

Global Outlook

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Economic and Financial Outlook, 2009

In this publication we give a summary of our views across markets and asset classes.

Macro and central bank outlook

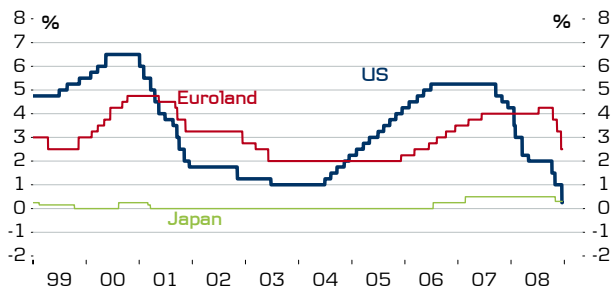
- Global:** The world economy is currently in its worst recession for decades. We expect the weakness to continue over the coming quarters but for a modest recovery to begin in the middle of 2009. The US should be the first to recover followed by Asia, whereas Euroland will be the laggard (see [Global Scenarios, Dec 2008](#))
- US:** The economy will remain in recession through Q1 but the contraction will be milder than the exceptionally sharp drop in activity seen in the current quarter. A fiscal boost is on the cards in H1, which combined with a super boost to real incomes from declining energy prices, will help a recovery get under way. The recovery will nevertheless be relatively moderate by historical standards as the deleveraging in the financial sector, declining home prices and unemployment will continue to weigh on growth through 2009. We do not expect unemployment to stabilise before early 2010, topping at 8.6%. Both headline and core inflation are past their cycle peaks and risks of deflation are rising but remain very limited due to an aggressive policy response. We expect the Fed to keep the Fed funds rate at close to zero throughout 2009 and to continue to conduct full-scale quantitative easing. That could include further purchase of mortgage-backed securities, private sector credit instruments and longer-term treasury bonds.
- Euroland:** The economy has slipped into a deep recession which will last until at least mid-2009. Tighter financial conditions and greater uncertainty are reducing demand in both the domestic economy and on export markets. By spring/early summer 2009, the worst should be over as demand should be stimulated by a rapid decline in inflation and a pick-up in the US economy. Furthermore, automatic stabilisers and discretionary fiscal policy responses – although many details remain to be revealed – should stimulate demand. The recovery is expected to be slow and gradual and growth will be below potential way into 2010. Much depends on how the financial crisis unfolds and risks to growth are primarily on the downside. We expect pressure to mount on the ECB to cut rates during the first few months of 2009 and even though the ECB believes that going below 2% would be painful, we think the weak economy will force it to cut the refi rate to 1.5%.
- Japan:** The economy has contracted sharply in H2 08 on the back of weak exports and corporate investments. We expect fiscal easing and lower inflation to prevent the economy from contracting further in H1 09. However, the economy will barely grow in H1 09 and there is mainly downside risk to our GDP forecast in early 2009. In H2 the economy should start to improve as the global economy gradually starts to recover. Deflation fears could re-emerge as both headline and core inflation will return into negative territory in 2009. We expect the Bank of Japan to effectively return to some form of quantitative easing by cutting its leading interest rate to 0.1% and possibly even to zero and instead use outright purchase of government bonds and corporate debt as the main monetary transmission mechanism.
- Emerging Markets:** The growth outlook for Emerging Markets worsened during 2008, and standing on the brink of 2009 most countries in the Emerging Markets face a couple of quarters with negative growth as global deleveraging continues to put a dampener on Emerging Markets. In CEE and CIS we

are most downbeat on the growth outlook, as these regions are the ones where imbalances have grown the most and thus the need for increased savings and reduced spending are the highest - overall we expect zero at best in CEE/CIS. Latin American economies suffer from lower commodity prices and slumping US growth, while Asia should get a boost from lower commodity prices and better external balances. However, in H1 09, Asian growth will slow significantly as industrial production suffers from lower exports. During the last part of 2009, there should be a reasonable chance of a rebound. Good news for Emerging Markets is that inflation falls rapidly, which should open the door for more aggressive monetary easing, but also weaker currencies - mostly in CEE/CIS.

