

New Europe Weekly

Painful rebalancing ahead

In recent years there has been a very significant increase in economic imbalances in most CEE countries. However, we are now in a rebalancing phase, in which these imbalances are being reduced. In some countries this rebalancing process is proving to be quite swift, but also painful. One only needs to point to the massive drop in domestic demand in countries like Latvia to demonstrate how painful this adjustment can be.

Fundamentally, what we are now witnessing across CEE is an unavoidable process. Imbalances had reached an unsustainable size, and the rebalancing had to happen sooner or later – one way or another.

There are basically three ways to adjust large external imbalances. First, external demand boosts exports. This should currently be seen largely as a hope rather than a realistic option. With the global economy still in crisis, this option is not a feasible solution to CEE imbalances.

Second, and more realistically, external imbalances can be reduced by a drop in domestic demand. This has already happened across CEE, but there are very large differences across the region in the magnitude of this adjustment. Most notable has been the slump in domestic demand in the Baltic countries where the adjustment has been underway since mid-2007. In other countries in the region that badly need to adjust, this process has only started within the last couple of months. Especially in Romania and Bulgaria, the adjustment process has been long overdue, but is now happening very fast. Hence since Q4 08, domestic demand has fallen sharply in both Romania and Bulgaria. However, compared to the adjustment in the Baltic States, the unavoidable fall in domestic demand in Romania and Bulgaria is far from over.

The third channel by which to rebalance the CEE economies is through a sharp currency depreciation. This option can be “utilised” in the CEE countries that are running floating exchange rate regimes. Paradoxically, those CEE countries with floating exchange rate regimes also tend to be those with the smallest external imbalances (like Poland and the Czech Republic) while the countries with the largest imbalances (like the Baltic States and Bulgaria) have opted for fixed exchange rates regimes. Therefore – at least for now – the Baltic States and Bulgaria have decided to make the entire adjustment of their external imbalances via a sharp drop in domestic demand, and have refused to use currency adjustment. However, the recent turmoil in Latvian markets shows that the markets are not convinced that it is possible reduce large external balances by relying only on a major decline in domestic demand.

Key points for next week

- Busy week in terms of economic data ahead.
- May inflation and other important economic indicators due for release in Poland next week. See page 4.
- Plenty of important economic data out of Russia next week. See page 6.
- Turkish central bank MPC meeting on Tuesday will most likely bring further rate cuts. See page 7.
- Latvian parliament will vote on revised 2009 budget on Wednesday.

Editor in Chief
Chief Analyst: Lars Christensen
+45 45 12 85 30
larch@danskebank.dk

Calendar

EMEA Data and Events in Week25

Monday, June 15, 2009				Period	Danske Bank	Consensus	Previous
CZK	9:00	PPI	y/y	May		-3.5%	-2.5%
CZK	9:00	Retail sales	y/y	Apr		-3.0%	-1.1%
TRY	9:00	Unemployment rate	%	Mar			16.1%
EEK	11:00	Current account	bn. EEK	Apr			-0.6
LVL	12:00	Current account	m. LVL	Apr			1.4
PLN	14:00	CPI	y/y	May	3.7%	3.7%	4.0%
Tuesday, June 16, 2009				Period	Danske Bank	Consensus	Previous
RUB	-	Industrial production trend	y/y	May	-16.1%	-15.9%	
TRY	18:00	Turkish central bank to announce rate decision	%		8.50%	9.00%	9.25%
Wednesday, June 17, 2009				Period	Danske Bank	Consensus	Previous
LTL	-	Current account	m. EUR	Apr			10.0
LVL	-	Latvian Parliament votes on second reading of the revised 2009 budget					
RUB	-	Unemployment	%	May	10.4%	10.3%	10.2%
RUB	-	Real wages	y/y	May	-5.0%	-4.0%	-3.0%
RUB	-	Retail sales	y/y	May	-6.5%	-6.2%	-5.3%
RUB	-	Disposable income	y/y	May	-1.5%	-1.3%	-0.1%
CZK	-	3-year government bond auction					
CZK	10:00	Current account	bn. CZK	Apr		-5.25	5.68
ZAR	11:00	Retail sales	y/y	Apr		-5.5%	-5.3%
PLN	14:00	Current account	Euro mil	Apr	-8	-10	75
PLN	14:00	Trade balance	EUR mil	Apr	-150	-181	-77
Thursday, June 18, 2009				Period	Danske Bank	Consensus	Previous
ZAR	10:00	Current account balance	bn. ZAR	1st quarter		-136.0	-137.3
ZAR	10:00	Current account % GDP	%	1st quarter		-6.0%	-5.8%
ZAR	11:00	SARB releases quarterly bulletin					
PLN	14:00	Wages	y/y	May	4.7%	5.0%	4.8%
PLN	14:00	Employment	y/y	May	-1.8%	-1.7%	-1.4%
Friday, June 19, 2009				Period	Danske Bank	Consensus	Previous
HUF	9:00	Wages	y/y	Apr			4.3%
LVL	12:00	Producer prices	y/y	May			-2.6%
PLN	14:00	Producer prices	y/y	May	4.5%	4.5%	5.1%
PLN	14:00	Industrial production	y/y	May	-9.0%	-6.1%	-12.4%

