27 October 2017

Weekly Focus Sweden

Packed week, with central banks in focus

Market Movers ahead

- A host of important data is due out of the US next week, as well as the November FOMC meeting taking place. The meeting is not expected to yield much news.
- We still expect PCE inflation to be subdued, whereas the labour market report for October should come out strong, due largely to the September hurricanes.
- We expect the Bank of England to raise the Bank Rate by 25bp to 0.50%.
- Preliminary Q3 GDP for the euro area is expected to show a continued recovery, albeit with slightly lower growth than in Q2.
- Euro area headline inflation should have ticked down to 1.4% y/y in October (September: 1.5% y/y), due mainly to energy price base effects, leaving core inflation unchanged.
- We expect the Bank of Japan to keep monetary policy ultra-loose.
- Norwegian house prices are likely to attract some attention. We do not expect the recent trend of falling prices to come to an end.

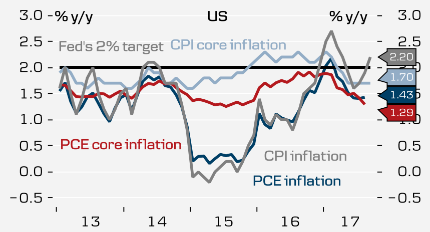
Global macro and market themes

- Central bankers are keen to put the urge for a normalisation of policy on hold for now with the ECB delivering a dovish taper; Scandi central banks are in wait-and-see mode.
- Commodity prices are on the rise but policy makers need to see 'effective' labour market slack erosion before moving towards an 'exit' from unconventional policies.

Focus

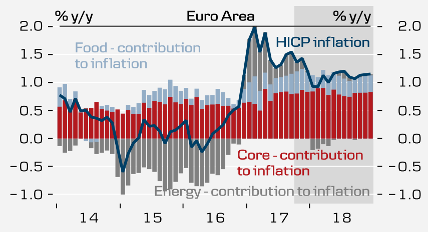
- *Flash Comment US: FOMC preview*, 25 October 2017
- *Bank of Japan Preview:* 25 October 2017
- *ECB Review: ECB opts for 'lower-for-longer' QE extension*, 26 October 2017

US PCE inflation set to remain subdued



Source: BEA, BLS and Macrobond Financial

Euro area headline inflation set to decline



Source: Eurostat, Macrobond Financial, Danske Bank

Contents

Financial views

Major indices	27-Oct	3M	12M
10yr EUR swap	0.88	0.95	1.20
EUR/USD	116	118	125
ICE Brent oil	59	53	61
	27-Oct	6M	12-24M
S&P500	2560	5-10%	10-15%

Source: Danske Bank

Follow us on *Twitter*

@Danske_Research

Editor
Louise Aggerstrøm Hansen
+45 45 12 85 31
Louhan@danskebank.dk

Market movers

Global

- In the **US**, we have a host of important data releases in the calendar, starting off with the release of PCE and PCE core inflation for September on Monday. Headline CPI rose quite strongly in September due in large part to a strong boost from energy following rising fuel prices and effects from the hurricanes. However, there was almost no increase in core CPI. Hence, we expect PCE core to come in at 0.1% m/m in September (unchanged at 1.3%) and headline PCE at 0.3% m/m (1.6% y/y against 1.4% in August). Note that very soon we are due the first estimate of US GDP growth in Q3 including (implicitly) an estimate of PCE in October, so this forecast may already be outdated.

  We still think ISM manufacturing (due on Wednesday) is a bit too high and hence look for a decrease to 59.0. Although PMI manufacturing for October has been released, PMI and ISM seemed to have decoupled recently and therefore we do not put much weight on PMI to predict ISM.

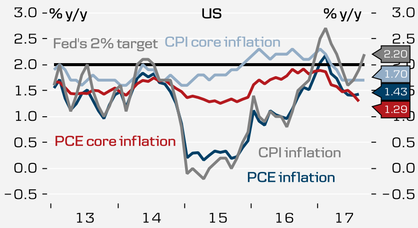
  Wednesday is also the day of the FOMC meeting. It is one of the small meetings and we do not expect any major news coming out of the meeting – see *FOMC preview, 25 October 2017*.

  Finally, Friday brings the labour market report for October. Employment growth was negative in September due to hurricanes, but we would not be surprised by an upward revision, as some businesses may have reported their payroll information late. We expect employment growth in October to be significantly stronger than underlying trend growth due to catch-up effects from September. We estimate employment growth was 300,000 in October, but note that uncertainty is still high as it is not certain that businesses in the affected areas are running on all engines yet. We believe the fall in the unemployment rate was a bit overdone and therefore expect some reversal back to 4.3% against 4.2% in September. Finally, the very strong wage growth of 0.5% m/m in September is partly due to compositional effects, as the 'leisure and hospitality' sector (typically low wage growth jobs) was the sector most severely hit by the hurricanes. This could potentially have added up to 0.1pp to wage growth and we expect this effect was reversed in October. Hence, we expect wage growth to be 0.1% m/m in October

- In the **euro area,** the preliminary GDP figures for Q3 are due for release on Tuesday. We estimate quarterly growth of 0.5% in Q3, falling slightly from Q2 growth, which was estimated at 0.7%. We estimate slightly lower growth in Q3 than Q2, as activity indicators such as PMIs have been lower throughout Q3 but remain at high levels and signal robustness for the euro area recovery.

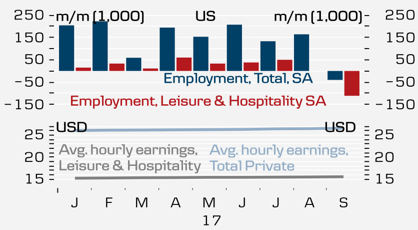
  On Tuesday, the euro area HICP figures for October will also be released. We expect headline inflation to tick down to 1.4% y/y in October from 1.5% in September, due mainly to energy price base effects. Headline inflation developments still seem to be driven largely by energy price inflation. Since the beginning of 2017, energy price inflation has been declining, driving headline inflation from the peak of 2.0% in February to 1.5% in September. Core inflation is expected to remain at 1.1% y/y in October. Despite a moderate pickup in wage growth and service price inflation since June 2016, we still see no upward trend in core inflation, which we expect to stay just above 1% in coming months. Note that the German inflation figures are due for release on Monday.

