

Weekly Focus

Reflation trades take a break

Despite more very strong data this week, reflation trades took a break this week. US and euro area bond yields drifted lower this week and stock markets moved sideways. Commodity prices retreated with oil and copper prices drifting lower and iron ore prices taking a big dive. Inflation expectations in the bond market also fell back in both the US and the euro area. It seems investors are very much positioned for the reflation theme already making it hard for markets to go much further for now. In the medium term we still look for higher bond yields once the recovery gets to the stage where the service sector becomes the driver of growth and job creation picks up, see also *Yield Outlook: Inflation = higher rates and yields*, 11 May 2021. We are still constructive on equity markets, although returns may be lower from here given higher valuations a peak in the cycle in H2.

This week we published another piece in our inflation series: *Global Research – The impact on inflation of a commodity super cycle*, 25 May 2021. We look at three scenarios for commodity prices and what it means for headline inflation in the US and the euro area. In our baseline scenario, US inflation peaked in May while euro inflation does not top out until September. In this scenario, the rise in inflation is transitory. In a 'commodity super cycle' scenario, the rise in G2 inflation is more sustained and stays above 3% in 2022.

Both the the Fed and ECB continue to signal patience when it comes to tapering bond purchases. At Danske Bank's Nordic Summit this week ECB member Francois Villeroy stroke a dovish tone saying *“let me be crystal-clear: any hypothesis of a reduction of purchases partly for the third quarter or the following quarters is purely speculative”*. Federal Reserve member Randal Quarles laid out a case on Wednesday on why upside risks to inflation were mounting but he underlined that *“I don't want to overstate my concern”*.

When it comes to the global economy, the data continues to be strong. US PMI for both manufacturing and service hit new record highs (data goes back to 2010) and the German ifo expectations index rose further. Euro area consumer confidence has also seen a sharp lift in May to the highest level since the upturn in 2018. US consumer confidence fell slightly in May, though, but the “jobs plentiful” index is back to the high levels seen before the COVID crisis broke out. It confirms that the main barrier for job growth in the US right now is not the availability of jobs but rather that some people still refrain from taking a job. However, when the extended benefits expire in September and the vaccine roll-out is complete in the coming months, we expect more people to take on available jobs.

Looking into next week, we have US ISM as well as non-farm payrolls. After the disappointing job number of 266k in April, expectations are a bit more moderate this time with consensus looking for 620k (rather than the 1 million estimate last month). ISM manufacturing is expected to stay broadly unchanged at the current very high level. PMI's are also due in China, where we look for an increase on the back of strong exports of goods to the US following the big stimulus in Q1. Euro area flash HICP for May out Tuesday: we expect a further increase in headline inflation, jumping above the 2% threshold for the first time since October 2018. Much of the increase is still driven by energy base effects, but we also look for a slight recovery in core inflation to 1.0% on the back of firming service prices.

Key market movers

- Monday: China PMI manufacturing (NBS)
- Tuesday: US ISM manufacturing index, Euro Flash CPI, China PMI manufacturing (Caixin)
- Thursday: US ADP employment
- Friday: US non-farm payrolls, euro retail sales

Selected reading from Danske Bank

- *Global Research: The impact of a commodity super cycle*, 26 May 2021
- *FX Strategy: Strong manufacturing keeping dollar on weak footing*, 25 May 2021
- *COVID-19 Update: Two doses of Pfizer and AstraZeneca are very effective against the Indian B.1.617.2 variant*, 26 May 2021
- *Spending monitor: Travel spending finally starts to show real signs of improvement*, 20 May 2021.
- *FX Forecast Update: peak reflation, stronger USD, weaker scandies our base case for H2*, 17 May 2021
- *Global Research: Global manufacturing heading for a hot (inflation) summer*, 12 May 2021

Editor

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Scandi market movers

- In **Denmark**, the week starts off with plenty of interesting data. Monday is scheduled to bring both unemployment figures for April and the initial national accounts data for Q1.

Society reopening has probably reduced unemployment further in April – Ministry of Employment figures indicate the number of jobless fell by 11,500 between March and April. However, the decline in *registered* unemployment is unlikely to be as pronounced, as this does not include the many people who have been furloughed. We are expecting a larger decline than the 1,800 seen in March, but we still do not expect unemployment to reach pre-corona levels until around this time next year.