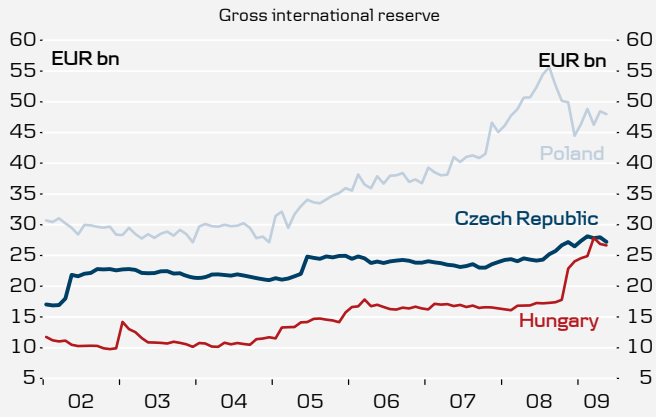
The editors do not guarantee the accurateness of figures, hours or dates stated above

Note that all releases are CET.

Source: Danske Research

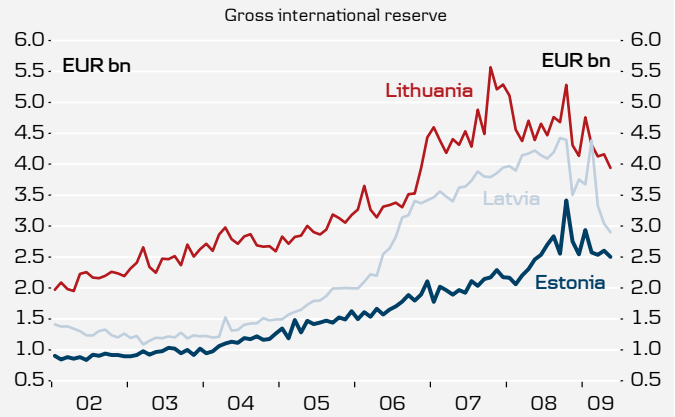
Focus: FX reserves overview

Stable reserves in Visegrad countries



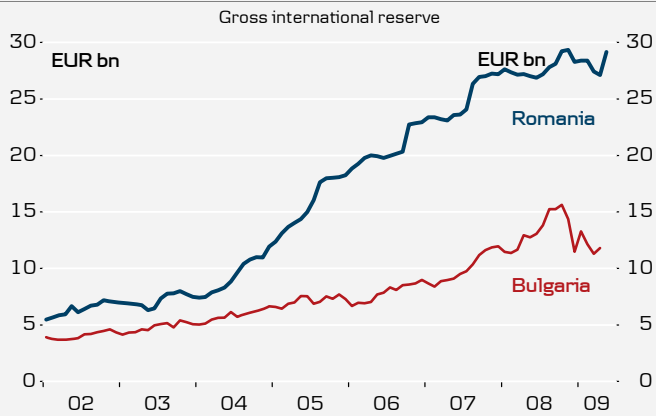
Source: Reuters Ecowin and Danske Markets

FX reserves dropped especially in Lithuania and Latvia



Source: Reuters Ecowin and Danske Markets

Bulgarian reserves have declined since crisis outbreak



Source: Reuters Ecowin and Danske Markets

Russian reserves to drop further on capital outflows



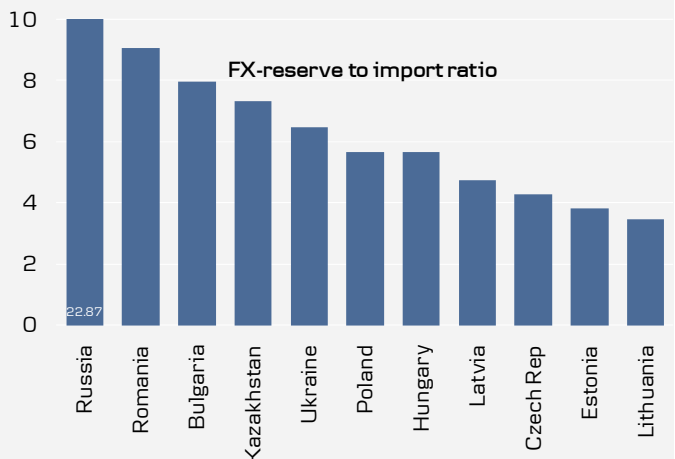
Source: Reuters Ecowin and Danske Markets

