

The background of the slide is a collage. The top left shows a close-up of a white wind turbine against a clear blue sky. The top right shows a detailed view of a complex mechanical gear system with various sized metal gears. The bottom right shows a busy port with several large blue and red gantry cranes and a container ship. A semi-transparent red banner with white text is overlaid across the middle of the image.

# 2024 Q3 Macro – Quarterly Update: Hello, Goodbye

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# Index | 2024 Q3 Quarterly Macro

#	Index
1	Executive Summary
2	Current Economic Topics
3	Global Macro <ul style="list-style-type: none"><li>• GDP, unemployment &amp; inflation</li><li>• Leading indicators</li><li>• Commodities</li></ul>
4	Nordic Region <ul style="list-style-type: none"><li>• GDP, unemployment, consumer confidence &amp; inflation</li><li>• Car registrations &amp; employment</li><li>• Construction &amp; business confidence</li><li>• Bankruptcies &amp; construction costs</li><li>• Currencies &amp; interest rates</li></ul>
5	Appendix

## Contact details, Tryg Invest

- **Søren Steenstrup**  
soeren.steenstrup@tryg.dk
- **Eva Kobeja**  
Eva.Kobeja@tryg.dk

Please contact for inquiries



# Executive Summary

## 2024 Q3 Macro: Hello, Goodbye.

- **Global growth expectation have plateaued, but remain high.** Leading indicators are giving somewhat mixed signals and macro surprises are neutral, indicating that growth expectations will be flat in the coming time. The US is currently expected to grow around 2,3%, the Eurozone below trend at 0,7%, while China is expected to grow 4,9% in 2024. **Labor markets** remain tight as employment trends remain strong.
- **Inflation** is expected to **continue its journey towards the 2% target, but it will take time.** US consumer prices are still high, but are not expected to reach 2% growth before the end of 2025. In the Eurozone inflation also seems to be hard to get close to 2%, and looking at Spanish inflation, which historically has been a leading indicator for the Eurozone, inflation could even rise a bit.
- Central bank interest rates have peaked and a **majority of central banks are now cutting their target rates.** The Swiss National Bank, Riksbanken and the European Central Bank (ECB) have cut their rates for the first time in years. Looking forward, it is no surprise that central banks may be weary to cut interest rates, as both growth and inflation are high. It is currently expected that the ECB could cut rates in October, while the Federal Reserve could cut in both October and December.
- **Upcoming elections** on both sides of the Atlantic might increase geopolitical uncertainty and risk to destabilize the current international political spectrum. **France** will hold elections June 30th, where it looks to be an open race between current 's party Renaissance and the rightwing National Rally Party. In November, the **US** will hold elections, where **Donald Trump** is leading in the polls.
- Growth in the **Nordics** has improved in the past quarter, and inflation has moderated. Employment growth remains positive, while the unemployment rates have been fairly stable, except for in Sweden. Consumer confidence has been trending upward and car registrations growth has been falling to zero in Q1. Business confidence and construction confidence was mixed.





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# Current Economic Topics

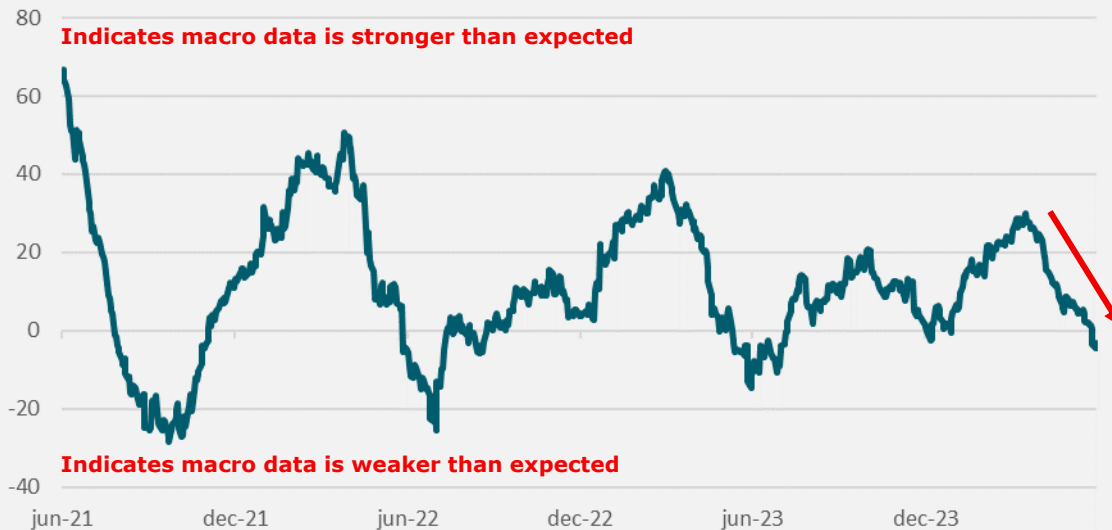




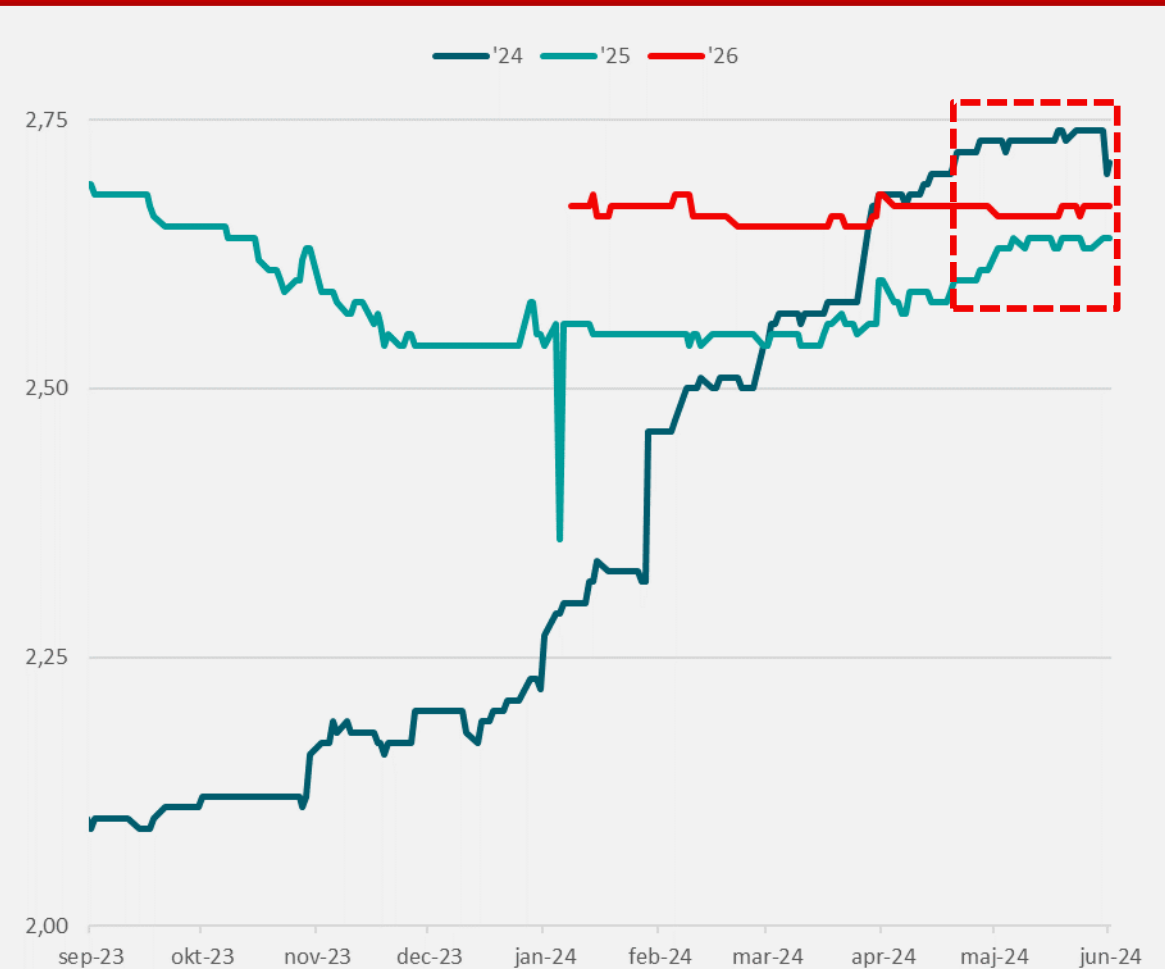
# Current topics: Hello, Goodbye (to growth momentum)

- Global growth is solidly positive and generally been trending upwards for most of the year. However, the positive **revision momentum has stalled** (figure right).
- Given the high growth expectations, this is no cause for concern currently, but it is worth noticing that underlying **macro economic indicators** have begun to **surprise negatively** and could mean that growth has peaked for now.

## Global macro surprises are no longer a tailwind for growth revisions



## G-20 growth expectations have plateaued (%)

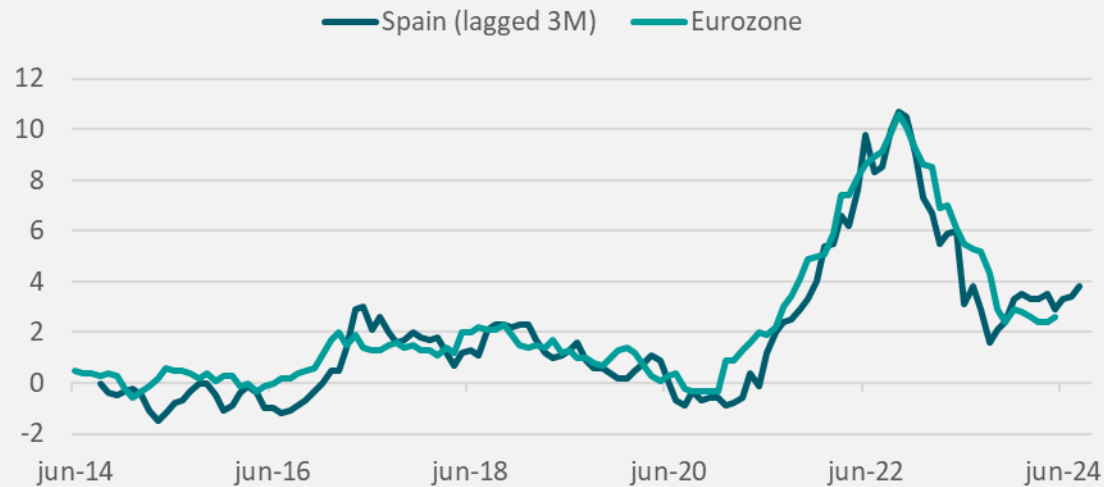


Sources: Bloomberg L.P. and Tryg Invest

# Current topics: "I'm Inflation Still Standing" Above Target

- The extreme inflation levels of 2022 are luckily over, and there seems to be a **consensus that inflation is under control** and expected to return to more normal 2%-levels in the future.
- However, a **bit of caution** is in order as global growth is still high, which keeps demand driven **inflation pressure** up (see s. 5). In the US, consensus does **not expect inflation to reach target** before the end of 2025 (figure right).
- Even the Eurozone, which seemed to be on track for the 2%, has seen a plateau in recent months. Spanish inflation, which historically has led Eurozone inflation levels by 3 months, even indicates that the block's **inflation could begin to rise again** (figure left).

