

Danske Daily

Market Movers Today

- Another quiet day today. The only global release is **US pending home sales** for November, which is expected to show a moderate increase of 0.5% m/m. Pending home sales – normally a good leading indicator for existing home sales – have slowed down since the summer months.
- In **Sweden, household lending** is due. After rising steadily from 2013 to early 2016, household lending has moderated in recent months from the peak of 7.8% in May to 7.3% in October. It is still outpacing household disposable income growth though, which is around 4%.

Selected Market News

On a slow day after Christmas, US stock markets closed slightly higher yesterday, up around 0.4%. A **very strong report on US consumer confidence** gave a lift to consumer shares.

US consumer confidence increased to the highest level in 15 years, pointing to robust US consumption growth. As investment growth is also expected to recover in 2017 on the back of higher energy prices, US growth is set for a year of a moderate growth pickup compared to 2015 and 2016.

Oil prices are trading near 17-month highs at USD56 per barrel (Brent) on optimism that expected output cuts will help balance the market. EUR/USD is grinding higher, trading close to the 1.05 level.

Overnight, Japan released numbers on industrial production (IP) and retail trade, which both painted a more positive picture of Japanese growth. IP rose 1.5% m/m and 4.6% y/y. IP has picked up in recent months, helped partly by a weaker JPY and a recovery in China. Retail trade also moved higher in November to 1.7% y/y.

Yesterday, data on Chinese industrial profits increased 14.5% y/y, up from 9.8% y/y in October. Stronger industrial activity as well as higher producer prices continue to support industrial profits in China. We expect growth to moderate during 2017, as tightening measures towards housing kick in and infrastructure investments slow down.

Holiday edition

Selected readings from Danske Bank

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Key figures and events

Wednesday, December 28, 2016			Period	Danske Bank	Consensus	Previous
9:30	SEK	Household lending	y/y	Nov		
16:00	USD	Pending home sales	m/m y/y	Nov	0.5% ...	0.1% 0.2%

Source: Bloomberg, Danske Bank Markets

Chief Analyst
Allan von Mehren
+45 41950152
alvo@danskebank.dk

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