

Global Outlook

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Economic and Financial Outlook, Q2 08

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

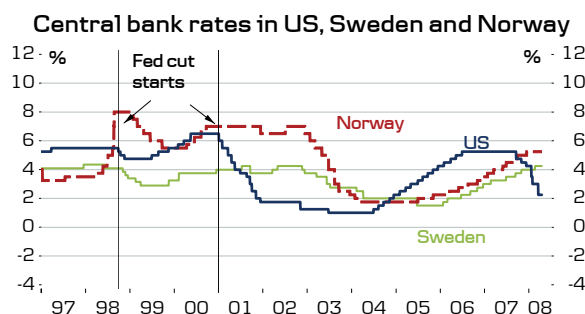
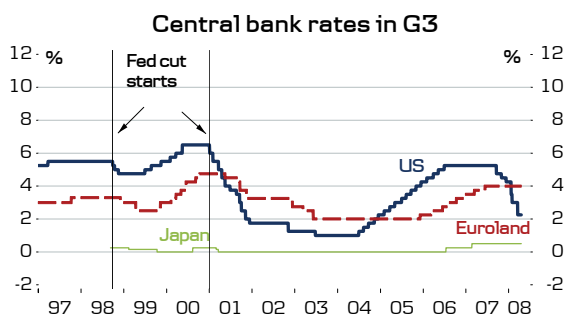
Macro and central bank outlook:

- Global:** The global picture is dominated by the significant slowdown of the US economy and the financial crisis. A continued rise in oil and food prices is adding to the economic woes globally, although commodity exporters are benefitting. The US is set to experience a significant slowdown in the first half of 2008 but is expected to recover slightly in the second half. Euroland will slow down further and the Emerging Markets will also feel the headwinds and experience softer growth ahead.
- US:** Economic activity has slowed substantially and a recession may be imminent or already unfolding. In the short term, downside risks remain predominant. If anything, the picture will darken further in the next few months, as consumers struggle with rising energy prices, slowing labour income, tighter credit and declining household wealth. Moreover, industrial and labour market indicators are set for further deterioration. Consequently, the Fed is expected to ease rates to 1.50% by June. As the fiscal stimulus package kicks in by late Q2 and in Q3, consumer spending is set to revive and the Fed will go on hold. Aided by low inventory levels, this is likely to prompt a temporary rebound in US industry during the autumn and a stabilisation in the economy in H2. With the underlying economy remaining fragile, a renewed period of weakness is likely to appear around New Year as the effect from the tax rebates peters out. A sustained recovery will not materialise before somewhere in 2009. Given this picture, the Fed is likely keep rates low for a lengthy period.
- Euroland:** The slowdown of the Euroland economy is likely to strengthen over the coming quarters as the economy is faced with significant headwinds. We expect growth to fall to 1.4% this year followed by 1.5% in 2009. The strong slowdown on Euroland's two biggest export markets, ie the US and the UK, will start to be felt and this will only be worsened by the significant strengthening of the euro versus both the dollar and the pound. Inflation has surprised to the upside and will stay elevated around 3% for some time and continue. The high inflation weakens consumption growth, and housing markets in several countries are at risk of a hard landing due to the credit crisis. Weaker growth and some decline in inflation in the second half of 2008 is expected to pave the way for three rate cuts in September, December and March, taking the ECB rate down to 3.25%. The risk is, though, that inflation stays in a territory where the ECB is boxed in and is unable to move rates.
- Japan:** Growth is slowing but in the short run it will not turn out as bad as feared. In the short run, demand in Japan will be supported by recovering housing construction following the near collapse of housing construction in H2 07 after the government tightened building regulation. In addition, private consumption has proven more resilient than expected and the decline in exports to the US has largely been offset by stronger exports to the emerging markets. However, we believe H2 08 will be more challenging for the Japanese economy. The boost from stronger housing construction will disappear in H2 08 and export growth will start to suffer as emerging market growth starts to slow. Growth is expected to pick up in 2009 as the global outlook gradually starts to brighten. The Bank of Japan is expected to keep the leading O/N target rate unchanged at 0.5% until mid-2009.