National accounts figures will be released and the -1.5% growth rate shown by the GDP indicator points to a major lockdown-driven decline in private consumption being partially offset by strong exports. It will be interesting to see the extent to which companies have resumed investing on the back of the huge global demand for goods. Corporate investment is still somewhat down compared to pre-corona levels.

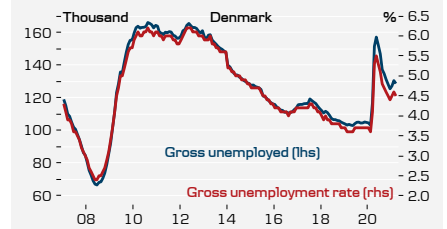
The Danish Economic Councils are set to publish their spring report and forecast for the Danish economy on Tuesday.

- In **Sweden** it is hard to imagine a further increase in PMI price expectations and delivery times since some of these variables are at all time highs or two decade highs. We anticipate declining numbers in May and from here on. In our view this would be suggestive of recent supply disruptions retreating and, hence, the potentially negative impact on production and inflation expectations.

Riksbank's Ingves speak about challenges in a new financial environment.

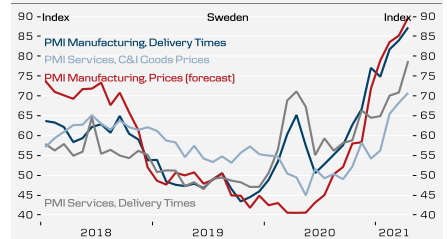
- In **Norway**, there are no major releases in the coming week, but there will be some interest in house prices for May. We have been expecting them to level off, driven by a better balance in the market thanks to increased supply, expectations of rate increases, and already high price levels. Meanwhile, housing starts are still so low that there is little risk at present of a serious fall in prices due to excess supply. On the other hand, there are clear indications that price expectations have turned, and we expect more or less unchanged prices in May. The manufacturing PMI has picked up in line with global indices, but there are now signs of mounting capacity problems in global value chains, and we expect the index to hold just below 60 in May.

Denmark: We look for further decline in unemployment



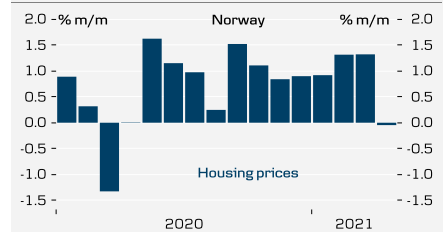
Source: Statistics Denmark, Macrobond Financial

Sweden: look out for a peak in PMI prices and delivery times



Source: Swedbank

Norway: House prices stalling



Source: Macrobond, Danske Bank

Scandi update

Denmark – Construction sector close to overheating

Retail sales declined by 8% in April but remain very buoyant. Sales fell across the board, but again mostly in the category “other consumer goods” – electronics, furniture and DIY stores, etc. – which continues to perform well despite the reopening. Retail sales are generally very high and have been given an additional boost by holiday allowance payouts. We expect retail sales to gradually normalise as Danes begin to spend their money on services like eating out, going to the cinema or, eventually, travelling abroad on holiday.

The government has released a new forecast for the Danish economy. With 2.4% growth pencilled in for this year and 3.6% next year, the government has turned a little more optimistic compared to its previous forecast in April – though it is still a good deal less optimistic than we are. The public finances estimate has once again undergone a positive revision, with the deficit now at DKK77.7bn, which in our view is still overly pessimistic.

Business confidence figures have also just arrived. They indicate a return to more or less normal times, even in the otherwise hard pressed service industries. Many companies are already noting the flipside of a strong economic upswing. Some 34% of construction firms report activity being curtailed by a lack of qualified labour, while 15% report raw material shortages. In addition, 22% of restaurants report labour shortages, which in part may be due to more casual employees, such as students, moving into other areas, such as corona testing, which pays well relative to jobs in cafés and restaurants.

Sweden – heading for a “goldilocks” state?

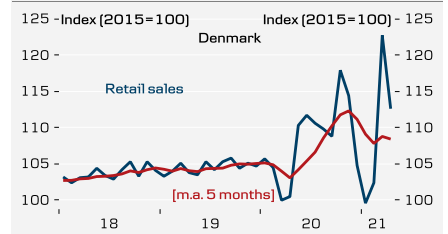
The April LFS had a positive interpretation in the sense that seasonally adjusted hours worked (not affected by the EU definition introduced on Jan 1st) rose slightly versus March. So did employment measured in terms of persons. However, the employment figure is affected by the EU definition change. Regardless of which, improvement is slow, suggesting it will take some time before the labour market has mended entirely.

