

Carlsquare/Vontobel weekly trading note: 8% yield makes Nordea attractive

This week's case is Nordea, which, like its Swedish banking peers, beat analysts' earnings forecasts during the Q3 reporting season. But while the banks have outperformed the OMX-index, Nordea has lagged the index this year, despite offering an 8% dividend yield. The most important events on the macro agenda this week will be the US CPI and PPI figures on Wednesday and Thursday, followed by the ECB's interest rate announcement on Thursday 12th.

While the OMX companies did not perform as well as expected in their third-quarter reports, both the S&P500 and the Nordic banks did much better. While this is reflected in rising share prices for the S&P500 companies, this is less the case for the Nordic banks in general and Nordea in particular. We believe that there is a lag effect in the banks' mortgage interest margins and profits from mortgage loans, as this market is an oligopoly where the Nordic banks lack sufficient competition. Bank profits from financial transactions are also expected to improve after a rising stock market in 2024. We believe that the high yield is an argument to buy Nordea shares.

On Friday 6th December the US Non-Farm Payrolls report showed 194K new jobs created in November versus expectations for 160K. It reinforces the perception of a strong US economy. This week, the ECB rate announcement on Thursday 12th will be the most important for the markets, along with the US CPI and PPI figures on Wednesday 11th and Thursday 12th respectively.

Please find out more in our weekly letter on certificates Vontobel.com: [Read the weekly newsletter here](#)

[Link to the Swedish-translated version](#)

[Read more](#)

About Vontobel:

As a globally operating financial expert with Swiss roots, Vontobel specializes in wealth management, active asset management and investment solutions. Structured Solutions & Treasury bundles different investment solutions for private investors either directly or via ecosystems. [Read more](#)

About Carlsquare

Carlsquare is a global research firm and financial advisor, focusing on M&A, Equity Research and Growth Equity. Carlsquare has 150 employees with deep sector knowledge in all 11 GICS sectors. The senior equity research team has extensive experience about the stock environment and several business sectors. The team produces company research reports, independent valuations and trading notes. The group have offices in Canada, Denmark, France, Germany, Poland, Sweden, United Kingdom and United States. [Read more](#)

Attachments

[Carlsquare/Vontobel weekly trading note: 8% yield makes Nordea attractive](#)