

Weekly Focus

Will Fed heed the easing calls?

Market movers ahead

- We expect the Fed to make a dovish policy shift at the upcoming meeting.
- June PMI figures on both sides of the Atlantic will give more clues on whether the cyclical downturn continues.
- In Europe, a range of important decisions loom at the EU summit and markets will keep a close watch on monetary policy hints from the ECB's Sintra Forum.
- The UK Conservative Party leadership contest continues, while the Bank of England meeting should not bring much news.
- We expect the Bank of Japan to keep its assessment of the economy at its meeting.
- We expect Norges Bank to raise its policy rate by 25bp to 1.25%.

Weekly wrap-up

- Calls for central bank easing are getting louder both in the US and Europe.
- We published our updated global view in *The Big Picture* (audio recording [here](#)).
- ECB credibility continues to be challenged with euro area (market-based) inflation expectations nose-diving.
- Trade conflicts and geopolitical risks continue to weigh on risk sentiment.

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Financial views

Major indices

	14-Jun	3M	12M
10yr EUR swap	0.25	0.15	0.25
EUR/USD	113	115	117
ICE Brent oil	62	75	80

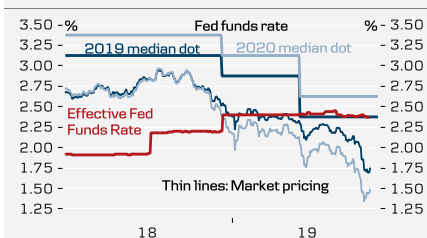
Source: Danske Bank

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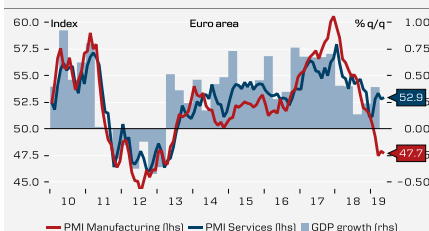
@Danske_Research

Markets are pricing in at least two Fed cuts of 25bp this year



Source: Federal Reserve, Bloomberg, Macrobond Financial

Euro area PMIs to signal continued downside



Source: Markit, Macrobond Financial, Danske Bank

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Market movers

Global

- In the **US**, the Federal Reserve meeting concluding on Wednesday is set to be very important for markets, as the pressure for easing monetary policy is increasing. We expect the Federal Reserve to make a dovish policy shift, paving the way for a rate cut in July and a total of 75bp in cuts in H2 19 (see *FOMC Preview: Cutting like it is the 90s*, 11 June). While we have a constructive US macro outlook, uncertainty has risen and, from a risk management perspective, we believe it makes more sense to ease monetary policy than to do nothing.

In terms of economic data releases, we are due to get preliminary Markit PMIs for June. The very weak PMIs for May, indicating growth of just 1% annualised, caught most by surprise and the uncertainty is whether this was just a blip or whether the economy has slowed faster than we had expected.

- In the **euro area**, we have a range of interesting events next week. On the politics front, we expect the EU summit from 20-21 June to be interesting as we might get more clarity on the front-runners for the EU Commission presidency and other EU top positions (see also *Flash Comment – Let the EU ‘Game of Thrones’ begin*, 27 May). In our view, markets will also monitor closely the Council’s decision with regard to formally opening an excessive deficit procedure (EDP) against Italy, after on 5 June the Commission found the country in violation of the debt reduction rules for 2018. This could mark the starting shot for a renewed budget fight with Brussels and weigh on market sentiment.

On the data front, we expect the June PMIs to be in the limelight on Friday. Driven by a further improvement in the order-inventory balance, manufacturing PMI remained broadly stable at 47.7 in May. Still, we see the improvement in new orders as temporary in light of the trade war escalation and hence look for further downside for the manufacturing PMI in June (at 47.6) and in coming months. In contrast to industry, activity in the services sector continues to hold up well overall but new incoming business and expectations still eased in May. This leaves us looking for a slight dip in the services PMI from 52.9 to 52.7 in June.

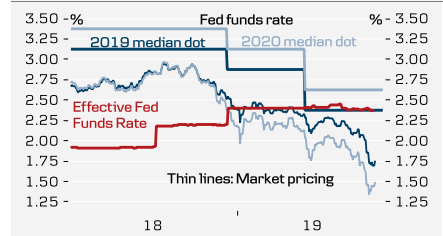
The ECB’s annual conference in Sintra takes place from 17-19 June. A significant number of policymakers are set to speak at the conference and while much of the discussion is set to be academic in nature, we will be closely watching Mario Draghi’s welcome address on Monday evening and introductory remarks on Tuesday morning. In 2017, he used the event to signal a potential upcoming change in monetary policy, which led to a sharp market sell-off.