PCE inflation tends to mirror CPI



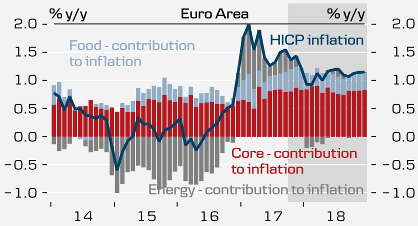
Source: BEA, BLS, Macrobond Financial

Employment fell for low wage earners pushing average earnings up



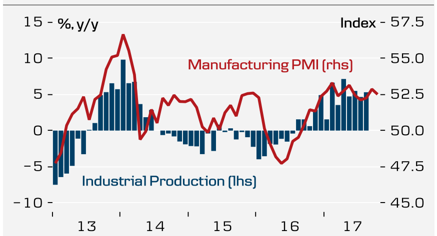
Source: BLS and Macrobond Financial

Headline inflation set to decline



Source: Eurostat, Macrobond Financial, Danske Bank

Industrial production has been solid recently

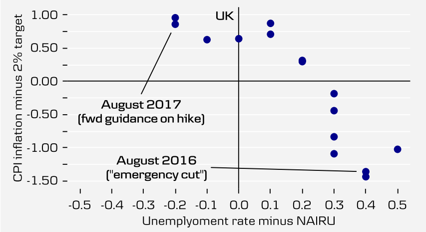


Source: Japanese Ministry of Economy, HIS Markit, Macrobond Financial

- In the **UK**, we expect the Bank of England to raise the Bank Rate by 25bp to 0.50% from 0.25% when they meet on Thursday, as core BoE members have become increasingly concerned about the combination of high inflation and low unemployment. We do not expect any changes to the QE programmes. We do not believe the hike is the beginning of a new cycle but merely about taking back its emergency cut in August 2016 just after the Brexit vote. However, we will look out for any comments on this.

  On Wednesday, PMI manufacturing is due out, which is expected to have increased in line with the equivalent index for the euro area. We estimate 56.5. We expect PMI services to remain around the current level of 53.6 but see risks skewed to the downside, as the index is bit higher than suggested by the most recent business confidence indicators. Combined, the PMIs will show growth continues around the pace seen in recent quarters.

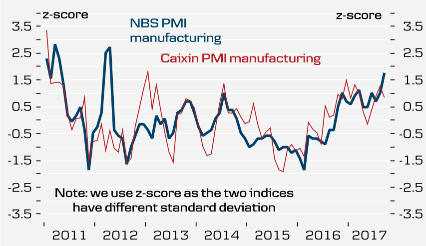
Bank of England set to hike due to high inflation and low unemployment



Source: ONS, Danske Bank, Macrobond Financial

- In **Japan**, the main event next week is the Bank of Japan's (BoJ) monetary policy meeting due to finish on Tuesday. We expect the BoJ to keep its 'QQE with yield curve control' policy unchanged. For more, see *Bank of Japan Preview: Ultra-loose policy measures remain in place on the back of vote of confidence in Abenomics*, 25 October. On Tuesday, we should also get an indication on whether the strong soft indicators for Q3 are reflected in the hard data as September industrial production is due out.

Official and private PMI moved in opposite direction in September



Source: Macrobond Financial, NBS China, Danske Bank

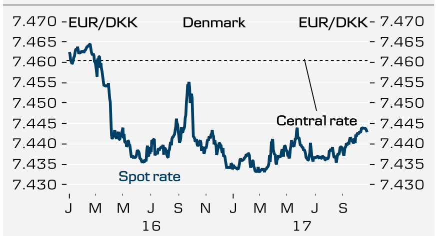
- In **China,** focus turns to PMI manufacturing for October. We get both the official and the private (Caixin) PMI. The two indices normally move in the same direction but in September the official PMI increased sharply whereas the Caixin index dropped a bit. We expect the official PMI to fall in October from 52.4 to 52.0 (consensus 52.2) as we see signs of the housing market slowing in China. We expect this to lead to a moderate slowdown in China over the next 12 months. For the Caixin index, we look for a flat reading of 51.0.

Scandi

- In **Denmark**, a busy week lies ahead, including currency reserves data on Thursday. The EUR/DKK cross has been trading above 7.4400 for most of October and thus some way off the levels when the Nationalbank intervened in February and March this year. The bank has presumably therefore not felt any need to intervene for a seventh successive month, the longest period without intervention since early 2014.

  Otherwise, business confidence data for October is due out on Monday, housing prices for August on Wednesday and unemployment figures for September on Thursday.

DKK has been strong against EUR

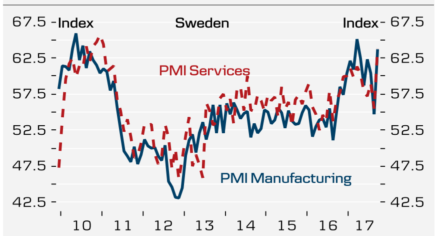


Source: Statistics Denmark

- PMI is the only thing on the **Swedish** agenda this week. On the back of the continuing rise in eurozone October manufacturing PMI, we would expect the Swedish equivalent to perform quite well. Supportive factors would be rising international demand and a weakening SEK, improving competitiveness in export markets. That said, it is important to realise that PMI bounced up sharply in September and a slight downward correction does not seem unlikely.

  The possibility of a downward correction is even more pronounced for Services PMI, which in September popped to the highest level since January 2011. That jump appears to be out of sync with NIER's services confidence indicator.

PMIs in for downward corrections?



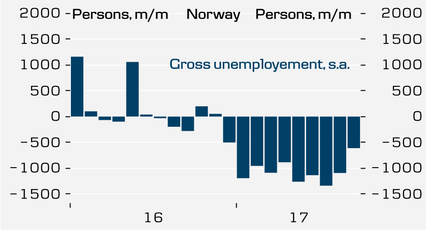
Source: Swedbank

- In **Norway**, attention will probably centre on October housing prices. Prices have now fallen for six successive months, and developments in the number of properties on the market do not give grounds to expect prices to bounce back yet. We think that the supply surplus needs to be reduced before we can expect prices to stabilise, so we are most interested in what happens to the stock of homes for sale. Another month of falling prices could fuel speculation that developments in the housing market will force Norges Bank to keep interest rates low, or even cut them, but that is not our main scenario.

As the downside risks to the Norwegian economy have receded gradually, we have become increasingly interested in capacity utilisation. Movements in unemployment are therefore extremely important as an early indicator of pressure on resources. We have the greatest faith in data from the NAV, which showed a decrease in the jobless rate to 2.5% in September, albeit due partly to seasonal factors. Seasonally-adjusted gross unemployment – our preferred jobless measure – fell by 500 people m/m. We expect an unchanged jobless rate of 2.5% in October and a further fall in gross unemployment of 500 people m/m. This would confirm that the fall in unemployment is slowing in line with Norges Bank's expectations and eliminate some of the upside risk to our forecast.

Also coming up are retail sales data for September. Our conviction that growth will remain well above trend for the next couple of years is based on an expectation that private demand will take over from government demand and housing investment as the most important growth engine. Stronger real wage growth and employment are the key drivers behind this rotation. As expected, therefore, we had been seeing a clear improvement in retail sales in recent months but there was a correction in August. We expect them to pick up again in September and climb 0.5% m/m, which would indicate more moderate growth in private consumption in Q3.

