

22 March 2024

Weekly Focus

Historical central bank week: A hike and a cut in G10

The past week will go down in history as the Bank of Japan (BoJ) hiked the policy rate for the first time in 17 years while the Swiss National Bank (SNB) cut its rate, becoming the first G10 central bank to do so in the current cycle. The BoJ decided to set the overnight call rate as its new policy rate and guided it in a range of 0.0-0.10% which finally marks the end of the era with negative policy rates. At the same time, it officially terminated yield curve control, although it promised to continue its bond purchases at broadly the same pace. The SNB cut the policy rate by 25bp to 1.50% in line with our call but clearly against consensus and market expectations. The cut came on the back of reduced inflationary pressures as well as the appreciation of the Swiss franc in real terms.

Both the Federal Reserve (Fed), Bank of England (BoE), and Norges Bank (NB) left policy rates unchanged, as expected. The Fed suggested that rate cuts are on the way, and the rate projections still showed three 25bp rate cuts for 2024 in line with our expectations. However, 2025, 2026 and longer-term 'dots' we revised slightly higher. The BoE maintained the Bank Rate at 5.25% as widely expected. Both the vote split in the committee, the statement, and comments from Governor Bailey were more dovish than previously, which sent EUR/GBP higher. Norges Bank unanimously decided to leave policy rates unchanged including the sight deposit rate at 4.50% as expected. Importantly, Norges Bank maintained the guidance for the first rate cut to come in September, which makes us postpone our call for the first 25bp rate cut from June to September.

On the data front, we got PMIs for the euro area, US, and UK. In the euro area, the composite PMI rose to 49.9 in March, indicating stagnation in the economy. Within the euro area, the service sector expanded with the PMI index at 51.1, while the manufacturing sector lagged at 45.7, particularly impacted by Germany. In the UK, composite PMI stood at 52.9, indicating economic growth, albeit with ongoing concerns regarding price pressures. In the US, PMI readings met expectations, with manufacturing rising to 52.5 and services remaining stable at 51.7.

We also got data from Asia where Chinese housing sales were slightly better than at the end of last year and industrial production had a decent start to the year. In Japan, February inflation came in 2.8% y/y as expected and "core-core" inflation at 3.2% y/y.

Due to Easter we will not publish weekly focus next week. However, there are plenty of important data releases during Easter and the week after. On Good Friday, we receive US February PCE inflation, and on Easter Monday we receive March ISM manufacturing. On Friday 5 March, we receive the US Job Report where we expect non-farm payrolls growth to slow to 180k and see average hourly earnings growth at 0.2% m/m SA. In the euro area, we focus on March inflation on 3 April. We expect both headline and core inflation remained unchanged at 2.6% y/y and 3.1% y/y, respectively. The sticky core inflation is due to strong service momentum and a base effect due to Easter. In China, focus is on manufacturing PMIs, and in Japan we look out for Tokyo inflation, wage growth figures, and the Tankan business survey.

Key global views

- Weak near-term growth outlook in the US and the euro area, but recovery from summer 2024
- US and euro area inflation set to decline further, but core inflation to remain sticky.
- The Fed to cut in May, ECB in June

Key market movers

- Friday: US PCE inflation, Tokyo Inflation
- Sunday: Chinese NBS manufacturing PMI

Week after easter

- Monday: US ISM manufacturing, Chinese Caixin manufacturing PMI, Tankan business survey
- Wednesday: Euro area inflation
- Friday: US March Jobs Report

Selected reading from Danske Bank

- *Bank of England Review: Gearing up for a June cut*, 21 March
- *Reading the Markets Norway: Norges Bank maintains signal for September rate cut*, 21 March
- *Research US: Fed review - Not as high, but for even longer?*, 20 March

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Scandi market movers

- In **Denmark**, we get February retail trade on Tuesday. Our own data showed solid growth in retail spending in February (see *Spending Monitor*, 11 March). Since summer the retail trade index and the VAT statistic (sales by retail enterprises) have diverged and the only explanation for the difference is varying seasonal adjustment methods for the two statistics. This adds some confusion and in our view the Retail Trade Index paints a too positive picture of the current business situation in the retail industry.