Scandi macro

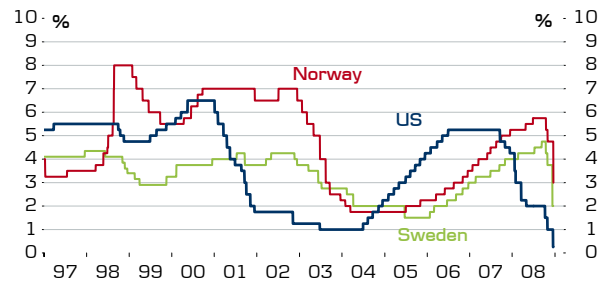
- Denmark:** The Danish economy has entered this crisis from a position of relative strength compared with most countries, but a hard landing appears, nevertheless, inevitable. The outlook is for at least two years of negative growth (-0.8% this year and -0.7% next year) and thus the deepest economic downturn since the oil crises of the 1970s. The economic downturn has come more quickly than previously expected, due, not least, to the international credit crisis escalating sharply in September and October. This has increased economic uncertainty and contributed to dampening private consumption and housing market deflation. Three years of falling unemployment ended in October. We are in no doubt about the reality of the turnaround, and that unemployment will rise relatively sharply in the coming years. We expect that unemployment will increase to around 110,000 by the end of 2010. The number of jobs lost is actually expected to be even greater, but some of the adjustment will be swallowed up by the workforce shrinking. We expect that about 90,000 jobs will disappear over the course of the next two years.
- Sweden:** The fundamentals, not least in terms of robust government finances, mean that Sweden in many respects is in a much better position to cope with the current financial and economic turmoil than was the case in the early 1990s. On the other hand, Sweden's large exposure to foreign trade suggests that the global economic contraction will cause a significant contraction of economic activity. Like many other countries, Sweden will be in a technical recession during 2009. Swedish businesses are suffering from tighter credit conditions, which together with rapidly deteriorating demand for goods and services will trigger a substantial decline in investment activity. For consumers, some relief is offered by the fact that inflation will approach zero (maybe even lower). At the same time, unemployment is on the rise and both financial and tangible asset values are under pressure. The Swedish Riksbank has already eased rates by an unprecedented 275bp since October in an effort to cushion the effects of tighter credit conditions. However, we believe further monetary stimulus will prove to be appropriate during H1 09 and we expect rates to go to 1.0%.
- Norway:** The Norwegian economy is also feeling the cold winds from the global economy. Commodities have supported Norwegian growth for several years through income and investment growth. But going into 2009 there is a risk that commodity-related investments will act as a severe drag on growth. The Norwegian housing market is also under significant pressure. Norway is also experiencing a recession at the moment. The downturn could be quite hard. But the Norwegian government has already announced fiscal measures to be implemented in 2009 and we expect further measures to be announced. In that respect remember that Norway has no budgetary constraints due to the oil-related money flow.

