21 August 2026

Reading the Markets EUR

ECB at an inflation crossroads; buy French covereds

Macro. We assess the near-term market impact from the new German statutory pension fund. We expect the impact to be limited, but the medium-term story is a gradual rotation of household savings in Germany out of low-yielding assets and into equity and fixed income ETFs. In other words, this is most likely not a new buyer of Bunds.

Rates strategy**.** European growth data has proved better than expected leading to a broad-based rise across the EUR swap curve. To us, this leaves an asymmetric outcome space ahead of the release of regional August inflation. In the case of a low reading, this would question the notion of whether a continued solid growth backdrop will be enough to fuel underlying inflation in Europe.

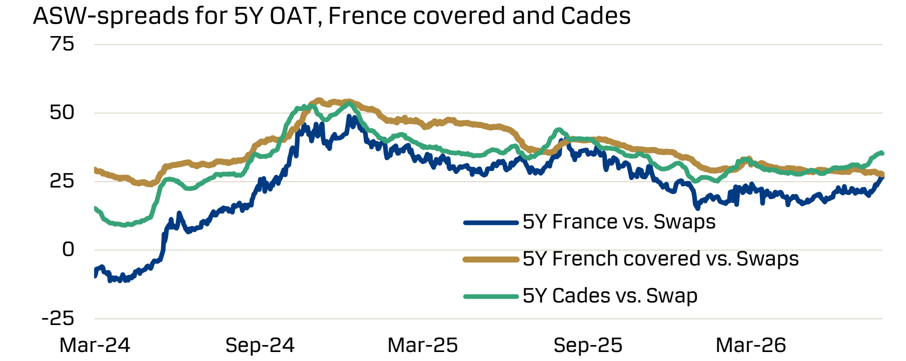
Bond strategy**.** We expect that the French covered bond yield curve will continue to outperform the OAT curve in the 4-5Y segment given the strong demand for French covered bonds and fiscal challenges. We also recommend buying the new 7Y Finnish benchmark. Finland has fulfilled more than 80% of its issuance target and there are redemption and coupon payments of EUR5.5bn in September.

Trade log.

Key views

- **ECB.** We expect the ECB to hike the deposit rate to 2.50% by YE 2026 and see a reduced need for cuts in 2027.
- **Outright.** 3M at 3.00-3.25% for 10Y Bunds. 10Y German government bonds are remarkably stable.
- **Curve.** 2s10s German curve to re-steepen 50-60bp in the next 3M as we partly scale back expectations for rate hikes.
- **ASW (Schatz/Bobl/Bund).** Range-bound spreads but see risk of tighter German ASW spreads due to the issuance (i.e. German government bonds to underperform swaps).
- **Covereds/SSA.** Spreads to swaps are tightening given strong demand at syndicated deals.
- **EUR/USD**. Recent uptick will prove temporary, structural trend still headed lower towards 1.12 on a 12M horizon.

Chart of the week. French covered bonds performing versus French govts and agencies



Past performance is not a reliable indicator of current or future results. Source: Danske Bank

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Important disclosures and certifications are contained from page 13 of this report.

Macro

New German pension fund: not a Bunds story

When the Bundestag returns from recess on 7 September, the “autumn of reforms” begins, with pension reform a key focus for markets. It matters for two reasons: it could raise the economy’s growth potential by expanding the labour force, and it creates a new public pension investment fund. Today, we focus on the latter. **The near-term market impact from the fund is likely to be limited, but the medium-term story is a gradual rotation of household savings in Germany out of low-yielding assets into equity and bond ETFs.**

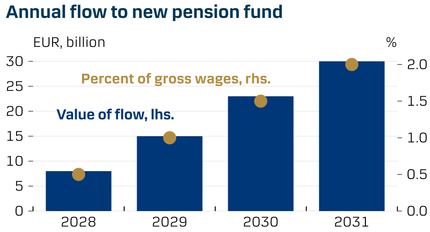
The new “Kapitalrente” is a statutory funded pillar, similar to the AP funds in Sweden, which will sit alongside the pay-as-you-go system. Employees and employers will each contribute an additional 1% of gross wages, or 2% in total, to a centrally-managed fund. The mandate and manager have yet to be decided, but the likely template is a broadly diversified, low-cost global capital markets fund. The cost is targeted at 0.1% per year, meaning it will most likely make passive investments in equity and fixed income ETFs. Focus is on returns and “*politically motivated investment restrictions and the exclusion of specific countries or sectors are to be avoided*”, see *Empfehlung 28*, for details. **In other words, this is most likely not a new buyer of Bunds**. Contributions will be phased in from 0.5% of wages in 2028 to the full 2.0% in 2031, at which point the fund is expected to absorb roughly EUR30bn a year, according to Merz.

The first question is whether EUR30bn a year is significant. The second is whether this should be seen as new savings, or whether households will simply reduce private savings elsewhere. **Compared with net household saving flows of around EUR279bn last year on a financial-accounts basis, EUR30bn gross is equivalent to around 11% of the annual flow, which is a meaningful amount**. However, the new mandatory pension saving is likely to partly crowd out private savings. Evidence from Denmark’s repeated mandatory pension changes suggests households offset roughly half of higher mandatory pension savings by reducing their own savings. On that basis, we expect only around EUR15bn of genuinely additional annual savings in 2031, with total household savings rising by around 5%. The remaining EUR15bn would represent a reshuffling of existing private savings. As such, the initial amount of new savings to be invested is relatively small, but it should become more important over time as assets accumulate.

Importantly, the reform is likely to trigger a reshuffling of household investments. Households in Germany are notably conservative in their private savings allocation: deposits and cash account for 37% of financial assets, insurance and private pensions for 28%, while direct equities and other share right account for only 19% and direct debt securities for 2% (see Chart 2). The most natural source of offsetting lower private saving is deposits and insurance or private-pension products. The likely effect is therefore a shift from lower-yielding assets, such as deposits towards equity and fixed income ETFs.

Overall, the market impact is likely to be limited in the short term but more meaningful over the medium term. With household financial assets totalling around EUR10tn, an initial net flow of around EUR15bn is small relative to the existing stock. Over time, however, as the pool compounds, the direction is clear: a persistent bid for equities.

