

# Weekly Focus Sweden

## Italy countdown

### Market movers ahead

- In the US, we expect the Fed to hike the target range to 2.00-2.25% and PCE core inflation to rise +0.1% m/m which leaves y/y unchanged at 2.0%.
- In the trade war, we are still awaiting an official response to the US invitation for high-level talks sent on 12 September.
- In the euro area, we expect HICP inflation to slow further to 2.01% y/y driven by lower contribution from both food and energy prices.
- In Italy, it will be very interesting to see if the budget deficit is in line with EU regulations. We expect the 2019 deficit to land somewhere between 2.0-2.4% of GDP.
- In Scandinavia, we will look for Danish business confidence, Swedish retail sales and Norwegian unemployment among others.

### Global macro and market themes

- The tit-for-tat trade dispute between the US and China escalated this week.
- But the market reaction was positive, as the actions were not as bad as expected.
- Indeed, both countries pushed for lower trade barriers (with other countries).
- While it will be a long and difficult road, we think a deal will be reached.
- This may actually leave the world economy better off than before the whole trade dispute started.

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### Financial views

#### Major indices

	21-Sep	3M	12M
10yr EUR swap	0.98	0.95	1.25
EUR/USD	118	115	125
ICE Brent oil	79	72	74

Source: Danske Bank

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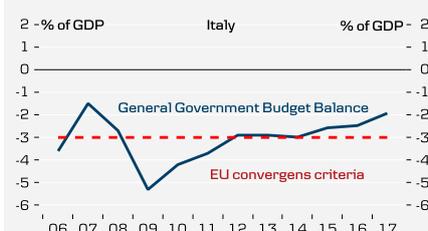
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### We expect PCE core inflation to move up +0.1% in August



Source: ISM, IHS Markit, Macrobond Financial

### Will the budget deficit remain above the EU requirement?



Source: Istat, Macrobond Financial

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# Market movers

## Global

- In the **US**, the most important event next week is the FOMC meeting with the rate announcement due on Wednesday at 20:00 CEST. We expect the Fed to hike the target range to 2.00-2.25%. It seems on track to deliver two more hikes this year (next week and in December). Growth is strong, optimism is high, the unemployment rate is low, wage growth is increasing (although at a gradual pace) and core inflation is running near the 2% target. We believe it will be more 'stop and go' for the Fed when the funds rate has reached neutral (2.75-3.00% range), which we believe is likely to happen in March 2019.

PCE core inflation numbers for August are due to be released on Friday. Based on CPI, which rose less than expected last month, we expect PCE to rise +0.1% m/m, which leaves y/y unchanged at 2.0%.

- In the **euro area**, we will receive HICP figures for September on Friday. In August, headline inflation fell to 2.05% y/y and we expect the September print to slow further to 2.01% y/y, still driven by lower contribution from both food and energy prices. Although we saw negotiated wages pick up in Q2, core inflation disappointed at 0.96% y/y in August from 1.07% y/y in July and we expect September's figures to linger at 0.97% y/y, as the feed through from higher wages materialises only gradually.

On Thursday, **Italy** will publish growth, dept and deficit projections for 2019 and it will be very interesting to see if Finance Minister Tria has succeeded in keeping the budget deficit in line with EU regulations or if populist leaders Matteo Salvini and Five Star Movement leader Di Maio achieved extensive spending on their flagship proposals. We expect the 2019 budget to include some kind of tax reforms and citizen income, but policies will likely be phased in only gradually or implemented by tweaking some already existing schemes in order to avoid the deficit breaching EU rules. Therefore we expect the 2019 to land somewhere between 2.0-2.4% of GDP (see *also Italian Politics Monitor: A postcard from Rome: the die is cast!*).

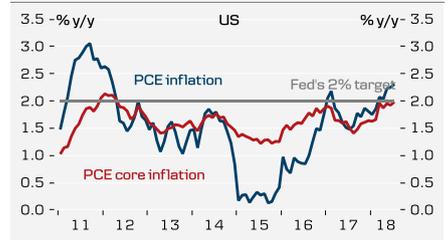
- In the **UK**, we have a quiet week in terms of economic data releases. There are four scheduled BoE speeches next week but they are unlikely to send new policy signals after the BoE meeting last week, see *Bank of England review: Repeats hiking bias amid Brexit uncertainties*, 13 September.

What we are more interested in is development in the Brexit negotiations after the informal EU summit in Salzburg ended terribly and ahead of the annual Conservative Party Conference 30 September to 3 October. It is also going to be interesting to hear whether the Labour Party is changing its Brexit approach during the Labour Party Conference this week.

- In **China** new US tariffs on Chinese goods worth USD200bn will be implemented on Monday. Otherwise in the trade war, we are still awaiting an official response to the US invitation for high-level talks sent on 12 September. Since the invitation was sent, Trump announced the new US tariffs and it seems unlikely China will agree to talks given these circumstances. We still expect the trade war to get worse before it gets better.

