

Weekly Focus

US outperformance

High yields for longer remains the key narrative driving financial markets. 10-year US treasury yields traded close to 5% weighing on equity markets and JPY, as the contrast to the low yield regime in Japan grows larger still. Strong US data benefitted USD and risk-off sentiment took a toll on cyclically sensitive currencies like SEK and NOK. Oil prices receded back below USD90 per barrel, but energy prices largely remain elevated as markets are volatile and sensitive not least to the development in the Middle East.

The ECB kept rates unchanged for the first time since June last year and guided that they are done with additional rate hikes. President Lagarde made an effort not to rock the boat in terms of market pricing, she succeeded well and gave indications that this was a stock taking meeting only. Earlier this week, ECB's bank lending survey also highlighted that the transmission mechanism is working as banks' credit standards continue to tighten and firms and households' demand for loans has declined significantly.

PMI data indicates growth divergence between the euro area and the US. The euro area is likely in the midst of a technical recession, with composite PMI declining further to 46.5, significantly below consensus as the manufacturing recession accelerated further in October and the service sector also weakened more than expected. Germany is a key driver of the weak figures, however the much more extensive IFO survey does paint a less dire picture of the largest euro area economy and thus leaves a less downbeat impression. US PMI data was better than expected and the Q3 national accounts emphasised how solid the US economy really is, with annualised q/q GDP growth of 4.9%, primarily driven by very strong private consumption. Core PCE inflation was slightly below expectations, though, which drove US yields somewhat lower.

The Japanese data indicated, the economic recovery has lost some steam with composite PMI at 49.9, below the 50-threshold for the first time this year. **Even so, we think the data supports another tweak of the yield curve control by the Bank of Japan (BoJ) this year, most likely at the meeting ending on Tuesday, with the most likely move as an increase in the de facto 10Y yield cap to 1.5%.** The recent surge in global yields has also prompted the BoJ to intervene in JGB markets several times recently.

In the euro area, we expect a large decline in October headline inflation to 3.1% from 4.4% in September on the back of a large negative contribution from energy prices but also a continuation of the fading underlying price momentum we have seen in Q3. We expect, Eurostat's first estimate of Q3 GDP growth will reveal a small decline in economic activity.

It will be a very busy week in the US with FOMC meeting and several key data releases. **We expect the Fed to remain on hold in line with consensus and market expectations,** and look for no further hikes at a later stage either. We expect nonfarm payrolls growth to cool back towards the pre-September trend at +180k, yet still continue illustrating solid labour market conditions. Policymakers will keep a close eye on the earnings growth as well as the Q3 employment cost index to gauge how underlying inflation risks are developing.

Key global views

- Stagnation and periodic contraction in the US and in Europe during 2023
- US and euro area headline inflation set to decline further, but core inflation to remain sticky
- Fed and ECB policy rates have peaked

Key market movers

- Monday: German CPI
- Tuesday: Bank of Japan, Chinese official PMI, Euro HICP and Q3 GDP
- Wednesday: US JOLTS report, manufacturing ISM, FOMC meeting, Chinese Caixin PMI
- Thursday: Norges Bank
- Friday: Euro area unemployment, US jobs report and ISM service.

Selected reading from Danske Bank

- *Flash comment: ECB Review - Not rocking the boat*, 26 October
- *Research US - Fed preview: Near-term bloom, long-term gloom?*, 25 October
- *Research Japan - We expect 10Y JGB yields to peak at 1% next year*, 23 October

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Scandi market movers

- In **Denmark**, September's unemployment figures are due on Tuesday. The unemployment indicator published earlier this month showed a marginal increase of 300 in jobless numbers, suggesting that businesses are holding onto employees despite the economy ex. pharma currently being in recession. We should note, however, that the indicator shows preliminary figures and that significant revisions have previously been made when the final numbers are released.

Danmarks Nationalbank's FX intervention numbers for October are due on Wednesday. However, given the relative stability of the EUR/DKK cross during October, we are not expecting the central bank to have intervened.

