

# Yield Outlook

## The pendulum has swung too far

As we enter 2025, rate markets across Western economies remain in a challenging situation. Long-end rates have surged significantly since the beginning of December, with the US leading this global movement. Additionally, country-specific challenges are present, such as in the UK, where concerns about a potential new 'Liz Truss moment' have made investors cautious. Recently, the strong US jobs report for December has again tempered expectations for easing by the Fed. Currently, the market is pricing in only a single rate cut of 0.25 percentage points from the current level of 4.25-4.50% by the end of 2026. This would leave the endpoint, also known as the terminal rate, more than 1 percentage point higher than the Fed's own forecast from December. The terminal rate will remain a significant uncertainty factor for the rate markets for most of 2025, but we still assess that it is closer to 3% than 4%. This suggests substantial declines in USD (and EUR) rates ahead, although the timing remains very uncertain.

### Rising term premia reflect concerns about debt

Since early December, the rising doubt on Fed easing in 2025-26 has been coupled with market-specific dynamics, particularly affecting the long end of the yield curve. According to our preferred models, the so-called term premium in the bond market – the value of holding a long-term versus a short-term government bond – has increased by 0.6 percentage points on a 10Y US Treasury bond since the beginning of December (see the chart on page 2). This is a significant rise, building on the generally upward trend observed since Trump and the Republicans gained momentum in the polls in early October. In our view, the sharp increase in the term premium is related to renewed focus on the US debt outlook and, to some extent, the rest of the West.

### *But why did the rapid rise in the term premium occur in December, rather than as an immediate reaction to the election results in November?*

It is difficult to provide a definitive answer, but one possibility is that a combination of 1) a more hawkish Federal Reserve and 2) stronger growth and inflation figures during November and December has now begun to more directly affect the appetite for duration. This is backed by recent US government debt auctions, which indicate that investors are demanding higher rates to absorb the offered duration. In any case, it is hard to argue that Trump and the Republicans' fiscal plans were decisive for December's rate increase. If anything, the difficult budget negotiations during the month showed that the party's slim majority in the House of Representatives and questionable party discipline could make it more challenging for Trump to pass a significant fiscal package. This should, in isolation, point to lower rates.

The recent months' combination of 1) a stronger dollar, 2) higher (real) interest rates, and 3) declining stock prices has contributed to a noticeable tightening of financial conditions in the US. So far, however, there is little indication that the Fed intends to intervene and counter this movement. In the central bank's view, inflationary risks are increasing, and the prospects of higher tariffs on trading partners, easier fiscal policy, and declining growth in the labour force due to reduced immigration are all factors that could further fuel price pressures in the economy. In this environment, it is natural for the Fed to remain cautious – as long as the tightening

### Shortcuts

[Forecast eurozone](#)

[Forecast US](#)

[Forecast UK](#)

[Forecast Denmark](#)

[Forecast Sweden](#)

[Forecast Norway](#)

### Central bank policy rates

Country	Spot	+3M	+6M	+12M
USD	4.50	4.25	4.00	3.50
EUR	3.00	2.50	2.00	1.50
GBP	4.75	4.50	4.25	3.75
DKK	2.60	2.10	1.60	1.10
SEK	2.50	2.25	2.00	2.00
NOK	4.50	4.25	4.00	3.50

### 10Y government bond yields

Country	Spot	+3M	+6M	+12M
USD	4.78	4.60	4.45	4.20
EUR	2.61	2.50	2.35	2.25
GBP	4.86	4.70	4.50	4.30
DKK	2.30	2.25	2.10	2.00
SEK	2.49	2.50	2.50	2.65
NOK	4.00	3.80	3.70	3.50

*Note: EUR = Germany*

### 10Y swap rates

Country	Spot	+3M	+6M	+12M
USD	4.26	4.10	3.95	3.70
EUR	2.56	2.45	2.30	2.15
GBP	4.29	4.20	4.00	3.80
DKK	2.69	2.55	2.40	2.25
SEK	2.73	2.65	2.65	2.75
NOK	4.09	3.95	3.85	3.65

*Note: Past performance is not a reliable guide to future returns*

*Source: Danske Bank (all three tables)*

### Chief Analyst

Frederik Romedahl

+45 2890 8421 /frpo@DanskeBank.dk

of financial conditions does not escalate. Therefore, we expect the shift in rate expectations to come from data rather than central bank rhetoric.

### Europe remains poised for further rate cuts

In Europe, the significant rise in yields since December is difficult to justify based solely on the economic developments. Growth indicators, such as PMI figures, have indeed improved compared to previous months, but broader signals from the consumer and particularly industrial sectors of the economy remain relatively weak. We expect stronger private consumption throughout 2025 as purchasing power is restored by the solid real wage increases. However, the first half of the year will not be exuberant, keeping the European Central Bank (ECB) focused on easing measures. We expected continued rate cuts of 0.25 percentage points at each meeting until September, which would bring the terminal rate down to 1.5%. However, this level is by no means set in stone, and as rates are lowered, protests against further easing are likely to grow among the central bank's hawks. The upcoming cuts at the late January and early March meetings will, though, be relatively straightforward, given the economic backdrop, which remains characterised by weak growth and an ongoing softening of inflationary pressures.

### Forecast\*

	Horizon	Policy rate	3M xlbor	6m xlbor	2y gov	5y gov	10y gov	2y swap	5y swap	10y swap
USD*	Spot	4.50			4.41	4.61	4.78	4.21	4.23	4.26
	+3M	4.25			4.20	4.40	4.60	3.95	4.10	4.10
	+6M	4.00			4.00	4.20	4.45	3.75	3.90	3.95
	+12M	3.50			3.75	3.95	4.20	3.50	3.65	3.70
EUR*	Spot	3.00	2.79	2.66	2.29	2.40	2.61	2.40	2.47	2.56
	+3M	2.50	2.15	2.00	2.10	2.25	2.50	2.25	2.35	2.45
	+6M	2.00	1.70	1.70	1.80	2.10	2.35	1.95	2.20	2.30
	+12M	1.50	1.55	1.60	1.50	1.90	2.25	1.65	2.00	2.15
GBP**	Spot	4.75			4.58	4.59	4.86	4.38	4.24	4.29
	+3M	4.50			4.35	4.25	4.70	4.25	4.00	4.20
	+6M	4.25			4.15	4.10	4.50	4.05	3.85	4.00
	+12M	3.75			3.75	3.85	4.30	3.65	3.60	3.80
DKK	Spot	2.60	2.67	2.71	1.99	2.31	2.30	2.46	2.59	2.69
	+3M	2.10	2.05	1.95	1.85	2.20	2.25	2.30	2.45	2.55
	+6M	1.60	1.60	1.65	1.55	2.05	2.10	2.00	2.30	2.40
	+12M	1.10	1.45	1.55	1.25	1.85	2.00	1.70	2.10	2.25
SEK	Spot	2.50	2.46		2.04	2.22	2.49	2.33	2.49	2.73
	+3M	2.25	2.28		2.00	2.25	2.50	2.20	2.45	2.65
	+6M	2.00	2.08		2.00	2.25	2.50	2.15	2.40	2.65
	+12M	2.00	2.10		2.10	2.40	2.65	2.15	2.50	2.75
NOK	Spot	4.50	4.62	4.62	4.12	3.98	4.0	4.33	4.13	4.09
	+3M	4.25	4.45	4.40	3.90	3.75	3.8	4.20	3.95	3.95
	+6M	4.00	4.20	4.15	3.65	3.60	3.7	3.95	3.80	3.85
	+12M	3.50	3.70	3.65	3.25	3.25	3.5	3.55	3.45	3.65

\* German government bond yields and euro swap rates \*\* Based on OIS/SOFR swap rates.

