

# Weekly Focus

## More weakness ahead before relief

### Market movers ahead

- In the US, the government shutdown keeps data releases at a minimum. Next week, the Markit PMIs are the most important releases.
- We expect no new policy signals at the ECB meeting on Thursday. Here the debated growth risk assessment will take centre stage. On the same day, we expect another weak PMI print for the euro area.
- In the UK, we start the week with Theresa May putting forward a motion of her Brexit plan B before the House of Commons. It is uncertain whether Monday is a game changer or not. Probably it will not be.
- We expect the Bank of Japan to keep policies unchanged at its meeting ending on Wednesday.
- We see little reason for Norges Bank to depart from its planned gradual normalisation of monetary policy. We expect no changes to interest rates at the policy meeting on Thursday.
- In Sweden and Denmark, we plan to look out for new labour market data.

### Weekly wrap-up

- Economic data confirmed a global slowdown in Q4. We expect the global slowdown to continue in Q1 but believe that China – the epicentre of the global slowdown – will drive a moderate recovery from Q2
- The risk of a no-deal Brexit has increased but so has the chance the UK could remain if the process ends up with a second referendum.
- More dovish central bank talks are in the pipeline for Q1.

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### Financial views

#### Major indices

	18-Jan	3M	12M
10Yr EUR swap	0.81	1.10	1.40
EUR/USD	114	117	125
ICE Brent oil	62	65	80

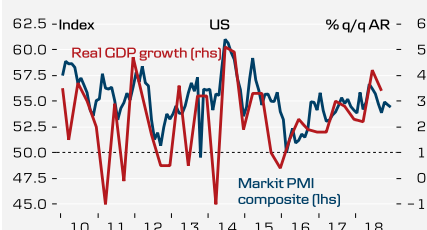
Source: Danske Bank

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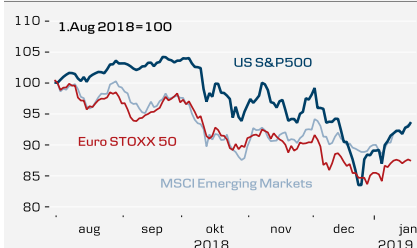
@Danske\_Research

### US PMIs indicate growth slowed in Q4



Source: BEA, IHS Markit, Macrobond

### Dovish central banks and Chinese stimulus expectations caused stock market relief



Source: Source: Macrobond Financial, Danske Bank

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# Market movers

## Global

- In the **US**, parts of the federal government remain shutdown and we intend to continue following the negotiations closely, not only because the shutdown means that official data releases from federal agencies such as BEA and Census Bureau are postponed but also because an extension of the shutdown increases the risk that it will hurt the overall economy, although this is not our base case. Next week, the Markit PMIs are the most important releases given the focus on an economic slowdown, in particular in the manufacturing sector.

The Fed's blackout period, where the FOMC members are no longer allowed to speak publicly, starts on Saturday and lasts until the FOMC meeting on 30 January.

- In the **euro area**, we have a busy week ahead of us. After the recent ECB meeting where the Governing Council decided to end net asset purchases, new policy signals are not warranted at next week's ECB meeting. We expect the debated growth risk assessment to take centre stage. At the last meeting, the ECB coined the growth risk assessment as broadly balanced but moving to the downside. Since then, we have seen a string of disappointing data. This is also visible in the surprise indicator, which points to lows around the sovereign debt crisis. We expect questions from the audience on liquidity operations but we expect no formal announcement until the March meeting (see *ECB Preview – We assign 60% chance of ECB hike in December 2019*, 18 February).

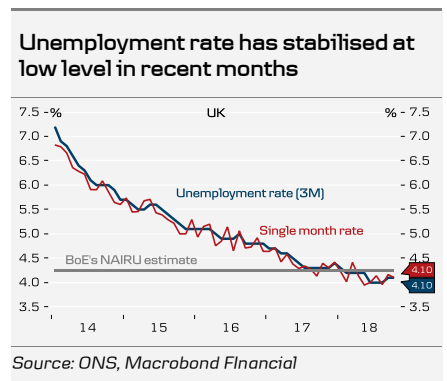
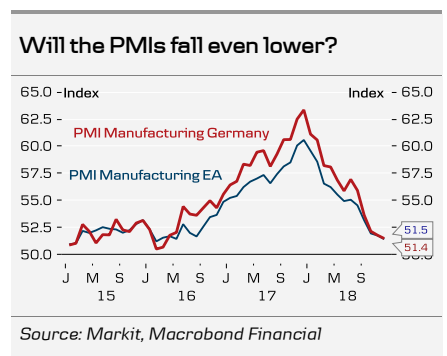
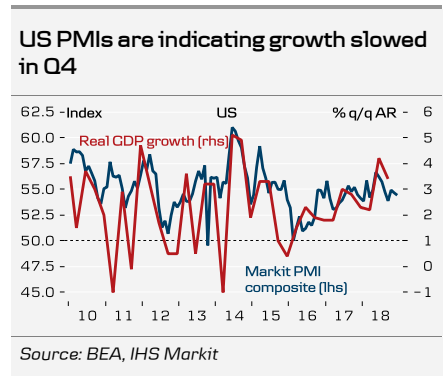
On Tuesday, we are due to get euro area and German ZEW figures. In both the euro area and Germany, the current situation index has been falling over the past three months and we expect this to continue in January, especially in light of the recent Brexit developments.