Last but not least, the final May HICP figures due out on Tuesday should reveal which services price components dragged core inflation back down to 0.8% (from 1.3% in April) (see *Flash Comment – Base effects in the driver’s seat but ECB concerns*, 4 June).

- In the **UK**, the Conservative Party leadership contest continues, with the pool of candidates set to narrow to just two. Boris Johnson remains the favourite but the Conservative Party members have a long history of stabbing each other in the bag. While on paper Johnson is more pro-Brexit, we believe it is hard to see how he would be able to pull the UK out of the EU without a deal, as Parliament would be likely to block such an attempt.

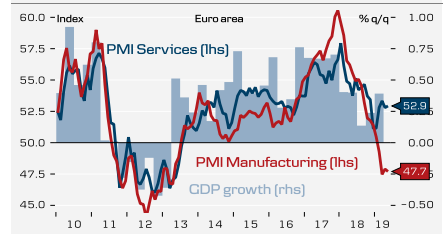
The Bank of England meeting is probably not important. In our view, the bank is firmly on hold despite its tightening bias and it is one of the small meetings without an updated inflation report or a press conference.

Markets are expecting the Fed to cut by 75bp in H2 19



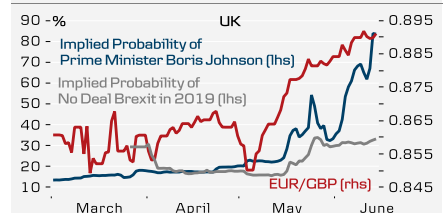
Source: Federal Reserve, Bloomberg, Macrobond Financial

Euro area PMIs to signal continued downside



Source: Markit, Eurostat, Macrobond Financial

Boris Johnson favourite to succeed Theresa May, according to betting markets



Source: Oddschecker, Bloomberg, Macrobond Financial

- The coming week is quiet in **China**, with new house prices the only data of interest. House price inflation has been quite robust, as inventory levels are low and monetary easing supports housing. Otherwise, we are waiting for the meeting between Chinese President Xi Jinping and US President Donald Trump at the G20 meeting in Osaka on 28-29 June. We are not likely to get many new signals before the meeting and we see a high risk that Trump will escalate the trade war after the meeting, as China is unlikely to give him enough to put tariffs on hold.
- In **Japan**, several key figures are due to be published next week. On Wednesday, May export figures are due. Exports recovered slightly in April but have generally been weak recently and, although PMIs are indicating somewhat better days in the manufacturing sector, new export orders remained weak in May, pointing to another tough month for Japanese exporters. On Friday, we should know more about the manufacturing sector, when the June flash PMI is published.

On the same day, we get May inflation figures. CPI excluding fresh food stood at 0.9% y/y in April and Tokyo inflation indicates a further pickup. However, cuts in mobile phone service charges, free early childhood education and free higher education for low-income families are set to weigh on inflation later this year.

On Thursday, the Bank of Japan (BoJ) wraps up a two-day policy meeting. It is one of the small meetings, with no new forecasts on GDP and inflation. We expect the BoJ to keep its ‘QQE with yield curve control’ policy unchanged and to move steadily forward with the current policy for a long time. In our view, the BoJ is set to keep its assessment that Japan’s economy is likely to continue on a moderate expansion trend, as incoming data since the April meeting have been decent. Despite weak details, GDP growth was 0.6% q/q in Q1. If economic activity deteriorates further, a first reaction from the BoJ could be to tweak the forward guidance. However, this is not likely to suffice if we get a real setback to economic activity; then Haruhiko Kuroda would have to use the limited wiggle room he has with all policy tools.

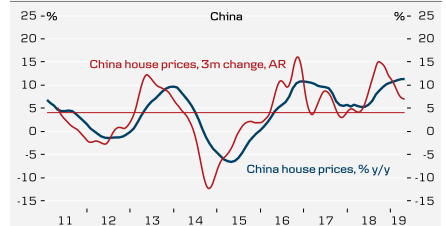
Scandi

- The week ahead in **Denmark** offers a number of interesting data releases and forecasts. The week kicks off with housing market statistics from Finance Denmark, which include house price growth at municipal level for the first quarter. Recent figures have pointed to rising prices across Denmark, so it will be interesting to see whether the momentum has been maintained and how price rises are distributed.

Thursday should see the release of June’s consumer confidence figures from Statistics Denmark. Will the upturn seen in May continue, breaking as it did the general downward trend despite the continuing turbulence in the international economy. Friday is scheduled to bring wage earner employment for April. Employment has been climbing steadily in recent months, indicating there is still some steam in the Danish upswing. We expect employment to continue to grow but at a slightly slower pace relative to the growth rate in recent years.