NIER’s May confidence was something close to an economic volcanic eruption! Manufacturing confidence surged to all-time highs, certifying the boom. However, all business sectors and consumer confidence rose with the exception of retail trade. Note that consumer-related services took a big leap toward a convergence with already improving business-related services. Hiring rose in all business sectors. Still, despite this optimism retail and services price expectations fell back. The impression is one of accelerating growth (possibly with short-term set-backs) and fading price gains. A kind of inverted stagflation. Or perhaps a “goldilocks” scenario approaching?

Norway – Unemployment down further than Norges Bank anticipated

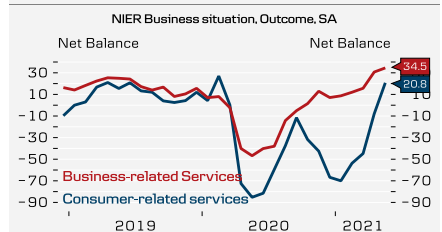
Following the easing of coronavirus restrictions in the weeks after Easter, many of those temporarily laid off in retail and hospitality have returned to work. As expected, this has helped pull the jobless rate back down, and it also seems that growth is holding up well in sectors not directly affected by restrictions. The registered unemployment rate (fully unemployed) therefore fell from 4.0% in April to 3.5% in May, which means that unemployment is now somewhat lower than Norges Bank anticipated in its March monetary policy report (3,6 %).

Denmark: Retail sales still very buoyant in April



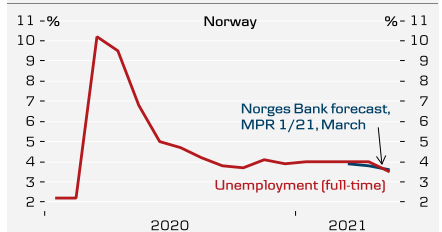
Sources: Statistics Denmark, Macrobond Financial

Sweden: NIER May survey suggests consumer services close to normal



Source: NIER, Danske Bank calculations

Norway: Fewer temporary layoffs bring down unemployment



Source: Macrobond, Norges Bank, Danske Bank

Activity tracker

| Euro area | Last obs | Value | Last 4 months | 1W chg. | 1M chg. | Low |
|---|----------|--------|---------------|-----------|------------|--------|
| Bundesbank weekly activity index* | Week 21 | 0.58 | | -0.09 | 0.33 | -5.8 |
| German truck toll mileage (1w m.a.), % y/y | 19-May | 12.3% | | -3.7 p.p. | -10.8 p.p. | -16.2% |
| OpenTable restaurant bookings, Germany (1w m.a.)** | 26-May | -65.8% | | 22.8 p.p. | 31.6 p.p. | -100% |
| USA | | | | | | |
| NY Fed weekly economic index* | Week 21 | 11.35 | | -0.02 | -0.66 | -11.4 |
| Transaction card spending, (1w m.a.), % y/y | 16-May | 43.0% | | -0.4 p.p. | -3.8 p.p. | -40.6% |
| OpenTable restaurant bookings (1w m.a.)** | 26-May | -8.2% | | 7.5 p.p. | 14.5 p.p. | -100% |
| Google mobility trends retail & recreation (1w m.a.)** | | | | | | |
| Germany | 24-May | -32.4% | | 4 p.p. | 5.9 p.p. | -67.3% |
| France | | -19.6% | | 20.3 p.p. | 25 p.p. | -88.0% |
| Italy | | -14.3% | | 5.6 p.p. | 20.6 p.p. | -88.9% |
| Spain | | -20.7% | | 0.7 p.p. | 8.6 p.p. | -91.7% |
| UK | | -22.0% | | 5.3 p.p. | 7.6 p.p. | -77.6% |
| Japan | | -20.6% | | 0 p.p. | -8.7 p.p. | -37.9% |
| United States | | -5.4% | | 0.7 p.p. | 3.3 p.p. | -46.1% |
| Electricity demand (1w m.a.)*** | | | | | | |
| Germany | 27-May | 0.7% | | -0.1 p.p. | -1.8 p.p. | -16.2% |
| France | | 5.4% | | 2.1 p.p. | 7.1 p.p. | -23.1% |
| Italy | | -3.1% | | -1.1 p.p. | -12.1 p.p. | -28.2% |
| Spain | | -2.1% | | -3 p.p. | -4.3 p.p. | -24.2% |
| UK | | 6.4% | | 5.7 p.p. | 9.3 p.p. | -22.1% |
| Japan | 26-May | 4.9% | | 5.8 p.p. | 3.9 p.p. | -18.3% |
| United States | | 1.5% | | 5.5 p.p. | 0.5 p.p. | -12.5% |