Unemployment falling more slowly



Source: Macrobond Financial, Danske Bank

Market movers ahead

Global movers				Event		Period	Danske	Consensus	Previous
Mon	30-Oct	13:30	USD	PCE core	m/m|y/y	Sep	**0.1%|1.3%**	*0.1%|1.3%*	0.1%|1.3%
		13:30	USD	PCE headline	m/m|y/y	Sep	**0.3%|1.6%**	*0.4%|1.7%*	0.2%|1.4%
		14:00	DEM	HICP, preliminary	m/m|y/y	Oct		*0.1%|1.7%*	0.0%|1.8%
Tue	31-Oct	-	JPY	BoJ policy rate	%		**-0.1%**	*-0.1%*	-0.1%
		-	JPY	BoJ monetary policy announcement					
		0:50	JPY	Industrial production, preliminary	m/m|y/y	Sep		*-1.6%|2.0%*	2.0%|5.3%
		2:00	CNY	PMI manufacturing	Index	Oct	**52.0**	*52.1*	52.4
		11:00	EUR	HICP - core inflation, preliminary	y/y	Oct	**1.1%**		1.1%
		11:00	EUR	HICP inflation, preliminary	y/y	Oct	**1.4%**		1.5%
		11:00	EUR	GDP, preliminary	q/q|y/y	3rd quarter	**0.5%|...**	*0.5%|2.4%*	0.7%|2.3%
Wed	01-Nov	2:45	CNY	Caixin PMI manufacturing	Index	Oct	**51.0**	*51.0*	51.0
		10:30	GBP	PMI manufacturing	Index	Oct	**56.5**	*55.9*	55.9
		15:00	USD	ISM manufacturing	Index	Oct	**59.0**	*59.1*	60.8
		19:00	USD	FOMC meeting	%		**1.25%**	*1.25%*	1.25%
Thurs	02-Nov	13:00	GBP	BoE Bank rate	%		**0.50%**	*0.50%*	0.25%
Fri	03-Nov	10:30	GBP	PMI services	Index	Oct	**53.6**	*53.4*	53.6
		13:30	USD	Unemployment	%	Oct	**4.3%**	*4.2%*	4.2%
		13:30	USD	Average hourly earnings, non-farm	m/m|y/y	Oct	**0.1%|2.6%**	*0.2%|2.7%*	0.5%|2.9%
		13:30	USD	Non farm payrolls	1000	Oct	**300**	*310*	-33
Scandi movers									
Wed	01-Nov	8:30	SEK	PMI manufacturing	Index	Oct			63.7
		9:00	NOK	PMI manufacturing	Index	Oct		*53.5*	52.5
Thurs	02-Nov	16:00	DKK	Currency reserves	DKK bn	Oct			464.3
Fri	03-Nov	10:00	NOK	Unemployment	%	Oct	**2.5%**	*2.5%*	2.5%
		11:15	NOK	Housing prices	m/m	Sep			

Source: Bloomberg, Danske Bank Markets

Global Macro and Market Themes

Central banks' urge for 'gradualism'

Central bankers are busy people these days with the Bank of Canada (BoC), the ECB and the Scandies having been out this week and the Fed, the Bank of Japan (BoJ) and the Bank of England (BoE) coming up next week. If this week's experience is anything to go by, following the price action over the summer when markets started to sense a wish for 'normalisation' among policy makers, **central bankers have now become aware of the need to convince the market they are in no hurry to rush to the exit on unconventional policy**.

The Riksbank and Norges Bank did widely as expected this week and kept measures and policy communication unchanged, which led EUR/Scandies to creep gradually higher ahead of the ECB decision. While the ECB did broadly as we expected in halving but extending the QE scheme out to September next year (Chart 1), expectations had seemingly been building for a more hawkish taper, judging from the drop notably in periphery yields and in most EUR crosses, with EUR/Scandies the exception.

The latter underscores that the Riksbank in particular could now be in the easing game for longer than some may have hoped for. Certainly, the ECB decision raises the possibility that the Riksbank could postpone an end to QE. Our base case remains that the Swedish QE scheme will end by December this year but it could very well be associated with a decision to delay rate hikes. We still prefer to receive in the short end of the Swedish money market curve and look for EUR/SEK to be rangebound at slightly higher levels (9.65-9.80) than before (Chart 2) - see *Reading the Markets Sweden, 26 October 2017.*

Norges Bank in contrast is leading a life that is somewhat more independent of ECB decisions, and based on our expectations of somewhat higher GDP and wage growth in 2018, we still look for a Norwegian rate hike by the end of next year, which is fairly close to current market pricing (see *Norges Bank Review, 26 October 2017).*

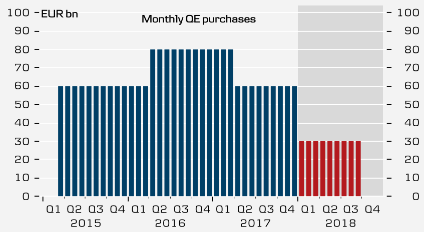
Although the ECB is now taking tapering to the next level, its continued commitment to stay accommodative on a still data-dependent basis and not hike before well past the end of QE, makes this a dovish taper which should keep short rates anchored. This in turn suggests that a firm move in EUR/USD above 1.20 is not on the cards until 2018 as the ECB seems very concerned not to take exit talk too far at the current stage with a sustained pick-up in core inflation is still lacking. The combination of stretched-out QE, less supply in 2018 and a positive rating cycle for the EU countries is in our view very supportive for peripheral-core EU spreads (see *ECB Review, 26 October 2017).*

Further adding to the urge for 'gradualism' was the BoC, one of the first movers in the summer urge for tightening, which put its hiking cycle on hold this week, citing the adverse impact on inflation and exports from a stronger currency as well as the risk from a re-negotiation of the NAFTA agreement.

Key points

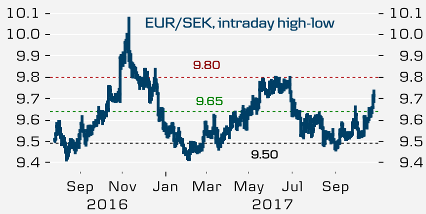
- Central bankers keen to stress that path to normalisation of policy will be very gradual with ECB doing a dovish taper, and Scandi central banks in wait-and-see mode.
- Commodity prices on the rise but policymakers need to see 'effective' labour-market slack eroded before taking the next steps towards the 'exit' on unconventional policies.

Chart 1: ECB takes tapering to next level as purchases down further



Source: ECB, Macrobond Financial, Danske Bank

Chart 2: EUR/SEK range has shifted higher after cautious Riksbank



Source: Bloomberg, Macrobond Financial, Danske Bank

Next week, the BoJ may echo the message that policy will stay accommodative and thus further cement the sense that Abenomics remains alive post the recent election (see *Bank of Japan Preview, 25 October 2017*). **However, it is a somewhat different story with the Fed and not least the BoE, where we expect the latter to hike the Bank Rate by 25bp to 0.50% at the November meeting, which markets also expect. The big question is whether this is the start of an actual hiking cycle.** In our view this is more about taking back the emergency cut after the Brexit vote last year and not the beginning of a new hiking cycle for now which should limit upward pressure on short sterling rates and GBP crosses.