A costly defence of the Ukrainian hryvnia



Source: Reuters Ecowin and Danske Markets

Number of months that FX-reserve can cover imports



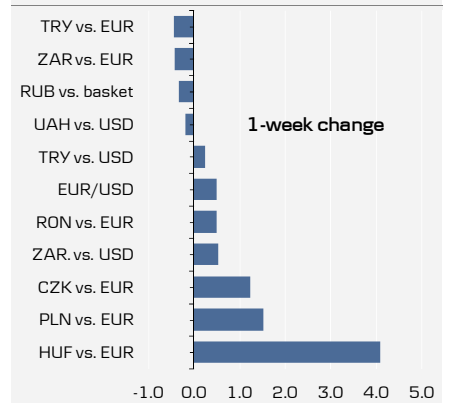
Source: Reuters Ecowin and Danske Markets

Note: Imports are based on six-month average

Market update

- Newsflow out of the Baltic States – Latvia – has been a key driver for CEE markets over the past couple of weeks. This week got off to a nervous start as market participants increased speculation that Latvia would fail to receive about EUR1.7bn in loans from the International Monetary Fund (IMF) including funds from the European Commission (EC) – failing to receive this tranche could push Latvia into bankruptcy according to the Latvian prime minister, Valdis Dombrovskis.
- Increasing nervousness fuelled weakness across the board in CEE at the beginning of the week. Money market rates were pushed up to exorbitant levels especially in LVL markets, but also in LTL and EEK, where local currency has become increasingly scarce. During the week, LVL O/N rates have settled markedly above 100% and fixing rates are not indicative at the moment for market pricing. Further, there were very limited bids at a Latvian government bond auction at the beginning of the week (bid to cover was roughly 5%). However, on Wednesday and Thursday, the Latvian government managed to sell short-term bills (worth LVL15m each and one-month maturity) around 13.50% although, according to announcements, bids only came from a limited number of market participants.
- During the week the Latvian government put forward a proposal to cut public spending another LVL500m (USD1bn) – roughly 3.5% of GDP – including higher income taxes and lower public spending (including 20% pay reduction). That sparked renewed hope that Latvia may receive the loan soon. The Latvian parliament plans to vote on the proposed tightening on Wednesday (17 June), although today Mr Dombrovskis said that the vote might take place on Monday (15 June). This, along with improved data out of China and the US, has eased tensions in CEE markets over the past couple of days.
- While most EMEA currencies overall have strengthened during the week, the **Hungarian forint** in particular outperformed after a soft performance in recent weeks. HUF strengthened more than 4% against EUR over the week, while other **CEE floating FX rates are 0.5-1.0% stronger**. Hungarian inflation surprised on the upside this week – see *comment* – and we do not believe that the Hungarian central bank will be able to lower policy rates in the near future. Markets are pricing aggressively for a cut for over the next 6-12 months (roughly 175bp), and we think this is far too optimistic given the inflation outlook and need for financial stability. **Hence we say value in betting for higher Hungarian rates.**
- The **South African rand** is still doing well, while the **Turkish lira's** performance is hampered a little on increasing speculation that Turkey might not opt for a deal with the IMF about a loan. The **Russian rouble** remains stable, supported by high oil prices and the Russian central bank (CBR) utilises the situation to build up FX reserves rather than allow excessive rouble strengthening.
- Overall the global risk sentiment looks benign and this should be supportive for EMEA FX markets in the short term. However, we would like to reiterate that local event risks – especially relating to Latvia – are still high. The newsflow could easily sour again on the back of this.

