

Weekly Focus

US budget bill not so 'beautiful' if you ask the bond market

The US House managed to pass the budget bill with a slim majority of just one vote on Thursday. Cuts to spending on medicare and food stamps flipped the last votes in favour of the bill, which also includes an extension of the 2017 tax cuts, and adds further tax cuts. US President Donald Trump calls it his 'one, big, beautiful bill' and while bond markets agree it is big they do not see it as 'beautiful'. The budget bill has added further steam to the rise in long bond yields following last week's downgrade by Moody's. US 30-year bond yields pushed to a new high of 5.15% on Thursday, close to the highest yield in 18 years and *around 80bp* above a 30-year Greek government bond yield. The anxiety over rising yields spilled into weaker US equity markets as well as a lower USD. **The bill now goes to the Senate** where it will take some time to pass and any changes must go back to the House for approval again, which means it could still take some time before it is all done and ready to be signed by Trump. **On the data front US PMIs surprised to the upside** but a sharp uptick in the inventory component suggests it is related to front loading of imports and production. This week we moved our call for the next Fed cut to September, but we still see gradual rate cuts after that until rates are around neutral at 3.25%.

Turning to Europe, PMIs for May were a mixed bag with PMI manufacturing rising from 49.0 to 49.4 while PMI service dropped yet again from 50.1 to 48.9, the lowest in more than a year. With the service sector being the biggest part of the economy, the declining activity is a concern. On Monday, the EU Commission lowered their inflation forecast for 2026 to 1.7% from 1.9%. Since the ECB uses a similar model as the Commission it would suggest we see a comparable revision at their upcoming June meeting. Markets now price a 95% probability of a rate cut at the meeting and one further cut by year-end. We expect two further cuts after June as downward pressure on inflation continues due to falling wage pressure, lower oil prices and China exporting deflation.

Chinese data for April was soft but spending may have been affected by the massive escalation of the trade war at the time. Activity is set to increase over the next three months as exports surge in the 90-day truce period and stimulus support demand. **Oil prices moved lower again** this week to USD64 per barrel from USD67 a week ago as OPEC+ members are weighing a third output increase in July after raising it in both May and June.

Not much happened on the trade talks agenda. After a successful meeting between US and China 10 days ago, frictions have returned. China stated that a US guideline on banning Huawei AI chips globally undermined the consensus reached at the talks. We still see a bumpy road ahead in US-China trade talks and a long way to a real deal (see also recording of our *webinar on US-China trade* that we held on Wednesday). US is negotiating with a long list of other countries but apart from UK, we still wait for new deals. EU sent a new proposal to the US ahead of talks on Thursday this week.

Next week is quiet on the news front. Main releases are US consumer confidence, euro inflation expectations from ECB, US consumer spending and any news on trade talks. The following week we get more action again with ECB meeting on 5 June and US non-farm payrolls on 6 June. Chinese PMIs and US ISM manufacturing is also due.

Key global views

- Trade war will weigh on the global economy, but we do not forecast a recession.
- The Fed will resume cutting in September. ECB set to cut to until 1.5% is reached later this year.

Key market movers

- Tue: US consumer confidence (Conf. Board)
- Wed: FOMC minutes, ECB inflation expectations
- Fri: US personal spending/core PCE

Selected reading from Danske Bank

- *Reading the Markets USD – Next Fed cut in September, tax cuts advance*, 20 May
- *China Flash – soft demand, stronger growth in coming months*, 19 May
- *Yield Outlook – Trade policy reconciliation – but will it last?*, 16 May
- *FX Forecast Update – USD and Scandies remain vulnerable*, 15 May

Note: There will be no *Weekly Focus* next week due to Ascension Day holiday.

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Scandi market movers

- Due to Ascension Day, the Weekly Focus will not be published next week, thus market movers for the next two weeks are included in this publication.

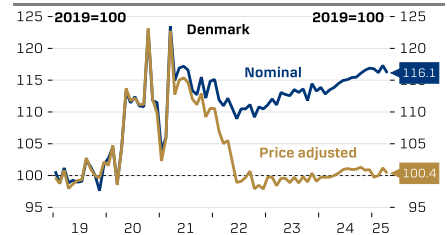
In **Denmark**, we will receive retail sales data for April on Tuesday. Our own Spending Monitor showed a slight setback, with retail spending (SA) declining 0.8% m/m in April. We expect retail sales to reflect this decline.

