

# Weekly Focus

## Still waiting for the rebound

### Market Movers ahead

- We expect euro area manufacturing PMI to decline marginally on the back of weak new orders and political risk. We will be looking to German Ifo figures for signs of a rebound, having seen some encouraging signs from the Chinese economy.
- Brexit is moving closer, but as expected, negotiations continue to drag out. PM Theresa May will continue talks with the EU27 in late February, when she has also promised a new Brexit vote.
- US-China trade talks are set to continue. President Trump has indicated more flexibility in moving the 1 March ceasefire deadline and that he expects to meet Xi Jinping in the near future to close the deal.
- In Sweden, we estimate January inflation will come out slightly below the Riksbank's estimates, but the factors that drove the surprisingly high Danish January inflation pose an upside risk.

### Weekly wrap-up

- Amid continued gloomy data out on the macro front in the eurozone, politics remain the key focus for markets. With regard to Brexit, Thursday's vote in the House of Commons brought little progress, as the next 'meaningful vote' on a full Brexit deal has been postponed.
- Trade talks between the US and China continued this week. Though signals continue to be positive, the parties are still far apart on key questions.
- Receding risk of a renewed US government shutdown, after the Republicans and Democrats reached an agreement in principle on border security, also ensured that risk appetite remained relatively upbeat this week.

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### Financial views

#### Mejor indices

	15-Feb	3M	12M
10yr EUR swap	0.65	1.10	1.40
EUR/USD	113	117	125
ICE Brent oil	62	65	80

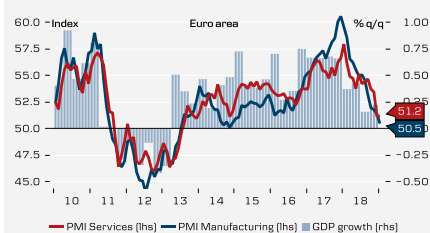
Source: Danske Bank

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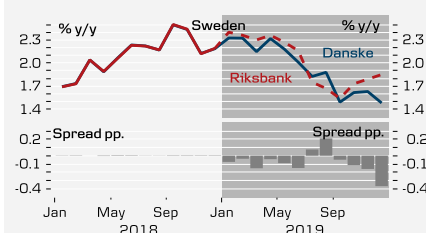
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### Falling orders weigh on sentiment in the euro area



Source: Markit, Macrobond Financial

### Swedish inflation likely to come out slightly below Riksbank's estimates



Source: Riksbank, SCB, Danske Bank

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# Market movers

## Global

- In the **US**, Markit PMIs for February (preliminary) are due out on Thursday. We still expect Markit manufacturing PMI to stabilise around the current level of 54.9. While the US is not immune to the global slowdown, expansionary fiscal policy is pulling in the other direction.

Thursday also brings capital goods data for December. New capital goods orders fell unexpectedly in November, which shows a slowdown in investments as the end of 2018. We expect investments to continue growing in 2019 but probably not at the same pace as in 2017 and 2018.

On Thursday, existing home sales numbers are due out. The housing market has begun to show some weakness, likely to be driven by higher mortgage rates.

On Wednesday, FOMC meeting minutes are due out. We will be interested to hear the different stances within the Fed on further hikes now it has hinted it is 'patient' about raising rates again. Furthermore, we will monitor any insights it might have on how it plans the balance sheet reduction. See *FOMC review: All we need is just a little patience*, 30 January 2019.