On Thursday, we are also scheduled to get both German and euro area PMI. Euro area service and manufacturing PMIs fell in December to their lowest levels since 2016, fanned by the headwinds from weak Q3 data and new political risks in France. Furthermore, as we see ongoing weakness in China, as well as weak external demand and fragile risk sentiments in financial markets, we acknowledge downside risks for both euro area and German PMIs and we expect the euro area manufacturing PMI to fall to 50.7.

On Friday, we also get German Ifo figures, where we also see downside risks.

- In the **UK**, the most important event is on Monday, when Prime Minister Theresa May is set to put forward a motion on her Brexit plan B to the House of Commons. At the time of writing, we do not know what the motion will include. The motion is amendable, meaning members of parliament have a chance to tie May's hands by showing a credible alternative to the current withdrawal agreement. As we do not know what plan B looks like at this point and given there is no alternative that enjoys backing from a majority in the House of Commons at the moment, it is uncertain whether Monday is a game changer or not. In our view, it will probably not be. For more details, see *Brexit Monitor – The waiting game – Brexit edition*, 15 January.

In terms of data releases, we are due to get the labour market report on Tuesday but we believe market reaction will probably be limited, as Brexit dominates everything and the Bank of England is on the sidelines until we get further clarification and confirmation that the market turmoil was temporary and the global economy will rebound.



- In **Japan**, the main event next week is the Bank of Japan's (BoJ) monetary policy meeting ending on Wednesday. We expect the BoJ to keep its 'QQE with yield curve control' policy unchanged and we expect it to move steadily forward with the current policy for the near future. That said, the meeting has become more interesting following the recent weakening global market sentiment and lower oil prices. Any potential tightening discussion should be off the table now and it will be very interesting to see how worried Governor Haruhiko Kuroda is about the weakening outlook for inflation and possibly growth. The BoJ is likely to revise down its inflation forecast in the quarterly outlook report published along with the policy statement, so business as usual here.

On Wednesday, we are due to get export figures for December. The economic recovery in Japan is very much dependent on foreign demand and exports have slowed recently in the wake of the trade war. Further weakening here would be worrying for the BoJ.

- In **China** next week focus will be on Q4 GDP and data for industrial production and retail sales for December. We expect the numbers to confirm the slowdown of the Chinese economy into the end of 2018 – as also indicated by the weak PMI data in recent months.

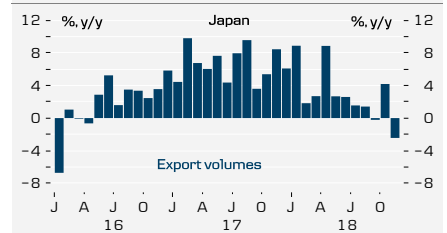
### Scandi

- In **Denmark**, the coming week brings two interesting sets of data. Tuesday's monthly employment figures will give us a good early indication of how employment is faring. Employment has risen for 66 consecutive months but recent data have painted a more mixed picture of the labour market. Therefore, it will be interesting to see whether job creation turns negative on Tuesday. Consumer confidence data for January follow on Wednesday. The indicator has fallen steadily since peaking at 10.6 in June last year and is now down at 2.9. Consumers are mainly less optimistic about the Danish economy but it is hard to put a finger on exactly what is causing confidence to wane. It could be a result of Brexit and the trade war between the US and China dominating the headlines. The labour market is in good shape, with employment and wages on the up, and inflation has been low for some time now.
- In **Sweden**, there are two important data points out this week pertaining to December that go into our GDP model.

The unemployment rate has fallen significantly over the past two months in an unusual seasonal pattern. While the unadjusted unemployment rate reached new lows (lowest since 2007-08), the development of the seasonally adjusted unemployment rate is more unclear. It appears to have been on an upward trend since February 2018 but the recent fall questions this trend. Labour market developments are the next big thing to keep in focus for the macro economy. We expect a slight increase in both unadjusted and seasonally adjusted unemployment in December.