Next Tuesday, statistics about Nationalbanken's currency interventions in May will be released. We expect that Nationalbanken did not intervene in May. If this holds true, it will mark the 28th consecutive month without interventions from Nationalbanken. Wednesday will bring the release of the unemployment indicator for May from the Danish Agency for Labour Market, our first status on the Danish labour market in May. On Friday, we receive data on foreign trade for April. The first quarter has generally been characterized by a decline in foreign trade, and it will be interesting to see if April continues this trend.

- In **Sweden**, the NIER survey released on Tuesday may shed further light on both household sentiment (which we would expect to recover) and companies' price plans. As for the households, the retail sales data (released Wednesday 28 May) will provide hard data for April – and we would expect that retail sales have held up better than the very low consumer confidence. As for the price plans, they have remained elevated. While this has mainly been driven by retail trade and especially by non-durables, it nevertheless poses as an upside risk to inflation and should be a concern for the Riksbank. A clear easing in the price plans would be needed to make the case a bit stronger for the Riksbank to ease policy. In addition, on Friday 30 May final GDP numbers for Q1 will be published. The flash GDP showed an unchanged economy with 0% growth q/q. Data has been mixed, but we expect a small upward revision to 0.2% q/q and 1.8% y/y. On 5 June, preliminary inflation numbers for May will be published.

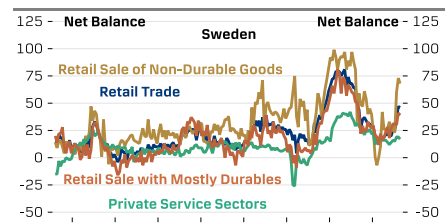
- After moving more or less sideways for over a year, retail sales in **Norway** picked up towards the end of last year and into the first quarter. High real wage growth, less headwind from rate hikes, solid employment growth and normalization of the savings ratio have been important contributors to the improvement. After the strong figures for the first quarter, we are keen to see whether the postponement of the announced rate cuts has dampened any of the optimism. Based on current statistics, this does not appear to have been the case, and we expect retail sales growth of 0.4% in April. The labour market appears to have tightened in early 2025, driven by strong growth in labour demand. Due to a change in the statistics, NAV did not publish seasonally adjusted figures for April but based on our own adjustments we believe this was 2.0%. Based on the employment figures for April, we believe that the seasonally adjusted unemployment rate was unchanged at 2.0% in May as well.

Our Spending Monitor showed a decline of 0.8% (SA) in retail spending in April



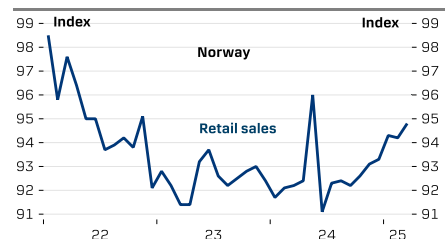
Source: Statistics Denmark, Danske Bank

Price plans in focus in Sweden



Source: NIER, Macrobond and Danske Bank

Norwegian retail sales finally picking up



Source: Macrobond, Danske Bank

Scandi Update

Denmark – GDP contracts 0.5% q/q in Q1, as expected

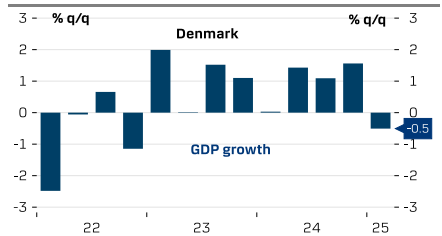
The Danish economy contracted by 0.5% q/q in the first quarter, according to flash GDP figures. This decline in GDP is neither surprising nor concerning and largely reflects a drop in pharma activity, while the rest of the economy grew 1.0%.

Consumer confidence fell again to -18.4 in May from -17.0 in April. The decline reflects a more negative perception of current economic conditions compared to last year. Although people living in Denmark are more pessimistic about the current economy, the outlook for the future has improved slightly, indicating increased faith following eased trade tensions. Despite reports of lower inflation, perceptions of intensified price increases persist.