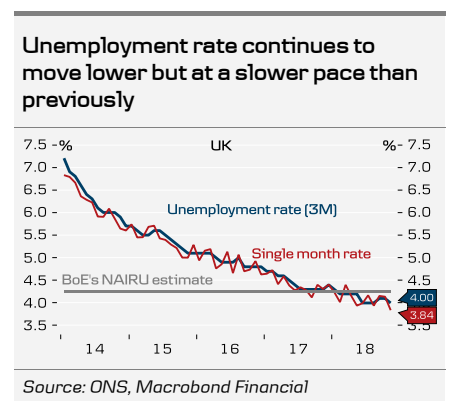
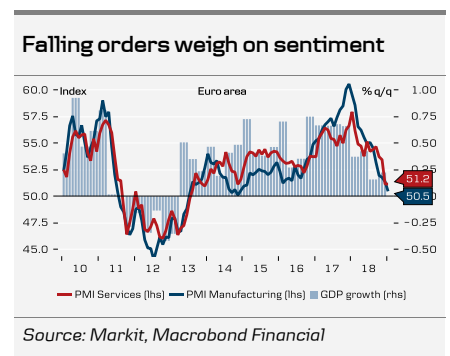
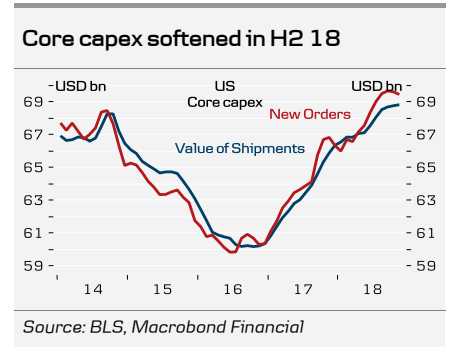
- In the **euro area**, we have a busy week ahead of us. On Thursday, the February flash PMIs are due out. In January, PMIs signalled that the euro area economy is edging closer to stagnation – (indicated by PMI level around 50) – with manufacturing PMI falling to a 50-month low at 50.5 while service PMI showed signs of stabilisation. Falling new orders and the ongoing political disputes still point to some downside risk for the manufacturing index, which we therefore expect to fall to 50.2 in February while we see scope for a rebound in services PMI to 51.4 in light of strengthening domestic demand.

Friday brings the German Ifo figures and after the economy had a disappointing growth finish in 2018, we will keep an eye out for signs of a rebound in activity following the latest encouraging signs from *Chinese leading indicators* and the *German car sector*, 7 February 2019.

Later on that day, the final euro area inflations figures for January are due. The preliminary print saw core inflation ticking up 0.1pp to 1.1%, driven by higher services prices. However, it will be interesting to see whether it is the start of a gradual, persistent uptick in core on the back of the Phillips curve dynamics finally playing out or merely driven by one-off factors and a methodological change in the calculation of German HICP. See *Euro Area Research: Is the Phillips curve finally coming alive in 2019?*, 18 December 2018.

- In the **UK**, with six weeks to Brexit day, focus remains on the negotiations. While most would have preferred more clarification by now, it is unsurprising that they are dragging on. It is normal in political negotiations to get much closer to the deadline before politicians are willing to compromise. PM Theresa May will continue talks with the EU27 in late February, when she has also promised a new Brexit vote.

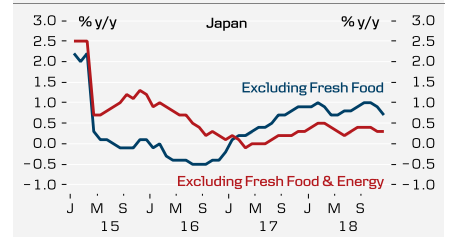
The most important release next week is the labour market report for December. We estimate the unemployment rate (three-month average) was unchanged at 4.0%, but it is probably a close call as to whether it fell to 3.9% or not. We estimate average weekly earnings ex bonuses (three-month average) were 3.3% y/y higher than in December 2017.



- In **China**, focus continues to be on the trade talks with the US, where we move closer to the 1 March deadline of the ceasefire. While the two sides are working intensively to make a deal, we doubt they will be able to make the deadline. However, Trump has indicated he is flexible on moving the deadline if they are close to a deal. He also stated this week that he expects to meet Xi Jinping in the near future to close the deal. The only data point of interest is house prices, where we look for a still quite healthy pace of increases as monetary policy has turned looser over the past six months.
- In **Japan**, export figures for January are due out on Wednesday. Domestic demand has proven resilient but the economic recovery in Japan is very dependent on foreign demand and exports have slowed recently in the wake of the trade war. New export orders indicate further weakening in exports in January.