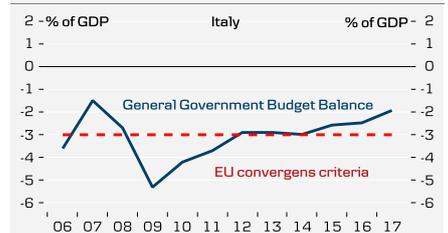
On the data front, the Caixin PMI manufacturing is released on Friday. PMI has held up surprisingly well despite the trade war and sharp decline in stock markets and metal markets. However, we see clear downside risk as other data also points to a slowdown. We expect a decline to 50.3 in September from 50.6 in August. Industrial profits released on Thursday is expected to show a decline to around 10% y/y from the July level of 16.2% y/y.

### We expect PCE core inflation to move up +0.1% in August



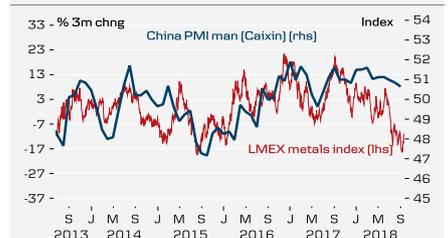
Source: ISM, IHS Markit and Macrobond Financial

### Will the budget deficit remain above the EU requirement?



Source: Istat, Macrobond Financial

### Metal prices point to downside risk to PMI



Source: Markit, Macrobond Financial, Danske Bank

- In **Japan**, we have some data releases on the labour market on Friday, as we get the unemployment rate and jobs/applicants ratio for August. The labour market has turned increasingly tight in recent years with currently 163 jobs for every 100 applicants. We have seen signs this is pushing up wages and it will be interesting to see if pressures continue to increase.

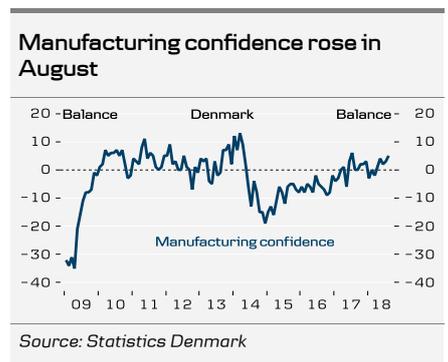
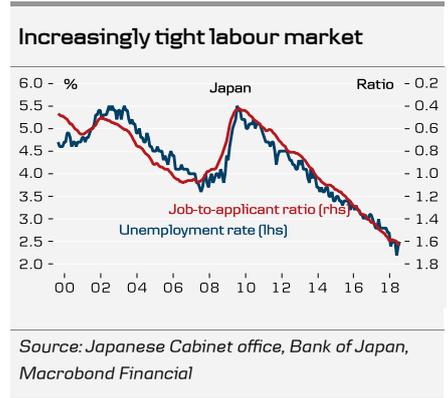
**Scandi**

- Business confidence figures are due in **Denmark** on Thursday. Manufacturing confidence rose in August and is approaching a four-year high. Hence, it will be interesting to see if the mood has remained buoyant in September. Registered unemployment figures for August are due on the same day. On Friday, **Danmarks Nationalbank** will release data on foreign portfolio investments and securities statistics for August.
- One of the most interesting data out of **Sweden** next week is retail sales. Summer hasn't been kind to retailers with three consecutive months (through July) showing negative month-on-month figure and the first negative y/y figure (-1.2% in July) since October 2011. It is widely assumed that the super-hot and long summer was bad for sales (maybe except for ice-cream) and considering that there is no earlier episode with four negative months in a row on record, we would say that another monthly figure below zero would be a big surprise.

Another piece of information to keep an eye on is mortgage lending. By now it seems clear that the tougher amortisation rules introduced in March – perhaps in combination with tighter credit standards by banks – have had a significant effect. Lending growth has slowed quite markedly recently. Growth is approaching the slowest since the turn of the millennium, i.e. 4% if measured at an annual rate. Still, mortgage institutes' funding in terms of issuances of SEK covered bonds has widely exceeded last year's supply both in gross- and net terms up to summer and therefore we see it as quite probable that issuances will slow down in the second half of the year.

Apart from the above will also get fresh consumer and business confidence. At this juncture it is of course of interest to monitor price plans in the retail sector even though this indicator in fact says more about what retailer already have done with prices than what they will do going forward. Nevertheless, the index for expected selling prices has risen steadily over the last year and is close to earlier highs. Clearly, this has much to do with the depreciation of the krona over the same period. At least for now it seems that recent signals from the Riksbank it appears that the SEK has regained some "strength" suggesting that price plans probably will moderate too going forward.