- Emerging Markets:** The Emerging Markets will not be immune from slower growth in the developed markets, although the fundamentals for many of the Emerging Markets remain strong. Emerging Market growth is expected to slow but remain above trend in 2008 and 2009. Slower growth is expected to be most pronounced in Central & Eastern Europe (CEE), where growth has been imbalanced, as indicated by overvalued currencies and unsustainable current account deficits. In the Emerging Markets of Asia, growth is increasingly supported by domestic demand. In addition, direct spill-over from the current financial market turmoil is expected to be limited. In Latin America, the Middle East, CIS and Africa, growth and current accounts will remain supported by higher energy and commodity prices and current account surpluses. Major risks for the Emerging Markets besides general risk aversion, are a major correction in energy and commodity prices and an increasing risk of political tensions on the back of the recent surge in food prices.

Scandi macro:

- Sweden:** Growth expectations for Sweden have generally been gearing down during the past months. Danske Bank's current forecast implies growth of close to 2% over the coming two years ie, clearly below potential. There are already signs of private businesses scaling back on hiring plans. Vacancy data are accordingly beginning to decline. Simultaneously, headline inflation is running at around 3%. The current high rate of inflation is very much the result of the same factors as elsewhere, booming food and energy prices and on top of that, higher mortgage interest rates. High inflation spurring rising inflation expectations was a prime reason why the Riksbank – contrary to expectations – decided to raise the repo rate to 4.25% in February. Recent inflation data have, however, come in on the low side of expectations. This is in combination with an expected gradual decline in growth and labour market expectations are the reason why we maintain our call for monetary easing during the second half of the year.
- Norway:** The macro stories in Sweden and Norway are very different. The Swedish economy is very exposed to the international economic downturn given its large dependence on exports and we will see a rather severe decline in Swedish growth in 2008. The international downturn will not pass unnoticed in Norway, but the Norwegian economy is far more shielded from a drop in international demand than Sweden or Euroland due to its exposure to oil. Moreover, the Norwegian economy is still in a state of overheating and we are facing real wage-driven inflation risks going forward. We expect wage growth of close to 6% in Norway this year. We expect a rate hike in Norway next week and another rate hike later in the year certainly cannot be ruled out, given we expect underlying inflation to continue to rise.
- Denmark:** The Danish economy is expected to shift down a gear this year. We project GDP growth of around 1.4% in 2008 and slightly less next year. The labour market is still at risk of overheating and thus a softening of domestic demand is welcome. House prices are expected to fall slightly in 2008 and this will dampen construction and private consumption, although consumption is supported by tax reductions in both 2008 and 2009. Exports are projected to grow modestly – constrained by higher-than-abroad wage growth and recent increases in the effective exchange rate. A referendum on the four EU opt-outs is expected in late 2008 or early next year. However, it is not certain that a referendum on euro participation will be included. In the event of a euro referendum, the odds are that the Danes will vote in favour of participation, but as always it will be a close race. Participation would result in a narrowing of interest rate spreads.



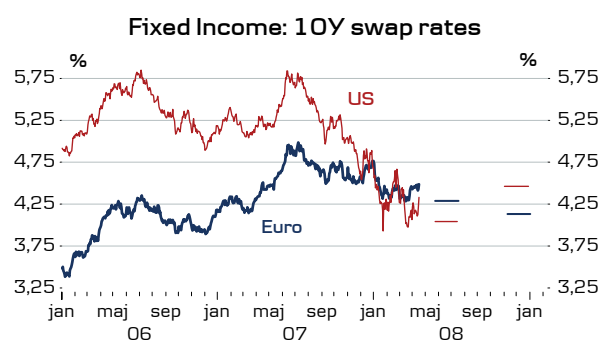
Financial outlook

Equity markets:

