

# Weekly Focus

## Euro inflation key to size of next ECB hike

**Flash PMI's for November turned out to be a mixed bag.** US data disappointed as the manufacturing PMI dropped to 47.6 from 50.4 and service PMI pushed lower as well to 46.1 from 47.8. It is broadly in line with our view that the US economy is heading into a mild recession in early 2023. Investments still look resilient as durable goods orders were decent in October. However, leading indicators suggest investments will slow down soon. **For once the picture was a little more positive in the euro area** as both PMI manufacturing and service were better than expected. The German ifo business confidence also surprised to the upside rising to 86.3 from 84.5. Despite the improvement the indicators are still at low levels and point to a euro area recession. But on the margin it is positive and fits with our view that the recession will not be deep, although it could be protracted as we have yet to feel the full effects of the sharp rise in bond yields and ECB policy rates.

**The PMI's also showed easing price pressures and a further normalisation of delivery times**, which is a further sign that goods price inflation is in the process of normalising on the back of a sharp drop in freight rates, easing supply chain problems and lower commodity prices. **Oil prices turned lower again this week to USD85 per barrel**, a decline of USD35 per barrel from the peak in June. Despite easing pressures, inflation will likely stay elevated for some time as some industries have yet to pass through previous price hikes and wage inflation are pushed up by tight labour markets.

With more signs of easing price pressures in the medium term, **central banks increasingly consider to lower the pace of hikes**. Minutes from the recent Fed meeting and Fed speeches suggest a majority within the Fed lean towards lowering the size of Fed hikes to 50bp from 75bp. However, we still have another jobs report and inflation print ahead of the meeting on 14 December, which will be key for the size of the rate hike. The ECB may also move to a 50bp pace but it depends a lot on how next week's inflation for November turns out. Another high print would likely trigger a 75bp hike on the 15 December meeting, but our baseline scenario is a 50bp rate increase.

**In China tweaks to the zero-covid policy led to more widespread outbreaks** triggering restrictions in more than a third of China's provinces. China could be facing a chaotic winter as it is hard to contain covid without reacting fast and forceful. Unless, they are willing to live with more spread of the virus, the result could eventually be harsh lockdowns during the winter to knock down the covid waves. Our baseline is that China will not open up fully until summer next year. But uncertainty prevails around which strategy China is going to follow after they took the first steps towards leaving the zero-covid policy.

**Stock markets got a lift this week from the softer tone from central banks** and easing price pressures, which also pushed bond yields lower. EUR/USD has also seen a lift on the back of better risk sentiment and markets pricing a central bank pivot.

**Next week focus turns to US payrolls and Euro inflation.** We expect US job growth to decline from 261k to a still decent 220k (consensus 200k). We look for euro inflation to rise to 10.8% y/y from 10.6% y/y but that core inflation holds steady at 5.0% y/y.

### Key global views

- Europe in recession during the winter. US recession hits in Q2 23.
- US inflation has peaked, but to come down only gradually. Euro inflation to stay elevated in Q4 on high energy prices. Easing pressure from recession, oil, metals, freight rates and food prices to pull global inflation lower in 2023.
- Fed to hike by 75bp in December and 50bp in February, then stop. ECB to hike 50bp in December and February.

### Key market movers

- Tuesday: US house prices and consumer confidence, German CPI
- Wednesday: **Euro Flash CPI**, China PMI manufacturing, US job openings
- Thursday: **US ISM man.** and PCE inflation, Euro unemployment
- Friday: **US payrolls**

### Selected reading from Danske Bank

- *FX Forecast Update - USD sell-off to prove temporary*, 14 November
- *Yield Outlook: Pressure on long yields set to ease*, 28 October

Editor

**Chief Analyst**  
Allan von Mehren  
+45 4514 1488  
[alvo@danskebank.com](mailto:alvo@danskebank.com)

# Scandi market movers

- In **Denmark**, November's business confidence figures are due on Tuesday. The October figures showed unequivocal signs of a slowdown across most sectors in Denmark with the exception of construction, which has already had a very negative view on the economy for quite some time. Expectations in the service sector remain relatively upbeat, which is good news, as this sector accounts for the largest share of jobs. Hence, the figures should show us whether the slowdown is beginning to impact an even broader swathe of companies.

National accounts figures for Q3 22, including GDP, are scheduled for release on Wednesday. The GDP indicator showed a growth surprise of 0.5% in the Danish economy despite weaker private consumption during the period. We should remember, however, that the GDP indicator has previously been subject to considerable revision, both in connection with the full release of the quarterly national accounts, which are due on Wednesday, and also in the revised quarterly national accounts, which are released a month later.

