Nordic Outlook Update

November 2026

Growth challenged by rising interest rates and high energy prices



Research reports

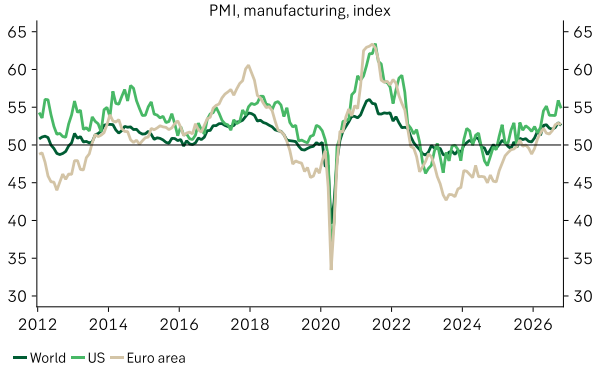
SEB

International overview
Growth challenged by rising rates and energy prices

Despite global uncertainty, high energy prices and rising interest rates, global GDP is growing by just over 3 per cent a year. We marginally raise our growth forecast. Investment in AI, defence and energy, an improving manufacturing cycle and stable labour markets provide support. Yet downbeat households face rising borrowing costs, higher inflation and stock market volatility, casting doubt on the expansion's strength. High energy prices drive inflation, with stronger indirect effects the longer prices stay elevated. Inflation concerns will prompt central banks, including the ECB, the Fed and the Riksbank, to further hike once or twice. Fed and ECB then cut again later in the forecast period.

Growth continues to show resilience despite a long list of challenges. Wars, tariffs and energy prices increase uncertainty and raise costs for businesses and households, while higher interest rates challenge both fiscal stability and the lofty valuations of AI companies. Yet businesses and households continue to demonstrate considerable adaptability, while a structural investment cycle in defence, energy and AI is supporting near-term growth and could boost productivity and growth further ahead. Overall, we see a favourable outlook for the global economy, but risks are tilted to the downside for growth and to the upside for inflation.

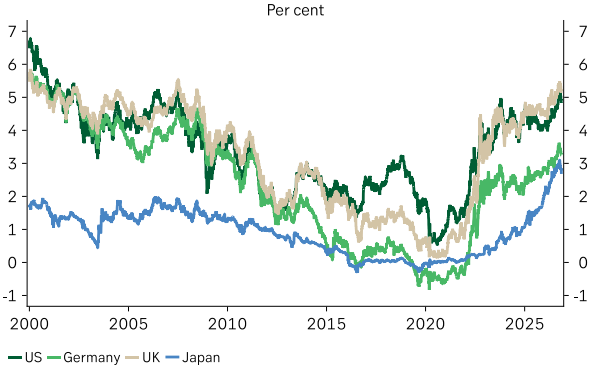
Manufacturing sector in expansion
PMI, manufacturing, index



Source: S&P Global, Macrobond, SEB

Industry and investment in an expansion phase. Investments in areas such as AI, defence, infrastructure and energy are key drivers of growth, and manufacturing sentiment has improved. How effectively private and government investment translates into higher productivity and profits will be crucial to the outlook. Question marks about AI companies' business models and future profitability have unsettled stock markets. Competition from China's low-cost AI, political demands for temporary pauses in the AI expansion, particularly from US Democrats, and rising interest rates are among the concerns, but quarterly earnings reports have generally been strong. It is nevertheless reassuring that interest rates are partly rising for the "right reasons": resilient economies with strong demand for capital linked, among other things, to the investment cycle. There are, however, good reasons to monitor the impact of interest rate movements on investment, consumption and asset prices, including both equities and housing.

Long-term yields on high levels
Per cent

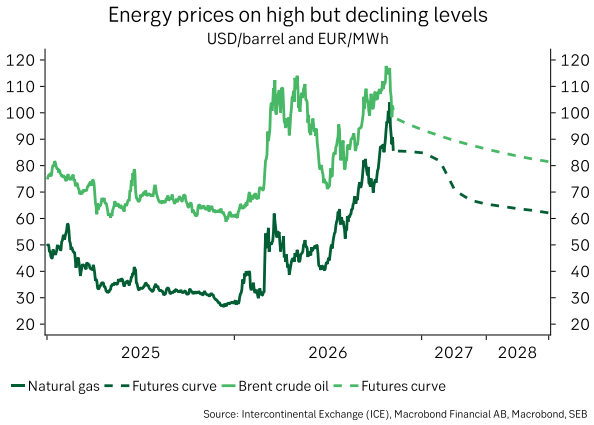


Source: U.S. Department of Treasury, Macrobond Financial AB, Macrobond, SEB

Energy prices will be the key factor for growth and inflation amid persistent geopolitical tensions and conflicts, and thus for financial markets. Europe's security situation is strained by factors including escalating Russian hybrid attacks and the ongoing war in Ukraine. This also affects relations between the US, NATO and China. The US–China trade and technology wars have global repercussions across many areas. Meanwhile, the EU has an imbalance in goods trade with China that is destabilising over the longer term. It is now seeking to address this through restrictions on imports of Chinese products in selected sectors. Global trade has continued to expand, but its structure is changing. Although supply chains are under strain, the situation is not alarming. The pattern is repeating itself: some countries are exploiting dependencies for both political and economic purposes, creating a substantial risk of further disruptions.

The risk of renewed US attacks keeps energy prices elevated. More crude oil is flowing out of the countries around the Persian Gulf, and an unusually large volume of oil is currently on tankers en route to consumers. Even so, prices for oil, natural gas and various distillates remain high. This appears to reflect considerable

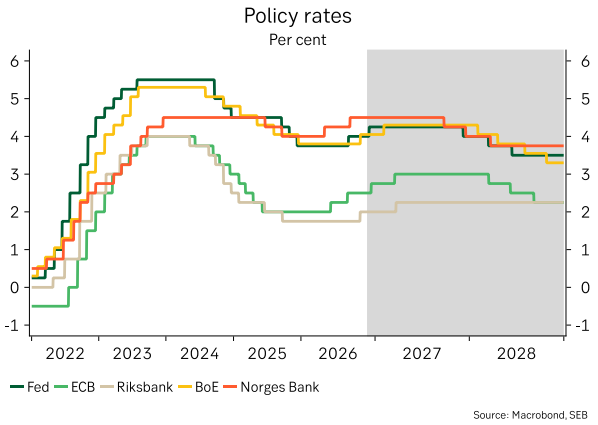
concern about renewed US attacks after the midterm elections, with a risk of lasting effects if production facilities are damaged or transport routes blocked. Transportation costs are also rising due to factors including conflicts and longer shipping routes. A shortage of refining capacity continues to generate wide price differentials across regions and distillates.