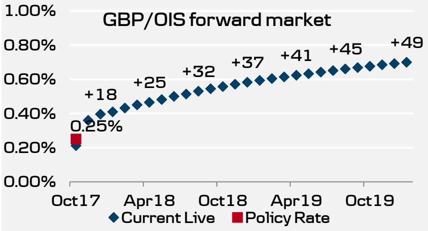
Separately, we do not look for any major changes to the FOMC statement next week and we think the Fed will repeat that it is monitoring inflation 'closely'. **We stress, however, that policy messages from the Fed are a bit of a second order concern in the current environment when the US president could announce a new Fed chair any time.** The race for the Fed chairmanship now seems to be down to Powell vs Taylor with the former in the dovish camp and the latter in the hawkish camp. The odds have risen this week that Taylor could get the job after Trump reportedly conducted a poll within the Senate on whom members would prefer. This seemingly also helped fuel the uptick in US yields this week which the eurozone largely followed until the ECB spoiled the move with its dovish tapering message. We still look for US yields to pick up in 2018 but do not envisage a bond bear market in Q4.

With tailwinds from central bankers pledging to keep monetary policy accommodative for some time still, **commodity prices have rallied this week lifted notably by a range of market-specific factors** (Chart 6). Brent oil has risen close to the USD60/bbl mark after the US House of Representatives passed a bill on non-nuclear sanctions against Iran, and as the Saudi crown price backed an extension of OPEC production cuts. Moreover, base-metal and notably aluminium prices have surged this week as Chinese production cutbacks and inventory draws are giving support. These commodity-supply concerns come as the Chinese economy is set for a continuation of decent growth following the strengthening of Xi Jinping's leadership position in the aftermath of the Party Congress (see *Flash Comment China. 25 October 2017).*

On a broader note, the impression we got from our participation in the IMF's annual meetings in Washington earlier this month is that the global economy is seen as being in good shape growth-wise (Chart 4) – and that the IMF regards risks as predominantly on the upside now. We agree with the IMF in terms of growth optimism, albeit we see risks possibly as more balanced with some concerns materialising, not least after the recent revival of populism in the eurozone. **This – alongside a good stream of especially US earnings in the season so far – is a key reason we remain positive on equities despite the latest rally.**

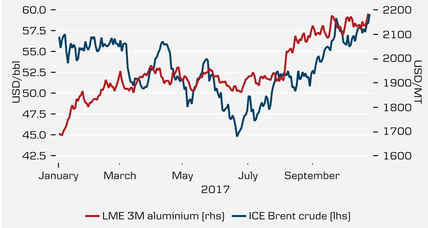
Globally, what is clearly still missing is wage inflation (and as such the world economy could in fact do with a bit of commodity-driven price pressure!). The IMF largely ascribes the latter to labour-market slack, notably involuntary part-time employment and low productivity growth. Accordingly, **an assessment of the 'true slack' is instrumental for central banks to know whether and when to exit unconventional monetary-policy measures**. In the process of pinpointing when central bankers will be ready to reignite the route to 'normalisation', such measures could become decisive. Recently in the US the gap between the standard unemployment rate (U3) and broader measures including part-time and marginally attached workers (U6) has narrowed, suggesting labour-market slack is finally being eroded (Chart 5). **To the extent that one believes in the Philips curve – as most central bankers and the IMF alike – still do, this points to (some) wage pressure ahead.**

Chart 3: BoE Nov hike priced – next hike not seen until early 2020



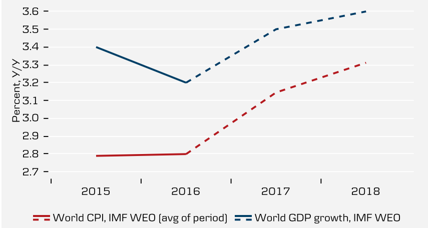
Source: Macrobond Financial, Danske Bank

Chart 4: Commodity prices on the rise?



Source: Bloomberg, Macrobond Financial, Danske Bank

Chart 5: IMF optimistic on growth and inflation alike on a global basis



Source: IMF, Macrobond Financial, Danske Bank

Chart 6: Effective slack in US labour market may be declining

Source: US BLS, Macrobond Financial, Danske Bank

General market themes

Asset class	Main factors
Equities	
Positive on equities	We are positive on equities, as we think the global business cycle is still strong, risks are low and central banks are tightening monetary policy only gradually.
Bond market	
German/Scandi yields – set to stay in recent range for now, higher on 12M horizon	Inflation set to stay subdued despite decent growth. Stronger euro keeps euro inflation outlook down. ECB to normalise gradually only, due to lack of wage pressure and stronger euro. Focus on possible tapering but this is more of a 2018 story.
EU curve – 2Y10Y set to steepen when long yields rise again	The ECB keeps a tight leash on the short end of the curve. With 10Y yields stable, the curve should change little on a 3-6M horizon. Risk is skewed towards a steeper curve earlier than we forecast.
US-euro spread set to widen marginally	The Fed's QT programme (balance sheet reduction) is set to happen at a very gradual pace and the affect on the Treasury market should be benign. Yet, market pricing for Fed hikes is relatively dovish and yields should edge higher on a 12M horizon.
Peripheral spreads – tightening but still some factors to watch	We expect economic recovery, ECB stimuli, better fundamentals, particularly in Portugal and Spain, an improved political picture and rating upgrades to lead to further tightening despite the recent strong moves. Italy is the big risk factor but very expensive to be short Italian bonds. The focus on Catalonia and its call for independence is a risk for Spanish government bonds.
FX	
EUR/USD – consolidating near term but upside risks in 2018	EUR/USD has turned for good, as the ECB has reluctantly allowed 'reverse gravity' to kick in but upward momentum should wear off near term. Upside risks dominate i
EUR/GBP – upside risks remain but GBP to strengthen eventual	Deteriorating growth prospects and Brexit mess to keep EUR/GBP afloat near term. Downward move on Brexit clarification and valuation further out.
USD/JPY – gradually higher longer term but challenged near te	Policy normalisation at the Fed and eventually at the ECB, while the Bank of Japan is staying dovish, means support for EUR/JPY and USD/JPY alike throughout our
EUR/SEK – range near term, gradually lower further out	Riksbank
EUR/NOK – upside risks in Q4 persist, then gradually lower	differentials.
Commodities	
Oil price – range trading	Speculation about deeper output cut from Saudi Arabia. Geopolitical risks looming in the background.
Metal prices – to fall back	Ignoring strong PMIs. Sentiment is turning negative again, as China is set to slow again after National Congress.
Gold price – range-bound	Tug of war between safe-haven demand from rising global geopolitical tensions and negative impact of hawkish Federal Reserve.
Agriculturals – trending higher	Weather-related supply concerns supporting prices.

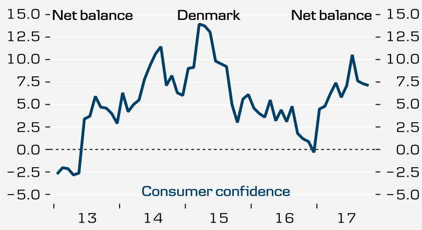
Source: Danske Bank

Scandi Update

Denmark – consumer confidence largely unchanged in October

The consumer confidence indicator edged down to 7.1 in October, a little below our 7.5 estimate. The fall was due to consumers generally being less positive about the outlook for both their own finances and the economy overall. However, they are still much more upbeat about their personal finances than a year ago and the indicator is still on a par with July's high level. Despite the slight deterioration in October, sentiment has improved overall in 2017 and remains above 2016 levels.