Wednesday we receive revised GDP figures for Q4 2023. The first estimate we received last month showed a sharp 2.0 percent increase q/q. We have seen big revisions over the recent year, so it will be interesting to see if the rosy picture remains in place.

Also Wednesday, the final unemployment print for February is due. Earlier this month the unemployment indicator showed a small, close to unchanged, increase in unemployment in February.

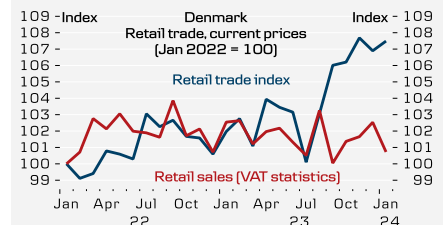
Wednesday 3 April, Nationalbanken publishes statistics for FX interventions in March. EUR/DKK continues to trade close to the central rate, why we expect that it has not been necessary for Nationalbanken to intervene in FX markets in March.

Thursday 4 April, we receive the first estimate of the Q1 private sector wage growth from Dansk Arbejdsgiverforening (DA). In the light of last year’s collective agreements, we expect the high wage growth from the previous quarters continue, which quickly restores the real wage, which is still lower than the peak from early 2021.

- In **Sweden**, the Monetary Policy Report will be presented on 27 March, and we expect the Riksbank to keep the policy rate unchanged at 4.00%. The main focus will, however, be on whether Riksbank aims at starting to ease in May or June (as we expect). How precise can Riksbank be when signaling a cut in May or June? Well, since Riksbank repo rate forecast is based on quarterly averages it could be a little tricky to interpret its intentions. However, since the June meeting is on the 27th, a repo rate path with 4.0% for Q2 would clearly send the message that it wants to wait with a rate cut until June. The May meeting is on the 8th, hence, if it wants to give a clear signal that it intends to cut 25 bp in May, the Q2 repo rate path would indicate something like 3.875 %. If Riksbank does not want to very clear about its intentions, there is a “window” say between 3.90-3.95 % which signals that it aims to cut before the end of Q2, but really haven’t decided on a specific meeting yet. To be consistent with Riksbank’s signal about a cautious easing cycle, the repo rate path further out, from Q3 and onwards, is likely to be very gradual over the coming years. In principle, we would expect the path not to undershoot market pricing as it still wants to send the message that it is vigilant about any resurfacing of inflationary pressures. We still forecast that the first-rate cut arrives in June. There are several reasons for this: 1) The meeting May will only include a Monetary Policy Update and no MPR, 2) we forecast that ECB’s first cut takes place in June and the market currently only price 10% possibility of a cut in April. Lagarde stuck to her earlier statement this month that: “we will know a bit more in April and a lot more in June”, 3) the last inflation print that will be available at the meeting in May will be of March which still is likely to be too high for comfort.

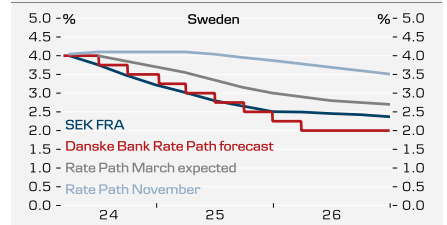
There is also a lot of data arriving this time of the month: February PPI, trade balance, household lending and retail sales. This will be accompanied by the March confidence survey where we expect retail and services prices plans to be in the spotlight. The week following Easter has only March PMIs on the agenda.