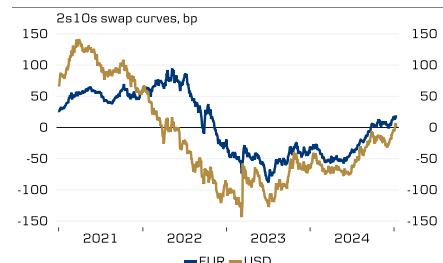
Note: Past performance is not a reliable guide to future returns

Source: Danske Bank

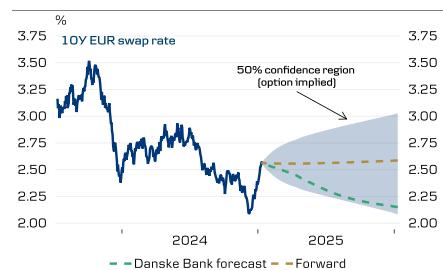
### The move in long-end rates has gone too far

It is tempting to raise the forecast for long-end rates in light of recent movements. For quite some time, we have argued that the long end of the yield curve should more accurately reflect the uncontrolled outlook for the US budget deficit. We have seen this happen, but we remain sceptical about whether such a rapid increase in the term premium will prove sustainable. In our view, the new US administration has strong incentives to try to ease market concerns that their fiscal plans will lead to a significant increase in the issuance of long-term bonds. This could be achieved through financing strategies designed to limit the amount of duration that the bond market needs to absorb. For the market, the quarterly refunding announcement (QRA), which is next due at the end of January, will be an important factor in assessing whether Trump, like his

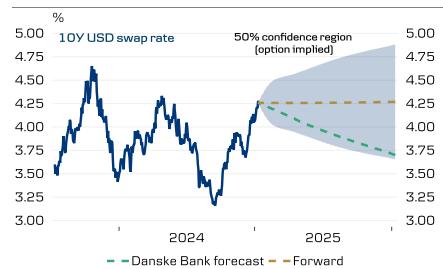
### Curves have steepened since 2023



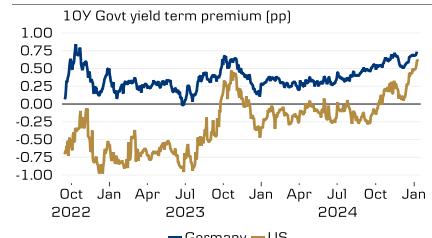
### Forecast: 10Y EUR swap rates



### Forecast: 10Y USD swap rates



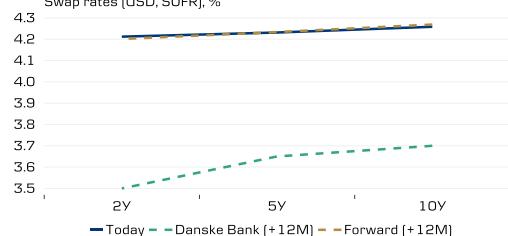
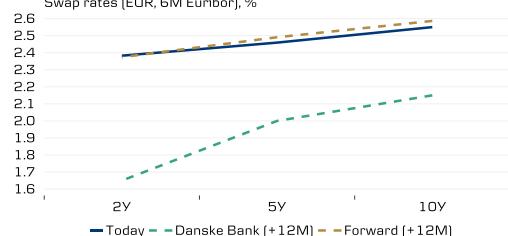
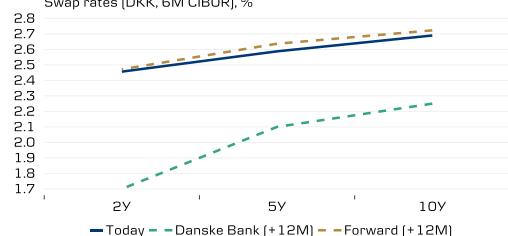
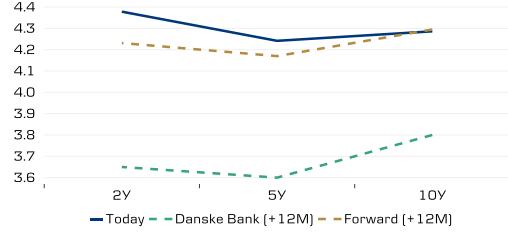
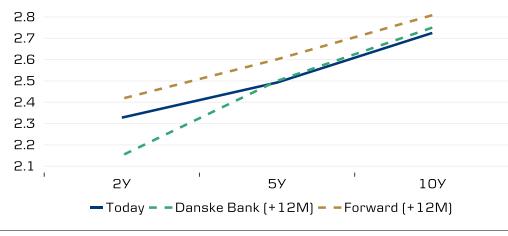
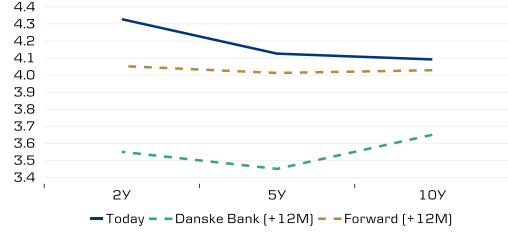
### Term premia are drifting higher



predecessor, will continue to finance a significant portion of the deficit at the short end of the yield curve (T-Bills). In autumn 2023, signals pointing towards this strategy helped push interest rates downward after several months of significant increases.

In addition to the fiscal factor, the current market pricing appears sensitive to any new weakening of US growth and inflation data. It is worth remembering that just a few months ago, the focus was on the ongoing weakening of the labour market and the risk that the Fed's easing measures might ultimately prove too late. Although there is little indication of this at present, it may only take a couple of weak job reports to shift the spotlight back in that direction. We maintain our 12M forecast for the 10-year US Treasury yield at 4.20% (compared to 4.75% today), while we have raised our forecast for the 10-year German Bund yield from 2.00% to 2.25%. This adjustment reflects our expectation that the Bund asset swap (ASW) spread will approach -0.1 percentage points during 2025.

