

Weekly Focus

EU paves way for stimulus as vaccine campaign kicks off

It has been another busy week in the EU. It removed a key obstacle to adopting its new budget for 2021-27 and its recovery fund, next generation EU. The breakthrough came as Poland and Hungary agreed to lift the veto on the EU budget following an agreement struck with the current German rotating EU presidency. The deal does not change the ties between pay-outs under the budget and the rule-of-law standards, but sanctions following from breaches cannot be enforced until the European Court of Justice has made an assessment regarding the legality of the new rules. This could cause potential sanctions to be delayed for as much as one year. The approval of the EU budget and recovery fund are essential to support the European economy in 2021 amid a still fragile recovery.

We still do not know whether there will be a Brexit deal or not, as PM Boris Johnson and European Commissioner President Ursula von der Leyen agreed to keep talking at least until Sunday. We are still leaning towards thinking a deal is more likely than not but we have definitely become more worried, as the end of the transition period 31 December 2020 is approaching fast.

In Frankfurt, the ECB recalibrated its policy instruments with a balanced, conservative package but did not change its overall monetary policy stance. It raised the total envelope of the Pandemic Emergency Purchase Programme by EUR500bn to total EUR1,850bn while extending the date 'at least until March 2022' from the previous guidance of June 2021.

Next week in the euro area, we will be looking out for Flash PMIs. It will be interesting to see whether services PMIs have reached a trough in November and start rising again in December. At least, the expectations components were quite promising in the November PMIs and according to our activity tracker, activity in large parts of the euro area is increasing again, although from low levels. In the US, on the other hand, we see some signs that the increase in new COVID-19 cases is weighing on activity, see more on page 5.

In the UK, the first person was vaccinated with the Pfizer COVID-19 shot this week. Rolling out the vaccine has not been without hiccups, though, as two adverse reactions caused Britain's medicine regulator to advise people with a history of significant allergies not to get the vaccine.

In China, exports were up 20% y/y in November, marking the strongest growth in ten years, indicating that the strong global manufacturing boom is continuing. Next week, we look for more strong readings in industrial production and retail sales as signalled by robust PMI readings lately. The annual Central Economic Work Conference may also start next week. It sets out policy guidelines for the coming year.

In Japan, PM Suga approved a long-awaited stimulus package worth JPY73.6trn (13.7% of GDP). JPY40trn is spending to support the economy, currently struggling with a new round of restrictions after new COVID-19 cases resurged. Next week, we expect the Bank of Japan to extend its emergency lending facilities beyond the current run-off date of 31 March 2021, including the 0.1% interest paid to financial institutions on the amount of loans made under the new facility.

Key market movers

- **Monday:** Japanese Tankan business survey
- **Tuesday:** Chinese industrial production and retail sales.
- **Wednesday:** Japan, Euro, US Flash PMIs, Fed meeting
- **Thursday:** Norges Bank meeting
- **Friday:** Bank of Japan meeting

Selected reading from Danske Bank

- *ECB Research - Balanced, conservative, compromise recalibration*, 10 December
- *The China Letter - Strong growth, self-reliance and a new US-China path*, 10 December
- *COVID-19 Update - Vaccination process has started*, 10 December
- *Research Nordic: Long winter ahead - what if the Nordic economic recovery is side-tracked by a new global COVID-19 shock?*, 9 December
- *China Macro Monitor - A strong finish to 2020*, 7 December
- *Euro Area Macro Monitor - Between light and shadow*, 7 December

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Market Movers Scandinavia

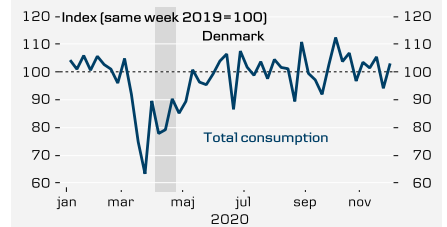
- In **Denmark**, the week ahead is relatively quiet data-wise. Finance Denmark is set to release its Housing Market statistic for Q3 on Thursday, which presumably will lend further support to the picture of a housing market that continues to grow, just as preceding statistics have shown. The numbers should also give us a better geographical overview of price increases, which based on Statistics Denmark’s figures for house prices were particularly concentrated in the capital region.