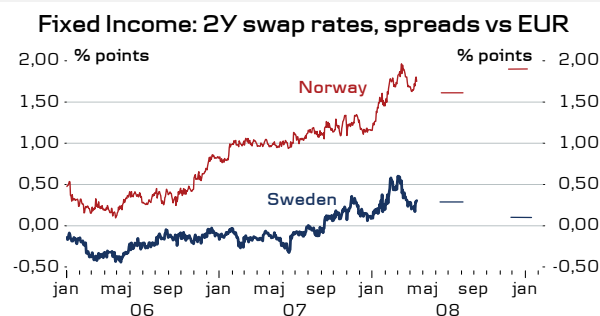
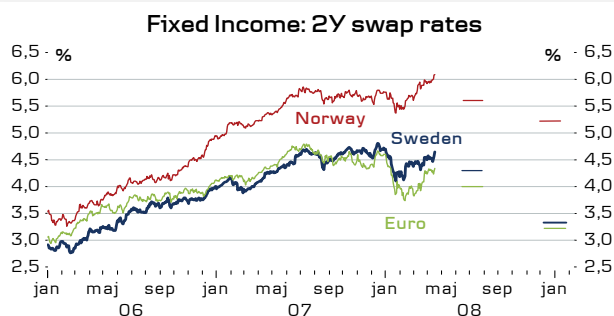
- Our view is that by end 2008, the global stock market will have further recovered and we are comfortable with our target on the S&P500 of 1,500 at year-end (around +10%) with 1,400 (around +2.5%) mid-year (*See DME Strategy Briefer, 4 April, 2008 for details*). Still the way to this kind of stock market recovery remains very bumpy and is based on a series of factors, which we anticipate will underpin the stock market going forward. These are: a) Investors are already as negative as they can be within the framework of a normal US recession environment, b) The global economy is slowing down but there will be no global recession in 2008, c) Non-financial corporates are in good shape and have no need to cut costs as usual in a recession environment, d) US fiscal and monetary stimulus will soon start to work, e) Stock market valuation is attractive, which limits the downside risk.
- Our view is that valuation is attractive despite the significant corporate earnings slowdown. Risk aversion is currently of such a magnitude that it, in our view, is sufficient to balance the earnings slowdown that we anticipate over the coming quarters. And, overall, the stock market seems prepared for the consequences of a standard US recession. If we eg, calculate the stock market's implied five-year annual growth, we find that the European stock market is discounting -3.7% EPS annual growth in the coming five years, while the same number for S&P500 is -0.9%. In our view, this is a sufficient buffer for the stock market as it implies too negative long-term growth expectations.

Fixed income markets:

- **Global fixed income:** The financial crisis continues to set the tone on the global fixed income markets. We continue to expect ebbs and flows in the crisis, and thus continued high volatility in the rates markets. We are entering a time where markets will increasingly look for an end to the Fed easing cycle and hence search for a bottom in bond yields as well. Expectations of Fed cuts have been scaled back as the credit crisis has calmed down. But overall, the downside risks to the US economy have not evaporated and we expect the Fed to cut more than the market expects over the next three to six months. This will lead to lower rates and steeper US curves in the short term. That said, the bottom in Fed funds is getting closer and a silver lining will become more visible over the summer. Fed will likely keep rates unchanged in the second half of 2008 as it becomes more apparent that the large easing of monetary and fiscal policy combined with the weakening dollar will probably cause a modest rebound in growth in 2009. The Fed on hold and an improving economic outlook will cause higher yields and flatter curves in the US on a longer time horizon.



