.)**	20-Jan	-99.5%		-0.2 p.p.	-2.8 p.p.	-100%
USA						
NY Fed weekly economic index*	Week 3	-1.98		-0.31	-0.04	-11.5
Transaction card spending, (1w m.a.), % y/y	10-Jan	-13.2%		2.2 p.p.	-2.1 p.p.	-40.6%
OpenTable restaurant bookings (1w m.a.)**	20-Jan	-57.2%		3.1 p.p.	9.6 p.p.	-100%
Google mobility trends retail & recreation (1w m.a.)**						
Germany	17-Jan	-60.1%		0 p.p.	-23.3 p.p.	-67.3%
France		-43.4%		-4.4 p.p.	-15.7 p.p.	-88.0%
Italy		-40.0%		4.7 p.p.	-16.3 p.p.	-88.9%
Spain		-44.9%		-6.3 p.p.	-18.1 p.p.	-91.7%
UK		-64.4%		-1.9 p.p.	-32.6 p.p.	-77.6%
Japan		-21.1%		-4.6 p.p.	-12.6 p.p.	-37.9%
United States		-24.7%		-1.9 p.p.	-4.9 p.p.	-46.1%
Electricity demand (1w m.a.)***						
Germany	21-Jan	0.1%		2.6 p.p.	3.8 p.p.	-16.2%
France		-2.0%		-11.5 p.p.	6.5 p.p.	-23.1%
Italy		-0.2%		2.4 p.p.	3.1 p.p.	-28.2%
Spain		1.8%		-3 p.p.	3.9 p.p.	-24.2%
UK		-6.2%		-7.1 p.p.	1.7 p.p.	-22.1%
Japan		3.1%		-2.6 p.p.	5.4 p.p.	-18.3%
United States		-4.0%		-6.9 p.p.	-6.4 p.p.	-12.5%

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

Normal
Nearing normal
Some improvements
Bad
Very bad

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

Calendar

Key Data and Events in Week 5

During the week					Period	Danske Bank	Consensus	Previous
Monday, January 25, 2021					Period	Danske Bank	Consensus	Previous
10:00	DEM	IFO - business climate	Index	Jan		91.9		92.1
10:00	DEM	IFO - current assessment	Index	Jan		90.6		91.3
10:00	DEM	IFO - expectations	Index	Jan		93.7		92.8
Tuesday, January 26, 2021					Period	Danske Bank	Consensus	Previous
8:00	DKK	Retail sales	m/m y/y	Dec				-3.1% 6.2%
8:00	GBP	Unemployment rate (3M)	%	Nov		5.1%		4.9%
8:00	GBP	Average weekly earnings ex bonuses (3M)	y/y	Nov		3.1%		2.8%
9:30	SEK	PPI	m/m y/y	Dec				0.2% -4.4%
15:00	USD	FHFA house price index	m/m	Nov		0.6%		1.5%
16:00	USD	Conference Board consumer confidence	Index	Jan		88.8		88.6
Wednesday, January 27, 2021					Period	Danske Bank	Consensus	Previous
-	DEM	Retail sales	m/m y/y	Dec		-2.3% 4.5%		1.1% 5.0%
2:30	CNY	Industrial profits	y/y	Dec				15.5%
6:00	JPY	Leading economic index, final	Index	Nov				96.6
8:00	DEM	GfK consumer confidence	Net. Bal.	Feb		-7.8		-7.3
8:00	SEK	Prospera inflation expectations						
8:45	FRF	Consumer confidence	Index	Jan		94.0		95.0
9:30	SEK	Trade balance	SEK bn	Dec				1.4
14:30	USD	Core capital goods orders, preliminary	%	Dec				0.5%
20:00	USD	FOMC meeting	%		0.3%	0.3%		0.3%
20:30	USD	Fed chair Powell [voter, neutral] speaks						
Thursday, January 28, 2021					Period	Danske Bank	Consensus	Previous
0:50	JPY	Retail trade	m/m y/y	Dec		-0.9% -0.4%		-2.1% 0.6%
8:00	NOK	Retail sales, s.a.	m/m	Dec	-4.0%			2.9%
8:00	NOK	Unemployment (LFS)	%	Nov				5.2%
9:00	SEK	Consumer confidence	Index	Jan				92.3
9:00	SEK	Economic Tendency Survey	Index	Jan				95.6
9:00	SEK	Manufacturing confidence	Index	Jan				106.9
9:30	SEK	Unemployment (n.s.a. s.a.)	%	Dec				7.7% 8.3%
9:30	SEK	Retail sales s.a.	m/m y/y	Dec				0.8% 5.7%
11:00	EUR	Industrial confidence	Net bal.	Jan		-6.8		-7.2
11:00	EUR	Economic confidence	Index	Jan		90.0		90.4
11:00	EUR	Consumer confidence, final	Net bal.	Jan				-15.5
11:00	EUR	Service confidence	Net bal.	Jan		-17.3		-17.4
14:00	DEM	HICP, preliminary	m/m y/y	Jan		0.3% 0.5%		0.6% -0.7%
14:30	USD	Advance goods trade balance	USD bn	Dec		-83.4		-84.8
14:30	USD	GDP, ___ release, preliminary	q/q AR	4th quarter		0.041		0.334
14:30	USD	Initial jobless claims	1000					900
14:30	USD	PCE core, preliminary	q/q AR	4th quarter				0.034
16:00	USD	New home sales	1000 (m/m)	Dec		860		841.0 (-11.0%)