The business confidence indicator, which balances expectations across manufacturing, construction, retail, and services, fell to 103.0 in May from 104.1 in April. This decline is mainly driven by a significant drop in manufacturing confidence, partially offset by a rise in the services sector. Despite the dip, the indicator remains above its historical average of 100.

The number of payrolls increased by 3,200 (SA) in March, a 0.1% rise compared to February. The rise reflected an increase in both the private and the public sectors.

Danish flash Q1 GDP growth was -0.5% q/q

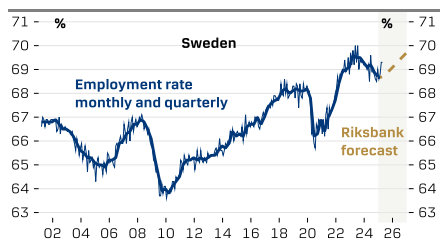


Source: Statistics Denmark, Macrobond

Sweden – Resilience

Over the past week, we have heard Riksbank speeches from what we deem to be the two most hawkish members, governor Erik Thedén and deputy governor Anna Seim. In our view, neither speech sent any clear signals for a June rate cut, but rather emphasized a “wait-and-see” mode. On the data front, the Swedish Labour Force Survey for April was published. Employment was flat over the month, which was markedly better than expected after the large increase in March. Thus, the labour market data points to a resilient Swedish economy, which reinforces our view that the Riksbank will stay on hold in June.

Resilient employment in Sweden



Source: Statistics Sweden, The Riksbank, Macrobond, Danske Bank.

Norway – inflation expectations well anchored

As expected, the Q2 expectations survey from Norges Bank showed that inflation expectations over the 12-month horizon rose again after having fallen significantly from the peak two years ago. Higher inflation in recent months and a fear of price effects from higher tariffs globally are probably part of the explanation. At the same time, it is reassuring to see that inflation expectations over the 2- and 5-year horizons were little changed. As expected, the labour market organizations raised their estimates of wage growth this year towards the result from the central negotiations of 4.4%. At the same time, they still expect wage growth of 3.7% for next year, which is somewhat below Norges Bank's estimate from the monetary policy report in March of 4.0%.