Rising inflation risks extend beyond energy. Inflation has picked up, so far mainly due to higher energy prices. We see increasing, but still limited, indirect effects. There are as yet no signs of second-round effects through higher wage growth or changes in corporate pricing behaviour. Long-term inflation expectations also remain stable. However, repeated cost shocks from tariffs and energy, strong demand for IT components, extreme weather and seasonal events create uncertainty. Countries whose currencies have depreciated against the dollar face an additional inflation risk. We have revised our inflation forecasts higher compared with August but still expect core inflation to move back towards the target during 2028. Slower wage growth in both the US and the euro area supports our view that the rise in inflation is temporary, while companies' pricing plans have so far been relatively stable. Headline inflation is expected to fall below target in many countries in 2028, provided energy prices decline in line with our expectations.

Policy rates set to rise a little further Higher actual and expected near-term inflation, along with relatively solid growth in economies such as the US and the euro area, has contributed to hawkish market pricing of central bank policy, although this has eased somewhat recently. Pricing has fluctuated markedly in line with energy prices. Meanwhile, rising long-term yields have tightened financial conditions. We forecast one more Fed rate hike, in December this year. The ECB has two more hikes ahead: in December and in March 2027. The ECB is concerned about indirect inflation effects from energy, but the final hike may not materialise if energy prices start to decline. Once energy prices, and thus inflation, fall, lower policy rates are expected. But this will not happen until the latter part of 2027 (Fed) or early 2028 (ECB).

Growing public protests. In several countries, including France, Italy, Serbia, India and Indonesia, we see protest movements against incumbent politicians as well as the emergence of new parties seeking a break with the past. The reasons differ across countries, but in several cases they reflect a response to high living costs, labour markets being reshaped by increased AI use, corruption and government sector cutbacks. This is happening as more funds are being directed towards areas that benefit households less directly, such as defence and support for other countries, not least Ukraine. The political landscape is changing and becoming less predictable, potentially leading to greater fragmentation, particularly in Europe. Foreign influence operations are also becoming more prevalent. It is important to take popular expressions seriously, while also understanding their causes and underlying drivers.



Political crises amplify fiscal risks. Higher long-term yields challenge more than just the investment cycle. At present, yield movements do not appear to be driven by a marked increase in inflation or term premiums, but the drivers vary. Elections in countries including the US and France add to uncertainty about governments' ability to act. Countries with large fiscal deficits and concerning debt dynamics, currently France in particular but also the US and the UK, have experienced greater market unease and face higher borrowing costs.

France faces a particularly challenging combination of a budget deficit of almost 5.5 per cent of GDP, public debt of almost 120 per cent of GDP, a presidential election in April 2027, weak productivity and wide-spread public protests. Widening spreads between French and German government bonds are concerning, but also a natural development as markets demand compensation for differing fiscal risks. Competition for

capital has increased, and the EU, which has a large aggregate net lending surplus, needs to ensure that capital remains within the Union.

Slightly higher growth, but risks remain. We are again revising our global growth forecast higher, albeit marginally. Risks remain tilted to the downside, however, and increase the longer various disruptions persist. There is considerable uncertainty about the developments facing the world economy and the effects of structural and political changes. The outcome will determine whether the coming years bring a success story of investment- and productivity-led growth, lower inflation and falling interest rates, or whether new conflicts, political problems and other disruptions result in cost shocks, falling stock markets and stagflation.

Key data

Year-on-year percentage change

	2025	2026	2027	2028
US	2.3	2.4	2.3	2.2
Japan	1.1	0.8	0.7	0.7
Germany	0.2	1.0	1.1	1.1
China	5.0	4.6	4.5	4.4
UK	1.2	1.4	1.2	1.6
Euro area	1.2	1.1	1.3	1.4
Nordics	1.7	2.5	2.0	1.6
Sweden	1.4	3.0	2.5	2.2
Baltics	2.4	2.7	2.1	2.5
OECD	1.8	1.9	1.9	1.9
Emerging Markets	4.4	4.2	4.2	4.2
World, PPP	3.5	3.2	3.3	3.3

Source: Macrbond, SEB, PPP=Purchasing Power Parity

Tailwinds and headwinds of varying strength. The AI boom and high energy prices create winners and losers. AI is driving investment and stock markets mainly in the US, but also in parts of Asia, including China, that are major suppliers of inputs. Defence spending is increasing globally, with a particular emphasis on Europe. In the short-term, high energy prices benefit oil producers such as the US and countries in the Middle East, while hurting importers such as Europe. A greater focus on energy security will put pressure on fossil fuel producers over the longer term. Increased political uncertainty surrounding global cooperation is helping to reshape global trade and international relations.

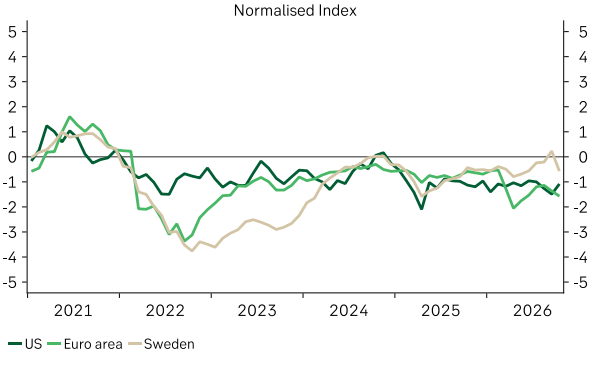
Major setbacks for Republicans in the US midterm elections. Democrats have taken control of both chambers of Congress. This forces the Trump administration to negotiate with Democrats on fiscal policy. In other areas, such as immigration, tariffs and foreign and security policy, the president nevertheless has considerable room for manoeuvre. During his first two years Donald Trump has largely exercised his powers through means other than congressional legislation. A key question is how the major election setbacks affect Trump's grip on the Republican Party, and to what extent Republican lawmakers may join forces with Democrats to halt the war with Iran, for example, or increase support for Ukraine defence against Russia. Overriding a presidential veto requires a two-thirds majority in both chambers. Despite unexpectedly large gains, Democrats still need support from a significant share of Republicans, particularly in the Senate.