So close to target! Eurozone inflation seems to accelerate



US inflation expected to return to 2%...eventually

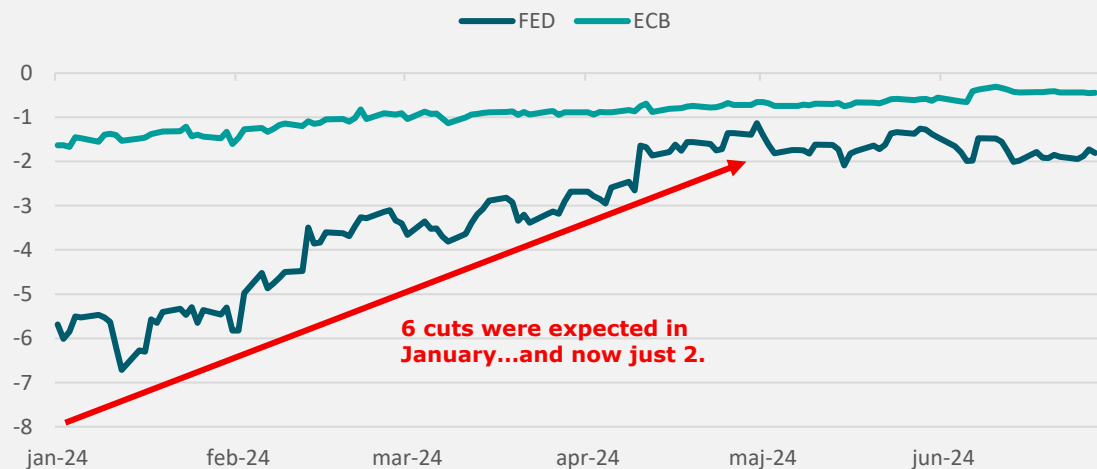


Sources: Bloomberg L.P. and Tryg Invest

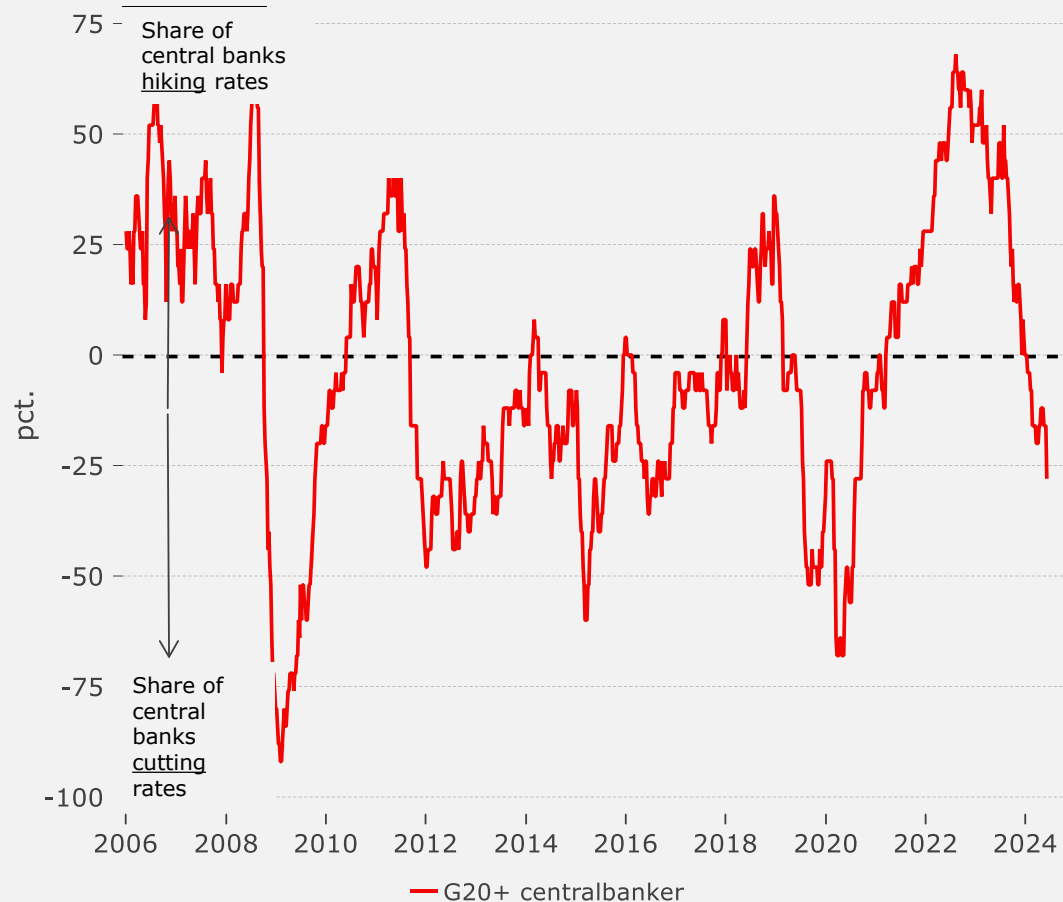
# Current topics: Hello, Goodbye (to interest rates cuts)

- After the fastest tightening cycle in modern history, interest rates have peaked and are expected to fall from here.
- **Globally central banks** have begun to **cut their target interest rates** (figure right), e.g. the Swiss National Bank, Riksbanken and most importantly the **European Central Bank (ECB)**, where the main refinancing rate was cut 0,25%-points to 4,25%.
- Looking into the second half of '24, it looks probable that the **ECB** could cut an additional 0,25%-points in October. In the US, the **FED** is expected to cut in both October and December (lower figure)

### # of interest rate cuts expected by December '24



### % of Central banks changing the policy rate



Sources: Macrobond, Bloomberg L.P. and Tryg Invest

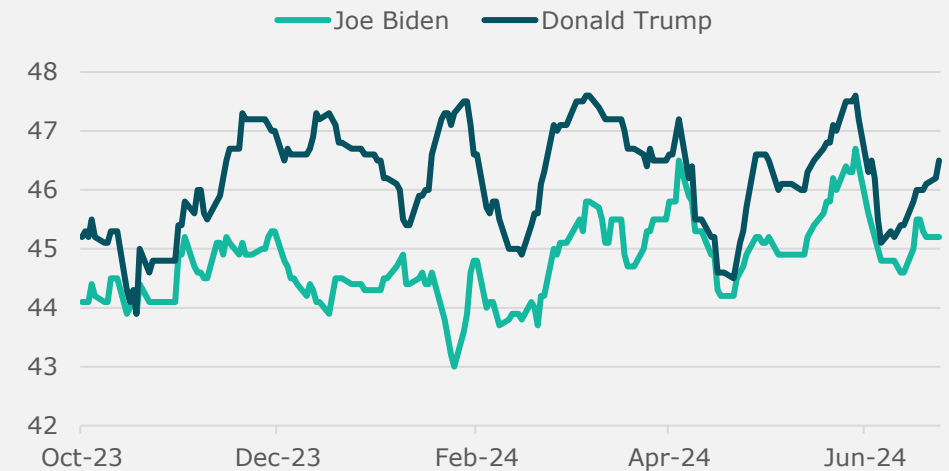
# Current topics: The Times They Are A-Changin'

- The political sphere on both sides of the Atlantic is at a potential crossroad.
- The **EU** has just held their **parliamentary elections** and the results have changed the EU political sphere significantly. **Far-right parties** have made **big gains**, winning a third of overall seats, with illegal migration one of the hot topics affecting more and more countries. Though the **centrist parties maintained a majority**, risks of destabilization are real. Especially in **France** far-right parties were extremely successful, and the National Rally party won more than double the votes of Macron's centrists alliance. As a consequence Macron announced a snap election hoping to regain political influence at home. However this move could deepen the political turmoil in one of EU's biggest members. The election will be held June 30th and July 7th.
- The **election in the US** in November has been long known and expected, but the outcome is far from certain. **Donald Trump** has been gaining approval ratings and is now leading the polls, despite **ongoing trials** against him, and a very **strong economy** which normally tends to favor the incumbent president. Markets seem to like this potential outcome, as a republican presidency is normally connected with tax cuts and a boost to the economy. On the other hand, a potential Trump presidency might reshuffle international policy and increase geopolitical risks. The Times They Are A-Changin'...

Macron and Trump discussing their reelection chances?