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

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

Calendar

During the week

| Mon 31 | DEM | Retail sales | m/m y/y | Apr | Danske Bank | Consensus | Previous |
|--------|-----|--------------|---------|-----|-------------|-------------|------------|
| | | | | | | -2.1% 10.1% | 7.7% 11.6% |

Monday, May 31, 2021

| | | | | Period | Danske Bank | Consensus | Previous |
|-------|-----|---|---------|-------------|-------------|-------------|-------------|
| - | DEM | Retail sales | m/m y/y | Apr | | -2.1% 10.1% | 7.7% 11.6% |
| 1:50 | JPY | Industrial production, preliminary | m/m y/y | Apr | | 4.0% 17.0% | 1.7% 3.4% |
| 1:50 | JPY | Retail trade | m/m y/y | Apr | | -1.5% 15.3% | 1.2% 5.2% |
| 3:00 | CNY | PMI manufacturing | Index | May | | 51.2 | 51.1 |
| 3:00 | CNY | PMI non-manufacturing | Index | May | | 55.1 | 54.9 |
| 7:00 | JPY | Consumer confidence | Index | May | | 33.0 | 34.7 |
| 8:00 | NOK | Credit indicator (C2) | y/y | Apr | | | 5.0% |
| 8:00 | DKK | Gross unemployment s.a. | % | Apr | | | 0.045 |
| 8:00 | DKK | GDP, preliminary | q/q y/y | 1st quarter | | | 0.7% ... |
| 9:00 | ESP | HICP, preliminary | m/m y/y | May | | 0.5% 2.4% | 1.1% 2.0% |
| 9:30 | SEK | Wages (blue collars/white collars) | y/y | Mar | | | 2.1% |
| 10:00 | NOK | Norges Bank's daily FX purchases | m | Jun | | | -1800 |
| 10:00 | EUR | Money supply (M3) | y/y | Apr | | 9.5% | 10.1% |
| 10:00 | EUR | Loans to households (adj. for sales and sec.) | % | Apr | | | |
| 10:00 | EUR | Loans to NFCs (adj. for sales and sec.) | % | Apr | | | |
| 11:00 | ITL | HICP, preliminary | m/m y/y | May | | 0.2% 1.4% | 0.9% 1.0% |
| 12:00 | EUR | Portugal, GDP, final | q/q y/y | 1st quarter | | | -3.3% -5.4% |
| 14:00 | DEM | HICP, preliminary | m/m y/y | May | | 0.3% 2.3% | 0.5% 2.1% |