On Friday, the January inflation figures tick in. With the large decline in oil prices late last year, energy prices are set to weigh on inflation in coming months. Japan is a major oil importer, so this is good news for consumers but it leaves inflation far off the Bank of Japan's 2% target.

**Inflation momentum lost**

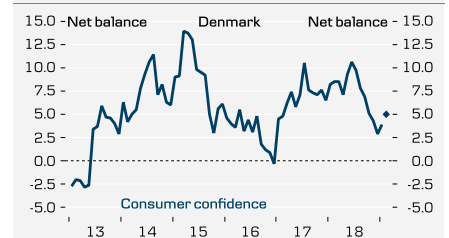


Source: Japanese Cabinet Office, Macrobond

**Scandi**

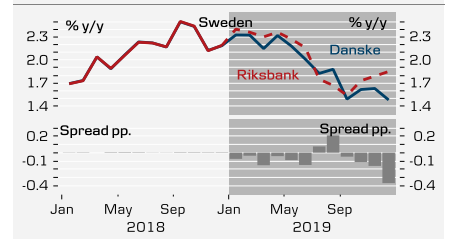
- In **Denmark**, Wednesday brings consumer confidence figures for February. The indicator increased slightly in January after falling for six months solid from its peak in June 2018. This weakness may seem odd at a time of rising unemployment, low interest rates and rising housing prices, but has been driven primarily by a less positive view of the economy as a whole. This makes some sense, with the trade war between China and the US breaking out just before the summer, and Brexit grabbing more and more of the headlines as the deadline looms. We expect the indicator to climb slightly further to 5.0 in February. Thursday brings monthly employment data for December. Employment has increased for 67 consecutive months and continued to grow healthily in November despite some indicators pointing to slower job creation. It will be exciting to see whether it can keep this up or if it is set to shift down a gear.
- In **Sweden**, January inflation is surely the event of the week in Swedish FI and FX markets. January is the most volatile month of the year for prices as the Christmas sales kick in. There will be the re-weighting of all components and it is uncertain how that will turn out. Finally, many public institutions changes price lists at the beginning of the year, for example, public transportation, dental care, post/package charges and, in some cases, municipalities raise grid fees. We have assumed a relatively high price increase on food as in the autumn the food industry signalled the need for compensating price increases on the back of higher input costs due to last summer's drought. We also note that the outcome in Denmark was even higher, possibly suggesting an upside risk. One of the more volatile components is of course clothing. Here, we have assumed a relatively normal price drop of some 11.5% m/m, but here too, the Danish outcome needs to be considered, as it showed a much smaller drop than normal. The impact on mortgage rates from the Riksbank's December hike appears to be quite muted. There are increases in car fuel and electricity due to higher taxes too. The downside is mainly represented by transportation (lower international airline ticket prices) and recreation (both lower charter package prices and sales on electrical goods).

**Consumer sentiment on the up again**



Source: Statistics Denmark

**A tenth below Riksbank in January**



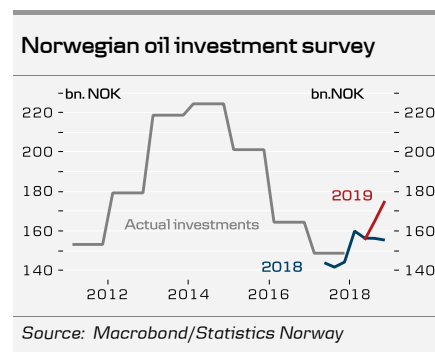
Source: Riksbank, Danske Bank, SCB

All in all, we expect CPIF and CPIF excl. Energy to print -0.7 % m/m/2.3% y/y and -0.9% m/m/1.7% y/y, respectively. As stated above, there is probably an upside risk to these estimates. Compared to Riksbank we are a tenth below on CPIF and the same on CPIF excl. Energy.