Central bank rates in G3



Source: Reuters Ecowin

Central bank rates in US, Sweden and Norway



Source: Reuters Ecowin

Financial outlook

Equity markets

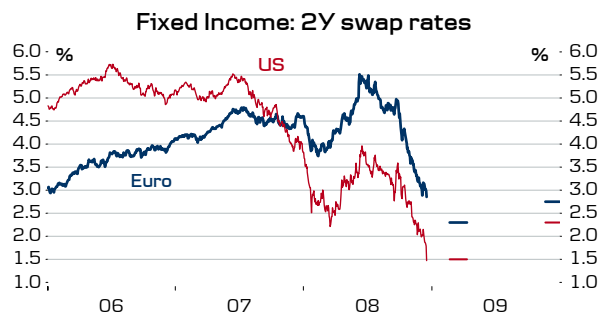
- The price of risk has dropped significantly over the past 12 months, and we think now is a very attractive time to make long-term investments in global stocks. Our view is based on the following assumptions: (a) Corporate earnings to return to a trend close to that of 1988-2008 from 2010. (b) The credit crisis should slowly fade and the mortgage funding markets revive as the central market thaws. (c) Corporate earnings expectations have become more realistic – overall, downward revisions to 2009 earnings should slow during H1 09. (d) Erosion of confidence should abate. Our economic assumptions are relatively optimistic and expect the US economy to trough in Q1 09. Disposable incomes, underpinned by tax cuts, food & energy prices and lower mortgage funding rates, should halt the erosion of market confidence within months, in our view.
- Against this background, we see upside potential for both Wall Street and the Nordic stocks of up to 30% during H1 09, or the S&P500 hitting 1200. In our risk case, we anticipate the S&P500 at around 900.
- Our ‘navigating the minefield recommendations’ are: (a) balance investments between cyclicals and defensives; (b) move style bias towards value stocks; (c) start buying into early cyclicals; (d) minimise exposure to earnings disappointments via trough earnings adjustments and cheap valuation; and (e) minimise exposure to the credit crisis via a screening for FCF together with net debt/EBITDA.
- Sector/Industry group recommendations: Overweight: Retail, Consumer Durables & Apparel, Pharmaceuticals & Biotech, Transportation and Telecoms. Underweight: Materials, Utilities, Capital Goods, Healthcare Equipment & Services, Real Estate, Food, Beverages & Tobacco. Neutral: Financials, Energy and IT.

Fixed income markets

- **Global fixed income:** How low can they go? Bond yields have collapsed recently on the back of dire economic data and as central banks around the globe have slashed rates. In addition, the Fed has taken unprecedented steps in terms of quantitative easing by buying financial CP papers and mortgage papers with de facto freshly minted money. The *short-term* outlook points to more downbeat economic numbers and further monetary easing: rate cuts in Euroland and further quantitative easing in the US. This is likely to support further falls in yields on both sides of the Atlantic. The US curve is currently controlled by the 10-year point – making bullish moves bull flattening (and vice versa). In Euroland there is still room for a steeper curve on the back of declining rates. We expect rates in both Euroland and US to bottom over the next three months’ time.