Chart 1: Phasing in to c. EUR30bn per year by 2031



Source: Danske Bank

Chart 2: German households are very conservative investors

Category	Value (EUR trn.)	Share %
Deposits and cash	3.5	37.4
Insurance and private pensions	2.6	27.6
Investment funds	1.3	13.9
Equities and other share rights	1.8	18.6
Debt securities	0.2	2.4
Total	9.5	100

Source: Bundesbank

Rates strategy

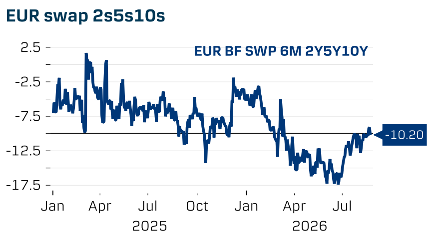
ECB at an inflation crossroads

Over the summer, European growth data has proved better than expected leading to a broad-based rise across the EUR swap curve. This was further underpinned by a setback in negotiations between Iran and the US, which pushed energy prices higher with crack spreads remaining particularly elevated. This has pushed the growth sensitive part of the belly of the curve higher (see Chart 3). The flash PMIs for August confirmed the pick-up in manufacturing sector activity, with e.g. the output index in the German manufacturing sector rising to the highest level since 2022 driven by the fiscal expansion in Germany but also a rise in export orders, possibly related to an increase in AI investments (Chart 4). With a continued strong global backdrop, the key question will be whether this will meaningfully fuel underlying inflationary pressures in the euro area. **To us, this leaves an asymmetric outcome space ahead of the release of regional August inflation at the end of next week.**

So far, inflationary pressures remain muted outside of energy products and notably a wide range of selling pressure expectations seem to have peaked in April and have tracked lower ever since (Chart 5). This was one of the key metrics the ECB was attentive to when the war started. Hence, the release of the first regional preliminary inflation data on Friday will be particularly interesting. Headline is expected to increase by around 50bp to 3.50% y/y due to a rise in energy prices, and there could be some effects in hotel prices in Spain due to the solar eclipse. The latter will naturally be a one-off and we caution against putting any weight on this. However, we are especially attentive to good inflation, which increased in July with tentative signs of a pick-up in momentum. If inflation comes in higher than expected this will lend support to market pricing of 60bp worth of hikes over the coming year. However, **in the event of a low reading, this would question the notion of whether a continued solid growth backdrop will be enough to fuel underlying inflation in Europe.** This could ease the upward pressure on European yields seen over the summer and push markets back to pricing around 50bp worth of hikes over the course of the year (from 60bp).

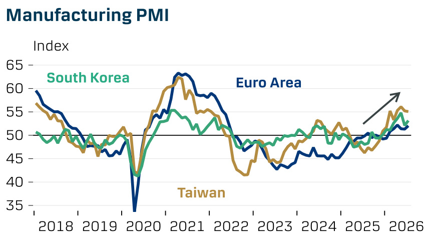
All of this accumulates on top of the Middle East-related cost pressures and is further amplified by effects from the warm summer. Europe faces headwinds from both lower water reserves and with Europe on the verge of entering the heating season with very low natural gas stocks, this will likely keep the natural gas price elevated in the short to medium-term. **We therefore see no reason for the ECB to meaningfully push back on current market pricing ahead of the September meeting**, where it is widely expected that it will hike policy rates. Given recent developments, we see the likelihood of markets starting to price cuts in 2027 as having decreased significantly.

Chart 3. Positive growth surprises fuelling the belly of the curve



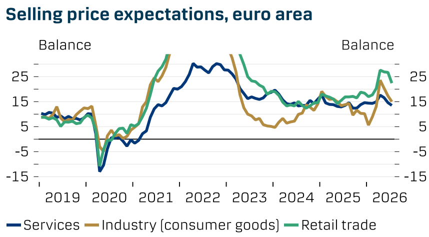
Note: Past performance is not a reliable indicator of current or future results.
Source: Bloomberg, Macrobond Financial

Chart 4. AI capex fuelling momentum in manufacturing sector



Source: Macrobond Financial, Danske Bank

Chart 5. Inflation outlook remains benign



Note: Past performance is not a reliable indicator of current or future results
Source: Bloomberg, Macrobond Financial

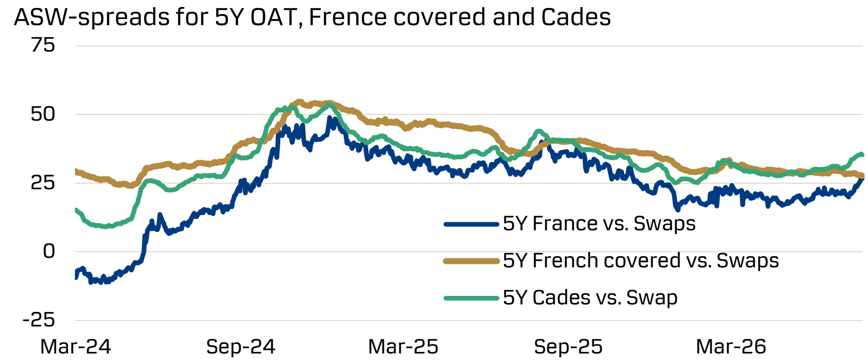
Bond strategy

France underperforming French covered bonds, Finland cheapened ahead of the 7Y syndication

French government bonds have once again come under pressure ahead of the budget negotiations that will take place in coming months. Furthermore, the euro area countries must send in budget proposals for 2027 to the EU Commission by 15 October 2026. Here, France has previously sent in later and there is a risk that this will also happen this year. Finally, there is the Presidential election next year, where investors are already looking for an extra premium on French government bonds.

If we look at the ASW-spread for 5Y French government bonds, Cades and French covered bonds, then covered bonds now trade level with French government bonds, as shown below. Hence, the convergence between covered and government bonds continues. We see a potential for the 4Y-5Y French covered trading below OATs due to the supply, fiscal challenges and solid demand for covered bonds as shown by the recent French covered bond deals such as the triple tranche from Credit Agricole (see table below). This is despite a wider investor base for French govt bonds as well as a lower risk weight (0% versus 10% - govt vs. covered).