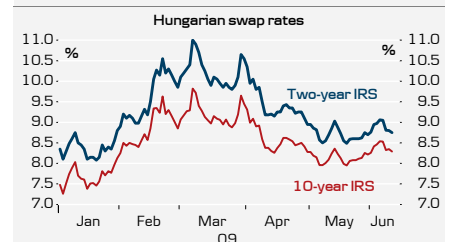
HUF outperformed this week



Data updated: 12/06 - CET: 11:37

Source: Reuters Ecowin and Danske Markets

Hungarian rates should rise



Source: Reuters Ecowin and Danske Markets

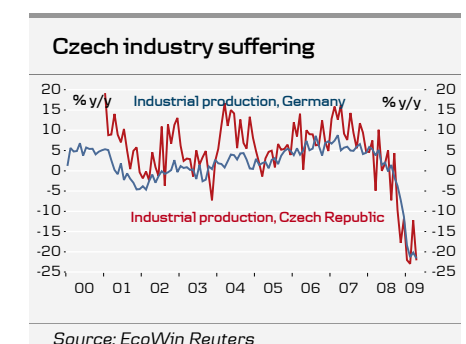
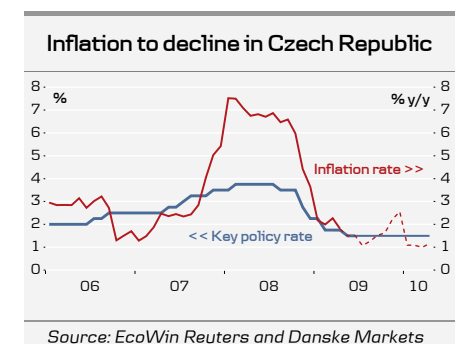
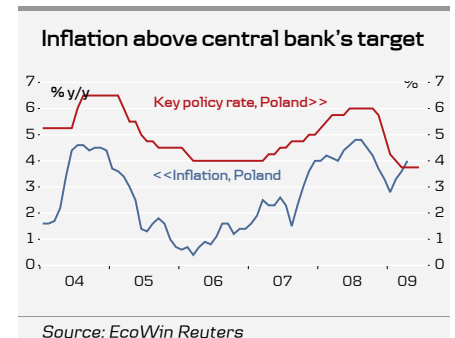
CEE: Inflation remains above target in Poland

Poland

- It will be a busy week in terms of Polish data next week. On Monday we will get inflation numbers for May, which we expect to have eased to 3.7% y/y from 4.0% y/y in April. This decline is mostly due to base effects, but weaker domestic demand is also beginning to drag down inflation. That said, we expect inflation to remain around 3½-4% for the rest of the year. In fact the recent rise in oil prices could push inflation above 4% for some time. Hence, we see little chance that inflation will drop below the Polish central bank's inflation target of 2½% in the near future. Despite elevated inflation, a number of the Polish central bank officials have recently signaled that more monetary easing is on the cards, and we therefore expect an additional rate cut of 25bp at the upcoming Monetary Council Meeting later this month.
- The situation in the Polish labour market has clearly deteriorated and this is putting downward pressure on Polish wage growth, which we forecast to have eased to 4.7% y/y in May, down from 4.8% y/y in April. Similarly we expect employment to have dropped 1.8% y/y in May – following -1.4% y/y in April. The fact that inflation remains elevated and wage growth is easing means that real wage growth is likely to turn negative in the coming months; and with employment falling, the real wage sum in the Polish economy is likely to drop significantly this year. Until now Polish consumers have remained relatively robust, but the outlook for a slump in the real wage sum will, in our view, put significant downward pressure on private consumption in Poland in the coming months.
- The Polish manufacturing sector has taken a serious hit from lower exports on the back of the global financial crisis. That said, Polish industry seems to be holding up at least moderately better than for example Slovak or Czech industry. We see two reasons for this. First, Polish industry is less “car intensive” than in Slovakia and the Czech Republic, where car production is the main export (car sales have been hit particularly hard by the global crisis). Second, the sharp weakening of the zloty has undoubtedly helped Polish exporters. We expect Polish industrial production to have dropped by 9.0% y/y in April.

Czech Republic

- The final industrial production figures for April showed a 22.1% y/y fall. The final reading was slightly better than flash estimate of -23.2% y/y published at the end of May, but still the final outcome represents a further sharp decline compared to the revised March figure of -12.2% y/y. Yet again the main culprits behind the slump were production of both motor vehicles, and machinery and equipment. New orders declined by 26.7% y/y with the biggest decline in the car division. Looking ahead, there is still no signs of stabilisation for Czech industry. Taking into account that the main export market for the Czech Republic – Germany – is in recession, with industrial production deeply in the red, we cannot expect either stabilisation or recovery any time soon.



Baltic States: fast adjustment in external gap

Estonia

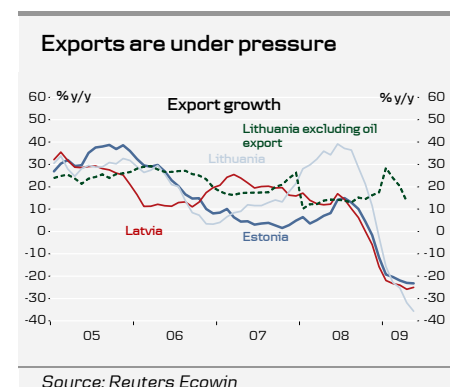
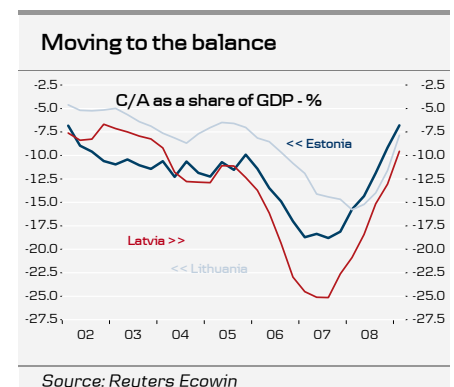
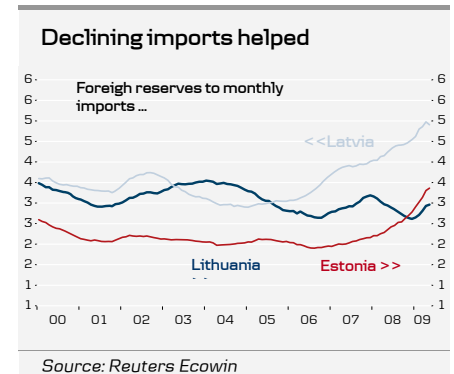
- According to the most recent foreign trade data in April, the foreign trade deficit dropped by 50% y/y. Estonian exports decreased by 38% y/y and imports by 41% y/y. Exports to EU countries decreased by 35% and to so-called third countries by 45% y/y. The current account (C/A) gap practically closed in March and is expected to reach a surplus position in April. The external balance indicators show domestic demand continued its sharp adjustment as imports are dropping much faster than exports. We expect C/A will reach almost balance position for the whole year as well.
- The good news for the Estonian economy is that the new budget draft successfully completed the second reading in parliament despite strong opposition objections. This increases the chance that it will finally be passed after the third reading, planned for 17 June.