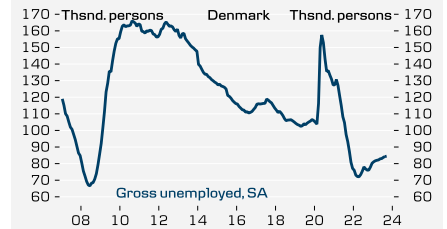
- The focal point the coming week will be the Q3 GDP indicator. So far, there is only two indicators with September readings, hours worked and the real goods trade balance. Hours worked are down 0.4 % in the July-September period vs the previous 3-month period. The real goods trade balance, however, suggests a significant positive contribution to Q3 GDP, of roughly the same magnitude as the negative contribution in Q2! Data up to August suggest retail sales and consumption is gaining speed, while production is showing a quite hefty drop. The GDP indicator increased by 0.2 % in August on a 3m/3m % SA basis. Hence, summing up these facts, signs seems to be tilted for a slight increase in Q3 GDP. More specifically, we expect +0.3 % qoq/- 0.9 % yoy.

Oct PMI is also on the agenda. Considering that the (manufacturing and services) PMI's for Sweden's main trading partners such as Germany, Eurozone in general and UK all are hovering in the lower part of the 45-50 range, we don't perceive the probability particularly high to see upside surprises to Swedish dittos.

Riksbank Governor Theedeén is visiting the big apple next week, talking about monetary policy on Monday at 18.00 CET. Given the current state of the economy and recent inflation outcome, we expect him to continue the tough talk about rates.

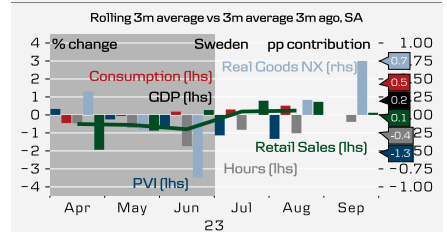
- In **Norway**, we expect Norges Bank to leave its policy rate unchanged at 4.25% at its meeting during the week. All eyes will instead be on what signals the bank puts out about its December meeting. The most important development since the last meeting in September is that the inflation numbers for September were much lower than expected, confirming that inflation is now clearly on the wane. However, it is still too early for Norges Bank to declare victory over inflation – this trend will probably need to continue before the bank is ready to change its signalling of further rate increases. There have also been big movements in global financial markets since September. Long bond yields have risen sharply, especially in the US, leading to weaker risk appetite and so a fresh fall in the krone. The import-weighted exchange rate is now almost 4% weaker than Norges Bank assumed in the September monetary policy report. The bank may therefore stress that uncertainty has increased since the September meeting and that it is very much an open question whether or not the policy rate will go up again in December. The final decision will obviously be data-dependent, but we hope to get some clarification about the bank's priorities when balancing lower inflation and a weaker krone.

Despite ticking up, unemployment remains relatively low



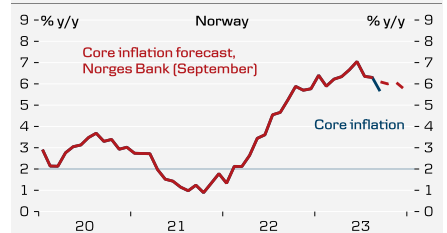
Source: Statistics Denmark, Danske Bank

Indicators suggest higher Q3 GDP



Source: SCB, Danske Bank calculations

Lower inflation increases uncertainty



Source: Macrobond Financial, Danske Bank

Scandi update

Denmark – Business sentiment mixed in October

Business confidence in the industrial sector rose from -13 to -6 in October and is thus back at the levels seen during the spring and summer this year. Indicating slightly negative sentiment overall, the numbers conceal substantial progress in the pharmaceutical industry and tough times elsewhere. Ignoring the pharmaceutical industry, confidence is actually at a low exceeded only a couple of times since the financial crisis. This fits well with the global recession in industry (which has now been ongoing for two years), as Danish businesses are very much export oriented. Confidence among retailers improved, though they remain pessimistic, while construction turned a tad more pessimistic in October. The service sector picked up slightly from 0 to 2, and so is modestly positive about the future. The service sector has generally fared well this year, in part due to the Danes' appetite for travel and eating out. Overall, the figures chime well with a Danish economy in mild recession.

