8 September 2026

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Budget Guide 2027

A guide to corporate financial exposure

Danske Bank

About the Budget Guide 2027

Budget Guide is a general research report and the recommendations in this publication reflect a general opinion. As such, the report does not consider your specific situation as an investor, including, in particular, your investment profile. This means that although the bank may have a general recommendation, such recommendation may not be appropriate for you as an investor due to your particular circumstances.

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We recommend that you discuss any potential transactions with your investment adviser to ensure that any investment decisions you make are appropriate given your personal circumstances.

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Welcome to Budget Guide 2027

A guide to corporate financial exposure in the coming year

As we head further into an autumn that looks set to be characterised by expectations of monetary policy tightening and continued geopolitical uncertainty, we at Danske Bank Research present the Danske Bank Budget Guide 2027. The Budget Guide includes our outlook for the global economy, as well as fixed income and FX markets, for the year ahead.

We extend our forecasts until the end of 2027 and seek to answer a number of questions that companies will likely face in the coming months.

- What is the outlook for the global economy?
- How are key export markets performing?
- How should companies hedge their liabilities?
- How should companies hedge FX exposure?

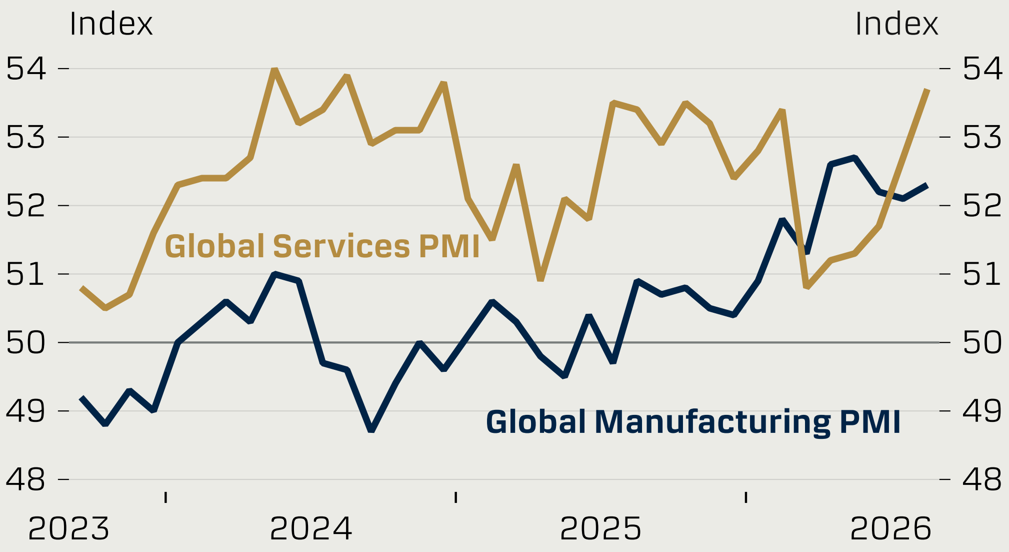
Budget Guide 2027 is intended as a quick reference guide to help facilitate EUR-based companies' 2027 budget planning. With this in mind, we present three scenarios for the global economy in general and the USD in particular.

Global overview 2027 – Our baseline scenario

Baseline scenario – New sources of growth (50% probability)

- Higher energy prices have in themselves been negative for growth as they have undermined consumers and led to higher interest rates, but overall growth is holding up better than expected.
- Both US and global demand are supported by AI-related investments, which we expect to continue at least during 2027 although the longer-term outlook is highly uncertain. Investments are centered on the US, but inputs come from manufacturing in other countries – especially Asia but also Europe.
- Growth is also supported by easing fiscal policy in countries like Germany, although the effect is modest for Europe as a whole.
- Domestic demand in China is only growing slowly, and China is a dampening influence on global inflation and commodity prices, even though growth is strong in the highly productive parts of Chinese exports.
- All in all, the global economy is growing at around its trend rate, and that also holds for Europe and the US. Our baseline is that that will also be the case in 2027, with modest inflation pressure as a result.

Growth is holding up better than expected



Source: Macrobond, Danske Bank

Regional overview for 2027 in our baseline

Growth around trend

- In the **euro area,** growth is resilient, supported by a manufacturing rebound and fiscal policy. Inflation remains mainly energy-driven, while the ECB's deposit rate is expected at 2.50% from September. We expect the economy to grow by 1.4% y/y in 2027 and inflation to average 2.5% y/y.
- In the **Nordic** region, we expect Danish GDP growth to continue to be extremely high, but with the underlying reality for Danish companies and businesses much closer to the European average of 1-2% growth. Sweden and Finland are recovering with higher growth and declining unemployment, while the Norway will need lower interest rates to reignite growth.
- The **UK** has proved quite resilient to the energy shock and grown at a moderate pace particularly fueled by service industries. The labour market has cooled with a steady, although modest, loss of jobs and core inflation is on a downward trend. We expect modest growth in the next couple of quarters, where higher energy prices will weigh heavier on consumers.
- In the **US**, consumer spending growth has continued despite rising energy costs, while AI-related investment is driving substantial demand growth. We estimate that the economy will need to slow somewhat as the work force is not growing, and that slowdown should partly come from higher interest rates.
- In **China,** we look for more of the same with a continued two-speed economy characterised by weak consumer demand but strong exports and high-tech investments. We see a modest improvement in the housing crisis, which should pave the way for improving consumer demand further ahead. We look for growth at 4.7% in 2027.