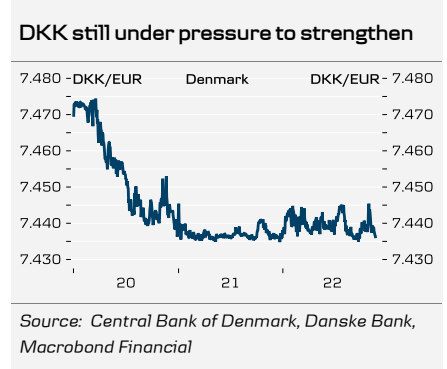
Wednesday should also bring unemployment numbers for the Danish labour market in October. The unemployment indicator has already provided a preliminary estimate, with the number of jobless 400 higher in October. However, this increase comes in the wake of significant declines in unemployment in the previous two months. We expect the slowdown in the Danish economy to at some point feed through to the Danish labour market, with unemployment increasing as a result. We therefore likely face a turning point from the extremely low levels of unemployment seen post-lockdown.

Figures for movements in Denmark's FX reserves in November are due on Friday. Danmarks Nationalbank has intervened to sell significantly in the FX market in the past two months in order to maintain the peg to the EUR following sustained strengthening pressure on the krone (DKK) during the autumn. The strong DKK resulted in Danmarks Nationalbank 'only' hiking interest rates by 60bp after the latest ECB rate meeting, where they raised interest rates by 75bp. So far, however, this has not resolved the issue, and the DKK is once again trading close to the level where Danmarks Nationalbank intervened in September and October. We expect the Danish central bank will again intervene to sell DKK if the currency strengthens further, and should intervention reach DKK20-30bn, the rate spread to the ECB will likely be widened by a further 0.1 percentage points.

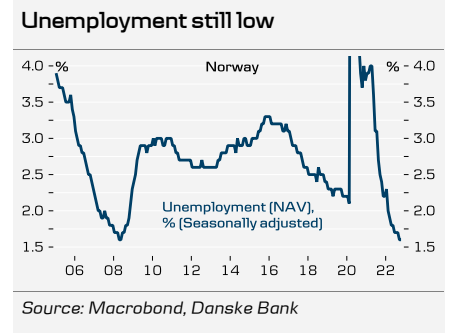
- In **Sweden**, judging from the preliminary GDP indicator Q3 GDP is likely to print 0.7 % q/q sa/2.6 % y/y. This, however, is relatively uninteresting as other data this week will give more recent info about the start of Q4.

October trade balance and retail sales should confirm our view of negative economic growth at the start of Q4. The latter is set to drop further from the -5.9 % y/y recorded in September, according to high frequency data.

NIER November confidence survey and manufacturing PMI are released at the end of the week. We expect to see a continuation of weakening new orders, improving supply (delivery times), a build-up in unsold stocks and receding price pressures in both manufacturing and retail. The former has already been visible in preliminary international PMI's and there is no reason why it should not be felt by Swedish business too. We also keep an extra eye on hiring plans and perceived unemployment risk in the NIER survey.



- In **Norway**, the most surprising development since the summer has been how the labour market has remained so tight. Although the LFS now shows employment beginning to slow, and the number of vacancies has fallen slightly, unemployment is still really low. We think a turning point is very close, however, and expect the jobless rate to rise to 1.7% in seasonally adjusted terms in November. It will also be worth keeping an eye on the number of new job openings, as this can be a good indicator of how quickly demand for labour is falling. The PMI also surprised by climbing in October after trending down since before the summer. Further weak global growth but a solid upturn in oil-related industries suggest a mixed picture, but the PMI is most likely to drop back below 50.



# Scandi update

## Denmark – Retail sales fell in October

Wage earner employment rose by a solid 6,300 persons in September, though the August figures were at the same time revised down by 2,000. Nevertheless, employment growth in both August and September remains impressive despite the correction. Forward-looking figures from both Denmark and the rest of the world clearly point to an imminent slowdown, but so far this has been difficult to detect in the growth figures and now also in the latest employment numbers. It could well be that Q4 22 will see an actual decline in activity, and that normally also means a fall in employment. However, the current situation is a little special in that the economy is overheated to the point where many jobs remain unfilled, which could indicate that the downturn will not be particularly pronounced. Construction workers who lose their jobs, for example, should to some extent be able to find positions in other industries, though we still expect that employment will soon begin to fall.

