# Liquidity news

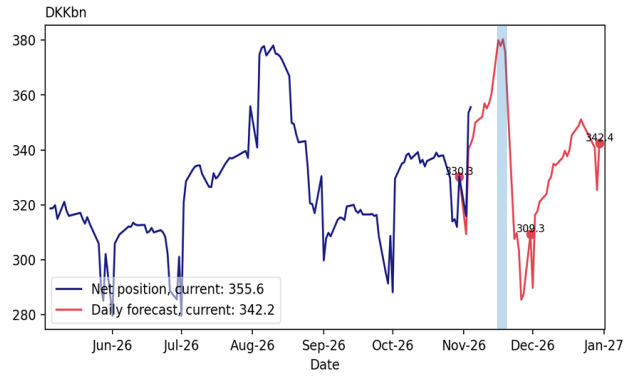
## Up, down, up, down ...

09 November 2026 16:29 Marketing communication

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- The net position peaks at around DKK 380 billion during the November refinancing auctions – but then drops sharply
- Be cautious if short-dated bullets perform ahead of the refinancing auctions!
- The net financing requirement "disappointed" again in October (as was also the case in September)
- This calls into question the assumed "catch-up" in the net financing requirement in November and December
- There is a risk that tighter liquidity in Q1 2027 could push bullets 5 bp (or more) wider vs DESTR

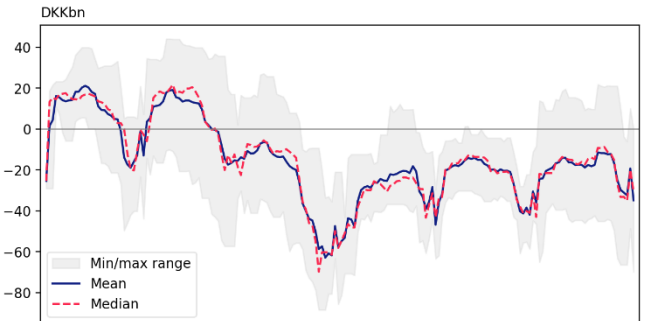
**Net position rising ahead of the refinancing auctions**




The refinancing auction week in November is highlighted in light blue.

Source: Danmarks Nationalbank, Nykredit Markets

**Change in the net position, H1 2021–2026 (previous EOY = 0)**




Shows the range, mean and median of the change in the net position during H1 2021–2026. A value of zero corresponds to an unchanged net position relative to the previous year-end.

Source: Danish Ministry of Finance, Danmarks Nationalbank and Nykredit Markets

### The net position peaks during the refinancing auctions

The latest daily forecast for government payments covers November and December, and on that basis we have updated our daily forecast for the net position through year-end.

The net position has already risen significantly to DKK 356 billion in November – and is set to rise further to DKK 380 billion ahead of the bullet and FRN refinancing auctions on 16–20 November (highlighted in light blue in the top chart), primarily due to the maturity of DGB'26 on 15 November.

If this increase in the net position drives spread performance in short-dated bullets, investors should be cautious about buying, including at the refinancing auctions, as the net position is subsequently set to fall sharply towards the end of November (due to corporation tax payments).

### Down to the wire: A sizeable increase in December?

In December, the forecast points to a sizeable increase, meaning that the net position is expected to end the year at around DKK 340 billion. This would provide a reasonable starting point for avoiding significant pressure on bullet spreads vs DESTR from the usual seasonal decline in the net position during Q1 2027 (including via short-dated FX forwards).

Thus, the typical decrease in the net position during Q1 over the past six years has been just over DKK 60 billion (see the bottom chart). Starting from DKK 340 billion, such a decline would mean that the net position would bottom out at around DKK 280 billion in Q1 2027. This is not a level that sets off any liquidity alarm bells.

However, it is not a given that the starting point for 2027 will be quite as favourable as the forecast initially suggests. A net position of DKK 340 billion is based on the assumption that the government's net financing requirement will be only approx DKK 20 billion lower than the forecast at the beginning of the year (FL,

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Dec 25). This should be seen in the context of the net financing requirement through October being nearly DKK 70 billion lower than this forecast, see the chart on the right.

The assumption of a substantial "catch-up" in the net financing requirement in the latter part of 2026 is based on the latest monthly forecast from August (Economic Survey, Aug26). According to this forecast, the net financing requirement is expected to catch up with the forecast from the beginning of the year during November and (particularly) December.

It remains to be seen whether this holds up, but for now we can note that the latest data from Danmarks Nationalbank shows that the gap to the forecast from the beginning of the year has widened from just over DKK 50 billion to nearly DKK 70 billion since we received the latest forecast in August. So far, things have moved in the wrong direction. If this trend continues in November and December, we could very well end the year at, for example, DKK 310 billion rather than the aforementioned DKK 340 billion.

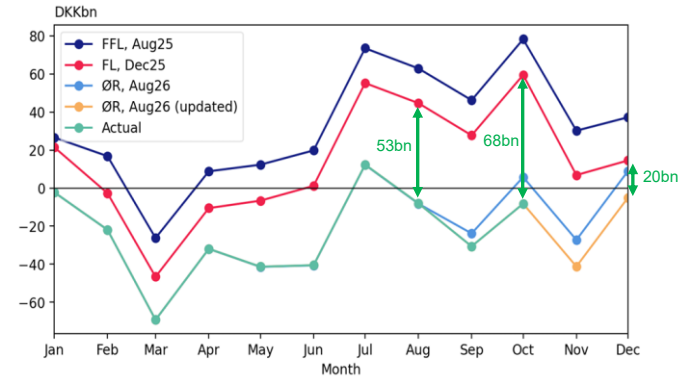
In that case, the usual seasonal decrease in the net position in Q1 could easily bring it down to a level where short-dated FX forwards are affected to an extent that could push longer-dated bullet spreads 5 bp wider vs DESTR in the first months of 2027.

**Down to the wire. Stay tuned!**

The rollercoaster ride that the net position is set to embark on in the coming months (see the top chart on page 1) is naturally interesting in its own right, not least because of the timing relative to the refinancing auctions.

However, it is also worth keeping a close eye on developments in November and December, as a "disappointing" development in the net position/net financing requirement creates a risk of tighter liquidity in Q1 2027, ultimately pushing bullet spreads wider.

**Net financing requirement "disappoints" again relative to the forecast**




Shows the accumulative net financing requirement from the monthly forecasts issued by Danmarks Nationalbank, together with the actual development. "Economic Survey, Aug26 (updated)" is based on the latest actual level and assumes that the net financing requirement for the remaining months of the year will be in line with the forecast.

Source: Danish Ministry of Finance, Danmarks Nationalbank and Nykredit Markets

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|---|---|
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As at 13.12.2024

Note: Distribution of our recommendations, which therefore add up to 100%.

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