Retail trade index and VAT statistics tells different stories about Danish retail trade



Remark: Seasonally adjusted data
Sources: Statistics Denmark, Danske Bank

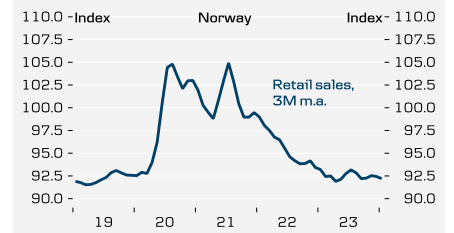
Our Riksbank call remains unchanged – June likely to be start of easing cycle



Source: Source: Riksbank, Danske Bank
Note: Past performance is not a reliable indicator of future results.

- Private consumption in **Norway** continues to struggle with headwinds from low real wage growth and higher mortgage rates. Through monthly volatility, the trend in retail sales has been more or less sideways for a year. Even if downside risks now starts to look moderate, there is no reason to expect any strong pick-up until inflation drops more significantly and/or mortgage rates are cut. We expect a moderate +0.2 % m/m growth in retail sales in February, with an upside risk if the seasonally adjustment fails to correct for the leap year (one more trading day).

Retail sales still facing headwinds



Kilde: Macrobond, Danske Bank

Scandi update

Denmark – Continued consumer gloom

Consumers were slightly more pessimistic in March as consumer confidence declined from -7.4 to -7.6. It is somewhat peculiar that consumers are still so gloomy, given that the unemployment rate is low and real wages have increased substantially in the past year. It looks like sentiment among households is still being shaped by the jolt of high inflation that began in 2022. There is definitely room for improvement in consumer confidence going forward, especially if rates come down and purchasing power continues to be restored.

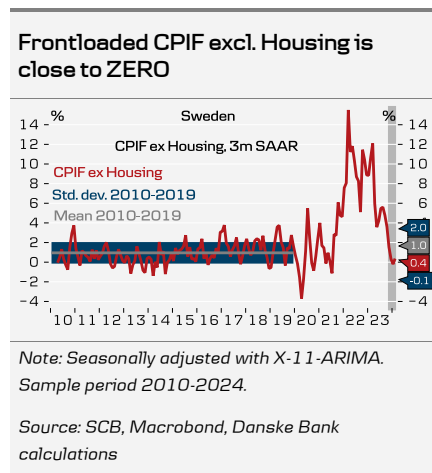
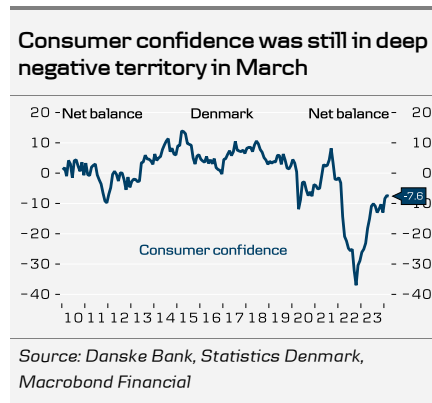
Business confidence for March drew a picture of businesses in a waiting position. Sentiment in both retail and construction sharply declined, with the latter line of business particularly sensitive to the high interest rates. Sentiment in services was still in positive territory, while manufacturers were less pessimistic which is much in line with what we have seen globally, as the manufacturing cycle seems to have bottomed out.

2023’s job growth continued in January with payrolls showing a seasonally adjusted increase of 3,900 persons from December. The stagnation in economic activity (excl. pharma) observed in 2023 would normally have led to job losses, but employers were keen to fill a large number of vacancies, and this trend appears to have extended into 2024. Going forward, we expect the relationship between activity and employment to normalise in 2024 which rhymes with a slight decline in employment.

In February there were 3,846 house sales (+3% m/m) and 1,229 apartment sales (+8% m/m), once you adjust for regular seasonal patterns, data from Boligsiden shows. This comes after a sharp decline in especially apartment sales in January which we think was driven by the new housing taxation scheme, and compared to the end of last year, apartment sales are down by more than a quarter. February’s uptick could indicate that the worst may already be behind us.