We expect an upward revision to the Debt Office’s new borrowing forecast as the outcome ran behind the forecast in the final quarter last year and as budget proposals are less financed than before. Hence, we expect signals of increased funding primarily via increased issuance of nominal bonds.

We also have quarterly figures (Q4) for housing permits, starts and completions. This will say something about how rapidly the dwellings construction correction is evolving.

- On Thursday 21 February, Statistics Norway is due to release estimates for future investments in oil and gas, manufacturing and electricity supply, i.e. the ‘investment survey’. This is the first time the oil investment survey will also cover 2020. The survey is key for the business cycle outlook as well as providing vital input for Norges Bank’s upcoming Monetary Policy Report 1/19, due 21 March. The pickup in oil-related investments in 2018, after the 2017 trough, is a main driver for the ongoing recovery in the manufacturing industries. Revisions to the 2019 numbers will also be closely monitored. We expect a 2019 level of about the recent survey at NOK175bn. Note that the released 2020 number should be compared to the old survey number for 2019 released in early 2018 – not the present number (given that this is a survey of planned investments and not a forecast). The first survey for 2019 (May 2018) was NOK155bn. That is, a survey number for 2020 at NOK160-170 should indicate a further healthy expansion of oil investments.



Market movers ahead

Global movers			Event	Period	Danske	Consensus	Previous	
Tue	19-Feb	10:30	GBP Unemployment rate (3M)	%	Dec	4.0%	4.0%	4.0%
		10:30	GBP Average weekly earnings ex bonuses (3M)	y/y	Dec	3.3%		3.3%
Wed	20-Feb	0:50	JPY Exports	y/y (%)	Jan		-0.1	0.0
Thurs	21-Feb	8:00	DEM HICP, final	m/m y/y	Jan			-1.0 1.7%
		9:30	DEM PMI manufacturing, preliminary	Index	Feb			49.7
		9:30	DEM PMI services, preliminary	Index	Feb			53.0
		10:00	EUR PMI manufacturing, preliminary	Index	Feb	50.2	50.5	50.5
		10:00	EUR PMI services, preliminary	Index	Feb	51.4	51.4	51.2
		15:45	USD Markit PMI manufacturing, preliminary	Index	Feb		55	54.9
		15:45	USD Markit PMI service, preliminary	Index	Feb			54.2
Fri	22-Feb	0:30	JPY CPI - national	y/y	Jan		0.2%	0.3%
		10:00	DEM IFO - business climate	Index	Feb		99	99.1
		10:00	DEM IFO - current assessment	Index	Feb			104.3
		10:00	DEM IFO - expectations	Index	Feb			94.2
Scandi movers								
Tue	19-Feb	9:30	SEK Underlying inflation CPIF	m/m y/y	Jan	-0.9% 1.7%		0.4% 2.2%
Wed	20-Feb	8:00	DKK Consumer confidence	Net. bal.	Feb	5.0		3.9
		9:30	SEK Swedish debt office forecast					
Thurs	21-Feb	8:00	DKK Employment, s.a.	M	Dec			
Fri	22-Feb	9:30	SEK Riksbank publishes minutes from 12/02/19 meeti					

Source: Bloomberg, Danske Bank

# Weekly Wrap-Up

## Politics feed the risk rally

### Main macro themes

- With regard to Brexit, Prime Minister Theresa May suffered another defeat in Thursday's vote, meaning that she can no longer show she has a united party behind her. May has promised another vote by the end of February but she is unlikely to have anything new to put forward, with the EU still unwilling to renegotiate. Meanwhile, GDP growth in Q4 18 slowed more than expected to 0.2% q/q, in a sign that the investment outlook has become bleaker amid Brexit uncertainties.
- **High level trade talks between the US and China** continued this week in Beijing, with the aim of finalising a framework. Signals continue to be positive but we are getting closer to the ceasefire deadline of 1 March. Trump has stated that he would be willing to 'let it slide' if the two sides are close to a deal. Trump said again this week that the deal will be closed at a meeting between him and China's President Xi Jinping in the near future. We believe the deadline will be extended and that a deal will be made either in late March or in Q2.
- The **Spanish minority government** lost a vote on the 2019 budget bill in parliament, and is now calling for new elections on April 28. The risk of a eurosceptic government in Spain still remains small, as the three leading parties all have pro-EU views.
- The **Riksbank** held on to a steady course. While the board commented on the increased downside risks to the global economic outlook, it still sees fairly good economic activity over the next few years (see *Riksbank Comment – On a steady course*, 13 February). We still do not expect any 2019 rate hikes following the announcement.