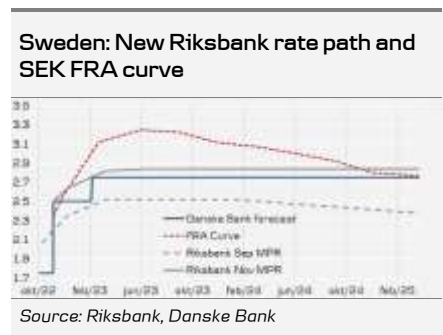
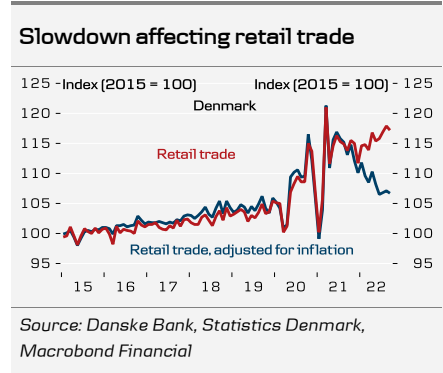
Consumer confidence rose from -37 in October to -30.4 in November. Energy prices have fallen sharply in recent months, and this has seemingly brought a little economic cheer, though consumers remain very gloom-laden in historical terms. Views on both the current and the future economic situation underwent a positive revision. Consumers remain very restrained with respect to purchases of major consumer goods despite a small increase in this indicator.

Retail sales fell 0.7% in October compared to the previous month in terms of retail spending in DKK. Correcting for the general increase in prices, retail sales were down a heftier 1.7%. October’s dip was driven in particular by a decline in sales of clothing and the category ‘Other consumer goods’, which both fell sharply, while food and other grocery sales – a category otherwise under considerable pressure in 2022 – rose slightly. The slowing trend in retail sales appears to have intensified in October, probably spurred on by the slowdown in the Danish economy and the erosion of purchasing power. This could present a problem for companies that have stocked up for Black Friday and the Christmas trade based on an expectation that sales would be in line with last year.

## Sweden – Riksbank behaved as expected

The 75bp hike to 2.50% and a slightly higher rate path was bang in line with our expectations. They will also end QE reinvestments as of year-end. The revised rate path is still somewhat shy of market expectations, and hence somewhat dovish. The new path indicates approximately 30bp in February, which is sufficiently in line with our expectations of 25bp, but also giving the option to ‘go bigger’ should it be warranted. As we expected, the Riksbank is ending its QE reinvestments as of year-end and will let their current holdings roll-off passively, i.e. no selling of assets. We don’t see anything in either monetary policy or the Riksbank’s communication that change the outlook for the SEK over the coming quarters, where we expect a further weakening.

As expected, Riksbank revised its 2023 GDP forecast lower while raising core inflation by almost a full percentage point to 5.5% (4.6%). A bit surprisingly, they kept the unemployment forecast unchanged at 7.9 % obviously having a quite optimistic view about demand. A worsening labour market is something we have highlighted as the main risk that could push the Swedish economy into bigger troubles. It is obvious that Riksbank puts more emphasis on core inflation developments: this is cited as being the prime reason for



hiking more than previously forecast. As the Riksbank puts it, “the risk of the current high inflation will become entrenched is still substantial”.

## Norway – Slowdown ahead despite strong GDP numbers

Q3 GDP growth surprised to the upside and was much stronger than anyone had anticipated. All leading indicators, however, show the economy headed for a fall. As early as September, Norges Bank’s regional network survey suggested that a fairly sharp slowdown lies ahead, and there have been several indications since that things are set to get even worse. Employer federation NHO’s monthly surveys show a substantial increase in the share of pessimists among Norwegian business leaders over the past two months, with the net balance (optimists less pessimists) falling from -10 in September to -34 in October and -35 in November. When Norges Bank published its Q4 expectations survey, interest centred quite naturally on wage and price expectations continuing to rise, but there were also two other interesting signals from business leaders: profitability expectations fell further and employment too is now expected to fall over the coming year. All of this spells a weaker growth outlook, and the GDP numbers have not changed this picture.