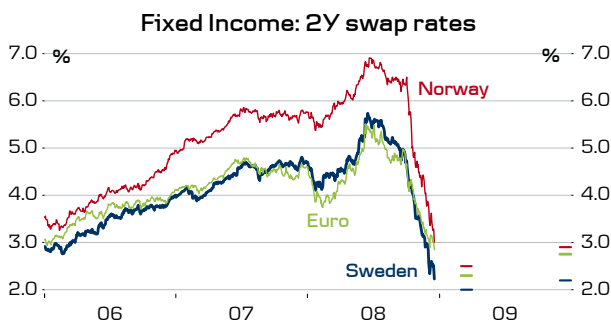


Source: Reuters Ecowin, Danske Markets

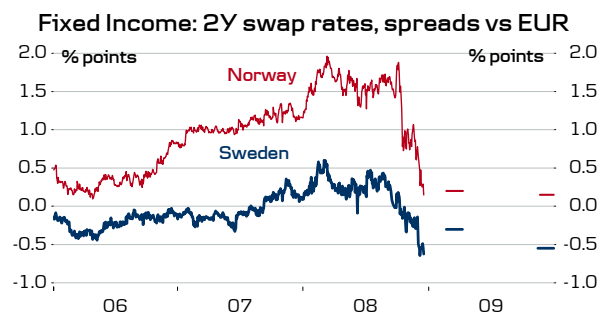


Source: Reuters Ecowin, Danske Markets

- To justify current US yields, we need a very dire economic outlook and the possibility that things could turn even more nasty. Risks on US bond markets are likely to swing towards higher yields when the economy shows tentative signs of a recovery. We expect this to happen during the spring initially leading to bearish steepening of the curve – and a trigger will likely be a rebound in ISM. When the US bond market turns bearish there is a risk that it could result in a quite violent rise in yields.
- Euroland will remain the growth laggard through 2009 and the rebound in rates is likely to be much more modest in Euroland during 2009. EUR swap spreads are forecast to narrow over the coming quarters as the financial crisis abates and money markets improve.
- With Euroland lagging in both the business cycle and monetary policy, we expect euro bond markets to outperform the US over the course of 2009. Supply also points towards US underperformance during 2009.
- **Scandi Fixed Income:** In *Denmark* pressure on the Danish krone and consequently outflow of foreign currency has forced the Danish central bank to widen the spread in leading interest rates vis-à-vis ECB to a massive 175bp – the widest since the 1980s. Not surprisingly, this has had a knock-on effect on longer maturities with significant widening of bond spreads versus Germany. On Friday 19 Dec the Danish central bank narrowed the spread by 50bp to 125bp and we expect them to narrow the spread further in 2009 to 50bp on 12 mth horizon.. Combined with our call for lower German bond yields and EUR swap rates, this points to significantly lower Danish yields and rates. Hence we expect the Danish government bond market to outperform Germany over the coming quarters. On an outright basis, Danish yields and rates are forecast to decline over the coming three months and rebound somewhat on a longer time horizon on the back of higher German yields.
- In *Sweden* the Riksbank has already ‘surprised’ the market by easing more aggressively than expected. Going forward, we expect the Riksbank to lower the repo rate by another 100bp up to summer 2009. This is again more than currently priced in. Under normal circumstances, such an environment would bring about a distinct steepening of the yield curve. Indeed, we believe that a steeper bond yield curve will be the main tendency during next year. However, there are some offsetting factors to consider. One is that the combination of sharply falling equity prices and lower rates in 2008 has put some pressure on balance sheets in the L/P industry which potentially increases demand for long duration. In fact, the SNDO is considering introducing a new 20-year nominal bond in early 2009 in order to meet such demand. Notwithstanding the fact that inflation will decline markedly in 2009, longer term IL bonds appear cheap. BEI over the next 12 years as expressed by IL3104 trades close to 1%. It is, in our view, far from evident that inflation, on average over such a long period, will undershoot the Riksbank’s inflation target. In the mortgage bond space, we prefer shorter maturities – up to some two-year – which currently offer a significant yield pick-up versus government bonds.