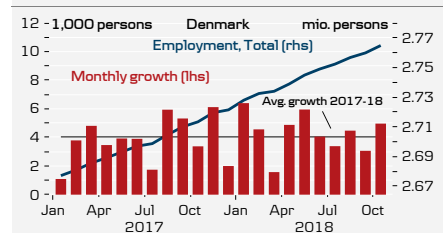
The main uncertainty for the retail trade is whether Christmas sales caused any further gain from the 1.1% y/y recorded in November. For instance, the Swedish Trade Federation's monthly index suggests clothing/shoe sales decreased by 3.8% y/y in nominal terms (and roughly as much deflated by CPI clothing). We put in a slight optimistic approach here, expecting sales in other areas to outweigh clothing, going for a 1.5 % y/y increase.

### Global slowdown also bad news for Japan



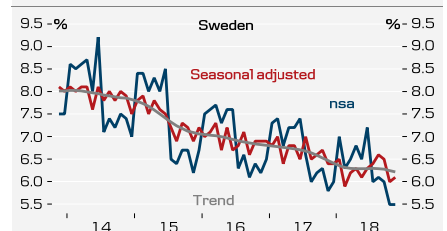
Source: Bank of Japan, Macrobond Financial

### 66 months of employment growth



Source: Statistics Denmark, Danske Bank, Macrobond

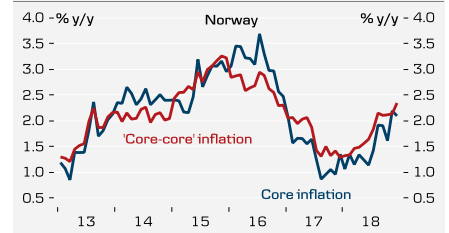
### Is the UR bottoming out?



Source: SCB, Macrobond

- In **Norway**, we do not expect any change to interest rates at Norges Bank's meeting on Thursday. The bank did signal a Q1 hike at its December meeting, but also that March was the most likely timing. Developments since the December meeting have been coloured by global turbulence, but it is difficult to argue that global risks have increased – more the opposite. Global interest rate expectations are slightly lower than in December, but the impact on the rate outlook in Norway for the next couple of years should be no more than 3-5bp. On the other hand, the Norwegian economy has performed slightly better than expected. The monthly GDP data now point to growth in mainland GDP of 0.8-1.0% q/q in Q4, which is well above the trend rate of around 0.5% and confirms our suspicions that the slowdown in Q3 was only temporary. At the same time, core inflation has again surprised to the upside and overshoot the 2% target for a second month. The import-weighted krone is also a fair bit weaker than oil prices would warrant. All in all, then, there is little reason for Norges Bank to depart from its planned gradual normalisation of monetary policy. Should global developments turn out much worse than anticipated over the course of this year, there is still more than enough time and space to revise its schedule of incremental interest rate increases in the years ahead.

Inflation above target



Source: Macrobond, Danske Bank

Market movers ahead

Global movers			Event	Period	Danske	Consensus	Previous		
Mon	21-Jan	-	GBP	PM Theresa May to put forward her Brexit plan B in the House of Commons					
		3:00	CNY	Industrial production	y/y	Dec	5.3%	5.4%	
		3:00	CNY	Retail sales	y/y	Dec	8.1%	8.1%	
		3:00	CNY	Real GDP	q/q/y/y	4th quarter	1.5% 6.4%	1.6% 6.5%	
Tue	22-Jan	10:30	GBP	Unemployment rate (3M)	%	Nov	4.1%	4.1%	
		10:30	GBP	Average weekly earnings ex bonuses (3M)	m/m/y/y	Nov	0.2% 3.3%	... 3.3%	
Wed	23-Jan	-	JPY	BoJ policy rate	%		-0.1%	-0.1%	
Thurs	24-Jan	10:00	EUR	PMI manufacturing, preliminary	Index	Jan	50.7	51.4	
		10:00	EUR	PMI services, preliminary	Index	Jan		51.4	51.2
		13:45	EUR	ECB announces deposit rate	%		-0.40%	-0.40%	-0.40%
		14:30	USD	Initial jobless claims	1000				
		14:30	EUR	ECB's Draghi speaks at press conference					
		15:45	USD	Markit PMI manufacturing, preliminary	Index	Jan			53.8
		15:45	USD	Markit PMI service, preliminary	Index	Jan			54.4
Fri	25-Jan	10:00	DEM	IFO - business climate	Index	Jan		100.6	101.0
Scandi movers									
Tue	22-Jan	8:00	DKK	Employment, s.a.	M	Nov			
Wed	23-Jan	8:00	DKK	Consumer confidence	Net. bal.	Jan		2.9	
Thurs	24-Jan	8:00	NOK	Unemployment (LFS)	%	Nov	3.9%	4.0%	
		9:30	SEK	Unemployment (n.s.a./s.a.)	%	Dec		5.5% 6.1%	
Fri	25-Jan	10:00	NOK	Norges Banks monetary policy meeting	%		0.75%	0.75%	
		8:00	NOK	Industrial confidence (SSB)	Net. bal.	4th quarter	8.0	8.9	
		9:30	SEK	Retail sales s.a.	m/m/y/y	Dec	... 1.5%	0.8% 1.1%	