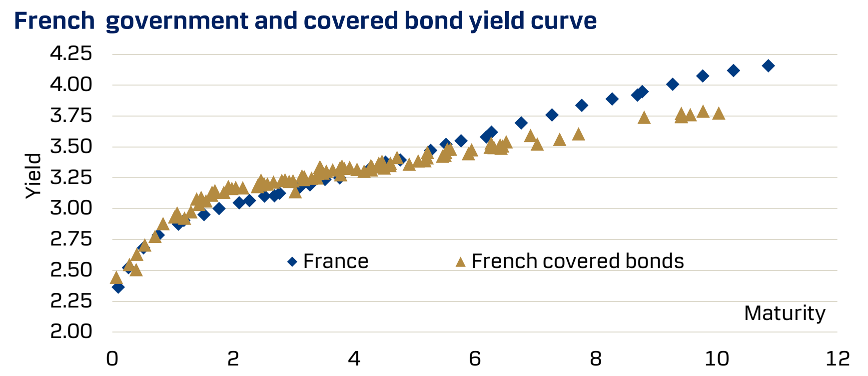
Chart 6. French covered bonds performing versus French govts and agencies



Source: Danske Bank.

Note: Past performance is not a reliable indicator of current or future results.

Chart 7. French covered bonds trade below French government bonds from +6Y



Source: Danske Bank.

Note: Past performance is not a reliable indicator of current or future results.

Therefore, we expect that the covered bond yield curve will continue to outperform the OAT curve as we have seen in the maturities above 6Y. Hence, we recommend buying 4Y-5Y covered bonds versus a matching French government bond such as

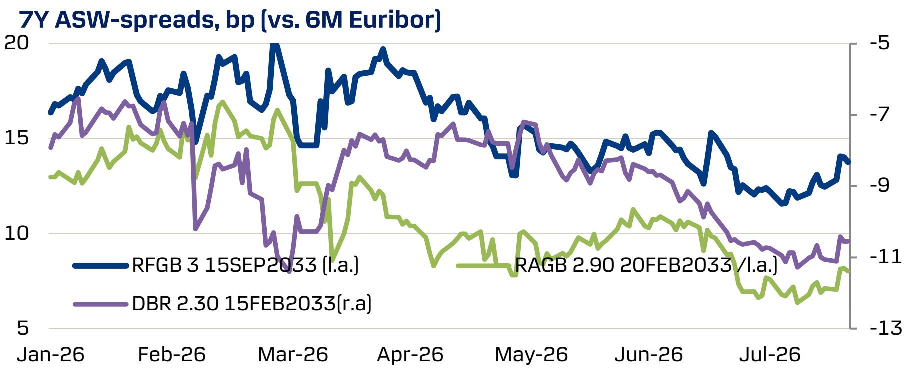
- Buy CMCICB 3% 02/31 versus OAT 2.7% 02/31 @+1.4bp. Target -5bp.
- Buy CRH 3.125% 10/31 versus OAT 1.5% 05/31@ -1bp. Target -7bp

Buy new 7Y Finland versus swaps or matching German govt bonds

This week Finland sold EUR4bn in a new 7Y benchmark – RFGB 3.3% 04/33 in a syndicated deal. This was very well received with an order book of above EUR11bn. The investor base was very broad both in terms of geography and investor type as Middle East/Asian investors took 23%, Nordics took 20%, Benelux and France took 20%, DACH took 10%. Central banks and official institutions took 43% followed by Bank treasuries which took 24% while insurers and pension funds took 14%.

We had also seen a modest cheapening in 7Y Finland versus swaps during August, where Finland has underperformed e.g. Austria and Germany as shown below.

Chart 8. Finland has underperformed in the 7Y segment relative to Austria and Germany



Source: Danske Bank

Note: Past performance is not a reliable indicator of current or future results.

Finland has done more than 80% of the issuance of RFGBs for 2026 and we only have one tap auction left for Q3 and 1-2 tap auctions in Q4, and there are redemptions and coupons coming to market in mid-September, where EUR4bn is maturing in RFGB 09/26 and EUR1.3bn in coupon payments. Hence, we expect to see a performance in the new 7Y benchmark versus swaps as we have seen in the past and recommend buying the new 7Y benchmark versus swaps:

- Buy RFGB 3.3% 04/33 versus swaps @13bp. Target MS+7bp.

Last year, the new 7Y benchmark RFGB 04/32 tightened almost 15bp from the syndication until mid-October (from 29bp to 15bp) and it is currently trading at MS+6bp.

Chart 9. Issuance over the next two weeks

week 35		issuer	type	maturity	coupon	size
Monday	**24/08**	Belgium	BGB	Jun-2045	3.75%	EUR 4bn
		Belgium	BGB	Aug-2031	3.10%	
		Belgium	BGB	Jun-2036	3.40%	
Tuesday	**25/08**	Germany	Schatz	Sep-2028	2.70%	EUR 5bn
Wednesday	**26/08**	Germany	DBR	Aug-2048	1.25%	EUR 2bn
		Germany	DBR	May-2041	2.60%	
		Italy	BTPS short	2Y	cancelled	EUR 2bn
		Italy	BTPSei	2Y-30Y	cancelled	EUR 3bn
		Sweden	SGB	Nov-2045	0.50%	SEK 0.75bn
		Sweden	SGB	May-2028	0.750%	SEK 4.25bn

week 36		issuer	type	maturity	coupon	size
Monday	**31/08**	EU	EU	2Y-30Y		EUR 6bn
Tuesday	**01/09**	Germany	Bobl	48137		EUR 5.5bn
		ESM	ESM	5Y		USD 2bn
Wednesday	**02/09**	Sweden	SGB	2Y-10Y		SEK 8bn
		Denmark	DGB	2Y-10Y		DKK 2-3bn
		Norway	NGB	2Y-20Y		NOK 2-4bn
Thursday	**03/09**	France	FRTR	10Y-30Y		EUR 12bn
		Spain	SPGB	2Y-30Y		EUR 6bn
		Ireland	IRish	2Y-30Y		EUR 1.5bn