Source: Reuters Ecowin, Danske Markets

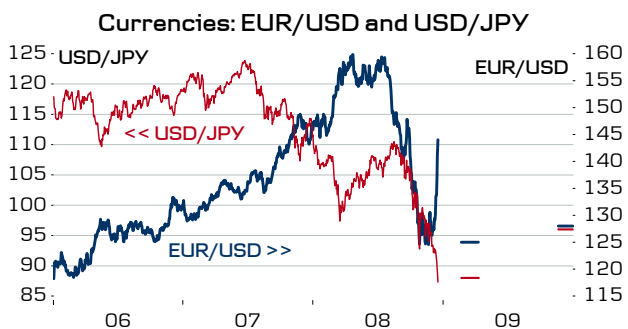


Source: Reuters Ecowin, Danske Markets

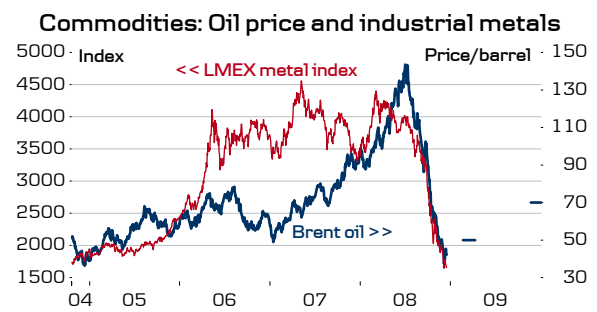
- In *Norway* we think the market is pricing in quite an aggressive rate path from Norges Bank – both on an outright basis, but not least compared with rate cut expectations in Euroland. However, note that Norges Bank has made a U-turn in monetary policy so Norwegian rates could also be slashed below 1% if the economy deteriorates further. The Norwegian market is being flooded with T-bills at the moment due to the bank rescue package that implies that banks can swap covered bonds for T-bills. However, the market seems to be forgetting that the swap will most likely not include bonds. Hence, we see value in NGBs. We prefer the long end. Remember, there will be no extra issues of Norwegian government bonds in 2009 as the budget including oil still shows a huge surplus. Hence, buy long-dated NGBs against bunds or asset swapped. We also see value in the NOK at the current level and recommend that foreign accounts buy NGBs unhedged.
- **Emerging Markets fixed income:** We expect aggressive monetary easing to bring down short-term yields, while longer-term yields are expected to be more stable and even rise further in the most imbalanced countries, as fears over rising public budget deficits could push yields up further. At some point during 2009, we expect to see a narrowing of yield spreads between emerging markets and the more mature markets, but a necessary condition for this to happen would be a stabilisation of global credit markets and increased risk appetite.
- **Credit:** We are turning more positive – or should we say constructive – on credit as an asset class. Current spread levels provide plenty of headroom in terms of default risk and we see the current historical highs in cash spreads primarily as a symptom of dramatically higher liquidity and risk premiums. Having said that, default rates have already started to climb and are likely to increase substantially in 2009. The technical factors in the credit market are still challenging. In 2009, we think conditions in the money market will improve as the effects of the various state schemes come into effect. That said, a normalisation is likely to take a long time. Recently, the primary market has reopened. Going into 2009, we still see a substantial new issuance overhang. Therefore, we do not expect a dramatic tightening of cash spreads in the short term. But overall, the reopening of the primary market is a positive sign. Our overall recommendation would be to overweight corporate bonds and be neutral on investment grade CDS as the latter is more prone to suffer from loan book hedging when default rates pick up and companies draw on committed facilities. In order to reduce mark to market risk, we would recommend building up the overweight position via the primary market.

Currency markets

- Going into 2009 we take the main themes from the past year, although dynamics are beginning to change. We doubt that a meaningful normalisation on financial markets is on the cards during H1 09, and expect the process of deleveraging and repatriation to continue. This should benefit USD, JPY and CHF.