Tuesday, June 1, 2021

| | | | | Period | Danske Bank | Consensus | Previous |
|-------|-----|---|---------|-------------|-------------|-------------|-------------|
| 2:30 | JPY | Nikkei Manufacturing PMI, final | Index | May | | | 52.5 |
| 3:45 | CNY | Caixin PMI manufacturing | Index | May | | 51.9 | 51.9 |
| 6:30 | AUD | Reserve Bank of Australia rate decision | % | | | 0.1% | 0.1% |
| 8:30 | SEK | PMI manufacturing | Index | May | | | 69.1 |
| 9:00 | CHF | GDP | q/q y/y | 1st quarter | | -0.4% -0.2% | 0.3% -1.6% |
| 9:15 | ESP | PMI manufacturing | Index | May | | 59.1 | 57.7 |
| 9:45 | ITL | PMI manufacturing | Index | May | | 62.2 | 60.7 |
| 9:50 | FRF | PMI manufacturing, final | Index | May | | 59.2 | 59.2 |
| 9:55 | DEM | PMI manufacturing, final | Index | May | | 64.0 | 64.0 |
| 9:55 | DEM | Unemployment | % | May | | 6.0% | 6.0% |
| 10:00 | EUR | PMI manufacturing, final | Index | May | | 62.8 | 62.8 |
| 10:00 | NOK | PMI manufacturing | Index | May | | | 59.1 |
| 10:30 | GBP | PMI manufacturing, final | Index | May | | 66.1 | 66.1 |
| 11:00 | EUR | Unemployment | % | Apr | | 8.1% | 8.1% |
| 11:00 | EUR | HICP inflation, preliminary | m/m y/y | May | | 0.2% ... | 0.6% ... |
| 11:00 | EUR | HICP - core inflation, preliminary | y/y | May | | 0.9% | 0.7% |
| 11:00 | EUR | HICP inflation, preliminary | y/y | May | | 1.9% | 1.6% |
| 11:00 | ITL | GDP, final | q/q y/y | 1st quarter | | -0.4% -1.4% | -0.4% -1.4% |
| 14:30 | CAD | GDP | m/m y/y | Mar | | 1.1% 6.5% | 0.4% -2.2% |
| 15:30 | CAD | RBC manufacturing PMI | Index | May | | | 57.2 |
| 15:45 | USD | Markit PMI manufacturing, final | Index | May | | 61.5 | 61.5 |
| 16:00 | USD | Construction spending | m/m | Apr | | 0.6% | 0.2% |
| 16:00 | USD | ISM manufacturing | Index | May | | 61.0 | 60.7 |
| 16:00 | USD | Fed's Quarles (voter, neutral) speaks | | | | | |
| 20:00 | USD | Fed's Brainard (voter, dovish) speaks | | | | | |

Wednesday, June 2, 2021

| | | | | Period | Danske Bank | Consensus | Previous |
|-------|-----|--|---------|-------------|-------------|-----------|------------|
| - | USD | Total vehicle sales | m | May | | 17.95 | 18.51 |
| 3:30 | AUD | GDP | q/q y/y | 1st quarter | | 1.1% 0.3% | 3.1% -1.1% |
| 11:00 | EUR | PPI | m/m y/y | Apr | | 7.3% 0.9% | 4.3% 1.1% |
| 17:00 | DKK | Currency reserves | DKK bn | May | | | 438.7 |
| 18:00 | USD | Fed's Harker (voter, neutral) speaks | | | | | |
| 18:00 | USD | Fed's Harker (voter, neutral) speaks | | | | | |
| 20:00 | USD | Fed's Evans (non-voter, neutral) speaks | | | | | |
| 20:00 | USD | Fed's Kaplan (voter, neutral) speaks | | | | | |
| 20:00 | USD | Fed's Bostic (non-voter, neutral) speaks | | | | | |

Source: Danske Bank

Calendar

Thursday, June 3, 2021

| | | | | Period | Danske Bank | Consensus | Previous |
|-------|-----|--|-------|-------------|-------------|-----------|----------|
| 2:30 | JPY | Markit PMI services, final | Index | May | | | 45.7 |
| 3:45 | CNY | Caixin PMI service | Index | May | | 56.0 | 56.3 |
| 8:30 | SEK | PMI services | Index | May | | | 65.6 |
| 9:15 | ESP | PMI services | Index | May | | 57.7 | 54.6 |
| 9:45 | ITL | PMI services | Index | May | | 53.2 | 47.3 |
| 9:50 | FRF | PMI services, final | Index | May | | 56.6 | 56.6 |
| 9:55 | DEM | PMI services, final | Index | May | | 52.8 | 52.8 |
| 10:00 | EUR | PMI composite, final | Index | May | | 56.9 | 56.9 |
| 10:00 | EUR | PMI services, final | Index | May | | 55.1 | 55.1 |
| 10:30 | GBP | PMI services, final | Index | May | | 61.8 | 61.8 |
| 14:15 | USD | ADP employment | 1000 | May | | 700 | 742 |
| 14:30 | USD | Unit labour cost, final | q/q | 1st quarter | | -0.4% | -0.3% |
| 14:30 | USD | Initial jobless claims | 1000 | | | | 406 |
| 15:45 | USD | Markit PMI service, final | Index | May | | 70.0 | 70.1 |
| 16:00 | USD | ISM non-manufacturing | Index | May | | 63.0 | 62.7 |
| 17:00 | USD | DOE U.S. crude oil inventories | K | | | -1000 | -1662 |
| 18:30 | USD | Fed's Bostic (non-voter, neutral) speaks | | | | | |
| 19:50 | USD | Fed's Harker (voter, neutral) speaks | | | | | |
| 21:05 | USD | Fed's Quarles (voter, neutral) speaks | | | | | |