Danske Bank's GDP growth forecasts for G3 economies*

	Q1'26	Q2'26	Q3'26	Q4'26	Q1'27	Q2'27	Q3'27	Q4'27	2026	2027
Euro area	0.0%	0.4%	0.2%	0.4%	0.3%	0.3%	0.4%	0.4%	0.8%	1.4%
China	1.3%	0.9%	1.1%	1.3%	1.1%	1.2%	1.2%	1.2%	4.6%	4.7%
USA	0.5%	0.4%	0.6%	0.4%	0.4%	0.4%	0.4%	0.4%	2.1%	1.8%

*Note quarterly forecasts are denoted as q/q, %, while full-year forecasts are y/y,%. Source: Danske Bank

Global overview 2027 – Alternative scenarios

What if…

The 'bad' scenario – Sustained disruption (25% probability)

Oil and gas prices remain elevated until global energy supplies become less reliant on flows through the Strait of Hormuz. Oil prices rise to USD110/barrel in the near term and remain elevated. Supply-chain pressures outside the energy sector persist and the protracted period of higher energy prices leads to steady rise in inflation expectations. Central banks tighten policy and bond yields rise above baseline. The initial impact on global economic activity is modest, but it increases through 2027. The ECB, Danmarks Nationalbank and the Riksbank hike rates by another 50bp compared to the base case, and the cutting cycle in Norges Bank is postponed. In this scenario, GDP is about 2% lower by the end of year two after which the economies recover.

The 'good' scenario – AI boom (25% probability)

US tech investments fuel the US economy further and exporters of tech products and other economies benefit from robust US demand. Productivity gains from more rapid AI adoption are achieved over time, which increases potential output. The surge in tech investments is accompanied by a further upswing in stock market performance supporting business and consumer sentiment. The global economy strengthens as solid US growth spills over to the rest of the world. Price pressures rise somewhat despite productivity gains, also fueled by stronger demand, which triggers more hikes from the Federal Reserve than we have penciled into our base case. Foreign demand boosts exports, improving consumer sentiment in the Nordics, which supports private spending and drive GDP about 1.5% higher by year three.

Read more about our outlook for the Nordic and global economies
3 September 2026

Read **Nordic Outlook – New sources of growth**

Euro area – A resilient economy

Growth near potential, inflation above target, and the ECB deposit rate steady at 2.50% in 2027

Growth in the euro area remains remarkably resilient

- **The euro area economy has performed better than expected** despite the sharp rise in energy prices. The conflict in Iran has raised business costs and consumer prices, yet growth has remained close to potential.
- **We expect euro area GDP to grow by 0.8% in 2026, up from 0.7% in our previous forecast, and by 1.4% in 2027, up from 1.2%.** Manufacturing is recovering more strongly than expected, supported by an increase in new orders. One driver is the rapid growth in global investment in artificial intelligence. Although European companies are not leading this investment directly, many supply the equipment, components and infrastructure needed for data centres and power systems.
- **Fiscal policy is also providing more support**, particularly as German public spending has risen markedly, and France is tightening less than expected. These areas of the economy are less sensitive to interest rates, making growth more resilient despite higher ECB policy rates next year. The outlook for households is less positive. We expect private consumption to grow only slowly because higher energy bills and weak real wage growth are limiting purchasing power.
- **Overall, risks to growth appear balanced**: consumers could spend more if confidence improves and they save less, but growth could disappoint if interest rates and energy prices weigh more heavily than expected.

Energy drives inflation higher, with limited core spillovers

- **Euro area inflation has risen well above 3%, but the increase has been entirely energy-driven**, with surprisingly few spillovers to core and food inflation. Low consumer confidence and a balanced labour market likely make it harder for companies to pass on higher costs.
- **We forecast inflation to average 3.0% in 2026 and 2.5% in 2027**. Headline inflation is expected to remain close to 3.5% for the rest of this year, mainly because of energy. We expect the limited spillovers to core inflation to persist, while goods inflation should edge higher towards year-end and food inflation should rise in the second half of 2027. Slower wage growth should prevent services inflation from rising. We therefore expect core inflation to average 2.4% in 2026 and 2.3% in 2027, before moving towards 2% by end-2027.
- The stronger economy, supported by AI-related demand and more expansionary fiscal policy, has changed our view of the ECB. **We still expect one final 25bp rate hike in September, taking the deposit rate to 2.50%, but no longer expect two cuts in 2027**. Instead, we expect the rate to remain at 2.50% throughout 2027. In the longer term, we expect the ECB to cut the deposit rate to around 2.0%. In 2027, however, rates should remain somewhat higher to reduce the risk of inflation expectations becoming de-anchored. Resilient growth suggests that the economy can withstand higher rates, while limited energy-related spillovers to underlying inflation mean that the ECB need not move above 2.50% into restrictive territory.

Geopolitics – Markets have a high pain threshold

... no resolution in sight for conflicts in Ukraine and the Middle East

Baseline scenario – Protracted conflicts but limited market impact

- **US policies remain a source of unpredictability.** The US foreign and trade policies remain unpredictable as the administration continues to distance itself from its traditional allies. Tariffs remain an important part of the Trump administration's toolkit, but they are primarily used as a negotiating tactic, not as a key funding source for the federal government. The Trump administration maintains its critical stance towards multilateral decision-making, undermining the influence of major multilateral institutions.
- **A world troubled by wars and conflicts.** Russia's war in Ukraine is likely to enter its sixth year with no resolution in sight. Negative spillovers from the war, such as stray drones and cyber attacks, also increasingly affect security of the Nordic-Baltic region. The Middle East remains in limbo as the US-Iran stalemate continues and talks on a new nuclear deal progress slowly. Kinetic combat re-escalates irregularly and disruptions in the SOH remain. A military conflict between China and Taiwan remains unlikely in the short term, but possible in the medium term.
- **A more multipolar world.** Most emerging market economies refuse to choose sides as great powers seek to expand their spheres of interest. Operating in a world divided into multiple blocs requires updated risk management practises especially from companies operating globally, as e.g. sanction risks become more prevalent.