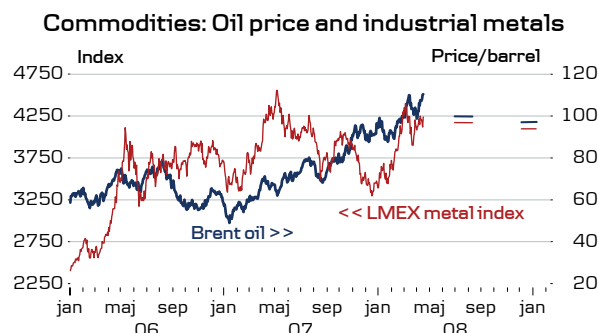
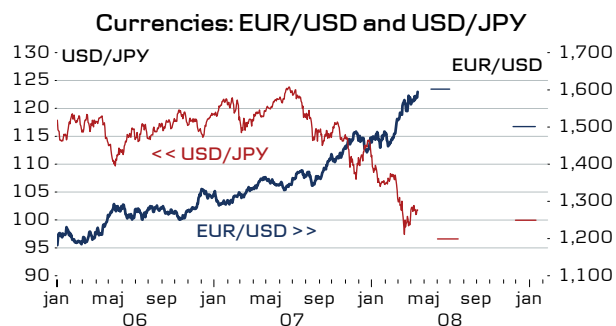
- In Euroland we expect a continued economic slowdown to increase the pressure for ECB cuts. We will likely see a tug of war between weaker Euroland economic data on the one hand and some improvement in US data and still-high Euroland inflation on the other. Overall, we believe the deterioration of the Euroland economy will be most important and push down bond yields further as markets price in more ECB cuts. This should be verified by the ECB delivering cuts starting in September. The yield curve is expected to steepen over the coming quarters as the front end will gain the most from ECB cuts. The risk to the outlook is to the upside for yields as a continuation of inflation disappointments could keep the ECB on hold. Our different views on the US and Euroland bond market means that after a period of strong outperformance of US bonds this should start to reverse in the second half of 2008.
- **Scandi fixed income:** Swedish fixed income: market expectations of rate cuts have been reduced somewhat recently but to a lesser extent than in the Euro curve. The SEK FRA curve is relatively steep compared to the EURIBOR curve in the DEC08/Dec09 area and we see a potential for a relative flattening here. One factor here is that current pricing of short-dated (JUN-08) SEK FRAs implies a tightening of fixing spreads, while we see a case for the opposite as large redemptions of mortgage bonds in June could increase demand for short funding with higher 3M STIBOR fixings as a result. The Swedish bond curve flattened sharply after the Riksbank's rate hike. The 2/5-year curve is currently inverted and there should be an opportunity to enter positions for a steepening of that segment moving forward.
- **Emerging Markets fixed income:** There will be two main drivers of fixed income during 2008. First the inflation risks remain on the upside in Emerging Markets – this will make monetary easing hard in most EM economies despite looser monetary policy in the US and Euroland. Second, the outlook for rising global risk aversion will clearly be felt in the Emerging Markets fixed income markets. Both factors are likely to weigh on the Emerging Markets fixed markets and we therefore in general expect EM yield spreads to widen vis-à-vis developed markets. Looking at policy rates, we see upside potential on Polish FRA rates as we believe that the Polish central bank will deliver two more hikes in Q2. In South Africa and Turkey the central banks will be forced to hike in Q2 to protect their currencies, and this is not yet priced into the market.
- **Credit:** In spite of the recent positive credit spread moves, we still need better visibility to be convinced that credit markets are on the way to recovery. One risk for credit spreads will be the slowing economy, with negative spill-over effects of weaker corporate earnings and deteriorating credit fundamentals. We expect this development, in conjunction with our expectations of lower bank lending to corporates in 2008, to result in higher default rates. While this development has not yet materialised, global default rates have for the past four months been edging higher, confirming this new path of higher defaults.
- Another potential spread-widening driver is a large, new supply pipeline, which so far in 2008 has been somewhat subdued due to weak markets but is beginning to pick up. Since 17 March, the significant CDS spread tightening has kicked off primary issuances from high-quality banks at higher and higher spreads. This is in line with our expectations of banks initiating more pre-emptive funding to reduce future execution risk. Banks want to get the funding in place before competitors at a known price and thereby reduce the risk of 1) not getting the funding, and 2) the uncertainty of higher funding costs. One important result of this is that lower quality banks are having difficulties raising market-based funding.