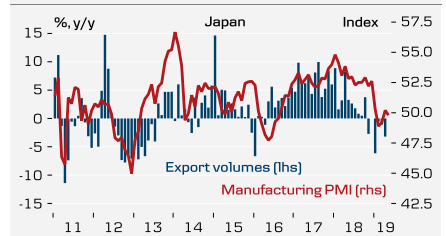
Tuesday is due to see the publication of our Nordic Outlook, in which we give our take on key macroeconomic figures for the Nordic economies. Tuesday should also bring the Economic Council’s spring report, in which it presents its views on the Danish economy and government finances to 2025, along with an analysis of capital income taxes in Denmark.

China: house prices growing at a brisk pace



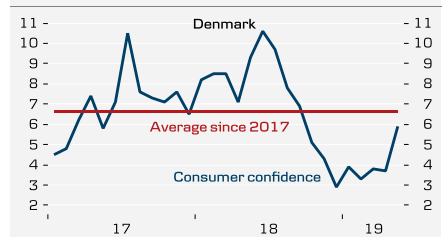
Source: Macrobond Financial, NBS, Danske Bank

Looks as though exports will remain weak



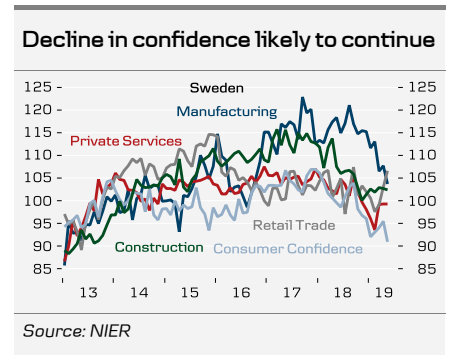
Source: Japanese Cabinet Office, Macrobond Financial

Can consumer confidence keep up the momentum?



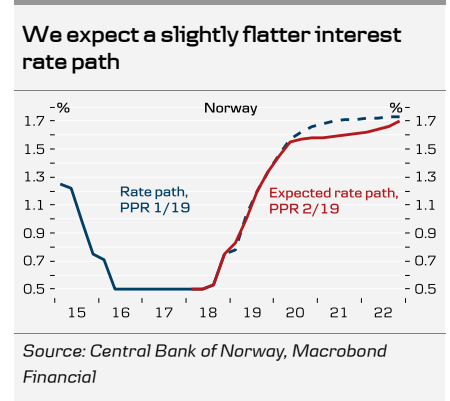
Source: Finance Denmark, Macrobond Financial

- Since the start of 2018, there has been a general decline in the **Swedish NIER confidence survey**. The decline is broad based and visible across sectors. The overall ETYI (Economic Tendency Indicator) now stands at 100, i.e. the neutral level. There are a few peculiarities. Manufacturing confidence is still holding up okay, given plunging German manufacturing data, which is mirrored in NIER's own data on the inflow of new orders in the export market. The second is the paradoxical pessimism shown in consumer confidence, while retail confidence has surged over the past three months. All in all, we see a further decline in overall confidence as most likely.



The May **Labour Force Survey (LFS)** is very important, as April data revealed a significant decline in the unemployment rate. The uncertainty now is to what extent it will bounce back. A print significantly above our expectation (not seasonally adjusted 6.6%, seasonally adjusted 6.2%) would suggest that the labour market is indeed deteriorating, albeit very modestly. Up to this point, however, both hours worked and employment have grown at healthy rates in the 1.5-2.0% y/y range.

- In **Norway**, we expect Norges Bank to raise its policy rate by 25bp to 1.25% at Thursday's **rate-setting meeting**, as indicated clearly both in its March monetary policy report and even more so at its May meeting. Attention will therefore centre on what signals the bank puts out about future interest rate movements in the new monetary policy report. In March, the bank's projections showed a further hike late this year and another in 2021. Since then, there has been a significant decline in interest rate expectations among Norway's trading partners and the growth outlook has deteriorated, putting downward pressure on the interest rate path, especially from mid-2020. However, capacity utilisation in Norway seems to be slightly higher than assumed, oil investment may grow further and fiscal policy will be more expansionary, all of which pulls in the other direction, especially over the next year. The NOK has again been weaker than expected, due in part to lower oil prices. The net effect on the interest rate path will be slightly positive, however, because the NOK is weaker than oil prices alone would warrant and, here too, the impact is greatest at the short end. Overall, therefore, we expect the interest rate path to be largely unchanged through to summer 2020 and still show one further hike this year (albeit not quite a slam-dunk) and a relatively high chance of a further increase in 2020. From next summer until the end of 2022, we believe the new projections will probably show it taking slightly longer to reach neutrality.