Alternative scenarios

- **Escalation of military conflicts (moderate likelihood).** If the US and Iran fail to reach an agreement, the US might eventually choose to re-escalate militarily. Similarly, Iran might provoke the US by continuing attacks against vessels in the Strait of Hormuz. If warfare escalates, fighting could also expand regionally, and traffic in the Red Sea might come under severe strain. Russia could escalate its military operations in Ukraine and test NATO's intervention threshold by targeting some smaller NATO countries. China could increase its aggression towards Taiwan.
- **Re-escalation of the trade war (low likelihood).** The US is likely to target the specific problems related to rerouting of trade and Chinese excess industrial capacity with special tariffs. However, a broader re-escalation of the trade war, anything resembling the 2025 Liberation Day campaign, seems unlikely, not least because of the legal basis of enacting tariffs becoming much less straightforward after the US Supreme Court ruling.
- **Détente and re-globalisation (low likelihood).** Ceasefire agreements end the ongoing conflicts in Europe and the Middle East. Over time, Western countries could seek to rebuild relations with Russia, while tensions between China and the West also ease.

Read more in Geopolitical Radar
2 September 2026

Read **Geopolitical Radar: Islamic NATO in the making?**

Commodities

Lasting price increases

Wide outcome space for oil prices

The oil price has seen significant fluctuations this year. It began the year at around USD60/bbl and briefly came close to USD130/bbl during the spring. Key to developments in the oil market has been the war between the US and Iran and the crisis surrounding the Strait of Hormuz. This geopolitical crisis looks set to extend into 2027, creating a wide range of possible outcomes for the oil market. Stocks and reserves around the world may run out, triggering price increases towards this year's peak. The crisis may also be resolved, allowing the oil market to gradually return to normal. Alternatively, a price war may break out if the OPEC cartel falls apart. We expect the oil price to be around USD85/bbl next year.

Tight gas market

The gas market in Europe has tightened this year. The gas price has more than doubled since the start of the year and, as with the oil market, the reason is the crisis surrounding the Strait of Hormuz, particularly Qatar's ability to export LNG to the global market. Gas storage levels in Europe were low when the crisis broke out and replenishing them has been slow since then. Since at least 2010, they have never been lower at this time of year. Even if the crisis is resolved, it will probably take longer for the gas market to return to normal. If the winter in Europe is cold and heating demand rises above normal, the market could very well tighten further.

Economic tailwinds for the metals market

Metal prices have risen this year. They have increased to varying degrees, with the copper price seeing the strongest upswing and rising by more than 50% this year. The AI boom, expansion and general electrification are major factors in the metal market, but we believe the upswing primarily reflects a strong global economy that has defied the energy crisis and interest rate hikes. As we expect solid economic growth again next year, the tailwind for metal prices is likely to continue.

Global rates and yields – Tightening in progress

Tightening monetary policy outlooks

- Following the war in the Middle East, the expectations for tightening of monetary policy has emerged across the globe. The ECB has delivered tightening with expectations of more to come, and the Fed has shifted towards a tightening bias.
- In the US, the continuing AI investment boom and gradually tightening labour market conditions have increased the risk of more persistent inflation. We expect the Federal Reserve to hike rates twice over the coming year, in December and March, but see a risk of the tightening cycle starting even earlier.
- In Europe, headline inflation has moved higher while the momentum in core inflation remains moderate. Growth has improved slightly as a result of the global AI capex cycle and expansionary German fiscal policy. We expect the ECB to hike the deposit rate to 2.50% in September before staying on hold throughout 2027.

European long-end rates to move lower over the next 12M

- European yields have continued to rise over the summer driven by renewed escalations in the Middle East and a more resilient growth back drop in the euro area.
- We expect long-end European swap rates to edge moderately lower over the next 12 months as markets scale back on ECB rate hike expectations but remain elevated due to increase in long-end issuance.
- Strong nominal economic growth and hawkish remarks by the new Fed Chair Kevin Warsh have lifted long-end yields also in the US, and we expect the rising trend to continue over the coming year. Unsustainable public budget deficits remain a key upside risk, as the pressure for increasing long-end issuance continues to build.

Danske Bank policy rate forecasts

Country	Spot	+3m	+6m	+12m
USD	3.75	3.75	4.00	4.25
EUR	2.25	2.50	2.50	2.50
GBP	3.75	3.75	3.75	3.50
DKK	1.85	2.10	2.10	2.10
SEK	1.75	2.00	2.25	2.25
NOK	4.25	4.50	4.50	4.25

Source: Danske Bank
Note: Past performance is not a reliable guide to future returns

Danske Bank 10-year swap forecasts

Country	Spot	+3m	+6m	+12m
USD*	4.39	4.35	4.40	4.50
EUR	3.39	3.10	3.00	2.95
GBP*	4.73	4.50	4.40	4.30
DKK	3.58	3.25	3.15	3.10
SEK	3.26	3.10	3.05	3.00
NOK	4.52	4.35	4.30	4.20

Note:*Based on OIS
Source: Danske Bank

Footnotes
Max 2 lines

Interest-rate hedging – USD and EUR swap rates

Divergence across the Atlantic

USD

- We prefer hedging in the long-end of the US curve (≈+10Y), which remains exposed to upside risks stemming from persistent budget deficits and solid economic growth.
- The belly (≈+5Y) has risen relatively more than the rest of the USD swap curve over recent months, driven primarily by growth surprises. Even though we remain optimistic on the economic outlook, moderating growth momentum could limit further rise in the belly, and hence we prefer extending hedges out to the long-end.
- In the front-end of the curve (1-3Y), we remain neutral on floating/fixed. Markets have already priced in the two rate hikes we expect from the Federal Reserve. For borrowers wishing to hedge liabilities in short-term maturities (1–3Y), consider using cap/floor structures to gain protection against a scenario where inflation significantly overshoots current expectations, forcing the Fed to hike rates more aggressively.

EUR

- We prefer to scale back on hedging in the front end (≈<2Y) of the EUR curve as we see markets overestimating the scope of monetary tightening set to be delivered by the ECB. While growth has performed better than expected, we expect underlying inflation to remain contained.
- We expect the long end of the European yield curve to trade lower over the next year given our expectations that ECB will hike less than markets expect. The long end of the EUR curve could be sensitive to new uncertainty regarding fiscal policy prospects in the euro area (or the US). Therefore, we are neutral on hedging in this segment.