Donald Trump is leading the election polls



Sources: RCL, Bloomberg L.P. and Tryg Invest





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# Global Macro



# Global Macro | Economic Indicators

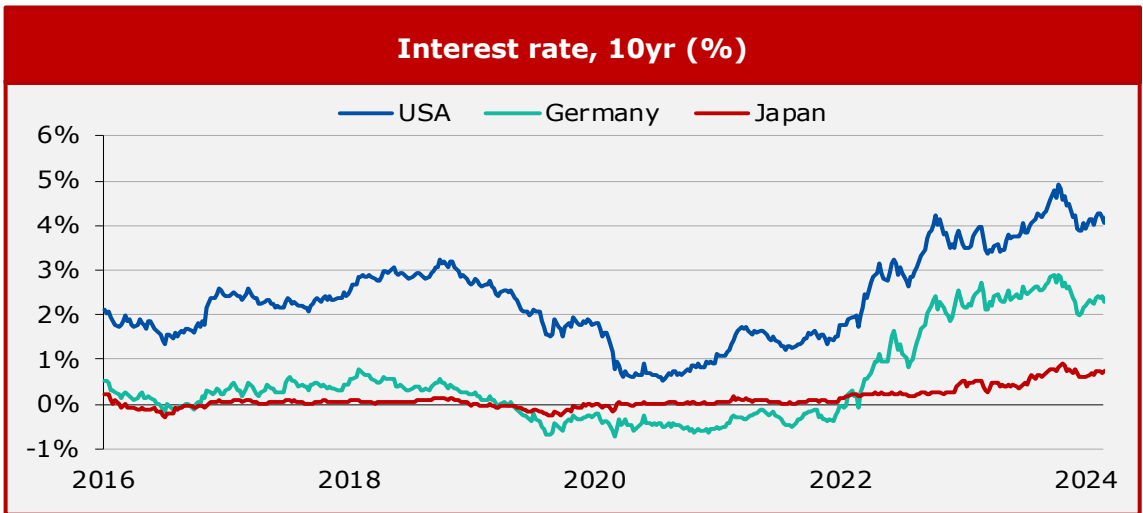
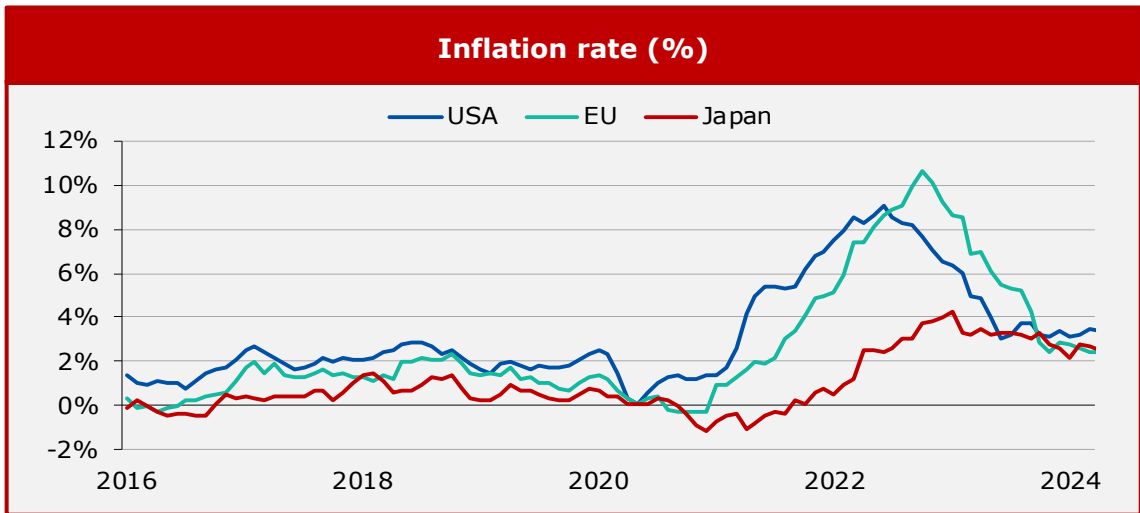
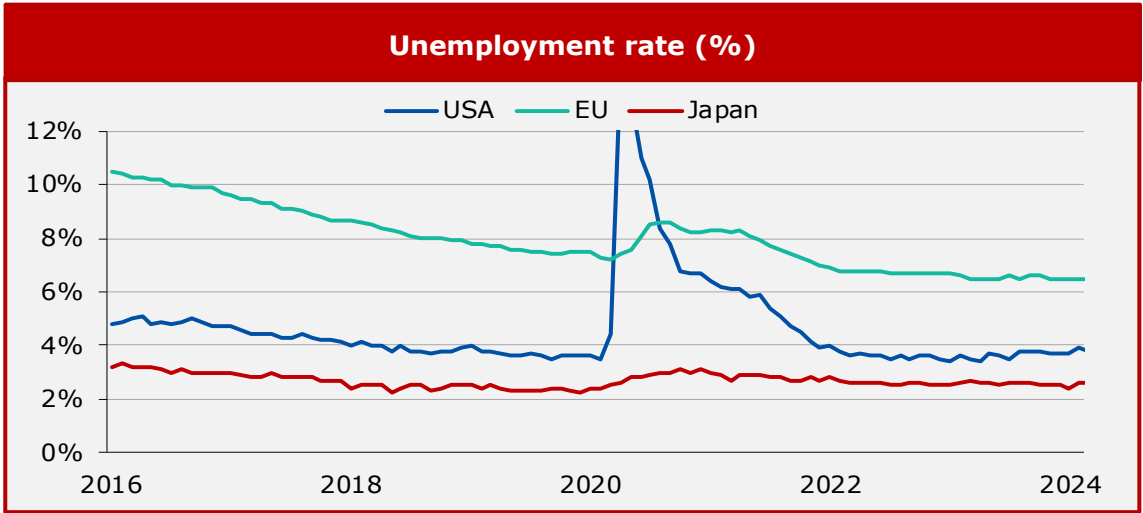
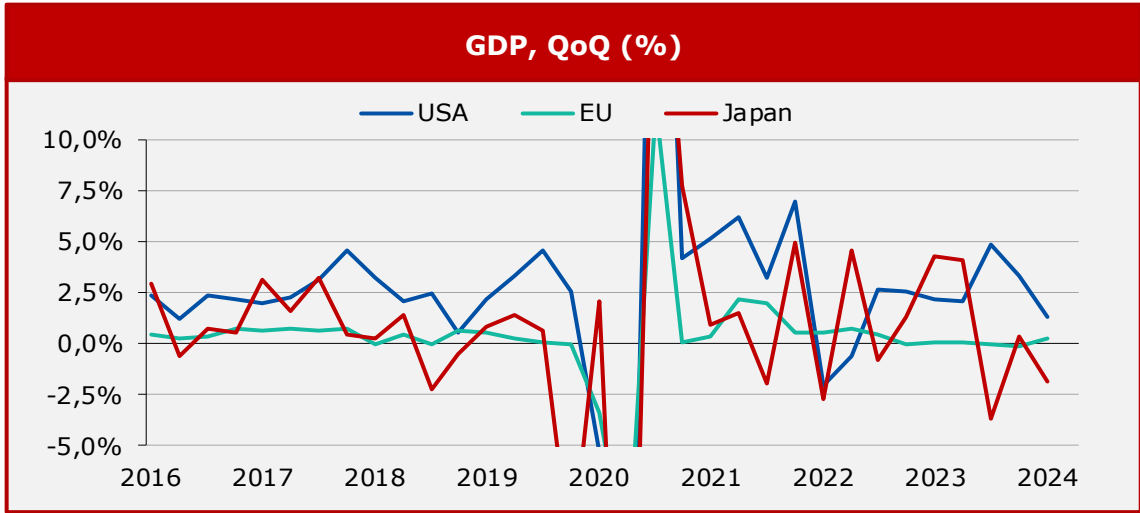
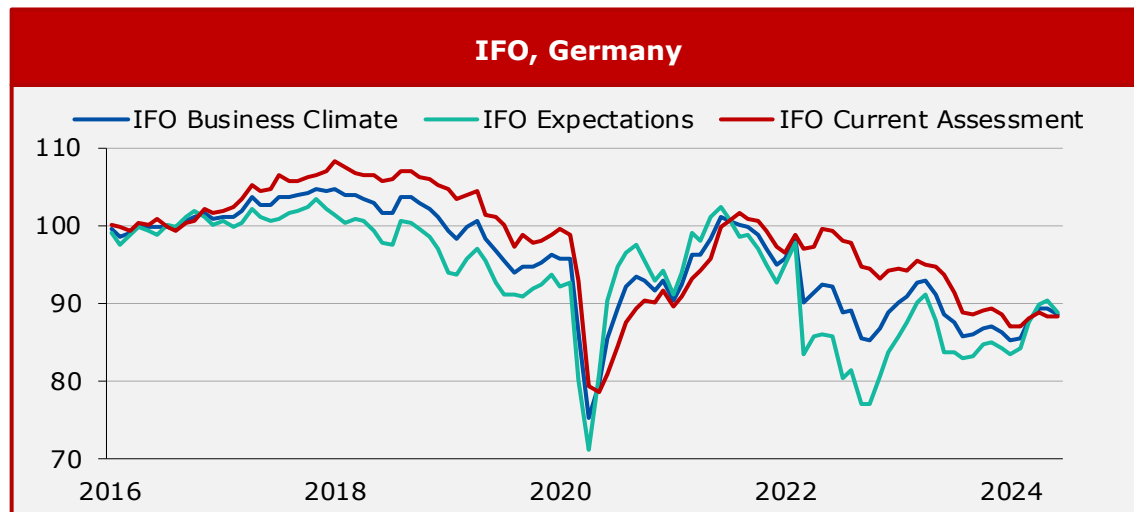
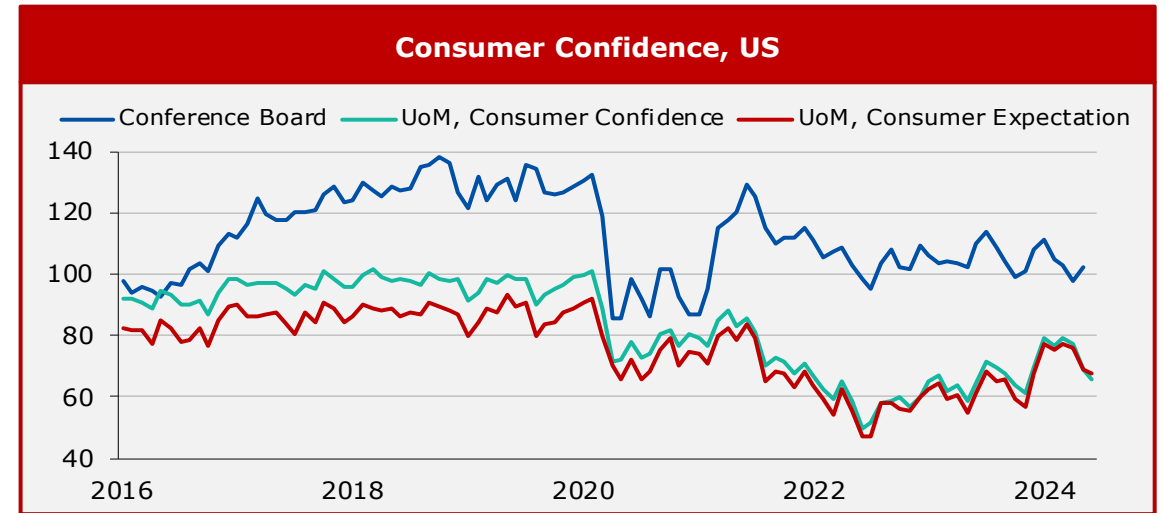
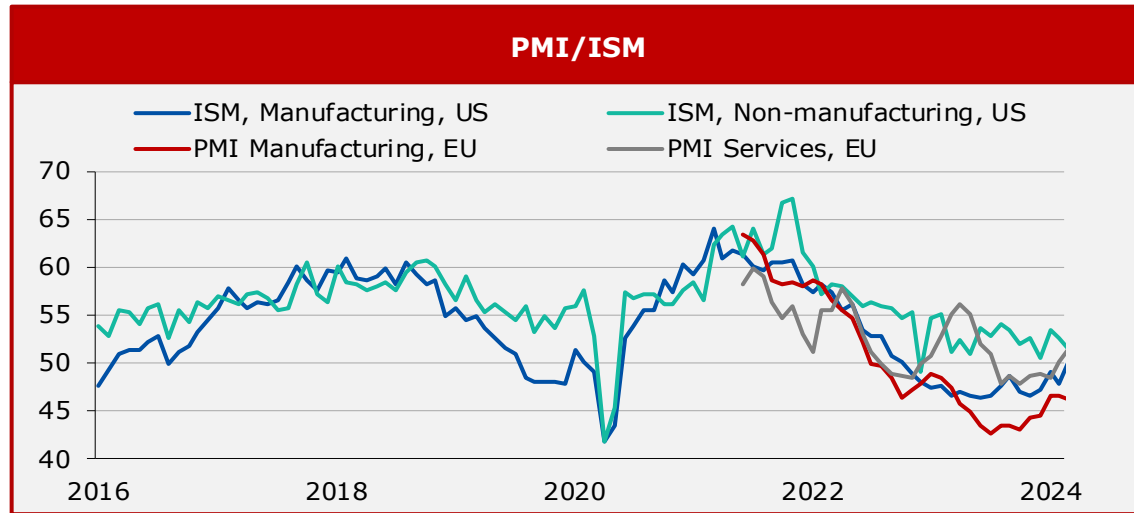


Figure sources: Bloomberg Finance L.P. and Tryg Invest

# Global Macro | Leading Indicators



#### Index description

- PMI measures companies' expectations for the Eurozone, where values above 50 indicates economic expansion and vice versa.
- ISM measures companies' expectations for the US, where values above 50 indicates economic expansion and vice versa.
- IFO measures business' current assessment and expectations for the next 6 month for Germany, where a rising index-value indicates economic expansion and vice versa.