### Weaker growth outlook



Source: Macrobond, Danske Bank

# Calendar – 28 November – 2 December 2022

During the week					Period	Danske Bank	Consensus	Previous
Sun 27	DEM	Retail sales	m/mly/y	Oct				1.0% -0.6%
Sun 27	CNY	Industrial profits	y/y	Oct				
Sun 27	CNY	Industrial profits	y/y	Oct				
Monday, November 28, 2022					Period	Danske Bank	Consensus	Previous
8:00	NOK	Retail sales, s.a.	m/m	Oct	-0.7%			0.1%
10:00	EUR	Money supply (M3)	y/y	Oct		6.1%		6.3%
10:00	EUR	Loans to households (adj. for sales and sec.)	%	Oct		6.1%		6.3%
10:00	EUR	Loans to NFCs (adj. for sales and sec.)	%	Oct		6.1%		6.3%
17:30	USD	Fed's George speaks						
18:00	USD	Fed's Bullard speaks						
18:00	USD	Fed's Williams speaks						
Tuesday, November 29, 2022					Period	Danske Bank	Consensus	Previous
0:30	JPY	Unemployment rate	%	Oct		2.5%		2.6%
0:30	JPY	Job-to-applicant ratio		Oct		1.35		1.34
0:50	JPY	Retail trade	m/mly/y	Oct		1.0% 5.0%		1.5% 4.8%
8:00	SEK	Retail sales s.a.	m/mly/y	Oct				-0.4% -5.9%
8:00	SEK	GDP	q/qly/y	3rd quarter	0.7% 2.6%			0.9% 3.8%
8:00	SEK	Trade balance	SEK bn	Oct				-1.8
9:00	ESP	HICP, preliminary	m/mly/y	Nov				0.1% 7.3%
9:00	SEK	Consumer confidence	Index	Nov				48.3
9:00	SEK	Economic Tendency Survey	Index	Nov				84.6
9:00	SEK	Manufacturing confidence	Index	Nov				105.1
9:00	CHF	GDP	q/qly/y	3rd quarter		0.3%		0.3% 2.8%
11:00	EUR	Industrial confidence	Net bal.	Nov				-1.2
11:00	EUR	Economic confidence	Index	Nov		93.0		92.5
11:00	EUR	Consumer confidence, final	Net bal.	Nov				-23.9
11:00	EUR	Service confidence	Net bal.	Nov				1.8
14:00	DEM	HICP, preliminary	m/mly/y	Nov		0.1% 11.3%		1.1% 11.6%
14:30	CAD	GDP	m/mly/y	Sep				0.1% 4.0%
15:00	USD	FHFA house price index	m/m	Sep		-1.3%		-0.7%
16:00	USD	Conference Board consumer confidence	Index	Nov		100.0		102.5
Wednesday, November 30, 2022					Period	Danske Bank	Consensus	Previous
0:30	USD	Fed's George speaks						
0:50	JPY	Industrial production, preliminary	m/mly/y	Oct		-1.8% 5.2%		-1.7% 9.6%
2:30	CNY	PMI manufacturing	Index	Nov		49.2		49.2
2:30	CNY	PMI non-manufacturing	Index	Nov		48.0		48.7
8:00	DKK	GDP, preliminary	q/qly/y	3rd quarter				0.9%
8:00	SEK	Wages (blue collars/white collars)	y/y	Sep				3.0%
8:00	DKK	Gross unemployment s.a.	K [%]	Oct				0.025
8:45	FRF	Household consumption	m/mly/y	Oct				1.2% -3.0%
8:45	FRF	HICP, preliminary	m/mly/y	Nov		- 7.2%		1.2% 7.1%
8:45	FRF	GDP, final	q/qly/y	3rd quarter				0.2% 1.0%
9:00	CHF	KOF leading indicator	Index	Nov		89.5		90.9
9:55	DEM	Unemployment	%	Nov				5.5%
10:00	NOK	Norges Bank's daily FX purchases	m	Dec				3700
10:00	ITL	GDP, final	q/qly/y	3rd quarter				0.5% 2.6%
11:00	ITL	HICP, preliminary	m/mly/y	Nov		- 11.9%		3.8% 12.6%
11:00	EUR	HICP inflation, preliminary	m/mly/y	Nov		0.3%		1.5%
11:00	EUR	HICP - core inflation, preliminary	y/y	Nov	5.0%	5.0%		5.0%
11:00	EUR	HICP inflation, preliminary	y/y	Nov	10.8%	10.6%		10.7%
12:00	EUR	Portugal, GDP, final	q/qly/y	3rd quarter				0.4% 4.9%
14:15	USD	ADP employment	1000	Nov		195		239
14:30	USD	GDP, ___ release	q/q AR	3rd quarter	0.026	0.027		0.026
14:30	USD	Advance goods trade balance	USD bn	Oct		-90.2		-92.2
14:30	USD	PCE core	q/q AR	3rd quarter				0.045
14:50	USD	Fed's Bowman speaks						
15:45	USD	Chicago PMI	Index	Nov		47.0		45.2
16:00	USD	Pending home sales	m/mly/y	Oct		-5.2%		-10.2% -30.4%
16:30	USD	DOE U.S. crude oil inventories	K					-3690
19:30	USD	Fed chair Powell speaks						
19:30	USD	Fed chair Powell speaks						
23:30	USD	Fed's George speaks						