Source: EU Debt Offices, Bloomberg, Danske Bank

Chart 10. Net cash flow in coming weeks

	Week 35	Week 36	Week 37	Week 38	Week 39
Germany	-7.0	-5.5	-5.5	-7.5	-7.0
France	0.0	-12.0	0.0	-12.0	0.0
Italy	-14.0	0.0	-9.0	0.0	-5.0
Spain	0.0	-6.0	0.0	-6.0	0.0
Portugal	0.0	0.0	-1.5	-3.5	0.0
Belgium	-4.0	0.0	0.0	0.0	0.0
Netherlands	0.0	0.0	-2.5	0.0	-6.0
Austria	0.0	0.0	-3.0	0.0	0.0
Finland	0.0	0.0	0.0	-1.5	0.0
Ireland	0.0	-1.5	-3.0	0.0	0.0
Slovakia	0.0	0.0	0.0	0.0	0.0
EU	0.0	-6.0	0.0	-10.0	0.0
EFSF	0.0	0.0	0.0	0.0	0.0
ESM	0.0	-2.0	0.0	0.0	0.0
Total - EUR	-25.0	-33.0	-24.5	-40.5	-18.0
Denmark	0.0	-3.0	0.0	-3.0	0.0
Sweden	-5.0	-5.0	-0.8	-8.0	0.0
Norway	0.0	-3.0	0.0	-3.0	-5.0

Note: All volumes are in billions, local currency.

Note: Negative means more issuance than coupon and redemption

Source: Bloomberg, Danske Bank

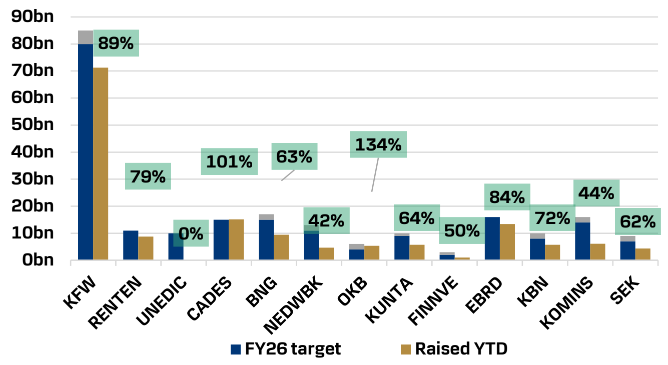
Chart 11. Bond issuance for 2025

Expected issuance (Bn)	Expected gross bond issuance 2026		Gross issuance 2026 YtD	Bonds maturing 2026	Net issuance 2026 YtD	Expected net issuance 2026	% issued YtD of expected gross issuance	
	Official forecast	Danske Bank					Official forecast	Danske Bank
Germany	350.0	*350.0*	232.5	62.0	81.3	288.0	66%	66%
France*	310.0	*310.0*	252.1	60.7	144.3	249.3	81%	81%
Italy	360.0	*360.0*	182.3	73.5	-9.6	286.5	51%	51%
Spain	177.0	*177.0*	117.7	28.7	25.2	148.3	67%	67%
Portugal	24.0	*24.0*	17.6	0.0	7.6	24.0	73%	73%
Greece	8.0	*8.0*	7.6	0.5	2.1	7.5	94%	94%
Belgium	52.0	*52.0*	40.6	0.0	14.4	52.0	78%	78%
Netherlands	50.0	*50.0*	36.1	0.0	7.3	50.0	72%	72%
Austria	45.0	*45.0*	31.3	17.2	16.1	27.8	70%	70%
Finland	25.3	*25.3*	20.8	4.0	13.7	21.3	82%	82%
Ireland	12.0	*12.0*	9.7	0.0	-2.0	12.0	81%	81%
Slovakia	10.0	*10.0*	7.5	0.0	3.3	10.0	75%	75%
EU	180.0	*180.0*	117.0	20.3	109.0	159.7	65%	65%
EFSF	18.0	*18.0*	16.5	4.0	-0.5	14.0	92%	92%
ESM	7.0	*7.0*	4.5	4.0	-1.0	3.0	64%	64%
Total - EUR	1628.3	*1628.3*	1093.7	274.9	411.2	1353.4	67%	67%
Denmark*	65.0	*65.0*	56.6	19.4	56.6	45.6	87%	87%
Sweden*	222.0	*222.0*	136.8	96.4	103.0	125.6	62%	62%
Norway*	105.0	*105.0*	78.0	0.0	32.8	105.0	74%	74%

***local currency**

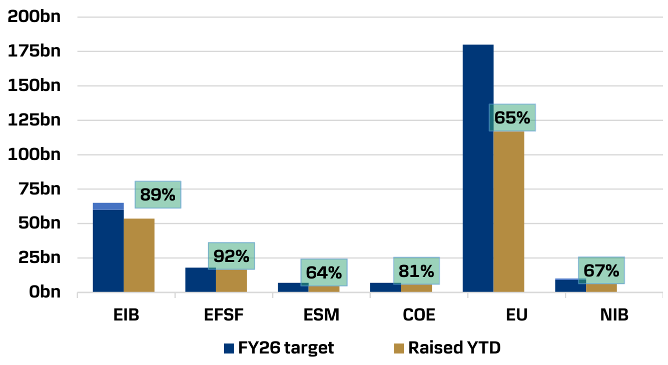
Source: EU Debt Offices, Bloomberg, Danske Bank

Chart 12. How far are the agencies in their funding



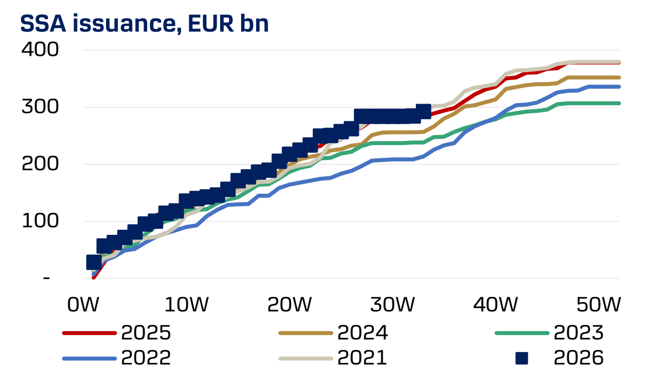
Source: Bloomberg, Danske Bank

Chart 13. How far are the supras in their funding



Source: Bloomberg, Danske Bank

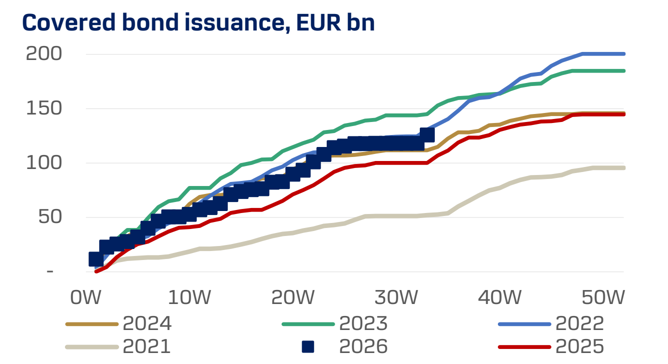
Chart 14. Total supply of SSAs during the past 5 years



