21 October 2026

Krona gains ground - tonight's earnings in focus

Global key stories

Market moves were generally modest yesterday in the absence of major economic data and earnings releases. European equities mostly declined, weighed down by the energy sector and unrest and debt concerns in France. US markets fared somewhat better, with the S&P 500 gaining 0.3% and the Nasdaq broadly unchanged. Asian markets are also more positive this morning, supported by a relatively strong start to the earnings season, while equity futures point to higher opens in both Europe and the US today. Reuters reports that 13% of S&P 500 companies have reported so far, of which 86% have beaten earnings forecasts. Meta and Tesla report after the US market closes tonight, potentially providing a stronger catalyst for markets.

The rise in French bond yields paused yesterday, while yields elsewhere were broadly unchanged. However, expectations of a Fed rate hike next week eased a little further, following weak September figures for home sales and construction activity. The dollar weakened against all other G10 currencies, although moves were generally modest, extending October's consolidation after its strong gains in September.

Brent crude is trading close to USD 110 per barrel again, having briefly fallen yesterday on reports of renewed peace talks that were subsequently denied.

Today's economic calendar is light, with UK inflation the main release of note (see below), alongside a few speeches by ECB and BoE officials that could provide insights ahead of their upcoming policymeetings. The main international focus, however, will be on tonight's earnings releases from Meta and Tesla. Yesterday's most important release, German PPI, showed a further rise as expected, driven by high energy prices.

Trump today: Diesel measures and peace efforts. The Trump administration has announced USD 8 billion in fuel subsidies for farmers struggling with rising diesel prices as the US harvest peaks and the midterm elections approach. Trump's repeated efforts to bring down diesel prices recently suggest concern ahead of the elections. He is also pushing for an end to the war in Ukraine, with US envoy Steve Witkoff due to meet Putin today.

Alberta remains in Canada. According to unofficial results from Elections Alberta, an overwhelming majority of 76% voted against a proposal to begin a process towards independence in Monday's referendum.

UK: Inflation and pre-budget speculation. September inflation figures are due today. Both headline and core CPI inflation are expected to edge higher, supporting our own and market expectations of a Bank of England rate hike at its next meeting on 5 November. The UK will also present its budget next week. As in France, the government needs to address high public debt and a large budget deficit without upsetting either voters or financial markets too much. Budget speculation is therefore likely to intensify during the week. The Financial Times has already reported that Chancellor Healey will not raise capital gains tax and that the Treasury is expected to examine the economic benefits of bringing the UK closer to the EU again.

Nordic key stories

October brings a tailwind for the krona. Following an almost uninterrupted rise in EUR/SEK during August and September, the pair has turned lower in October. We have highlighted in several reports that the current market environment primarily favours carry strategies in FX, which involve buying high-yielding currencies and selling low-yielding ones. This creates a headwind for the krona. The effect has been particularly pronounced this autumn, as the yen, which is also typically used as a funding currency in these strategies, has been used less extensively because of FX intervention. More recently, market expectations of rate hikes by the Fed and other central banks have eased somewhat, weakening the dollar against most G10 currencies, including the krona. The krona is also benefiting from euro weakness in the wake of France's problems, making the decline in EUR/SEK more pronounced. For a sustained strengthening of the krona, however, more central banks abroad need to move towards policy normalisation rather than further rate hikes—or, at the very least, markets need to increasingly anticipate and price in such a shift. That will probably require a more persistent disinflationary contribution from energy prices.

Favourable conditions for Swedish wage growth. The National Institute of Economic Research assesses the conditions ahead of the upcoming wage bargaining round in its Wage Formation Report. According to Swedish Radio, the institute concludes that higher corporate productivity provides favourable conditions for real wage growth over the next few years. The report will be published at 09:00 today.