Source: Bloomberg, Danske Bank

# Weekly Wrap-Up

## Dovish central bank twist continues

### Main macro themes

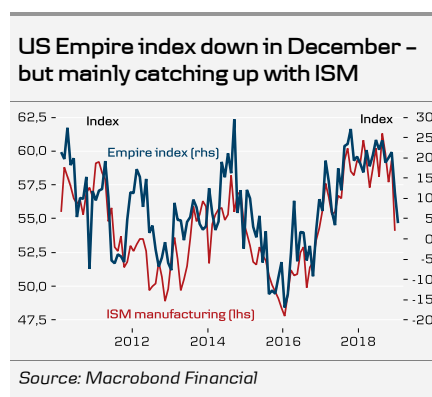
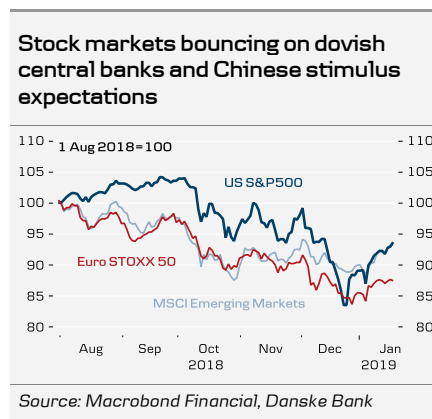
- Economic data confirmed a global slowdown in Q4.** Chinese exports for December fell sharply as the trade war bit. Media reports suggested that China will cut taxes ‘on a larger scale’ this year to underpin consumption and investment. On a slightly positive note, Chinese credit growth showed signs of stabilisation after declining for some time. Turning to Europe, German GDP fell to 1.5% in 2018, which is the lowest in five years. In the US, regional business surveys were soft but this reflects mainly the weakness already evident in the ISM manufacturing index. The risk is still on the downside in the short term but we believe the drag on US manufacturing will be temporary. We expect the global slowdown to continue in Q1 but believe that China – the epicentre of the global slowdown – will drive a moderate recovery from Q2 (see also *The Big Picture – No recession yet*, 4 December 2018).
- As expected, the Brexit deal was voted down on Tuesday** (see *Brexit Monitor – The waiting game*, 15 January). However, the market impact was limited. While the risk of a no-deal Brexit has increased, so has the chance the UK could remain if the process ends up with a second referendum that results in a reversal of the Brexit decision. We are now in uncharted territory and need to watch for signals coming out of the UK to guide which direction we are heading.
- Central bank talk continues the dovish turn.** This week ECB President Mario Draghi said the economy has been ‘weaker than expected’ and that ‘there is no room for complacency’. Across the Atlantic, the hawkish Fed member Esther George joined the choir of dovish speakers lately, saying ‘A pause in the normalisation process would give us time to assess if the economy is responding as expected with a slowing of growth to a pace that is sustainable’. We expect more dovish central bank talk in Q1 on the back of the economic weakness continuing in the short term.
- Trade talks still on track.** Reports on Thursday said the US had considered scaling back some tariffs on China to calm the market. However, this was quickly denied by the US Treasury. It was confirmed this week that a delegation led by China’s chief negotiator Vice President Liu He will go to Washington on 30-31 January to continue trade talks with US Trade Representative Robert Lighthizer and his team. We still expect a deal in H1 (75% probability). This should give relief to markets and the global economy.

### Financial market developments

- Stock markets** continued to edge higher this week on the back of more dovish central bank talk and stimulus expectations in China. We expect volatility to persist in the short term on weak global growth in Q1 but see markets higher on a three- to six-month horizon.
- US 10-year treasury yields** have moved sideways this week around 2.70-2.75%. This follows a period of decline over the past two months, from 3.25% in November.
- In FX markets, EUR/USD** edged lower on dovish ECB comments. EUR/GBP has moved lower despite the Brexit deal being voted down. Some market participants now see a higher chance of a new Brexit referendum, which could keep the UK in the EU.