It should also be interesting to track our daily spending monitor, which undoubtedly will be severely affected by the latest lockdowns in 69 local municipalities. Naturally, consumption at bars, restaurants and the like will be particularly hard hit, as they have been forced to close (though restaurants may continue to sell takeaway meals), and in the municipalities where they are most concentrated. Our experience so far has been that reduced opportunities for consumption in certain sectors has a positive knock-on effect on other sectors, which will probably offset some of the decline in overall consumption

- November labour market survey for **Sweden** is out next week. The unemployment rate is important to follow but the November survey will also provide information on how Q4 is developing through hours worked. With next week’s figures, we will have two-thirds of Q4 numbers. Also important to keep an eye on are short week furloughs, which last month were at the lowest level (77,000) since the beginning of the crisis. More restrictions were imposed at the end of October, which might have increased the November furlough numbers. However, we have seen no signs in the weekly statistics of a deteriorating labour market despite the new restrictions. Regarding the unemployment rate, we expect the trend down to continue with an unemployment rate at 8.4% s.a from earlier 8.6% s.a.

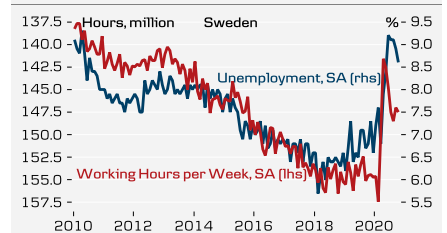
- In **Norway**, we do not anticipate a sudden change of course from Norges Bank at the week’s rate-setting meeting and we expect it to repeat the formulation that the policy rate will be unchanged ‘for some time ahead’. In the accompanying monetary policy report, the bank will need to balance weaker growth prospects and increased risk in the short term with stronger growth prospects and reduced risk in the medium term. The weakness in the short term is being countered by targeted fiscal measures, with the budget deficit increasing by NOK37bn since the budget was presented in October. Therefore, there is little reason for increased monetary policy stimulus, especially as the weakness is largely driven by the supply side – on the other hand this means that signals of higher rates in the immediate future are unlikely. In the medium term, the outlook is much brighter and the risk lower, thanks to the possibility of a major vaccination programme in H1 next year. This means that economic activity will normalise a fair bit earlier than Norges Bank assumed in its September report, which would suggest that the timing of its first rate hike – which the bank indicated in September would be in Q3 22 – will probably be moved forward to Q2 22. There is a chance that Norges Bank will be even more aggressive, but the uncertainty is still so great that we think it is a little early for this. We still expect Norges Bank to start raising its policy rate in December 2021.

How hard will lockdown hit consumption?



Source: Macrobond Financial, Danske Bank

We estimate a lower unemployment rate in November



Source: SCB, Macrobond Financial

Market not expecting upward revision of policy rate path



Source: Macrobond Financial, Danske Bank

Scandi update

Denmark – budget bill and new restrictions

The government and its support parties agreed a budget bill for 2021 on Sunday. The agreement closely resembles the government’s budget proposals laid out in August and so paves the way for a deficit of around 0.5% of GDP. Measures include DKK750m for the ‘experience’ economy and an expansion of the so-called BoligJob scheme, which allows some of the costs of cleaning or home improvement services to be deducted from tax, plus DKK4.5bn for green initiatives – all of which should help support the economy in the new year.

The coronavirus infection rate has been on the rise in Denmark recently, prompting a series of new restrictions in 69 local municipalities. The restrictions include the closure of restaurants, theatres, cinemas and sports activities. These sectors account for 1.8% of GDP in all – and given that 80% of all such activity happens in the affected municipalities, the lockdown will mean a reduction in GDP of approximately 1.5% while the restrictions last, initially to 3 January. Restaurants having the option to sell takeaway meals will probably reduce the impact a little.

The past week also saw the release of the October figures for industrial production and exports, both of which took a dive of 5.6% and 6.3%, respectively. The falls in both cases were closely tied to the pharmaceutical industry, which fluctuates significantly from month to month and which also helped push up the September numbers. The picture is considerably less bleak if we consider the figures ex. pharmaceuticals, as the falls are then a more modest 0.6% and 0.3%. Nevertheless, the downturns indicate that recouping the final share of what has been lost will be considerably harder than the initial share – not least because many of Denmark’s trading partners have become noticeably poorer as a result of the crisis and many countries are also having to impose new restrictions to reduce infection rates.