Today's key events

For graphs and analysis of the week's most important data, click here

Time	Country	Event	Period	SEB forecast	Consensus	Last
08:00	**UK**	**CPI | core yoy**	**Sep**	**0.2/3.3 | 2.6**	**0.3/3.4 | 2.7**	**0.5/3.1 | 2.6**
08:00	UK	PSNB ex banking groups	Sep		---	18.3bn
08:45	FRA	Retail sales ex-auto mom	Aug		---	0.8
11:00	EA	Govt debt/GDP ratio	2025 F		---	87.8
13:00	US	MBA mortgage applications	Oct 16		---	-2.7

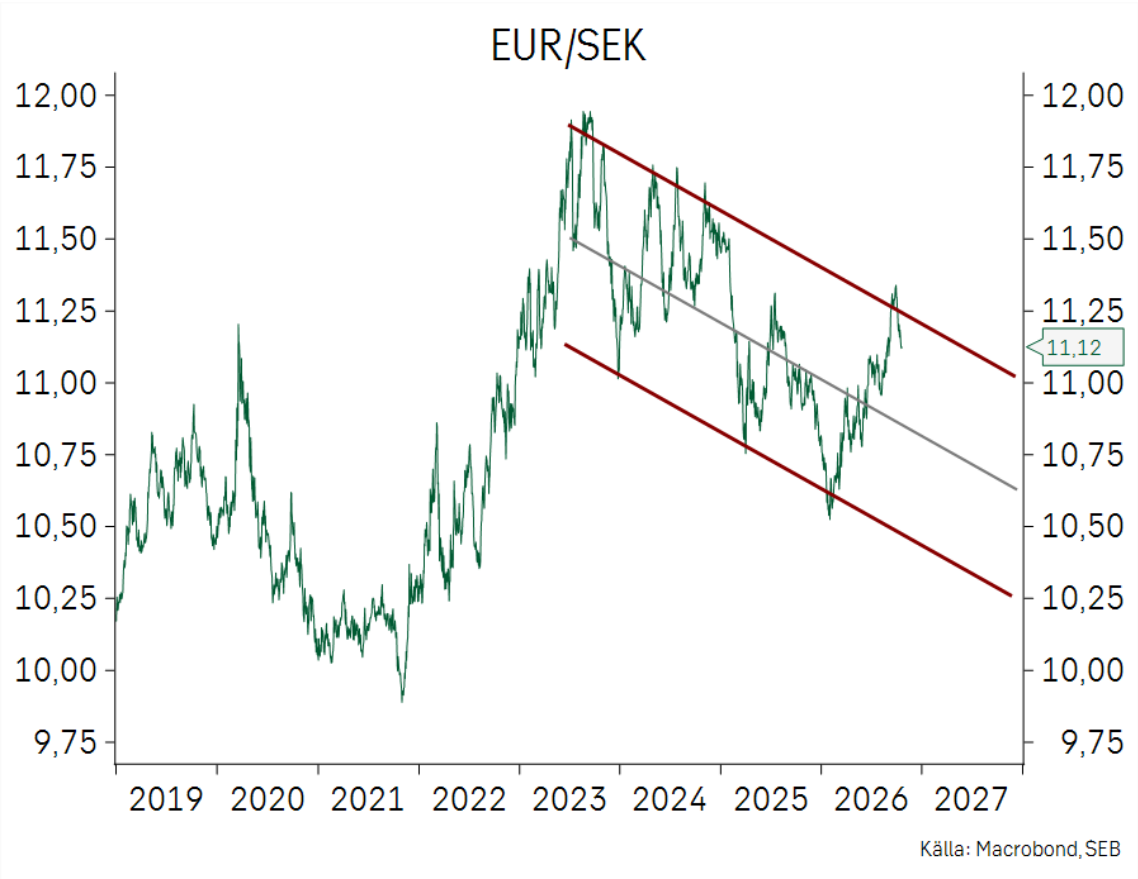
Auctions: SWE to sell SGB 1056 & 1068 (11:00), Norway to sell bonds (11:00), EA to sell bills (12:00), US to sell bills/bonds reopening (17:30)/19:00
Speeches: RBA's Hauser (00:30), ECB's Cipollone/Lagarde (10:00/18:00), BoE's Bailey (15:00). Reports: Tesla, Meta, Handelsbanken, SKF.
Other: Bloomberg Oct. Norway Economic Survey (11:05).