## Overview

	<ul style="list-style-type: none"> <li>The labour market has become better balanced, but inflationary pressure has recently increased slightly. The focus in the Fed – also as a result of Trump's election victory – has shifted towards the upside risks related to inflation in 2025-26.</li> <li>We expect quarterly rate cuts of 25bp from the meeting in March 2025 and onwards, while the market (and the Fed) expects a total of 1 cut. Our baseline is that inflationary pressures will continue to ease. We foresee rate declines across the curve over the next year.</li> </ul>	 <p>Swap rates (USD, SOFR), %</p> <table border="1"> <thead> <tr> <th>Term</th> <th>Today</th> <th>Danske Bank (+12M)</th> <th>Forward (+12M)</th> </tr> </thead> <tbody> <tr> <td>2Y</td> <td>4.25</td> <td>4.20</td> <td>4.25</td> </tr> <tr> <td>5Y</td> <td>4.28</td> <td>4.25</td> <td>4.30</td> </tr> <tr> <td>10Y</td> <td>4.30</td> <td>4.25</td> <td>4.30</td> </tr> </tbody> </table>	Term	Today	Danske Bank (+12M)	Forward (+12M)	2Y	4.25	4.20	4.25	5Y	4.28	4.25	4.30	10Y	4.30	4.25	4.30
Term	Today	Danske Bank (+12M)	Forward (+12M)															
2Y	4.25	4.20	4.25															
5Y	4.28	4.25	4.30															
10Y	4.30	4.25	4.30															
	<ul style="list-style-type: none"> <li>In December, the ECB delivered its fourth interest rate cut of 25bp this year, and we expect the next cut to be delivered at the end of January. Economic indicators in the eurozone have weakened noticeably since the spring, and inflation figures have also softened.</li> <li>We expect the ECB to cut rates by 150bp by September 2025, which will leave the deposit rate at 1.5%. The market today prices in an endpoint of 2.1%. We expect long swap rates to decline significantly over the next 12 months.</li> </ul>	 <p>Swap rates (EUR, 6M Euribor), %</p> <table border="1"> <thead> <tr> <th>Term</th> <th>Today</th> <th>Danske Bank (+12M)</th> <th>Forward (+12M)</th> </tr> </thead> <tbody> <tr> <td>2Y</td> <td>2.35</td> <td>2.30</td> <td>2.35</td> </tr> <tr> <td>5Y</td> <td>2.45</td> <td>2.40</td> <td>2.50</td> </tr> <tr> <td>10Y</td> <td>2.55</td> <td>2.50</td> <td>2.55</td> </tr> </tbody> </table>	Term	Today	Danske Bank (+12M)	Forward (+12M)	2Y	2.35	2.30	2.35	5Y	2.45	2.40	2.50	10Y	2.55	2.50	2.55
Term	Today	Danske Bank (+12M)	Forward (+12M)															
2Y	2.35	2.30	2.35															
5Y	2.45	2.40	2.50															
10Y	2.55	2.50	2.55															
	<ul style="list-style-type: none"> <li>Since the beginning of 2023, the Danish central bank has maintained the monetary policy spread to the ECB at 40bp, and we see it remaining there for the foreseeable future. Thus, the Danish central bank will continue to match the ECB's moves 1:1. The EUR/DKK has risen to 7.4603 recently, but we are still far from intervention levels.</li> <li>The Danish swap curve (10Y – 2Y) is no longer inverted, and we expect to see further steepening over the coming year. Long-term rates are expected to move lower the next year.</li> </ul>	 <p>Swap rates (DKK, 6M CIBOR), %</p> <table border="1"> <thead> <tr> <th>Term</th> <th>Today</th> <th>Danske Bank (+12M)</th> <th>Forward (+12M)</th> </tr> </thead> <tbody> <tr> <td>2Y</td> <td>2.45</td> <td>2.40</td> <td>2.45</td> </tr> <tr> <td>5Y</td> <td>2.55</td> <td>2.50</td> <td>2.60</td> </tr> <tr> <td>10Y</td> <td>2.65</td> <td>2.60</td> <td>2.65</td> </tr> </tbody> </table>	Term	Today	Danske Bank (+12M)	Forward (+12M)	2Y	2.45	2.40	2.45	5Y	2.55	2.50	2.60	10Y	2.65	2.60	2.65
Term	Today	Danske Bank (+12M)	Forward (+12M)															
2Y	2.45	2.40	2.45															
5Y	2.55	2.50	2.60															
10Y	2.65	2.60	2.65															
	<ul style="list-style-type: none"> <li>The Bank of England (BOE) chose, as expected, to keep the rate unchanged at 4.5% in December, but as many as 3 out of 9 committee members wanted a new rate cut. Wage growth in the economy remains too high, while growth signals have improved towards the end of the year. The government's fiscal easing could influence how quickly the BOE proceeds.</li> <li>We expect the BOE to cut rates by a total of 100bp by the end of 2025, bringing the level to 3.75% by then. We anticipate the next rate cut of 25bp to occur in February 2025.</li> </ul>	 <p>Swap rates (GBP, SONIA), %</p> <table border="1"> <thead> <tr> <th>Term</th> <th>Today</th> <th>Danske Bank (+12M)</th> <th>Forward (+12M)</th> </tr> </thead> <tbody> <tr> <td>2Y</td> <td>4.35</td> <td>4.30</td> <td>4.35</td> </tr> <tr> <td>5Y</td> <td>4.20</td> <td>4.15</td> <td>4.20</td> </tr> <tr> <td>10Y</td> <td>4.30</td> <td>4.25</td> <td>4.30</td> </tr> </tbody> </table>	Term	Today	Danske Bank (+12M)	Forward (+12M)	2Y	4.35	4.30	4.35	5Y	4.20	4.15	4.20	10Y	4.30	4.25	4.30
Term	Today	Danske Bank (+12M)	Forward (+12M)															
2Y	4.35	4.30	4.35															
5Y	4.20	4.15	4.20															
10Y	4.30	4.25	4.30															
	<ul style="list-style-type: none"> <li>As expected, the Riksbank cut the repo rate by 25bp to 2.5% at the December meeting but signalled only a single cut in 2025. Following the hawkish signals, we have revised our expected endpoint for the rate from 1.75% to 2.00%.</li> <li>We expect higher long-term rates over the next 12 months and an increased interest rate spread to EUR rates—partly due to an increase in the issuance of long SEK government bonds and the Riksbank's balance sheet reduction.</li> </ul>	 <p>Swap rates (SEK, STIBOR 3M), %</p> <table border="1"> <thead> <tr> <th>Term</th> <th>Today</th> <th>Danske Bank (+12M)</th> <th>Forward (+12M)</th> </tr> </thead> <tbody> <tr> <td>2Y</td> <td>2.35</td> <td>2.30</td> <td>2.40</td> </tr> <tr> <td>5Y</td> <td>2.55</td> <td>2.50</td> <td>2.60</td> </tr> <tr> <td>10Y</td> <td>2.75</td> <td>2.70</td> <td>2.80</td> </tr> </tbody> </table>	Term	Today	Danske Bank (+12M)	Forward (+12M)	2Y	2.35	2.30	2.40	5Y	2.55	2.50	2.60	10Y	2.75	2.70	2.80
Term	Today	Danske Bank (+12M)	Forward (+12M)															
2Y	2.35	2.30	2.40															
5Y	2.55	2.50	2.60															
10Y	2.75	2.70	2.80															
	<ul style="list-style-type: none"> <li>Growth is improving, while inflation in the critical components is declining. Norges Bank signalled at its December meeting that the first rate cut of 25bp will occur in March 2025. The uncertainty is partly related to the risk that the NOK may face appreciation pressure as the ECB and Fed ease policy.</li> <li>Our profile for Norwegian rates is below market pricing following the corrections in recent months. The forward curve remains remarkably flat in the 5-10 year term.</li> </ul>	 <p>Swap rates (NOK, NIBOR 6M), %</p> <table border="1"> <thead> <tr> <th>Term</th> <th>Today</th> <th>Danske Bank (+12M)</th> <th>Forward (+12M)</th> </tr> </thead> <tbody> <tr> <td>2Y</td> <td>4.25</td> <td>4.20</td> <td>4.25</td> </tr> <tr> <td>5Y</td> <td>4.10</td> <td>4.05</td> <td>4.10</td> </tr> <tr> <td>10Y</td> <td>4.10</td> <td>4.05</td> <td>4.10</td> </tr> </tbody> </table>	Term	Today	Danske Bank (+12M)	Forward (+12M)	2Y	4.25	4.20	4.25	5Y	4.10	4.05	4.10	10Y	4.10	4.05	4.10
Term	Today	Danske Bank (+12M)	Forward (+12M)															
2Y	4.25	4.20	4.25															
5Y	4.10	4.05	4.10															
10Y	4.10	4.05	4.10															

Note: Past performance is not a reliable guide to future returns

Source: Macrobond Financial, Bloomberg, Danske Bank

# EUR forecast

## EUR forecast table

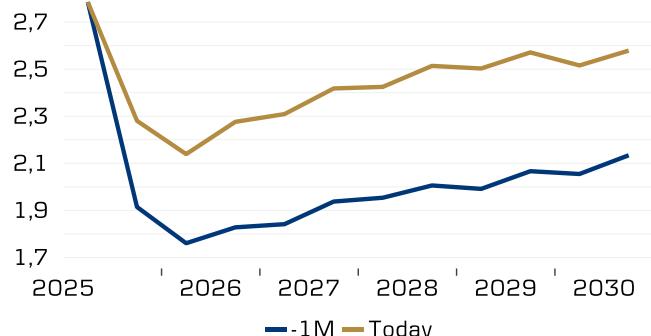
EUR	-Forecast-			- Fcst vs Fwd in bp -			
	Spot	+3M	+6M	+12M	+3M	+6M	+12M
<b>Money market</b>							
Deposit	3.00	2.50	2.00	1.50			
Euribor (3M)	2.79	2.15	1.70	1.55	-26	-58	-59
Euribor (6M)	2.66	2.00	1.70	1.60	-41	-60	-63
<b>Government bonds</b>							
2Y	2.29	2.10	1.80	1.50			
5Y	2.40	2.25	2.10	1.90			
10Y	2.61	2.50	2.35	2.25			
<b>Swap rates</b>							
2Y	2.40	2.25	1.95	1.65	-9	-38	-72
5Y	2.47	2.35	2.20	2.00	-11	-26	-49
10Y	2.56	2.45	2.30	2.15	-11	-26	-44