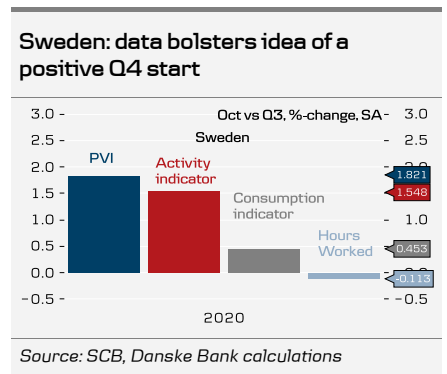
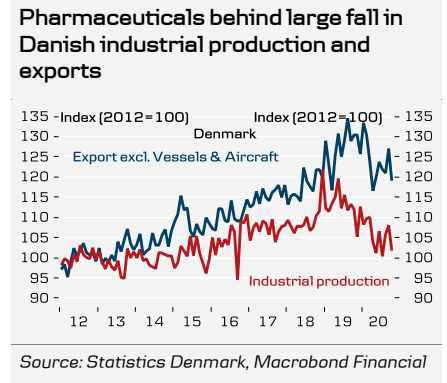
Inflation rose from 0.4% in October to 0.5% in November, mainly driven by a sudden feedthrough in November of the increase in tobacco duties enacted in April. This means tobacco prices are now 36.8% higher than in the same month last year, which in itself pushes inflation 0.57 percentage points higher. In contrast, a major decline in electricity prices pulled inflation 0.21 percentage points lower.

Sweden – confirming a good start to Q4

Perhaps the most interesting aspect of the Riksbank Minutes was that four out of six members pointed to the possibility of cutting the repo rate into negative again if necessary. This was also discussed by Governor Ingves in a speech later in the week. None, however, clarified under what circumstances this would be a viable option. Given the growing size of liquidity on the back of expanded QE a cut would be costly for depositors and the further transmission to end-users is quite opaque.

The November central government budget balance turned out SEK19.9bn better than expected, bringing the two months’ difference versus the Debt Office’s forecast to SEK29.5bn. Hence, revenues are stronger and use of government measures lower than expected, both implying the economy is doing better than expected.

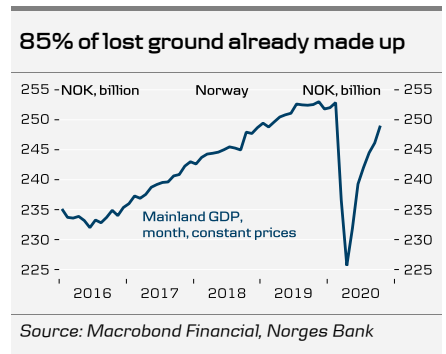
October production value index (PVI), activity indicator and consumption indicator were 1.8%, 1.5% and 0.4% above Q3 levels on a seasonally adjusted basis, suggesting a quite strong start to Q4 GDP. Hours worked dropped 0.1% suggesting labour market improvement is lagging behind.



November CPIF and CPIF excl. Energy inflation printed 0.2% y/y and 1.1% y/y respectively. This was just above and in line with the Riksbank's forecasts. Looking forward, inflation is likely to be closer to 1% rather than 2%. Prospera's Q3 'big' survey showed 5y inflation expectations basically remaining intact at 1.7%. It should be noted, however, that over the past 20 years these expectations have overstated inflation on average by no less than 0.9 percentage points, rendering them pretty useless.

Norway – mixed picture of growth

Mainland GDP grew 1.2% m/m in October, which is much more than expected. This leaves activity levels just 1.5% below pre-coronavirus levels in February and shows that the recovery was well on track up until the latest restrictions were introduced in late October and early November. It also means that GDP grew by 3.7% in the three months from August to October, which stands in stark contrast to the results of Norges Bank's latest regional network survey, where firms reported more or less flat growth for the same period. The unemployment figures point to a clear fall in mainland GDP in November followed by a more moderate rise again in December. This puts the Norwegian economy on course to grow by just over 1% in Q4 and so avoid a further recession by a considerable margin.



- Google mobility trends in retail & recreation has improved over the past week particularly in large parts of the Euro Area, after we have experienced major setbacks with the second wave European lockdowns. On the plus side, electricity demand seems to be stable around last year's level, indicating that the European economies are better suited to handle the lockdowns this time around. On the downside German textile turnover has stagnated at around ¾ compared to last year with little sign of improvement.
- In the US, the recovery largely remains on track, although the high infection numbers seems to be weighing on recent data. We have seen a minor hiccup the past two weeks upon Black Week and Cyber Monday. Card spending and the NY Fed economic index fell the past week, but still has increased over the past month. Finally, restaurant bookings are down 4.4pp this week and almost 16pp for the month.