Lithuania

- Monthly current account figures are due out next week. Foreign trade data for April already indicated an improvement in the trade balance due to a sharp drop in imports by 50% y/y, while exports declined by 40% y/y. It should be noted that, excluding the oil sector, the deterioration in Lithuanian export activity was less visible compared with other Baltic states but the general trend has been the same. Under the very low external demand conditions, a sharp drop in export activities is a 'natural' trend and not necessarily an external competitiveness issue at least in the current climate.
- We were expecting a significant improvement in the C/A position to reach a small surplus in this year. However, due to the danger of a significant rise in energy product import prices, it might deteriorate marginally in 2010.

Latvia

- In April exports from Latvia dropped by 31% y/y, while imports fell by 46% y/y. As in other Baltic countries, this leads to an improvement in current account sustainability. Thus, despite a sharp drop in external reserves, the FX reserve can cover rising imports for almost the next five months. However, in view of the current tensions in the money market, there is no reason to consider this level as a given.
- According to a new budget draft, the Latvian government is going to raise the VAT rate to 23%; many income tax exemptions will be eliminated and finally some progressivity in incomes taxes will be applied. These measures are part of the new fiscal tightening programme which accounted for around LVL500m. It is still unclear when these highly unpopular measures will be passed through the parliament. However, it is planning new regulations to come into effect 1 July.

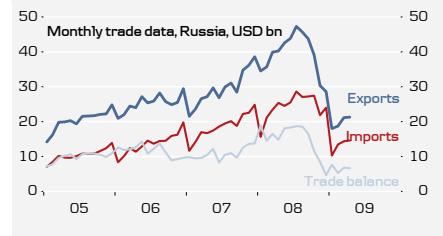


CIS: Sell US bonds, buy IMF bonds

Russia

- The Russian central bank (CBR) this week restated that Russia plans to reduce its share of reserves invested in US Treasuries. Deputy Chairman, Alexei Ulyukayev, said Wednesday that just over 30% of reserves are presently invested in US Treasuries. The CBR has said nothing about how many Treasuries they will sell. The CBR aims to place reserves on deposit and invest in bonds issued by the International Monetary Fund (IMF).
- This week brought interesting comments regarding the rouble. Putin said that he was surprised by the recent strengthening – so are we – and the CBR added that it will take no special measures to stop the rouble appreciating. These comments most likely remove some of the uncertainties regarding recent comments from Russian authorities expressing concerns about the strength of the rouble, and should be viewed as moderately positive for the currency. However, we still think that the government and the CBR would not be very happy to see further RUB appreciation as this hurts competition and increases the risks of a larger RUB sell-off later in the year – should oil prices drop or risks relating to refinancing external debt rise. Hence if sentiment continues to support a stronger rouble, it is likely that the CBR will carry on building up FX reserves rather than allowing market forces to push the rouble stronger. Should sentiment however turn more negative, the rouble is likely to depreciate from here. Weekly FX reserves rose to USD 409.5bn (as of June 5) from USD 401.1bn in the previous week. Reserves have thus risen almost USD 30bn from a low of USD 380.6bn in late April
- This week Putin said that Russia would only join WTO as part of a trade bloc with Kazakhstan and Belarus. This turnaround could add another significant delay to Russia's entry into the WTO.
- On the data front, releases showed that Russia's foreign trade surplus surprisingly fell to USD 6.7bn in April from USD 6.8bn in March. While imports (USD 14.6bn) were roughly flat as we had anticipated, exports (USD 21.3bn) did not rise significantly despite higher oil prices. Exports are roughly half the level of a year ago.
- Going into next week, there is plenty of data on the agenda. We are looking for household, production and labour market data, which could signal whether the Russian economy is beginning to stabilise. Despite improving industrial indicators, we do not expect industrial activity to advance in May – in fact we forecast a 16.1% y/y drop. Further, we look for a slightly higher unemployment rate, an accelerating drop in real wages, lower disposable incomes as well as a bigger decline in retail sales versus one month ago. So even though we expect the economic performance to improve in H2 2009 compared to the first part of the year, conditions are only for a very gradual recovery.