Figure sources: Bloomberg Finance L.P. and Tryg Invest



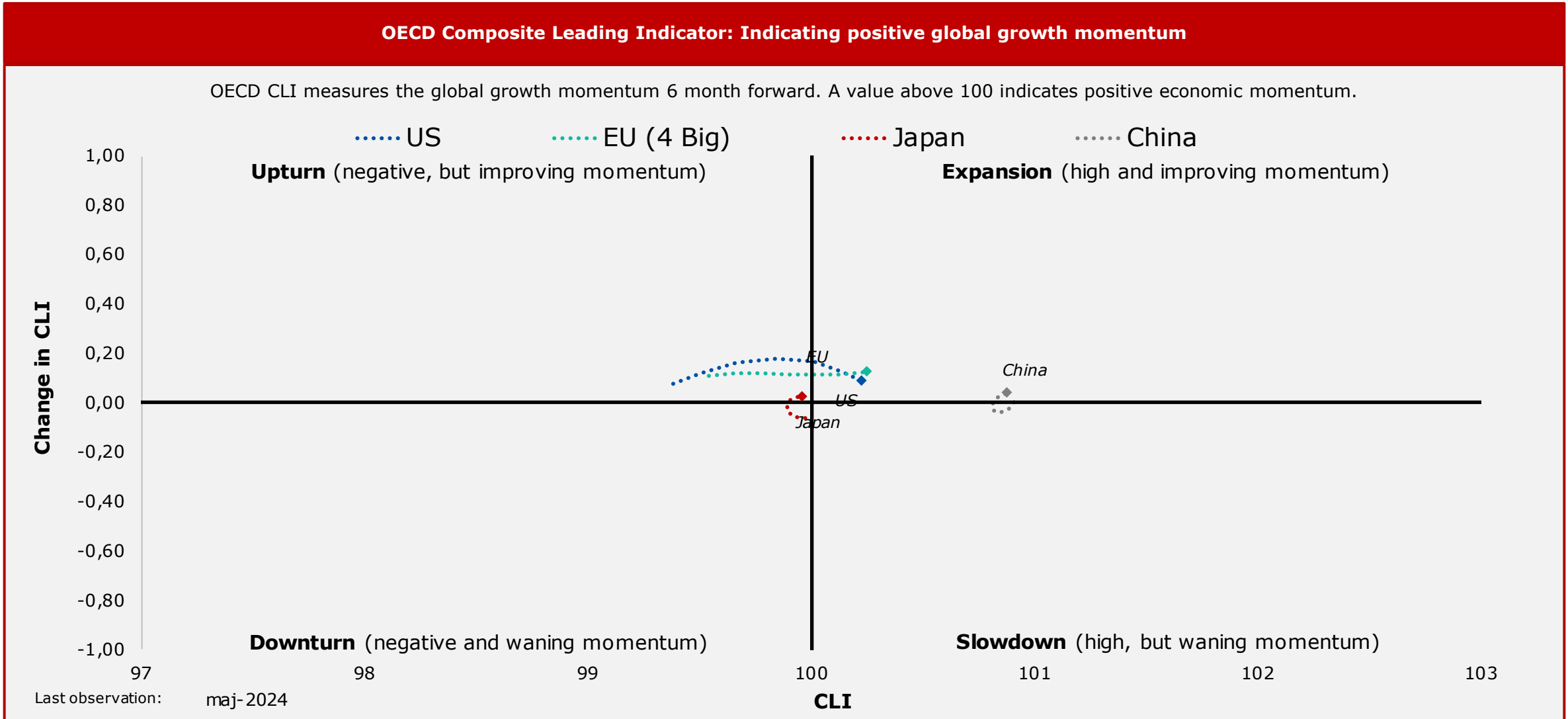


Figure sources: Bloomberg Finance L.P. and Tryg Invest  
 Note: Dashed trail line shows 6M development.

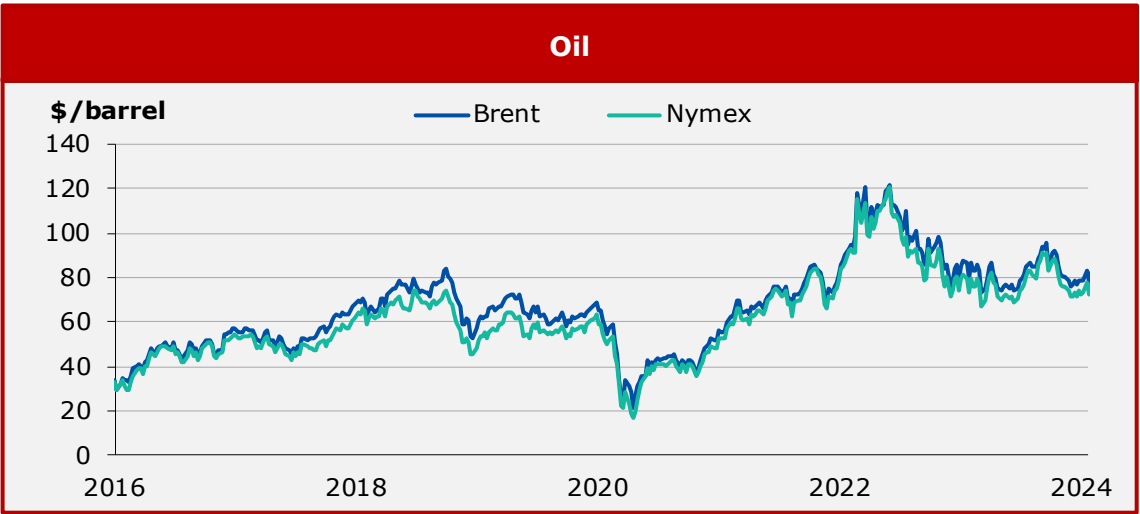
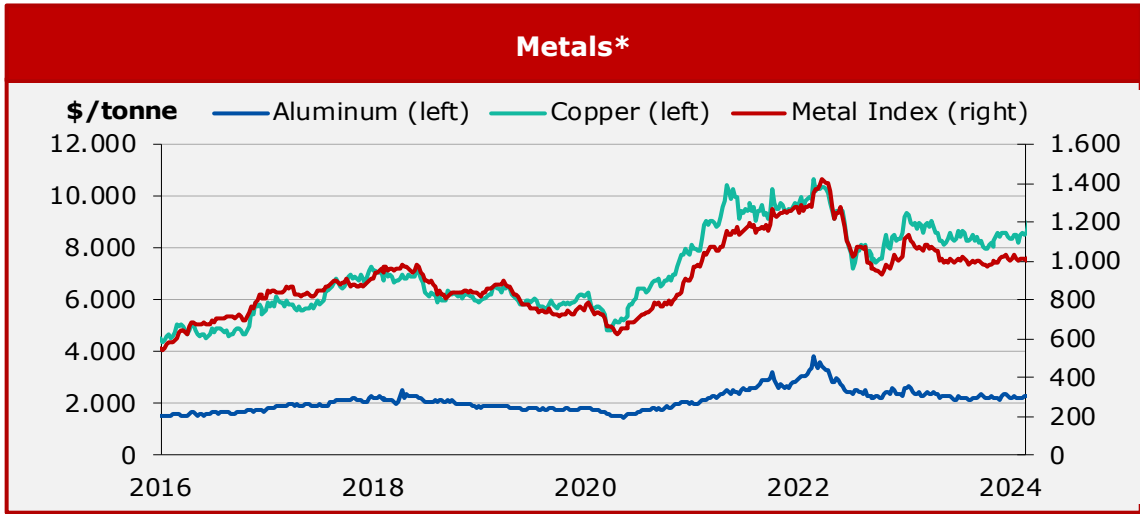
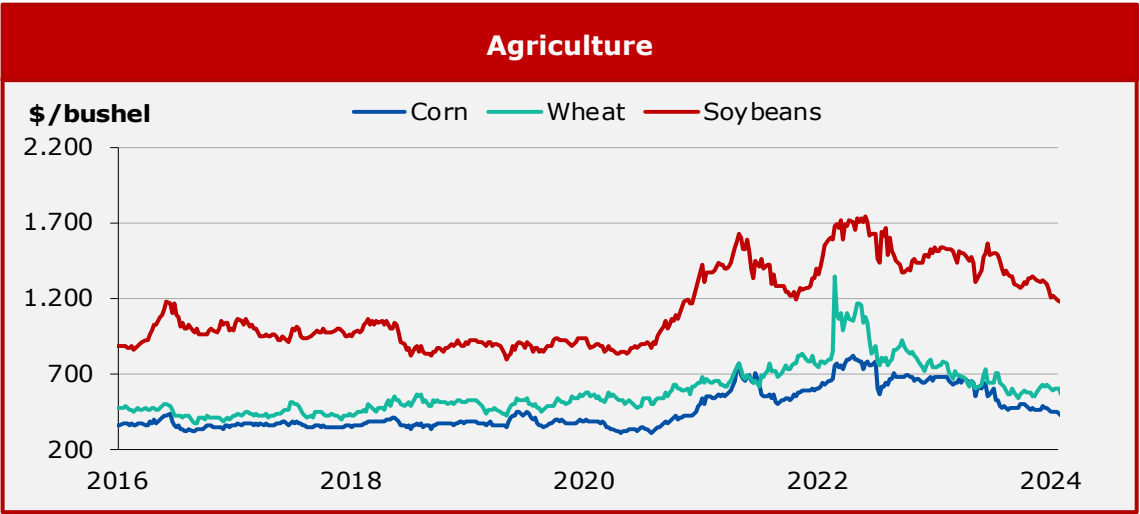
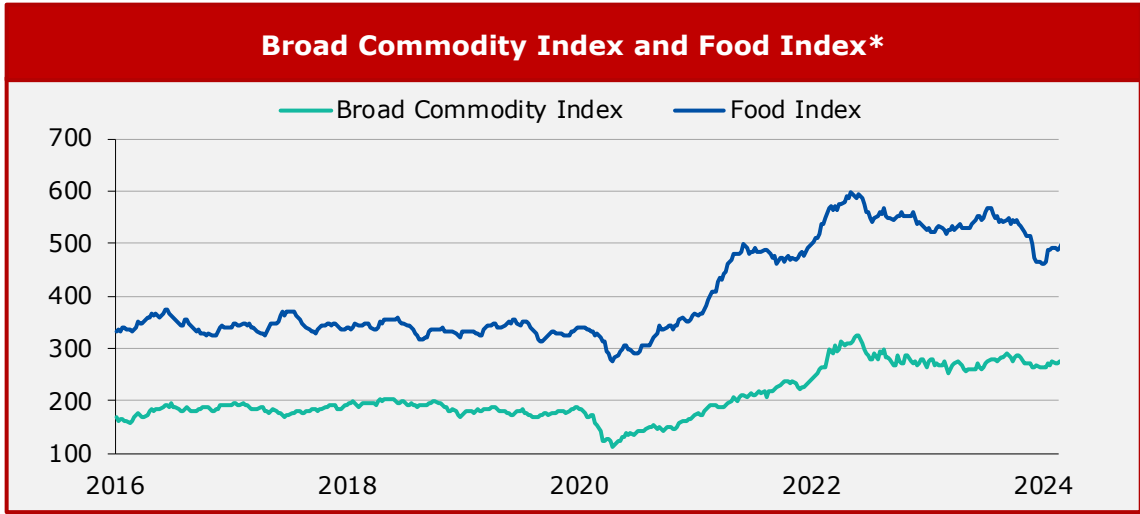