Activity tracker

Euro area	Last obs	Value	Last 4 months	1W chg	1M chg	Low
Bundesbank weekly activity index*	Week 49	0.98		-0.21	-1.00	-6.2
Germany, turnover textiles retail trade, weekly, % y/y	Week 49	-24.0%		0 p.p.	4 p.p.	-44%
German truck toll mileage (1w m.a.), % y/y	02-Dec	3.1%		0.3 p.p.	-9.1 p.p.	-16.2%
OpenTable restaurant bookings, Germany (1w m.a.)**	09-Dec	-96.0%		1.4 p.p.	0.4 p.p.	-100%
USA						
NY Fed weekly economic index*	Week 49	-2.39		-0.31	0.57	-11.5
Transaction card spending, (1w m.a.), % y/y	29-Nov	-8.6%		-2 p.p.	2.8 p.p.	-40.6%
OpenTable restaurant bookings (1w m.a.)**	09-Dec	-64.3%		-4.4 p.p.	-15.6 p.p.	-100%
Google mobility trends retail & recreation (1w m.a.)**						
Germany	06-Dec	-29.9%		0 p.p.	-2.1 p.p.	-62.1%
France		-28.4%		16.9 p.p.	29.4 p.p.	-88.0%
Italy		-39.4%		2.7 p.p.	-10.7 p.p.	-88.9%
Spain		-32.6%		2.9 p.p.	4.3 p.p.	-91.7%
UK		-36.6%		11.9 p.p.	-5 p.p.	-77.6%
Japan		-9.3%		-2.4 p.p.	-5.3 p.p.	-37.9%
United States		-19.4%		5.7 p.p.	-2.9 p.p.	-46.1%
Electricity demand (1w m.a.)***						
Germany	10-Dec	-4.5%		-2.4 p.p.	-2.9 p.p.	-16.2%
France		3.3%		7.9 p.p.	12.9 p.p.	-23.1%
Italy		-3.8%		-2.4 p.p.	2.1 p.p.	-28.2%
Spain		1.9%		6.2 p.p.	6.6 p.p.	-24.2%
UK		-1.2%		4.7 p.p.	1.4 p.p.	-22.1%
Japan		-1.5%		2.7 p.p.	7.4 p.p.	-18.3%
United States	10-Dec	-1.7%		-0.7 p.p.	1.5 p.p.	-12.5%

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

Normal
Nearing normal
Some improvements
Bad
Very bad

Source: Google mobility data, ENTSO-E, EIA, Open Table, Statistisches Bundesamt, TextilWirtschaft, Bundesbank, NY Fed, Macrobond Finacial
 Notes: *NOWcast, Actual index value, **Relative to same day/week in 2019, *** Relative to same day/week in 15-19 avg.