Slightly stronger growth after all

We are marginally raising our global growth forecast compared with the August issue of Nordic Outlook, by 0.1 percentage points for both 2026 and 2027. The manufacturing cycle is improving, and global PMI is comfortably above the 50 mark despite global tensions, tariff disputes and high energy prices. Investment is benefiting from both cyclical and structural tailwinds. One question for the economic outlook is whether households can withstand the headwinds from higher inflation, high energy prices and rising interest rates. The same applies to residential construction, which was weak in many countries even before interest rates rose. Consumer confidence is low and has barely recovered from the inflation shock of 2021–2022.

Consumer confidence remains weak

Normalised Index

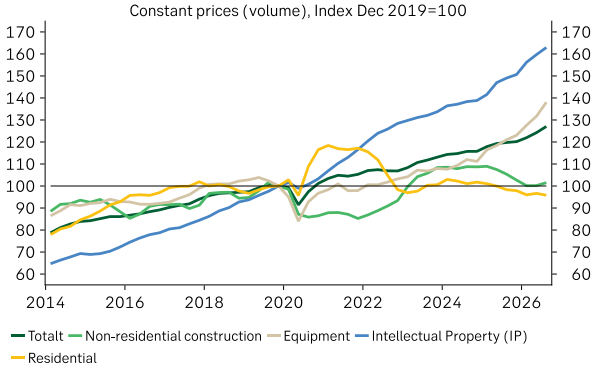


Source: Conference Board, Eurostat, Swedish National Institute of Economic Research (Konjunkturinstitutet, NIER), Macrobond, SEB

US growth is broadening. AI-related investment is supporting growth, but its high import content reduces its contribution. Businesses, particularly in manufacturing, are becoming more optimistic, and growth is broadening. The labour market is stable, and positive wealth effects are supporting consumption, which has been strong recently. However, weak

consumer confidence, slower wage growth, waning fiscal support and a low savings ratio limit the scope for upside surprises in consumption.

US: AI and tech firms powering the investment surge
Constant prices (volume), Index Dec 2019=100



Source: U.S. Bureau of Economic Analysis (BEA), Macrobond, SEB

The euro area is growing at a reasonable pace, amid both political tailwinds and headwinds. Growth has surprised on the upside so far this year. Consumption and investment are driving the expansion, but exports face challenges from Chinese competition and higher tariffs. Higher energy prices and France's weak growth and political uncertainty are weighing on the outlook. German fiscal initiatives targeting defence and investment are providing support but are progressing somewhat more slowly than would be desirable. The region faces major structural challenges, but the hope is that investment, defence spending, a better-functioning common capital market and reduced reliance on fossil fuels will support growth while reducing dependence on the US and China.

China's economy continues to be driven by exports, with AI-related products playing an important role. Domestic demand remains subdued, with a persistently weak housing market and high household savings. Large trade surpluses are increasing tensions with the US and Europe. This growth model will be difficult to sustain over time, and rebalancing the economy is key to continued growth. Without successful steps in that direction, which are not part of our main scenario, growth will decline towards the lower end of the 4.5–5.0 per cent target range.

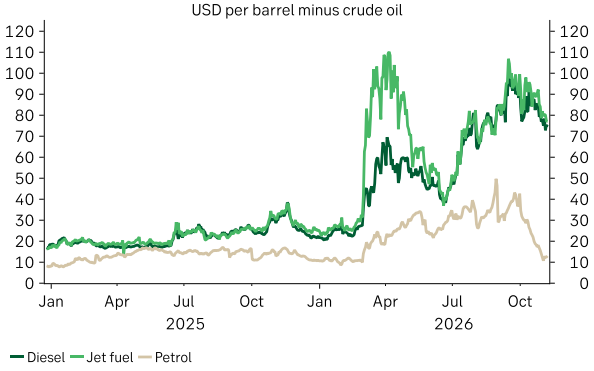
India's growth has surprised on the upside. Industry has performed well despite high energy prices, and fiscal policy has cushioned the effects of the war in Iran.

Energy: Awaiting US and Iran's next moves

Oil prices remain high despite increased flows out of the Persian Gulf. Prices reflect a combination of concern about renewed escalation and damage to production facilities that could push up energy prices even over the longer term and hopes of a resolution. It is difficult to see how a new wave of attacks would bring Iran closer to a negotiated settlement, but uncertainty about such a development is enough to keep energy prices elevated.

Wide price differentials persist across distillates and regions. We continue to see considerable variation in prices for oil, gas and different distillates. Although supply has changed, the shortage of refining capacity persists, keeping prices high for certain distillates, such as diesel and jet fuel. As a result, prices differ across regions and products. For example, Brent crude (Europe) currently costs just under USD 100 per barrel, while US WTI crude costs around USD 90. European gas prices are very high due to both tight supply and low inventories ahead of winter. Compared with levels before the US attacked Iran, Brent crude has risen by around 40 per cent, while European natural gas prices (TTF) are almost three times as high.

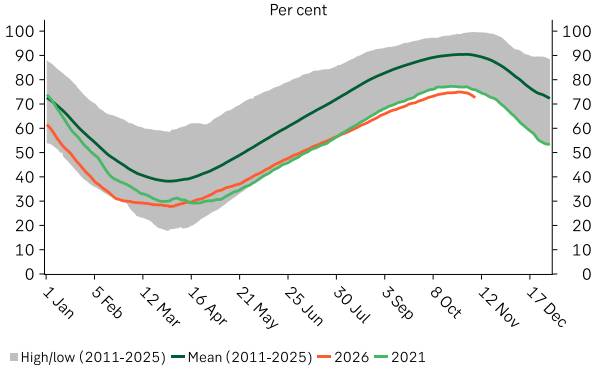
Price differentials between crude oil and distillates
USD per barrel minus crude oil



Source: Macrobond, SEB

A wide range of uncertainty. Once the risk premium disappears, oil prices could fall rapidly as the supply surplus grows. The timing depends on decisions in the hands of just a few politicians. Our forecast is broadly in line with futures prices and implies an annual average Brent crude price of USD 80 per barrel in 2027 and USD 70 per barrel in 2028.

