

DANMARKS NATIONALBANK

27 JULY 2018

SECURITIES, JUNE 2018

No return on stock market in first half-year

Danish listed stocks generated a return, including dividends, of 0 per cent during the first half of 2018. Overall, stock prices have fallen by 1.8 per cent. In contrast, the stock market decline offsets by large dividends.

The half-year returns are typically higher in the first half of the year in years with economic progress. This is due to a large portion of profits being distributed as dividends and through share repurchases, with 2018 as no exception. During the last six months, large dividends have been distributed and major share repurchase programs have been launched, while the stock prices have fallen.

In spring 2018, the corporate takeover of TDC gave the shareholders a decent return, while stocks such as Coloplast, Lundbeck and Ambu also performed well. However, this has not been enough to in earnest draw the Danish stock market up in the first half-year. This is mainly due to shareholder capital losses in large companies such as Novo Nordisk, A.P. Møller – Mærsk, Danske Bank and Pandora. Combined, the four companies have yielded a negative return of 15 per cent during the spring.

In particular, the Danish companies' foreign shareholders have seen losses in the first half-year due to their high exposure to the Novo Nordisk share. Overall, their return has been -1.9 per cent. Also Danish institutional investors, such as pension funds and investment funds, have, due to their exposure to A.P. Møller – Mærsk and Danske Bank, lost 0.4 per cent during the period. On the other hand, other Danish investors, such as private investors, have performed better and achieved a positive return of 5.2 per cent.

The Danish stock market has approximately performed as well as the international stock markets. Both the American S&P 500 index and the European Stoxx 50 index have yielded limited returns over the period. The development comes, however, after a longer period with considerable returns on the most stock markets.

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