Figure sources: Bloomberg Finance L.P. and Tryg Invest

\* Broad Commodity Index consists of following futures: Cotton, Orange Juice, RBOB Gasoline, Heating Oil, Wheat, Corn, Soybeans, Coffee, Live Cattle, Crude Oil, Cocoa, Gold, Aluminum, Silver, Nickel, Lean Hogs, Sugar, Copper and Natural Gas. Food Index: Hogs, Steers, Lard, Butter, Soybean oil, Cocoa, Corn, Wheat and Sugar. Metal Index: Copper, Lead, Steel, Tin and Zinc.

A map of Europe with a red horizontal band highlighting the Nordic region, which includes Norway, Sweden, Finland, and Denmark. The rest of the map is in a light gray color.

# Nordic Region



# Nordic Region | Economic Indicators

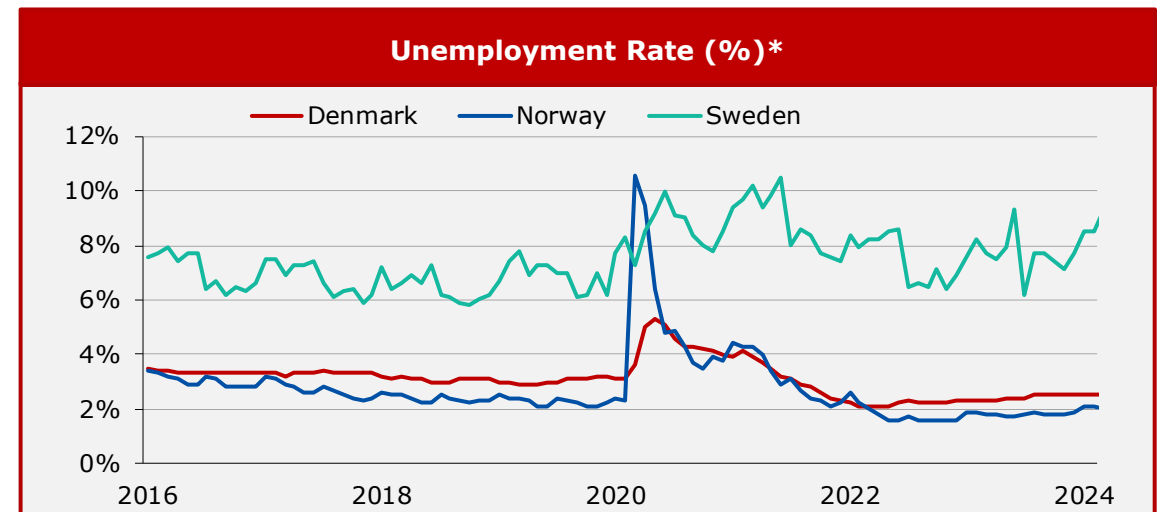
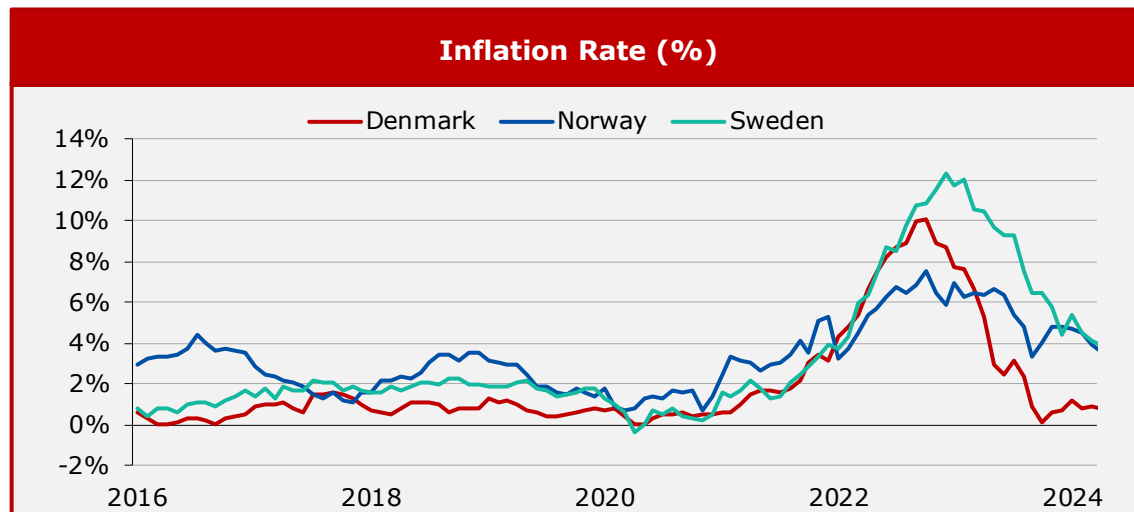
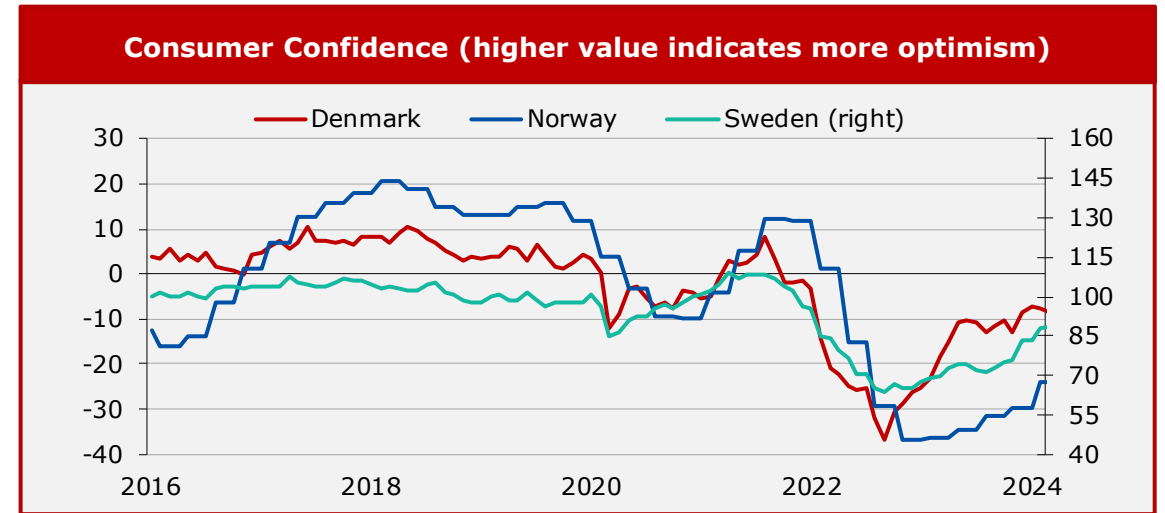
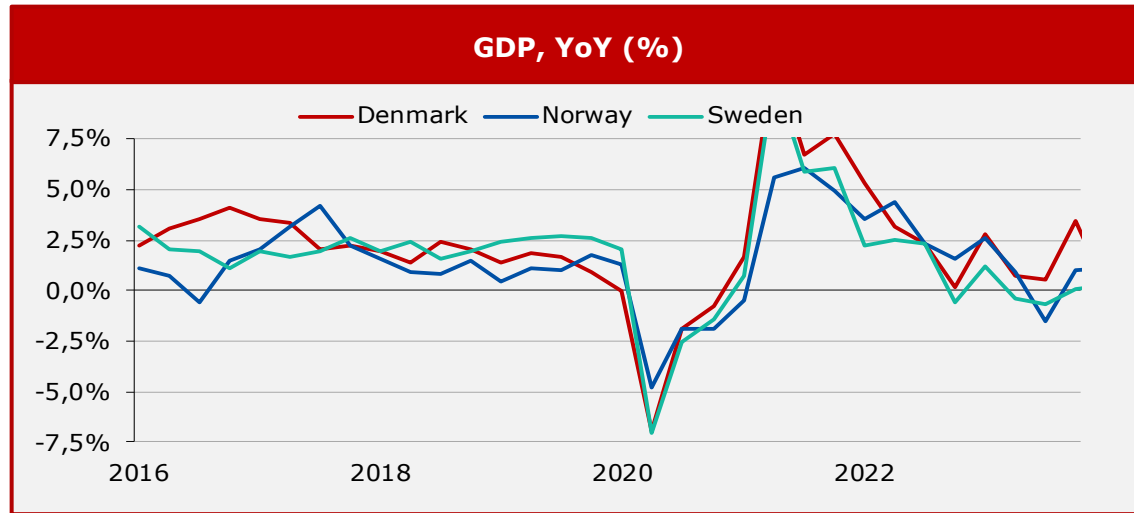


Figure sources: Bloomberg Finance L.P. and Tryg Invest

\*Note: Different national calculation methodologies may render comparison between countries unfeasible.

## Tryg Invest Leading Indicator (TILI): Indicating Scandinavian upturn and expansion

TILI measures the global Nordic momentum 6 month forward. A value above 0 indicates positive economic momentum.