Curve views

(tenors, spot)

USD:

Front (≈2Y)	Belly (≈5Y)	Long (≈10Y+)
Neutral	Neutral	Increase delta

Curve views

(tenors, spot)

EUR:

Front (≈2Y)	Belly (≈5Y)	Long (≈10Y+)
Decrease delta	Neutral	Neutral

Note: Curve views are relative to floating-rate exposure. Past performance is not a reliable indicator of current or future results
Source: Danske Bank

EUR/USD – On a declining trend

Forecast – 1.15 (1M), 1.14 (3M), 1.13 (6M), 1.12 (12M), 1.12 (end-2027)

Macro – US nominal growth outpaces expectations

Cyclical indicators from both the euro area and the US have surprised positively towards late-summer. The euro area has benefitted from the global industrial cycle recovering strongly during 2026 despite the ongoing uncertainty related to energy prices. But even so, we think that the domestic demand drivers remain relatively stronger in the US. Supportive economic policies, AI-capex, tight labour markets and consumers' high propensity to spend all boost the nominal growth outlook towards winter and 2027. We think the Fed will hike rates twice and then maintain its policy at restrictive territory also through 2027. In contrast, we think the ECB will not deliver on markets' current rate hike expectations, and instead hike only one more time in September.

FX – strategic trend points toward a stronger dollar

We expect both relative macro and monetary policy to push EUR/USD lower over the coming year. As the global manufacturing boom gradually shifts towards a late-cycle environment, cyclical tailwinds will no longer benefit EUR to the same extent as during summer. Furthermore, the rising risk of the Fed having to tighten its policy more than expected increases the USD's attractiveness as a portfolio diversifier. Finally, the risk of energy prices rising further towards winter would also weigh on EUR/USD via terms-of-trade.

Risks

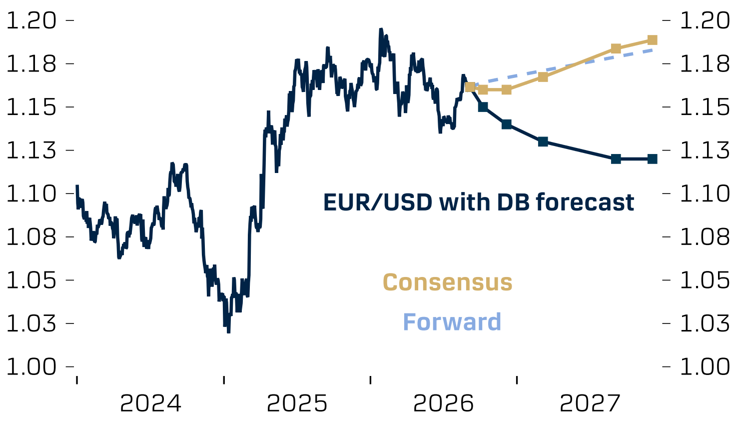
See the next slide for alternative USD scenarios.

Hedging recommendations

Income – We recommend hedging USD income via risk reversals.

Expenses – We recommend hedging USD expenses via FX forwards.

EUR/USD



	1M	3M	6M	12M	15M
Danske Bank	1.15	1.14	1.13	1.12	1.12
Consensus	1.16	1.16	1.17	1.18	1.19
Forward	1.16	1.17	1.17	1.18	1.18

	Q4'26	Q1'27	Q2'27	Q3'27	Q4'27
Danske Bank	1.14	1.14	1.14	1.12	1.12

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

Alternative USD scenarios

Confidence, politics and the investment cycle

EUR/USD towards 1.30 – Waning confidence in the US

- The most pressing upside risk to our baseline view is the return of US economic policy uncertainty. Renewed concerns over the Fed's independence and/or unsustainable budget deficits could quickly weigh on broad USD.
- Overall tariff rates have remained much steadier in 2026 compared to 2025, and in our baseline forecast, we expect this to continue. If, however, the US administration suddenly pursues much more aggressive tariff policies again, the USD could weaken.
- We assess that the likelihood of a US recession is currently low. But as the potential growth has slowed due to weaker labour supply growth, the recession risks could quickly re-emerge if economic data falls short of our expectations. In addition, while the Fed's tighter policy stance is USD-positive in the short-term, higher policy rates also increase the recession risk at a later stage.
- We expect Democrats to win the majority in the House of Representatives in the US midterm elections. This would limit the likelihood of sudden fiscal policy shifts. If, however, Republicans maintain control of both chambers, the door could suddenly open for new deficit-increasing policy changes.
- Finally, we could simply underestimate the scale and persistence of the ongoing global investment boom. If the cycle continues to accelerate, and positive spillover effects boost growth in the manufacturing-heavy Euro Area economy, broad EUR could stay stronger than we expect.

EUR/USD towards 1.05 – Hawkish Fed and costlier energy

- Markets currently price around 2x25bp rate hikes for the Fed over the coming year, which is largely in line with our forecast. However, if underlying inflation accelerates further, and the Fed's more aggressive tightening cycle causes a sell-off in broader markets, EUR/USD could decline even faster than we expect.
- In our macro forecasts, we generally assume energy prices will develop in line with markets' forward pricing. If, however, energy prices rise sharply due to either geopolitical escalation and/or cold winter weather, euro area GDP growth could begin to stall. The US is a net exporter of energy, meaning that it benefits from higher energy prices on a macro level. Hence, higher energy prices are a downside risk to EUR/USD.
- We expect the ECB to maintain its policy rate at 2.50% through 2027. That said, we do not think a scenario where the ECB would be forced to cut rates already next year is out of the question as underlying inflation remains modest and if growth falls short of expectations. Markets currently expect the ECB to maintain rates steady and well above our baseline forecast through next year, meaning that a rapid reversal towards pricing in rate cuts could drive a sudden decline in EUR/USD.