Consumer confidence has improved overall this year



Source: Statistics Denmark

Sweden – Debt Office slashes supply, Riksbank stands firm

The Debt Office has reduced its borrowing forecasts sharply and now expects surpluses of SEK28bn in 2017 and SEK47bn in 2018, to be followed by another SEK55bn surplus in 2019. This year, the central government budget balance has been revised upwards by almost SEK46bn, mainly on account of higher tax income as a result of continued strong growth. The underlying budget balance is also set to strengthen in 2018. However, as the Riksbank will not repay the loans taken to strengthen the foreign currency reserve, the forecast for the budget balance has been revised downwards by SEK77bn. Excluding on-lending to the Riksbank, the budget balance in 2018 strengthens by SEK24bn compared with the June forecast.

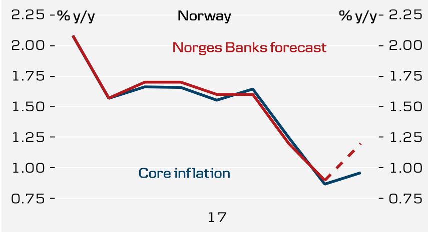
The expected surpluses over coming years lead to reduced borrowing in government bonds and inflation-linked bonds. The issue volume of government bonds is reduced to SEK2bn per auction and the volume of inflation-linked bonds to SEK500bn per auction. The high use of the Debt Office's standing repo facility – where market makers borrow bonds – leads to substantial surpluses in liquidity management. To deal with this, the Debt Office sharply cuts the volume of T-bills to be issued, the stock plunging to only SEK20bn in 2018. As of January 2018, the issue volume of T-bills will be SEK5bn per auction and the number of auctions will also be halved. In our view, the reduced supply can lead to a vicious circle, where lower supply raises the need to borrow even more from the Debt Office facility.

The Riksbank delivered as expected, i.e. with an unchanged repo rate path and unchanged QE programme. It tilted the KIX path slightly, starting at a weaker point in line with actual KIX and then converging with the September path in 2019. It is no big deal. It did mention risks associated with the property market but the report still says 'The Riksbank's forecast suggests that housing prices will increase *more slowly* in the next few years, among other things because there is a greater supply of housing and mortgage rates faced by households are starting to rise.' In our view, it is a bit strange to see that the Riksbank still expects higher property prices, as many data currently suggest non-negligible declines in the past few months. Apparently, a weakening property market is not part of the Riksbank's economic outlook. We believe there is a high probability the Riksbank will need to reconsider the outlook for housing and its broader implications for the economy, inflation and monetary policy setting at the December meeting.

Norway – Norges Bank steering a steady course

As expected, there were no new signals from Norges Bank at this week's rate-setting meeting. This was only an 'interim' meeting, with no monetary policy report or press conference, just a press release. Norges Bank concluded that new information since its meeting in September did not provide a basis for touching interest rates or putting out any new signals this time around. Inflation has been slightly lower than expected and the housing market somewhat weaker, while growth among Norway's trading partners appear to have been slightly higher than expected and the Norwegian krone a little weaker. Norges Bank signalled in September that a first rate hike would probably come towards summer 2019. However, based on our own forecasts for economic growth and wage growth in 2018, we still think rates will go up in December 2018.

Unemployment falling more slowly



Source: Danske Bank, Macrobond Financial

Latest research from Danske Bank Markets

26/10 ECB Review: ECB opts for 'lower-for-longer' QE extension

The ECB opts for a 'lower-for-longer' QE extension in 2018 and leaves forward guidance unchanged as we expected.

26/10 Norges Bank Review - No news

As expected, Norges Bank this morning left the sight deposit rate unchanged at 0.50%. This was an 'intermediate' meeting, i.e. there was no monetary policy report or revised rate path.

25/10 Flash Comment China: New leadership points to continuity - but no successor for Xi Jinping

China has this morning presented its new leadership in the Standing Committee (SC) of the Politburo.

25/10 Bank of Japan Preview: Ultra-loose policy measures remain in place on the back of vote of confidence in Abenomics

We expect the Bank of Japan to maintain its 'QQE with yield curve control' policy at next week's monetary policy meeting.

25/10 Flash Comment US: FOMC preview

We do not expect the Federal Reserve to send any new signals during its meeting next week.

24/10 Flash Comment China: Xi gets name in constitution - Wang Qishan steps down

The Chinese leader Xi Jinping has had his name added to the Party Constitution with his 'Xi Jinping Thoughts on Socialism with Chinese Characteristics in a new Era',

Macroeconomic forecast

Macro forecast, Scandinavia

	Year	GDP[1]	Private cons.[1]	Public cons.[1]	Fixed inv.[1]	Stock build.[2]	Ex-ports[1]	Im-ports[1]	Infla-tion[1]	Unem-ploym.[3]	Public budget[4]	Public debt[4]	Current acc.[4]
Denmark	2016	1.7	2.1	0.4	5.6	-0.2	2.5	3.5	0.3	4.2	-0.6	37.7	7.3
	2017	2.4	1.9	1.0	2.6	0.1	5.0	4.7	1.1	4.4	-0.9	35.6	8.3
	2018	2.0	2.3	0.5	4.3	0.0	2.8	3.6	1.1	4.3	-0.7	34.4	7.8
Sweden	2016	3.1	2.1	3.0	5.2	0.0	2.9	2.9	1.0	6.9	1.1	42.2	4.5
	2017	3.1	2.3	0.6	8.0	0.0	3.4	5.0	1.9	6.7	0.3	39.5	4.8
	2018	2.0	1.4	1.6	3.1	0.0	3.3	3.3	1.7	6.6	0.0	39.3	5.2
Norway	2016	1.0	1.5	2.1	-0.2	1.4	-1.8	2.3	3.6	3.0	-	-	-
	2017	2.0	2.5	1.8	3.6	0.2	1.0	4.5	2.0	2.7	-	-	-
	2018	2.3	2.4	2.1	2.0	-0.1	1.5	0.7	1.6	2.5	-	-	-