Source: Danske Bank

# Calendar

Thursday, December 1, 2022				Period	Danske Bank	Consensus	Previous
-	EUR	Ireland, GDP	q/q y/y	3rd quarter			1.8% 11.1%
-	USD	Total vehicle sales	m	Nov		14.9	14.9
1:30	JPY	Nikkei Manufacturing PMI, final	Index	Nov			49.4
2:45	CNY	Caixin PMI manufacturing	Index	Nov		48.9	49.2
6:00	JPY	Consumer confidence	Index	Nov		30.2	29.9
7:00	EUR	S&P may publish Netherlands's debt rating		Nov			
8:00	DEM	Retail sales	m/m y/y	Oct		-0.6% -3.7%	1.0% -0.6%
8:30	CHF	CPI	m/m y/y	Nov		_ 3.0%	0.1% 3.0%
8:30	SEK	PMI manufacturing	Index	Nov			46.8
9:15	EUR	S&P may publish Spain's debt rating		Nov			
9:15	ESP	PMI manufacturing	Index	Nov			44.7
9:45	ITL	PMI manufacturing	Index	Nov			46.5
9:45	EUR	S&P may publish Italy's debt rating		Nov			
9:50	FRF	PMI manufacturing, final	Index	Nov		49.1	49.1
9:50	EUR	S&P may publish France's debt rating, final		Nov		49.1	
9:55	DEM	PMI manufacturing, final	Index	Nov		46.7	46.7
9:55	EUR	S&P may publish Germany's debt rating, final		Nov		46.7	
10:00	NOK	PMI manufacturing	Index	Nov			53.1
10:00	EUR	PMI manufacturing, final	Index	Nov		47.3	47.3
10:00	EUR	S&P may publish Greece's debt rating		Nov			
10:30	GBP	PMI manufacturing, final	Index	Nov		46.2	46.2
11:00	EUR	Unemployment	%	Oct		6.6%	6.6%
14:30	USD	Initial jobless claims	1000				240
14:30	USD	Personal spending	m/m	Oct		0.8%	0.6%
14:30	USD	PCE core	m/m y/y	Oct	0.3% 5.0%	0.3% 5.0%	0.5% 5.1%
14:30	USD	PCE headline	m/m y/y	Oct	0.4% 6.0%	0.4% 6.0%	0.3% 6.2%
15:30	CAD	RBC manufacturing PMI	Index	Nov			48.8
15:30	USD	Fed's Bowman speaks					
15:45	USD	Markit PMI manufacturing, final	Index	Nov			47.6
16:00	USD	Construction spending	m/m	Oct		-0.2%	0.2%
16:00	USD	ISM manufacturing	Index	Nov		49.8	50.2
Friday, December 2, 2022				Period	Danske Bank	Consensus	Previous
10:00	NOK	Unemployment	%	Nov	1.7%		1.6%
11:00	EUR	PPI	m/m y/y	Oct			41.9% 1.6%
14:30	CAD	Net change in full time employment	1000	Nov			119.3
14:30	USD	Unemployment	%	Nov		3.7%	3.7%
14:30	USD	Average hourly earnings, non-farm	m/m y/y	Nov		0.3% 4.6%	0.4% 4.7%
14:30	USD	Non farm payrolls	1000	Nov	220	200	261
15:00	USD	Fed's George speaks					
16:15	USD	Fed's Evans speaks					
17:00	DKK	Currency reserves	DKK bn	Nov			563.6
20:00	USD	Fed's Evans speaks					

Source: Danske Bank

# Macroeconomic forecast

## Macro forecast. Scandinavia

	Year	GDP <sup>1</sup>	Private cons. <sup>1</sup>	Public cons. <sup>1</sup>	Fixed inv. <sup>1</sup>	Ex-ports <sup>1</sup>	Im-ports <sup>1</sup>	Infla-tion <sup>1</sup>	Wage growth <sup>1</sup>	Unem-ploym <sup>3</sup>	Public budget <sup>4</sup>	Public debt <sup>4</sup>	Current acc. <sup>4</sup>
Denmark	2021	4.9	4.3	4.2	6.2	8.0	8.0	1.9	3.0	3.6	3.6	36.6	8.2
	2022	3.0	-1.5	0.4	4.8	5.3	3.7	7.9	3.5	2.7	1.3	31.8	10.0
	2023	-0.6	-1.0	-0.2	-2.1	1.7	1.5	4.9	4.0	3.2	1.0	30.2	9.0
Sweden	2021	4.6	5.9	2.5	6.0	7.6	9.3	2.2	2.7	8.8	-0.1	37.5	5.2
	2022	2.4	3.4	-0.3	4.6	4.9	8.7	8.0	2.5	7.4	0.7	31.0	3.7
	2023	-1.2	-1.3	1.1	-2.2	2.4	1.8	6.1	2.8	8.2	-0.9	31.0	4.1
Norway	2021	4.1	4.5	4.9	-1.2	5.5	1.7	3.5	3.5	3.2	-	-	-
	2022	2.8	4.6	0.9	1.0	3.0	8.0	5.5	4.1	1.8	-	-	-
	2023	0.9	0.9	1.3	4.0	3.0	3.5	3.4	4.2	2.4	-	-	-