Calendar

Key Data and Events in Week 51

During the week			Period	Danske Bank	Consensus	Previous
Sun 13	GBP	New "soft" Brexit deadline				
Monday, December 14, 2020			Period	Danske Bank	Consensus	Previous
-	USD	Electoral college to vote on next US president				
0:50	JPY	Tankan large manufacturers index (outlook)	Index		-15.0	-27.0 -17.0
0:50	JPY	Tankan large non-manufacturers index (outlook)	Index		-7.0	-12.0 -11.0
5:30	JPY	Industrial production, final	m/mly/y			3.8% -3.2%
11:00	EUR	Industrial production	m/mly/y		1.8% -4.4%	-0.4% -6.8%
Tuesday, December 15, 2020			Period	Danske Bank	Consensus	Previous
3:00	CNY	Industrial production	y/y		7.0%	6.9%
3:00	CNY	Retail sales	y/y		5.0%	4.3%
3:00	CNY	Fixed assets investments	y/y		2.6%	1.8%
8:00	GBP	Average weekly earnings ex bonuses (3M)	y/y		2.6%	1.9%
8:00	GBP	Unemployment rate (3M)	%		5.1%	4.8%
8:00	NOK	Trade balance	NOK bn			2.7
8:45	FRF	HICP, final	m/mly/y		0.2% 0.2%	0.2% 0.2%
10:00	ITL	HICP, final	m/mly/y		... -0.3%	... -0.3%
14:00	HUF	Central Bank of Hungary rate decision	%		0.6%	0.6%
14:30	USD	Import prices	m/mly/y		0.3% ...	-0.1% -1.0%
14:30	USD	Empire Manufacturing PMI	Index		7.5	6.3
15:15	USD	Capacity utilization	%		73.0%	72.8%
15:15	USD	Industrial production	m/m		0.3%	1.1%
15:15	USD	Manufacturing production	m/m		0.2%	1.0%
22:00	USD	TICS international capital flow, Net inflow	USD bn			-79.9
Wednesday, December 16, 2020			Period	Danske Bank	Consensus	Previous
0:50	JPY	Trade balance, s.a.	JPY bn		545.7	314.3
0:50	JPY	Exports	y/y (%)		0.0	0.0
0:50	JPY	Import	y/y (%)		-0.1	-0.1
1:30	JPY	Nikkei Manufacturing PMI, preliminary	Index			49.0
1:30	JPY	Markit PMI services, preliminary	Index			47.8
8:00	GBP	CPI	m/mly/y		0.1% 0.7%	0.0% 0.7%
8:00	GBP	CPI core	y/y		1.4%	1.5%
9:15	FRF	PMI manufacturing, preliminary	Index		49.6	49.6
9:15	FRF	PMI services, preliminary	Index		38.0	38.8
9:30	DEM	PMI manufacturing, preliminary	Index		56.0	57.8
9:30	DEM	PMI services, preliminary	Index		44.0	46.0
10:00	EUR	PMI manufacturing, preliminary	Index		53.0	53.8
10:00	EUR	PMI composite, preliminary	Index		45.5	45.3
10:00	EUR	PMI services, preliminary	Index		41.0	41.7
10:30	GBP	PMI manufacturing, preliminary	Index		54.8	55.6
10:30	GBP	PMI services, preliminary	Index		50.4	47.6
11:00	EUR	Trade balance	EUR bn			24
11:00	EUR	Labour costs	y/y			4.2%
14:30	CAD	CPI	m/mly/y			... 0.7%
14:30	USD	Retail sales control group	m/m		0.3%	0.1%
15:45	USD	Markit PMI manufacturing, preliminary	Index		55.8	56.7
15:45	USD	Markit PMI service, preliminary	Index		55.0	58.4
16:00	USD	NAHB Housing Market Index	Index		88.0	90.0
16:30	USD	DOE U.S. crude oil inventories	K			15189
20:00	USD	FOMC meeting	%	0.3%	0.3%	0.3%
20:30	USD	Fed chair Powell (voter, neutral) speaks				
22:45	NZD	GDP	q/qly/y		12.8% -1.7%	-12.2% -12.4%

Source: Danske Bank

Calendar

Thursday, December 17, 2020

				Period	Danske Bank	Consensus	Previous
1:30	AUD	Employment change	1000	Nov		40	178.8
8:45	FRF	Business confidence	Index	Dec			79.0
9:30	CHF	SNB 3-month Libor target rate	%			-0.8%	-0.8%
9:30	SEK	Unemployment (n.s.a./s.a.)	%	Nov			7.8%/8.6%
10:00	NOK	Norges Banks monetary policy meeting	%			0.0%	0.0%
11:00	EUR	HICP inflation, final	m/m/y/y	Nov		-0.3% -0.3%	-0.3% -0.3%
11:00	EUR	HICP - core inflation, final	y/y	Nov		0.2%	0.2%
13:00	GBP	BoE minutes					
13:00	GBP	BoE government bond purchases (APF)	GBP bn	Dec		875	875
13:00	GBP	BoE corporate bond purchases (CBPP)	GBP bn	Dec		20	20
13:00	GBP	BoE Bank rate	%		0.1%	0.1%	0.1%
14:30	USD	Building permits	1000 (m/m)	Nov		1560	1544.0 (-0.1%)
14:30	USD	Housing starts	1000 (m/m)	Nov		1528	1530.0 (4.9%)
14:30	USD	Philly Fed index	Index	Dec		20.0	26.3
14:30	USD	Initial jobless claims	1000				853