Source: Reuters Ecowin, Danske Markets



Source: Reuters Ecowin, Danske Markets

- The theme of a global slowdown also remains pertinent, though it has now turned into the theme of a global recession. Our main scenario is that Q4 08-Q1 09 will see a trough, but risks are that that the slump could be longer, yielding negative secondary effects. The recession will continue to weigh on pro-cyclical currencies such as CAD, GBP and AUD. The close relationship between movements in equity prices and exchange rates is likely to remain in place in the near term but eventually be replaced by a stronger link between FX and relative interest rates in the latter part of 2009. As we see the US heading for higher interest rates first, this should benefit USD.
- However, even as we stay with the dual themes of the financial crisis and a global recession, we are now beginning to discount some improvement during 2009. With money for nothing and massive fiscal stimulus, it would be the eighth wonder of the world if some sort of recovery weren't seen. In our main scenario, some improvement takes place in H2, leading to a gradual decline in volatility – which nonetheless is likely to remain elevated for most currencies. A decline in market uncertainty will lead to less support for JPY and CHF, while SEK and NOK, in particular, should benefit as these have been heavily oversold with the spike in risk aversion.
- Everything has a price though, and we believe the bill for escaping the worst recession since the 1930s without tightening the belt adequately could be punished by markets. However, we doubt that external imbalances will be a major theme during H1, with the focus still on avoiding economic depression. Our main scenario is that markets will continue to reward proactive countries (USD positive) in the coming months. Nonetheless, we do attach a positive probability that countries with substantial budget deficits could face a currency crisis if demand for their debt abates. This puts the US, the UK, Spain and Greece (the latter both in the eurozone) at risk.
- Taken together, we expect (please see [FX Forecast Update: Goodbye 2008 – Hello 2009](#)):
 - (i) USD to strengthen taking EUR/USD towards 1.22 in six months. However, as we discount some bettering of global financial and economic conditions during H2 and foresee interest rate convergence to give way to focus on fiscal divergence, we project USD support to fade, taking EUR/USD higher and towards 1.28 in 12 months.
 - (ii) EUR/GBP to edge higher in H1 as UK prospects are grim but we do not expect the pair to reach parity. The pound is now undervalued and we could see a reversal in EUR/GBP in H2. Tailwinds remain for the CHF and we still expect EUR/CHF to decline towards 1.50.
 - (iii) Scandies to remain under pressure in the short term, which, however, should give way to a trade of the year, when financial sentiment improves. We expect both SEK and NOK to appreciate strongly in 2009, with most of the strength likely to be seen in H2, and forecast EUR/SEK at 9.60 and EUR/NOK at 8.50 in 12 months.
 - (iv) Continued carry-underperformance in H1, followed by only a gradual recovery.
- **Commodities:** Markets have experienced a near collapse in H2 08 due to the ongoing weakness in the global economy, and we are now seeing several commodities including aluminium, nickel, zinc and oil trading well below marginal costs. The lower prices have already resulted in supply being cut for steel, aluminium, nickel and zinc. We also see OPEC slashing oil production aggressively. The supply response should soon start to stabilise commodity prices. Furthermore, we expect commodities to move higher in H2 09 as the global economy slowly recovers. Hence, we find it attractive to lock in commodity exposure at the current level. However, if the global economy becomes even weaker than we forecast, we could see new lows in several commodities not least in Q1. But we still argue that a very weak growth trajectory is priced into commodities.

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Macroeconomic forecast

Macro forecast, Scandinavia													
	Year	GDP ¹	Private cons. ¹	Public cons. ¹	Fixed inv. ¹	Stock build. ²	Ex-ports ¹	Im-ports ¹	Infla-tion ¹	Unem-ploym. ³	Public budget ⁴	Public debt ⁴	Current acc. ⁴
Denmark	2008	0.5	1.1	1.7	-0.5	0.0	3.1	3.8	3.4	1.7	3.0	22	1.0
	2009	0.2	0.7	1.8	-1.9	0.0	2.5	1.6	1.9	2.2	-0.5	24	1.3
	2010	1.2	1.0	1.6	-0.2	0.0	2.8	2.3	2.0	3.3	1.0	23	1.5
Sweden	2008	0.9	1.1	1.0	2.6	-0.6	2.6	2.7	3.5	6.2	2.6	37	7.7
	2009	0.2	0.3	2.2	-3.2	-0.5	-0.4	-1.9	1.3	8.0	-0.8	36	8.2
	2010	3.4	1.7	2.2	1.6	0.1	5.4	2.8	1.3	7.4	0.9	33	9.5
Norway	2008	1.5	1.5	3.4	3.3	0.9	0.5	5.5	3.8	2.6	8.0	26	16.2
	2009	-0.3	0.1	4.0	-3.7	-0.1	0.3	1.4	2.5	3.7	12.0	26	26.9
	2010	1.8	1.9	4.3	0.8	0.0	1.6	2.3	2.7	4.1	13.9	26	27.0