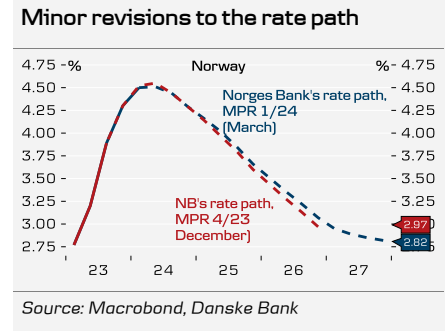
Sweden – Calm week while waiting for the monetary policy decision next week

Calm week without any mention worthy statistic releases, everyone in waiting for the Publication of monetary policy decision and the Monetary Policy Report next week. Riksbank Deputy Governor Martin Flodén communicated that “it has become increasingly clear that inflation is falling back towards the target. Last week's inflation outcome reinforces this picture. There is still a possible risk of setbacks, but the risk of inflation becoming entrenched at high levels has diminished”.



Norway – Norges Bank signalling a cut in September

As highly expected, Norges Bank (NB) kept the policy rate unchanged at 4.5 % on March 21. NB now clearly signals that based on their current assessment, the first rate cut will be delivered in September. We had expected that the combination of global rate cuts and Norwegian disinflation should push NB towards an earlier rate cut (June). However, the fact that the economy seems to be more resilient than expected reduces the downside risks from the restrictive monetary policy. Hence, in assessing the balance of risks, NB can put more emphasis on the inflation risks. As a result, NB reiterate the signal of a September cut, even though inflation is expected to be significantly lower than previously assumed. Hence, the bar for a rate cut is clearly higher than we expected so we have changed our call and expect NB to stay on hold at 4.5 %, until the first cut will be delivered in September. We still expect NB to cut again in November and December, taking the policy rate to 3.75 % at the end of the year.