European gas storage levels at record lows
Per cent



Source: Gas Infrastructure Europe (GIE), Macrobond, SEB

Fiscal policy under pressure on many fronts

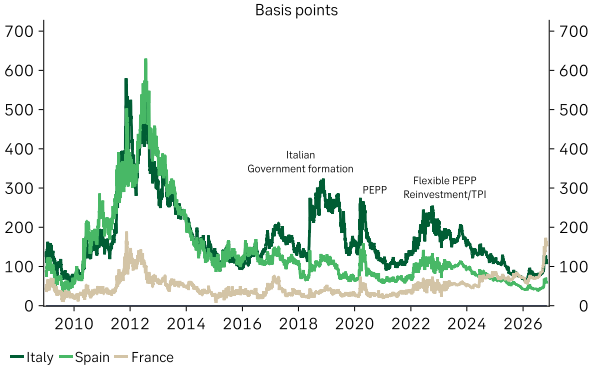
Public finances are weak or very weak in many countries, including the US, the UK, Japan and France. Countries' ability to manage their debt differs, depending on factors such as whether deficits can be financed domestically through private savings, the scope for raising taxes, how much government debt central banks are willing to hold, interest rate levels and growth prospects.

Heavy spending demands put pressure on budget balances. At the same time, policymakers must manage expectations from both voters and markets, alongside numerous demands on spending and revenue. The need to invest in defence, security policy, energy security, new technology and the green transition, together with cost pressures from ageing populations, is placing significant strain on public finances. Scope for fiscal initiatives is limited to a few countries with greater room for manoeuvre, including Germany and the Nordic countries.

Markets increasingly impose discipline on policy-makers. The recent rise in interest rates further reduces the scope for managing high debt levels. It also creates growing monetary policy challenges for central banks and, in some cases, may challenge monetary policy independence. In recent years, weak government finances combined with political uncertainty have caused bond yields to surge. The French yield spread over Germany remains narrower than at the time of previous ECB interventions. We believe that an even larger rise in French yields, potentially accompanied by spillovers to other countries and banking systems, would be needed for the ECB to act.

Rate spread versus Germany

Basis points



Source: Macrobond Financial AB, Macrobond, SEB

Downside risks continue to dominate

The resilience of growth is reassuring, but major questions remain about how much the economy and financial markets can withstand before something gives way. The risk picture resembles that presented in the August issue of Nordic Outlook. A weaker scenario is more likely than a stronger one, and the potential deviation from our main scenario is greater on the downside than on the upside. Downside risks are numerous. If we underestimate inflation spillovers while markets question AI companies' ability to generate profits, we could face a stagflation-like scenario in which already heavily constrained fiscal policy struggles to provide support.

AI, productivity and investment. Although a stronger scenario is less likely, we may instead be under-estimating the strength of growth. Most of the AI revolution's effects still lie ahead, and once technological shifts take hold, developments can surprise. Higher productivity supports growth, positive wealth effects and lower inflation and interest rates. Investment in other areas, such as defence and infrastructure in Europe, could have similar effects and reduce the headwinds from ageing populations.

Scenarios for OECD

GDP, year-on-year percentage change

	2025	2026	2027	2028
Main scenario OECD (60%)	1.8	1.9	1.9	1.9
Negative scenario (25 %)		1.8	-0.1	1.8
Positive scenario (15 %)		2.3	3.2	1.8

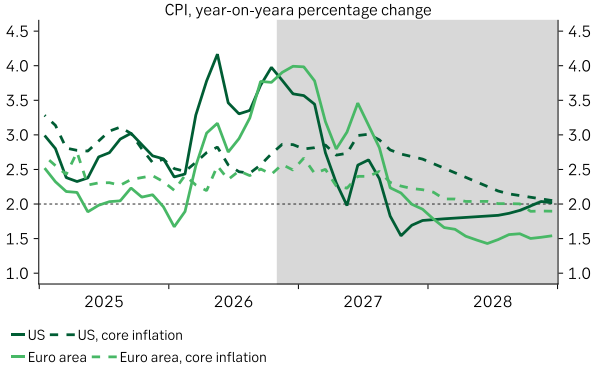
Source: Macrbond, SEB

Inflation: Increasing upside risks

The drivers of inflation have not changed significantly in recent months, but the rise in energy prices, and their volatility, has intensified. High energy prices are pushing up headline inflation. Indirect effects dominate the risk picture, with risks tilted to the upside. However, we expect the pass-through to core inflation to be limited, with the main impact on headline inflation. Core inflation will decline towards 2 per cent, although not until 2028.

Energy prices fueling headline inflation surge

CPI, year-on-yeara percentage change



Source: Macrobond, SEB

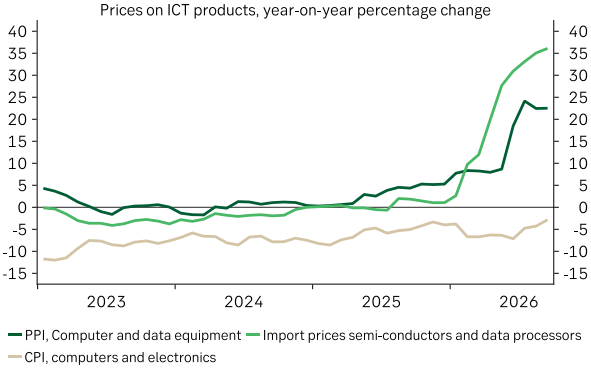
Inflation concerns are not unfounded. Indirect and second-round effects are major uncertainties in the

inflation forecast. Experience suggests that such effects take time and depend more on the duration of the price shock than on its intensity. Historically, the correlation between energy price increases and their effects on core inflation has been weak. The years 2021–2022 were an exception in this respect (see *Theme: How big will the effects of rising energy prices be?* Nordic Outlook May 2026).

We currently see only moderate effects of this kind in US and European inflation data. Companies' pricing plans have risen, but not to a worrying extent. Wage growth is slowing in the US and Europe. Strong AI-related demand is providing some support to goods prices but has only a limited impact on the CPI. Food prices are affected by weather phenomena such as drought and El Niño, but historical experience suggests that the effects are often more regional than global.

Higher component prices, but (so far) still falling CPI prices

Prices on ICT products, year-on-year percentage change



Source: U.S. Bureau of Labor Statistics (BLS), Macrobond, SEB

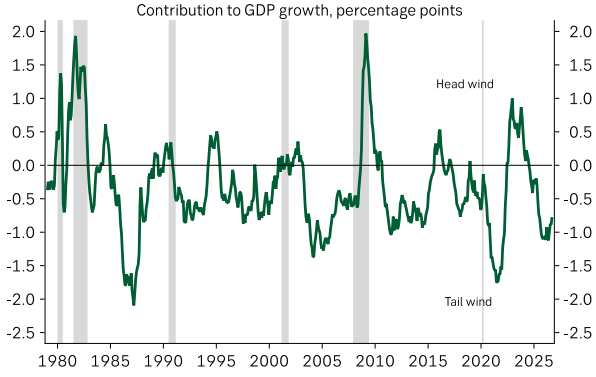
Central banks concerned about inflation

Uncertainty about energy prices and inflation is troubling central banks, and market expectations have fluctuated sharply over the summer and autumn. Central banks have also shifted their interest rate rhetoric in a more hawkish direction, although the tone has softened somewhat in recent weeks. Overall, however, we regard market expectations as somewhat too aggressive, including for the Fed, the ECB, the Bank of England and the Riksbank. Market pricing has nevertheless eased recently as higher long-term yields have tightened financial conditions and energy prices have fallen. Inflation and growth are cited as reasons for raising policy rates, but in some cases, we see signs of central banks tightening pre-emptively to contain inflation risks. For the Riksbank, the difficulty of diverging too far from the ECB may also be a factor.