Market movers ahead

Global movers			Event	Period	Danske	Consensus	Previous
During the week							
Mon	17-Jun	18:00	EUR	ECB's Draghi speaks in Sintra			
Tue	18-Jun	11:00	EUR	HICP - core inflation, final	y/y	May	0.8%
		11:00	DEM	ZEW expectations	Index	Jun	-5.0
Wed	19-Jun	20:00	USD	FOMC meeting	%		2.50%
Thurs	20-Jun	-	EUR	EU summit in Brussels			
		-	JPY	BoJ policy rate	%		-0.10%
		13:00	GBP	BoE Bank rate	%		0.75%
Fri	21-Jun	-	EUR	EU summit in Brussels			
		1:30	JPY	CPI - national ex. fresh food	y/y	May	0.7%
		9:30	DEM	PMI manufacturing, preliminary	Index	Jun	44.5
		10:00	EUR	PMI manufacturing, preliminary	Index	Jun	47.6
		15:45	USD	Markit PMI manufacturing, preliminary	Index	Jun	50.6
Scandimovers							
Tue	18-Jun	6:00	DKK	Danske Bank publishes Nordic Outlook			
Wed	19-Jun	9:15	SEK	NIER economic forecasts			
		9:30	SEK	Unemployment [n.s.a.]s.a.]	%	May	6.6% 6.2%
Thurs	20-Jun	10:00	NOK	Norges Banks monetary policy meeting	%		1.25%
							1.00%

Source: Bloomberg, Danske Bank

Weekly Wrap-Up

Calls for central bank easing getting louder yet

Main macro themes

- This week, we published our updated global view in *The Big Picture* (audio recording [here](#)). Re-escalation of the trade war between China and the US is weighing on the global economic outlook and we have lowered our projections for global growth to 3.2% in 2019 and 3.4% in 2020. A modest recovery is projected on the back of a US-China trade deal in H2 19 and further stimulus by global central banks. However, global risks are now clearly skewed to the downside.
- The call on central banks to ease policy continues to intensify. A soft US inflation report, which saw CPI inflation wean to 1.8% y/y in May, further fuelled expectations of Fed cuts. Consensus seems to be moving towards a rate cut at the July meeting and we expect a total of 75bp cuts in H2 19, see *FOMC preview - Cutting like it is the 90s*.
- Meanwhile, across the Atlantic central bank credibility continues to be challenged with euro area (market-based) inflation expectations nose-diving further. The 5y5y inflation swap rate declined to 1.18%, a new all-time low not even reached back in 2016 when the euro area was flirting with deflation. While there was no particular catalyst for the drop, such moves are concerning to the ECB as it suggests that markets do not believe that the ECB has the necessary tools to deal with a downturn (see *ECB not delivering to market expectations*). Draghi's welcome address at the Sintra conference next week will be closely watched for any clues about future ECB policy actions. Markets are still pricing a 10bp rate cut by summer next year.

Financial market developments

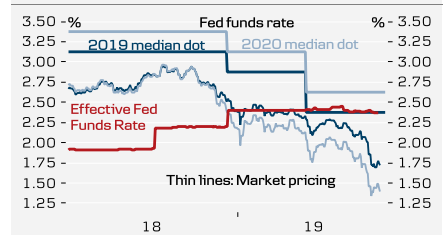
- Markets took courage at the start of the week from the Trump administration's decision to hold off tariffs on imports from Mexico as the two countries continue to work on an immigration deal. However, the risk-off mood returned after Trump refuelled the US-China trade conflict with threats of a new tariff round if China's President Xi failed to meet him at the G20 meeting late June.
- USD/CNY jumped above the 6.93 level after People's Bank of China (PBoC) said there were no 'red lines' for the currency, fuelling speculation that the cross would soon 'crack seven'. In a range of tweets US President Trump again criticised the Fed for too high rates and accused Europe and China of currency devaluation.
- The ECB's low for longer narrative and the drop in long-dated yields continues to underpin periphery fixed income markets, where both Spain and Italy saw strong demand from investors for their paper this week. As the hunt for yield is still on, we look for continued spread compression between the periphery and core-EU markets.
- In a new piece we argue that current interest rate levels are not just a temporary phenomenon. We do not expect an ECB rate hike for several years, and even beyond that, increases are likely to be very modest, see *Research Global: Euro area rates to stay very low for very long*.

Financial views

Major indices			
	14-Jun	3M	12M
10yr EUR swap	0.25	0.15	0.25
10yr US swap	2.00	0.00	0.00
ECB key rate	-0.40	-0.40	-0.40
Fed funds rate	2.50	2.25	2.25
EUR/SEK	1070	1080	1100
EUR/NOK	979	960	930
EUR/USD	113	115	117
ICE Brent oil	62	75	80

Source: Danske Bank

Markets are pricing in at least two Fed cuts of 25bp this year



Source: Federal Reserve, Bloomberg, Macrobond Financial

Deteriorating market-based inflation expectations pose a headache for ECB



Note: Vertical line; August 2014 (Mario Draghi warming up to QE), December 2015 (re-anchoring inflation expectations via rate cut and QE extension)

Source: Bloomberg, Macrobond Financial, Danske Bank

Scandi update

Denmark – May saw the lowest inflation rate this year

Inflation in May fell surprisingly far to 0.7% from 1.0% in April. Leading the charge south were electricity and petrol prices, though airline tickets and package holidays also saw substantial price falls. The combination of low inflation and labour market growth could well result in increased private consumption going forward and we expect would also offset the just modest growth seen in nominal wages so far in this upswing.