Calendar – 25-29 March 2024

Monday, March 25, 2024				Period	Danske Bank	Consensus	Previous
6:00	JPY	Leading economic index, final	Index	Jan			109.9
13:25	USD	Fed's Bostic speaks					
15:00	USD	New home sales	1000 (m/m)	Feb		675	661.0 (1.5%)
Tuesday, March 26, 2024				Period	Danske Bank	Consensus	Previous
2:15	CNY	1-Year Loan Prime Rate		Feb	3.50%	3.50%	3.50%
2:15	CNY	5-Year Loan Prime Rate		Feb	4.10%	4.10%	4.10%
8:00	SEK	PPI	m/mly/y	Feb			0.3% -2.3%
8:00	DEM	GfK consumer confidence	Net. Bal.	Apr		-27.3	-29
8:00	DKK	Retail sales	m/mly/y	Feb			0.4% 5.8%
9:00	ESP	GDP, final	q/qly/y	4th quarter		0.6%	0.6% 2.0%
9:00	SEK	Consumer confidence	Index	Mar			82.7
9:00	SEK	Economic Tendency Survey	Index	Mar			90.5
9:00	SEK	Manufacturing confidence	Index	Mar			98.4
13:30	USD	Core capital goods orders, preliminary	%	Feb		0.1%	0.0%
14:00	USD	FHFA house price index	m/m	Jan			0.1%
14:00	HUF	Central Bank of Hungary rate decision	%		8.25%	8.25%	9.00%
15:00	USD	Conference Board consumer confidence	Index	Mar		107.0	106.7
Wednesday, March 27, 2024				Period	Danske Bank	Consensus	Previous
-	DEM	Retail sales	m/mly/y	Feb		0.5% -1.0%	-0.4% -1.5%
2:30	CNY	Industrial profits	y/y	Feb			16.8%
8:00	DKK	GDP, final	q/qly/y	4th quarter			2.0%
8:00	SEK	Household lending	y/y	Feb			0.3%
8:00	SEK	Trade balance	SEK bn	Feb			13.3
8:00	NOK	Retail sales, s.a.	m/m	Feb	+0.2%		-0.1%
8:00	DKK	Gross unemployment s.a.	K (%)	Feb			0.029
8:45	FRF	Consumer confidence	Index	Mar			89.0
9:00	ESP	HICP, preliminary	m/mly/y	Mar			0.4% 2.9%
9:30	SEK	Riksbank, rate decision	%		4.00%	4.00%	4.00%
10:00	NOK	Norges Bank's daily FX purchases	m	Apr			350
11:00	EUR	Industrial confidence	Net bal.	Mar		-10.0	-9.5
11:00	EUR	Economic confidence	Index	Mar		96.0	95.4
11:00	EUR	Consumer confidence, final	Net bal.	Mar			-14.9
11:00	EUR	Service confidence	Net bal.	Mar			6.0
15:30	USD	DOE U.S. crude oil inventories	K				-1952
23:00	USD	Fed's Waller speaks					
Thursday, March 28, 2024				Period	Danske Bank	Consensus	Previous
8:00	GBP	GDP, final	q/qly/y	4th quarter		-0.3% -0.2%	-0.3% -0.2%
8:00	SEK	Retail sales s.a.	m/mly/y	Feb			0.4% -1.2%
9:00	CHF	KOF leading indicator	Index	Mar		102.0	101.6
9:55	DEM	Unemployment	%	Mar		5.9%	5.9%
10:00	EUR	Money supply (M3)	y/y	Feb		0.3%	0.1%
10:00	EUR	Loans to households (adj. for sales and sec.)	%	Feb		0.3%	0.1%
10:00	EUR	Loans to NFCs (adj. for sales and sec.)	%	Feb		0.3%	0.1%
13:30	USD	Initial jobless claims	1000				210
13:30	CAD	GDP	m/mly/y	Jan		0.4% 0.8%	0.0% 1.1%
13:30	USD	PCE core	q/q AR	4th quarter			0.021
13:30	USD	GDP, third release	q/q AR	4th quarter		0.032	0.032
14:45	USD	Chicago PMI	Index	Mar		46.0	44.0
15:00	USD	University of Michigan Confidence, final	Index	Mar		76.6	76.5
15:00	USD	Pending home sales	m/mly/y	Feb			-4.9% -6.8%
Friday, March 29, 2024				Period	Danske Bank	Consensus	Previous
0:30	JPY	Unemployment rate	%	Feb		2.4%	2.4%
0:30	JPY	Job-to-applicant ratio		Feb		1.27	1.27
0:30	JPY	Tokyo CPI Ex-Fresh Food YoY	y/y	Mar		2.4%	2.5%
0:30	JPY	Tokyo CPI Ex-Fresh Food, Energy YoY	y/y	Mar		2.9%	3.1%
0:50	JPY	Retail trade	m/mly/y	Feb		0.6% 2.7%	0.2% 2.1%
0:50	JPY	Industrial production, preliminary	m/mly/y	Feb		1.3% -2.5%	-6.7% -1.5%
8:45	FRF	Household consumption	m/mly/y	Feb			-0.3% -0.7%
8:45	FRF	HICP, preliminary	m/mly/y	Mar			0.9% 3.2%
11:00	ITL	HICP, preliminary	m/mly/y	Mar		-1.4%	0.0% 0.8%
13:30	USD	Advance goods trade balance	USD bn	Feb		-89.7	-90.5
13:30	USD	PCE headline	m/mly/y	Feb		0.4% 2.5%	0.3% 2.4%
13:30	USD	PCE core	m/mly/y	Feb		0.3% 2.8%	0.4% 2.8%
13:30	USD	Personal spending	m/m	Feb		0.5%	0.2%
16:30	USD	Fed chair Powell speaks					