Friday, June 4, 2021

| | | | | Period | Danske Bank | Consensus | Previous |
|-------|-----|--|---------|-------------|-------------|-------------|------------|
| - | EUR | Fitch may publish Italy's debt rating | | | | | |
| 9:30 | SEK | Current account | SEK bn | 1st quarter | | | 57.4 |
| 10:30 | GBP | PMI construction | Index | May | | 62.0 | 61.6 |
| 11:00 | EUR | Retail sales | m/m/y/y | Apr | | -0.8% 25.5% | 2.7% 12.0% |
| 12:00 | EUR | Ireland, GDP | q/q/y/y | 1st quarter | | | -5.1% 1.5% |
| 13:00 | USD | Fed chair Powell (voter, neutral) speaks | | | | | |
| 14:30 | CAD | Net change in full time employment | 1000 | May | | | -129.4 |
| 14:30 | USD | Unemployment | % | May | | 5.9% | 6.1% |
| 14:30 | USD | Average hourly earnings, non-farm | m/m/y/y | May | | 0.2% 1.6% | 0.7% 0.3% |
| 14:30 | USD | Non farm payrolls | 1000 | May | | 663 | 266 |
| 16:00 | USD | Core capital goods orders, final | % | Apr | | | 2.3% |

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 | -2.7 | -2.0 | -0.1 | 2.1 | -7.7 | -4.8 | 0.4 | 2.3 | 4.6 | -1.1 | 42.2 | 7.8 |
| | 2021 | 3.0 | 2.5 | 1.5 | 4.4 | 5.1 | 5.7 | 1.2 | 2.2 | 4.6 | -2.5 | 40.0 | 7.9 |
| | 2022 | 3.4 | 4.0 | -0.3 | 3.5 | 6.8 | 5.9 | 1.2 | 2.2 | 4.0 | -1.0 | 37.6 | 8.2 |
| Sweden | 2020 | -3.1 | -4.7 | -0.5 | 0.6 | -5.2 | -5.8 | 0.5 | 2.0 | 8.3 | -3.1 | 37.9 | 1.3 |
| | 2021 | 3.4 | 3.2 | 1.6 | 3.6 | 7.5 | 7.3 | 1.2 | 1.9 | 8.5 | -1.7 | 39.0 | 5.1 |
| | 2022 | 3.3 | 4.2 | 1.5 | 3.2 | 4.1 | 4.1 | 0.8 | 1.9 | 7.3 | -0.4 | 36.0 | 5.1 |
| Norway | 2020 | -2.5 | -6.9 | 1.7 | -3.8 | -0.5 | -11.9 | 1.3 | 3.1 | 5.0 | - | - | - |
| | 2021 | 3.7 | 6.0 | 2.0 | 1.0 | 2.6 | 5.0 | 2.8 | 2.6 | 3.3 | - | - | - |
| | 2022 | 3.4 | 7.0 | 2.0 | 2.0 | 6.0 | 6.0 | 1.4 | 3.0 | 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 ³ | Public budget ⁴ | Public debt ⁴ | Current acc. ⁴ |
|-----------|------|------------------|----------------------------|---------------------------|-------------------------|-----------------------|-----------------------|-------------------------|--------------------------|-------------------------|----------------------------|--------------------------|---------------------------|
| Euro area | 2020 | -6.7 | -8.0 | 1.2 | -8.4 | -9.6 | -9.2 | 0.3 | -0.7 | 8.0 | -7.2 | 98.0 | 3.0 |
| | 2021 | 4.3 | 2.6 | 4.0 | 5.4 | 13.3 | 11.6 | 1.9 | 3.6 | 8.5 | -6.2 | 102.1 | 3.1 |
| | 2022 | 4.1 | 5.7 | 1.8 | 2.1 | 4.6 | 4.3 | 1.4 | 2.0 | 8.3 | -4.4 | 102.3 | 3.1 |
| Germany | 2020 | -5.1 | -6.2 | 3.7 | -3.5 | -10.2 | -9.0 | 0.4 | 0.0 | 4.2 | -4.2 | 69.8 | 6.9 |
| | 2021 | 3.3 | -0.7 | 2.1 | 3.0 | 15.6 | 10.7 | 2.5 | 1.2 | 4.3 | -4.0 | 70.1 | 6.3 |
| | 2022 | 4.0 | 5.1 | 1.4 | 2.1 | 5.0 | 4.3 | 1.6 | 1.8 | 3.8 | -2.5 | 69.0 | 6.1 |
| Finland | 2020 | -2.8 | -4.9 | 2.3 | -3.1 | -6.6 | -6.6 | 0.3 | 1.8 | 7.8 | -5.4 | 69.2 | 0.3 |
| | 2021 | 2.3 | 4.0 | 1.5 | 2.0 | 3.5 | 5.0 | 1.4 | 2.5 | 8.0 | -3.5 | 70.0 | -0.2 |
| | 2022 | 3.0 | 3.0 | 1.0 | 3.0 | 6.0 | 5.0 | 1.5 | 2.5 | 7.2 | -2.3 | 69.6 | -0.2 |