Source: Danske Bank

Calendar

Friday, January 29, 2021			Period	Danske Bank	Consensus	Previous
-	EUR	Potential EU EMA approval of the AstraZeneca vaccine				
0:30	JPY	Unemployment rate	%	Dec	3.0%	2.9%
0:30	JPY	Job-to-applicant ratio		Dec	1.05	1.06
0:50	JPY	Industrial production, preliminary	m/m y/y	Dec	-1.5% -3.2%	-0.5% -3.9%
6:00	JPY	Consumer confidence	Index	Jan	28.0	31.8
7:30	FRF	Household consumption	m/m y/y	Dec		-18.9% -17.1%
7:30	FRF	GDP, preliminary	q/q y/y	4th quarter	-4.0% -7.7%	18.7% -3.9%
8:00	NOK	Credit indicator (C2)	y/y	Dec		4.7%
8:00	DKK	Gross unemployment s.a.	K [%]	Dec		0.045
8:00	DEM	GDP, preliminary	q/q y/y	4th quarter	0.0% -4.0%	8.5% -4.0%
9:00	ESP	HICP, preliminary	m/m y/y	Jan	-1.4% -0.6%	0.2% -0.6%
9:00	ESP	GDP, preliminary	q/q y/y	4th quarter	-1.5% -10.5%	16.4% -9.0%
9:30	SEK	Wages (blue collars/white collars)	y/y	Nov		1.9%
9:30	SEK	Household lending	y/y	Dec		5.3%
9:55	DEM	Unemployment	%	Jan	6.1%	6.1%
10:00	NOK	Unemployment	%	Jan	4.1%	3.8%
10:00	NOK	Norges Bank's daily FX purchases	m	Feb		-800
10:00	EUR	Money supply (M3)	y/y	Dec	11.0%	11.0%
10:00	EUR	Loans to households [adj. for sales and sec.]	%	Dec		
10:00	EUR	Loans to NFCs [adj. for sales and sec.]	%	Dec		
14:30	USD	Personal spending	m/m	Dec	-0.5%	-0.4%
14:30	USD	PCE headline	m/m y/y	Dec	0.3% 1.2%	0.0% 1.1%
14:30	USD	PCE core	m/m y/y	Dec	0.1% 1.3%	0.0% 1.4%
14:30	USD	Employment cost index	m/m	4th quarter	0.5%	0.5%
15:45	USD	Chicago PMI	Index	Jan	58.3	58.7
16:00	USD	University of Michigan Confidence, final	Index	Jan	79.2	79.2
16:00	USD	Pending home sales	m/m y/y	Dec	-0.3% ...	-2.6% 16.0%
19:00	USD	Fed's Kaplan (voter, neutral) speaks				

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

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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	4.7	-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	-3.3	-7.5	1.7	-5.6	-3.0	-12.0	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	-7.0	-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	-3.4	-3.8	0.9	-2.4	-13.7	-10.7	1.3	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	-11.1	-14.4	-9.9	-12.8	-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	22-Jan	0.25	0.22	0.20	1.12	121.7	-	611.2	847.5	828.5
	+3m	0.25	0.20	0.25	1.15	122.0	-	609.8	827.9	819.7
	+6m	0.25	0.20	0.30	1.25	119.0	-	625.6	857.1	857.1
	+12m	0.25	0.20	0.35	1.60	116.0	-	641.8	887.9	887.9
EUR	22-Jan	-0.50	-0.54	-0.52	-0.19	-	121.7	744.0	1031.8	1008.6
	+3m	-0.50	-0.55	-0.55	-0.25	-	122.0	744.0	1010.0	1000.0
	+6m	-0.50	-0.55	-0.55	-0.10	-	119.0	744.5	1020.0	1020.0
	+12m	-0.50	-0.55	-0.50	0.05	-	116.0	744.5	1030.0	1030.0
JPY	22-Jan	-0.10	-0.07	-0.07	0.06	120.5	103.7	6.17	8.56	8.37
	+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	-	-	-	116.0	100.0	6.42	8.88	8.88
GBP	22-Jan	0.10	0.03	0.09	0.53	89.1	136.7	835.2	1158.3	1132.3
	+3m	0.10	0.07	0.10	0.50	88.0	138.6	845.5	1147.7	1136.4
	+6m	0.10	0.07	0.15	0.65	87.0	136.8	855.7	1172.4	1172.4
	+12m	0.10	0.07	0.15	0.65	87.0	133.3	855.7	1183.9	1183.9
CHF	22-Jan	-0.75	-0.77	-0.71	-0.23	107.7	88.5	690.7	957.8	936.3
	+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	22-Jan	-0.60	-0.24	-0.16	0.05	744.01	611.17	-	138.68	135.56
	+3m	-0.60	-0.27	-0.20	0.00	744.00	609.84	-	135.75	134.41
	+6m	-0.60	-0.27	-0.20	0.15	744.50	625.63	-	137.00	137.00
	+12m	-0.60	-0.30	-0.20	0.25	744.50	641.81	-	138.35	138.35
SEK	22-Jan	0.00	-0.05	-0.03	0.43	1008.6	828.5	73.8	102.3	100.0
	+3m	0.00	-0.05	-0.05	0.43	1000.0	819.7	74.4	101.0	-
	+6m	0.00	-0.05	-0.05	0.45	1020.0	857.1	73.0	100.0	-
	+12m	0.00	-0.05	-0.05	0.55	1030.0	887.9	72.3	100.0	-
NOK	22-Jan	0.00	0.49	0.66	1.36	1031.8	847.5	72.1	100.0	97.8
	+3m	0.00	0.42	0.60	1.40	1010.0	827.9	73.7	-	99.0
	+6m	0.00	0.58	0.80	1.45	1020.0	857.1	73.0	-	100.0
	+12m	0.25	0.71	1.05	1.75	1030.0	887.9	72.3	-	100.0

Commodities												
		2020				2021				Average		
	22-Jan	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2020	2021	
ICE Brent	55	35	35	40	40	55	55	60	60	38	58	

Source Danske Bank

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