Source: Danske Bank

Calendar – 1-5 April 2024

During the week				Period	Danske Bank	Consensus	Previous
Sun 31	CNY	PMI manufacturing	Index	Mar		50.2	49.1
Sun 31	CNY	PMI non-manufacturing	Index	Mar			51.4
Monday, April 1, 2024				Period	Danske Bank	Consensus	Previous
1:50	JPY	Tankan large manufacturers index (outlook)	Index	1st quarter		10.0	12.0 8.0
1:50	JPY	Tankan large non-manufacturers index (outlook)	Index	1st quarter		33.0	30.0 24.0
2:30	JPY	Nikkei Manufacturing PMI, final	Index	Mar			48.2
3:45	CNY	Caixin PMI manufacturing	Index	Mar			50.9
15:30	CAD	RBC manufacturing PMI	Index	Mar			49.7
15:45	USD	Markit PMI manufacturing, final	Index	Mar			52.5
16:00	USD	Construction spending	m/m	Feb			-0.2%
16:00	USD	ISM manufacturing	Index	Mar		48.0	47.8
Tuesday, April 2, 2024				Period	Danske Bank	Consensus	Previous
-	USD	Total vehicle sales	m	Mar		15.9	15.81
8:30	SEK	PMI manufacturing	Index	Mar			49.0
9:15	ESP	PMI manufacturing	Index	Mar			51.5
9:45	ITL	PMI manufacturing	Index	Mar			48.7
9:50	FRF	PMI manufacturing, final	Index	Mar			45.8
9:55	DEM	PMI manufacturing, final	Index	Mar			41.6
10:00	EUR	PMI manufacturing, final	Index	Mar			45.7
10:00	NOK	PMI manufacturing	Index	Mar			51.9
10:30	GBP	PMI manufacturing, final	Index	Mar			49.9
14:00	DEM	HICP, preliminary	m/mly/y	Mar			0.6% 2.7%
16:00	USD	Core capital goods orders	%	Feb			
16:00	USD	JOLTS Job openings	K	Feb			8863 8863
18:05	USD	Fed's Mester speaks					
19:30	USD	Fed's Daly speaks					
Wednesday, April 3, 2024				Period	Danske Bank	Consensus	Previous
2:30	JPY	Markit PMI services, final	Index	Mar			54.9
3:45	CNY	Caixin PMI service	Index	Mar			52.5
11:00	EUR	Unemployment	%	Feb	6.4%		6.4%
11:00	EUR	HICP inflation, preliminary	m/mly/y	Mar	0.6% 2.6%		0.6% L
11:00	EUR	HICP - core inflation, preliminary	y/y	Mar	3.1%		3.1%
11:00	EUR	HICP inflation, preliminary	y/y	Mar	2.6%		2.6%
14:15	USD	ADP employment	1000	Mar			140
15:45	USD	Markit PMI service, final	Index	Mar			51.7
16:00	USD	ISM non-manufacturing	Index	Mar		52.8	52.6
16:30	USD	DOE U.S. crude oil inventories	K				
17:00	DKK	Currency reserves	DKK bn	Mar			636.7
Thursday, April 4, 2024				Period	Danske Bank	Consensus	Previous
-	PLN	Polish central bank rate decision	%		5.75%		5.75%
8:30	CHF	CPI	m/mly/y	Mar			0.6% 1.2%
8:30	SEK	PMI services	Index	Mar			50.5
9:15	ESP	PMI services	Index	Mar			54.7
9:45	ITL	PMI services	Index	Mar			52.2
9:50	FRF	PMI services, final	Index	Mar			47.8
9:55	DEM	PMI services, final	Index	Mar			49.8
10:00	EUR	PMI composite, final	Index	Mar			49.9
10:00	EUR	PMI services, final	Index	Mar			51.1
10:30	GBP	PMI services, final	Index	Mar			53.4
11:00	EUR	PPI	m/mly/y	Feb			-8.6% -0.9%
14:30	USD	Initial jobless claims	1000				
14:30	USD	Trade balance	USD bn	Feb		-66.2	-67.4
20:00	USD	Fed's Mester speaks					
Friday, April 5, 2024				Period	Danske Bank	Consensus	Previous
7:00	JPY	Leading economic index, preliminary	Index	Feb			109.9
8:00	DEM	Factory orders	m/mly/y	Feb			-11.3% -6.0%
8:45	FRF	Industrial production	m/mly/y	Feb			-1.1% 0.8%
9:00	CHF	Foreign Currency Reserves	CHF bn	Mar			677.6
10:30	GBP	PMI construction	Index	Mar			49.7
11:00	EUR	Retail sales	m/mly/y	Feb			0.1% -1.0%
14:30	USD	Unemployment	%	Mar		3.8%	3.9%
14:30	USD	Average hourly earnings, non-farm	m/mly/y	Mar	0.2% L	0.3% L	0.1% 4.3%
14:30	USD	Non farm payrolls	1000	Mar	180	200	275
14:30	CAD	Net change in full time employment	1000	Mar			70.6
21:00	USD	Consumer credit	USD bn	Feb			19.5