- In **Norway**, now that the central bank has signalled a gradual increase in interest rates over the next three years, it will take relatively big changes in the economic outlook to impact on fixed income and currency markets in the near term. The coming week's unemployment figures from both NAV and Statistics Norway (LFS) will nevertheless provide important information on whether economic growth is still above trend. NAV's jobless figures in particular have given rise to some uncertainty in recent months: even adjusted for various technical factors, they have been higher than expected. Going from LFS data, this may be due partly to stronger growth in the labour supply, since all the signs are that demand for labour is holding up. We therefore expect registered unemployment to fall to 2.2% in September, mainly for seasonal reasons, and gross unemployment to drop by 400-500 people m/m SA. The LFS jobless measure has traditionally been somewhat more volatile than NAV's, but here too there have been clear signs of the downtrend slowing over the past 18 months. We expect the underlying trend to continue, with LFS unemployment dropping to 3.8% in July (June-August). The week also brings retail sales data for August. Behind the monthly volatility, it appears that the strong trend from January through to May has now been broken. There is considerable uncertainty about how much of this is down to the unusually hot weather in June and July, and how much reflects a real slowdown in private consumption. It is



also possible that the prospect of rising interest rates has fuelled consumer uncertainty and prompted increased saving at the expense of spending. We would nevertheless stress that even with this week's rate hike, household real disposable income will still grow by more than 2.5% this year. We therefore expect retail sales to continue to trend up gradually, and forecast growth in August of 0.4% m/m.

**Market movers ahead**

Global movers			Event		Period	Danske	Consensus	Previous
During the week								
Mon	24-Sep	10:00	DEM	IFO - expectations	Index	Sep	100.2	101.2
		15:00	EUR	ECB's Draghi speaks in Brussels				
Wed	26-Sep	20:00	USD	FOMC meeting	%	2.25%	2.25%	2.0%
		20:30	USD	Fed's Powell (voter, neutral) speaks				
Thurs	27-Sep	11:00	EUR	Economic confidence	Index	Sep	111.3	111.6
		14:30	USD	Core capital goods orders, preliminary	%	0.4%	0.3%	1.6%
Fri	28-Sep	3:45	CNY	Caixin PMI manufacturing	Index	Sep	50.5	50.6
		11:00	EUR	HICP - core inflation, preliminary	y/y	Sep	1.0%	1.1%
		14:30	USD	PCE core	m/m y/y	Aug	0.1% 2.0%	0.2% 2.0%
<b>Scandi movers</b>								
During the week								
Wed	26-Sep	8:00	NOK	Unemployment (LFS)	%	Jul	3.8%	3.9%
Thurs	27-Sep	9:00	SEK	Economic Tendency Survey	Index	Sep		111.5
Fri	28-Sep	8:00	NOK	Retail sales, s.a.	m/m	Aug	0.6%	0.7%
		9:30	SEK	Retail sales s.a.	m/m y/y	Aug	1.0% 0.1%	1.0% 0.9%
		10:00	NOK	Unemployment	%	Sep	2.2%	2.4%

Source: Bloomberg, Danske Bank

# Global macro and market themes

## Trump's trade crusade: good or bad for world economy?

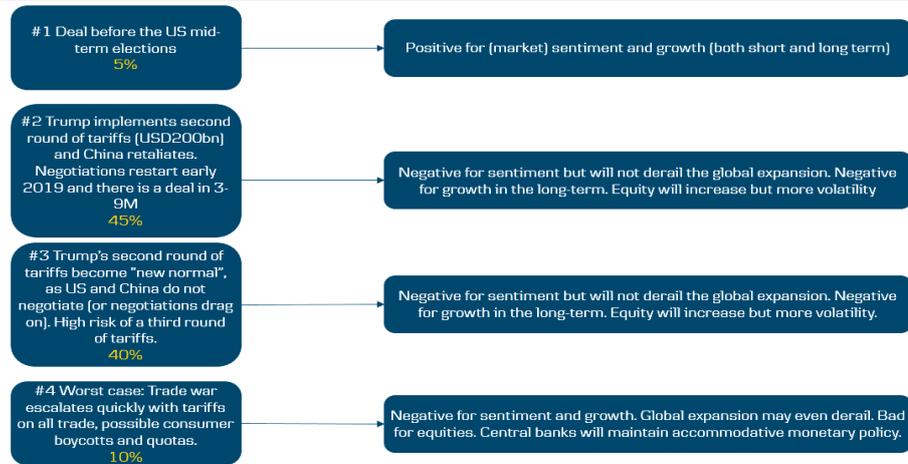
This week saw an escalation in the tit-for-tat trade war between the US and China. First, on Monday, the Trump administration announced 10% tariffs on USD200bn worth of imports from China, taking the total imports from China hit by new tariffs to USD250bn, or roughly half of the total US imports from China. Chinese authorities responded relatively swiftly, announcing 5-10% of tariffs on USD60bn of imports from the US from 24 September. Clearly, a negative development for the sake of the world economy, as it increases uncertainty for companies and risks hurting global trade if these trade restrictions are made permanent.