Financial views			
Major indices			
	18-Jan	3M	12M
10yr EUR swap	0.81	1.10	1.40
10yr US swap	2.80	3.35	3.55
ECB key rate	-0.40	-0.40	-0.20
Fed funds rate	2.50	2.50	3.00
EUR/SEK	1026	1010	1000
EUR/NOK	973	950	930
EUR/USD	114	117	125
ICE Brent oil	62	65	80

Source: Danske Bank



# Scandi update

## Denmark – Danish economy under the microscope

The OECD published its latest Economic Survey of Denmark during the week (available [here](#)). The report surveys current economic conditions before looking in more depth at various structural issues. It also offers concrete recommendations for improvements. In a nutshell – and as OECD Deputy Secretary-General Ludger Schuknecht stressed – these are only ideas for making an already good situation even better (relative to other OECD countries). Some of the key recommendations are for improving the fiscal framework and increasing productivity in both the public and private sectors. These include decentralising collective bargaining in the public sector, reducing the top rate of income tax, introducing an allowance for corporate equity in company income taxation, reducing student grants and providing better options for student loans. When it comes to the financial and housing markets, the OECD recommends reducing deductions for interest expenses in personal income taxation, deregulating the rental market, removing the favourable terms for parental buy-to-lets and joining the European Banking Union.

## Sweden – finally, new government and budget?

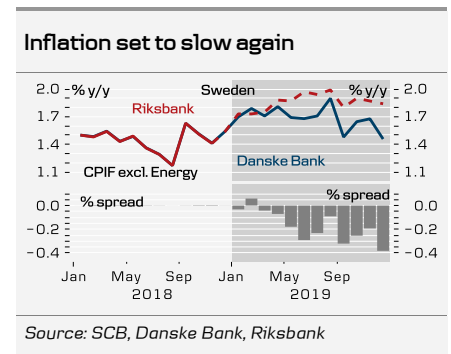
The Swedish Riksdag parliament voted for the Social Democrat Stefan Löfvén as Prime Minister. He will now be able to form a government with the Greens (the same as the outgoing Government) but the platform for its future success has changed. It now rests on the 73-point deal struck with the middle parties, the Centre Party and the Liberals, and the implementation of the programme will be checked continually. There is a glitch though. The Government's former support partner, the Left Party, has been ousted. Its party leader says it will let Löfvén form the Government, while threatening to put forward a no-confidence vote if some of the points in the deal are put forward. Currently, it is hard to gauge whether or not this is an empty threat. If it does so at some point in the future, we believe it would get enough support from the three right-wing parties to oust this Government.

The budget implications are very unclear, as the deal is largely figureless. (1) The income tax cuts from the Moderate/Christian Democrats enacted by the Riksdag in December cannot be reversed this year but other tax cuts can be (the tax on airline tickets for instance) and will be reversed. (2) The deal contains a SEK15bn green tax swap, meaning environmental taxes (read energy taxes) will be hiked in exchange for tax cuts on jobs and business. (3) Income taxes will be cut by SEK15bn (SEK6bn lower payroll tax and SEK7bn in the top 5% state income tax). (4) It aims to cut subsidised household borrowing by phasing out mortgage interest tax deductions (now 30%). (5) It aims to reopen talks on high-speed rail (a 20-30 year project) but it is unclear whether it will finance this within, or outside, the DO framework. Two politically very hot additional issues the Left Party opposed are easing labour market regulations and raising the degree of free rent setting. In total, we see the budget as mildly expansionary but there is some uncertainty regarding distribution (winners: high income in the cities, losers: middle income rural owning a house and dependent on cars for transportation).

In data terms, December inflation was a tenth higher, i.e. spot on the Riksbank's forecasts for CPIF and CPIF excluding energy at 2.2% y/y and 1.5% y/y. Looking ahead, inflation is set to remain high in the first half of 2019, as the food industry needs to compensate for soaring input prices due to last summer's drought. Later this year, we expect core inflation to be lower than the Riksbank's forecast. That said, the November consumption indicator was weaker than expected, suggesting consumption remained depressed in Q4. It also confirms our GDP model signal of a mere 0.8 % y/y GDP growth.

## Norway

No important events during the week.



# Latest research from Danske Bank

*16/1 Yield Outlook - Even more blurred outlook for global yields*

Monthly yield outlook

*16/1 China Notes - Weak car sales should be taken with a grain of salt*

Weak car sales in China have grabbed the headlines recently.

