Nordic Alert

23 October 2026

Rising worries about the AI trade and France

Global key stories

The stock markets were in the red yesterday. Substantial declines in Europe were followed by -1.2% for the S&P 500 and -2.6% for the Nasdaq. We are in a delicate situation where the market is increasingly hesitant about the sustainability of the AI trade. Nvidia fell 4.4% yesterday, while Meta fell 7% and SpaceX plummeted 9%. Oil prices went the other way and Brent oil now costs almost $114, which of course adds to inflation concerns and expectations of more interest rate hikes. Although this in itself also speaks for higher long-term interest rates, bond yields fell back yesterday driven by the investor community leaving the stock market in favor of safer bonds. However, this does not apply to all countries and in France, the 10-year yield continued to rise to 5.07%.

Worse before it gets better? The fact that French and German long-term interest rates went in different directions increased the rate spread further to 174 basis points, the highest level since 2011 (when it peaked at 190 basis points). Despite the similarities, there are still things that suggest that the situation today is not as serious as during the euro crisis. Firstly, concern about the situation for French public finances has not spread to the banking system, as the states' problems did during the euro crisis. Had we had an acute threat to the French banking system, the ECB would have had no choice but to intervene with support measures. Secondly, everyone knows that France has the ability to make the political decisions necessary to regain the market's confidence, but this will be made more difficult by the presidential election next year. The longer French politicians wait to make decisions on austerity, the greater the market's pressure will be. In the end, we will reach a point where politicians no longer have a choice, but it may also be the key to gaining acceptance from the voters for all the unpopular decisions that must be made. We do not know exactly where that point lies, but it may well get worse before it gets better.

In Asia , the declines continue this morning with the Nikkei at -1.1%. Ahead of the opening here at home, both European and American stock market futures are pointing slightly down. There have only been small movements in the currency market.

PMI day. Today, the focus is on PMI figures from both Europe and the US. Yesterday's French business barometer from Insee came in well and neither high energy prices nor concerns about rising long-term interest rates and French public finances seem to have yet left any clear traces in French companies' optimism.

Reading tip from SEB Research. One of our inflation experts, Marcus Widén, has made an interesting observation about goods prices in the euro area. Goods prices have risen this year, but this is more due to rising prices for electronic products than to high energy prices (here).

Nordic key stories

No to a lower rate of Swedish wage increases. Not surprisingly, the LO trade union rejects the employers' demands for a lower rate of wage increases in the upcoming collective bargaining round. At the same time, the union is currently prepared to drop the demand for a reduction in working hours, even if the demand for it remains in place in the longer term (DN).

Have a great Friday.

Today's key events

Time	Country	Event		SEB	Consensus	Prior
08:00	UK	Retail sales inc auto fuel	Sep		-0.1/1.0	0.5/2.4
09:15	FRA	S&P Global PMI manufacturing | services | composite	Oct P		50.5 | 50.9 | 50.5	50.6 | 51.2 | 51.1
09:30	GER	S&P Global/BME PMI manufact. | services | composite	Oct P		53.5 | 52.5 | 53.5	53.9 | 52.9 | 53.8
10:00	EA	S&P Global PMI manufacturing | services | composite	Oct P		52.7 | 52.5 | 52.7	52.9 | 53 | 53.1
10:00	EA	ECB CPI expectations 1y | 3y	Sep		3.2 | 2.9	3.0 | 2.9
10:30	UK	S&P Global PMI manufacturing | services | composite	Oct P		51.7 | 51.8 | 51.8	51.9 | 52.1 | 52
15:45	US	S&P Global PMI manufacturing | services | composite	Oct P		55.5 | 57.9 | ---	55.9 | 58.8 | 58.4
16:00	US	U. of Mich. sentiment | current conditions | expectations	Oct F		46.3 | --- | ---	46.3 | 44.7 | 47.3
16:00	US	U. of Mich. 1 yr inflation | 5-10 yr inflation	Oct F		--- | ---	4.7 | 3.5

Speeches: ECB's Cipollone (16:00), RBA's Jones (25/10). Reports: Volvo, Saab, SCA, Evolution, Hexagon, Lifco

Market data

Equities	Index	Future	FX		Commodities	
S&P 500	-1,2%	-0,1%	EUR/USD	1,12	Brent fut $/bl	113,8
Nasdaq comp	-2,6%	0,0%	EUR/SEK	11,12	Gold fut $/oz	4004
Eurostoxx 50	-1,9%	-0,1%	USD/SEK	9,92	**Government bonds yields**	
OMX Stockholm 30	-2,5%		EUR/NOK	10,46	US 10 year	4,96%
OBX Oslo	-1,0%		USD/NOK	9,33	US 2 year	4,65%
OMX Copenhagen 25	0,1%		NOK/SEK	1,06	Germany 10 year	3,33%
OMX Helsinki 25	-1,4%		USD/DKK	6,67	Germany 2 year	3,03%
Nikkei225	-1,1%		USD/JPY	157	Sweden 10 year	3,10%
Shanghai Comp	-1,2%		USD/CNY	6,67	Sweden 2 year	2,70%

US and Europe indices indicate change at yesterday's close

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