However, the market reaction this week was very interesting. Instead of falling off the cliff, risk sentiment actually improved. For a start, the market was probably relieved that the new US tariffs were 'only' 10% and not 25% as Trump had signalled. And the Chinese response were also fairly moderate. This reversed some of the sell-off that EM currencies faced in the early summer when trade tensions escalated. On another note, despite threatening to decline the US's invitation for further trade negotiations by the end of week if Trump proceeded with the new tariffs, the Chinese have still not called off these negotiations. Overall, this suggests that some caution is being exercised on both sides to not provoke the other side too much.

### Key points

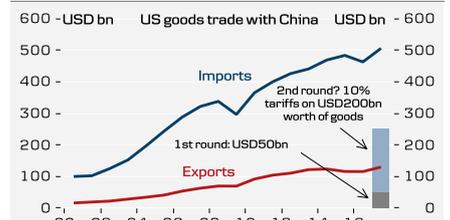
- The tit-for-tat trade dispute between the US and China escalated this week.
- However, the market reaction was positive, as the actions were not as bad as expected.
- Indeed, both countries pushed for lower trade barriers (with other countries).
- While it will be a long and difficult path, we think a deal will be reached eventually.
- This may actually leave the world economy better off than before the whole trade dispute started.

Our main scenario is for a deal in the trade dispute between China and US, but it will take a while to get there...



Source: Danske Bank

### About half of US imports from China have been hit by new tariffs

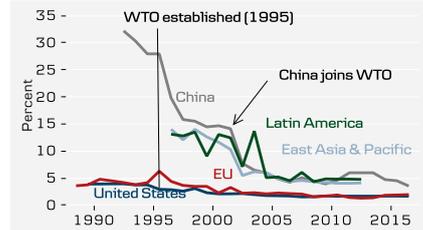


Source: US Census Bureau, Macrobond Financial

Furthermore, this week there were also pledges to reduce trade barriers towards other countries from both China and the US. While the US hit China with new tariffs, the Trump administration signalled a desire to push for bilateral trade agreements with Canada, Europe and Japan. Similarly, on Wednesday, China’s premier Li Keqiang said China plans to cut tariffs on imports from the majority of its trading partners next month (see *Bloomberg*). It is an interesting development, as China cut tariffs in July on a range of consumer goods. Both moves, if put into effect, would be good for the global economy.

**Finding a solution between China and US appears to be the biggest obstacle at this stage.** We remain sceptical that a deal can be found before the US mid-term elections and think that genuine discussions will first start when the pain is felt on both sides. Along the way, there is a risk that the two sides might fail to reach a solution, and that the new higher trade tariffs become the ‘new normal’ or the conflict even escalates. However, we think that both sides will ultimately have a strong interest in finding an agreement. If such a deal includes scrapping the tariffs that have been put in place over the past months and moreover leads China to open up to more foreign investment and foreign trade (by actually lowering the average tariffs by more than before the trade dispute started), then the global economy may actually be better off. However, the road is likely to be long (lasting well into 2019) and is paved with uncertainty and market volatility.

Average tariffs still higher in developing world, including China



Source: World Bank World Development indicators, Macrobond Financial, Danske Bank

**Financial views**

Asset class	Main factors
<b>Equities</b> Positive on 3-12 month horizon.	Fundamentals still support equities on a 3-12M horizon. However, despite strong earnings, higher risk premium is expected in the short run, among other things due to trade tensions
<b>Bond market</b> German/Scandi yields - stable for now, higher in 12M EUR 2Y10Y steeper, USD 2Y10Y flatter US-euro spread - short-end to widen further Peripheral spreads - tightening (Italy special case)	Strong forward guidance from the ECB. Core inflation remains muted. Range trading for Bunds for the rest of 2018. Still higher in 2018. The ECB keeps a tight leash on the short end of the curve but 10Y higher as US has an impact. EUR 2Y10Y mainly steeper in 2019. The spread in the short-end is set to widen further as the Fed continues to hike. ECB forward guidance, better fundamentals, an improved political picture (ex. Italy) and rating upgrades to lead to renewed tightening after recent widening. Italy remains a special case. But BTP yields are already very high.
<b>FX &amp; commodities</b> EUR/USD - lower for longer... but not forever EUR/GBP - gradually lower over the medium term USD/JPY - higher eventually EUR/SEK - downside in warm-up to first hike EUR/NOK - set to move lower but near-term headwinds Oil price - downside risk rest of year	In a range around 1.15 in 0-3M as USD carry and political risks weigh but supported longer term by valuation and ECB 'normalisation'. Brexit uncertainty dominates now but GBP should strengthen on 6-12M on Brexit clarification and Bank of England rate hikes. US yields decisive near term with political uncertainty as a significant downside risk. Longer term higher on Fed-Bank of Japan divergence. Lower as first hike from Riksbank looms by year end - but it could be one-and-done which should limit SEK strength thereafter. Positive on NOK on valuation, relative growth, positioning, terms of trade, global outlook and Norges Bank initiating a hiking cycle. OPEC increasing output and escalation of trade war has increased near-term downside risks.