*15/1 Brexit Monitor: The waiting game - Brexit edition*

After May's heavy defeat, we are in uncharted territory and EUR/GBP remains range-bound until further clarification.

*14/1 Macro Strategy Views Podcast - Many trading opportunities in the Scandinavian fixed income market*

In our weekly podcast, Macro Strategy Views, we focus today on the European and Scandinavian fixed income markets.

## Macroeconomic forecast

### Macro forecast, Scandinavia

	Year	GDP <sup>1</sup>	Private cons. <sup>1</sup>	Public cons. <sup>1</sup>	Fixed inv. <sup>1</sup>	Ex-ports <sup>1</sup>	Im-ports <sup>1</sup>	Infla-tion <sup>1</sup>	Wage growth <sup>1</sup>	Unem-ploym <sup>3</sup>	Public budget <sup>4</sup>	Public debt <sup>4</sup>	Current acc. <sup>4</sup>
Denmark	2018	1.0	2.4	0.4	5.9	0.2	3.6	0.8	2.3	4.0	0.3	33.5	5.6
	2019	2.0	1.9	0.4	0.7	2.7	1.3	1.3	2.5	3.9	0.1	33.1	6.0
	2020	1.6	2.3	0.4	3.6	2.0	2.9	1.6	2.8	3.8	-0.1	33.2	5.9
Sweden	2018	2.2	1.2	0.6	4.6	2.3	2.4	2.0	2.6	6.3	0.9	37.0	3.3
	2019	1.4	0.8	0.3	1.7	2.3	1.3	1.9	2.6	6.5	0.5	34.0	4.0
	2020	1.9	1.9	1.8	1.7	3.1	2.5	1.6	2.7	6.9	0.8	33.0	4.0
Norway	2018	2.2	1.9	1.9	0.6	-0.5	1.5	2.7	2.8	2.4	-	-	-
	2019	2.6	2.2	1.7	4.7	3.5	3.0	1.6	3.5	2.3	-	-	-
	2020	2.4	2.3	1.8	2.0	3.0	3.3	1.7	3.8	2.2	-	-	-

### Macro forecast, Euroland

	Year	GDP <sup>1</sup>	Private cons. <sup>1</sup>	Public cons. <sup>1</sup>	Fixed inv. <sup>1</sup>	Ex-ports <sup>1</sup>	Im-ports <sup>1</sup>	Infla-tion <sup>1</sup>	Wage growth <sup>1</sup>	Unem-ploym <sup>3</sup>	Public budget <sup>4</sup>	Public debt <sup>4</sup>	Current acc. <sup>4</sup>
Euro area	2018	1.8	1.3	1.0	2.9	2.7	2.6	1.7	1.6	8.2	-0.6	86.9	3.8
	2019	1.5	1.6	2.0	2.3	2.5	3.6	1.5	2.3	7.8	-0.8	84.9	3.6
	2020	1.5	1.6	2.4	2.0	2.7	3.5	1.6	2.2	7.5	-0.7	82.8	3.6
Germany	2018	1.5	1.1	0.9	3.2	2.1	3.6	1.9	2.6	3.4	1.6	60.1	7.8
	2019	1.4	1.7	2.2	3.4	2.3	5.1	2.0	3.0	3.1	1.2	56.7	7.3
	2020	1.6	1.9	2.2	3.1	3.1	4.6	1.7	3.2	2.9	1.1	53.7	6.9
Finland	2018	2.3	1.5	2.0	2.5	1.1	2.5	1.1	1.9	7.5	-0.3	59.2	-0.9
	2019	1.7	1.6	0.5	1.5	2.5	2.3	1.5	2.5	7.0	0.0	57.9	-0.4
	2020	1.5	1.3	0.5	2.0	2.0	1.5	1.5	2.5	6.9	0.1	56.5	-0.2