Sweden – falling inflation expectations

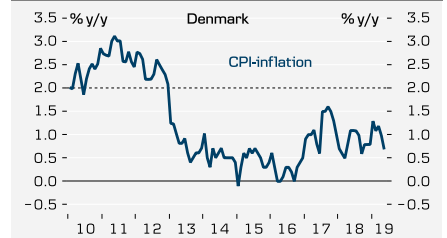
Economy-wide inflation expectations have been falling for the past two quarters and are now at or below 2% on all horizons. Given our long-standing bearish view on the inflation outlook, this is in line with what we have been expecting. Looking forward, we believe expectations will continue to decline. One reason for this is also that wage expectations are receding. Actually, 5Y wage expectations appear to be in a secular decline, but one- and two-year expectations have been falling for the past year. Falling wage expectations suggest the upcoming wage round will not produce significant cost pressure for inflation to rise, but rather the opposite. These tendencies are worrisome for the Riksbank.

April household consumption growth was a setback, printing a mere 0% y/y. Putting all available data into our GDP tracker suggests Q2 GDP growth at 1.3 % y/y. This tracker does not account for such factors as services exports, which have been a major driver of recent GDP growth. Hence, it is best viewed as an indicator of GDP trend growth.

Norway – Growth set to accelerate

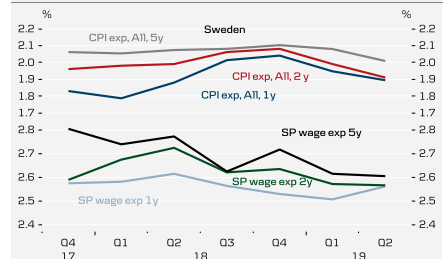
The aggregated output index in Norges Bank’s regional network survey climbed to 1.57, the highest since autumn 2012, and corresponds to growth in mainland GDP of just over 3% over the next six months. In other words, growth will not only remain above trend but actually accelerate, despite the global downturn. The improvement since the February survey is due to stronger growth expectations in oil-related industries, construction and even retail. As predicted, growth expectations in the export industry were slightly weaker, but this is more a matter of normalisation after a period of very strong growth. There were only minor changes in the other sectors. Firms are also reporting higher capacity utilisation (now at its highest level since late 2012) and growing labour shortages. Nevertheless, they anticipate increases in employment, investment and profitability. Expectations for wage growth this year climbed from 2.99% to 3.21%. All in all, it is a very strong report, which clearly speaks in favour of a rate increase in June and Norges Bank signalling further rate increases in the accompanying monetary policy report.

Inflation dipped in May



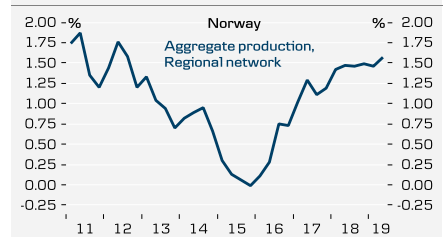
Source: Statistics Denmark, Macrobond Financial, Danske Bank

Wage and inflation expectations recede



Source: Prospera quarterly

Strongest growth for nearly seven years



Source: Macrobond Financial, Danske Bank

Latest research from Danske Bank

13/6 Research Global: Euro area rates to stay very low for very long

Current interest rate levels are not a temporary phenomenon. We do not expect a rate hike for several years, and even beyond that, increases are likely to be very modest.

12/6 Macro Strategy Views Podcast: The Fed-ECB divergence and what it means for markets

In our podcast, Macro Strategy Views, we discuss the global outlook, Fed-ECB divergence and what it means for markets.

12/6 Euro Area Macro Monitor: Increasing risks - but baseline persists

Just as European sentiment indicators were showing signs of improvement, confidence took a hit from the renewed escalation of the US-China trade war and potential US-Mexico tariffs.

11/6 Conference Call - Big Picture (audio file)

An audio file (mp3) of our conference call today on the global economic outlook for the coming years.

11/6 The Big Picture: Renewed Trade Dispute Casts Shadow Over Global Economy

Re-escalation of the trade war between China and the US is weighing on global economic outlook

11/6 FOMC preview - Cutting like it is the 90s

We refine our Fed call and now expect a total of 75bp cuts in H2 19

10/6 Danske Bank's Boprisindikator - 10 June 2019

Danske Bank's Boprisindikator* for transactions of tenant-owned flats in the Stockholm municipality showed a decline of 0.5% mom in May.