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 ²	Public budget ³	Public debt ³	Current acc. ³
Denmark	2023	1.8	1.3	0.0	-5.0	12.5	7.7	3.3	4.1	2.8	3.5	29.7	13.2
	2024	2.1	2.2	1.3	-1.9	8.8	6.3	2.0	5.3	3.0	1.9	28.0	12.5
	2025	2.0	1.7	1.8	2.4	1.9	1.7	1.9	3.6	3.1	1.1	26.7	12.5
Sweden	2023	0.2	-2.5	1.8	-1.2	3.7	-0.6	8.6	3.8	7.7	-0.4	29.0	5.8
	2024	1.5	1.7	0.7	-0.5	3.0	2.9	2.5	3.3	8.3	-0.8	30.0	5.9
	2025	2.0	2.4	1.5	2.7	3.2	3.8	1.0	2.5	8.1	-0.8	30.0	5.6
Norway	2023	1.1	-0.7	3.6	0.3	1.4	0.7	5.5	5.3	1.8	-	-	-
	2024	1.1	1.3	2.0	4.0	3.5	1.5	3.8	4.7	2.3	-	-	-
	2025	2.1	2.5	1.6	4.0	2.0	1.8	2.0	3.5	2.5	-	-	-

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 ²	Public budget ³	Public debt ³	Current acc. ³
Euro area	2023	0.5	0.6	0.7	1.4	-0.9	-1.4	5.4	4.5	6.5	-3.2	90.6	2.5
	2024	0.5	0.7	0.9	1.8	1.2	1.9	2.4	4.3	6.6	-2.9	89.9	2.0
	2025	1.3	1.5	1.0	1.2	2.9	3.1	2.1	3.4	6.6	-2.7	89.0	2.0
Finland	2023	-1.0	0.4	4.5	-4.2	-1.7	-7.1	6.3	4.2	7.2	-2.7	75.8	-1.4
	2024	-0.4	0.2	0.1	-1.5	-2.0	-1.0	2.0	3.5	7.9	-3.6	78.0	-0.4
	2025	1.9	1.2	0.2	4.0	3.0	2.5	1.6	2.5	7.4	-2.8	78.7	0.0

