

DANMARKS NATIONALBANK

1 MAY 2020

SECURITIES, MARCH 2020

Danish return dip in March

Danish listed shares had a return incl. dividends of -5.3 per cent in March. The return was -5.7 per cent in February. Over a five-year period this is only surpassed by the return loss of -7.9 per cent in October 2018, where the global stock markets were affected by trade conflict and lower expectations for future economic growth. The return incl. interest payments of the Danish bond market was -1.9 per cent in March. The extraordinary financial uncertainties resulting from the coronavirus were thus reflected in the Danish equity and bond returns, which showed high volatility in March 2020 - both in upwards and downwards direction.

Minimum percentage losses for foreign investors and households

Foreign investors are major shareholders in the Danish stock market for listed securities and own 55 per cent of Danish equities and 24 per cent of Danish bonds. Foreign investors, in particular, own C25

shares whose returns have fallen relatively less than the remaining Danish shares. Foreign investors had a total return of Danish shares of -4.1 per cent in March. At the same time, foreign investors had a return of -2.3 per cent on their Danish bonds. Their holdings of Danish shares and bonds are respectively kr. 1.458 billion and kr. 1.010 billion ultimo March.

Danish households own almost 12 per cent of the Danish listed stock market and had a return of -5.2 per cent in March, equivalent to kr. -18 billion. On the other hand, Danish insurance and pension companies, which own 3 per cent of the Danish shares, had a return loss of -10.2 per cent in March, which indirectly affects households through their pension schemes.

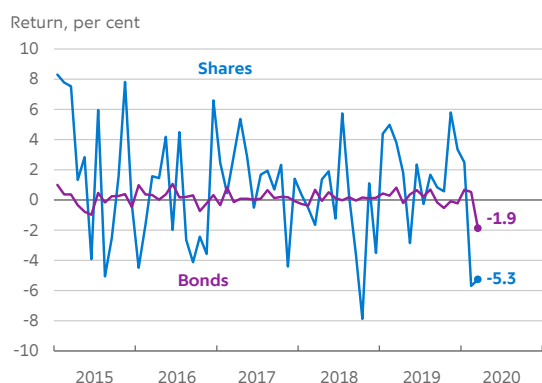
AAA-rated bonds perform best

93 per cent of Danish bonds have a credit rating of AAA. It is mainly Danish mortgage- and government bonds as well as a number of bank bonds that have a high credit rating. High credit ratings are often associated with lower but more secure returns. The return on bonds with AAA rating was -1.9 per cent in March. It is predominantly bonds with lower credit rating that had large negative returns in March. This is especially true for Danish corporate bonds, which had a return of -7.4 per cent. Corporate bonds are mainly owned by foreign investors.

Decreases in returns follow a year with high returns

Returns on the Danish equity and bond markets vary widely over time, but were predominantly positive in 2019. Overall, there were thus positive returns since the beginning of 2019. The market value of the equity and bond markets is kr. 2,666 and kr. 4,163 billion, respectively at the end of March.

The return on Danish shares and bonds took a dip in March



Note: Monthly return for Danish listed and VP-registered shares and bonds. Returns include dividend and interest payments as well as change in stock prices.

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