—●— Denmark    —●— Sweden    —●— Norway

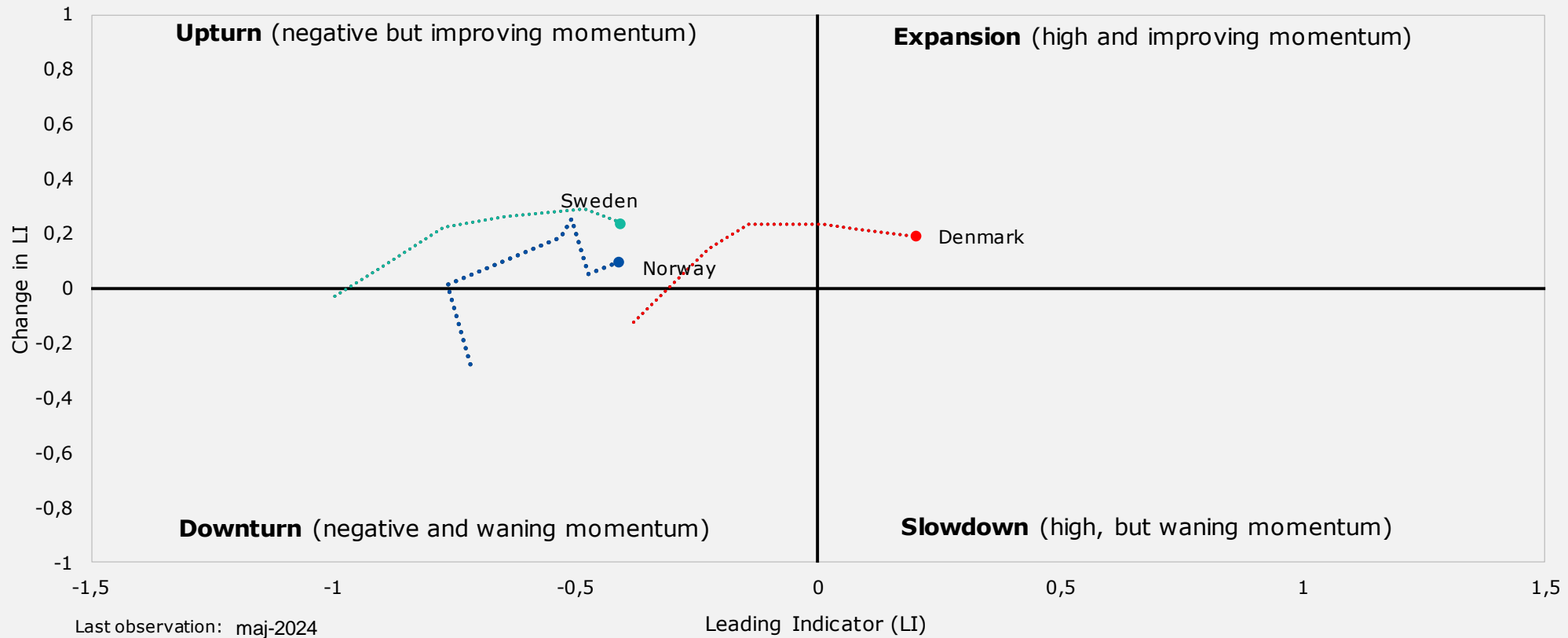


Figure sources: Bloomberg Finance L.P. and Tryg Invest  
 Note: Dashed trail line shows 6M development.

# Nordic Region | Car Registrations and Employment

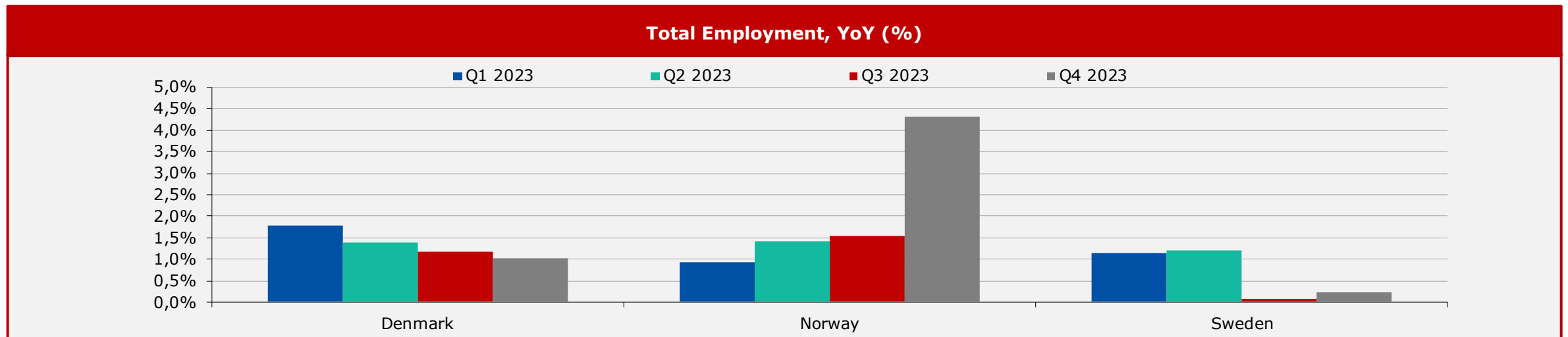
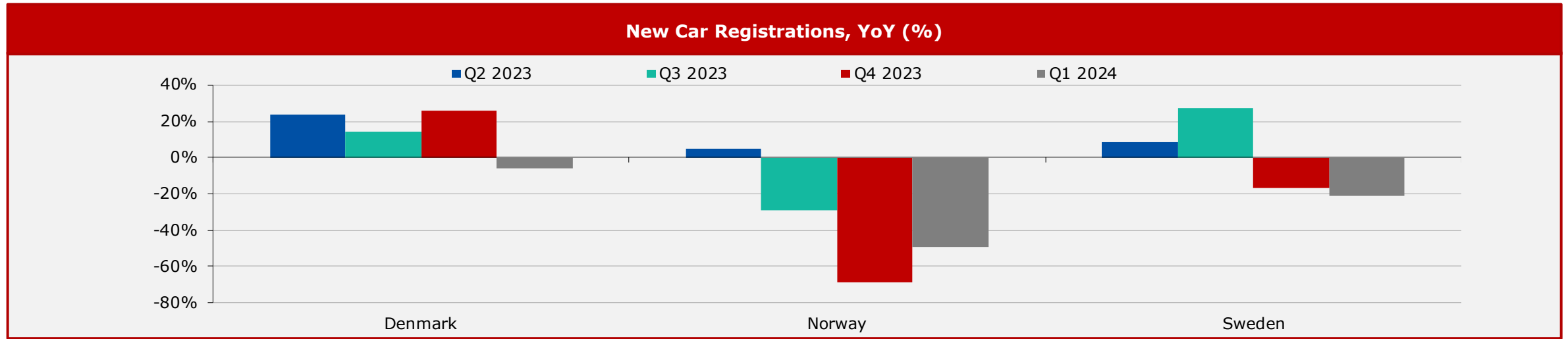
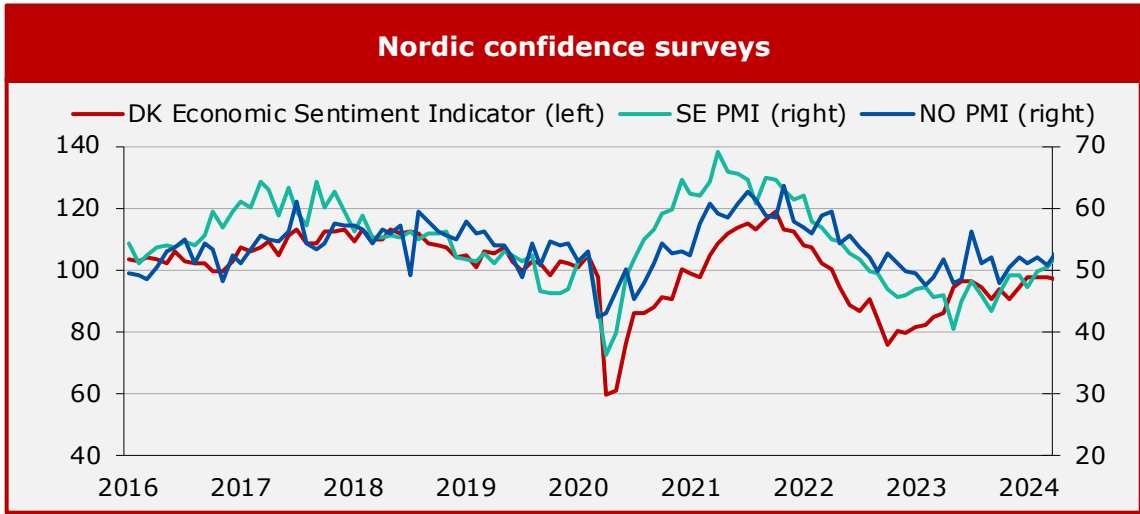
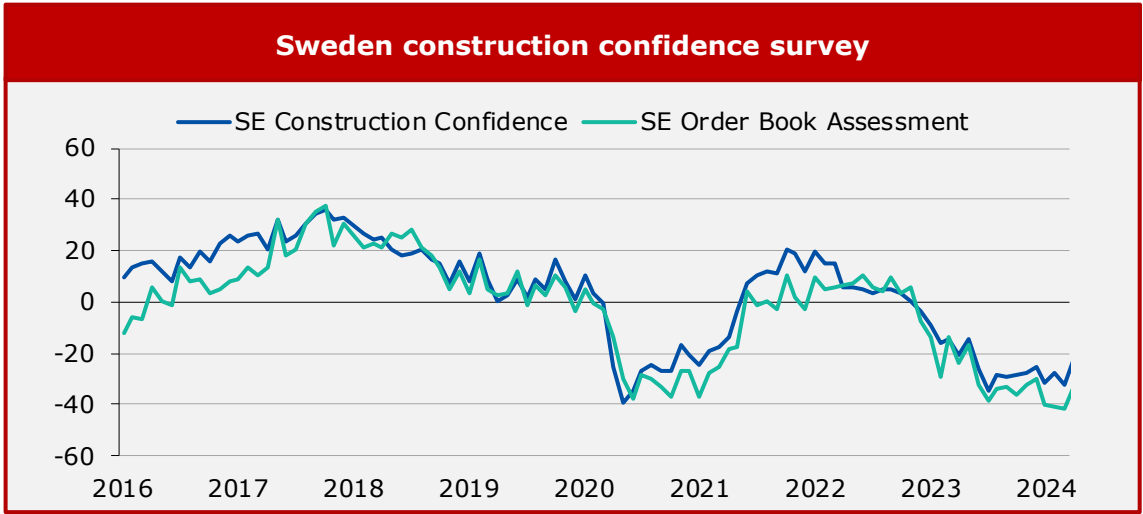
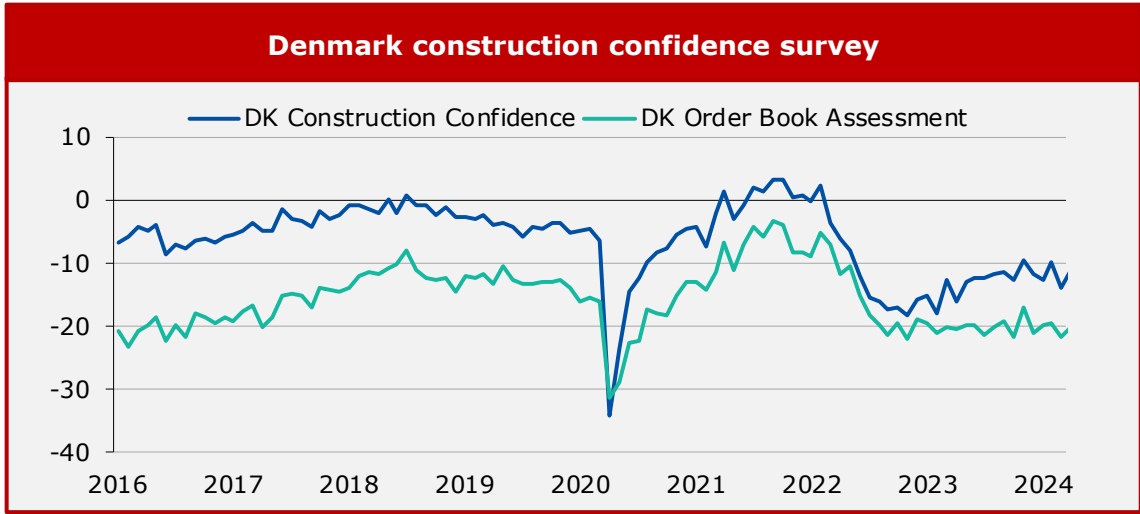