## Macro forecast. Euroland

	Year	GDP <sup>1</sup>	Private cons. <sup>1</sup>	Public cons. <sup>1</sup>	Fixed inv. <sup>1</sup>	Ex-ports <sup>1</sup>	Im-ports <sup>1</sup>	Infla-tion <sup>1</sup>	Wage growth <sup>1</sup>	Unem-ploym <sup>3</sup>	Public budget <sup>4</sup>	Public debt <sup>4</sup>	Current acc. <sup>4</sup>
Euro area	2021	5.3	3.7	4.3	3.7	10.5	8.3	2.6	4.1	7.7	-5.1	97.2	3.5
	2022	3.1	3.9	2.2	3.1	6.4	7.7	8.5	4.0	6.7	-3.7	93.7	1.5
	2023	0.3	0.6	2.4	2.3	2.7	4.9	5.8	3.4	6.8	-2.5	92.5	1.9
Germany	2021	2.6	0.4	3.8	1.0	9.5	8.9	3.2	3.4	3.6	-3.7	68.6	7.4
	2022	1.5	4.1	4.6	0.7	2.0	6.7	8.8	3.3	3.0	-2.5	66.4	3.7
	2023	-0.1	0.2	3.2	2.0	2.0	4.8	6.5	3.9	3.0	-1.0	64.5	4.6
Finland	2021	3.0	3.7	2.9	1.5	5.4	6.0	2.2	2.3	7.7	-2.7	72.4	0.6
	2022	2.0	2.0	3.0	3.5	0.5	4.0	6.6	2.6	6.8	-3.1	70.6	-2.6
	2023	-0.2	0.1	1.0	0.5	-0.5	0.5	3.7	3.5	7.3	-2.6	71.3	-1.4