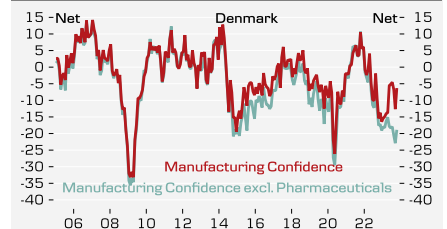
Confidence among Danish consumers rose marginally to -11.8 in October from -13 in September. However, this is still below the August level, and consumers remain pessimistic overall. One reason is the uncertainty plaguing the Danish and European economies at the moment, for example in connection with interest rates, the housing market and energy prices. Nevertheless, a majority of consumers now expect their finances will be better one year from now. A likely driver here is that many are experiencing considerable real wage growth, both because of sizeable pay rises and also because inflation has fallen substantially in recent months.

Some 4,182 houses and 1,401 apartments were sold in Denmark in September (seasonally adjusted). From a historical perspective, housing market activity has more or less normalised, though the upward trend eased a little in September – especially in the apartment market – after sales had risen markedly during the year. Apartment sales declined by 0.5% from August to September, while the number of houses sold rose 1.3% over the same period. Looking ahead, high interest rates and their ever-increasing impact on household finances will be a headwind for the housing market. On the other hand, consumer purchasing power is rising and the labour market remains solid – which will be supportive of the housing market.

As the ECB kept its policy rates unchanged, Danmarks Nationalbank followed suit.

Retail sales were unchanged from August to September (price and seasonally adjusted). That equates to a fall of 0.2% relative to the same time last year. So, while real wages have increased, consumers still appear to be cautious on spending. This also sits well with the pessimism measured among consumers. However, we see a potential for spending to pick up as real wages continue to rise.

Business confidence in the industrial sector ex. pharma is now very low



Source: Danske Bank, Statistics Denmark, Macrobond Financial

Sweden – Recent statistics makes November’s rate decision a close call

PPI increased by 1.8% MoM for September slightly increasing the risk for a hike in November. However, it is worth having in mind that PPI is a weighting between domestic and export prices and is thus not fully applicable for CPI. This is relevant since the biggest contributors to the increase were from rising fuel and oil prices while falling electricity pushed domestic prices lower. But unfortunately, other prices such as for machinery also increased somewhat and contributed to the increase due to weakening of the SEK. Taking export and import prices from PPI and the trade balance data and seasonally adjusting it, it showed that real net exports of goods increased and that it will seemingly make a positive contribution to Q3 GDP, equally large increase as it was a decrease in Q2. Household lending and deposits to Swedish households were unchanged at standstill.

The Economic Tendency Indicator for October slightly decreased from 85.8 to 84.7. Consumer confidence rose higher at 70.1 from 69.1, so it was an improvement but still way below normal levels. Manufacturing confidence show a decline from 100.1 to 99.5, mainly driven by an upturn in inventory levels. The service sector decreased 86 to 83.2 and were driven down by companies' operations having developed for the worse and by reduced demand. Companies' hiring plans turned negative for the first time since 2020. Labour shortages remains high for manufacturing but is declining in all sectors except for in retail trade. This reflects the recent setbacks in the Swedish labour market, although the overall labour hoarding indicator remains at its year-to-date mean level. Riksbank governor Per Jansson, said this week that it is "absolutely central that the companies' pricing behaviour returns to its former pattern as quickly as possible [...] the less interest rate increases will be required". Therefore, the alleviated selling price plans towards consumers for retail trade and services reported in the Economic Tendency Survey were highly of interest. They decreased to a small degree but remains too high. For retailers they are primarily kept high by higher costs of imports and among the service sector it is still driven by cost pressures. Summing up all this week's data releases, it provides no clear further indication for how the Riksbank's rate decision in November will turn out, but overall risks remain to the upside, while we believe they will leave the rate unchanged.