Note: Past performance is not a reliable guide to future returns

Source: Danske Bank

## 1M change in Euribor 3M forward curve

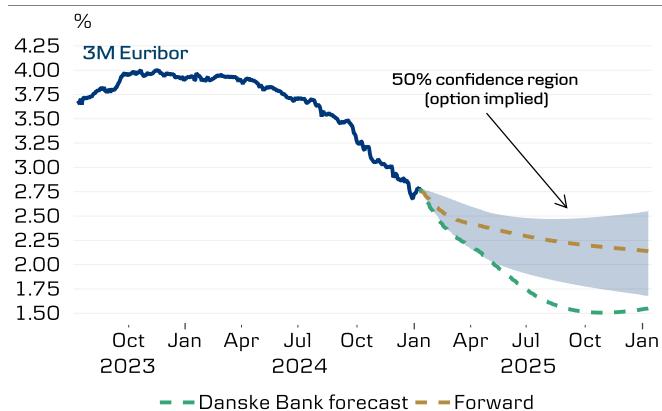
3M Euribor [market pricing], %



Note: Past performance is not a reliable guide to future returns

Source: Danske Bank

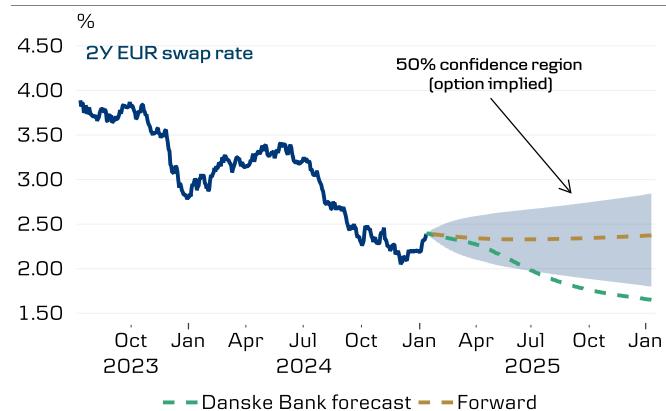
## 3M Euribor



Note: Past performance is not a reliable guide to future returns

Source: Danske Bank

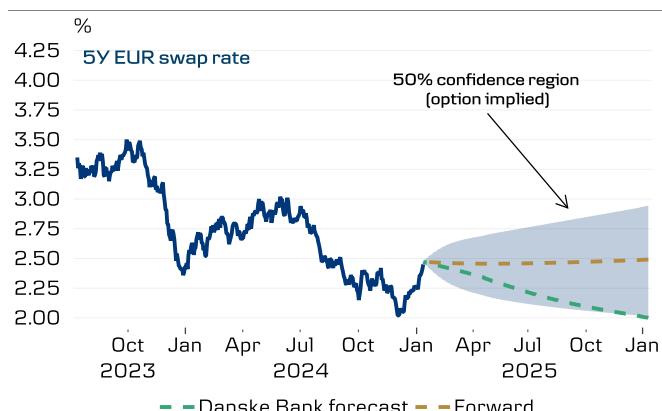
## 2Y EUR swap rates



Note: Past performance is not a reliable guide to future returns

Source: Danske Bank

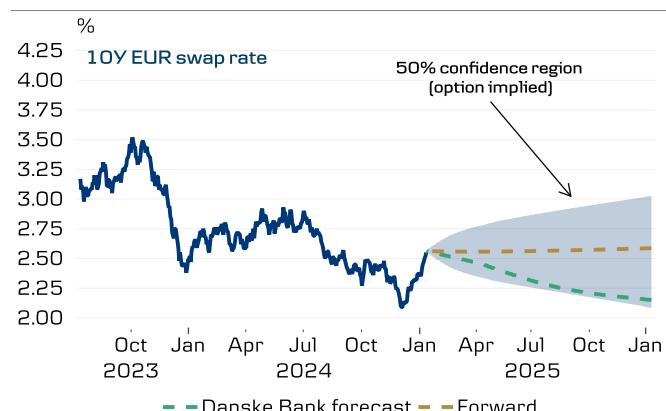
## 5Y EUR swap rates



Note: Past performance is not a reliable guide to future returns

Source: Danske Bank

## 10Y EUR swap rates



Note: Past performance is not a reliable guide to future returns

Source: Danske Bank

# USD forecast

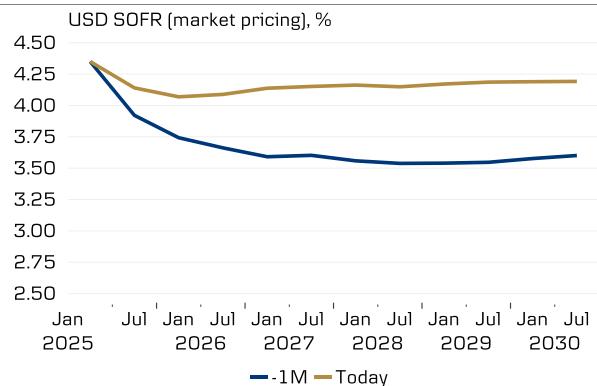
## USD forecast table

USD	-Forecast-			-- Fcst vs Fwd in bp--			
	Spot	+3M	+6M	+12M	+3M	+6M	+12M
<b>Money market</b>							
Fed Funds	4.50	4.25	4.00	3.50			
SOFR	4.35	4.05	3.80	3.30	-19	-34	-76
<b>Government bonds</b>							
2Y	4.41	4.20	4.00	3.75			
5Y	4.61	4.40	4.20	3.95			
10Y	4.78	4.60	4.45	4.20			
<b>Swap rates</b>							
2Y	4.21	3.95	3.75	3.50	-24	-43	-70
5Y	4.23	4.10	3.90	3.65	-13	-32	-58
10Y	4.26	4.10	3.95	3.70	-16	-31	-57

Note: Past performance is not a reliable guide to future returns

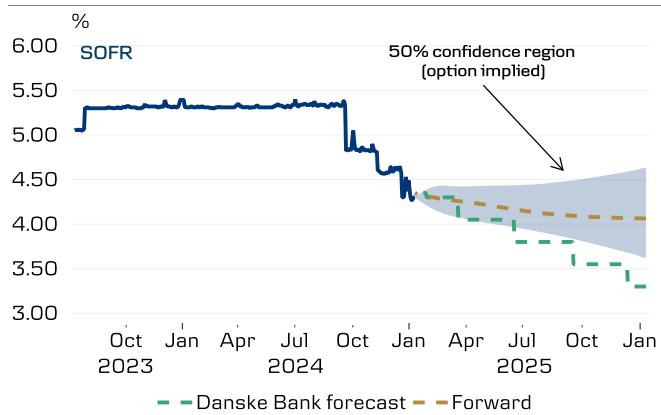
Source: Danske Bank

## 1M change in USD SOFR forward curve



Note: Past performance is not a reliable guide to future returns Source: Danske Bank