- We recommend investors to be cautious in the current markets, and have a neutral view on Euro investment-grade credits, largely as a result of the lower visibility in the credit markets. On a relative value basis, we expect financials to outperform corporates. That said, we are cautious about subordinated bonds (Lower Tier 2) primarily due to supply pressure from banks strengthening their capital base. We thus expect senior bank debt to outperform subordinated bank debt.

Currency markets:

- **G10+:** We continue to believe that dollar weakening has further to run, although we also expect the multi-year increase in EUR/USD to be reversed around mid-2008. Our targets from 2007 for the dollar to decline to 1.55 (EUR) and 100 (JPY) were both reached in March, and we now expect the dollar to drop to 1.60 and 96, respectively. As before, our negative view on USD is based on three arguments: 1) We expect the US economy to underperform its peers also in the coming months, 2) We consider it unlikely that the financial crisis will be over and done with any time soon, 3) A gradual shift in the allocation of sovereign assets is creating a structural pressure on USD. The second quarter is likely to see a visible contraction of the US economy. Historically, USD has fallen over the first six months following the onset of a recession. If history is any guide, it therefore remains premature to expect a turn in the dollar. However, the near-term outlook must also contemplate the effect of the recently adopted financial package that is widely seen as resulting in a temporary lift to the US economy in the third quarter. If that effect coincides with a more negative assessment of the business cycle elsewhere it may provide cyclical support to USD.
- We stress that the uncertain nature of the US business cycle may result in substantial shifts in the pricing of currencies this year. We recommend considering the impact of an orderly cyclical rotation across the Atlantic (our main scenario) as well as a disorderly dollar rout.
- An equally important theme is the ongoing financial crisis, where the ebb and flow of risk-seeking is likely to be having a significant impact on G10 currencies in the coming months. The past month has seen a number of positive developments, including the Fed's attempts to improve the supply of liquidity to US banks, as well as brokers, and the plan to increase the leverage of US agencies. However, bad news continues to weigh heavier on our scale and according to the IMF, financial sector write-downs may reach USD 1,000bn, of which only around 232bn have been reported so far. In short, liquidity may continue to command a premium also in the coming months.
- We forecast JPY to continue to perform well, the risk of a Japanese recession notwithstanding. We have lowered our target for USD/JPY to 96 in the coming months, driven primarily by a continuing deleveraging of financial risk. G7 intervention to weaken the yen remains counter-logical considering that the yen remains undervalued, even against USD. A similar set of arguments can be applied to CHF and we expect EUR/CHF to fall further in the coming months.
- We expect the ECB to initiate an easing cycle in September. This event may well mark the secular turn in the euro uptrend, assuming it coincides with a less negative outlook for the US economy. Germany has surprised positively in 2008, but the overall impression of the euro area is less favourable. With both financial and economic arguments swinging from hot to cold these days, a fair amount of range trading can be expected for EUR/USD until the clouds clear.