The Debt Office also released a new forecast. The SNDO borrowing plan were by and large in line with expectations as nominal SGB plan were unchanged from May report. SNDO commented that the next borrowing report (due Feb-24) will include an estimate on the Riksbank recapitalisation. The reason why it is not included this time around is that they simply did not have time since Thedéen commented in the parliament's Finance Committee on Tuesday last week. The injection will seemingly be along the lines of SEK80bn.

Norway – Spending in decline

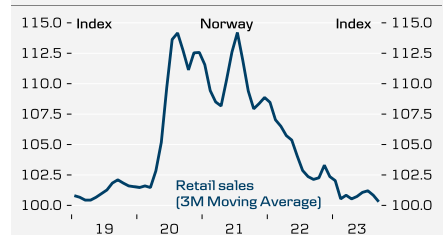
Retail sales fell 0.3% in September, continuing the downward trend in consumer spending that we have been seeing since the summer. The combination of negative real wage growth and higher mortgage rates spells significant headwinds for households at present, and so we expect consumption growth to remain weak for some time. If anything, cooling consumption is an argument in favour of Norges Bank leaving interest rates unchanged in December.

Expected retail trade selling prices close to stable levels



Source: NIER

Further fall in retail sales



Source: Macrobond, Danske Bank

Calendar – 30 October – 3 November 2023

| Monday, October 30, 2023 | | | | Period | Danske Bank | Consensus | Previous |
|-----------------------------|-----|--------------------------------------|----------|-------------|-------------|-------------|-------------|
| 8:00 | SEK | Wages (blue collars/white collars) | y/y | Aug | | | 4.1% |
| 8:00 | NOK | Credit indicator (C2) | y/y | Sep | | | 4.0% |
| 8:00 | SEK | GDP Growth Rate | q/qly/y | 3rd quarter | 0.3% -0.9% | | |
| 9:00 | CHF | KOF leading indicator | Index | Oct | | 95.5 | 95.9 |
| 9:00 | ESP | HICP, preliminary | m/mly/y | Oct | | 0.5% 3.8% | 0.6% 3.3% |
| 10:00 | DEM | GDP, preliminary | q/qly/y | 3rd quarter | | -0.2% -0.7% | 0.0% -0.2% |
| 11:00 | EUR | Industrial confidence | Net bal. | Oct | | -10.0 | -9.0 |
| 11:00 | EUR | Economic confidence | Index | Oct | | 92.7 | 93.3 |
| 11:00 | EUR | Consumer confidence, final | Net bal. | Oct | | | -17.9 |
| 11:00 | EUR | Service confidence | Net bal. | Oct | | 3.6 | 4.0 |
| 14:00 | DEM | HICP, preliminary | m/mly/y | Oct | | 0.2% 3.4% | 0.2% 4.3% |
| Tuesday, October 31, 2023 | | | | Period | Danske Bank | Consensus | Previous |
| - | JPY | BoJ policy rate | % | | -0.10% | -0.10% | -0.10% |
| 0:30 | JPY | Unemployment rate | % | Sep | | 2.6% | 2.7% |
| 0:30 | JPY | Job-to-applicant ratio | | Sep | | 1.29 | 1.29 |
| 0:50 | JPY | Retail trade | m/mly/y | Sep | | 0.2% 6.0% | 0.2% 7.1% |
| 0:50 | JPY | Industrial production, preliminary | m/mly/y | Sep | | 2.5% -2.3% | -0.7% -4.4% |
| 2:30 | CNY | PMI manufacturing | Index | Oct | | 50.2 | 50.2 |
| 2:30 | CNY | PMI non-manufacturing | Index | Oct | | 51.8 | 51.7 |
| 6:00 | JPY | Consumer confidence | Index | Oct | | 35.0 | 35.2 |
| 7:30 | FRF | Household consumption | m/mly/y | Sep | | | -0.5% -1.9% |
| 7:30 | FRF | GDP, preliminary | q/qly/y | 3rd quarter | | 0.1% 0.7% | 0.5% 1.0% |
| 8:00 | DEM | Retail sales | m/mly/y | Sep | | 0.5% -3.4% | -1.2% -1.9% |
| 8:00 | DKK | Gross unemployment s.a. | K [%] | Sep | | | 0.029 |
| 8:45 | FRF | HICP, preliminary | m/mly/y | Oct | | 0.1% 4.5% | -0.6% 5.7% |
| 10:00 | ITL | GDP, preliminary | q/qly/y | 3rd quarter | | -0.1% - | -0.4% 0.3% |
| 10:00 | NOK | Norges Bank's daily FX purchases | m | Nov | | | 1200 |
| 10:30 | EUR | Portugal, GDP, preliminary | q/qly/y | 3rd quarter | | | 0.0% 2.3% |
| 11:00 | ITL | HICP, preliminary | m/mly/y | Oct | | 0.5% 2.2% | 1.7% 5.6% |