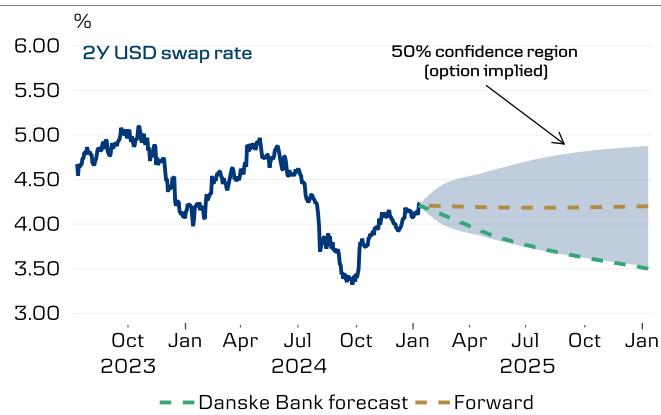
## SOFR rates



Note: Past performance is not a reliable guide to future returns

Source: Danske Bank

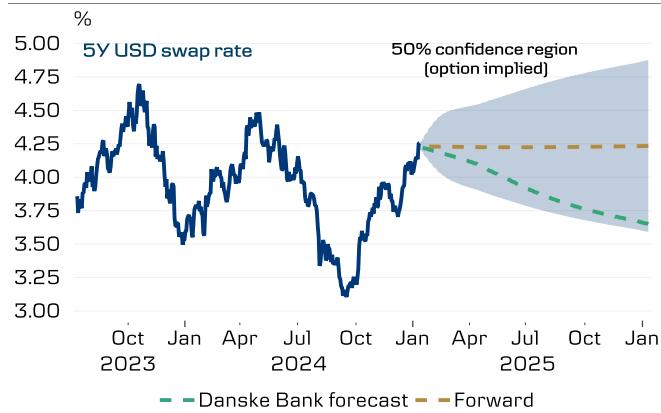
## 2Y USD swap rates



Note: Past performance is not a reliable guide to future returns

Source: Danske Bank

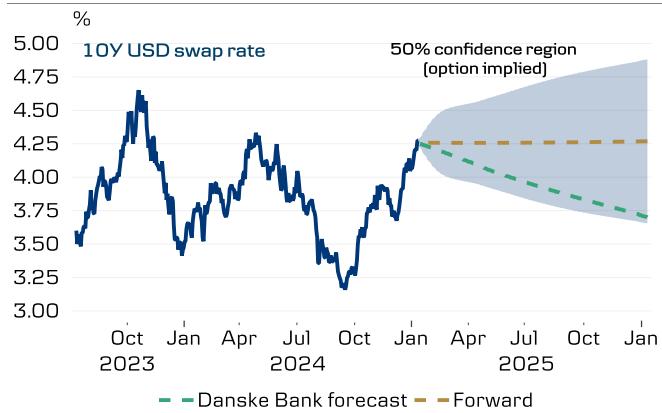
## 5Y USD swap rates



Note: Past performance is not a reliable guide to future returns

Source: Danske Bank

## 10Y USD swap rates



Note: Past performance is not a reliable guide to future returns

Source: Danske Bank

# GBP forecast

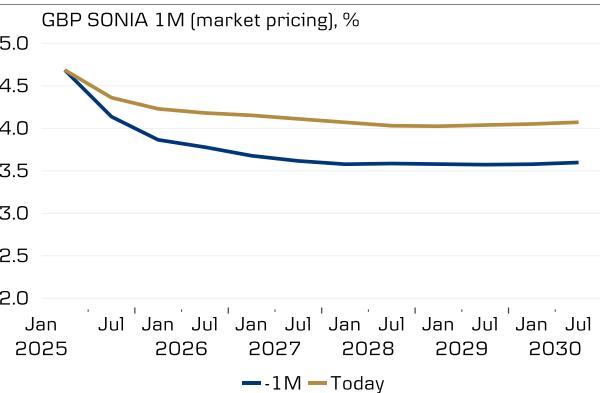
## GBP forecast table

GBP	-Forecast-			-- Fcst vs Fwd in bp--			
	Spot	+3M	+6M	+12M	+3M	+6M	+12M
<b>Money market</b>							
Bank rate	4.75	4.50	4.25	3.75			
SONIA (1M)	4.69	4.34	4.09	3.57	-13	-27	-66
<b>Government bonds</b>							
2Y	4.58	4.35	4.15	3.75			
5Y	4.59	4.25	4.10	3.85			
10Y	4.86	4.70	4.50	4.30			
<b>Swap rates</b>							
2Y	4.38	4.25	4.05	3.65	-7	-24	-58
5Y	4.24	4.00	3.85	3.60	-21	-34	-57
10Y	4.29	4.20	4.00	3.80	-8	-28	-49

Note: Past performance is not a reliable guide to future returns

Source: Danske Bank

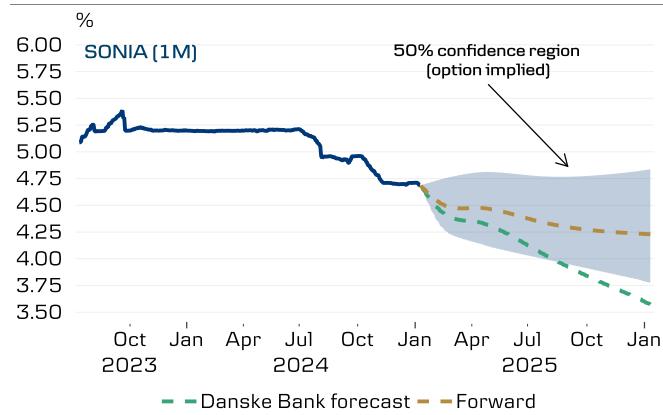
## 1M change in SONIA 1M forward curve



Note: Past performance is not a reliable guide to future returns

Source: Danske Bank

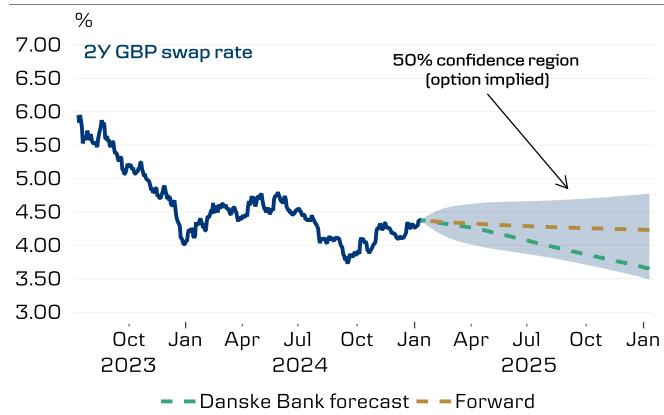
## SONIA (1M)



