

# DANMARKS NATIONALBANK

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SECURITIES, NOVEMBER 2018

## Loss on Danish stocks in 2018

Following several years with high returns, the return from Danish listed stocks was minus 4.3 per cent in the first 11 months of 2018. The main reason is losses on the 25 most traded stocks (the C25 index), which constitute around 85 per cent of the total market cap.

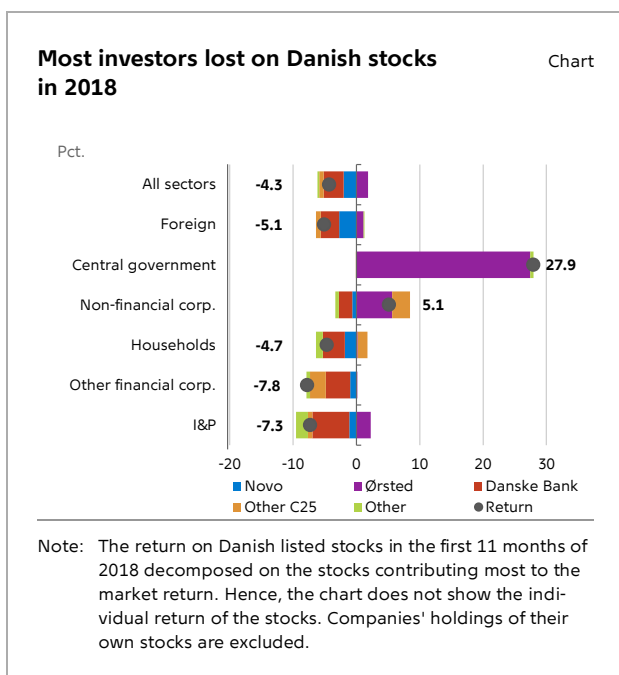
The return on the C25 index alone was minus 4.8 per cent. This is mainly due to large losses on Danske Bank's stocks and a decline in Novo Nordisk's stocks, representing over 25 per cent of the market cap in C25. Large increases in the stocks of Ørsted and Coloplast were not enough to equalize the other losses.

The return of the individual investor sector mirrors its portfolio composition. For most sectors the portfolio primarily consists of a broad range of C25 stocks.

The largest investor sector in Danish listed stocks is foreign investors, who own more than half. Like households, foreign investors have had a negative return close to 5 per cent.

Insurance and pension, I&P, as well as other financial corporations have had the lowest return on stocks. For I&P an overweight of Danske Bank and Pandora stocks resulted in the low return. I&P primarily invest in foreign stocks, which have also declined in 2018. The global stock index, MSCI World, had declined by 3 per cent at the end of November. Holding companies of large Danish companies, like Novo Holding, represent the majority of other financial corporations' holdings of Danish stocks. The low return is due an overweight of stocks from Danske Bank and Mærsk.

The central government and non-financial corporations have a different portfolio construction than the other investor sectors. The central government's portfolio of listed stocks primarily consists of Ørsted, which has had a return larger than 30 per cent. The positive return for non-financial corporations is due to the company SEAS-NVE owning 10 per cent of Ørsted's stocks<sup>1</sup>. Without this holding, the sector's return is slightly negative.



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<sup>1</sup> <https://orsted.com/da/Investors/Shares>