Norway: 2-year inflation expectations basically unchanged



Source: Boligprodusentenes forening, Danske Bank

Calendar - 26 May - 6 June 2025

During the week			Period	Danske Bank	Consensus	Previous
Sun 25	US	Fed chair Powell speaks				
Monday, May 26, 2025			Period	Danske Bank	Consensus	Previous
07:00	JN	Leading economic index, final	Index	Mar		107.7
08:00	NO	Credit indicator (C2)	y/y	Apr		3.80%
08:00	SW	PPI	m/mly/y	Apr		-3.0% -0.3%
16:30	EC	ECB's Lagarde speaks				
Tuesday, May 27, 2025			Period	Danske Bank	Consensus	Previous
03:30	CH	Industrial profits	y/y	Apr		2.60%
08:00	DE	Retail sales	m/mly/y	Apr		-0.1% 1.6%
08:00	GE	GfK consumer confidence	Net. Bal.	Jun	-20	-20.6
08:00	NO	Oil investment survey				
08:45	FR	HICP, preliminary	m/mly/y	May	0.1% 0.9%	0.7% 0.9%
09:00	SW	Consumer confidence	Index	May		81.6
09:00	SW	Economic Tendency Survey	Index	May		94.8
09:00	SW	Manufacturing confidence	Index	May		99.6
10:00	US	Fed's Kashkari speaks				
11:00	EC	Industrial confidence	Net bal.	May	-10.6	-11.2
11:00	EC	Economic confidence	Index	May	94.1	93.6
11:00	EC	Consumer confidence, final	Net bal.	May		-15.2
11:00	EC	Service confidence	Net bal.	May	1	1.4
14:00	HU	Central Bank of Hungary rate decision	%		6.50%	6.50%
14:30	US	Core capital goods orders, preliminary	%	Apr	0.20%	-0.20%
15:00	US	FHFA house price index	m/m	Mar		0.10%
16:00	US	Conference Board consumer confidence	Index	May	87	86
Wednesday, May 28, 2025			Period	Danske Bank	Consensus	Previous
02:00	US	Fed's Williams speaks				
04:00	NZ	Reserve Bank of New Zealand (cash rate decision)	%		3.25%	3.50%
08:00	DE	Gross unemployment s.a.	K (%)	Apr		0.029
08:00	NO	Retail sales, s.a.	m/m	Apr	0.40%	0.60%
08:00	SW	Retail sales s.a.	m/mly/y	Apr		0.3% 3.6%
08:00	SW	Trade balance	SEK bn	Apr		12.8
08:00	SW	Wages (blue collars/white collars)	y/y	Mar	3.80%	3.50%
08:00	SW	Household lending	y/y	Apr		2.10%
08:45	FR	Household consumption	m/mly/y	Apr	0.8% ...	-1.0% -1.5%
08:45	FR	GDP, final	q/qly/y	1st quarter	0.1% 0.8%	0.1% 0.8%
09:55	GE	Unemployment	%	May	6.30%	6.30%
10:00	US	Fed's Kashkari speaks				
20:00	US	FOMC minutes, Meeting of May 6-7				
Thursday, May 29, 2025			Period	Danske Bank	Consensus	Previous
07:00	JN	Consumer confidence	Index	May	31.8	31.2
14:30	US	Initial jobless claims	1000			227
14:30	US	GDP, 2nd release	q/q AR	1st quarter	-0.003	-0.003
14:30	US	PCE core	q/q AR	1st quarter		0.035
14:30	US	Fed's Barkin speaks				
16:00	US	Pending home sales	m/mly/y	Apr	-1.1% ...	6.1% -0.1%
18:00	US	DOE U.S. crude oil inventories	K			1328
22:00	US	Fed's Daly speaks				
Friday, May 30, 2025			Period	Danske Bank	Consensus	Previous
01:30	JN	Unemployment rate	%	Apr	2.50%	2.50%
01:30	JN	Job-to-applicant ratio		Apr	1.26	1.26
01:30	JN	Tokyo CPI Ex-Fresh Food YoY	y/y	May	3.50%	3.40%
01:30	JN	Tokyo CPI Ex-Fresh Food, Energy YoY	y/y	May	3.20%	3.10%
01:50	JN	Industrial production, preliminary	m/mly/y	Apr	-1.5% 0.1%	0.2% 1.0%
01:50	JN	Retail trade	m/mly/y	Apr	0.5% 3.0%	-1.2% 3.1%
01:50	JN	Large retailers' sales	y/y	Apr		1.70%
07:00	JN	Housing starts	y/y	Apr	-18.10%	39.10%
08:00	GE	Retail sales	m/mly/y	Apr	0.2% ...	0.4% 0.9%
08:00	NO	Unemployment	%	May		2.00%
08:00	SW	GDP	q/qly/y	1st quarter	0.2% 1.8%	0.8% 2.4%
09:00	SP	HICP, preliminary	m/mly/y	May	0.0% 2.0%	0.6% 2.2%
09:00	SZ	KOF leading indicator	Index	May	98.5	97.1
10:00	EC	Money supply (M3)	y/y	Apr	3.70%	3.60%
10:00	IT	GDP, final	q/qly/y	1st quarter	0.3% 0.6%	0.3% 0.6%
11:00	IT	HICP, preliminary	m/mly/y	May	0.1% 1.9%	0.4% 2.0%
12:00	PO	Portugal, GDP, final	q/qly/y	1st quarter		-0.5% 1.6%
14:00	GE	HICP, preliminary	m/mly/y	May	0.1% 2.0%	0.5% 2.2%
14:30	CA	GDP	m/mly/y	Mar		-0.2% 1.6%
14:30	US	Personal spending	m/m	Apr	0.20%	0.70%
14:30	US	PCE headline	m/mly/y	Apr	0.1% 2.2%	0.0% 2.3%
14:30	US	PCE core	m/mly/y	Apr	0.1% 2.5%	0.0% 2.6%
14:30	US	Advance goods trade balance	USD bn	Apr	-140	-163.2
15:45	US	Chicago PMI	Index	May	45	44.6
16:00	US	University of Michigan Confidence, final	Index	May	50.8	50.8