Past performance is not a reliable indicator of current or future results.

Source: Bloomberg, Danske Bank

Chart 15. Total supply of covered bonds during the past 5 years



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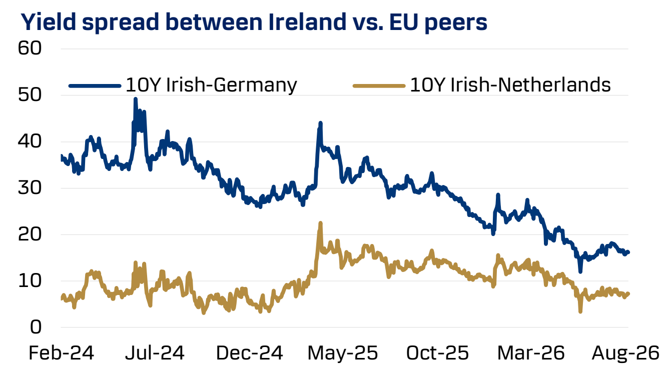
Source: Bloomberg, Danske Bank

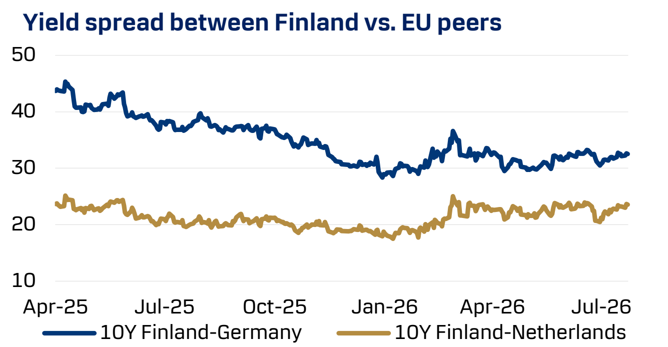
Chart 16. Ireland is rebounding vs peers



Past performance is not a reliable indicator of current or future results.

Source: Danske Bank

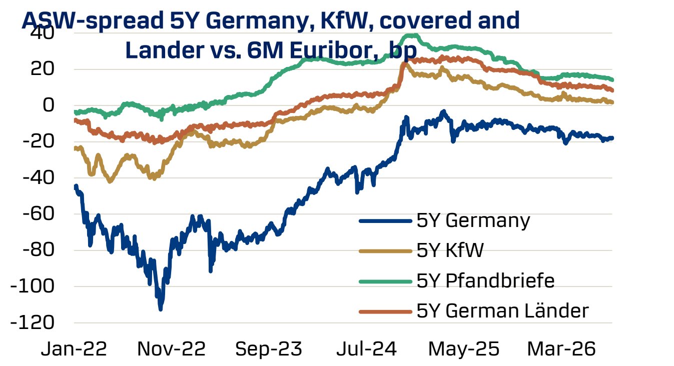
Chart 17. 10Y Finland is stabilising vs. EU peers



Past performance is not a reliable indicator of current or future results.

Source: Danske Bank

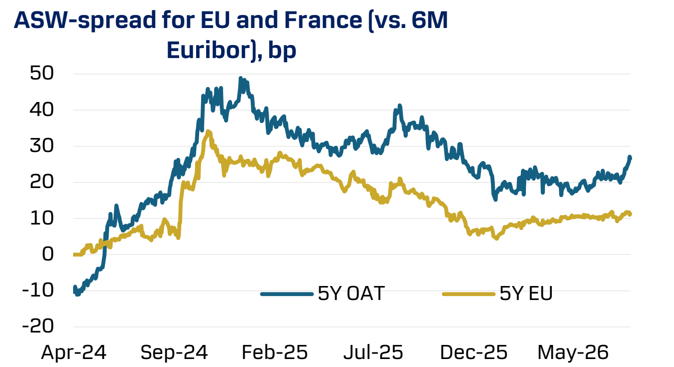
Chart 18. 5Y ASW-spreads for KfW, Pfandbriefe, Länder and Bobl



Past performance is not a reliable indicator of current or future results.

Source: Danske Bank

Chart 19. SW-spreads for 5Y France and EU



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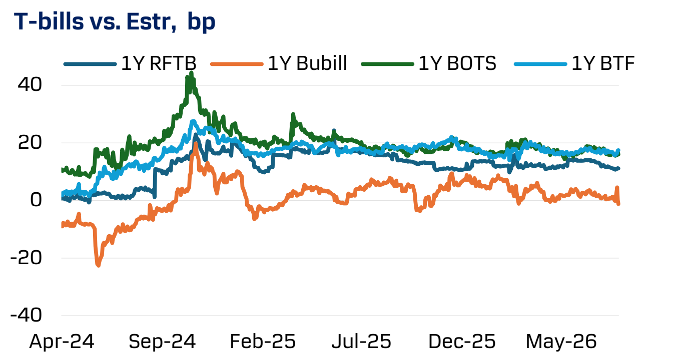
Source: Danske Bank

Chart 20. T-bills vs. €str



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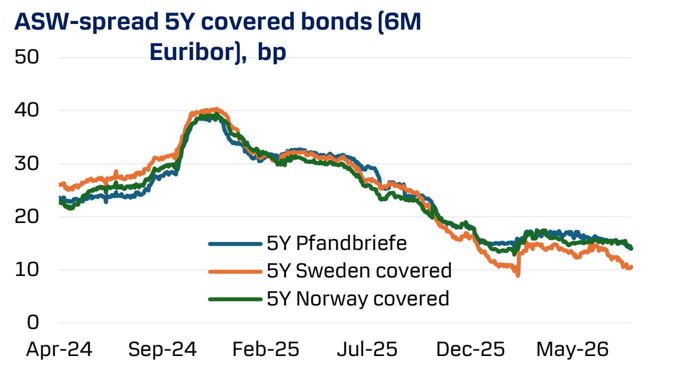
Source: Danske Bank

Chart 21. SEK, NOK and German covered bonds



Past performance is not a reliable indicator of current or future results.

