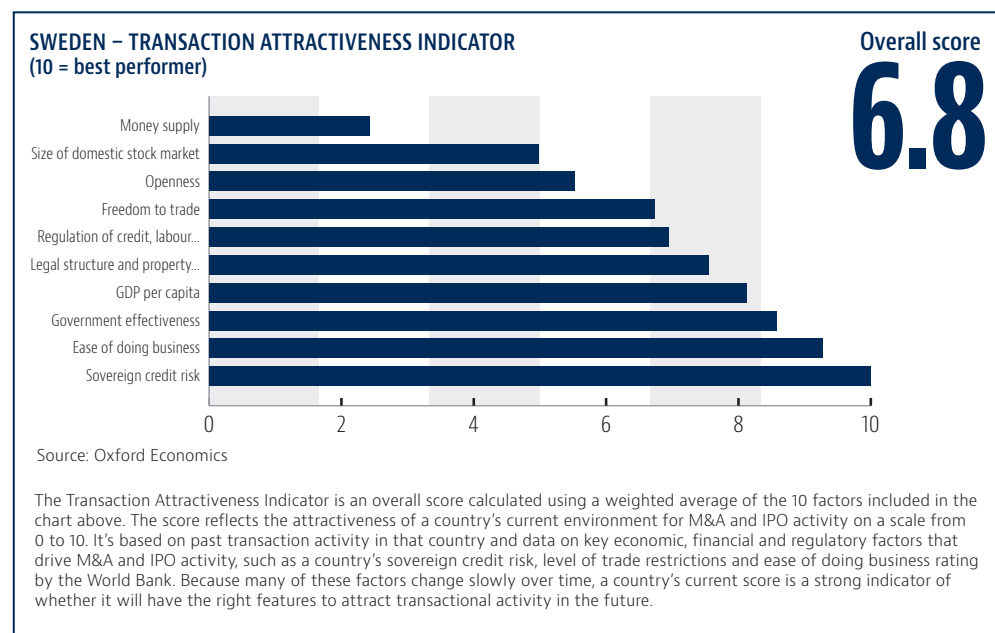


Sweden's economy has slowed this year, reflecting the weaker global backdrop and lacklustre domestic activity. Moreover, investors appear to have become more cautious, with domestic deal-making activity having decelerated. We expect a gradual recovery in deal-making in 2021-22 as economic activity regains momentum.

SUMMARY OF KEY DRIVERS (AVERAGE 2019-2022)		
	Sweden	Global
GDP growth (% annual)	1.9	2.8
Stock market capitalization (% of GDP)	133	97
Money supply (% of GDP)	72	111
Trade (% of GDP)	63	45
Ease of doing business (World Bank, DTF score, higher=better)	81	77
Legal structure (Fraser Institute)	7.6	6.6
Freedom to trade (Fraser Institute)	6.7	7.4

Source: Oxford Economics



SWEDEN – M&A AND IPO TRANSACTIONS							
	2016	2017	2018	2019	2020	2021	2022
Total M&A transactions (US\$bn)	15.5	33.2	36.6	19.6	16.7	21.4	23.6
% of Global M&A transactions	0.5	1.2	1.1	0.7	0.8	0.8	0.8
Domestic (US\$bn)	3.5	25.7	22.4	7.1	7.0	9.5	10.5
Cross-border, inbound (US\$bn)	11.9	7.5	14.2	12.5	9.6	11.9	13.2
Total volume of M&A transactions (Number of deals)	554	587	550	455	448	527	560
Domestic (Number of deals)	344	357	341	261	260	316	338
Cross-border, inbound (Number of deals)	210	230	209	194	188	211	222
Total IPO transactions (US\$m)	3,079.2	2,513.2	802.3	928.6	896.5	1,485.4	1,643.5
% Global IPO transactions	2.3	1.3	0.4	0.6	0.4	0.8	0.7
Domestic (US\$m)	2,815.7	2,463.8	578.6	901.5	870.4	1,368.0	1,513.6
Cross-border (US\$m)	263.5	49.4	223.7	27.1	26.2	117.5	130.0

Source: Oxford Economics, Reuters

*Minor discrepancies are due to rounding numbers.

SWEDEN – FORECAST FOR THE ECONOMY							
	2016	2017	2018	2019	2020	2021	2022
Macroeconomic drivers							
Real GDP growth (% yoy)	2.5	2.4	2.5	1.6	1.9	2.1	2.1
CPI (% yoy)	1.0	1.8	2.0	1.8	2.0	1.9	1.9
Merchandise trade (% of GDP)	61%	62%	64%	64%	63%	63%	62%
Financial drivers							
10-year government bond yield (%)	0.5	0.7	0.7	0.1	0.4	1.0	1.3
Equity prices (LCU, end of year % change)	5.8	6.4	-7.7	17.5	-8.4	7.3	5.9
Stock market capitalisation (US\$bn)	676.3	813.6	670.4	755.1	750.1	857.3	967.1

Source: Oxford Economics

IPO calculations account for the tentative Aramco listing in 2020 that has the potential to raise up to US 100 billion.