## Macro forecast. Global

	Year	GDP <sup>1</sup>	Private cons. <sup>1</sup>	Public cons. <sup>1</sup>	Fixed inv. <sup>1</sup>	Ex-ports <sup>1</sup>	Im-ports <sup>1</sup>	Infla-tion <sup>1</sup>	Wage growth <sup>1</sup>	Unem-ploym <sup>3</sup>	Public budget <sup>4</sup>	Public debt <sup>4</sup>	Current acc. <sup>4</sup>
USA	2021	5.9	8.3	0.6	7.4	6.1	14.1	4.7	4.2	5.4	-12.4	126.9	-3.5
	2022	1.9	2.6	-0.9	-0.1	7.4	8.5	8.1	5.2	3.6	-4.2	124.0	-3.5
	2023	0.1	-0.1	1.1	-3.1	-0.2	-4.4	4.1	4.2	4.0	-3.8	121.0	-3.2
China	2021	8.0	10.2	-	5.2	-	-	0.7	5.0	-	-5.6	68.9	3.0
	2022	3.3	4.8	-	3.0	-	-	2.5	5.0	-	-7.7	77.8	1.1
	2023	4.9	6.5	-	5.0	-	-	2.5	5.5	-	-7.1	81.8	1.0
UK	2021	7.5	6.2	12.6	5.6	-0.3	2.8	2.6	5.1	4.5	-5.4	95.6	-2.6
	2022	4.0	4.8	1.3	8.1	0.7	14.7	8.4	4.4	3.6	-3.9	95.5	-4.8
	2023	-0.2	-0.3	1.2	-1.9	-2.4	-2.4	5.6	3.3	4.1	-1.9	97.0	-3.7
Japan	2021	1.7	1.1	2.1	-1.2	11.9	5.1	-0.2	-	2.8	-	-	-
	2022	1.3	2.8	1.5	-1.6	4.9	6.6	2.1	-	2.6	-	-	-
	2023	1.5	1.3	0.3	1.9	4.4	2.5	2.2	-	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	25-Nov	4.00	4.76	4.82	3.69	103.9	-	715.6	991.4	1042.6
	+3m	4.75	5.29	4.90	4.25	98.0	-	759.2	1081.6	1122.4
	+6m	5.25	5.40	4.80	4.15	95.0	-	783.7	1073.7	1178.9
	+12m	5.25	5.30	4.70	3.95	93.0	-	801.1	1053.8	1182.8
EUR	25-Nov	1.50	1.92	2.89	2.65	-	103.9	743.7	1030.3	1083.4
	+3m	2.50	2.61	3.15	3.15	-	98.0	744.0	1060.0	1100.0
	+6m	2.50	2.62	3.05	3.15	-	95.0	744.5	1020.0	1120.0
	+12m	2.50	2.62	2.95	2.80	-	93.0	745.0	980.0	1100.0
JPY	25-Nov	-0.10	-0.05	0.18	0.64	120.5	139.5	6.17	8.55	8.99
	+3m	-0.10	-	-	-	141.1	144.0	5.27	7.51	7.79
	+6m	-0.10	-	-	-	132.1	139.0	5.64	7.72	8.48
	+12m	-0.10	-	-	-	120.9	130.0	6.16	8.11	9.10
GBP*	25-Nov	3.00	-	4.37	3.33	86.0	120.9	865.0	1198.4	1260.2
	+3m	3.75	-	4.50	4.20	88.0	111.4	845.5	1204.5	1250.0
	+6m	3.75	-	4.50	4.20	87.0	109.2	855.7	1172.4	1287.4
	+12m	3.75	-	4.40	4.00	86.0	108.1	866.3	1139.5	1279.1
CHF*	25-Nov	0.50	-	1.24	1.63	98.3	94.6	756.3	1047.8	1101.8
	+3m	1.25	-	-	-	97.0	99.0	767.0	1092.8	1134.0
	+6m	1.25	-	-	-	96.0	101.1	775.5	1062.5	1166.7
	+12m	1.25	-	-	-	94.0	101.1	792.6	1042.6	1170.2
DKK	25-Nov	1.25	2.21	3.06	2.79	743.65	715.62	-	138.54	145.69
	+3m	2.25	2.75	3.40	3.35	744.00	759.18	-	142.47	147.85
	+6m	2.25	2.75	3.30	3.35	744.50	783.68	-	137.00	150.44
	+12m	2.25	2.75	3.20	3.00	745.00	801.08	-	131.54	147.65
SEK	25-Nov	1.75	2.42	3.16	2.71	1083.4	1042.6	68.6	95.1	100.0
	+3m	2.50	2.55	3.20	3.20	1100.0	1122.4	67.6	96.4	-
	+6m	2.75	2.80	3.20	3.30	1120.0	1178.9	66.5	91.1	-
	+12m	2.75	2.80	3.10	3.30	1100.0	1182.8	67.7	89.1	-
NOK	25-Nov	2.50	3.56	3.90	3.29	1030.3	991.4	72.2	100.0	105.2
	+3m	2.75	3.41	3.80	3.85	1060.0	1081.6	70.2	-	103.8
	+6m	2.75	2.95	3.60	3.60	1020.0	1073.7	73.0	-	109.8
	+12m	2.75	3.01	3.40	3.45	980.0	1053.8	76.0	-	112.2

\*Notes: GBP swaps are SONIA and CHF swaps are SHARON.

We have updated our Norges Bank forecasts after yesterday's Norges Bank meeting but not yet our Norwegian yield outlook

## Commodities

	25-Nov	2022				2023				Average	
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2022	2023
ICE Brent	87	98	112	105	100	95	95	95	95	104	95

Source Danske Bank

## Disclosures

This research report has been prepared by Danske Bank A/S ('Danske Bank'). The author of this research report is Allan von Mehren, Chief Analyst.

### Analyst certification

Each research analyst responsible for the content of this research report certifies that the views expressed in the research report accurately reflect the research analyst's personal view about the financial instruments and issuers covered by the research report. Each responsible research analyst further certifies that no part of the compensation of the research analyst was, is or will be, directly or indirectly, related to the specific recommendations expressed in the research report.

### Regulation

Danske Bank 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 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 on request.

Danske Bank's research reports are prepared in accordance with the recommendations of the Danish Securities Dealers Association.

### Conflicts of interest

Danske Bank has established procedures to prevent conflicts of interest and to ensure the provision of high-quality research based on research objectivity and independence. These procedures are documented in Danske Bank's research policies. Employees within Danske Bank's Research Departments have been instructed that any request that might impair the objectivity and independence of research shall be referred to Research Management and the Compliance Department. Danske Bank's Research Departments are organised independently from and do not report to other business areas within Danske Bank.