Macroeconomic forecast

Macro forecast, Scandinavia

	Year	GDP ¹	Private cons. ¹	Public cons. ¹	Fixed inv. ¹	Ex-ports ¹	Im-ports ¹	Infla-tion ¹	Wage growth ¹	Unem-ploym ³	Public budget ⁴	Public debt ⁴	Current acc. ⁴
Denmark	2018	1.4	2.3	0.8	5.1	0.6	2.7	0.8	2.3	3.9	0.5	34.1	6.0
	2019	1.8	1.8	0.4	-1.2	3.2	1.2	1.2	2.2	3.8	0.3	32.6	7.1
	2020	1.6	2.2	0.4	3.2	1.9	2.4	1.4	2.5	3.8	0.0	31.5	7.1
Sweden	2018	2.4	1.2	0.9	3.3	3.5	2.9	2.0	2.6	6.3	0.9	38.5	0.4
	2019	1.0	0.8	0.6	-0.3	4.1	3.2	1.7	2.6	6.6	0.1	34.0	4.4
	2020	1.5	1.6	1.5	1.7	3.2	2.8	1.5	2.7	7.1	0.5	33.0	4.2
Norway	2018	2.2	2.0	1.2	1.0	-0.7	0.6	2.7	2.8	2.4	-	-	-
	2019	2.6	2.0	1.8	4.7	3.5	3.0	2.2	3.3	2.3	-	-	-
	2020	2.4	2.3	1.8	1.8	3.0	3.0	1.7	3.8	2.2	-	-	-

Macro forecast, Euroland

	Year	GDP ¹	Private cons. ¹	Public cons. ¹	Fixed inv. ¹	Ex-ports ¹	Im-ports ¹	Infla-tion ¹	Wage growth ¹	Unem-ploym ³	Public budget ⁴	Public debt ⁴	Current acc. ⁴
Euro area	2018	1.8	1.3	1.1	3.3	3.1	3.1	1.8	2.3	8.2	-0.5	87.1	3.6
	2019	1.2	1.2	1.9	2.6	2.3	3.2	1.5	2.2	7.7	-0.9	85.8	3.3
	2020	1.4	1.4	1.8	1.7	2.2	2.7	1.4	2.3	7.5	-0.9	84.3	3.2
Germany	2018	1.5	1.1	1.0	2.7	2.2	3.4	1.9	3.0	3.4	1.7	60.9	6.8
	2019	0.7	1.9	1.7	2.9	1.5	3.2	1.6	3.0	3.1	1.0	58.4	6.0
	2020	1.3	1.3	2.3	2.3	1.7	2.7	1.6	2.8	3.0	0.8	55.6	5.9
Finland	2018	2.3	1.4	1.4	3.2	1.5	4.2	1.1	1.8	7.4	-0.7	58.9	-1.6
	2019	1.7	1.6	0.5	1.0	2.5	3.0	1.3	2.5	6.5	0.0	57.6	-1.5
	2020	1.2	1.3	0.5	1.0	2.0	2.0	1.5	2.5	6.4	0.1	56.3	-1.2

Macro forecast, Global

	Year	GDP ¹	Private cons. ¹	Public cons. ¹	Fixed inv. ¹	Ex-ports ¹	Im-ports ¹	Infla-tion ¹	Wage growth ¹	Unem-ploym ³	Public budget ⁴	Public debt ⁴	Current acc. ⁴
USA	2018	2.9	2.6	1.5	5.2	4.0	4.5	2.4	3.0	3.9	-3.9	106.0	-2.3
	2019	2.5	2.3	1.3	2.4	2.4	2.1	2.0	3.3	3.6	-4.2	106.0	-2.6
	2020	2.0	2.1	1.0	3.4	3.4	3.0	2.3	3.5	3.4	-4.2	106.0	-2.7
China	2018	6.6	8.2	-	5.0	-	-	2.1	8.5	-	-4.8	50.1	0.4
	2019	6.2	7.5	-	5.0	-	-	2.5	8.0	-	-6.1	53.9	0.0
	2020	6.1	7.8	-	4.6	-	-	2.2	7.5	-	-5.5	57.1	-0.1
UK	2018	1.4	1.8	0.4	0.2	0.1	0.7	2.5	3.1	4.1	-1.5	86.8	-4.0
	2019	1.5	1.8	1.3	1.5	2.0	8.5	1.8	2.9	3.7	-1.4	83.8	-3.8
	2020	1.6	1.4	0.6	0.1	2.0	-2.9	1.4	3.3	3.4	-1.1	82.9	-3.5
Japan	2018	0.8	0.3	0.7	1.1	3.3	3.4	0.9	-	2.4	-	-	-
	2019	1.0	0.3	1.7	1.1	-1.1	-1.8	1.0	-	2.5	-	-	-
	2020	0.5	-0.4	0.8	0.3	3.5	1.1	1.6	-	2.5	-	-	-