Friday, December 18, 2020

				Period	Danske Bank	Consensus	Previous
-	EUR	Moody's may publish Cyprus's debt rating					
-	JPY	BoJ policy rate	%		-0.1%		-0.1%
0:30	JPY	CPI - national ex. fresh food	y/y	Nov		-0.9%	-0.7%
0:30	JPY	CPI - national	y/y	Nov		-0.8%	-0.4%
1:01	GBP	GfK consumer confidence	Index	Dec		-31.0	-33.0
8:00	GBP	Retail sales ex fuels	m/m/y/y	Nov		-2.1% ...	1.3% 7.8%
10:00	NOK	Unemployment	%	Dec			3.9%
10:00	DEM	IFO - business climate	Index	Dec		89.8	90.7
10:00	DEM	IFO - current assessment	Index	Dec		89.0	90.0
10:00	DEM	IFO - expectations	Index	Dec		93.0	91.5
10:00	EUR	Current account	EUR bn	Oct			25.2
11:30	RUB	Central Bank of Russia rate decision	%			4.3%	4.3%
14:30	CAD	Retail sales	m/m	Oct			1.1%
14:30	USD	Current account	USD bn	3rd quarter		-188.6	-170.5

The editors do not guarantee the accurateness of figures, hours or dates stated above

For further information, call (+45) 45 12 85 22.

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	2019	2.8	1.4	1.2	2.8	5.0	2.4	0.8	2.5	3.7	3.8	33.3	8.9
	2020	-3.5	-1.8	-0.6	-1.7	-12.4	-10.2	0.4	2.0	4.8	-3.4	43.2	7.5
	2021	3.0	4.6	2.9	0.4	4.6	4.6	0.8	1.8	4.2	-2.2	41.2	7.5
Sweden	2019	1.3	1.2	0.4	-1.2	4.2	1.8	1.8	2.6	6.8	0.5	35.7	1.1
	2020	-3.3	-5.1	-0.3	-3.7	-6.1	-7.1	0.4	2.0	8.7	-5.8	40.0	4.9
	2021	3.8	4.2	2.8	2.5	6.2	4.6	0.8	2.0	9.0	-1.0	39.0	4.6
Norway	2019	2.3	1.4	1.9	4.8	0.5	4.7	2.2	3.5	2.3	-	-	-
	2020	-3.5	-7.1	1.7	-5.0	-4.0	-10.5	1.5	2.0	5.0	-	-	-
	2021	3.9	6.7	2.0	-0.8	4.5	3.8	2.8	2.3	3.3	-	-	-

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 ³	Public budget ⁴	Public debt ⁴	Current acc. ⁴
Euro area	2019	1.3	1.4	1.9	5.7	2.5	3.9	1.2	2.0	7.6	-0.6	85.9	3.1
	2020	-7.0	-8.8	-0.8	-13.7	-9.1	-10.5	0.3	-1.0	7.9	-8.8	101.7	2.6
	2021	4.9	4.5	3.2	-1.2	13.1	10.6	1.1	1.0	8.9	-6.2	102.1	2.6
Germany	2019	0.6	1.6	2.7	2.6	1.0	2.6	1.4	3.2	3.1	1.5	59.6	7.1
	2020	-5.4	-6.0	4.5	-4.8	-10.1	-8.9	0.4	-0.1	4.2	-6.0	71.2	6.0
	2021	3.9	3.3	2.4	2.8	12.4	10.9	1.4	1.5	4.2	-4.0	70.0	6.3
Finland	2019	1.1	0.8	1.1	-1.0	7.7	3.3	1.0	2.1	6.7	-1.0	59.3	-0.2
	2020	-4.5	-4.0	1.0	-5.0	-12.0	-9.0	0.3	1.9	8.2	-8.4	70.0	-0.9
	2021	2.5	3.5	1.5	2.0	5.0	5.0	1.0	2.5	8.2	-3.7	71.7	-0.6

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	2019	2.2	2.4	2.3	1.9	-0.1	1.1	1.8	3.3	3.7	-4.6	106.8	-2.2
	2020	-3.4	-3.8	1.0	-2.6	-13.7	-10.8	1.2	4.6	8.1	-16.0	126.0	-2.1
	2021	3.3	4.6	1.5	4.6	1.7	6.4	1.6	2.0	6.4	-12.2	132.0	-2.1
China	2019	6.2	7.4	-	5.0	-	-	2.5	10.2	-	-6.3	-	0.5
	2020	1.7	1.5	-	3.0	-	-	3.0	7.5	-	-11.9	-	0.6
	2021	9.2	9.0	-	10.0	-	-	2.0	7.0	-	-11.8	-	0.4
UK	2019	1.3	0.8	4.1	1.5	2.8	3.3	1.8	3.5	3.8	-2.3	85.4	-4.3
	2020	-11.1	-14.4	-9.9	-12.8	-12.5	-21.1	0.9	2.0	4.4	-19.0	109.1	-2.0
	2021	5.2	4.2	4.0	6.2	6.4	6.1	1.6	1.2	4.9	-7.7	109.3	-3.8
Japan	2019	0.7	0.1	1.9	1.3	-1.6	-0.6	0.6	-	2.4	-	-	-
	2020	-5.6	-7.0	1.9	-5.7	-12.8	-7.5	-0.2	-	2.8	-	-	-
	2021	2.7	2.4	1.8	-1.0	9.1	1.5	0.3	-	2.7	-	-	-