EUR/GBP – Slightly weaker GBP

Forecast – 0.85 (1M), 0.86 (3M), 0.86 (6M), 0.87 (12M), 0.87 (end-2027)

Macro – Muted growth outlook

The UK labour market remains on a cooling trend with continuous job loss but a steady unemployment rate. On the back of this, private wage growth continues to edge lower, while public wage growth is supporting consumers. The economy has weathered the energy shock rather well supported largely by business capex but also solid private spending. Energy prices have driven headline inflation higher after the Ofgem's price caps have been adjusted higher, but the Bank of England's fear of energy prices spreading to core inflation in general and food inflation in particular still has not materialised

FX – Mild headwinds in store for GBP

Political instability has once again faded and with a more pragmatic pick for UK chancellor, fiscal sustainability worries have taken a backseat. The UK economy has also performed better than expected although the past weeks' data releases have been to the weaker side. We highlight that the UK economy remains fragile and that we see scope for the significant repricing of the Bank of England to revert to a larger extent than for the ECB, opening for a move higher in EUR/GBP. We continue to forecast EUR/GBP to move higher from current levels but now see the outlook more balanced. We forecast EUR/GBP to move higher towards 0.87 towards YE 2027.

Risks – The global environment

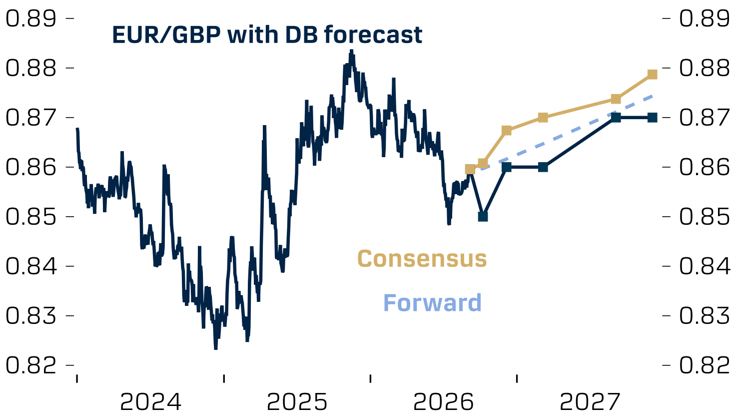
Near-term risks are inherently connected to the developments in Iran as well as the global investment environment. The key risk to EUR/GBP trading substantially higher than our forecast is a sharp sell-off in global risk. Other risks are related to developments in the relative growth outlook between the euro area and the UK.

Hedging recommendations

Income – We recommend hedging via knock-in forwards.

Expenses – We recommend hedging via risk reversals.

EUR/GBP



	1M	3M	6M	12M	15M
Danske Bank	0.85	0.86	0.86	0.87	0.87
Consensus	0.86	0.87	0.87	0.87	0.88
Forward	0.86	0.86	0.86	0.87	0.87

	Q4'26	Q1'27	Q2'27	Q3'27	Q4'27
Danske Bank	0.86	0.86	0.87	0.87	0.87

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

EUR/NOK – Structural tailwinds

Forecast 10.80 (1M), 11.00 (3M), 11.30 (6M), 11.50 (12M), 11.60 (end-2027)

Macro – Growth below trend and easing price and wage pressures

After a period of relatively strong growth, the mainland economy is losing momentum, with zero growth in the private sector in Q2 as private consumption and business investment disappointed. Productivity growth has also slowed, pointing to lower trend growth. Inflation surprised significantly on the downside in June and July, with core inflation falling to 2.7%, while wage growth has also eased to 3.9%. We still expect a final 25bp rate hike from Norges Bank to 4.5% in September, although the decision has become more finely balanced and the August inflation print will be key. Further out, we expect weaker growth, easing inflation and lower wage pressures to allow Norges Bank to resume rate cuts.

FX – Structural headwinds for NOK

The NOK has proven remarkably resilient in recent months and remains one of the top-performing G10 currencies this year. We remain sceptical about the longevity of the rally, however. While higher NOK rates are supportive in isolation, the combination of a more negative output gap, elevated inflation and a widening unit labour cost gap relative to the euro area points to a deterioration in Norwegian competitiveness and makes Norwegian assets less attractive. We also see a risk of a sharper downturn in the mainland economy, which skews the distribution of returns towards a weaker NOK over the coming years. We therefore remain structurally negative on NOK.

Risks – The global environment

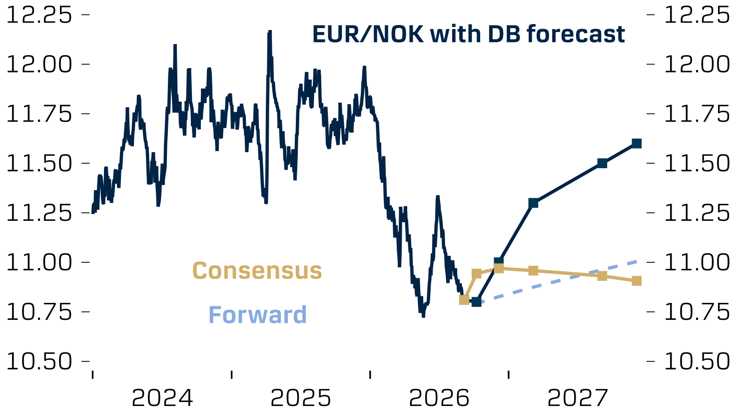
The key risks are closely linked to the global investment environment, including recession risks, global real rates, energy prices and geopolitical developments.

Hedging recommendations

Income – We recommend hedging NOK income via FX forwards.

Expenses – We recommend hedging NOK expenses via risk reversals.

EUR/NOK



	1M	3M	6M	12M	15M
Danske Bank	10.80	11.00	11.30	11.50	11.60
Consensus	10.94	10.97	10.96	10.93	10.91
Forward	10.79	10.83	10.87	10.96	11.00

	Q4'26	Q1'27	Q2'27	Q3'27	Q4'27
Danske Bank	11.08	11.33	11.43	11.53	11.60

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

EUR/SEK – SEK weakness to persist against EUR

Forecast – 11.10 (1M), 11.20 (3M), 11.40 (6M), 11.40 (12M), 11.40 (end-2027)

Macro - Strong Swedish outlook, rising inflation risks

Sweden's economy has performed somewhat better than expected over the summer, with GDP growth surprising on the upside. Despite the uncertainty regarding the conflict in the Middle East, the outlook remains favorable for Sweden, supported by strong economic sentiment and resilient domestic demand. GDP growth is expected to reach 2.8% in 2026 and 2.5% in 2027. At the same time, inflation risks have increased due to higher energy and commodity prices, supply disruptions, and underlying price pressures. As a result, the Riksbank is still expected to raise rates this year, although likely later than previously anticipated, since they are looking for clearer evidence that inflationary pressures are becoming more persistent before acting.