- We continue to have a positive view towards NOK, based on perhaps the best overall fundamentals of the G10 set of currencies. In contrast, we expect GBP to fall further, although our EUR/GBP 0.82 target is no longer a distant goal. Down Under, rising commodity prices and solid carry continue to provide support for both AUD and NZD, but the turn of the local business cycle appears increasingly obvious. Once local markets shift to a more aggressive pricing of rate cuts, both currencies are likely to fall sharply.
- **Emerging Markets:** The currency performance and outlook is rather mixed. The current environment does not support ZAR and TRY, which suffers from large external imbalances in the local countries, which make global investors reducing capital flows towards these two markets. Not even a rate hike from the South African central bank has stopped the downtrend in ZAR. We think that these two central banks will be forced to deliver further rate hikes, simply to increase protection of the currencies. We have not yet seen lows in these currencies, but on the other hand more rate hikes can limit the downside somewhat.
- Central - and Eastern European currencies continue to perform well in the current environment with EUR/USD setting new highs. PLN, HUF and RON are supported by hawkish central banks and PLN gets support from a relatively balanced growth outlook in Poland. Despite being the lowest yielding currency in the region CZK too continues to perform very well too, something which concerns the Czech authorities. We see value in a long position in PLN/CZK, as a play on central bank expectations and as a play that CZK could weaken a little during the next month. We are sidelined with respect to HUF and RON, but we stand ready to enter new long positions in EUR/HUF and/or EUR/RON if the positive sentiment in CEE changes. Record high energy prices and increasing inflationary pressures will probably encourage further "revaluation" of the rouble during Q2. We expect that RUB will be roughly 1% stronger from now against its dual-currency basket by the end of Q2. LATAM currencies will too continue to benefit from the global sentiment. As long as the uptrend in EUR/USD continues and commodities surge too, we expect that USD/BRL and USD/MXN will remain relatively flat, with a little downside potential - especially for USD/MXN.
- With growth expected to remain robust and inflation higher focus in Asia will increasingly turn from maintaining a competitive exchange rate to securing stable prices. Hence, most Asian central banks are not expected to follow the easing in USA and Europe and currencies will increasingly be allowed to appreciate. China is currently taking the lead.

Commodities:

- Commodities have continued to boom in Q1, although we did see a setback in March not least for the booming agriculturals. It might be a bit of a surprise that commodities are continuing to rise despite the financial jitters and the pressure on the global housing markets.
- One reason is most likely the stepped-up focus on commodities as a hedge against a weaker USD and higher inflation. When we look ahead, we still expect a significant financial interest in commodities, but also a support from the fundamental side.
- Many market balances in eg, energy and metals such as copper, are still very tight. The latter underlines that demand from the Emerging Markets is still strong. But that said, we should expect more stable prices the next couple of months after the latest rally.
- We expect oil prices (Brent) to fall back to USD 100 per barrel in Q3 and further to USD 95 per barrel in Q4. This is based on a softening of demand as global growth slows further in coming quarters. A turn in the dollar later in 2008 should also dampen the upward pressure on the oil price. The risk to our forecast is to the upside, as the decline may fail to come if the dollar continues to weaken (our risk scenario) and/or demand from the Emerging Markets compensates more for the slowdown in the US and Europe.

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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-pleym. ³	Public budget ⁴	Public debt ⁴	Current acc. ⁴
Denmark	2007	1.8	2.5	1.7	6.7	-0.2	3.7	6.1	1.7	2.9	4.1	25	1.1
	2008	1.4	2.4	1.7	2.6	-0.1	3.4	4.5	3.1	2.0	3.2	20	0.6
	2009	1.3	1.4	1.6	0.6	0.1	2.8	2.8	2.4	2.5	2.3	17	0.6
Sweden	2007	2.7	3.2	1.0	8.3	0.7	5.8	9.7	2.2	6.2	3.1	42.0	8.3
	2008	1.8	1.7	1.0	3.5	-0.7	5.3	4.5	2.9	6.2	2.9	37.7	8.2
	2009	1.6	1.0	1.8	0.4	-0.4	3.8	2.4	1.5	6.8	2.3	35.5	8.3
Norway	2007	12.2	8.7	4.7	14.9	-0.7	19.9	10.2	0.2	2.6	8.0	26	19.3
	2008	3.5	4.6	2.8	10.9	-0.2	3.7	9.2	4.4	3.3	12.0	26	20.6
	2009	2.9	4.1	2.8	2.6	0.0	3.4	4.8	2.2	3.4	13.9	26	18.2