The Fed will raise its policy rate once more. As expected, the Fed left its policy rate unchanged at its October meeting, but two members favoured a hike, citing inflation. The rise in long-term yields has tightened financial conditions, but the Fed's models and lending surveys indicate that conditions remain accommodative, supporting the case for a little more tightening. Fed Chair Warsh has emphasised that the aim is not to impede growth, but to make monetary policy more neutral.

Fed: Expansive financial conditions

Contribution to GDP growth, percentage points



Source: Federal Reserve, Macrobond, SEB

The ECB will hike in December and March. The ECB is concerned about direct, but above all indirect inflation effects and second-round effects. The risk that rate hikes undermine the recovery should not be underestimated. We regard the December hike as fairly certain, but if energy prices fall faster than expected, the March hike may not materialise.

Central banks

Policy rate at year end, percent

	5 Nov	Dec-26	Dec-27	Dec-28
Fed	4.00	4.25	4.00	3.50
ECB	2.50	2.75	3.00	2.25
Bank of Japan	1.25	1.50	1.75	1.75
Bank of England	4.00	4.00	3.50	3.25
Norges Bank	4.50	4.50	4.00	3.75
Riksbank	2.00	2.00	2.25	2.25

Source: Macrobond, SEB

The Riksbank has now raised its policy rate once and is signalling further tightening. We expect one more hike over the next six months, taking the policy rate to 2.25 per cent. It is then expected to remain at that level for the rest of the forecast horizon. Norway, by contrast, is judged to have already reached the peak of its rate cycle. Norges Bank is expected to keep its policy rate at 4.50 per cent for an extended period before beginning cautious cuts towards the end of 2027 and during 2028.

Long-term yields: Lower, but still high

The bond market outlook is broadly unchanged from the August issue of Nordic Outlook. Compared with the

interest rate levels of recent years, we expect rates to remain higher for longer. Over the coming years, however, yields in countries such as the US, Germany and Sweden will settle somewhat below current levels.

Policy rate movements drive long-term yields. The near-term path is shaped by high energy prices, which contribute to higher short-term rates and, in turn, higher yields at the long end of the curve. Meanwhile, our main scenario remains that inflation will decline over the coming years, allowing policy rate cuts in 2027–2028. If inflation expectations were to become de-anchored from central bank targets, however, the bond market outlook would change. US and European long-term yields are expected to move sideways or slightly higher in the near term, before gradually declining as markets price in policy rate cuts and these subsequently begin.

Structural factors contribute to higher long-term yields. The decline is expected to be limited compared with previous cycles. Structural factors such as large government borrowing needs and investment in AI, defence and energy point to a persistently higher interest rate environment than in the years following the financial crisis. Alongside increased bond supply from both the public and private sectors, shrinking central bank balance sheets also play a role. As large, less price-sensitive participants withdraw from the bond market, more price-sensitive investors need to absorb growing financing needs. This keeps the price of capital, the interest rate, elevated. Market distrust of countries with weak public finances may push some yields higher than others, as is currently the case in France.

10 year government bond yields

Per cent

	5 nov	Dec-27	Dec-28
US	4.84	4.85	4.40
Germany	3.24	3.10	2.90
Sweden	2.96	3.10	2.85
Norway	4.19	4.05	3.75

Source: Macrobond, SEB

Energy, politics & rates weigh on EUR & SEK

Currency markets are dominated by the interaction between energy prices, central banks and growth prospects. In the short term, currencies with high interest rates and safe-haven status continue to benefit, particularly the dollar. However, as markets eventually begin to price in US rate cuts in the latter part of 2027 and in 2028, the dollar is expected to weaken gradually. As uncertainty surrounding the Persian Gulf and energy prices recedes, the forces currently supporting dollar strength will work in reverse.

Energy prices and political uncertainty weigh on the euro. The euro has moved in the opposite direction to the dollar during the autumn. High energy prices and concerns about France's public finances are weighing on the currency, and the narrow range in which EUR/USD had traded for the past 18 months was broken in October. Meanwhile, we expect the ECB to raise its policy rate to 3.00 per cent within the next six months, which could provide some support for the euro. As energy prices subsequently normalise and attention shifts towards forthcoming rate cuts around the world, the euro will gradually strengthen against the dollar.

Exchange rate

End of year

	5 Nov	Dec-27	Dec-28
EUR/USD	1.12	1.17	1.19
USD/JPY	158	153	153
EUR/GBP	0.83	0.86	0.87
EUR/SEK	10.97	10.55	10.30
EUR/NOK	10.39	10.85	10.65

Source: Macrobond, SEB

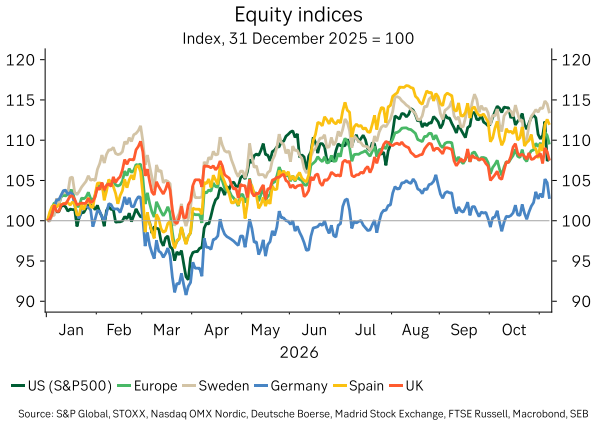
The Swedish krona regains lost ground in 2027 and strengthens significantly. The krona is currently disadvantaged by higher interest rates abroad and investors' tendency to avoid smaller currencies during periods of heightened uncertainty. As markets turn their attention to forthcoming Fed and ECB rate cuts, the krona is expected to strengthen gradually against both the euro and the dollar. It will also receive some support from continued relatively strong growth, sound public finances and further Riksbank tightening during the winter, although global factors play the largest role. We expect the krona to be stronger than today at the end of 2028, but a sustained appreciation depends on declining global inflation and lower interest rates abroad.