| 11:00 | EUR | HICP inflation, preliminary | m/mly/y | Oct | | 0.3% - | 0.3% - |
| 11:00 | EUR | HICP - core inflation, preliminary | y/y | Oct | 4.2% | 4.2% | 4.5% |
| 11:00 | EUR | HICP inflation, preliminary | y/y | Oct | 3.1% | 3.1% | |
| 11:00 | EUR | GDP, preliminary | q/qly/y | 3rd quarter | -0.1% | -0.1% 0.2% | 0.1% 0.5% |
| 13:30 | CAD | GDP | m/mly/y | Aug | | | 0.0% 1.1% |
| 13:30 | USD | Employment cost index | m/m | 3rd quarter | | 1.0% | 1.0% |
| 14:00 | USD | FHFA house price index | m/m | Aug | | | 0.8% |
| 14:45 | USD | Chicago PMI | Index | Oct | | 44.8 | 44.1 |
| 15:00 | USD | Conference Board consumer confidence | Index | Oct | | 100.0 | 103.0 |
| Wednesday, November 1, 2023 | | | | Period | Danske Bank | Consensus | Previous |
| - | USD | Total vehicle sales | m | Oct | | 15.1 | 15.67 |
| 1:30 | JPY | Nikkei Manufacturing PMI, final | Index | Oct | | | 48.5 |
| 2:45 | CNY | Caixin PMI manufacturing | Index | Oct | | 50.8 | 50.6 |
| 8:30 | SEK | PMI manufacturing | Index | Oct | | | 43.3 |
| 10:00 | NOK | PMI manufacturing | Index | Oct | | | 52.5 |
| 10:30 | GBP | PMI manufacturing, final | Index | Oct | | 45.2 | 45.2 |
| 13:15 | USD | ADP employment | 1000 | Oct | | 135 | 89 |
| 14:30 | CAD | RBC manufacturing PMI | Index | Oct | | | 47.5 |
| 14:45 | USD | Markit PMI manufacturing, final | Index | Oct | | | 50.0 |
| 15:00 | USD | Construction spending | m/m | Sep | | 0.4% | 0.5% |
| 15:00 | USD | ISM manufacturing | Index | Oct | | 49.0 | 49.0 |
| 15:00 | USD | JOLTS Job openings | K | Sep | | | 9610 9610 |
| 15:30 | USD | DOE U.S. crude oil inventories | K | | | | 1372 |
| 19:00 | USD | FOMC meeting | % | | 5.50% | 5.50% | 5.50% |
| Thursday, November 2, 2023 | | | | Period | Danske Bank | Consensus | Previous |
| 8:30 | CHF | CPI | m/mly/y | Oct | | 0.1% 1.7% | -0.1% 1.7% |
| 9:15 | ESP | PMI manufacturing | Index | Oct | | 47.5 | 47.7 |
| 9:45 | ITL | PMI manufacturing | Index | Oct | | 46.8 | 46.8 |
| 9:50 | FRF | PMI manufacturing, final | Index | Oct | | 42.6 | 42.6 |
| 9:55 | DEM | PMI manufacturing, final | Index | Oct | | 40.7 | 40.7 |
| 9:55 | DEM | Unemployment | % | Oct | | 5.8% | 5.7% |
| 10:00 | NOK | Norges Banks monetary policy meeting | % | | 4.25% | 4.25% | 4.25% |
| 10:00 | EUR | PMI manufacturing, final | Index | Oct | | 43.0 | 43.0 |
| 13:00 | GBP | BoE minutes | | | | | |
| 13:00 | GBP | BoE Bank rate | % | | 5.25% | 5.25% | 5.25% |
| 13:30 | USD | Initial jobless claims | 1000 | | | | 210 |
| 13:30 | USD | Unit labour cost, preliminary | q/q | 3rd quarter | | 1.3% | 2.2% |
| 15:00 | USD | Core capital goods orders, final | % | Sep | | | 0.6% |
| 17:00 | DKK | Currency reserves | DKK bn | Oct | | | 605.8 |
| Friday, November 3, 2023 | | | | Period | Danske Bank | Consensus | Previous |
| 2:45 | CNY | Caixin PMI service | Index | Oct | | | 50.2 |
| 8:30 | SEK | PMI services | Index | Oct | | | 46.3 |
| 8:45 | FRF | Industrial production | m/mly/y | Sep | | -0.1% - | -0.3% -0.5% |
| 10:00 | NOK | Unemployment | % | Oct | 2.0% | 1.8% | 1.8% |
| 10:30 | GBP | PMI services, final | Index | Oct | | 49.2 | 49.2 |
| 11:00 | EUR | Unemployment | % | Sep | | 6.4% | 6.4% |
| 13:30 | CAD | Net change in full time employment | 1000 | Oct | | | 15.8 |
| 13:30 | USD | Unemployment | % | Oct | | 3.8% | 3.8% |
| 13:30 | USD | Average hourly earnings, non-farm | m/mly/y | Oct | 0.2% | 0.3% 4.0% | 0.2% 4.2% |
| 13:30 | USD | Non farm payrolls | 1000 | Oct | 180 | 168 | 336 |
| 14:45 | USD | Markit PMI service, final | Index | Oct | | | 50.9 |
| 15:00 | USD | ISM non-manufacturing | Index | Oct | | 53.0 | 53.6 |