Source: Danske Bank

Chart 22. New deals in the covered bond market

	Name (🌳 green, ♥: soc., ☀:sust.)	Cntry	Vol	Mty	Rtg (M/S&P/F)	Book sz.	Guidance	Issue yld	Issue spr	Spr. now	Perf.
19-Aug-26	TATSK	SK	600	26-Aug-29	Aaa/AAA/NR	2,100	28a	3.29%	+21	17	-4
19-Aug-26	CA HOME LOAN SFH	FR	1,000	28-Aug-36	Aaa/AAA/AAA	2,100	58a	3.79%	+52	49	-3
19-Aug-26	CA HOME LOAN SFH	FR	500	28-Aug-29	Aaa/AAA/AAA	2,000	33a		E+24		
19-Aug-26	CA HOME LOAN SFH	FR	1,000	28-Aug-29	Aaa/AAA/AAA	3,900	23a	3.22%	+14	13	-1
19-Aug-26	JYSKE BANK	DK	500	01-Oct-31	NR/AAA/NR	2,100	25a	3.29%	+17	15	-2
19-Aug-26	SPAREBANK 1 BOLIGKREDITT	NO	1,000	26-Aug-33	Aaa/NR/NR	3,300	30a	3.41%	+23	22	-1
18-Aug-26	BANK OF NZ	NZ	1,000	27-Aug-31	Aaa/NR/AAA	3,700	35a	3.39%	+28	26	-2
17-Aug-26	DBSSP	SG	2,000	26-Aug-30	Aaa/AAA/NR	3,600	26a	3.29%	+19	18	-1
01-Jul-26	DEUTSCHE KREDITBANK	DE	1,000	09-Jul-38	Aaa/NR/NR	#N/A	42a	3.39%	+37	35	-2
29-Jun-26	CFF	FR	500	06-Jul-34	Aaa/AAA/NR	1,000	51a	3.28%	+45	43	-2
29-Jun-26	CFF	FR	750	06-Jul-29	Aaa/AAA/NR	1,800	24a	2.88%	+17	14	-3
23-Jun-26	TAKAHB	HU	500	30-Jun-32	Aaa/AAA/NR	850	67.5a	3.29%	+65	63	-2
23-Jun-26	ACHMEA	NL	500	30-Jun-33	NR/AAA/NR	650	31a	3.12%	+28	26	-2
18-Jun-26	CRH	FR	750	29-Jun-33	Aaa/NR/AAA	1,500	43a	3.26%	+38	37	-1
18-Jun-26	UNICREDIT BANK AUSTRIA	AT	750	25-Jun-32	Aaa/NR/NR	1,100	32a	3.12%	+27	26	-1
17-Jun-26	MEDIOBANCA	IT	500	24-Aug-32	NR/NR/AA	1,300	44a	3.20%	+38	36	-2
16-Jun-26	RLB OBEROESTERREICH	AT	500	23-Oct-31	Aaa/NR/NR	1,100	30a	3.03%	+24	22	-2
16-Jun-26	BBVA	ES	1,000	23-Jun-33	Aaa/NR/NR	2,700	34a	3.13%	+27	25	-2
16-Jun-26	BBVA	ES	1,250	23-Jun-29	Aaa/NR/NR	2,600	20a	2.89%	+14	11	-3
16-Jun-26	CREDIT AGRICOLE ITALIA	IT	1,000	24-Jun-37	Aa2/NR/NR	1,600	65a	3.62%	+59	58	-1
15-Jun-26	BAYERNLB	DE	500	22-Jun-29	Aaa/NR/NR	1,270	13a	2.83%	+7	0	-7
12-Jun-26	WESTPAC BANKING CORPORATION	AU	600	23-Jun-36	Aaa/NR/AAA	1,150	47a	3.48%	+42	40	-2
12-Jun-26	WESTPAC BANKING CORPORATION	AU	1,250	01-Mar-30	Aaa/NR/AAA	1,750	25a	3.04%	+20	17	-3
10-Jun-26	BANK OF NOVA SCOTIA	CA	1,250	17-Jun-30	Aaa/NR/AAA	1,800	25a	3.08%	+19	16	-3
09-Jun-26	UNICREDIT	IT	1,000	31-Jul-33	Aa2/NR/NR	3,400	47a	3.39%	+39	38	-1
09-Jun-26	UNICREDIT	IT	1,500	31-Jul-29	Aa2/NR/NR	4,000	27a	3.07%	+19	16	-3
09-Jun-26	MUNHYP	DE	500	05-Jul-29	Aaa/NR/NR	1,750	14a	2.95%	+7	0	-7
09-Jun-26	ARGENTA SPAARBANK	BE	750	17-Jun-32	NR/AAA/NR	1,200	35a	3.25%	+30	27	-3
09-Jun-26	BPIESN	FR	750	25-Jun-31	Aaa/AAA/NR	1,500	42a	3.29%	+37	37	0
03-Jun-26	CIBC	CA	1,250	10-Sep-32	Aaa/NR/AAA	1,700	35a	3.19%	+29	26	-3

Source: Bloomberg, Danske Bank

Note: Past performance is not a reliable indicator of current or future results.