Macro forecast. Global

| | Year | GDP ¹ | Private cons. ¹ | Public cons. ¹ | Fixed inv. ¹ | Ex-ports ¹ | Im-ports ¹ | Infla-tion ¹ | Wage growth ¹ | Unem-ploym ³ | Public budget ⁴ | Public debt ⁴ | Current acc. ⁴ |
|-------|------|------------------|----------------------------|---------------------------|-------------------------|-----------------------|-----------------------|-------------------------|--------------------------|-------------------------|----------------------------|--------------------------|---------------------------|
| USA | 2020 | -3.5 | -3.9 | 1.1 | -1.8 | -12.9 | -9.3 | 1.2 | 4.6 | 8.1 | -16.0 | 126.4 | -2.1 |
| | 2021 | 7.5 | 8.4 | 1.6 | 8.9 | 5.6 | 11.2 | 2.3 | 2.0 | 4.7 | -12.2 | 132.3 | -2.1 |
| | 2022 | 5.3 | 6.7 | 3.1 | 3.7 | 2.0 | 4.4 | 1.7 | 2.3 | 3.5 | -7.2 | 131.9 | -2.1 |
| China | 2020 | 2.3 | 1.5 | - | 3.0 | - | - | 3.0 | 7.5 | - | -11.9 | - | 0.6 |
| | 2021 | 9.0 | 9.0 | - | 10.0 | - | - | 2.0 | 7.0 | - | -11.8 | - | 0.4 |
| | 2022 | 5.4 | 7.0 | - | 4.0 | - | - | 2.5 | 7.0 | - | 10.9 | - | 0.4 |
| UK | 2020 | -9.8 | -10.6 | -6.5 | -8.8 | -15.8 | -17.8 | 0.9 | 2.0 | 4.5 | -12.3 | 104.5 | -2.0 |
| | 2021 | 5.2 | 4.2 | 4.0 | 6.2 | 6.4 | 6.1 | 1.5 | 1.2 | 4.9 | -7.7 | 109.3 | -3.8 |
| | 2022 | 6.9 | 8.3 | 2.1 | 11.9 | 5.9 | 8.2 | 1.8 | 1.6 | 4.6 | -4.5 | 108.3 | -3.6 |
| Japan | 2020 | -4.9 | -6.4 | 2.7 | -4.2 | -12.4 | -6.8 | -0.2 | - | 2.8 | - | - | - |
| | 2021 | 3.1 | 1.3 | 3.3 | 3.3 | 10.5 | 2.5 | 0.3 | - | 2.7 | - | - | - |
| | 2022 | 2.0 | 2.4 | -1.1 | 3.2 | 4.1 | 3.5 | 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 | 28-May | 0.25 | 0.14 | 0.23 | 1.57 | 121.9 | - | 610.2 | 835.3 | 830.1 |
| | +3m | 0.25 | 0.20 | 0.30 | 1.90 | 119.0 | - | 625.2 | 865.5 | 857.1 |
| | +6m | 0.25 | 0.20 | 0.40 | 2.05 | 117.0 | - | 636.3 | 888.9 | 880.3 |
| | +12m | 0.25 | 0.20 | 0.75 | 2.25 | 115.0 | - | 647.4 | 913.0 | 904.3 |
| EUR | 28-May | -0.50 | -0.54 | -0.47 | 0.13 | - | 121.9 | 743.7 | 1017.9 | 1011.6 |
| | +3m | -0.50 | -0.54 | -0.45 | 0.25 | - | 119.0 | 744.0 | 1030.0 | 1020.0 |
| | +6m | -0.50 | -0.54 | -0.45 | 0.35 | - | 117.0 | 744.5 | 1040.0 | 1030.0 |
| | +12m | -0.50 | -0.54 | -0.40 | 0.65 | - | 115.0 | 744.5 | 1050.0 | 1040.0 |