Figure sources: Bloomberg Finance L.P. and Tryg Invest



# Nordic Region | Construction and Business Confidence



#### Index description

- Construction confidence and order book assessment measures construction companies' current expectations for the activity compared to a "normal level", where values above 0 indicates optimism and vice versa
- PMI measures companies' expectations for the local economy, where values above 50 indicates economic expansion and vice versa
- Economic Sentiment Indicator measures companies and consumers' expectations to the Danish economy, where values above 100 indicates economic expansion and vice versa

Figure sources: Bloomberg Finance L.P. and Tryg Invest

# Nordic Region | Bankruptcies and Construction Costs

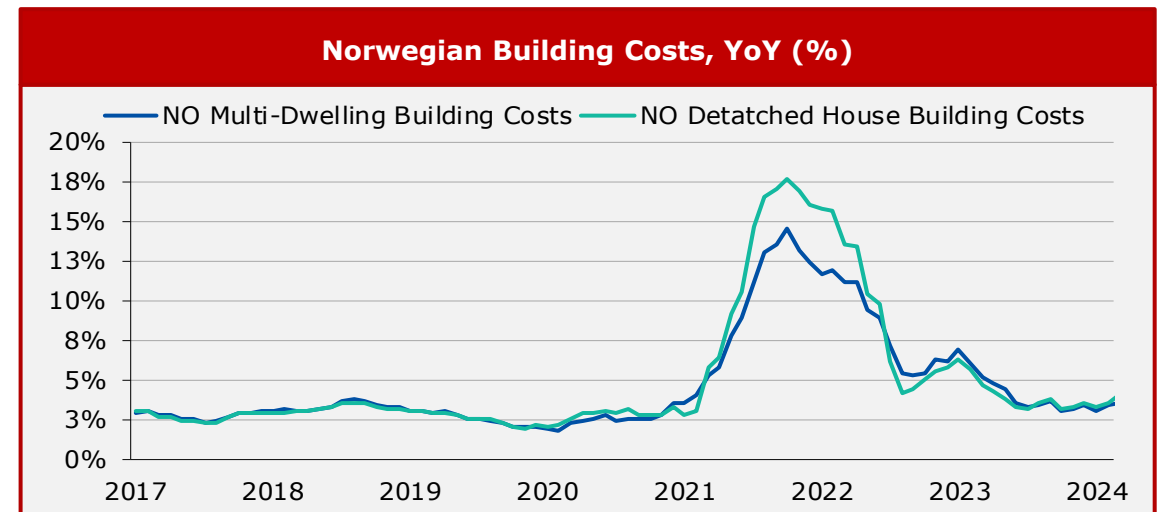
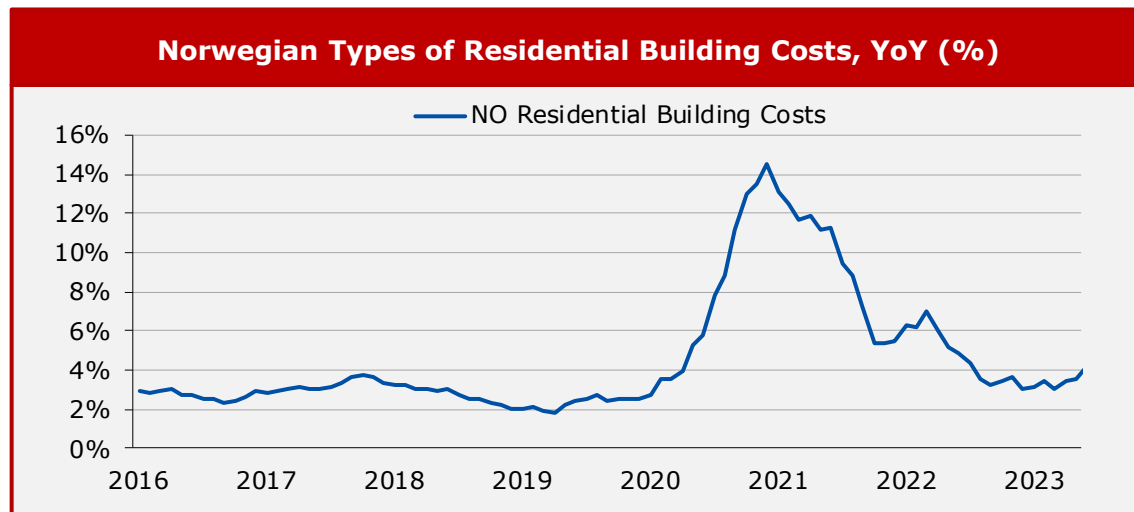
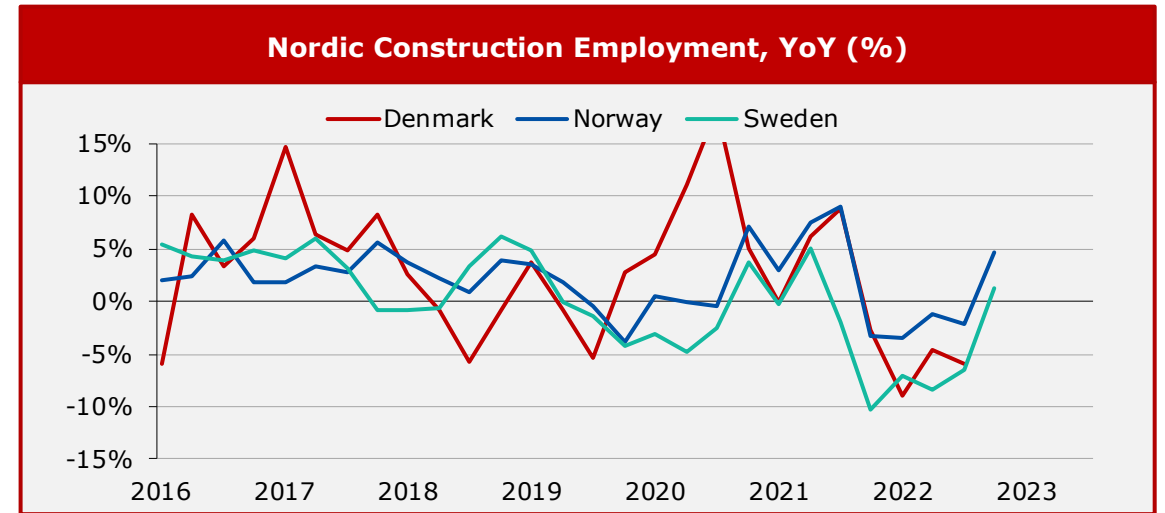
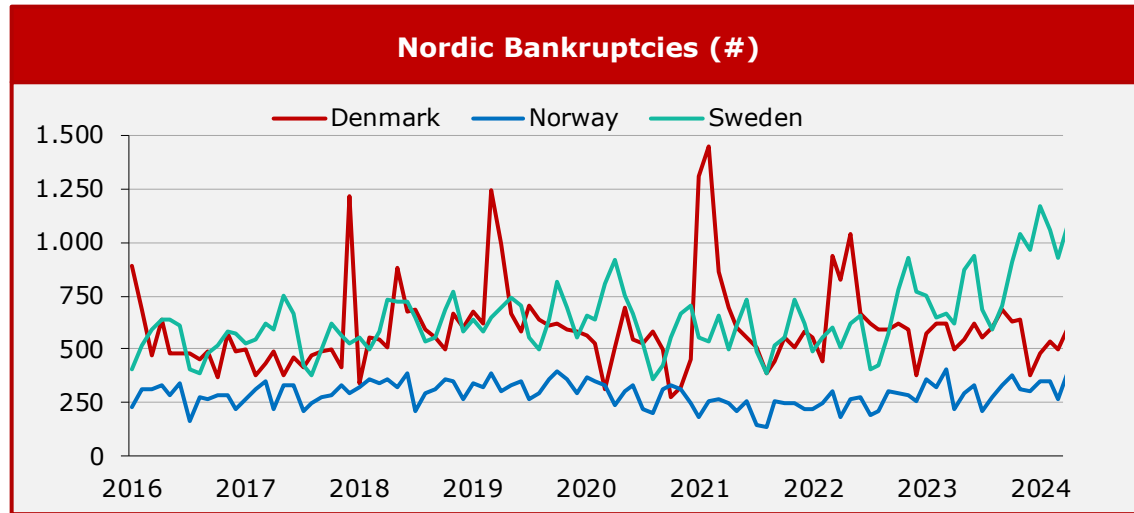