Source: Danske Bank

# Scandi update

## Denmark – consumer confidence slips again

Danish consumer confidence figures for September released this week showed a fall to 6.9 – down from 7.8 in August. Danish families have a much less positive view of the Danish economy over the past year – which is now growing at its lowest level since spring 2017. This is the third month in a row that consumer confidence has declined, and it is now back at the same level as at the start of the year. The gloomier view on the Danish economy may reflect disappointing growth in Denmark and the turbulence visible on the global stage, where the trade war between the US and China is often front page news, while Brexit continues to smoulder.

Statistics Denmark also released employment figures this week. They show that 3,000 wage earners found work in July, so employment continues to climb, albeit at a slightly slower pace than in previous months. Companies are now beginning to report a shortage of qualified labour, though the latest figures show that labour resources are still available and that the upswing can continue.

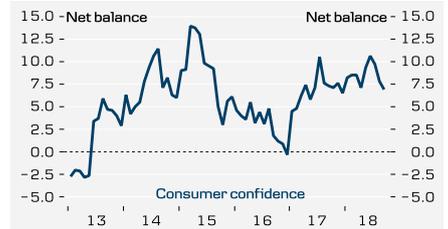
## Sweden – Riksbank stepping up hike rhetoric

We have been puzzled by the seemingly counter-intuitive message from the Riksbank of lowering the forecast for core CPIF excl. Energy inflation, while at the same time being more confident that a rate hike in December (as we expect) or February is the right way to go, and that this should be done in 25bp clips. The September Minutes do suggest that even the previous dovish majority is now ready to shift focus to the fact that both headline inflation and inflation expectations have been at or close to the 2% target for an extended time. Our inflation forecasts suggest that both headline and core inflation are about to start rising until early 2019, which should bolster the Riksbank’s plan. However, there are potential drawbacks: 1) August inflation turned out on the low side on Riksbank’s forecasts and if this widens beyond say -0.3pp below, the Riksbank is likely to have to postpone again. 2) Although dismissed by Governor Ingves, GDP growth for the past 10 quarters has been revised down, which should have consequences for its view about resource utilisation and hence cost pressures. It also means that growth is actually slowing significantly and could drop further going into Q3. To sum up, the Riksbank appears determined to deliver a first rate hike soon, though not under all circumstances. And even if so, this is probably a ‘one and done’ affair as we see inflation turning down again next year. Currently, market pricing is a bit cautious and we see some upside potential in rates at, say, the 2 y point.

## Norway – first rate hike for more than seven years

As expected, Norges Bank raised its key rate by 25bp to 0.75% at the week’s rate-setting meeting. In the accompanying monetary policy report, the bank presented an interest rate path that signals an almost 100% probability of another hike in March, plus one further hike next year and almost two more per year in 2020 and 2021. In other words, Norges Bank somewhat surprisingly revised the interest rate path *down* from the June report. While a weaker krone, slightly higher inflation and higher oil prices served to push the rate path up as expected, the central bank revised down its projections for growth in the Norwegian economy. That these marginal downward revisions (0.1pp smaller output gap in 2019 and 2020) should result in interest rates 12-15bp lower is a little surprising based on previous calculations. On the other hand, it is important to stress that Norges Bank is still signalling a further rate increase in March, with another later in the year and close to two more in both 2020 and 2021. We have not made any changes to our own projections and still anticipate two hikes annually from 2019 to 2021, with some risk to the upside.

Consumer confidence in Denmark has fallen recently



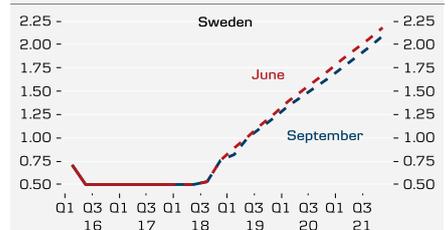
Source: Statistics Denmark

Cautious market pricing



Source: Riksbank, Danske Bank

Rate path slightly lower than in June



Source: Macrobond, Norges Bank, Danske Bank

## Latest research from Danske Bank

### *20/9 Research Denmark: Danish inflation lowest in the EU - temporarily*

In August, Denmark had the lowest inflation of any EU country, something that has never happened before in the history of the HICP going back to 1997.

### *18/9 Finland Research - Public budget close to balance despite election year*

The Finnish economy is set to slow down in 2019, but growth is still broad based, which has a positive impact on employment and public finances.

### *17/9 US-China Trade Update - China unlikely to give in to Trump's demands despite new tariffs*

Trump is trying to put China under pressure by imposing tariffs but China is unlikely to give in to his demands at this point.