Macro forecast, Euroland

	Year	GDP[1]	Private cons.[1]	Public cons.[1]	Fixed inv.[1]	Stock build.[2]	Ex-ports[1]	Im-ports[1]	Infla-tion[1]	Unem-ploym.[3]	Public budget[4]	Public debt[4]	Current acc.[4]
Euroland	2016	1.8	2.0	1.8	4.5	-	3.3	4.7	0.2	10.0	-1.5	88.9	3.4
	2017	2.2	1.7	1.2	3.7	-	4.5	4.4	1.5	9.1	-1.4	88.8	3.0
	2018	1.5	1.3	1.2	4.1	-	3.3	4.2	1.1	8.5	-1.3	88.5	2.9
Germany	2016	1.9	1.9	3.7	2.9	-	2.4	3.8	0.4	4.2	0.8	68.1	8.5
	2017	2.2	2.2	1.6	4.2	-	4.0	4.8	1.7	3.8	0.5	65.8	8.0
	2018	1.8	1.8	1.9	4.4	-	3.3	5.1	1.4	3.8	0.3	63.3	7.6
France	2016	1.1	2.1	1.2	2.7	-	1.9	4.2	0.3	10.0	-3.4	96.0	-2.3
	2017	1.6	1.0	1.2	3.3	-	2.9	3.8	1.1	9.5	-3.0	96.4	-2.4
	2018	1.2	1.0	1.1	3.0	-	3.3	3.6	1.1	9.4	-3.2	96.7	-2.5
Italy	2016	1.1	1.5	0.5	3.0	-	2.4	3.3	-0.1	11.7	-2.4	132.6	2.7
	2017	1.4	1.4	0.8	2.1	-	4.6	5.6	1.4	11.3	-2.1	133.1	1.9
	2018	1.3	1.1	0.6	3.7	-	2.7	3.7	1.1	10.8	-2.2	132.5	1.7
Spain	2016	3.3	3.0	0.8	3.3	-	4.8	2.7	-0.3	19.6	-4.5	99.0	1.9
	2017	2.9	2.5	1.0	4.1	-	5.6	4.6	1.9	17.3	-3.1	99.2	1.6
	2018	1.8	2.0	1.1	3.2	-	3.2	4.4	0.9	16.0	-2.5	98.5	1.6
Finland	2016	1.9	1.8	1.2	7.2	-	1.3	4.4	0.4	8.8	-1.9	63.1	-1.4
	2017	2.8	2.0	-0.2	8.5	-	8.0	5.0	0.7	8.5	-2.1	63.0	-0.4
	2018	1.8	1.5	0.2	3.0	-	4.0	3.0	1.1	8.0	-1.1	62.4	-0.4

Macro forecast, Global

	Year	GDP[1]	Private cons.[1]	Public cons.[1]	Fixed inv.[1]	Stock build.[2]	Ex-ports[1]	Im-ports[1]	Infla-tion[1]	Unem-ploym.[3]	Public budget[4]	Public debt[4]	Current acc.[4]
USA	2016	1.5	2.7	0.8	0.7	-0.4	-0.3	1.3	1.3	4.9	-3.2	105	-2.4
	2017	2.1	2.6	0.0	4.1	-0.1	3.1	3.8	1.9	4.5	-2.9	106	-2.7
	2018	2.3	2.1	1.0	4.9	0.0	2.5	2.9	1.7	4.3	-2.7	107	-3.3
China	2016	6.7	-	-	-	-	-	-	2.0	4.1	-3.0	46.3	2.4
	2017	6.8	-	-	-	-	-	-	2.0	4.3	-3.3	49.9	2.1
	2018	6.3	-	-	-	-	-	-	2.0	4.3	-3.0	53.3	1.5
UK	2016	1.8	2.9	1.1	1.3	0.2	1.1	4.3	0.7	4.9	-2.9	89.3	-4.4
	2017	1.6	1.9	0.8	1.9	-0.1	3.0	2.9	2.5	4.6	-2.8	87.7	-4.9
	2018	1.2	1.2	0.4	1.2	0.0	2.8	2.0	2.4	4.8	-1.9	87.7	-3.3

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 vsSEK
USD	27-Oct	1.25	1.37	1.84	2.43	116.4	-	834.5
	+3m	1.50	1.60	1.85	2.35	118.0	-	805.1
	+6m	1.50	1.73	1.95	2.45	122.0	-	770.5
	+12m	1.75	1.96	2.25	2.70	125.0	-	744.0
EUR	27-Oct	0.00	-0.33	-0.20	0.88	-	116.4	970.9
	+3m	0.00	-0.33	-0.10	0.95	-	118.0	950.0
	+6m	0.00	-0.33	-0.05	1.05	-	122.0	940.0
	+12m	0.00	-0.33	0.00	1.20	-	125.0	930.0
JPY	27-Oct	-0.10	-0.04	0.04	0.26	132.8	114.2	7.31
	+3m	-0.10	-	-	-	134.5	114.0	7.06
	+6m	-0.10	-	-	-	140.3	115.0	6.70
	+12m	-0.10	-	-	-	145.0	116.0	6.41
GBP	27-Oct	0.25	0.42	0.84	1.40	88.9	130.9	1092.3
	+3m	0.50	0.52	0.90	1.45	88.0	134.1	1079.5
	+6m	0.50	0.53	0.95	1.55	87.0	140.2	1080.5
	+12m	0.50	0.53	1.10	1.80	86.0	145.3	1081.4
CHF	27-Oct	-0.75	-0.73	-0.54	0.31	116.2	99.9	835.8
	+3m	-0.75	-	-	-	115.0	97.5	826.1
	+6m	-0.75	-	-	-	118.0	96.7	796.6
	+12m	-0.75	-	-	-	123.0	98.4	756.1
DKK	27-Oct	0.05	-0.31	-0.06	1.07	744.2	639.7	130.5
	+3m	0.05	-0.30	0.05	1.15	744.3	630.7	127.6
	+6m	0.05	-0.30	0.10	1.25	744.3	610.0	126.3
	+12m	0.05	-0.30	0.20	1.45	744.5	595.6	124.9
SEK	27-Oct	-0.50	-0.54	-0.23	1.20	970.9	834.5	100.0
	+3m	-0.50	-0.45	-0.25	1.30	950.0	805.1	-
	+6m	-0.50	-0.45	-0.20	1.50	940.0	770.5	-
	+12m	-0.50	-0.45	-0.05	1.75	930.0	744.0	-
NOK	27-Oct	0.50	0.84	1.08	1.94	950.5	816.9	102.2
	+3m	0.50	0.80	1.10	1.95	950.0	805.1	100.0
	+6m	0.50	0.80	1.15	2.05	920.0	754.1	102.2
	+12m	0.50	0.90	1.35	2.40	910.0	728.0	102.2

Equity markets

Regional		Risiko profil 3 mdr.	Pris trend 3 mdr.	Pris trend 12 mdr.	Regionale rekommen-dationer
USA (USD)	Higher yields, USD stabilize	Medium	5-10%	10-15%	Underweight
Emerging markets (local ccy)	Hurt by stronger USD	Medium	-5-0%	-5-+5%	Underweight
Japan (JPY)	Earnings and currency support	Medium	5-10%	10-15%	Overweight
Euro area (EUR)	Stronger EPS and GDP momentum	Medium	0-5%	0-5%	Overweight
UK (GBP)	Currency support, Brexit looms	Medium	3-8%	5-10%	Neutral
Nordics (local ccy)	Earnings and currency support	Medium	3-8%	5-10%	Overweight