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	Currency vs NOK	Currency vs SEK
USD	14-Jun	2.50	2.43	1.83	2.00	112.8	-	661.8	867.8	948.3
	+3m	2.25	1.93	1.80	1.95	115.0	-	649.0	834.8	939.1
	+6m	1.75	1.75	1.55	1.75	117.0	-	637.5	803.4	931.6
	+12m	1.75	1.75	1.65	1.90	117.0	-	637.2	794.9	940.2
EUR	14-Jun	-0.40	-0.32	-0.32	0.25	-	112.8	746.8	979.2	1070.1
	+3m	-0.40	-0.31	-0.30	0.15	-	115.0	746.3	960.0	1080.0
	+6m	-0.40	-0.31	-0.30	0.15	-	117.0	745.9	940.0	1090.0
	+12m	-0.40	-0.31	-0.30	0.25	-	117.0	745.5	930.0	1100.0
JPY	14-Jun	-0.10	-0.07	-0.08	0.05	125.6	108.2	5.94	7.79	8.52
	+3m	-0.10	-	-	-	123.1	107.0	6.07	7.80	8.78
	+6m	-0.10	-	-	-	128.7	110.0	5.80	7.30	8.47
	+12m	-0.10	-	-	-	128.7	110.0	5.79	7.23	8.55
GBP	14-Jun	0.75	0.79	0.85	1.02	89.1	126.7	838.5	1099.5	1201.6
	+3m	0.75	0.84	0.90	1.00	90.0	127.8	829.2	1066.7	1200.0
	+6m	0.75	0.84	0.90	1.00	90.0	130.0	828.8	1044.4	1211.1
	+12m	0.75	0.84	0.90	1.20	90.0	130.0	828.3	1033.3	1222.2
CHF	14-Jun	-0.75	-0.71	-0.74	-0.17	112.0	99.3	666.5	874.0	955.1
	+3m	-0.75	-	-	-	112.0	97.4	666.3	857.1	964.3
	+6m	-0.75	-	-	-	113.0	96.6	660.1	831.9	964.6
	+12m	-0.75	-	-	-	115.0	98.3	648.3	808.7	956.5
DKK	14-Jun	-0.65	-0.34	-0.25	0.34	746.8	661.8	-	131.1	143.3
	+3m	-0.65	-0.33	-0.25	0.20	746.3	649.0	-	128.6	144.7
	+6m	-0.65	-0.33	-0.25	0.20	745.9	637.5	-	126.0	146.1
	+12m	-0.65	-0.33	-0.25	0.30	745.5	637.2	-	124.7	147.6
SEK	14-Jun	-0.25	-0.02	-0.07	0.57	1070.1	948.3	69.8	91.5	100.0
	+3m	-0.25	-0.10	-0.15	0.50	1080.0	939.1	69.1	88.9	-
	+6m	-0.25	-0.10	-0.15	0.50	1090.0	931.6	68.4	86.2	-
	+12m	-0.25	-0.10	-0.20	0.50	1100.0	940.2	67.8	84.5	-
NOK	14-Jun	1.00	1.52	1.73	1.84	979.2	867.8	76.3	100.0	109.3
	+3m	1.25	1.84	1.90	2.00	960.0	834.8	77.7	-	112.5
	+6m	1.50	2.00	2.10	2.10	940.0	803.4	79.4	-	116.0
	+12m	1.75	2.15	2.25	2.25	930.0	794.9	80.2	-	118.3

Commodities												
		2019				2020				Average		
	14-Jun	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2019	2020	
ICE Brent	62	65	70	75	80	80	80	80	80	72	80	