| JPY | 28-May | -0.10 | -0.09 | -0.02 | 0.12 | 120.5 | 109.9 | 6.17 | 8.45 | 8.39 |
| | +3m | -0.10 | - | - | - | 130.9 | 110.0 | 5.68 | 7.87 | 7.79 |
| | +6m | -0.10 | - | - | - | 129.9 | 111.0 | 5.73 | 8.01 | 7.93 |
| | +12m | -0.10 | - | - | - | 128.8 | 112.0 | 5.78 | 8.15 | 8.07 |
| GBP | 28-May | 0.10 | 0.08 | 0.32 | 1.05 | 85.9 | 141.8 | 865.5 | 1184.6 | 1177.3 |
| | +3m | 0.10 | 0.07 | 0.40 | 1.25 | 85.0 | 140.0 | 875.3 | 1211.8 | 1200.0 |
| | +6m | 0.10 | 0.07 | 0.45 | 1.35 | 84.0 | 139.3 | 886.3 | 1238.1 | 1226.2 |
| | +12m | 0.10 | 0.07 | 0.60 | 1.75 | 83.0 | 138.6 | 897.0 | 1265.1 | 1253.0 |
| CHF | 28-May | -0.75 | -0.75 | -0.65 | 0.05 | 109.6 | 89.9 | 678.8 | 929.1 | 923.4 |
| | +3m | -0.75 | - | - | - | 111.0 | 93.3 | 670.3 | 927.9 | 918.9 |
| | +6m | -0.75 | - | - | - | 112.0 | 95.7 | 664.7 | 928.6 | 919.6 |
| | +12m | -0.75 | - | - | - | 113.0 | 98.3 | 658.8 | 929.2 | 920.4 |
| DKK | 28-May | -0.50 | -0.21 | -0.12 | 0.42 | 743.65 | 610.22 | - | 136.88 | 136.03 |
| | +3m | -0.60 | -0.30 | -0.17 | 0.50 | 744.00 | 625.21 | - | 138.44 | 137.10 |
| | +6m | -0.60 | -0.30 | -0.17 | 0.60 | 744.50 | 636.32 | - | 139.69 | 138.35 |
| | +12m | -0.60 | -0.30 | -0.12 | 0.90 | 744.50 | 647.39 | - | 141.03 | 139.69 |
| SEK | 28-May | 0.00 | -0.03 | 0.04 | 0.83 | 1011.6 | 830.1 | 73.5 | 100.6 | 100.0 |
| | +3m | 0.00 | -0.05 | -0.05 | 0.73 | 1020.0 | 857.1 | 72.9 | 101.0 | - |
| | +6m | 0.00 | -0.05 | -0.05 | 0.80 | 1030.0 | 880.3 | 72.3 | 101.0 | - |
| | +12m | 0.00 | -0.05 | 0.00 | 0.95 | 1040.0 | 904.3 | 71.6 | 101.0 | - |
| NOK | 28-May | 0.00 | 0.24 | 0.89 | 1.79 | 1017.9 | 835.3 | 73.1 | 100.0 | 99.4 |
| | +3m | 0.00 | 0.40 | 1.00 | 2.05 | 1030.0 | 865.5 | 72.2 | - | 99.0 |
| | +6m | 0.25 | 0.65 | 1.10 | 2.15 | 1040.0 | 888.9 | 71.6 | - | 99.0 |
| | +12m | 0.50 | 0.90 | 1.30 | 2.35 | 1050.0 | 913.0 | 70.9 | - | 99.0 |

| Commodities | | | | | | | | | | | | |
|-------------|--------|------|----|----|----|------|----|----|----|---------|------|--|
| | 28-May | 2021 | | | | 2022 | | | | Average | | |
| | | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | 2021 | 2022 | |
| ICE Brent | 70 | 55 | 65 | 70 | 70 | 73 | 73 | 73 | 73 | 65 | 73 | |

Source Danske Bank

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