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-pleym. ³	Public budget ⁴	Public debt ⁴	Current acc. ⁴
Euroland	2007	2.6	1.4	2.1	4.8	-0.1	6.0	5.2	2.8	7.4	-0.8	67	-0.8
	2008	1.4	1.2	1.2	1.7	0.1	3.1	3.3	2.8	7.1	-0.8	65	-0.3
	2009	1.5	1.5	1.5	1.5	0.0	4.0	4.9	1.9	7.4	-0.8	64	-0.5
Germany	2007	2.7	-0.2	1.9	5.6	-0.1	8.5	5.5	2.9	9.1	-0.5	65	5.8
	2008	1.6	0.6	0.7	1.7	0.2	5.1	3.3	1.9	8.3	0.2	64	5.8
	2009	1.4	1.1	1.1	1.5	-0.1	5.0	3.9	1.4	8.0	0.4	64	6.0
France	2007	1.9	1.9	2.0	4.1	-0.2	3.5	6.6	2.0	8.0	-2.3	63	-2.3
	2008	1.6	1.6	0.9	2.2	0.2	3.1	4.0	1.8	7.7	-2.2	62	-2.3
	2009	1.5	1.8	1.3	2.0	-0.1	2.5	3.9	1.4	7.5	-2.3	61	-2.3
Italy	2007	1.8	1.7	0.8	2.8	0.0	2.5	1.8	2.6	5.9	-2.6	105	-1.7
	2008	1.0	0.9	0.5	0.9	0.2	1.1	2.3	2.3	5.7	-2.0	103	-1.7
	2009	0.9	0.9	0.8	1.2	-0.1	0.5	2.4	1.8	5.7	-2.2	102	-1.7
Spain	2007	3.9	3.4	5.3	6.4	-0.4	5.5	6.8	3.4	8.0	1.5	37	-9.0
	2008	2.7	2.3	3.2	3.7	0.2	3.6	4.3	3.2	8.2	1.0	35	-9.5
	2009	2.4	1.8	3.1	2.5	-0.1	2.5	3.9	2.3	8.8	0.0	35	-9.0
Holland	2007	3.0	1.8	3.2	4.8	-0.1	6.0	5.5	2.4	3.3	0.0	60	7.0
	2008	2.2	1.7	0.6	3.2	0.1	4.6	4.8	2.3	2.9	0.0	59	6.5
	2009	1.9	1.8	0.4	2.8	-0.1	3.5	5.4	1.7	2.8	0.0	60	6.5
Finland	2007	4.4	3.7	0.8	7.6	0.1	4.8	4.1	2.5	6.9	5.3	35	4.6
	2008	2.6	2.5	1.5	3.0	0.0	2.5	2.0	3.3	6.5	4.7	33	4.5
	2009	2.5	2.5	1.5	2.0	0.0	3.0	2.5	2.2	6.2	3.9	31	4.5

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-pleym. ³	Public budget ⁴	Public debt ⁴	Current acc. ⁴
USA	2007	2.2	2.9	2.0	-1.8	-0.3	8.0	1.9	2.9	4.6	-1.2	60	-5.5
	2008	1.2	1.4	2.4	-6.1	-0.4	7.2	-2.2	3.9	5.3	-3.5	61	-3.0
	2009	1.5	1.2	2.0	-2.8	0.0	7.4	1.0	2.2	6.0	-2.5	61	-1.2
Japan	2007	2.1	1.4	0.8	-3.1	-0.2	7.8	1.8	0.0	3.8	-3.3	180	5.0
	2008	1.4	1.1	0.9	2.0	0.1	5.0	3.8	0.6	3.8	-3.8	182	4.8
	2009	1.7	1.5	1.2	2.5	0.0	5.4	4.4	0.4	3.6	-3.5	183	5.0
UK	2007	3.1	3.1	1.9	4.1	0.0	4.2	-2.0	2.3	3.0	-2.5	43	-3.3
	2008	1.6	1.3	2.3	4.2	-0.2	3.8	3.5	2.6	2.8	-2.5	43	-4.1
	2009	1.6	1.3	2.4	3.0	0.0	3.4	3.0	2.1	3.0	-2.5	43	-4.0
Switzer-land	2007	3.1	2.1	0.1	2.7	0.1	10.0	5.2	0.7	2.8	-0.2	55	15.1
	2008	1.7	1.8	0.5	0.4	0.0	3.8	4.5	1.9	2.6	0.0	54	13.9
	2009	1.6	1.6	0.6	1.7	0.0	4.7	5.2	1.1	2.7	0.0	53	14.9