FX – Structurally weaker SEK and uncertain rate outlook

We expect the Riksbank to hike rates twice over the coming year and the ECB once. Despite this, the ECB policy rate is likely to remain higher, preserving a yield advantage for the euro. In the near term, there is a risk that the interest rate differential versus the ECB could even widen further, while continued net purchases of foreign equities by Swedish investors should remain a key structural driver of capital outflows and a higher EUR/SEK over time.

Risks – Persistent inflation and improved risk sentiment

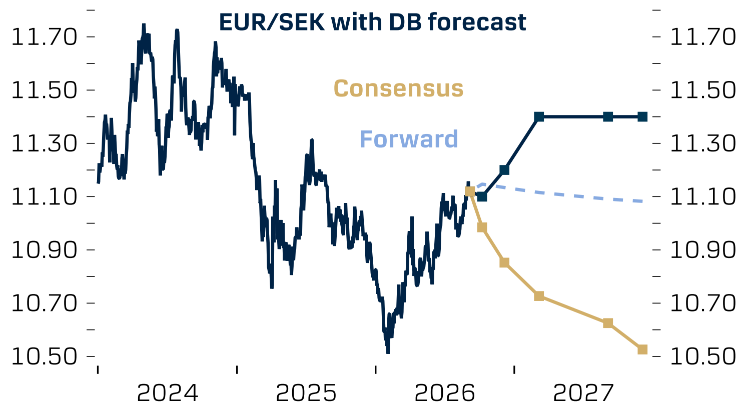
Inflation proves more persistent than expected, prompting further Riksbank tightening. Improved risk sentiment and broad-based dollar weakness represent key downside risks to our EUR/SEK forecast.

Hedging recommendations

Income – We recommend hedging income via FX forwards.

Expenses – We recommend hedging expenses via risk reversals.

EUR/SEK



	1M	3M	6M	12M	15M
Danske Bank	11.10	11.20	11.40	11.40	11.40
Consensus	10.98	10.85	10.73	10.63	10.53
Forward	11.15	11.13	11.12	11.09	11.08

	Q4'26	Q1'27	Q2'27	Q3'27	Q4'27
Danske Bank	11.26	11.40	11.40	11.40	11.40

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

EUR/PLN – We continue to see medium-term downside

Forecast – 4.30 (1M), 4.30 (3M), 4.25 (6M), 4.20 (12M), 4.20 (end-2027)

Macro – Solid growth amid rising inflation

The Polish economy continues to outperform CEE peers, with GDP growth running above 3.5% (annualized) and accelerating through the first half of 2026. Meanwhile, inflation has gradually picked up, and the latest reading put CPI at a new 2026-high of 3.4% in August. Although still within the NBP's tolerance band (2.5% +/- 1p.p), the inflation re-acceleration amid strong GDP growth should put a floor under the NBP's policy rate, at least for the time being. As such, we expect the NBP to keep the policy rate intact at 3.75% for the remainder of the year. However, as Governor Glapinski has indicated a willingness to cut rates further, we cannot completely rule out more easing during fall.

FX – Recent Zloty weakness is overdone

After having consolidated between 4.20-4.30 through most of the past year, EUR/PLN broke above the 4.30-level during summer's trading. Apart from geopolitics, a strong dollar, dovish policy guidance from NBP governor Glapinski and domestic fiscal concerns have weighed on the Zloty. And although these factors are still in play, we see scope for a rebound in the Zloty if the NBP keep rates unchanged (as per our call) as the strong economic performance should support the attractiveness of Polish assets. As such, we see scope for EUR/PLN to head towards 4.20 over the coming year.

Risks – Geopolitics and a dovish NBP are the main risks to our call

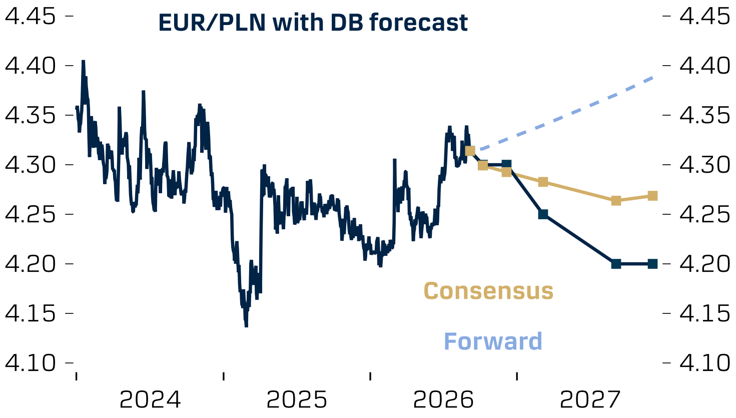
Geopolitics and especially a Russian escalation is a clearly negative tail-risk for the Zloty. Further cuts from NBP would also act as a headwind for our call of a lower EUR/PLN.

Hedging recommendations

Income – We recommend hedging via knock-in forwards.

Expenses – We recommend hedging via FX forwards.