### *17/9 Macro Strategy Views Podcast: Inflation - The Force Awakens*

In our weekly podcast, Macro Strategy Views, we focus on topical macro and market themes targeting investors and trading corporates.

## 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	2017	2.3	1.6	0.6	4.5	4.4	4.3	1.1	1.7	4.2	1.0	36.4	7.8
	2018	1.8	2.3	1.1	5.0	0.5	3.6	0.9	1.9	4.0	-0.2	35.1	6.5
	2019	1.8	2.4	0.5	1.5	2.7	2.4	1.5	2.3	3.8	-0.2	34.4	7.2
Sweden	2017	2.5	2.2	0.4	5.9	3.6	4.8	1.8	2.5	6.7	1.2	41.0	4.2
	2018	2.0	2.0	0.6	3.0	3.8	4.2	1.7	2.6	7.1	1.0	37.0	2.8
	2019	1.9	1.8	0.8	0.4	4.7	3.8	1.4	2.7	7.6	0.8	35.0	3.2
Norway	2017	1.8	2.3	2.0	3.5	0.8	2.2	1.8	2.3	2.7	-	-	-
	2018	2.5	2.3	1.9	2.0	2.0	2.5	2.4	3.0	2.4	-	-	-
	2019	2.3	2.5	1.9	3.5	2.4	2.3	1.6	3.5	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	2017	2.5	1.7	1.2	2.8	5.5	4.1	1.5	1.6	9.1	-0.9	86.7	3.5
	2018	2.0	1.5	1.1	3.0	2.9	2.8	1.7	2.2	8.3	-0.7	86.0	3.4
	2019	1.7	1.9	2.1	1.9	3.1	3.8	1.5	2.3	8.0	-0.6	85.5	3.4
Germany	2017	2.5	2.0	1.6	3.6	5.3	5.3	1.7	2.6	3.8	1.3	64.1	7.9
	2018	2.0	1.5	1.1	3.5	3.1	3.9	1.7	3.0	3.4	1.2	60.2	7.9
	2019	1.9	2.2	2.3	3.1	3.7	5.4	1.6	3.2	3.3	1.0	56.3	7.6
Finland	2017	2.7	1.7	1.6	5.8	7.5	3.7	0.7	0.2	8.6	-0.6	61.3	-0.7
	2018	2.7	2.1	0.9	4.0	4.2	4.2	1.0	2.0	8.0	-0.3	59.1	0.5
	2019	2.0	1.6	0.5	3.5	4.5	4.0	1.4	2.3	7.7	-0.1	57.6	0.7

### 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	2017	2.2	2.5	-0.1	4.8	3.0	4.6	2.1	2.5	4.4	-3.5	105.0	-2.5
	2018	2.7	2.5	1.3	5.5	5.1	4.0	2.5	2.6	3.9	-4.0	106.0	-3.0
	2019	2.5	2.4	1.2	4.1	3.4	2.9	2.0	2.8	3.6	-4.6	107.0	-3.4
China	2017	6.9	-	-	-	-	-	2.0	9.0	4.1	-3.7	47.6	1.4
	2018	6.6	-	-	-	-	-	2.3	8.7	4.3	-3.4	50.8	1.1
	2019	6.4	-	-	-	-	-	2.3	8.5	4.3	-3.4	53.9	1.2
UK	2017	1.7	1.9	-0.1	3.4	5.4	3.2	2.7	2.2	4.4	-1.8	87.5	-4.1
	2018	1.1	1.1	1.1	2.9	1.3	1.2	2.5	2.5	4.2	-1.8	85.4	-4.4
	2019	1.2	1.2	0.4	1.3	2.6	2.0	1.5	2.9	4.1	-1.7	85.3	-4.0