Source: Danske Bank

Calendar

Key Data and Events in Week 25

During the week				Period	Danske Bank	Consensus	Previous
Mon 17 - 19	EUR	ECB Forum on Central Banking 2019 in Sintra					
Monday, June 17, 2019				Period	Danske Bank	Consensus	Previous
7:00	DKK	House prices (Finance Denmark)	q/q y/y	1st quarter			
8:00	NOK	Trade balance	NOK bn	May			17.6
11:00	EUR	Labour costs	y/y	1st quarter			2.3%
14:30	USD	Empire Manufacturing PMI	Index	Jun		12.0	17.8
16:00	USD	NAHB Housing Market Index	Index	Jun		67.0	66.0
18:00	EUR	ECB's Draghi speaks in Sintra					
22:00	USD	TICS international capital flow, Net inflow	USD bn	Apr			-8.1
Tuesday, June 18, 2019				Period	Danske Bank	Consensus	Previous
6:00	DKK	Danske Bank publishes Nordic Outlook					
9:00	EUR	ECB's Draghi speaks in Sintra					
11:00	EUR	HICP inflation	m/m y/y	May		0.7% 1.2%	0.7% ...
11:00	EUR	HICP - core inflation, final	y/y	May		0.8%	0.8%
11:00	EUR	Trade balance	EUR bn	Apr			17.9
11:00	DEM	ZEW current situation	Index	Jun		6.1	8.2
11:00	DEM	ZEW expectations	Index	Jun		-5.0	-2.1
14:30	USD	Building permits	1000 (m/m)	May		1300	1290.0 (0.2%)
14:30	USD	Housing starts	1000 (m/m)	May		1239	1235.0 (5.7%)
15:30	DKK	Danish economic councils publishes fall report on Danish economy					
Wednesday, June 19, 2019				Period	Danske Bank	Consensus	Previous
1:50	JPY	Exports	y/y (%)	May		-0.1	0.0
1:50	JPY	Import	y/y (%)	May		0.0	0.1
1:50	JPY	Trade balance, s.a.	JPY bn	May		-806.9	-110.9
9:00	SEK	Consumer confidence	Index	Jun			91.0
9:00	SEK	Economic Tendency Survey	Index	Jun			99.8
9:00	SEK	Manufacturing confidence	Index	Jun			103.7
9:15	SEK	NIER economic forecasts					
9:30	SEK	Unemployment (n.s.a. s.a.)	%	May	6.6% 6.2%		6.2% 5.9%
10:00	EUR	Current account	EUR bn	Apr			24.7
10:30	GBP	PPI - input	m/m y/y	May		0.4% 1.0%	1.1% 3.8%
10:30	GBP	CPI	m/m y/y	May		0.3% 2.0%	0.6% 2.1%
10:30	GBP	CPI core	y/y	May		1.7%	1.8%
14:30	CAD	CPI	m/m y/y	May		... 2.0%	... 2.0%
16:30	USD	DOE U.S. crude oil inventories	K				2206
20:00	USD	FOMC meeting	%		2.50%	2.50%	2.50%
20:30	USD	Fed chair Powell press conference					

Source: Danske Bank

Calendar

Thursday, June 20, 2019				Period	Danske Bank	Consensus	Previous
-	EUR	EU summit in Brussels					
-	JPY	BoJ policy rate	%		-0.10%		-0.10%
0:45	NZD	GDP	q/q y/y	1st quarter		0.6% 2.4%	0.6% 2.3%
8:00	DKK	Consumer confidence	Net. bal.	Jun			5.9
10:00	EUR	ECB Publishes Economic Bulletin					
10:00	NOK	Norges Banks monetary policy meeting	%		1.25%	1.25%	1.00%
10:30	GBP	Retail sales ex fuels	m/m y/y	May		0.4% 4.9%	-0.2% 4.9%
13:00	GBP	BoE minutes					
13:00	GBP	BoE government bond purchases (APF)	GBP bn	Jun		435	435
13:00	GBP	BoE corporate bond purchases (CBPP)	GBP bn	Jun		10	10
13:00	GBP	BoE Bank rate	%		0.75%	0.75%	0.75%
14:30	USD	Current account	USD bn	1st quarter		-123.5	-134.4
14:30	USD	Philly Fed index	Index	Jun		10.5	16.6
14:30	USD	Initial jobless claims	1000				
16:00	EUR	Consumer confidence, preliminary	Net bal.	Jun		-6.5	-6.5
Friday, June 21, 2019				Period	Danske Bank	Consensus	Previous
1:30	JPY	CPI - national	y/y	May		0.7%	0.9%
1:30	JPY	CPI - national ex. fresh food	y/y	May		0.7%	0.9%
2:30	JPY	Nikkei Manufacturing PMI, preliminary	Index	Jun			49.8
9:15	FRF	PMI manufacturing, preliminary	Index	Jun		50.7	50.6
9:15	FRF	PMI services, preliminary	Index	Jun		51.6	51.5
9:30	DEM	PMI manufacturing, preliminary	Index	Jun		44.5	44.3
9:30	DEM	PMI services, preliminary	Index	Jun		55.3	55.4
10:00	EUR	PMI manufacturing, preliminary	Index	Jun	47.6	47.9	47.7
10:00	EUR	PMI composite, preliminary	Index	Jun		52.0	51.8
10:00	EUR	PMI services, preliminary	Index	Jun	53.0	52.7	52.9
14:30	CAD	Retail sales	m/m	Apr		0.3%	1.1%
15:45	USD	Markit PMI manufacturing, preliminary	Index	Jun		50.6	50.5
15:45	USD	Markit PMI service, preliminary	Index	Jun		51.0	50.9
16:00	USD	Existing home sales	m (m/m)	May		5.3	5.19 -0.004
18:00	USD	Fed's Mester (voter, hawkish) speaks					
18:00	USD	Fed's Brainard (voter, dovish) speaks					

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Source: Danske Bank

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