Chart 23. New deals in the SSA market

Date	Issuer	Type	Country	Vol (EUR m)	Mty	Rtg (M/S/F)	IPT/IPG	Spread	Yield	ASW6M now	Perf.
19/08/2026	LAND NRW	Muni/Local Gov't	GERMANY	1500	Aug-33	Aa1 / AA / AAA	MS+18a	MS+16	3.345%	14	-2
18/08/2026	RENTENBANK	Agency	GERMANY	1250	Aug-33	NR / AAA / AAA	MS+14a	MS+12	3.289%	11	-1
18/08/2026	KfW	Agency	GERMANY	5000	Sep-29	Aaa / AAA / NR	MS-2a	MS-3	3.033%	-5	-2
08/07/2026	IFC	Supra	SNAT	1000	Aug-33	Aaa / AAA / NR	MS+15a	MS+14	3.132%	12	-2
08/07/2026	AFD	Agency	FRANCE	1000	Jul-41	NR / A+ / A+	OAT+21a	FRTR+19	4.428%	118	-
08/07/2026	NRW.BANK	Agency	GERMANY	1000	Jul-36	Aa1 / AA / AAA	MS+28a	MS+27	3.398%	26	-1
08/07/2026	EFSF	Supra	SNAT	2500 (tap)	Jul-30	Aaa / A+ / A+	MS+10a	MS+9	2.998%	4	-5
07/07/2026	ONTARIO	Muni/Local Gov't	CANADA	2000	Jul-36	Aa3 / AA- / AA-	MS+48a	MS+46	3.482%	44	-2
07/07/2026	EUROPEAN UNION	This	:STERN EUROPE MULTINATION	5000 (tap)	Oct-46	Aaa / AA+ / AAA	EU+8a	EU+6	4.018%	78	-
07/07/2026	EUROPEAN UNION	Supra	SNAT	6000	Oct-31	Aaa / AA+ / AAA	EU+12a	EU+10	2.947%	8	-
06/07/2026	BPIFRANCE	Agency	FRANCE	1500	Mar-33	Aa3 / NR / A+	OAT+19a	FRTR+15	3.408%	64	-
01/07/2026	FLEMISH COMMUNITY	Muni/Local Gov't	BELGIUM	1000	Mar-41	NR / NR / AA-	OLO+21a	BGB+19	4.039%	94	-
01/07/2026	JOINT LANDER	Muni/Local Gov't	GERMANY	1000	Jul-31	NR / NR / AAA	MS+13a	MS+13	2.872%	13	0
25/06/2026	LAND HESSEN	Muni/Local Gov't	GERMANY	1000	Jul-33	NR / AA+ / NR	MS+18a	MS+17	2.974%	16	-1
23/06/2026	KfW	Agency	GERMANY	3000 (tap)	Oct-31	Aaa / AAA / NR	MS+6a	MS+5	2.825%	2	-3
23/06/2026	CADES	Agency	FRANCE	2500	Sep-30	Aa2 / A+ / A+	OAT+11a	FRTR+10	3.007%	27	-
10/06/2026	CoE	Supra	SNAT	1000	Jun-36	Aaa / AAA / AAA	MS+24a	MS+23	3.347%	23	0
09/06/2026	EUROPEAN UNION	Supra	SNAT	5000 (tap)	Dec-40	Aaa / AA+ / AAA	EU+12a	EU+10	3.835%	60	-
09/06/2026	EUROPEAN UNION	Supra	SNAT	3000 (tap)	Oct-30	Aaa / AA+ / AAA	MS+8a	MS+5	2.940%	3	-2
09/06/2026	ADB	Supra	SNAT	1250	Jun-33	Aaa / AAA / AAA	MS+15a	MS+12	3.101%	10	-2
09/06/2026	ACOSS	Agency	FRANCE	1750	Jun-28	Aa3 / A+ / A+	OAT+15a	FRTR+15	2.99%	9	-
03/06/2026	AfDB	Supra	SNAT	1250	Jun-33	Aaa / AAA / AAA	MS+16a	MS+14	3.071%	13	-1
02/06/2026	EIB	Supra	SNAT	5000	Jul-36	Aaa / AAA / AAA	MS+24a	MS+22	3.213%	20	-2
01/06/2026	LAND BADEN WUERTTEM	Muni/Local Gov't	GERMANY	1000	Jun-41	Aaa / AA+ / NR	MS+37a	MS+35	3.526%	34	-1
28/05/2026	NEDWATERSCHAPS	Agency	NETHERLANDS	1000	Jun-33	Aaa / AAA / NR	MS+22a	MS+19	3.083%	18	-1
27/05/2026	BNG	Agency	NETHERLANDS	1250	Jun-33	Aaa / AAA / AAA	MS+22a	MS+20	3.0887%	19	-1

Past performance is not a reliable indicator of current or future results.

Source: Bloomberg, Danske Bank

Chart 24. Moody's rating calendar

Moody's	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Germany			13						18			
France				10						23		
Italy			27						25			
Spain			27				17					
Portugal					22						20	
Greece			13						18			
Belgium				17						9		
Netherlands		13						21				
Austria		13						14				
Finland						12						11
Ireland		20						21				
Denmark	16						24					
Sweden		20						21				
Norway				24						23		
Slovakia						19						18
Slovenia		27						28				
EFSF				17						30		
ESM			20						26			
EU			20						26			

Past performance is not a reliable indicator of current or future results.

Source: Rating agencies, Danske Bank

Chart 25. S&P rating calendar

S&P	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Germany				24						23		
France					29						27	
Italy	30				15						13	
Spain			13						11			
Portugal		27						28				
Greece				24						23		
Belgium				24						23		
Netherlands				17						16		
Austria		6						7				
Finland				24						23		
Ireland			20						18			
Denmark		6						7				
Sweden						5						4
Norway					22						20	
Slovakia				24						23		
Slovenia			27						25			
EFSF	30						31					
ESM	30						31					
EU												

Past performance is not a reliable indicator of current or future results.

Source: Rating agencies, Danske Bank

Chart 26. Fitch rating calendar

Fitch	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Germany	9				15							
France			6					28				
Italy			13						11			
Spain			13						11			
Portugal			6						4			
Greece					8						6	
Belgium					22						20	
Netherlands	16						10					
Austria						5						4
Finland	23						17					
Ireland					1						7	
Denmark			27						25			
Sweden			20						18			
Norway						12						11
Slovakia					8					30		
Slovenia			27						11			
EFSF						12						11
ESM						12						11
EU												

Past performance is not a reliable indicator of current or future results.