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 int. rate	3m interest rate	2-yr swap yield	10-yr swap yield	Currency vs EUR	Currency vs USD	Currency vs SEK
USD	21-Sep	2.00	2.35	3.00	3.14	117.9	-	878.0
	+3m	2.25	2.80	3.10	3.10	115.0	-	887.0
	+6m	2.50	3.00	3.30	3.25	118.0	-	864.4
	+12m	3.00	3.30	3.35	3.30	125.0	-	824.0
EUR	21-Sep	0.00	-0.32	-0.13	0.98	-	117.9	1034.7
	+3m	0.00	-0.33	-0.10	0.95	-	115.0	1020.0
	+6m	0.00	-0.33	0.00	1.05	-	118.0	1020.0
	+12m	0.00	-0.33	0.15	1.25	-	125.0	1030.0
JPY	21-Sep	-0.10	-0.04	0.06	0.36	133.0	112.8	7.78
	+3m	-0.10	-	-	-	128.8	112.0	7.92
	+6m	-0.10	-	-	-	134.5	114.0	7.58
	+12m	-0.10	-	-	-	142.5	114.0	7.23
GBP	21-Sep	0.75	0.80	1.16	1.66	89.0	132.5	1162.9
	+3m	0.75	0.82	1.30	1.70	89.0	129.2	1146.1
	+6m	0.75	0.93	1.40	1.80	84.0	140.5	1214.3
	+12m	1.00	1.07	1.60	1.95	83.0	150.6	1241.0
CHF	21-Sep	-0.75	-0.73	-0.52	0.51	113.0	95.9	915.4
	+3m	-0.75	-	-	-	113.0	98.3	902.7
	+6m	-0.75	-	-	-	116.0	98.3	879.3
	+12m	-0.75	-	-	-	120.0	96.0	858.3
DKK	21-Sep	0.05	-0.31	0.00	1.11	745.9	632.9	138.7
	+3m	0.05	-0.30	0.00	1.10	745.3	648.0	136.9
	+6m	0.05	-0.30	0.10	1.20	745.5	631.8	136.8
	+12m	0.05	-0.29	0.25	1.40	745.5	596.4	138.2
SEK	21-Sep	-0.50	-0.38	-0.03	1.26	1034.7	878.0	100.0
	+3m	-0.50	-0.25	0.20	1.20	1020.0	887.0	-
	+6m	-0.25	-0.10	0.10	1.15	1020.0	864.4	-
	+12m	-0.25	-0.10	0.15	1.10	1030.0	824.0	-
NOK	21-Sep	0.75	1.12	1.53	2.31	959.6	814.3	107.8
	+3m	0.75	1.24	1.65	2.40	920.0	800.0	110.9
	+6m	1.00	1.39	1.95	2.50	920.0	779.7	110.9
	+12m	1.25	1.64	2.20	2.65	910.0	728.0	113.2

Commodities											
	21-Sep	2018				2019				Average	
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2018	2019
NYMEX WTI	70	63	68	68	68	69	69	70	70	67	70
ICE Brent	79	67	75	72	72	72	72	74	74	72	73

Source: Danske Bank

# Calendar

## Key Data and Events in Week 39

### During the week

			Period	Danske Bank	Consensus	Previous
Mon 24	JPY	Autumnal Equinox Day				
Mon 24	CNY	Mid-autumn Day				

### Monday, September 24, 2018

				Period	Danske Bank	Consensus	Previous
-	JPY	Autumnal Equinox Day					
-	CNY	Mid-autumn Day					
10:00	DEM	IFO - business climate	Index	Sep	103.2		103.8
10:00	DEM	IFO - current assessment	Index	Sep	106.2		106.4
10:00	DEM	IFO - expectations	Index	Sep	100.2		101.2
15:00	EUR	ECB's Draghi speaks in Brussels					

### Tuesday, September 25, 2018

				Period	Danske Bank	Consensus	Previous
7:00	JPY	Leading economic index, final	Index	Jul			103.5
8:00	DKK	Retail sales	m/m y/y	Aug			-0.3% 0.5%
8:45	FRF	Business confidence	Index	Sep		105.0	105.0
9:30	SEK	PPI	m/m y/y	Aug			0.9% 8.4%
10:10	EUR	ECB's Praet speaks in London					
12:45	EUR	ECB's Praet speaks in London					
15:00	USD	FHFA house price index	m/m	Jul		0.2%	0.2%
16:00	USD	Conference Board consumer confidence	Index	Sep		131.5	133.4
16:40	EUR	ECB's Coeure speaks in Frankfurt					

### Wednesday, September 26, 2018

				Period	Danske Bank	Consensus	Previous
8:00	NOK	Unemployment (LFS)	%	Jul		3.8%	3.9%
8:45	FRF	Consumer confidence	Index	Sep		97.0	97.0
9:30	SEK	Trade balance	SEK bn	Aug	-7.5		0
16:00	USD	New home sales	1000 (m/m)	Aug		631	627.0 [-1.7%]
16:30	USD	DOE U.S. crude oil inventories	K				-2057
20:00	USD	FOMC meeting	%		2.25%	2.25%	2.0%
20:30	USD	Fed's Powell (voter, neutral) speaks					
23:00	NZD	Reserve Bank of New Zealand (cash rate decision)	%		1.75%	1.75%	1.75%