Research analysts are remunerated in part based on the overall profitability of Danske Bank, which includes investment banking revenues, but do not receive bonuses or other remuneration linked to specific corporate finance or debt capital transactions.

Danske Bank is a market maker and liquidity provider and may hold positions in the financial instruments mentioned in this research report.

Danske Bank, its affiliates and subsidiaries are engaged in commercial banking, securities underwriting, dealing, trading, brokerage, investment management, investment banking, custody and other financial services activities, may be a lender to the companies mentioned in this publication and have whatever rights are available to a creditor under applicable law and the applicable loan and credit agreements. At any time, Danske Bank, its affiliates and subsidiaries may have credit or other information regarding the companies mentioned in this publication that is not available to or may not be used by the personnel responsible for the preparation of this report, which might affect the analysis and opinions expressed in this research report.

### Financial models and/or methodology used in this research report

Calculations and presentations in this research report are based on standard econometric tools and methodology as well as publicly available statistics for each individual fixed income asset.

We base our conclusion on an estimation of the financial risk profile of the financial asset. By combining these risk profiles with market technical and financial asset-specific issues such as rating, supply and demand factors, macro factors, regulation, curve structure, etc., we arrive at an overall view and risk profile for the specific financial asset. We compare the financial asset to those of peers with similar risk profiles and on this background, we estimate whether the specific financial asset is attractively priced in the specific market. We express these views through buy and sell recommendations. These signal our opinion about the financial asset's performance potential in the coming three to six months.

More information about the valuation and/or methodology and the underlying assumptions is accessible via <https://danskeci.com/ci/research/research-disclaimer>. Select *Fixed Income Research Methodology*.

### Risk warning

Major risks connected with recommendations or opinions in this research report, including a sensitivity analysis of relevant assumptions, are stated throughout the text.

### Completion and first dissemination

The completion date and time in this research report mean the date and time when the author hands over the final version of the research report to Danske Bank's editing function for legal review and editing.

The date and time of first dissemination mean the date and estimated time of the first dissemination of this research report. The estimated time may deviate up to 15 minutes from the effective dissemination time due to technical limitations.

See the final page of this research report for the date and time of completion and first dissemination.

### Validity time period

This communication as well as the communications in the list referred to below are valid until the earlier of (a) dissemination of a superseding communication by the author, or (b) significant changes in circumstances following its dissemination, including events relating to the market or the issuer, which can influence the price of the issuer or financial instrument.

### Investment recommendations disseminated in the preceding 12-month period

A list of previous investment recommendations disseminated by the lead analyst(s) of this research report in the preceding 12-month period can be found at <https://danskeci.com/ci/research/research-disclaimer>. Select *Fixed Income Trade Recommendation History*

Other previous investment recommendations disseminated by Danske Bank are also available in the database.

See <https://danskeci.com/ci/research/research-disclaimer> for further disclosures and information.

This research has been prepared by Danske Bank A/S. It 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 (i.e. financial instruments mentioned herein or other financial instruments of any issuer mentioned herein and/or options, warrants, rights or other interests with respect to any such financial instruments) ('Relevant Financial Instruments').

This research report has been prepared independently and solely on the basis of publicly 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 research report 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 research report.

The opinions expressed herein are the opinions of the research analysts and reflect their opinion as of the date hereof. These opinions are subject to change and Danske Bank A/S does not undertake to notify any recipient of this research report of any such change nor of any other changes related to the information provided in this research report.

This research report is not intended for, and may not be redistributed to, retail customers in the United Kingdom (see separate disclaimer below) and retail customers in the European Economic Area as defined by Directive 2014/65/EU.

This research report 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's prior written consent.

## Disclaimer related to distribution in the United States

This research report 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 research report 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 research report in connection with distribution in the United States solely to 'U.S. institutional investors'.

Danske Bank A/S is not subject to U.S. rules with regard to the preparation of research reports and the independence of research analysts. In addition, the research analysts of Danske Bank A/S who have prepared this research report are not registered or qualified as research analysts with the New York Stock Exchange or Financial Industry Regulatory Authority but satisfy the applicable requirements of a non-U.S. jurisdiction.

Any U.S. investor recipient of this research report 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.

## Disclaimer related to distribution in the United Kingdom

In the United Kingdom, this document 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 document 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.

**Report completed:** 25 November 2022, 13:50 CET

**Report first disseminated:** 25 November 2022, 14:00 CET