### Macro forecast, Global

	Year	GDP <sup>1</sup>	Private cons. <sup>1</sup>	Public cons. <sup>1</sup>	Fixed inv. <sup>1</sup>	Ex-ports <sup>1</sup>	Im-ports <sup>1</sup>	Infla-tion <sup>1</sup>	Wage growth <sup>1</sup>	Unem-ploym <sup>3</sup>	Public budget <sup>4</sup>	Public debt <sup>4</sup>	Current acc. <sup>4</sup>
USA	2018	3.0	2.7	1.7	5.2	4.3	4.7	2.4	2.8	3.9	-4.0	106.0	-3.2
	2019	2.7	2.7	1.8	3.6	2.9	3.7	1.8	3.4	3.6	-4.6	107.0	-3.6
	2020	2.0	2.1	1.0	2.9	2.4	2.6	2.4	3.5	3.5	-4.6	108.0	-3.7
China	2018	6.6	8.2	-	5.0	-	-	2.2	8.5	-	-4.1	50.1	0.7
	2019	6.2	8.0	-	4.7	-	-	2.0	8.3	-	-4.5	53.9	0.7
	2020	6.2	7.8	-	4.6	-	-	2.2	8.0	-	-4.3	57.1	0.7
UK	2018	1.3	1.7	0.5	0.2	1.5	0.4	2.5	3.0	4.1	-1.3	85.0	-3.3
	2019	1.6	1.7	0.6	1.3	2.8	1.6	1.6	3.7	3.9	-1.5	84.1	-3.2
	2020	1.5	1.6	0.4	1.9	2.4	2.0	1.5	3.8	3.9	-1.3	83.2	-3.0
Japan	2018	0.9	0.3	0.5	1.8	3.1	2.7	0.9	-	2.8	-	-	-
	2019	0.9	1.0	0.8	1.5	2.0	2.1	1.4	-	2.4	-	-	-
	2020	0.5	0.0	0.8	-0.3	2.8	1.2	2.0	-	2.4	-	-	-

Source: OECD and Danske Bank. 1) % y/y. 2) % contribution to GDP growth. 3) % of labour force. 4) % of GDP.



# Financial forecast

## Bond and money markets

		Key interest rate	3m interest rate	2-yr swap yield	10-yr swap yield	Currency vs EUR	Currency vs USD	Currency vs DKK
USD	18-Jan	2.50	2.78	2.74	2.80	114.0	-	655.1
	+3m	2.50	2.92	2.85	2.85	117.0	-	637.6
	+6m	2.75	2.97	3.15	3.15	120.0	-	621.3
	+12m	3.00	3.23	3.25	3.20	125.0	-	596.4
EUR	18-Jan	-0.40	-0.31	-0.15	0.81	-	114.0	746.5
	+3m	-0.40	-0.33	-0.05	0.90	-	117.0	746.0
	+6m	-0.40	-0.33	0.05	1.00	-	120.0	745.5
	+12m	-0.20	-0.12	0.15	1.20	-	125.0	745.5
JPY	18-Jan	-0.10	-0.08	-0.01	0.17	124.8	109.5	5.98
	+3m	-0.10	-	-	-	128.7	110.0	5.80
	+6m	-0.10	-	-	-	132.0	110.0	5.65
	+12m	-0.10	-	-	-	140.0	112.0	5.33
GBP	18-Jan	0.75	0.92	1.17	1.54	88.0	129.5	848.0
	+3m	0.75	0.85	1.30	1.70	84.0	139.3	888.1
	+6m	0.75	0.82	1.40	2.00	83.0	144.6	898.2
	+12m	1.00	1.07	1.60	2.20	83.0	150.6	898.2
CHF	18-Jan	-0.75	-0.70	-0.57	0.33	113.3	99.4	658.9
	+3m	-0.75	-	-	-	114.0	97.4	654.4
	+6m	-0.75	-	-	-	116.0	96.7	642.7
	+12m	-0.75	-	-	-	120.0	96.0	621.3
DKK	18-Jan	-0.65	-0.31	-0.03	0.95	746.5	655.1	-
	+3m	-0.65	-0.30	0.05	1.05	746.0	637.6	-
	+6m	-0.65	-0.30	0.15	1.15	745.5	621.3	-
	+12m	-0.45	-0.03	0.25	1.35	745.5	596.4	-
SEK	18-Jan	-0.25	-0.08	0.09	1.11	1025.6	900.0	72.8
	+3m	-0.25	-0.20	0.05	1.25	1010.0	863.2	73.9
	+6m	-0.25	-0.20	0.00	1.30	1000.0	833.3	74.6
	+12m	-0.25	-0.20	0.00	1.40	1000.0	800.0	74.6
NOK	18-Jan	0.75	1.27	1.59	2.15	972.6	853.5	76.8
	+3m	1.00	1.58	1.80	2.35	950.0	812.0	78.5
	+6m	1.00	1.67	1.95	2.55	940.0	783.3	79.3
	+12m	1.25	1.87	2.20	2.80	930.0	744.0	80.2

## Commodities

	18-Jan	2018				2019				Average	
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2019	2020
ICE Brent	62	67	75	76	69	65	70	75	80	73	80