The Norwegian krone continues to benefit from high energy prices and an already high policy rate. However, with Norges Bank expected to have reached its peak policy rate, the scope for further appreciation is limited. Instead, we see a significant weakening of the Norwegian krone against both the Swedish krona and the euro as likely during 2027. Sterling benefits from high UK interest rates in the short term but faces weaker growth prospects further ahead. The Japanese

yen is expected to remain the weakest of the major currencies as long as interest rate differentials against the US and Europe persist.

Equities: Strong fundamentals, AI angst

Up until last week, global stock markets had been trapped in a narrow range since the last issue of Nordic Outlook despite a favourable macro and earnings backdrop as tech stocks were hit by doubts about future AI profitability. The Q3 reporting season was strong and earnings estimates have continued rising. However, the sharp technology sell-off last week pushed the whole market down. Our base case is that AI investment growth slows in 2027 without turning negative, allowing tech shares to stabilise while lower oil prices, easing interest rate pressures and improving earnings estimates support the broader market. However, Anthropic's planned IPO is a key near-term test for the AI boom.



Source: S&P Global, STOXX, Nasdaq OMX Nordic, Deutsche Boerse, Madrid Stock Exchange, FTSE Russell, Macrobond, SEB

Nordic Outlook Updates

Besides this summary of the state of the global economy, we have recently published in-depth country/region analyses on our analysis page:

United States – Resilient growth, lackluster jobs, sticky inflation

Japan – Growth is constrained by global risks

China – Strong exports anchor 2026 growth

India – Balance of payments to keep rupee weak

Euro area – Challenging political landscape

United Kingdom – Growth and inflation surprise on the upside

Sweden – Strong momentum but headwinds for households

Norway – Consumption takes the lead

Denmark – Still growing strong

Finland – Recovery continues despite headwinds

Latvia – Strong growth to moderate as headwinds build

Lituania – Solid GDP growth with temporary slowdown

Estonia – Higher interest rates weigh on growth

Global key indicators

Yearly change in per cent

	2025	2026	2027	2028
GDP OECD	1.8	1.9	1.9	1.9
GDP world (PPP)	3.5	3.2	3.3	3.3
CPI OECD	4.0	3.8	2.6	2.2
Oil price, ICE Brent crude (USD/barrel)	68	93	78	70

US

Yearly change in per cent

	2025 level, USD bn	2025	2026	2027	2028
Gross domestic product	30,861	2.3	2.4	2.3	2.2
Household consumption	20,870	2.6	2.4	2.2	2.1
Public consumption	4,256	1.3	1.0	1.3	0.8
Gross fixed investment	6,649	3.8	5.1	5.5	3.9
Stock building (changes as % of GDP)	7	-0.1	-0.1	0.1	0.0
Exports	3,341	2.1	4.0	2.8	4.1
Imports	4,262	3.6	5.4	7.2	4.4
Unemployment (%)		4.3	4.2	4.2	4.1
Consumer prices		2.7	3.5	2.4	1.9
Core CPI		2.9	2.6	2.8	2.3
General government fiscal balance. % of GDP		-7.1	-8.5	-7.8	-8.0
General government debt. % of GDP		124	127	129	133

Euro area

Yearly change in per cent

	2025 level, EUR bn	2025	2026	2027	2028
Gross domestic product	15,993	1.2	1.1	1.3	1.4
Household consumption	8,460	1.4	1.1	1.1	1.2
Public consumption	3,436	1.5	1.8	1.3	1.1
Gross fixed investment	3,413	2.8	1.0	1.9	2.1
Stock building (changes as % of GDP)		0.3	-0.1	-0.1	0.0
Exports	7,773	1.7	2.6	2.8	2.9
Imports	7,202	3.4	2.6	2.7	2.9
Unemployment (%)		6.3	6.4	6.3	6.1
HICP		2.1	3.1	2.9	1.6
Core HICP		2.4	2.4	2.4	2.0
General government fiscal balance. % of GDP		-3.0	-3.6	-3.6	-3.5
General government debt. % of GDP		87	88	89	90

Other major economies

Yearly change in per cent

		2025	2026	2027	2028
United Kingdom	GDP	1.2	1.4	1.2	1.6
	Unemployment (%)	4.9	4.9	5.0	4.9
	Inflation	3.4	3.1	3.3	1.4
Japan	GDP	1.1	0.8	0.7	0.7
	Unemployment (%)	2.5	2.5	2.5	2.5
	Inflation	3.2	1.8	2.3	2.2
Germany	GDP	0.2	1.0	1.1	1.1
	Unemployment (%)	3.8	4.0	3.9	3.6
	Inflation	2.3	2.7	2.5	1.6
France	GDP	0.8	0.3	0.7	1.1
	Unemployment (%)	7.7	8.3	8.5	8.3
	Inflation	0.9	2.6	2.8	1.6

Emerging markets

Yearly change in per cent

		2025	2026	2027	2028
China	GDP	5.0	4.6	4.5	4.4
	Inflation	-0.1	1.0	1.1	1.1
India	GDP	3.3	0.3	-9.3	1.5
	Inflation	2.2	4.5	5.1	4.1
Brazil	GDP	2.3	2.0	1.8	1.9
	Inflation	5.0	4.5	4.4	4.0
Russia	GDP	1.0	0.8	1.1	1.9
	Inflation	8.7	6.0	4.8	4.7
Poland	GDP	3.6	3.5	3.1	3.1
	Inflation	3.8	3.0	2.7	2.5

Financial forecasts

End of period

Officiall policy rates

	5/Nov	Jun/27	Dec/27	Jun/28	Dec/28
US	4.00	4.25	4.00	3.50	3.50
Japan	1.25	1.75	1.75	1.75	1.75
Euro area, deposit rate	2.50	3.00	3.00	2.50	2.25
United Kingdom	4.00	4.25	4.25	3.75	3.25

Government bond yields, 10 year	**5/Nov**	**Jun/27**	**Dec/27**	**Jun/28**	**Dec/28**
US	4.84	4.90	4.85	4.60	4.40
Japan	2.84	3.10	3.25	3.05	2.85
Germany	3.24	3.25	3.10	3.00	2.90
United Kingdom	5.14	5.10	4.90	4.80	4.60