Source: Danske Bank

Calendar - 26 May - 6 June 2025

During the week			Period	Danske Bank	Consensus	Previous
Sat 31	CH	PMI manufacturing	Index	May	49.5	49
Sat 31	CH	PMI non-manufacturing	Index	May	50.6	50.4
Sun 01	IR	Ireland, GDP, preliminary	q/q/y/y	1st quarter		3.2% 13.3%
Monday, June 2, 2025			Period	Danske Bank	Consensus	Previous
02:30	JN	Nikkei Manufacturing PMI, final	Index	May		49
07:00	NE	S&P may publish Netherlands's debt rating		May		49.2
08:30	SW	PMI manufacturing	Index	May		54.2
09:00	SZ	GDP	q/q/y/y	1st quarter		0.2% 1.5%
09:15	SP	PMI manufacturing	Index	May		48.1
09:45	IT	PMI manufacturing	Index	May		49.3
09:50	FR	PMI manufacturing, final	Index	May		49.5
09:55	GE	PMI manufacturing, final	Index	May		48.8
10:00	EC	PMI manufacturing, final	Index	May		49.4
10:00	GR	S&P may publish Greece's debt rating, final		May		53.2
10:00	NO	PMI manufacturing	Index	May		46.1
10:30	UK	PMI manufacturing, final	Index	May		45.1
15:30	CA	RBC manufacturing PMI	Index	May		45.3
15:45	US	Markit PMI manufacturing, final	Index	May		52.3
16:00	US	ISM manufacturing	Index	May		48.7
16:00	US	Construction spending	m/m	Apr		-0.50%
Tuesday, June 3, 2025			Period	Danske Bank	Consensus	Previous
-	US	Total vehicle sales	m	May		17.27
03:45	CH	Caixin PMI manufacturing	Index	May		50.4
08:30	SZ	CPI	m/m/y/y	May		0.0% 0.0%
11:00	EC	Unemployment	%	Apr		6.20%
11:00	EC	HICP inflation, preliminary	m/m/y/y	May	0.1% 2.0%	0.6% ..
11:00	EC	HICP - core inflation, preliminary	y/y	May	2.40%	2.70%
11:00	EC	HICP inflation, preliminary, preliminary	y/y	May		2.20%
16:00	US	Core capital goods orders, final	%	Apr		
16:00	US	JOLTS Job openings	K	Apr		7192 7192
17:00	DE	Currency reserves	DKK bn	May		661.4
Wednesday, June 4, 2025			Period	Danske Bank	Consensus	Previous
-		Nordic Outlook Publication				
-	PD	Polish central bank rate decision	%			5.25%
02:30	JN	Markit PMI services, final	Index	May		50.8
03:30	AU	GDP	q/q/y/y	1st quarter		0.6% 1.3%
08:30	SW	PMI services	Index	May		48.4
09:15	SP	PMI services	Index	May		53.4
09:45	IT	PMI services	Index	May		52.9
09:50	FR	PMI services, final	Index	May		47.4
09:55	GE	PMI services, final	Index	May		47.2
10:00	EC	PMI composite, final	Index	May		49.5
10:00	EC	PMI services, final	Index	May		48.9
10:30	UK	PMI services, final	Index	May		50.2
14:15	US	ADP employment	1000	May		62
14:30	US	Fed's Bostic speaks				
15:45	CA	Bank of Canada rate decision	%		2.75%	2.50%
15:45	US	Markit PMI service, final	Index	May		52.3
16:00	US	ISM non-manufacturing	Index	May		51.6
16:30	US	DOE U.S. crude oil inventories	K			
Thursday, June 5, 2025			Period	Danske Bank	Consensus	Previous
01:30	JN	Labour cash earnings	y/y	Apr		2.30%
03:45	CH	Caixin PMI service	Index	May		50.7
07:45	SZ	Unemployment	%	May		2.80%
08:00	GE	Factory orders	m/m/y/y	Apr		3.6% 3.8%
08:00	SW	CPI, preliminary	m/m/y/y	May	0.1% 0.24%	0.1% 0.3%
08:00	SW	Current account	SEK bn	1st quarter		11.9
08:00	SW	Underlying inflation CPIF, preliminary	m/m/y/y	May	0.2% 2.38%	0.2% 2.3%
08:00	SW	Underlying inflation CPIF excl energy, preliminary	m/m/y/y	May	0.1% 2.41%	0.5% 3.1%
10:30	UK	PMI construction	Index	May		46.6
11:00	EC	PPI	m/m/y/y	Apr		1.9% -1.6%
14:15	EC	ECB announces deposit rate	%		2.00%	2.25%
14:30	US	Initial jobless claims	1000			
14:30	US	Unit labour cost, final	q/q	1st quarter		5.70%
14:30	US	Trade balance	USD bn	Apr		-140.5
14:45	EC	ECB's Lagarde speaks				
19:30	US	Fed's Harker speaks				
Friday, June 6, 2025			Period	Danske Bank	Consensus	Previous
01:30	JN	Household spending	y/y	Apr		2.10%
07:00	JN	Leading economic index, preliminary	Index	Apr		
08:00	DE	Industrial production	m/m	Apr		-3.20%
08:00	GE	Industrial production	m/m/y/y	Apr		3.0% -0.2%
08:00	NO	Manufacturing production	m/m/y/y	Apr		0.0% 0.1%
08:00	NO	Industrial production	m/m/y/y	Apr		-0.3% -3.2%
08:45	FR	Industrial production	m/m/y/y	Apr		0.2% 0.2%
09:00	SZ	Foreign Currency Reserves	CHF bn	May		702.9
11:00	EC	Retail sales	m/m/y/y	Apr		-0.1% 1.5%
11:00	EC	GDP	q/q/y/y	1st quarter	0.4% 1.2%	0.3% 1.2%
11:00	EC	Gross fixed investments	q/q	1st quarter		0.70%
11:00	EC	Government consumption	q/q	1st quarter		0.50%
11:00	EC	Private consumption	q/q	1st quarter		0.40%
11:00	EC	Employment, final	q/q/y/y	1st quarter		0.3% 0.8%
12:30	RU	Central Bank of Russia rate decision	%			21.00%
14:30	CA	Net change in full time employment	1000	May		31.5
14:30	US	Non farm payrolls	1000	May	130	177
14:30	US	Unemployment	%	May	4.20%	4.20%
14:30	US	Average hourly earnings, non-farm	m/m/y/y	May	0.30%	0.2% 3.8%
21:00	US	Consumer credit	USD bn	Apr		10.2