Exports stagnate despite higher oil



Source: Reuters Ecowin and Danske Markets

Industrial activity closer to a trough



Source: Reuters Ecowin and Danske Markets

Unemployment keeps rising



Source: Reuters Ecowin and Danske Markets

EMEA: Inflation allows for further monetary easing in Turkey

Turkey

- Turkish inflation continued to inch downwards and we now expect it to drop below 5% by the end of the year – lower than the Turkish central bank’s (TCMB) end-2009 target of 7½%. Furthermore, economic activity has contracted significantly and capacity utilization remains very low. We therefore expect the TCMB to continue to cut its key policy rate by an additional 75bp to 8.50% at next week’s MPC meeting.
- Despite the outlook for further monetary easing, one should not get overly optimistic that the TCMB will cut a lot more going forward. First of all, real interest rates are now at very low levels, and from a carry-to-risk perspective the Turkish lira no longer looks as attractive as it used to be. Hence, if the TCMB cuts too aggressively, it could spark a sell-off in the lira that could jeopardize TCMB’s ambition to continue to bring down inflation.

South Africa

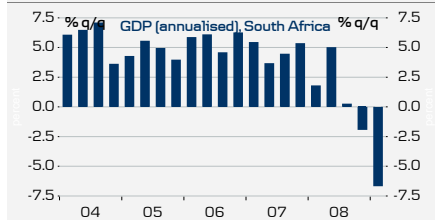
- South African President Jacob Zuma appointed Daniel Mminele as new central bank deputy governor for a five-year term from July. Mminele is currently executive general manager at the central bank.
- The same day Mr Mminele said in an TV interview that the South African central bank’s decisions have served well in the past and that the bank “should continue the path”, clearly defending the SARB’s inflation targeting regime. These comments are positive, indicating his determination to stick to SARB’s main objective and keeping price stability.