Exchange rates	**5/Nov**	**Jun/27**	**Dec/27**	**Jun/28**	**Dec/28**
USD/JPY	158	155	153	153	153
EUR/USD	1.12	1.16	1.17	1.20	1.19
EUR/JPY	177	180	179	184	182
EUR/GBP	0.83	0.85	0.86	0.87	0.87
GBP/USD	1.35	1.36	1.36	1.38	1.37

Sweden

Yearly change in per cent

	2025 level, SEK bn	2025	2026	2027	2028
Gross domestic product	6,644	1.4	3.0	2.5	2.2
Gross domestic product. working day adjusted		1.6	2.8	2.3	2.4
Household consumption	3,055	2.0	3.0	2.3	2.7
Public consumption	1,735	1.2	1.8	0.7	0.8
Gross fixed investment	1,658	2.2	5.8	4.0	3.2
Stock building (changes as % of GDP)	27	0.2	-0.4	0.2	0.0
Exports	3,502	3.7	4.4	4.6	3.6
Imports	3,334	4.6	4.4	4.7	4.0
Unemployment (%)		8.9	8.7	8.4	7.8
Employment		0.4	0.8	0.6	1.0
Consumer prices		0.7	0.8	3.1	1.5
CPIF		2.6	1.4	2.2	1.4
CPIF ex. energy		2.8	0.7	1.9	1.9
Wages and salaries		3.6	3.3	3.3	3.2
Household savings ratio (%)		13.4	11.9	11.4	11.2
Real disposable income		0.4	2.4	1.3	2.6
Current account. % of GDP		6.7	6.2	5.5	5.0
Central government budget balance, SEK bn		-102	-150	-323	-232
General government fiscal balance. % of GDP		-1.6	-2.4	-2.2	-1.8
General government debt. % of GDP		35	37	41	42

Financial forecasts	**5/Nov**	**Jun/27**	**Dec/27**	**Jun/28**	**Dec/28**
Policy rate	2.00	2.25	2.25	2.25	2.25
3-month interest rate. STIBOR	2.19	2.55	2.55	2.50	2.50
10-year bond yield	2.96	3.15	3.10	2.95	2.85
10-year spread to Germany. Bps	-28	-10	0	-5	-5
USD/SEK	9.80	9.27	9.02	8.71	8.66
EUR/SEK	11.00	10.75	10.55	10.45	10.30
KIX	120.2	117.0	114.7	113.1	111.9

Finland

Yearly change in per cent

	2025 level, EUR bn	2025	2026	2027	2028
Gross domestic product	282	0.8	1.6	1.8	1.5
Household consumption	142	-1.2	1.0	1.7	1.5
Public consumption	73	0.2	0.2	0.5	-0.5
Gross fixed investment	63	1.5	6.0	4.8	4.6
Stock building (changes as % of GDP)		0.5	0.1	0.0	0.0
Exports	121	5.2	5.5	5.0	3.0
Imports	117	2.8	6.0	5.0	3.5
Unemployment (%)		9.7	10.4	10.0	9.5
Consumer prices		1.8	2.3	2.2	1.6
Wages and salaries		3.1	3.5	3.0	2.5
Current account. % of GDP		1.3	0.2	-0.5	-0.5
General government fiscal balance. % of GDP		-3.4	-4.0	-4.0	-3.5
General government debt. % of GDP		89	91	92	94

Norway

Yearly change in per cent

	2025 level, NOK bn	2025	2026	2027	2028
Gross domestic product	5,511	1.1	1.0	0.7	0.2
Gross domestic product (Mainland)	4,398	1.7	0.9	1.2	1.3
Household consumption	2,341	2.6	1.0	2.5	2.2
Public consumption	1,255	2.4	2.3	1.9	1.8
Gross fixed investment	1,284	0.8	0.2	0.8	1.0
Stock building (changes as % of GDP)	-19	-1.1	-0.2	-0.1	0.0
Exports	2,512	2.7	2.3	0.0	-1.0
Imports	1,082	2.6	2.6	2.5	2.4
Unemployment (%)		4.5	4.6	4.6	4.4
CPI		3.0	3.3	2.7	2.0
CPI-ATE		3.1	3.0	2.6	2.2
Wages and salaries		4.9	4.5	4.0	3.6

Financial forecasts	5/Nov	Jun/27	Dec/27	Jun/28	Dec/28
Deposit rate	4.50	4.50	4.00	3.75	3.75
10-year bond yield	4.19	4.35	4.05	3.90	3.75
10-year spread to Germany. Bps	95	110	95	90	85
USD/NOK	9.30	9.44	9.27	8.96	8.95
EUR/NOK	10.44	10.95	10.85	10.75	10.65

Denmark

Yearly change in per cent

	2025 level, DKK bn	2025	2026	2027	2028
Gross domestic product	3,119	4.4	4.1	3.0	2.5
Household consumption	1,344	2.2	2.8	3.1	4.0
Public consumption	717	2.1	2.4	5.5	2.4
Gross fixed investment	716	-3.2	0.0	6.1	6.5
Stock building (changes as % of GDP)	4	-0.2	-0.4	-0.5	0.0
Exports	2,158	3.5	5.9	3.2	4.7
Imports	1,820	-1.2	3.3	6.2	7.4
Unemployment (%)		6.6	6.8	6.0	5.2
CPI		1.9	1.7	1.9	1.8
Wages and salaries		2.9	3.0	3.5	4.5
Current account. % of GDP		12.6	11.0	10.0	9.0
General government fiscal balance. % of GDP		3.0	1.0	0.0	1.0
General government debt. % of GDP		29	28	28	27

Financial forecasts	5/Nov	Jun/27	Dec/27	Jun/28	Dec/28
Deposit rate	2.10	2.75	2.75	2.25	2.00
10-year bond yield	3.04	3.10	2.95	2.85	2.75
10-year spread to Germany. Bps	-20	-15	-15	-15	-15
USD/DKK	6.66	6.45	6.38	6.22	6.27
EUR/DKK	7.47	7.48	7.46	7.46	7.46

Lithuania

Yearly change in per cent

	2025 level, EUR bn	2025	2026	2027	2028
Gross domestic product	85	3.0	2.7	2.1	2.7
Household consumption	46	4.2	3.5	0.9	3.0
Public consumption	17	1.1	0.7	0.2	0.0
Gross fixed investment	19	6.6	6.8	4.5	3.0
Exports	61	5.1	4.7	3.8	3.4
Imports	58	8.2	6.3	2.8	2.5
Unemployment (%)		6.9	6.7	6.8	6.7
HICP		3.4	5.2	4.4	3.0
Wages and salaries		8.4	9.4	7.2	6.8
General government fiscal balance. % of GDP		-1.8	-3.1	-3.5	-4.3
General government debt. % of GDP		40	43	47	49