EUR/PLN



	1M	3M	6M	12M	15M
Danske Bank	4.30	4.30	4.25	4.20	4.20
Consensus	4.30	4.29	4.28	4.26	4.27
Forward	4.32	4.33	4.34	4.37	4.39

	Q4'26	Q1'27	Q2'27	Q3'27	Q4'27
Danske Bank	4.29	4.24	4.22	4.20	4.20

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

FX forecasts

G10					Last Update:	08/09/2026
	Spot	+1m	+3m	+6m	+12m	End 2027
Exchange rates vs EUR						
EUR/USD	1.16	1.15	1.14	1.13	1.12	1.12
EUR/JPY	179	185	182	179	174	174
EUR/GBP	0.86	0.85	0.86	0.86	0.87	0.87
EUR/CHF	0.94	0.94	0.95	0.94	0.93	0.93
EUR/SEK	11.16	11.10	11.20	11.40	11.40	11.40
EUR/NOK	10.75	10.80	11.00	11.30	11.50	11.60
EUR/DKK	7.4749	7.4750	7.4725	7.4700	7.4700	7.4700
EUR/AUD	1.61	1.62	1.63	1.64	1.65	1.65
EUR/NZD	1.99	1.95	1.93	1.95	1.93	1.93
EUR/CAD	1.60	1.61	1.61	1.62	1.64	1.64
EM						
	Spot	+1m	+3m	+6m	+12m	End 2027
EUR/PLN	4.32	4.30	4.30	4.25	4.20	4.20
EUR/HUF	365	360	350	340	340	340
EUR/CZK	24.2	24.2	24.1	24.0	24.0	24.0
EUR/TRY	56.3	56.4	59.3	64.4	73.9	73.9
EUR/ZAR	18.7	18.7	18.8	18.9	19.0	19.0
EUR/CNY	7.79	7.72	7.64	7.51	7.39	7.39
EUR/INR	110.2	111.0	110.8	110.1	109.8	109.8

Source: Bloomberg, Danske Bank

Yield forecasts

	Horizon	Policy rate	3M xlbor	6m xlbor	2y gov	5y gov	10y gov	2y swap	5y swap	10y swap
USD**	Spot	3.75			4.36	4.52	4.76	4.23	4.25	4.39
	+3M	3.75			4.30	4.50	4.85	4.10	4.15	4.35
	+6M	4.00			4.35	4.55	4.90	4.15	4.20	4.40
	+12M	4.25			4.40	4.60	5.00	4.20	4.25	4.50
EUR*	Spot	2.25	2.65	2.77	2.98	3.11	3.36	3.19	3.26	3.39
	+3M	2.50	2.65	2.75	2.65	2.85	3.15	2.80	2.90	3.10
	+6M	2.50	2.65	2.75	2.60	2.85	3.05	2.70	2.85	3.00
	+12M	2.50	2.65	2.75	2.50	2.80	3.00	2.60	2.80	2.95
GBP**	Spot	3.75			4.58	4.68	5.19	4.39	4.49	4.73
	+3M	3.75			4.25	4.40	4.95	4.05	4.10	4.50
	+6M	3.75			4.20	4.35	4.90	4.00	4.05	4.40
	+12M	3.50			4.00	4.25	4.80	3.80	3.95	4.30
DKK	Spot	1.85	2.50	2.85	2.73	2.89	3.18	3.31	3.44	3.58
	+3M	2.10	2.53	2.74	2.45	2.65	3.00	2.90	3.05	3.25
	+6M	2.10	2.53	2.71	2.45	2.65	2.90	2.80	3.00	3.15
	+12M	2.10	2.53	2.68	2.35	2.60	2.85	2.70	2.95	3.10
SEK	Spot	1.75	2.05		2.55	2.80	3.12	2.77	3.03	3.26
	+3M	2.00	2.34		2.50	2.65	3.00	2.65	2.80	3.10
	+6M	2.25	2.50		2.50	2.70	2.95	2.60	2.80	3.05
	+12M	2.25	2.45		2.50	2.60	2.95	2.60	2.70	3.00
NOK	Spot	4.25	4.64	4.85	4.60	4.48	4.45	4.97	4.69	4.52
	+3M	4.50	4.75	4.85	4.45	4.35	4.25	4.75	4.55	4.35
	+6M	4.50	4.75	4.75	4.20	4.20	4.20	4.50	4.40	4.30
	+12M	4.25	4.30	4.30	4.00	4.10	4.10	4.30	4.30	4.20

Note – * German government bond yields and euro swap rates, ** Based on OIS/SOFR swap rates. Past performance is not a reliable guide to future returns.
Source: Macrobond, Danske Bank.

Macro forecasts

Scandinavia

	Year	GDP[1]	Private cons.[1]	Public cons.[1]	Fixed inv.[1]	Exports[1]	Imports[1]	Inflation[1]	Wage growth[1]	Unem-ploym.[2]	Public budget[3]	Public debt[3]	Current acc.[3]
Denmark	**2025**	3.5	2.2	2.1	-3.8	3.5	-1.2	1.9	3.8	2.9	2.8	27.2	12.5
	2026	4.0	1.9	1.0	-1.1	6.5	1.8	1.5	3.5	3.1	1.3	26.0	11.4
	2027	3.0	2.1	4.0	2.9	4.2	3.4	2.2	3.3	3.5	0.3	25.9	10.9
Sweden	**2025**	1.6	2.1	1.6	2.1	4.1	5.0	2.6	3.6	8.8	-	34.6	-
	2026	2.8	2.7	1.3	4.0	4.3	3.7	1.4	3.5	8.6	-	36.2	-
	2027	2.5	2.9	1.4	2.6	3.3	3.2	2.7	3.5	7.9	-	37.5	-
Norway	**2025**	1.7	2.6	2.4	0.8	2.7	2.6	3.0	4.7	2.1	-	-	-
	2026	1.0	1.0	2.3	1.5	1.5	1.4	3.0	4.4	2.3	-	-	-
	2027	1.7	3.0	1.8	1.5	2.0	1.8	2.3	3.7	2.4	-	-	-

Note: forecasts are from the latest Nordic Outlook, 3 September

Source: Danske Bank. 1) % y/y. 2) % of labour force. 3) % of GDP.