Turkish inflation continues to fall



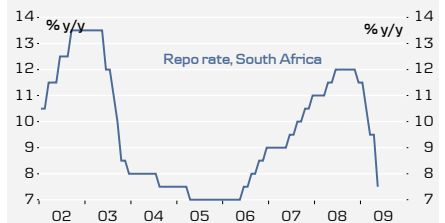
Source: Reuters EcoWin

SA economy in deep recession



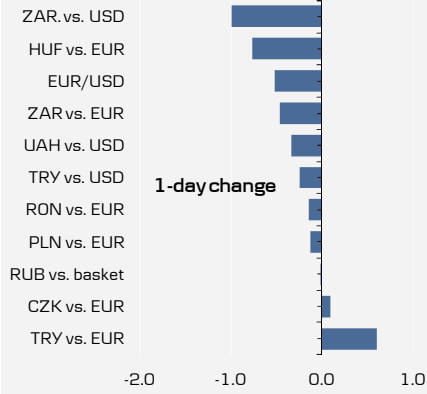
Source: Reuters EcoWin

SARB will continue in monetary easing



Source: Reuters EcoWin

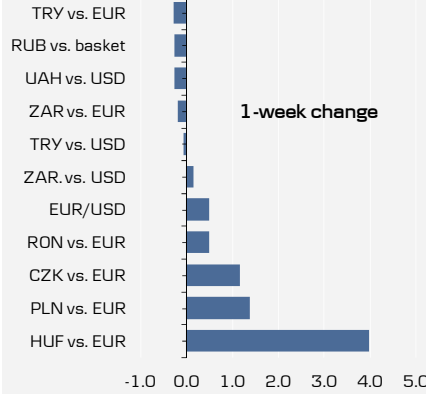
One-day FX-Performance



Data updated: 12/06 - CET: 11:57

Source: Reuters EcoWin

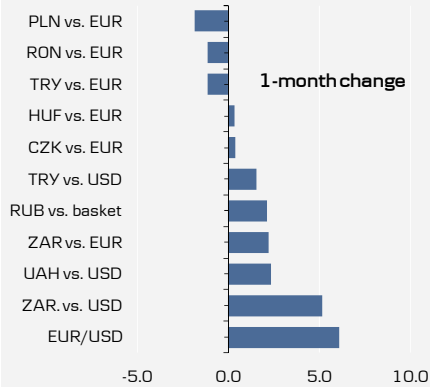
One-week FX-performance



Data updated: 12/06 - CET: 11:57

Source: Reuters EcoWin

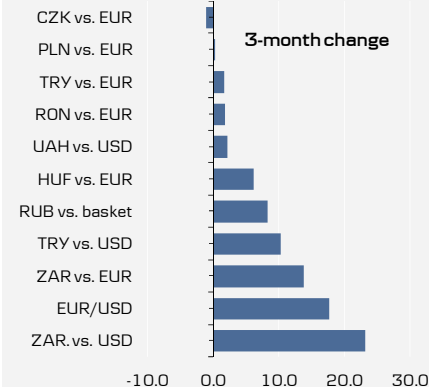
One-month FX-performance



Data updated: 12/06 - CET: 11:57

Source: Reuters EcoWin

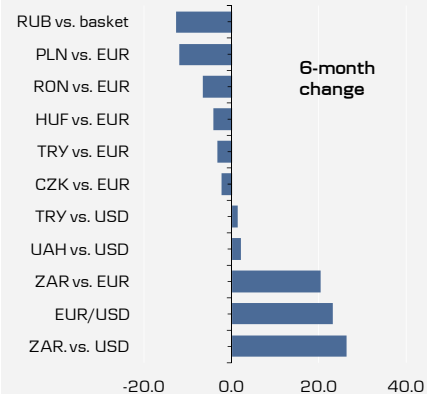
Three-month FX-performance



Data updated: 12/06 - CET: 11:57

Source: Reuters EcoWin

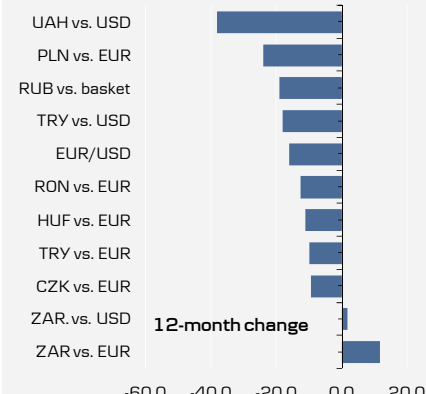
Six-month FX-performance



Data updated: 12/06 - CET: 11:57

Source: Reuters EcoWin

12-month FX-performance



Data updated: 12/06 - CET: 11:58

Source: Reuters EcoWin

FX forecasts

Currency Forecast, New Europe/EMEA

Jun - 12, 2009		EUR	USD	SEK	NOK	DKK
USD	Actual	1.41	-	747.9	623.6	527.1
	+3m	1.38	-	761	616	540
	+6m	1.44	-	708	576	517
	+12m	1.40	-	714	586	533
PLN	Actual	4.46	3.16	236.6	197.3	166.8
	+3m	4.50	3.26	233	189	166
	+6m	4.55	3.16	224	182	164
	+12m	4.60	3.29	217	178	162
HUF	Actual	280	198.5	3.77	3.14	2.66
	+3m	310	225	3.39	2.74	2.40
	+6m	320	222	3.19	2.59	2.33
	+12m	325	232	3.08	2.52	2.30
CZK	Actual	26.8	19.0	39.5	32.9	27.8
	+3m	27.2	19.7	38.6	31.3	27.4
	+6m	27.3	19.0	37.4	30.4	27.3
	+12m	27.4	19.6	36.5	29.9	27.2
EEK	Actual	15.6	11.1	67.5	56.3	47.58
	+3m	15.7	11.3	67.1	54.3	47.6
	+6m	15.7	10.9	65.2	53.0	47.6
	+12m	15.7	11.2	63.9	52.4	47.7
LVL	Actual	0.71	0.50	1488.9	1241.5	1049.4
	+3m	0.70	0.51	1500	1214	1064
	+6m	0.70	0.49	1457	1186	1064
	+12m	0.70	0.50	1429	1171	1066
LTL	Actual	3.45	2.44	305.9	255.1	215.6
	+3m	3.45	2.50	304	246	216
	+6m	3.45	2.40	296	241	216
	+12m	3.45	2.46	290	238	216
RON	Actual	4.18	2.96	252.5	210.6	178.0
	+3m	4.40	3.19	239	193	169
	+6m	4.50	3.13	227	184	166
	+12m	4.70	3.36	213	174	159
BGN	Actual	1.96	1.39	540.0	450.2	380.6
	+3m	1.96	1.42	537	435	381
	+6m	1.96	1.36	522	425	381
	+12m	1.96	1.40	512	419	382
TRY	Actual	2.16	1.53	489.5	408.1	345.0
	+3m	2.20	1.59	477	386	339
	+6m	2.25	1.56	453	369	331
	+12m	2.30	1.64	435	357	324
RUB	Actual	43.4	30.7	24.3	20.3	17.1
	+3m	49.0	35.5	21.4	17.4	15.2
	+6m	54.4	37.8	18.7	15.2	13.7
	+12m	56.6	40.4	17.7	14.5	13.2
UAH	Actual	10.77	7.63	98.1	81.8	69.1
	+3m	12.42	9.00	85	68	60
	+6m	14.40	10.00	71	58	52
	+12m	16.80	12.00	60	49	44
ZAR	Actual	11.39	8.07	92.7	77.3	65.4
	+3m	13.52	9.80	78	63	55.1
	+6m	14.69	10.20	69	57	50.7
	+12m	14.28	10.20	70	57	52.2