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 | 2022 | 2.7 | -1.6 | -2.8 | 3.2 | 10.8 | 6.5 | 7.7 | 3.6 | 2.6 | 3.4 | 29.7 | 13.0 |
| | 2023 | 1.7 | 0.1 | 0.2 | -5.2 | 6.7 | 0.8 | 4.0 | 4.3 | 2.9 | 2.1 | 27.7 | 12.5 |
| | 2024 | 1.2 | 1.6 | 1.5 | 0.7 | 1.7 | 1.7 | 3.2 | 5.6 | 3.2 | 1.0 | 26.0 | 12.5 |
| Sweden | 2022 | 2.9 | 1.9 | 0.0 | 6.2 | 7.0 | 9.3 | 8.4 | 2.5 | 7.5 | 1.1 | 31.0 | 3.7 |
| | 2023 | 0.0 | -1.6 | 2.2 | -0.9 | 2.5 | 0.7 | 8.4 | 4.0 | 7.5 | -0.4 | 29.0 | 4.7 |
| | 2024 | 1.7 | 1.7 | 1.5 | 2.0 | 3.0 | 2.9 | 1.8 | 3.3 | 7.8 | -0.8 | 29.0 | 4.7 |
| Norway | 2022 | 3.8 | 6.9 | 0.1 | 4.3 | 5.9 | 9.2 | 5.8 | 4.3 | 1.8 | - | - | - |
| | 2023 | 1.2 | -1.7 | 1.4 | 0.5 | 4.0 | 3.0 | 5.8 | 5.4 | 1.9 | - | - | - |
| | 2024 | 1.4 | 1.2 | 1.0 | 4.0 | 2.0 | 1.6 | 3.6 | 4.4 | 2.3 | - | - | - |