Market data

Equities	Index	Future	FX		Commodities	
S&P 500	0.3%	0.3%	EUR/USD	1.12	Brent fut $/bl	110.2
Nasdaq comp	0.0%	0.7%	EUR/SEK	11.12	Gold fut $/oz	4116
Eurostoxx 50	-0.4%	0.3%	USD/SEK	9.91	**Government bonds yields**	
OMX Stockholm 30	-0.9%		EUR/NOK	10.55	US 10 year	5.12%
OBX Oslo	-0.6%		USD/NOK	9.40	US 2 year	4.79%
OMX Copenhagen 25	0.4%		NOK/SEK	1.05	Germany 10 year	3.40%
OMX Helsinki 25	-1.2%		USD/DKK	6.66	Germany 2 year	3.08%
Nikkei225	0.8%		USD/JPY	158	Sweden 10 year	3.16%
Shanghai Comp	-0.3%		USD/CNY	6.68	Sweden 2 year	2.75%

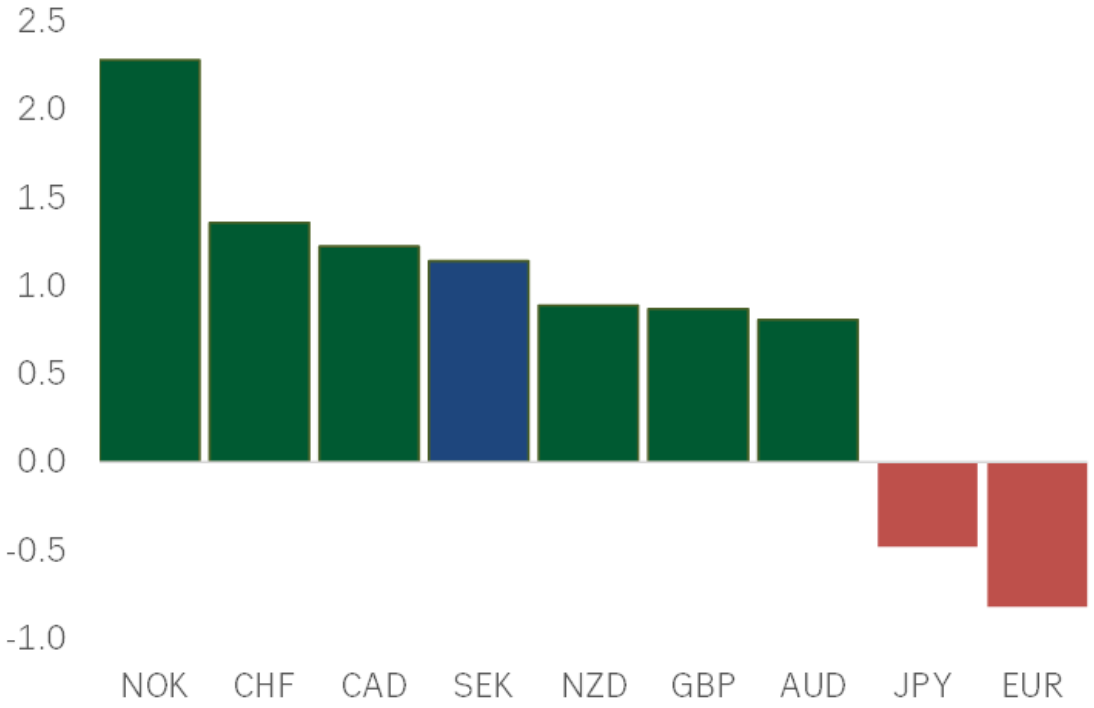
US and Europe indices indicate change at yesterday's close

EUR/SEK back in downward trend channel - but still near upper resistance levels



Source: Macrobond, SEB

Currency against the USD in October (%) shows clear USD weakness with the exception of the EUR which is hampered by the French unrest and the JPY which is affected by previous interventions



Source: Bloomberg, SEB

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