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	11-Dec	0.25	0.22	0.21	0.89	121.3	-	613.7	881.4	845.5
	+3m	0.25	0.23	0.30	1.10	120.0	-	620.4	883.3	858.3
	+6m	0.25	0.23	0.30	1.15	119.0	-	625.8	882.4	848.7
	+12m	0.25	0.23	0.35	1.35	116.0	-	642.7	896.6	870.7
EUR	11-Dec	-0.50	-0.55	-0.55	-0.30	-	121.3	744.4	1069.1	1025.6
	+3m	-0.50	-0.52	-0.45	-0.10	-	120.0	744.5	1060.0	1030.0
	+6m	-0.50	-0.52	-0.45	-0.10	-	119.0	744.8	1050.0	1010.0
	+12m	-0.50	-0.52	-0.35	0.10	-	116.0	745.5	1040.0	1010.0
JPY	11-Dec	-0.10	-0.10	-0.05	0.03	120.5	104.1	6.18	8.87	8.51
	+3m	-0.10	-	-	-	124.8	104.0	5.97	8.49	8.25
	+6m	-0.10	-	-	-	122.6	103.0	6.08	8.57	8.24
	+12m	-0.10	-	-	-	119.5	103.0	6.24	8.70	8.45
GBP	11-Dec	0.10	0.04	0.02	0.36	91.6	132.4	812.6	1167.2	1119.6
	+3m	0.10	0.07	0.10	0.65	86.0	139.5	865.7	1232.6	1197.7
	+6m	0.10	0.07	0.15	0.75	86.0	138.4	866.0	1220.9	1174.4
	+12m	0.10	0.07	0.20	0.85	86.0	134.9	866.9	1209.3	1174.4
CHF	11-Dec	-0.75	-0.79	-0.74	-0.33	107.6	88.7	691.9	993.8	953.3
	+3m	-0.75	-	-	-	109.0	90.8	683.0	972.5	945.0
	+6m	-0.75	-	-	-	110.0	92.4	677.0	954.5	918.2
	+12m	-0.75	-	-	-	110.0	94.8	677.7	945.5	918.2
DKK	11-Dec	-0.60	-0.23	-0.21	-0.06	744.35	613.67	-	143.63	137.78
	+3m	-0.60	-0.26	-0.18	0.10	744.50	620.42	-	142.38	138.35
	+6m	-0.60	-0.27	-0.20	0.10	744.75	625.84	-	140.99	135.62
	+12m	-0.60	-0.30	-0.10	0.30	745.50	642.67	-	139.50	135.48
SEK	11-Dec	0.00	-0.10	-0.07	0.32	1025.6	845.5	72.6	104.2	100.0
	+3m	0.00	-0.05	0.03	0.30	1030.0	858.3	72.3	102.9	-
	+6m	0.00	-0.05	0.10	0.40	1010.0	848.7	73.7	104.0	-
	+12m	0.00	-0.05	0.10	0.40	1010.0	870.7	73.8	103.0	-
NOK	11-Dec	0.00	0.35	0.51	1.17	1069.1	881.4	69.6	100.0	95.9
	+3m	0.00	0.39	0.65	1.40	1060.0	883.3	70.2	-	97.2
	+6m	0.00	0.30	0.80	1.50	1050.0	882.4	70.9	-	96.2
	+12m	0.00	0.45	1.05	1.75	1040.0	896.6	71.7	-	97.1

Commodities												
		2020				2021				Average		
	11-Dec	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2020	2021	
ICE Brent	50	35	35	40	40	45	45	50	60	38	50	

Source Danske Bank

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Report completed: 11 December 2020, 12:50 CET

Report first disseminated: 11 November 2020, 13:00 CET