### Thursday, September 27, 2018

				Period	Danske Bank	Consensus	Previous
-	DEM	Retail sales	m/m y/y	Aug		0.4% 1.5%	-1.1% 0.8%
3:30	CNY	Industrial profits	y/y	Aug			16.2%
8:00	DEM	GfK consumer confidence	Net. Bal.	Oct		10.5	10.5
8:00	NOK	Credit indicator (C2)	y/y	Aug			5.7%
9:00	SEK	Consumer confidence	Index	Sep			102.6
9:00	SEK	Economic Tendency Survey	Index	Sep			111.5
9:00	SEK	Manufacturing confidence	Index	Sep			121.8
9:30	SEK	Household lending	y/y	Aug	6.0%		6.2%
10:00	EUR	Money supply (M3)	y/y	Aug		3.9%	4.0%
10:00	EUR	Loans to households [adj. for sales and sec.]	%	Aug		3.9%	4.0%
10:00	EUR	Loans to NFCs [adj. for sales and sec.]	%	Aug		3.9%	4.0%
10:00	EUR	ECB Publishes Economic Bulletin					
11:00	EUR	Service confidence	Net bal.	Sep		14.6	14.7
11:00	EUR	Business climate indicator	Net bal.	Sep		1.2	1.2
11:00	EUR	Industrial confidence	Net bal.	Sep		5.1	5.5
11:00	EUR	Economic confidence	Index	Sep		111.3	111.6
11:00	EUR	Consumer confidence, final	Net bal.	Sep		-2.9	-2.9
14:00	DEM	HICP, preliminary	m/m y/y	Sep		0.1% 1.9%	0.0% 1.9%
14:30	USD	Initial jobless claims	1000				
14:30	USD	PCE core	q/q AR	2nd quarter			0.02
14:30	USD	Core capital goods orders, preliminary	%	Aug	0.4%	0.3%	1.6%
14:30	USD	Advance goods trade balance	USD bn	Aug		-70.6	-72.0
14:30	USD	GDP, third release	q/q AR	2nd quarter		0.043	0.042
16:00	USD	Pending home sales	m/m y/y	Aug		-0.4% ...	-0.7% -0.5%
18:30	USD	Fed's Kaplan (non-voter, neutral) speaks					
19:05	EUR	ECB's Praet speaks in London					

Source: Danske Bank

## Calendar (continued)

Friday, September 28, 2018				Period	Danske Bank	Consensus	Previous
1:01	GBP	GfK consumer confidence	Index	Sep		-8.0	-7.0
1:30	JPY	Unemployment rate	%	Aug		2.5%	2.5%
1:30	JPY	Job-to-applicant ratio		Aug		1.63	1.63
1:50	JPY	Retail trade	m/m y/y	Aug		0.5% 2.1%	0.1% 1.5%
1:50	JPY	Industrial production, preliminary	m/m y/y	Aug			-0.1% 2.2%
3:45	CNY	Caixin PMI manufacturing	Index	Sep		50.5	50.6
8:00	DKK	GDP, final	q/q y/y	2nd quarter			0.2% ...
8:00	NOK	Retail sales, s.a.	m/m	Aug		0.6%	0.7%
8:00	DKK	Gross unemployment s.a.	1000 per.	Aug			107.3
8:00	DKK	CB's securities statistics		Aug			
8:00	DKK	Foreign portfolio investments		Aug			
8:45	FRF	Household consumption	m/m y/y	Aug		0.4% 0.7%	0.1% 0.2%
8:45	FRF	HICP, preliminary	m/m y/y	Sep		-0.1% 2.6%	0.5% 2.6%
9:00	CHF	KOF leading indicator	Index	Sep		100	100.3
9:00	ESP	HICP, preliminary	m/m y/y	Sep		0.7% 2.4%	0.1% 2.2%
9:00	ESP	GDP, final	q/q y/y	2nd quarter		0.6% 2.7%	0.6% 2.7%
9:30	SEK	Retail sales s.a.	m/m y/y	Aug	1.0% 0.1%	1.0% 0.9%	-1.0% -1.2%
9:55	DEM	Unemployment	%	Sep		5.2%	5.2%
10:00	NOK	Unemployment	%	Sep		2.2%	2.4%
10:00	NOK	Norges Bank's daily FX purchases	m	Oct			-450
10:30	GBP	GDP, final	q/q y/y	2nd quarter		0.4% 1.3%	0.4% 1.3%
11:00	ITL	HICP, preliminary	m/m y/y	Sep		1.8% 1.7%	-0.2% 1.6%
11:00	EUR	HICP - core inflation, preliminary	y/y	Sep	1.0%	1.1%	1.0%
11:00	EUR	HICP inflation, preliminary	y/y	Sep	2.0%	2.1%	2.0%
14:30	USD	PCE headline	m/m y/y	Aug		0.1% ...	0.1% 2.3%
14:30	CAD	GDP	m/m y/y	Jul			0.0% 2.4%
14:30	USD	PCE core	m/m y/y	Aug	0.1% 2.0%	0.1% 2.0%	0.2% 2.0%
14:30	USD	Personal spending	m/m	Aug		0.3%	0.4%
15:45	USD	Chicago PMI	Index	Sep		62.0	63.6
16:00	USD	University of Michigan Confidence, final	Index	Sep	100.4	100.0	100.8
22:45	USD	Fed's Williams (voter, neutral) speaks					

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Source: Danske Bank

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