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 int. rate	2-yr swap yield	10-yr swap yield	Currency vs EUR	Currency vs USD	Currency vs DKK
USD	17-Apr	2.25	2.94	4.43	159.4	-	468.2
	+3m	1.50	2.25	4.05	160	-	466
	+6m	1.50	2.40	4.15	158	-	472
	+12m	1.50	2.85	4.50	150	-	497
EUR	17-Apr	4.00	4.43	4.56	-	159.4	746.0
	+3m	4.00	4.00	4.30	-	160	746.0
	+6m	3.75	3.75	4.20	-	158	746.0
	+12m	3.25	3.30	4.10	-	150	746.0
JPY	17-Apr	0.50	0.98	1.57	162.7	102.1	4.58
	+3m	0.50	0.90	1.45	155	97	4.81
	+6m	0.50	1.00	1.50	152	96	4.91
	+12m	0.50	1.20	1.60	150	100	4.97
GBP	17-Apr	5.00	5.09	5.08	80.8	197.1	922.9
	+3m	4.75	4.90	4.90	80.0	200	933
	+6m	4.50	4.80	4.80	82.0	193	910
	+12m	4.25	4.50	4.60	78.0	192	956
CHF	17-Apr	2.75	2.99	3.51	159.3	100.0	468.2
	+3m	2.75	2.85	3.40	154	96	484
	+6m	2.75	2.70	3.30	152	96	491
	+12m	2.25	2.40	3.20	150	100	497
DKK	17-Apr	4.25	4.63	4.68	746.0	468.2	-
	+3m	4.25	4.20	4.45	746.0	466	-
	+6m	4.00	3.90	4.30	746.0	472	-
	+12m	3.50	3.45	4.20	746.0	497	-
SEK	17-Apr	4.25	4.68	4.79	938.7	589.0	79.5
	+3m	4.25	4.30	4.60	940	588	79.4
	+6m	4.00	3.95	4.45	935	592	79.8
	+12m	3.50	3.40	4.30	925	617	80.6
NOK	17-Apr	5.25	6.08	5.38	791.2	496.4	94.3
	+3m	5.50	6.20	5.40	780	488	95.6
	+6m	5.50	6.00	5.30	775	491	96.3
	+12m	5.50	5.80	5.30	775	517	96.3
PLN	17-Apr	5.75	6.21	5.75	341.6	214.4	218.4
	+3m	6.25	6.20	5.60	360	225	207
	+6m	6.25	5.90	5.75	360	228	207
	+12m	6.25	7.05	6.85	365	243	204

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

Commodities							
	10/04/2008	2008 - average				Average	
		Q1	Q2	Q3	Q4	2008	2009
ICE Brent	108	96	100	100	95	98	90
Aluminium	3,082	2,779	3,150	2,850	2,850	2,907	2,700
Copper	8,630	7,741	8,600	8,600	8,500	8,360	8,700
Gold	925	924	1,000	1,050	950	981	1,000
CBOT Wheat*	937	1,026	975	1,025	1,050	1,019	1,200
CBOT Corn*	595	527	600	650	675	613	700

* Note: US\$/bushel

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