Macro forecasts

Euroland

	Year	GDP[1]	Private cons.[1]	Public cons.[1]	Fixed inv.[1]	Exports[1]	Imports[1]	Inflation[1]	Wage growth[1]	Unem-ploym.[2]	Public budget[3]	Public debt[3]	Current acc.[3]
Euro area	**2025**	1.3	1.4	1.4	3.0	2.0	3.6	2.1	3.9	6.3	-2.9	88.7	2.5
	2026	0.8	0.9	2.1	0.7	0.6	1.4	3.0	3.2	6.4	-3.5	90.6	1.7
	2027	1.4	1.1	1.3	1.0	1.5	1.0	2.5	2.9	6.4	-3.5	91.4	1.7
Finland	**2025**	0.8	-1.1	0.1	1.4	5.0	2.6	0.3	2.8	9.7	-3.9	88.5	-
	2026	1.8	1.7	0.1	2.1	7.2	6.5	2.0	3.6	10.5	-4.4	89.6	-
	2027	1.4	1.0	-0.5	0.1	3.1	1.3	2.1	3.3	9.9	-4.6	91.0	-

Global

	Year	GDP[1]	Private cons.[1]	Public cons.[1]	Fixed inv.[1]	Exports[1]	Imports[1]	Inflation[1]	Wage growth[1]	Unem-ploym.[2]	Public budget[3]	Public debt[3]	Current acc.[3]
USA	**2025**	2.1	2.6	1.1	2.7	1.6	2.7	2.7	3.5	4.3	-5.8	99.9	-3.8
	2026	2.1	1.9	0.6	4.6	4.7	3.4	3.2	3.5	4.3	-6.0	101.8	-3.3
	2027	1.8	1.4	1.7	5.4	3.3	6.0	2.5	4.0	4.2	-5.9	102.9	-3.2
China	**2025**	5.1	4.6	-	1.0	-	-	0.0	-	5.1	-8.4	99.7	3.7
	2026	4.6	4.2	-	1.5	-	-	0.8	-	5.2	-8.7	107.4	3.5
	2027	4.7	4.7	-	4.0	-	-	1.0	-	5.2	-8.9	113.0	3.3

Note: forecasts are from the latest Nordic Outlook, 3 September

Source: Danske Bank. 1) % y/y. 2) % of labour force. 3) % of GDP.

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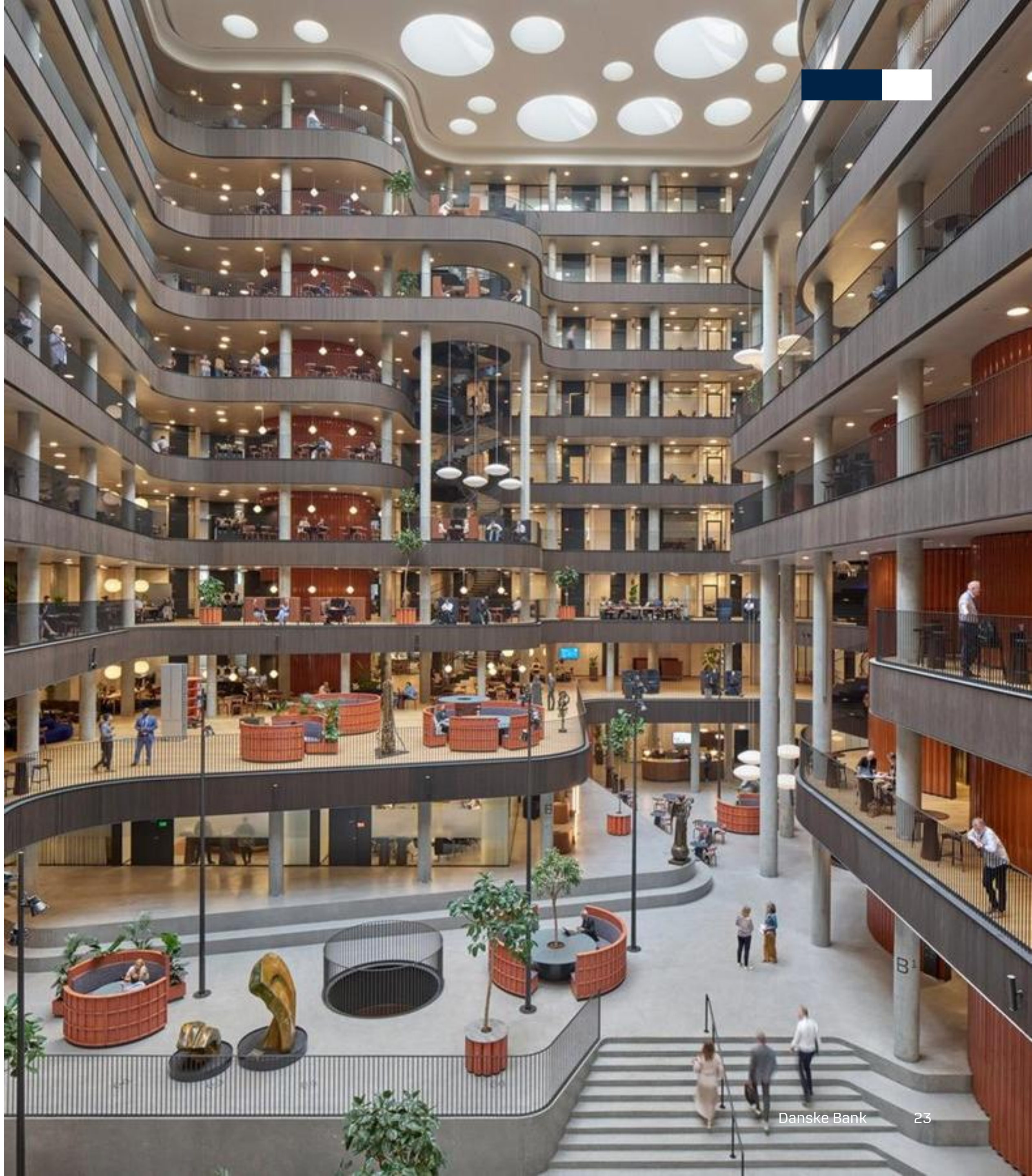

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