Commodities

		2017				2018				Average	
	27-Oct	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2017	2018
NYMEX WTI	53	52	48	48	52	55	57	58	59	50	57
ICE Brent	59	55	51	52	54	56	57	58	59	53	58
Copper	6,986	5,855	5,670	6,383	6,250	6,250	6,250	6,100	6,100	6,040	6,175
Zinc	3,225	2,789	2,580	2,961	2,900	2,800	2,700	2,600	2,500	2,808	2,650
Nickel	11,750	10,321	9,230	10,594	10,000	10,500	10,750	11,000	11,000	10,036	10,813
Aluminium	2,190	1,858	1,910	2,027	1,950	1,900	1,875	1,850	1,825	1,936	1,863
Gold	1,267	1,219	1,260	1,279	1,250	1,250	1,250	1,250	1,250	1,252	1,250
Matif Mill Wheat	163	170	168	164	170	167	165	163	163	168	165
Rapeseed	369	415	375	368	380	380	380	380	375	384	379
CBOT Wheat	430	429	435	455	475	500	510	520	530	449	515
CBOT Soybeans	971	1,021	944	965	975	1,000	1,025	1,050	1,050	976	1,031

Source: Danske Bank

Calendar

Key Data and Events in Week 44

During the week					Period	Danske Bank	Consensus	Previous
Monday, October 30, 2017					**Period**	**Danske Bank**	**Consensus**	**Previous**
0:50	JPY	Retail trade	m/m|y/y		Sep		*0.8%|2.3%*	-1.6%|1.8%
8:00	DEM	Retail sales	m/m|y/y		Sep		*0.5%|3.0%*	-0.2%|2.8%
8:00	NOK	Retail sales, s.a.	m/m		Sep	**0.5%**	*0.4%*	-0.6%
9:00	DKK	Confidence indicator, industry, s.a.	Net balance		Oct			0
9:00	CHF	KOF leading indicator	Index		Oct		*106.5*	105.8
9:00	ESP	HICP, preliminary	m/m|y/y		Oct			0.6%|1.8%
9:00	ESP	GDP, preliminary	q/q|y/y		3rd quarter		*0.8%|3.1%*	0.9%|3.1%
9:30	SEK	Wages (blue collars/white collars)	y/y		Aug			2.0%
10:30	GBP	Broad money M4	m/m|y/y		Sep			0.9%|4.4%
10:30	GBP	Mortgage approvals	1000		Sep		*66.0*	66.6
11:00	EUR	Business climate indicator	Net bal.		Oct		*1.4*	1.3
11:00	EUR	Industrial confidence	Net bal.		Oct		*7.0*	6.6
11:00	EUR	Economic confidence	Index		Oct		*113.3*	113.0
11:00	EUR	Consumer confidence, final	Net bal.		Oct		*-1.0*	-1.0
11:00	EUR	Service confidence	Net bal.		Oct		*15.0*	15.3
13:30	USD	PCE core	m/m|y/y		Sep	**0.1%|1.3%**	*0.1%|1.3%*	0.1%|1.3%
13:30	USD	PCE headline	m/m|y/y		Sep	**0.3%|1.6%**	*0.4%|1.7%*	0.2%|1.4%
13:30	USD	Personal spending	m/m		Sep		*0.8%*	0.1%
14:00	DEM	HICP, preliminary	m/m|y/y		Oct		*0.1%|1.7%*	0.0%|1.8%
Tuesday, October 31, 2017					**Period**	**Danske Bank**	**Consensus**	**Previous**
-	JPY	BoJ policy rate	%			**-0.1%**	*-0.1%*	-0.1%
-	JPY	BoJ monetary policy announcement						
0:30	JPY	Unemployment rate	%		Sep		*2.8%*	2.8%
0:30	JPY	Job-to-applicant ratio			Sep		*1.53*	1.52
0:50	JPY	Industrial production, preliminary	m/m|y/y		Sep		*-1.6%|2.0%*	2.0%|5.3%
1:01	GBP	GfK consumer confidence	Index		Oct		*-10.0*	-9.0
2:00	CNY	PMI manufacturing	Index		Oct	**52.0**	*52.1*	52.4
2:00	CNY	PMI non-manufacturing	Index		Oct			55.4
7:30	FRF	GDP, preliminary	q/q|y/y		3rd quarter		*0.5%|2.1%*	0.5%|1.8%
8:00	NOK	Credit indicator (C2)	y/y		Sep		*5.6%*	5.6%
8:45	FRF	Household consumption	m/m|y/y		Sep			-0.3%|1.2%
8:45	FRF	HICP, preliminary	m/m|y/y		Oct			-0.2%|1.1%
10:00	NOK	Norges Bank's daily FX purchases	m		Nov		*-650*	-650
11:00	ITL	HICP, preliminary	m/m|y/y		Oct		*0.2%|1.3%*	1.8%|1.3%
11:00	EUR	Unemployment	%		Sep		*9.0%*	9.1%
11:00	EUR	HICP - core inflation, preliminary	y/y		Oct	**1.1%**		1.1%
11:00	EUR	HICP inflation, preliminary	y/y		Oct	**1.4%**		1.5%
11:00	EUR	GDP, preliminary	q/q|y/y		3rd quarter	**0.5%|...**	*0.5%|2.4%*	0.7%|2.3%
13:30	CAD	GDP	m/m|y/y		Aug		*0.1%|...*	0.0%|3.8%
13:30	USD	Employment cost index	m/m		3rd quarter		*0.7%*	0.5%
14:45	USD	Chicago PMI	Index		Oct		*60.0*	65.2
15:00	USD	Conference Board consumer confidence	Index		Oct		*121.0*	119.8

Source: Danske Bank

Calendar (continued)