Source: Danske Markets

Emerging Markets Contacts

Emerging Markets Research

Lars Christensen	+45 45 12 85 30	larch@danskebank.dk
Flemming Jegbjærg Nielsen	+45 45 12 85 35	flemm@danskebank.dk
Violeta Klyviene	+370 5 2156992	vkly@danskebank.com
Lars Tranberg Rasmussen	+45 45 12 85 34	laras@danskebank.dk
Stanislava Pravdova	+45 45 12 80 71	spra@danskebank.dk
Jens Nærvig Pedersen	+45 45 12 84 98	jenpe@danskebank.dk

Emerging Markets Sales, Danske Markets

Stephen A. Ryan	+45 45 14 68 98	sry@danskebank.dk
Ulf Rafstedt	+45 45 14 61 43	ulra@danskebank.dk
Erik Rasmussen	+45 45 14 32 47	eras@danskebank.dk

Global Retail SME, FX

Stig Hansen	+45 45 14 60 86	sh@danskebank.dk
Flemming Winther	+45 45 14 68 24	flw@danskebank.dk

Trading FX, Fixed Income, Danske Markets

Frank Sandbæk Vig	+45 45 14 67 96	fsv@danskebank.dk
Thomas Manthorpe	+45 45 14 69 68	tman@danskebank.dk
Markku Anttila	+358 10 513 8705	markku.anttila@sampopankki.fi
Perttu Tuomi	+358 10 513 8738	perttu.tuomi@sampopankki.fi

Danske Bank Poland, Warsaw

Marciej Semeniuk	+48 22 33 77 114	msem@pl.danskebank.com
Bartłomiej Dzieńciecki	+48 22 33 77 112	bdz@pl.danskebank.com

Danske Markets Baltics

Howard Wilkinson	+358 50 374 559	howard.wilkinson@danskebank.com
Martins Strazds	+371 6707 2245	martins.strazds@danskebanka.lv
Giedre Geciauskiene	+370 5215 6180	giedre.geciauskiene@danskebankas.lt
Lauri Palmaru	+372 675 2464	lauri.palmaru@sampopank.ee

ZAO Danske Bank Russia, Saint-Petersburg Treasury Department

Antti Urvas	+7 812 332 73 06	antti.urvas@sampopankki.fi
Vladimir Biserov	+7 812 332 73 04	vladimir.biserov@danskebank.ru
Darja Kounina	+7 812 332 73 04	darja.kounina@danskebank.ru

All EM research is available on Bloomberg DDEM

Disclosure

This report has been prepared by Danske Research, which is part of Danske Markets, a division of Danske Bank. Danske Bank is under supervision by the Danish Financial Supervisory Authority. The author of the report is Lars Christensen, Chief Analyst.

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 the Danske Bank Research Policy. Employees within the Danske Bank Research Departments have been instructed that any request that might impair the objectivity and independence of research shall be referred to Research Management and to the Compliance Officer. Danske Bank Research departments are organised independently from and do not report to other Danske Bank business areas. Research analysts are remunerated in part based on the over-all 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 research reports are prepared in accordance with the Danish Society of Investment Professionals' Ethical rules and the Recommendations of the Danish Securities Dealers Association.

Financial models and/or methodology used in this report

Calculations and presentations in this report are based on standard econometric tools and methodology. Documentation can be obtained from the above named authors upon request.

Risk warning

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

First date of publication

Please see the front page of this research report.

Disclaimer

This publication has been prepared by Danske Markets for information purposes only. It has been prepared independently, solely from publicly available information and does not take into account the views of Danske Bank's internal credit department. It is not an offer or solicitation of any offer to purchase or sell any financial instrument. Whilst reasonable care has been taken to ensure that its contents are not untrue or misleading, no representation is made as to its accuracy or completeness and no liability is accepted for any loss arising from reliance on it. Danske Bank, its affiliates or staff, may perform services for, solicit business from, hold long or short positions in, or otherwise be interested in the investments (including derivatives), of any issuer mentioned herein. The Equity and Corporate Bonds analysts are not permitted to invest in securities under coverage in their research sector. This publication is not intended for retail customers in the UK or any person in the US. Danske Markets is a division of Danske Bank A/S. Danske Bank A/S is authorized by the Danish Financial Supervisory Authority and subject to limited regulation by the Financial Services Authority (UK). Details on the extent of our regulation by the Financial Services Authority are available from us on request. Copyright © Danske Bank A/S. All rights reserved. This publication is protected by copyright and may not be reproduced in whole or in part without permission.