Latvia

Yearly change in per cent

	2025 level, EUR bn	2025	2026	2027	2028
Gross domestic product	44	2.2	3.0	2.0	2.1
Household consumption	25	1.2	2.3	1.9	2.3
Public consumption	9	1.7	2.1	1.5	1.8
Gross fixed investment	10	9.9	4.6	1.7	1.5
Exports	26	1.8	4.3	2.2	2.7
Imports	29	6.8	3.4	3.0	2.7
Unemployment (%)		6.9	6.9	6.7	6.6
HICP		3.8	3.4	3.9	2.5
Wages and salaries		7.7	4.6	5.3	5.5
General government fiscal balance. % of GDP		-2.5	-3.0	-3.0	-3.0
General government debt. % of GDP		46	49	52	53

Estonia

Yearly change in per cent

	2025 level, EUR bn	2025	2026	2027	2028
Gross domestic product	42	1.3	2.5	2.2	2.7
Household consumption	22	-0.3	2.8	2.0	2.5
Public consumption	9	2.4	3.0	1.5	2.0
Gross fixed investment	10	2.4	1.0	5.0	6.0
Exports	33	4.8	3.2	4.0	3.0
Imports	32	4.7	2.4	3.0	4.0
Unemployment (%)		7.5	6.6	6.1	5.8
HICP		4.8	3.0	3.0	2.5
Wages and salaries		5.6	5.8	5.5	5.5
General government fiscal balance. % of GDP		-1.2	-3.8	-4.0	-3.5
General government debt. % of GDP		24	27	29	33

This statement affects your rights

This report is a marketing communication produced by Skandinaviska Enskilda Banken AB (publ) "SEB". It does not constitute investment research, investment advice (under to MiFID), investment recommendations (under MAR) or a solicitation offer and the report has not been prepared in accordance with the legal requirements applying to investment research, investment advice or investment recommendations. Any dissemination, distribution, copying, or other use of this document is strictly prohibited.

Good faith & limitations

Opinions, projections and estimates contained in this marketing communication represent the author's present opinion and are subject to change without notice. Although information contained in this report has been compiled in good faith from sources believed to be reliable, no representation or warranty, expressed or implied, is made with respect to its correctness, completeness or accuracy of the contents, and the information is not to be relied upon as authoritative. To the extent permitted by law, SEB accepts no liability whatsoever for any direct or consequential loss arising from use of this document or its contents.

Disclosures

The analyses, valuations, projections, and forecasts in this report are based on assumptions and estimates that are subject to uncertainties and contingencies; alternative assumptions may lead to significantly different outcomes. Their inclusion should not be interpreted as a guarantee by SEB or any affiliated entity that these valuations, projections, or underlying assumptions will materialise and they are not reliable indicators of future performance. Past performance is not a reliable indicator of future outcomes.

Readers are urged to conduct further investigations and to seek independent financial advice before making any investment decisions based on this document. Investing in financial products involves significant risks, including the potential loss of the principal amount invested. This document does not constitute an offer, invitation, or solicitation to subscribe for any securities or financial instruments.

Conflicts of Interest

This report constitutes marketing communications and not objective and independent investment research or investment recommendations, and therefore it is not protected by the arrangements which SEB has put in place to prevent conflict of interest from affecting its independence of and it is not subject to restrictions on dealing ahead of research dissemination.

Recipients

Within the EEA, this report is intended for all clients.

In the UK, this report is directed at and is for distribution only to (i) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (The ''Order'') or (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as ''relevant persons''. This report must not be acted on or relied upon by persons in the UK who are not relevant persons. In the US, this report is distributed solely to persons who qualify as ''major U.S. institutional investors'' as defined in Rule 15a-6 under the Securities Exchange Act. U.S. persons wishing to effect transactions in any security discussed herein should do so by contacting SEB Securities Inc. (SEBSI). The distribution of this document may be restricted in certain jurisdictions by law, and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions.

The SEB Group: members, memberships and regulators SEB is incorporated in Sweden, as a limited liability company. It is regulated by Finansinspektionen, and by the local financial regulators in each of the jurisdictions in which it has branches or subsidiaries, including in the UK, by the Prudential Regulation Authority and Financial Conduct Authority (details about this is available on request); Denmark by Finanstilsynet; Finland by Finanssivalvonta; Norway by Finanstilsynet and Germany by Bundesanstalt für Finanzdienstleistungsaufsicht. In the US, SEBSI is a U.S. broker-dealer, registered with the Financial Industry Regulatory Authority (FINRA). SEBSI is a direct subsidiary of SEB.

Methodology

SEB Strategy & Economic Research assesses the global economic outlook for fixed income, FX, and commodity markets using: 1) proprietary models, tools, and publicly available data (e.g., Macrobond, Bloomberg); 2) input from SEB research units; and 3) various research reports. Sources must meet principles of consistency, plausibility, and factual accuracy.

Applicable law

The report is subject to Swedish law, and any dispute arising in respect of the reports is subject to the exclusive jurisdiction of Swedish courts (with District court of Stockholm as court of first instance).

Further information

For further information visit www.seb.se

SEB is a leading northern European financial services group with a strong belief that entrepreneurial minds and innovative companies are key in creating a better world. SEB takes a long-term perspective and supports its customers in good times and bad. In Sweden and the Baltic countries, SEB offers financial advice and a wide range of financial services. In Denmark, Finland, Norway, Germany and the United Kingdom, the bank's operations have a strong focus on corporate and investment banking based on a full-service offering to corporate and institutional clients. The international nature of SEB's business is reflected in its presence in more than 20 countries worldwide. On 30 September 2026, the Group's total assets amounted to SEK 4,439 bn while its assets under management totaled SEK 3,157bn. The Group has around 18,400 employees.

Macroeconomic assessments are provided by our SEB Strategy & Economic Research unit. Based on current conditions, official policies and the long-term performance of the financial market, the Bank presents its views on the economic situation – locally, regionally and globally.

One of the key publications from the SEB Strategy & Economic Research unit is the quarterly *Nordic Outlook*, which presents analyses covering the economic situation in the world as well as Europe and Sweden.

Read more about SEB at sebgroup.com/nordicoutlook

SEB