Macro forecast, Euroland													
	Year	GDP ¹	Private cons. ¹	Public cons. ¹	Fixed inv. ¹	Stock build. ²	Ex-ports ¹	Im-ports ¹	Infla-tion ¹	Unem-ploym. ³	Public budget ⁴	Public debt ⁴	Current acc. ⁴
Euroland	2008	1.0	0.3	1.5	1.5	-0.1	3.0	2.6	3.3	7.5	-1.8	67	-0.4
	2009	-0.7	0.5	2.0	-3.7	-0.4	-1.5	-1.1	0.9	8.5	-3.0	68	-0.1
	2010	1.2	1.1	1.8	-0.2	0.2	1.8	1.8	1.9	9.0	-3.1	68	0.0
Germany	2008	1.3	-0.6	1.9	2.6	0.1	3.5	5.5	2.9	7.4	-0.5	63	6.4
	2009	-0.8	0.2	1.9	-4.0	-0.4	0.2	2.5	0.5	8.1	-1.5	63	6.0
	2010	1.2	1.2	1.9	1.5	0.2	4.0	4.5	1.3	8.7	-1.3	63	6.1
France	2008	0.8	0.8	1.4	0.5	0.0	2.0	1.8	3.3	7.8	-2.9	66	-1.6
	2009	-0.4	-0.4	1.6	-3.8	-0.3	-0.3	-0.4	0.7	8.2	-4.2	69	-1.4
	2010	1.5	1.6	1.4	2.1	0.2	2.9	2.9	1.6	8.7	-4.1	69	-1.6
Italy	2008	-0.3	-0.6	1.2	-1.5	0.0	0.3	-1.5	3.6	7.0	-2.6	103	-2.6
	2009	0.6	0.2	1.2	-4.8	-0.3	-0.6	-0.9	1.0	8.2	-3.6	105	-2.1
	2010	0.6	0.3	1.0	2.0	0.2	2.0	2.4	1.9	8.5	-3.7	103	-2.5
Spain	2008	1.2	1.1	4.0	-2.5	0.0	3.2	0.7	4.4	11.0	-1.6	36	-10.0
	2009	-0.9	-0.4	4.5	-9.0	-0.4	3.5	-2.0	1.7	14.4	-2.9	38	-7.0
	2010	0.8	0.2	3.5	-3.0	0.2	5.5	2.5	2.3	15.0	-5.5	38	-6.0
Holland	2008	2.3	1.8	1.0	6.0	0.1	4.0	5.0	2.3	3.0	-2.9	45	7.2
	2009	-0.2	0.0	2.0	-2.0	-0.4	1.0	1.0	0.8	3.8	-3.3	47	7.0
	2010	0.9	0.5	1.7	2.0	0.2	3.5	3.2	1.7	4.2	-3.0	45	6.5
Finland	2008	2.2	3.2	1.5	0.0	0.0	4.5	2.0	4.0	6.3	3.2	33	3.0
	2009	0.3	2.0	1.7	-2.0	-0.1	2.1	2.4	1.4	7.0	2.4	32	2.5
	2010	1.5	1.8	1.3	1.7	0.0	4.8	5.0	1.6	7.0	1.9	32	2.5

Macro forecast, Global													
	Year	GDP ¹	Private cons. ¹	Public cons. ¹	Fixed inv. ¹	Stock build. ²	Ex-ports ¹	Im-ports ¹	Infla-tion ¹	Unem-ploym. ³	Public budget ⁴	Public debt ⁴	Current acc. ⁴
USA	2008	1.3	0.3	2.8	-3.1	-0.3	7.5	-3.3	4.0	5.7	-3.2	62	-4.2
	2009	-0.5	-0.8	2.7	-7.3	0.1	-5.7	-7.7	0.2	8.0	-7.0	69	-2.4
	2010	2.4	2.4	2.8	3.5	0.3	2.4	5.8	2.4	8.5	-6.5	73	-4.7
Japan	2008	0.3	0.8	0.3	-3.3	0.0	4.9	0.6	1.6	4.1	-1.4	182	3.8
	2009	-0.5	0.7	1.2	-2.3	0.0	-3.4	0.7	-0.6	4.4	-3.3	183	4.3
	2010	0.9	0.9	1.6	0.9	0.0	1.9	1.0	-0.5	4.4	-3.8	183	3.9
UK	2008	0.9	1.8	2.0	-3.3	-0.2	0.5	0.6	3.7	2.8	-2.5	50	-2.8
	2009	-0.9	-0.2	2.0	-0.2	0.0	-2.4	-0.5	1.7	3.8	-5.6	55	-2.6
	2010	1.2	1.6	1.0	2.2	0.0	3.6	4.3	1.9	5.0	-6.5	60	-1.8
Switzer-land	2008	1.8	1.9	-0.8	-0.2	-0.6	4.7	2.5	2.6	2.5	1.1	41	8.3
	2009	0.1	0.9	1.0	-2.7	0.4	1.4	2.9	1.3	2.9	0.1	40	9.4
	2010	1.4	1.2	1.3	1.3	0.1	3.3	3.7	1.3	3.3	-0.3	40	10.6