Note: Past performance is not a reliable guide to future returns

Source: Danske Bank

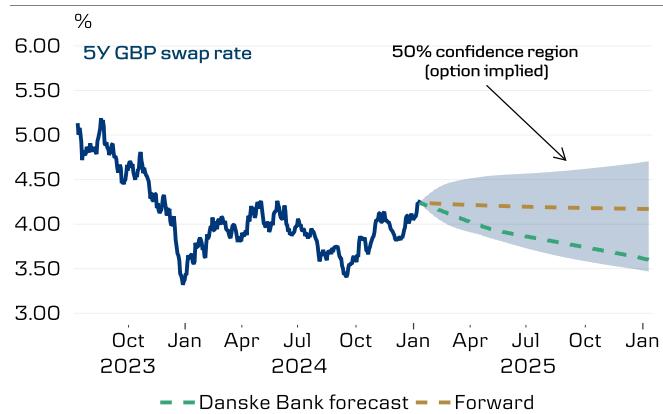
## 2Y UK swap rates



Note: Past performance is not a reliable guide to future returns

Source: Danske Bank

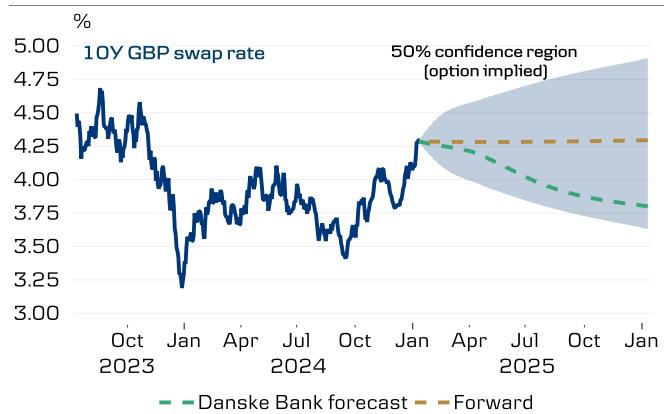
## 5Y UK swap rates



Note: Past performance is not a reliable guide to future returns

Source: Danske Bank

## 10Y UK swap rates



Note: Past performance is not a reliable guide to future returns

Source: Danske Bank

# SEK forecast

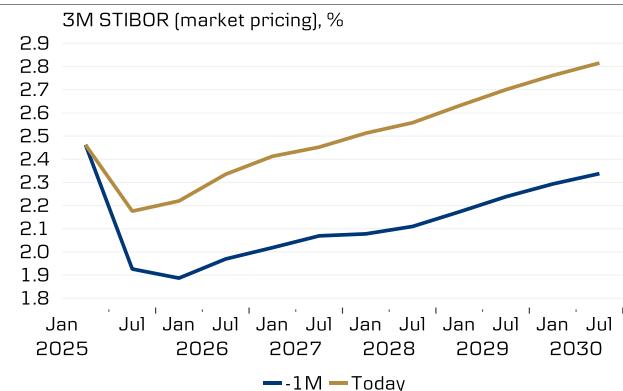
## SEK forecast table

SEK	-Forecast-			-- Fcst vs Fwd in bp--			
	Spot	+3M	+6M	+12M	+3M	+6M	+12M
<b>Money market</b>							
Repo	2.50	2.25	2.00	2.00			
STIBOR (3M)	2.46	2.28	2.08	2.10	4	-10	-12
<b>Government bonds</b>							
2Y	2.04	2.00	2.00	2.10			
5Y	2.22	2.25	2.25	2.40			
10Y	2.49	2.50	2.50	2.65			
<b>Swap rates</b>							
2Y	2.33	2.20	2.15	2.15	-12	-19	-27
5Y	2.49	2.45	2.40	2.50	-6	-13	-10
10Y	2.73	2.65	2.65	2.75	-9	-11	-6

Note: Past performance is not a reliable guide to future returns

Source: Danske Bank

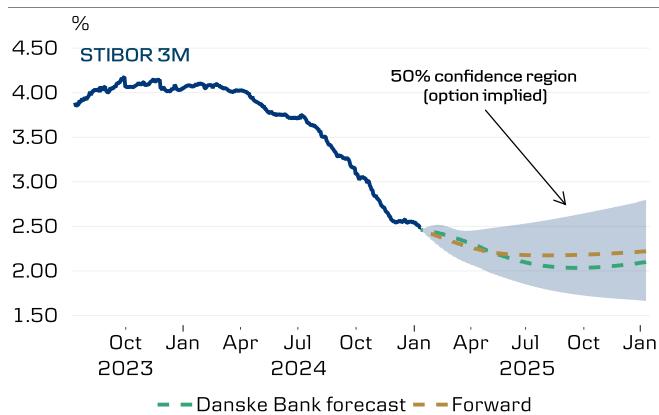
## 1M change in STIBOR3M forward curve



Note: Past performance is not a reliable guide to future returns

Source: Danske Bank

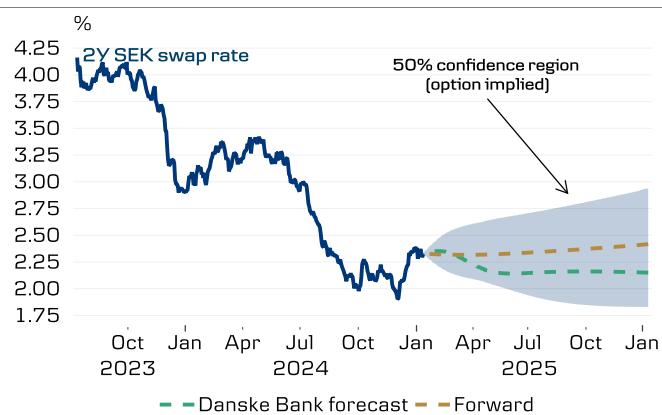
## 3M Stibor rates



Note: Past performance is not a reliable guide to future returns

Source: Danske Bank

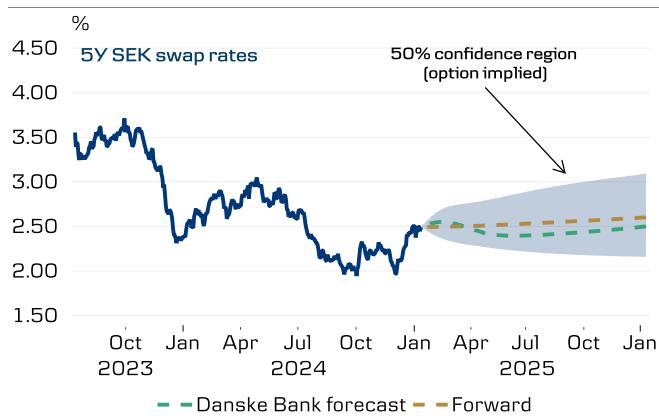
## 2Y SEK swap rates



Note: Past performance is not a reliable guide to future returns

Source: Danske Bank

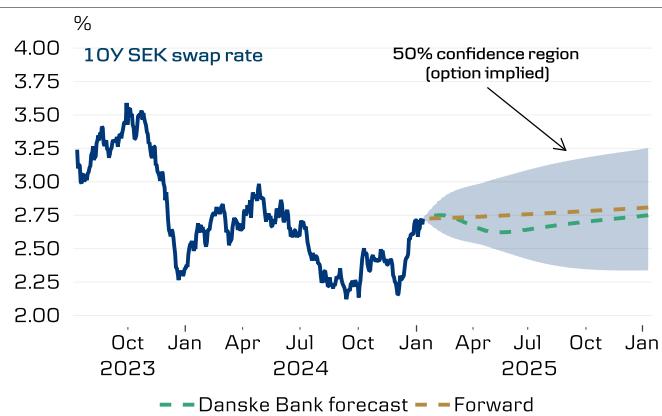
## 5Y SEK swap rates



Note: Past performance is not a reliable guide to future returns

Source: Danske Bank

## 10Y SEK swap rates



Note: Past performance is not a reliable guide to future returns

Source: Danske Bank

# DKK forecast

## DKK forecast table

DKK	-Forecast-			-- Fcst vs Fwd in bp--			
	Spot	+3M	+6M	+12M	+3M	+6M	+12M
<b>Money market</b>							
Repo	2.75	2.25	1.75	1.25			
Deposit	2.60	2.10	1.60	1.10			
CIBOR (3M)	2.67	2.05	1.60	1.45	-31	-62	-70
CIBOR (6M)	2.71	1.95	1.65	1.55	-46	-62	-74
<b>Government bonds</b>							
2Y	1.99	1.85	1.55	1.25			
5Y	2.31	2.20	2.05	1.85			
10Y	2.30	2.25	2.10	2.00			
<b>Swap rates</b>							
2Y	2.46	2.30	2.00	1.70	-10	-40	-77
5Y	2.59	2.45	2.30	2.10	-13	-29	-54
10Y	2.69	2.55	2.40	2.25	-14	-29	-47

Note: Past performance is not a reliable guide to future returns

Source: Danske Bank

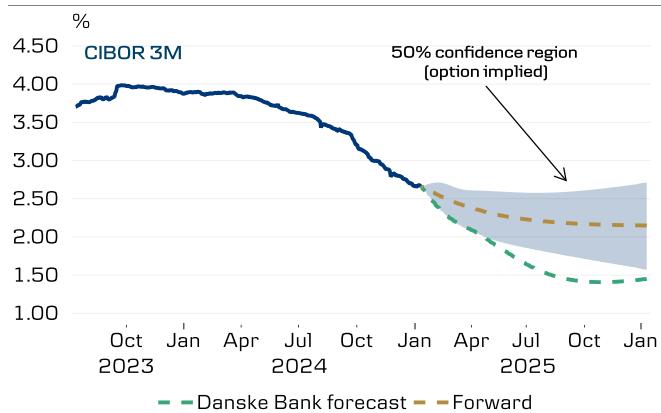
## 1M change in DKK swap (3M)