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 ²	Public budget ³	Public debt ³	Current acc. ³
USA	2023	2.5	2.2	4.0	0.6	2.7	-1.6	4.1	4.3	3.6	-5.8	124.6	-3.0
	2024	2.0	1.6	3.5	2.1	2.3	2.8	3.0	3.2	3.9	-5.8	126.8	-2.8
	2025	1.4	1.1	2.0	3.6	2.9	4.4	2.5	2.5	4.2	-5.8	128.6	-2.6
China	2023	5.2	6.6	-	4.6	-	-	0.2	-	5.2	-7.1	83.0	1.5
	2024	4.5	5.5	-	3.8	-	-	0.7	-	5.2	-7.0	87.4	1.4
	2025	4.5	5.5	-	3.8	-	-	1.5	-	5.2	-7.3	91.8	1.1
UK	2023	0.1	-	-	-	-	-	7.3	-	4.0	-	-	-
	2024	0.0	-	-	-	-	-	2.5	-	4.5	-	-	-
	2025	1.0	-	-	-	-	-	1.9	-	4.9	-	-	-

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*	21-Mar	5.50	-	4.52	3.91	0.92	-	6.87	10.67	10.45
	+3m	5.25	-	4.25	3.90	0.94	-	7.03	10.75	10.75
	+6m	5.00	-	3.99	3.90	0.95	-	7.10	11.14	11.05
	+12m	4.50	-	3.80	3.90	0.96	-	7.16	11.44	11.15
EUR	21-Mar	4.00	3.88	3.20	2.70	-	1.09	7.4588	11.59	11.36
	+3m	3.75	3.65	3.05	2.65	-	1.06	7.4550	11.40	11.40
	+6m	3.50	3.44	2.79	2.65	-	1.05	7.4500	11.70	11.60
	+12m	3.00	2.95	2.50	2.65	-	1.04	7.4500	11.90	11.60
JPY	21-Mar	0.10	-	-	-	0.006	0.007	4.53	7.04	6.90
	+3m	0.10	-	-	-	0.007	0.007	4.85	7.42	7.42
	+6m	0.20	-	-	-	0.007	0.007	5.00	7.85	7.78
	+12m	0.20	-	-	-	0.007	0.007	5.19	8.29	8.08
GBP*	21-Mar	5.25	-	4.42	3.71	1.17	1.07	8.70	13.52	13.25
	+3m	5.00	-	4.35	3.70	1.15	1.22	8.57	13.10	13.10
	+6m	4.75	-	4.14	3.70	1.14	1.19	8.47	13.30	13.18
	+12m	4.50	-	3.90	3.70	1.14	1.18	8.47	13.52	13.18
CHF	21-Mar	1.50	-	-	-	1.02	1.11	7.64	11.87	11.63
	+3m	1.25	-	-	-	1.06	1.13	7.93	12.13	12.13
	+6m	1.25	-	-	-	1.08	1.13	8.01	12.58	12.47
	+12m	0.75	-	-	-	1.08	1.12	8.01	12.80	12.47
DKK	21-Mar	3.60	3.87	3.31	2.85	0.134	0.146	-	1.55	1.52
	+3m	3.35	3.60	3.20	2.85	0.134	0.142	-	1.53	1.53
	+6m	3.10	3.34	2.94	2.85	0.134	0.141	-	1.57	1.56
	+12m	2.60	2.80	2.65	2.85	0.134	0.140	-	1.60	1.56
SEK	21-Mar	4.00	4.02	3.21	2.70	0.088	0.096	0.66	1.02	-
	+3m	4.00	3.90	2.85	2.80	0.088	0.093	0.65	1.00	-
	+6m	3.75	3.64	2.70	2.85	0.086	0.091	0.64	1.01	-
	+12m	3.00	3.15	2.50	2.90	0.086	0.090	0.64	1.03	-
NOK	21-Mar	4.50	4.80	4.44	3.76	0.086	0.094	0.64	-	0.98
	+3m	4.50	4.65	4.25	3.70	0.088	0.093	0.65	-	1.00
	+6m	4.25	4.34	3.94	3.65	0.085	0.090	0.64	-	0.99
	+12m	3.50	3.80	3.70	3.60	0.084	0.087	0.63	-	0.97

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

Commodities

	21-Mar	2023				2024				Average	
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2023	2024
ICE Brent	85	82	78	86	83	80	80	80	80	82	80

Source Danske Bank

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