Financial forecast

Bond and money markets							
		Key int. rate	2-yr swap yield	10-yr swap yield	Currency vs EUR	Currency vs USD	Currency vs DKK
USD	19-Dec	0.125	1.51	2.31	142.8	-	522.4
	+3m	0.125	1.50	2.50	125	-	596
	+6m	0.125	1.65	3.40	122	-	611
	+12m	0.125	2.10	4.10	128	-	583
EUR	19-Dec	2.50	2.81	3.77	-	142.8	745.2
	+3m	1.50	2.30	3.50	-	125	745.0
	+6m	1.50	2.30	3.60	-	122	746.0
	+12m	1.50	2.75	3.90	-	128	746.0
JPY	19-Dec	0.50	0.79	1.27	127.0	89.0	5.87
	+3m	0.30	0.80	1.40	110	88	6.77
	+6m	0.10	0.75	1.35	112	92	6.66
	+12m	0.10	1.20	1.60	123	96	6.07
GBP	19-Dec	2.00	2.68	3.59	94.3	151.2	789.9
	+3m	1.00	2.30	3.55	92.0	136	810
	+6m	1.00	2.30	3.70	92.0	133	811
	+12m	1.00	2.75	4.15	86.0	149	867
CHF	19-Dec	0.50	1.10	2.46	153.7	107.7	484.8
	+3m	0.50	1.15	2.50	150	120	497
	+6m	0.50	1.30	2.45	150	123	497
	+12m	0.50	1.60	2.70	152	119	491
DKK	19-Dec	3.75	3.82	4.05	745.2	522.4	-
	+3m	2.75	3.00	3.70	745.0	596	-
	+6m	2.25	2.95	3.80	746.0	611	-
	+12m	2.00	3.25	4.10	746.0	583	-
SEK	19-Dec	2.00	2.22	3.21	1099.8	771.0	67.8
	+3m	1.50	2.00	3.25	1050	840	71.0
	+6m	1.00	1.60	3.05	1010	828	73.9
	+12m	1.00	2.20	3.50	960	750	77.7
NOK	19-Dec	3.00	2.82	4.33	979.8	687.0	76.0
	+3m	2.50	2.50	3.90	920	736	81.0
	+6m	1.75	2.50	4.10	880	721	84.8
	+12m	1.75	2.90	4.50	850	664	87.8
PLN	19-Dec	5.75	4.65	4.57	411.4	288.3	181.1
	+3m	4.50	6.60	6.20	405	324	184
	+6m	4.00	6.50	6.10	410	336	182
	+12m	3.50	6.40	6.00	410	320	182

Equity markets				
Regional	Risk	Price trend 3 mth.	Price trend 12 mth.	Regional recommendations
USA	Low	-5% to +5%	More than +10%	Overweight
Japan	High	-5% to +5%	More than +10%	Neutral
Emerging markets (USD)	High	-5% to +5%	More than +10%	Underweight
Pan-Europe (EUR)	Low	-5% to +5%	More than +10%	Overweight
Nordics				
Sweden	Average	-5% to +5%	More than +10%	Neutral
Norway	High	-5% to +5%	More than +10%	Neutral
Denmark	High	-5% to +5%	More than +10%	Neutral

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