Wednesday, November 1, 2017				Period	Danske Bank	Consensus	Previous
-	USD	Total vechicle sales	m	Oct		*17.3*	18.47
1:30	JPY	Nikkei Manufacturing PMI, final	Index	Oct			52.5
2:45	CNY	Caixin PMI manufacturing	Index	Oct	**51.0**	*51.0*	51.0
8:30	SEK	PMI manufacturing	Index	Oct			63.7
9:00	DKK	House and apartment prices	m/m|y/y	Aug			
9:00	NOK	PMI manufacturing	Index	Oct		*53.5*	52.5
10:30	GBP	PMI manufacturing	Index	Oct	**56.5**	*55.9*	55.9
13:15	USD	ADP employment	1000	Oct		*190*	135
14:30	CAD	RBC manufacturing PMI	Index	Oct			55.0
14:45	USD	Markit PMI manufacturing, final	Index	Oct		*54.5*	54.5
15:00	USD	Construction spending	m/m	Sep		*-0.3%*	0.5%
15:00	USD	ISM manufacturing	Index	Oct	**59.0**	*59.1*	60.8
15:30	USD	DOE U.S. crude oil inventories	K				856
19:00	USD	FOMC meeting	%		**1.25%**	*1.25%*	1.25%
Thursday, November 2, 2017				Period	Danske Bank	Consensus	Previous
6:00	JPY	Consumer confidence	Index	Oct		*43.6*	43.9
9:00	DKK	Gross unemployment s.a.	K (%)	Sep			119 (4.4%)
9:15	ESP	PMI manufacturing	Index	Oct			54.3
9:45	ITL	PMI manufacturing	Index	Oct		*56.6*	56.3
9:50	FRF	PMI manufacturing, final	Index	Oct			56.7
9:55	DEM	PMI manufacturing, final	Index	Oct		*60.5*	60.5
9:55	DEM	Unemployment	%	Oct		*5.6%*	5.6%
10:00	EUR	PMI manufacturing, final	Index	Oct		*58.6*	58.6
10:30	GBP	PMI construction	Index	Oct		*47.8*	48.1
13:00	GBP	BoE Bank rate	%		**0.50%**	*0.50%*	0.25%
13:00	GBP	BoE minutes					
13:00	GBP	BoE government bond purchases (APF)	GBP bn	Nov	**435**	*435*	435
13:00	GBP	BoE coporate bond purchases (CBPP)	GBP bn	Nov	**10**	*10*	10
13:30	GBP	BoE Inflation Report					
13:30	GBP	Carney press conference					
13:30	USD	Unit labour cost, preliminary	q/q	3rd quarter		*0.5%*	0.2%
13:30	USD	Initial jobless claims	1000				233
13:30	USD	Fed's Powell (voter, neutral) speaks					
16:00	DKK	Currency reserves	DKK bn	Oct			464.3
Friday, November 3, 2017				Period	Danske Bank	Consensus	Previous
-	EUR	Moody's may publish Belgium's debt rating					
2:45	CNY	Caixin PMI service	Index	Oct			50.6
8:30	SEK	PMI services	Index	Oct			63.8
10:00	NOK	Unemployment	%	Oct	**2.5%**	*2.5%*	2.5%
10:30	GBP	PMI services	Index	Oct	**53.6**	*53.4*	53.6
11:15	NOK	Housing prices	m/m	Sep			
13:30	USD	Unemployment	%	Oct	**4.3%**	*4.2%*	4.2%
13:30	USD	Average hourly earnings, non-farm	m/m|y/y	Oct	**0.1%|2.6%**	*0.2%|2.7%*	0.5%|2.9%
13:30	USD	Non farm payrolls	1000	Oct	**300**	*310*	-33
13:30	USD	Trade balance	USD bn	Sep		*-43.5*	-42.4
13:30	CAD	Net change in full time employment	1000	Oct			112
15:00	USD	Core capital goods orders, final	%	Sep			1.3%
15:00	USD	ISM non-manufacturing	Index	Oct		*58.0*	59.8
15:45	USD	Markit PMI service, final	Index	Oct			55.9
17:15	USD	Fed's Kashkari (voter, dovish) speaks					
21:15	EUR	ECB's Coeure speaks in Washington					

The editors do not guarantee the accurateness of figures, hours or dates stated above

For furher information, call (+45) 45 12 85 22.

Source: Danske Bank

Disclosures

This research report has been prepared by Danske Bank A/S ('Danske Bank'). The author of this research report is Louise Aggerstrøm Hansen, Senior Analyst.

Analyst certification

Each research analyst responsible for the content of this research report certifies that the views expressed in the research report accurately reflect the research analyst's personal view about the financial instruments and issuers covered by the research report. Each responsible research analyst further certifies that no part of the compensation of the research analyst was, is or will be, directly or indirectly, related to the specific recommendations expressed in the research report.

Regulation

Danske Bank is authorised and subject to regulation by the Danish Financial Supervisory Authority and is subject to the rules and regulation of the relevant regulators in all other jurisdictions where it conducts business. Danske Bank is subject to limited regulation by the Financial Conduct Authority and the Prudential Regulation Authority (UK). Details on the extent of the regulation by the Financial Conduct Authority and the Prudential Regulation Authority are available from Danske Bank on request.

Danske Bank's research reports are prepared in accordance with the recommendations of the Danish Securities Dealers Association.

Conflicts of interest

Danske Bank has established procedures to prevent conflicts of interest and to ensure the provision of high-quality research based on research objectivity and independence. These procedures are documented in Danske Bank's research policies. Employees within Danske Bank's Research Departments have been instructed that any request that might impair the objectivity and independence of research shall be referred to Research Management and the Compliance Department. Danske Bank's Research Departments are organised independently from, and do not report to, other business areas within Danske Bank.

Research analysts are remunerated in part based on the overall profitability of Danske Bank, which includes investment banking revenues, but do not receive bonuses or other remuneration linked to specific corporate finance or debt capital transactions.

Financial models and/or methodology used in this research report

Calculations and presentations in this research report are based on standard econometric tools and methodology as well as publicly available statistics for each individual security, issuer and/or country. Documentation can be obtained from the authors on request.

Risk warning

Major risks connected with recommendations or opinions in this research report, including as sensitivity analysis of relevant assumptions, are stated throughout the text.

Date of first publication

See the front page of this research report for the date of first publication.

General disclaimer

This research report has been prepared by Danske Bank (a division of Danske Bank A/S). It is provided for informational purposes only. It does not constitute or form part of, and shall under no circumstances be considered as, an offer to sell or a solicitation of an offer to purchase or sell any relevant financial instruments (i.e. financial instruments mentioned herein or other financial instruments of any issuer mentioned herein and/or options, warrants, rights or other interests with respect to any such financial instruments) ('Relevant Financial Instruments').

The research report has been prepared independently and solely on the basis of publicly available information that Danske Bank considers to be reliable. While reasonable care has been taken to ensure that its contents are not untrue or misleading, no representation is made as to its accuracy or completeness and Danske Bank, its affiliates and subsidiaries accept no liability whatsoever for any direct or consequential loss, including without limitation any loss of profits, arising from reliance on this research report.

The opinions expressed herein are the opinions of the research analysts responsible for the research report and reflect their judgement as of the date hereof. These opinions are subject to change and Danske Bank does not undertake to notify any recipient of this research report of any such change nor of any other changes related to the information provided herein.

This research report is not intended for, and may not be redistributed to, retail customers in the United Kingdom or the United States.

This research report is protected by copyright and is intended solely for the designated addressee. It may not be reproduced or distributed, in whole or in part, by any recipient for any purpose without Danske Bank's prior written consent.

Disclaimer related to distribution in the United States

This research report was created by Danske Bank A/S and is distributed in the United States by Danske Markets Inc., a U.S. registered broker-dealer and subsidiary of Danske Bank A/A, pursuant to SEC Rule 15a-6 and related interpretations issued by the U.S. Securities and Exchange Commission. The research report is intended for distribution in the United States solely to 'U.S. institutional investors' as defined in SEC Rule 15a-6. Danske Markets Inc. accepts responsibility for this research report in connection with distribution in the United States solely to 'U.S. institutional investors'.

Danske Bank is not subject to U.S. rules with regard to the preparation of research reports and the independence of research analysts. In addition, the research analysts of Danske Bank who have prepared this research report are not registered or qualified as research analysts with the NYSE or FINRA but satisfy the applicable requirements of a non-U.S. jurisdiction.

Any U.S. investor recipient of this research report who wishes to purchase or sell any Relevant Financial Instrument may do so only by contacting Danske Markets Inc. directly and should be aware that investing in non-U.S. financial instruments may entail certain risks. Financial instruments of non-U.S. issuers may not be registered with the U.S. Securities and Exchange Commission and may not be subject to the reporting and auditing standards of the U.S. Securities and Exchange Commission.

Report completed: 27 October 2017, 13:22 GMT

Report first disseminated: 27 October 2017, 13:40 GMT