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	2024	3.7	0.9	1.4	2.7	7.5	3.0	1.4	5.2	2.9	2.9	32.3	13.9
	2025	3.9	1.9	5.1	3.8	6.7	4.0	1.8	3.6	2.9	1.1	29.5	14.0
	2026	2.9	2.3	1.6	3.0	3.5	2.8	1.6	3.3	3.0	0.8	27.9	14.5
Sweden	2024	0.9	0.3	1.2	-1.2	2.4	1.7	1.9	4.1	8.4	-	33.4	-
	2025	2.0	1.9	1.8	1.3	2.9	2.6	2.6	3.5	9.0	-	33.8	-
	2026	2.5	2.6	2.2	3.4	3.2	3.7	2.0	3.5	8.4	-	34.3	-
Norway	2024	0.6	1.4	2.4	-1.4	5.2	4.3	3.1	5.7	2.0	-	-	-
	2025	1.8	3.0	2.0	1.4	2.0	2.2	2.3	4.0	2.2	-	-	-
	2026	1.7	2.5	2.0	1.5	1.0	1.8	2.0	3.5	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	2024	0.8	1.0	2.7	-1.9	1.0	0.3	2.4	4.1	6.4	-3.0	89.1	3.0
	2025	0.9	1.2	1.2	0.5	0.4	1.2	2.2	3.2	6.4	-3.3	90.2	2.9
	2026	1.3	1.5	1.0	1.8	2.0	2.1	1.9	2.9	6.5	-3.2	90.5	2.7
Finland	2024	-0.1	-0.1	0.7	-7.1	0.1	-2.4	1.6	3.1	8.4	-4.4	82.1	0.3
	2025	1.1	0.5	0.9	0.5	1.5	1.0	0.9	3.1	8.3	-3.6	84.6	-0.2
	2026	1.8	1.5	0.5	7.0	3.0	4.5	1.8	3.4	7.7	-2.5	85.8	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	2024	2.8	2.8	3.4	3.7	3.3	5.3	3.0	3.9	4.0	-6.7	123.1	-3.3
	2025	1.8	2.5	2.2	2.6	1.9	7.2	3.0	3.5	4.4	-6.5	125.1	-3.1
	2026	1.8	1.8	2.3	2.8	2.3	2.7	2.4	3.5	4.3	-7.0	128.0	-3.0
China	2024	5.0	4.5	-	5.0	-	-	0.2	-	5.1	-7.4	90.1	1.4
	2025	4.7	4.8	-	5.0	-	-	1.0	-	5.1	-8.1	94.3	1.4
	2026	4.8	5.0	-	5.2	-	-	1.5	-	5.1	-8.1	98.2	1.3
UK	2024	0.9	-	-	-	-	-	2.5	-	4.3	-	-	-
	2025	1.0	-	-	-	-	-	2.5	-	4.7	-	-	-
	2026	1.5	-	-	-	-	-	2.1	-	4.6	-	-	-