Source: Rating agencies, Danske Bank

Chart 27. DBRS rating calendar

DBRS	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Germany					8						6	
France			20						18			
Italy				17						16		
Spain					29					30		
Portugal	16				15						13	
Greece			6						4			
Belgium	23						27					
Netherlands		27						28				
Austria						5						4
Finland			20						18			
Ireland			13						11			
Denmark			27						25			
Sweden	9				22						20	
Norway												
Slovakia		6						7				
Slovenia					22						20	
EFSF	16						17					
ESM	16						17					
EU				17						16		

Past performance is not a reliable indicator of current or future results.

Source: Rating agencies, Danske Bank

Chart 28. Rating and outlook

RATINGS

	Fitch	Moody's	S&P	DBRS	Scope
Germany	AAA	Aaau	AAAu	AAA	AAA
Finland	AA	Aa1	AA+u	AAH	AA
Netherlands	AAA	Aaau	AAAu	AAA	AAA
Austria	AA	Aa1	AA+	AAH	AA+
Belgium	A+u	**A1**	AA-u	AA	---
France	A+u	Aa3u	A+u	AA	AA-
Ireland	AA	Aa3	AA+	AA	AA
Italy	BBB+u	Baa2u	BBB+u	AL	BBB+
Spain	Au	A3	A+u	AH	A
Portugal	Au	A3u	A+u	AH	---
UK	AA-	Aa3u	AAu	AA	WR
Slovenia	A+	A2	AA	AAL	A+
Slovakia	A-	A3	A	AL	A-
Greece	BBB	Baa3	BBB	BBB	BBB
EFSF	A+	Aaa	A+	AAA	WR
ESM	AAA	Aaa	AAA	AAA	AAA
EU	AAA	Aaa	AA+	AAA	AAA
Denmark	AAA	Aaau	AAAu	AAA	AAA
Sweden	AAA	Aaa	AAAu	AAA	AAA
Norway	AAA	Aaa	AAAu	AAA	WR

OUTLOOK

	Fitch	Moody's	S&P	DBRS
Germany	STABLE	STABLE	STABLE	STABLE
Finland	STABLE	STABLE	NEG	STABLE
Netherlands	STABLE	STABLE	STABLE	STABLE
Austria	STABLE	NEG	STABLE	STABLE
Belgium	STABLE	STABLE	STABLE	NEG
France	STABLE	NEG	STABLE	STABLE
Ireland	STABLE	POS	STABLE	STABLE
Italy	STABLE	STABLE	POS	STABLE
Spain	STABLE	STABLE	STABLE	STABLE
Portugal	POS	STABLE	POS	POS
UK	STABLE	STABLE	STABLE	STABLE
Slovenia	STABLE	STABLE	STABLE	STABLE
Slovakia	STABLE	STABLE	STABLE	STABLE
Greece	STABLE	STABLE	STABLE	STABLE
EFSF	---	NEG	STABLE	STABLE
ESM	STABLE	STABLE	STABLE	STABLE
EU	STABLE	STABLE	STABLE	STABLE
Denmark	STABLE	STABLE	STABLE	STABLE
Sweden	STABLE	STABLE	STABLE	STABLE
Norway	STABLE	STABLE	STABLE	STABLE

Past performance is not a reliable indicator of current or future results. Source: Danske Bank

Chart 29. Trade overview

Open trades	Opened	Closed	Opening level	Current level	Target	P/L	% of principal
Buy CMCICB 3% 02/31 vs. OAT 02/31	21/08/2026		1	1	-5	0	0.0%
Buy CRH 10/31 vs. OAT 05/31	21/08/2031		0	0	-7	0	0.0%
Buy RFGB 3.3% 04/33 vs. Swaps	21/08/2033		13	13	7	0	0.0%

Source: Danske Bank

Note: Past performance is not a reliable indicator of current or future results.

Chart 30. Closed trades

Closed trades	Opened	Closed	Opening level	Current level	Target	P/L	% of principal
Buy EIB 2.875% 06/35 vs. BGB 3.1% 06/35	12/12/2025	06/03/2026	-24	-26	-36	2	0.19%
Buy EU 3.375% 12/35 vs. BGB 3.1% 06/35	12/12/2025	06/03/2026	-12	-9	-25	-3	-0.26%
Buy 5Y Lower Saxony vs. swaps	05/01/2026	06/03/2026	13	11	5	2	0.09%
Buy 10Y Lower Saxony vs. swaps	05/01/2026	06/03/2026	26	24	15	2	0.18%
Buy 5Y KfW vs. swaps	07/01/2026	06/03/2026	3	-1	-5	4	0.18%
Buy 10y KfW vs. swaps	07/01/2026	06/03/2026	17	20	10	-3	-0.32%
Buy 10Y Ireland vs. Swaps	14/01/2026	06/03/2026	26	23	18	3	0.28%
Reiceve 15Y EUR swap vs. 5Y and 30Y EUR swaps(vs. 6M)	14/01/2026	06/03/2026	46	42	28	4	0.42%
Buy 15Y Finland vs. Swaps	21/01/2026	06/03/2026	47	46	40	1	0.07%
Recieve EUR 2Y1Y swap (vs. Estr)	12/02/2026	06/03/2026	2.21	2.35	2.05	-14	-0.49%
Recieve April 2026 ESTR future	19/03/2026	26/03/2026	15.5	15.5	0	0	0.00%
Recieve EUR 2Y1Y swap (vs. Estr)	16/04/2026	17/04/2026	2.55	2.46	2.35	9	0.42%
Buy the Bobl spread	13/03/2026	26/06/2026	13	11	30	-2	-0.07%
Receive 3M ESTR June 27 IMM vs pay June 28 IMM.	12/05/2026	26/06/2026	-15	-7	10	8	0.06%
Pay 2Y SOFR and recieve 2Y ESTR	26/05/2026	26/06/2026	-142	-161	-170	19	0.29%
Recieve 1Y1Y ESTR	26/06/2026	15/07/2026	2.51	2.70	2.30	-19	-0.14%

Past performance is not a reliable indicator of current or future results. Source: Danske Bank

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Report completed: 21 August 2026 at 15:05 CET
Report disseminated: 21 August 2026 at 15:35 CET