Macro forecast. Euroland

| | Year | GDP ¹ | Private cons. ¹ | Public cons. ¹ | Fixed inv. ¹ | Ex-ports ¹ | Im-ports ¹ | Infla-tion ¹ | Wage growth ¹ | Unem-ploym ² | Public budget ³ | Public debt ³ | Current acc. ³ |
|-----------|------|------------------|----------------------------|---------------------------|-------------------------|-----------------------|-----------------------|-------------------------|--------------------------|-------------------------|----------------------------|--------------------------|---------------------------|
| Euro area | 2022 | 3.4 | 4.2 | 1.6 | 2.8 | 7.4 | 8.0 | 8.4 | 3.1 | 6.7 | -3.6 | 91.5 | -0.9 |
| | 2023 | 0.5 | 0.1 | -0.7 | 0.5 | 1.7 | 1.0 | 5.5 | 5.3 | 6.5 | -3.2 | 90.0 | 1.3 |
| | 2024 | 0.8 | 1.1 | 1.0 | 0.5 | 2.0 | 2.0 | 2.6 | 4.5 | 6.8 | -2.6 | 89.1 | 1.7 |
| Finland | 2022 | 1.6 | 1.7 | 0.8 | 3.2 | 3.7 | 8.5 | 7.1 | 2.4 | 6.8 | -0.8 | 73.3 | -2.5 |
| | 2023 | -0.2 | -0.2 | 3.0 | -5.0 | -0.5 | -3.0 | 6.5 | 4.0 | 7.2 | -2.8 | 72.3 | -4.0 |
| | 2024 | 0.8 | 1.0 | 0.5 | 1.0 | 1.5 | 1.5 | 2.3 | 3.4 | 7.0 | -2.7 | 73.4 | -3.0 |

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 | 2022 | 1.9 | 2.5 | -0.9 | 1.3 | 7.0 | 8.6 | 8.0 | 5.3 | 3.6 | -5.5 | 123.3 | -3.9 |
| | 2023 | 2.1 | 2.0 | 3.7 | 0.4 | 0.0 | -3.8 | 4.2 | 4.1 | 3.6 | -5.4 | 123.6 | -3.1 |
| | 2024 | 0.9 | 0.1 | 2.7 | 3.4 | -3.6 | -1.4 | 2.3 | 3.2 | 4.1 | -5.8 | 125.4 | -2.8 |
| China | 2022 | 3.0 | 2.8 | - | 4.0 | - | - | 2.0 | - | 5.5 | -7.5 | 77.1 | 2.3 |
| | 2023 | 4.8 | 6.5 | - | 4.5 | - | - | 0.8 | - | 5.2 | -7.5 | 82.8 | 1.4 |
| | 2024 | 4.2 | 5.0 | - | 3.8 | - | - | 1.2 | - | 5.1 | -7.5 | 87.4 | 1.0 |
| UK | 2022 | 4.2 | - | - | - | - | - | 9.0 | - | 3.7 | - | - | - |
| | 2023 | 0.4 | - | - | - | - | - | 7.6 | - | 4.3 | - | - | - |
| | 2024 | 0.4 | - | - | - | - | - | 2.9 | - | 4.6 | - | - | - |

Source: OECD and Danske Bank. 1) % y/y. 2) % contribution to GDP growth. 3) % of labour force. 4) % of GDP.