Figure sources: Bloomberg Finance L.P. and Tryg Invest

# Nordic Region | Currencies and Interest Rates

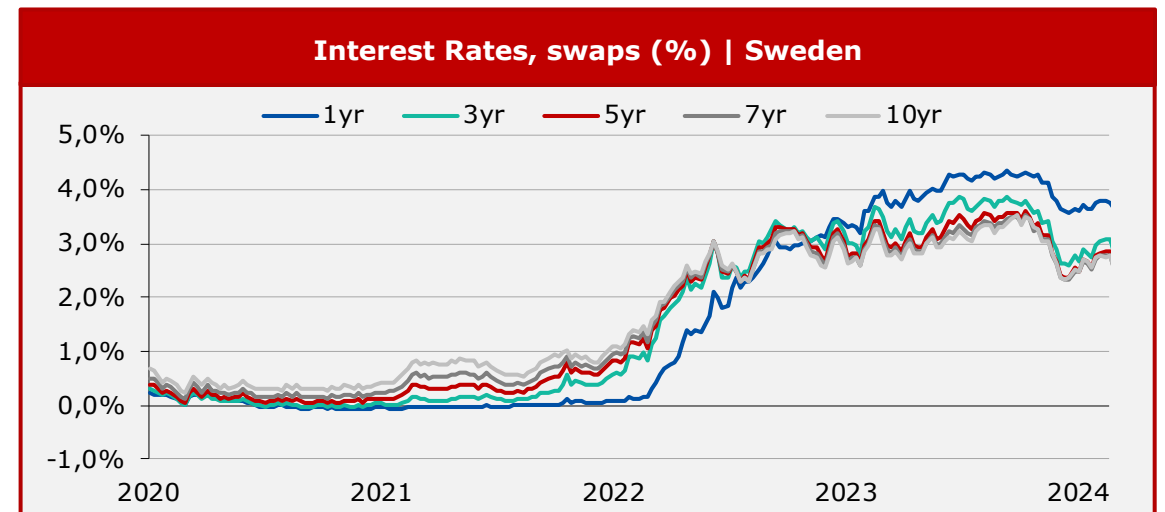
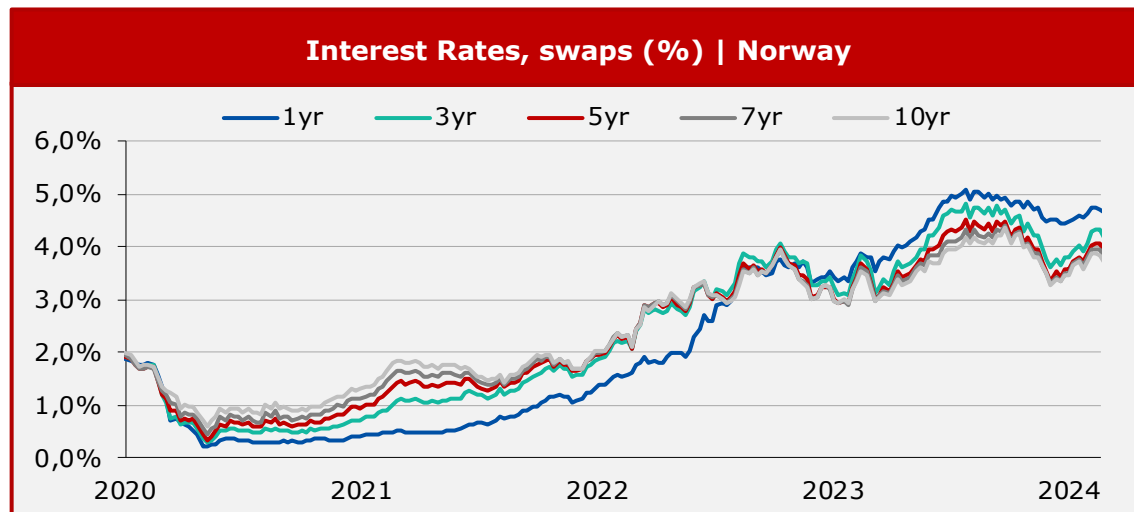
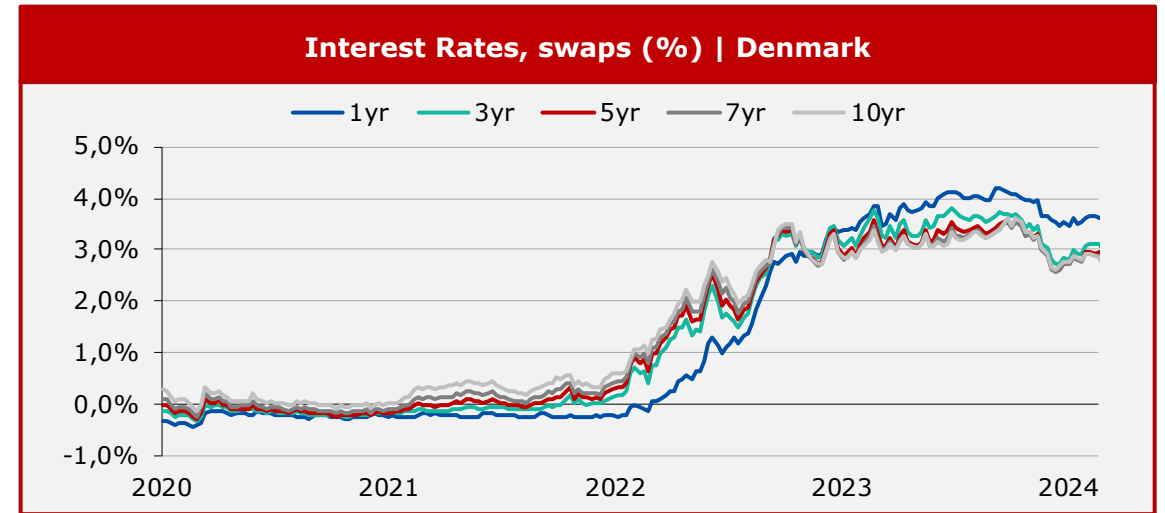
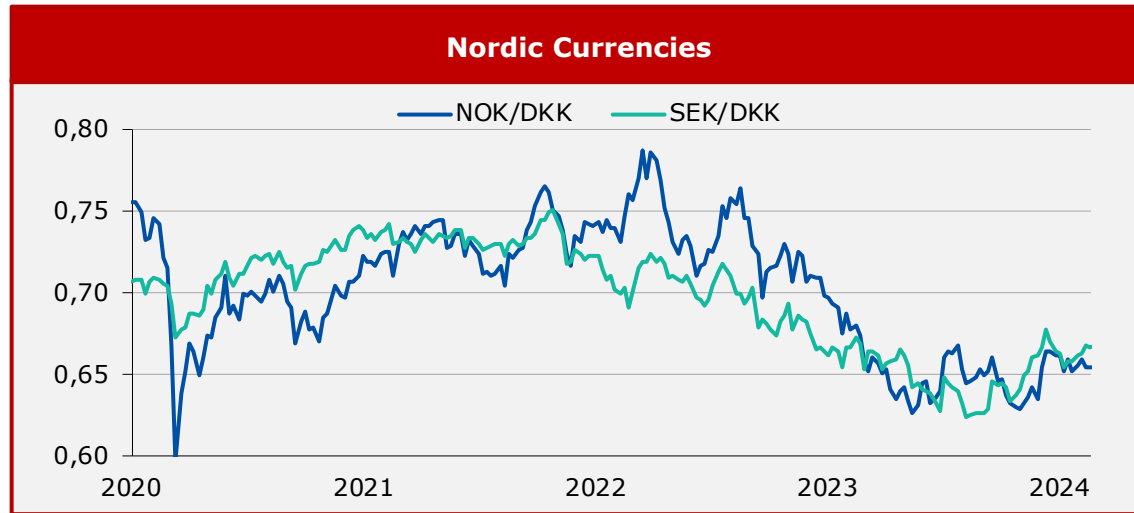


Figure sources: Bloomberg Finance L.P. and Tryg Invest





# Appendix



# Appendix | Bloomberg Consensus Table – GDP Growth

GDP growth	Consensus expectations		
	2024	2025	2026
United States	2,30%	1,80%	2,00%
Eurozone	0,70%	1,40%	1,30%
China	4,94%	4,50%	4,20%
Germany	0,20%	1,20%	1,35%
France	0,90%	1,30%	1,40%
Italy	0,80%	1,00%	1,00%
Spain	2,20%	1,90%	1,75%
Netherlands	0,55%	1,40%	1,50%
United Kingdom	0,70%	1,20%	1,40%
Canada	0,90%	1,80%	2,00%
Australia	1,30%	2,20%	2,40%
Japan	0,30%	1,10%	0,90%
South Korea	2,50%	2,10%	2,20%
India	7,80%	7,00%	6,60%
Brazil	2,10%	2,00%	2,20%
Denmark	2,05%	1,90%	...
Norway	0,75%	1,35%	1,55%
Sweden	0,50%	1,95%	2,00%
Finland	-0,20%	1,60%	1,50%

Table sources: Bloomberg Finance L.P. and Tryg Invest

# Appendix | Bloomberg Consensus Table – Unemployment

Unemployment rate	Consensus expectations		
	2024	2025	2026
United States	4,00%	4,10%	4,00%
Eurozone	6,50%	6,50%	6,50%
China	5,15%	5,05%	5,00%
Germany	6,00%	5,80%	5,70%
France	7,50%	7,40%	7,25%
Italy	7,30%	7,40%	7,70%
Spain	11,70%	11,30%	10,95%
Netherlands	3,80%	4,00%	...
United Kingdom	4,40%	4,45%	4,65%
Canada	6,30%	6,40%	6,30%
Australia	4,20%	4,50%	4,45%
Japan	2,50%	2,40%	2,30%
South Korea	2,90%	3,00%	2,95%
India	...	...	...
Brazil	7,70%	7,96%	7,92%
Denmark	4,70%	4,40%	...
Norway	4,00%	3,90%	3,70%
Sweden	8,30%	8,10%	7,00%
Finland	7,80%	7,45%	...

Table sources: Bloomberg Finance L.P. and Tryg Invest

# Appendix | Bloomberg Consensus Table – Inflation

Inflation (CPI)	Consensus expectations		
	2024	2025	2026
United States	3,10%	2,40%	2,30%
Eurozone	2,40%	2,10%	2,00%
China	0,63%	1,50%	1,90%
Germany	2,50%	2,10%	2,00%
France	2,50%	2,00%	1,90%
Italy	1,20%	1,80%	1,70%
Spain	3,14%	2,23%	2,00%
Netherlands	2,60%	2,20%	2,00%
United Kingdom	2,60%	2,20%	2,00%
Canada	2,50%	2,10%	2,00%
Australia	3,40%	2,80%	2,60%
Japan	2,40%	1,85%	1,75%
South Korea	2,60%	2,00%	2,00%
India	4,80%	4,50%	4,50%
Brazil	4,00%	3,52%	3,50%
Denmark	1,80%	2,00%	...
Norway	3,50%	2,40%	2,20%
Sweden	3,10%	1,90%	2,00%
Finland	1,60%	1,80%	...

Table sources: Bloomberg Finance L.P. and Tryg Invest

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