Note: Past performance is not a reliable guide to future returns

Source: Danske Bank

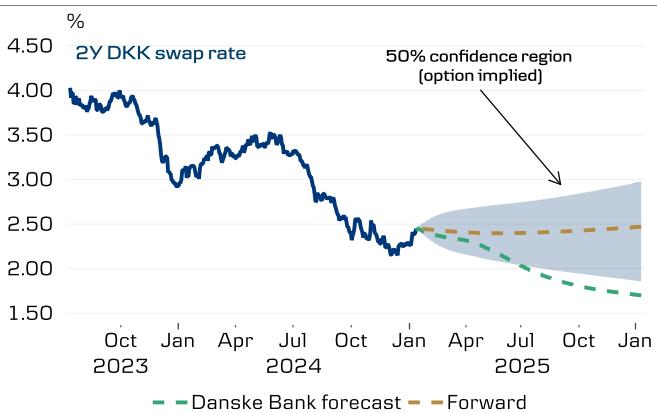
## 3M Cibor



Note: Past performance is not a reliable guide to future returns

Source: Danske Bank

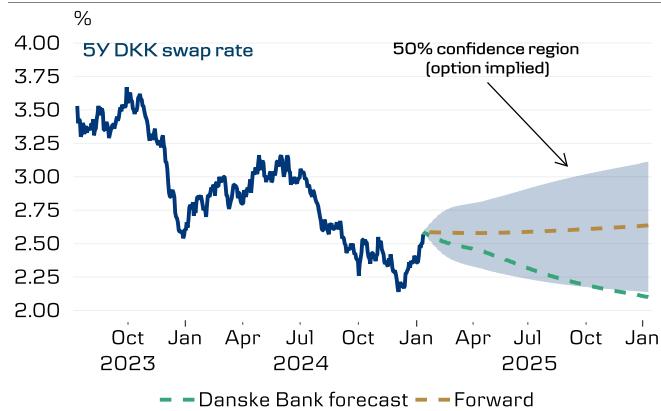
## 2Y DKK swap rates



Note: Past performance is not a reliable guide to future returns

Source: Danske Bank

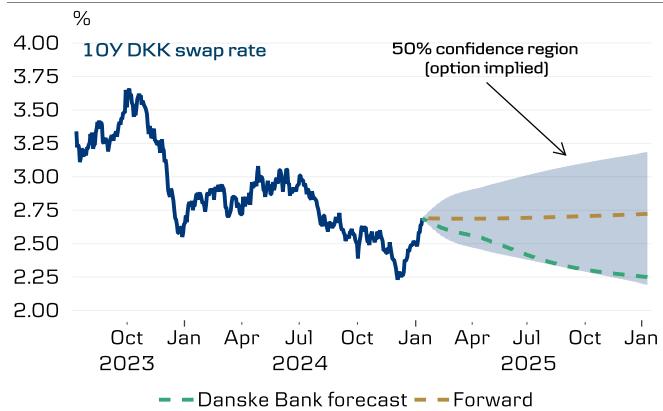
## 5Y DKK swap rates



Note: Past performance is not a reliable guide to future returns

Source: Danske Bank

## 10Y DKK swap rates



Note: Past performance is not a reliable guide to future returns

Source: Danske Bank

# NOK forecast

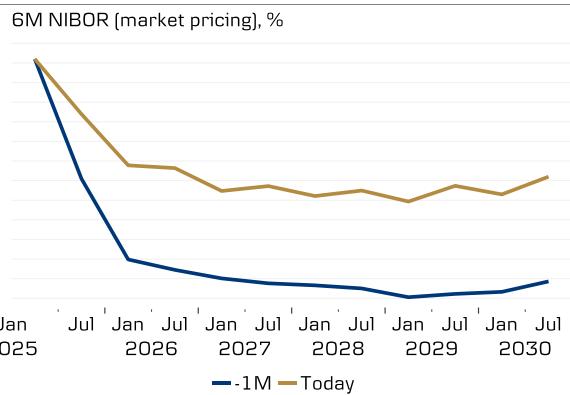
## NOK forecast table

NOK	-Forecast-			-- Fcst vs Fwd in bp --			
	Spot	+3M	+6M	+12M	+3M	+6M	+12M
<b>Money market</b>							
Deposit	4.50	4.25	4.00	3.50			
NIBOR (3M)	4.62	4.45	4.20	3.70	3	-8	-26
NIBOR (6M)	4.62	4.40	4.15	3.65	-8	-19	-43
<b>Government bonds</b>							
2Y	4.12	3.90	3.65	3.25			
5Y	3.98	3.75	3.60	3.25			
10Y	4.00	3.80	3.70	3.50			
<b>Swap rates</b>							
2Y	4.33	4.20	3.95	3.55	-2	-20	-50
5Y	4.13	3.95	3.80	3.45	-13	-25	-56
10Y	4.09	3.95	3.85	3.65	-12	-20	-38

Note: Past performance is not a reliable guide to future returns

Source: Danske Bank

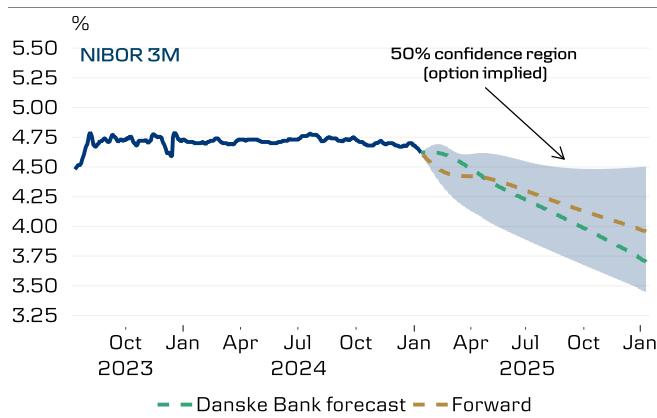
## 1M change in NOK swap (6M)