Financial forecast

Bond and money markets

| | | Key interest rate | 3m interest rate | 2-yr swap yield | 10-yr swap yield | Currency vs EUR | Currency vs USD | Currency vs DKK | Currency vs NOK | Currency vs SEK |
|------|--------|-------------------|------------------|-----------------|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| USD* | 26-Oct | 5.50 | - | 4.96 | 4.56 | 0.95 | - | 7.08 | 11.22 | 11.18 |
| | +3m | 5.50 | - | 4.60 | 4.35 | 0.93 | - | 6.97 | 11.31 | 10.75 |
| | +6m | 5.25 | - | 4.30 | 4.10 | 0.94 | - | 7.03 | 11.42 | 11.04 |
| | +12m | 4.75 | - | 3.95 | 3.85 | 0.97 | - | 7.23 | 11.65 | 11.46 |
| EUR | 26-Oct | 4.00 | 3.93 | 3.70 | 3.39 | - | 1.05 | 7.4625 | 11.83 | 11.78 |
| | +3m | 4.00 | 3.95 | 3.60 | 3.20 | - | 1.07 | 7.4550 | 12.10 | 11.50 |
| | +6m | 4.00 | 3.74 | 3.40 | 3.05 | - | 1.06 | 7.4500 | 12.10 | 11.70 |
| | +12m | 3.50 | 3.25 | 2.95 | 2.90 | - | 1.03 | 7.4500 | 12.00 | 11.80 |
| JPY | 26-Oct | -0.10 | - | - | - | 0.006 | 0.007 | 4.71 | 7.47 | 7.44 |
| | +3m | -0.10 | - | - | - | 0.007 | 0.007 | 4.91 | 7.96 | 7.57 |
| | +6m | 0.00 | - | - | - | 0.007 | 0.008 | 5.32 | 8.65 | 8.36 |
| | +12m | 0.00 | - | - | - | 0.007 | 0.008 | 5.56 | 8.96 | 8.81 |
| GBP* | 26-Oct | 5.25 | - | 5.05 | 4.47 | 1.15 | 1.09 | 8.58 | 13.61 | 13.56 |
| | +3m | 5.25 | - | 4.90 | 4.30 | 1.14 | 1.22 | 8.47 | 13.75 | 13.07 |
| | +6m | 5.25 | - | 4.70 | 4.10 | 1.12 | 1.19 | 8.37 | 13.60 | 13.15 |
| | +12m | 4.75 | - | 4.50 | 3.95 | 1.12 | 1.16 | 8.37 | 13.48 | 13.26 |
| CHF | 26-Oct | 1.75 | - | - | - | 1.06 | 1.11 | 7.88 | 12.49 | 12.44 |
| | +3m | 1.75 | - | - | - | 1.06 | 1.14 | 7.93 | 12.87 | 12.23 |
| | +6m | 1.75 | - | - | - | 1.08 | 1.14 | 8.01 | 13.01 | 12.58 |
| | +12m | 1.25 | - | - | - | 1.08 | 1.11 | 8.01 | 12.90 | 12.69 |
| DKK | 26-Oct | 3.60 | 3.97 | 3.83 | 3.55 | 0.134 | 0.141 | - | 1.59 | 1.58 |
| | +3m | 3.60 | 4.00 | 3.75 | 3.35 | 0.134 | 0.144 | - | 1.62 | 1.54 |
| | +6m | 3.60 | 3.79 | 3.55 | 3.20 | 0.134 | 0.142 | - | 1.62 | 1.57 |
| | +12m | 3.10 | 3.30 | 3.10 | 3.05 | 0.134 | 0.138 | - | 1.61 | 1.58 |
| SEK | 26-Oct | 4.00 | 4.10 | 3.98 | 3.49 | 0.085 | 0.089 | 0.63 | 1.00 | - |
| | +3m | 4.00 | 4.12 | 3.90 | 3.25 | 0.087 | 0.093 | 0.65 | 1.05 | - |
| | +6m | 4.00 | 4.04 | 3.50 | 3.00 | 0.085 | 0.091 | 0.64 | 1.03 | - |
| | +12m | 3.50 | 3.53 | 3.10 | 2.90 | 0.085 | 0.087 | 0.63 | 1.02 | - |
| NOK | 26-Oct | 4.25 | 4.82 | 4.82 | 4.28 | 0.085 | 0.089 | 0.63 | - | 1.00 |
| | +3m | 4.25 | 4.59 | 4.45 | 4.00 | 0.083 | 0.088 | 0.62 | - | 0.95 |
| | +6m | 4.00 | 4.28 | 4.15 | 3.75 | 0.083 | 0.088 | 0.62 | - | 0.97 |
| | +12m | 3.50 | 3.84 | 3.80 | 3.55 | 0.083 | 0.086 | 0.62 | - | 0.98 |

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

Commodities

| | 26-Oct | 2023 | | | | 2024 | | | | Average | |
|-----------|--------|------|----|----|----|------|----|----|----|---------|------|
| | | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | 2023 | 2024 |
| ICE Brent | 87 | 82 | 78 | 86 | 85 | 80 | 80 | 80 | 80 | 83 | 80 |

Source Danske Bank

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