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*	22-May	4.50	-	3.71	3.89	0.89	-	6.61	10.21	9.63
	+3m	4.25	-	3.60	3.95	0.87	-	6.48	10.26	9.48
	+6m	4.00	-	3.49	3.89	0.85	-	6.32	10.17	9.41
	+12m	3.50	-	3.30	3.80	0.83	-	6.21	10.17	9.33
EUR	22-May	2.25	2.07	2.00	2.61	-	1.13	7.4596	11.52	10.87
	+3m	1.75	1.59	1.95	2.50	-	1.15	7.4575	11.80	10.90
	+6m	1.50	1.55	1.90	2.45	-	1.18	7.4550	12.00	11.10
	+12m	1.50	1.55	1.85	2.40	-	1.20	7.4550	12.20	11.20
JPY	22-May	0.50	-	-	-	0.006	0.007	4.60	7.10	6.70
	+3m	0.50	-	-	-	0.006	0.007	4.57	7.23	6.67
	+6m	0.75	-	-	-	0.006	0.007	4.55	7.32	6.77
	+12m	1.00	-	-	-	0.006	0.007	4.60	7.53	6.91
GBP*	22-May	4.25	-	3.87	4.25	1.19	1.34	8.87	13.70	12.93
	+3m	4.00	-	3.64	4.05	1.16	1.34	8.67	13.72	12.67
	+6m	3.75	-	3.55	4.00	1.15	1.36	8.57	13.79	12.76
	+12m	3.25	-	3.50	4.00	1.15	1.38	8.57	14.02	12.87
CHF	22-May	0.25	-	-	-	1.07	1.21	7.98	12.31	11.62
	+3m	0.00	-	-	-	1.09	1.25	8.11	12.83	11.85
	+6m	0.00	-	-	-	1.10	1.30	8.19	13.19	12.20
	+12m	0.00	-	-	-	1.10	1.32	8.19	13.41	12.31
DKK	22-May	1.85	2.02	2.09	2.78	0.134	0.151	-	1.54	1.46
	+3m	1.35	1.54	2.00	2.60	0.134	0.154	-	1.58	1.46
	+6m	1.10	1.50	1.95	2.55	0.134	0.158	-	1.61	1.49
	+12m	1.10	1.50	1.90	2.50	0.134	0.161	-	1.64	1.50
SEK	22-May	2.25	2.32	2.19	2.76	0.092	0.104	0.69	1.06	-
	+3m	2.25	2.35	2.10	2.80	0.092	0.106	0.68	1.08	-
	+6m	2.25	2.35	2.32	2.80	0.090	0.106	0.67	1.08	-
	+12m	2.25	2.35	2.35	2.90	0.089	0.107	0.67	1.09	-
NOK	22-May	4.50	4.74	4.27	4.13	0.087	0.098	0.65	-	0.94
	+3m	4.50	4.44	4.09	3.90	0.085	0.097	0.63	-	0.92
	+6m	4.25	4.18	3.94	3.85	0.083	0.098	0.62	-	0.93
	+12m	3.75	3.70	3.85	3.80	0.082	0.098	0.61	-	0.92

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

Commodities

		2024				2025				2026	Average		
	22-May	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Y	2024	2025	2026
ICE Brent	64	82	85	79	74	75	70	80	85	90	80	78	90

Source Danske Bank

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