Note: Past performance is not a reliable guide to future returns

Source: Danske Bank

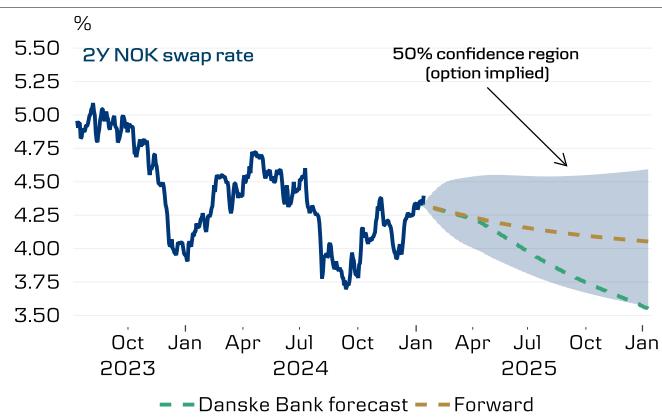
## 3M Nibor



Note: Past performance is not a reliable guide to future returns

Source: Danske Bank

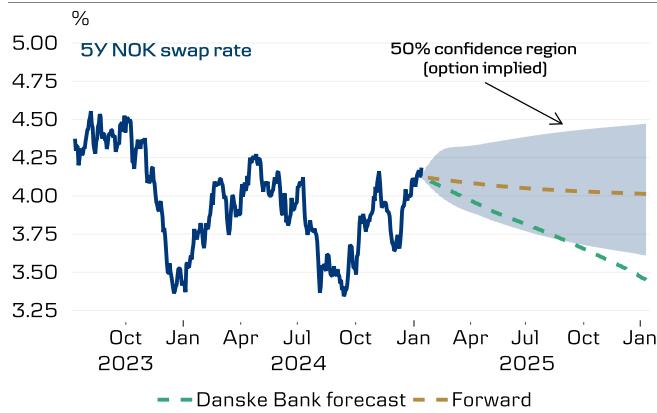
## 2Y NOK swap rate



Note: Past performance is not a reliable guide to future returns

Source: Danske Bank

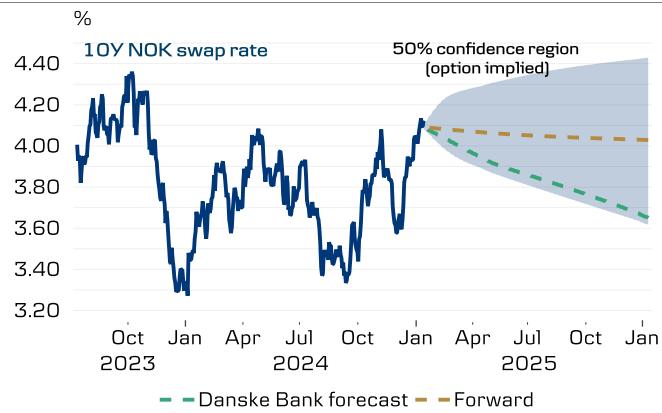
## 5Y NOK swap rate



Note: Past performance is not a reliable guide to future returns

Source: Danske Bank

## 10Y NOK swap rate



Note: Past performance is not a reliable guide to future returns

Source: Danske Bank

## Disclosure and disclaimer

The following disclaimer and disclosure apply to all communication as such, though for the parts that refer to the term “investment recommendation”, the disclaimer and disclosure are only applicable as far as the communication falls under the definition in Regulation (EU)No 596/2014. This communication has been prepared by personnel in the LC&I Sales & Trading departments or non-independent Research departments of Danske Bank A/S. The views set forward in this communication may differ from views or opinions in other departments of Danske Bank A/S. It constitutes a short-term view and is subject to change and Danske Bank A/S does not undertake to notify any recipient of this communication of any such change. Details of the producer’s previous investment recommendations on the relevant financial instrument and all previous investment recommendations made in the past 12 months by the producer will be available upon request.

LC&I’s Sales & Trading departments’ or non-independent Research departments’ personnel are not independent research analysts, and this communication is not intended to constitute “investment research” as that term is defined by applicable regulations. This communication has as such not been prepared in accordance with the legal requirements designed to promote the independence of investment research and is not subject to any prohibition on dealing ahead of the dissemination of the communication. The personnel in LC&I’s Sales & Trading departments or non-independent Research departments may be remunerated based on investment banking revenues. Danske Bank A/S may hold a position or act as market maker in any financial instrument discussed herein. Prices and availability are indicative and may change without notice.

This communication is provided for informational purposes only and should not be considered investment, legal or tax advice. It does not constitute or form part of, and shall under no circumstances be considered as, an offer to sell or a solicitation of an offer to purchase or sell any relevant financial instruments. Danske Bank A/S is not acting as an advisor, fiduciary or agent. Recipients of this communication should obtain advice based on their own individual circumstances from their own tax, financial, legal and other advisors about the risks and merits of any transaction before making an investment decision, and only make such decisions on the basis of the investor’s own objectives, experience and resources.

This communication has been prepared independently and solely on the basis of available information that Danske Bank A/S considers to be reliable, but Danske Bank A/S has not independently verified the contents hereof. While reasonable care has been taken to ensure that its contents are not untrue or misleading, no representation or warranty, express or implied, is made as to and no reliance should be placed on the fairness, accuracy, completeness or reasonableness of the information, opinions and projections contained in this communication and Danske Bank A/S, its affiliates and subsidiaries accept no liability whatsoever for any direct or consequential loss, including without limitation any loss of profits, arising from reliance on this communication.

For current disclosures of Danske Bank A/S’ interests and potential conflicts of interest regarding issuers and financial instruments subject of investment recommendations please refer to the following webpage: <https://danskeci.com/ci/research/disclosures-and-disclaimers>.

Please note that while information on the great majority of relevant issuers and financial instruments are contained on this website, it may not contain information on all relevant issuers and financial instruments. The absence of information on any relevant issuer or financial instrument should not be seen as an indication that Danske Bank A/S does not have any interests or potential conflicts of interest on the issuer or financial instrument. Please contact your Danske Bank A/S representative for information regarding any issuer subject of investment recommendation that is not mentioned on <https://danskeci.com/ci/research/disclosures-and-disclaimers>.

Danske Bank A/S is authorised and subject to regulation by the Danish Financial Supervisory Authority and is subject to the rules and regulation of the relevant regulators in all other jurisdictions where it conducts business. Danske Bank A/S is subject to limited regulation by the Financial Conduct Authority and the Prudential Regulation Authority (UK). Details on the extent of the regulation by the Financial Conduct Authority and the Prudential Regulation Authority are available from Danske Bank A/S on request.

This communication is protected by copyright and is intended solely for the designated addressee. It may not be reproduced or distributed, in whole or in part, by any recipient for any purpose without Danske Bank A/S’ prior written consent.

## Disclaimer related to distribution in the United Kingdom

In the United Kingdom, this communication is for distribution only to (I) persons who have professional experience in matters relating to investments falling within article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the ‘Order’); (II) high net worth entities falling within article 49(2)(a) to (d) of the Order; or (III) persons who are an elective professional client or a per se professional client under Chapter 3 of the FCA Conduct of Business Sourcebook (all such persons together being referred to as ‘Relevant Persons’). In the United Kingdom, this document is directed only at Relevant Persons, and other persons should not act or rely on this document or any of its contents.

## Disclaimer related to distribution in the European Economic Area

This communication is being distributed to and is directed only at persons in member states of the European Economic Area ('EEA') who are 'Qualified Investors' within the meaning of Article 2(e) of the Prospectus Regulation (Regulation (EU) 2017/1129) ('Qualified Investors'). Any person in the EEA who receives this document will be deemed to have represented and agreed that it is a Qualified Investor. Any such recipient will also be deemed to have represented and agreed that it has not received this document on behalf of persons in the EEA other than Qualified Investors or persons in the UK and member states (where equivalent legislation exists) for whom the investor has authority to make decisions on a wholly discretionary basis. Danske Bank A/S will rely on the truth and accuracy of the foregoing representations and agreements. Any person in the EEA who is not a Qualified Investor should not act or rely on this document or any of its contents.

## Disclaimer related to distribution in the United States

This communication was created by Danske Bank A/S and is distributed in the United States by Danske Markets Inc., a U.S. registered broker-dealer and subsidiary of Danske Bank A/S, pursuant to SEC Rule 15a-6 and related interpretations issued by the U.S. Securities and Exchange Commission. The communication is intended for distribution in the United States solely to 'U.S. institutional investors' as defined in SEC Rule 15a-6. Danske Markets Inc. accepts responsibility for this investment recommendation in connection with distribution in the United States solely to 'U.S. institutional investors'.

Any U.S. investor recipient of this communication who wishes to purchase or sell any Relevant Financial Instrument may do so only by contacting Danske Markets Inc. directly and should be aware that investing in non-U.S. financial instruments may entail certain risks. Financial instruments of non-U.S. issuers may not be registered with the U.S. Securities and Exchange Commission and may not be subject to the reporting and auditing standards of the U.S. Securities and Exchange Commission.

This communication is for the general information of our clients and is a 'solicitation' only as that term is used within CFTC Rule 23.605 promulgated under the U.S. Commodity Exchange Act. Unless otherwise expressly indicated, this communication does not take into account the investment objectives or financial situation of any particular person.

Report completed: 13 January 2025 at 15:00 CET

Report disseminated: 13 January 2025 16:25 CET