Source: Danske Bank

## Calendar

Monday, January 21, 2019				Period	Danske Bank	Consensus	Previous
-	GBP	PM Theresa May to put forward her Brexit plan B in the House of Commons					
-	USD	Martin L. King Day					
3:00	CNY	Industrial production	y/y	Dec		5.3%	5.4%
3:00	CNY	Retail sales	y/y	Dec		8.1%	8.1%
3:00	CNY	Real GDP	q/q y/y	4th quarter		1.5% 6.4%	1.6% 6.5%
3:00	CNY	Fixed assets investments	y/y	Dec		6.0%	5.9%
Tuesday, January 22, 2019				Period	Danske Bank	Consensus	Previous
-	USD	TICS international capital flow, Net inflow	USD bn	Nov			42
8:00	DKK	Employment, s.a.	M	Nov			
10:30	GBP	Unemployment rate (3M)	%	Nov	4.1%	4.1%	4.1%
10:30	GBP	Average weekly earnings ex bonuses (3M)	m/m y/y	Nov	0.2% 3.3%	... 3.3%	... 3.3%
11:00	DEM	ZEW current situation	Index	Jan		43.0	45.3
11:00	DEM	ZEW expectations	Index	Jan		-18.2	-17.5
16:00	USD	Existing home sales	m (m/m)	Dec		5.27	5.32 0.019
22:45	NZD	CPI	q/q y/y	4th quarter		0.0% 1.8%	0.9% 1.9%
Wednesday, January 23, 2019				Period	Danske Bank	Consensus	Previous
-	JPY	BoJ policy rate	%		-0.1%		-0.1%
0:50	JPY	Exports	y/y (%)	Dec		0.0	0.0
0:50	JPY	Import	y/y (%)	Dec		0.0	0.1
0:50	JPY	Trade balance, s.a.	JPY bn	Dec		-290.7	-492.2
8:00	SEK	Prospera inflation expectations					
8:00	DKK	Consumer confidence	Net. bal.	Jan			2.9
8:45	FRF	Business confidence	Index	Jan			102.0
14:30	CAD	Retail sales	m/m	Nov			0.3%
15:00	USD	FHFA house price index	m/m	Nov			0.3%
16:00	EUR	Consumer confidence, preliminary	Net bal.	Jan		-6.5	-6.2
Thursday, January 24, 2019				Period	Danske Bank	Consensus	Previous
1:30	AUD	Employment change	1000	Dec		18	37
1:30	JPY	Nikkei Manufacturing PMI, preliminary	Index	Jan			52.6
6:00	JPY	Leading economic index, final	Index	Nov			99.3
8:00	NOK	Unemployment (LFS)	%	Nov	3.9%		4.0%
9:15	FRF	PMI manufacturing, preliminary	Index	Jan		49.8	49.7
9:15	FRF	PMI services, preliminary	Index	Jan		49.5	49.0
9:30	SEK	Unemployment (n.s.a. s.a.)	%	Dec			5.5% 6.1%
9:30	DEM	PMI manufacturing, preliminary	Index	Jan		51.4	51.5
9:30	DEM	PMI services, preliminary	Index	Jan		52.0	51.8
10:00	EUR	PMI manufacturing, preliminary	Index	Jan	50.7	51.4	51.4
10:00	EUR	PMI composite, preliminary	Index	Jan		51.4	51.1
10:00	EUR	PMI services, preliminary	Index	Jan		51.4	51.2
10:00	NOK	Norges Banks monetary policy meeting	%		0.75%		0.75%
13:45	EUR	ECB announces refi rate	%		0.00%	0.00%	0.00%
13:45	EUR	ECB announces deposit rate	%		-0.40%	-0.40%	-0.40%
14:30	USD	Initial jobless claims	1000				
14:30	EUR	ECB's Draghi speaks at press conference					
15:45	USD	Markit PMI manufacturing, preliminary	Index	Jan			53.8
15:45	USD	Markit PMI service, preliminary	Index	Jan			54.4
17:00	USD	DOE U.S. crude oil inventories	K				-2683

Source: Danske Bank

## Calendar (continued)

Friday, January 25, 2019				Period	Danske Bank	Consensus	Previous
8:00	NOK	Industrial confidence (SSB)	Net. bal.	4th quarter	<b>8.0</b>		8.9
9:30	SEK	Retail sales s.a.	m/m y/y	Dec	..  <b>1.5%</b>		0.8% 1.1%
9:30	SEK	PPI	m/m y/y	Dec			0.0% 7.9%
10:00	DEM	Ifo - business climate	Index	Jan		100.6	101.0
10:00	DEM	Ifo - current assessment	Index	Jan		104.2	104.7
10:00	DEM	Ifo - expectations	Index	Jan		97.1	97.3
10:00	EUR	ECB's survey of professional forecasters					

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Source: Danske Bank

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