### Financial market developments

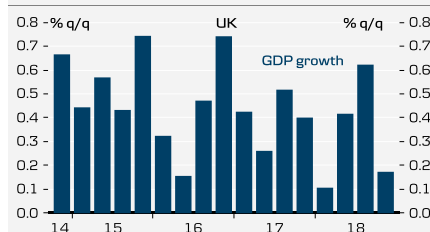
- Amid the continued gloomy data on the macro front in the eurozone, **politics remains the key focus for markets**. Helped by encouraging news on the US-China trade deal front and the receding risk of a renewed US government shutdown, after the Republicans and Democrats reached a principle in agreement on border security, risk appetite remained relatively upbeat this week.
- The rally in global equities continued and together with an upside surprise in January US core CPI, the market has again started to price a small probability of a 2019 rate hike from the Fed, sending EUR/USD below 1.13.
- Helped by revived appetite for risky assets, US yields rose and periphery **fixed income markets** continued to perform versus core EU markets. Markets shrugged off the risk of renewed political uncertainty in Spain, as the economy remains on a strong footing, while Italian yields continued to grind lower, helped again by strong auction demand this week.
- In **FX markets**, GBP weakened versus both USD and EUR as the weaker-than-expected UK GDP figures weighed on the appetite for the currency. In the Scandies, an overall less dovish Riksbank than expected sent EUR/SEK down towards 10.40. NOK found support from the move lower in EUR/SEK alongside a further move higher in oil prices.

### Financial views

Major indices			
	15-Feb	3M	12M
10yr EUR swap	0.65	1.10	1.40
10yr US swap	2.67	3.35	3.55
ECB key rate	-0.40	-0.40	-0.20
Fed funds rate	2.50	2.50	3.00
EUR/SEK	1051	1040	1020
EUR/NOK	977	950	930
EUR/USD	113	117	125
ICE Brent oil	62	65	80

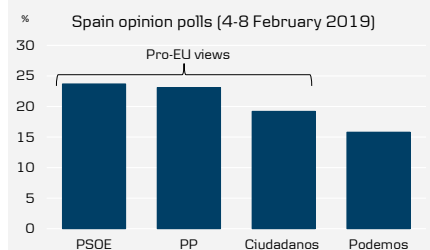
Source: Danske Bank

### UK economy is slowing



Source: Macrobond Financial

### Eurosceptic risks in Spain remain low



Source: Celeste-Tel/eldiario.es

# Scandi update

## Denmark – solid growth and higher inflation

Inflation surprised strongly to the upside during the week, jumping from 0.8% in December to 1.3% in January. Several components contributed to this. Food prices rose sharply, especially bread prices, probably due to last year’s poor harvest. The January sales were also less extensive than they have been traditionally, and so clothing prices fell less than normal. Otherwise it was mainly heating that pushed up inflation, with big price increases especially in Jutland following the demise of a government subsidy for district heating plants. The period of very low inflation would seem to be over for now.

The week also brought a first estimate of growth in Q4 in the form of Statistics Denmark’s GDP indicator. This is based entirely on data for the supply side and so is naturally associated with some uncertainty, but showed solid growth of 0.8%, slightly more than our estimate of 0.7% and a strong rate of growth compared with our closest trading partners. These figures for Q4 give us growth for 2018 as a whole of 1.1%, which is unimpressive, but this needs to be seen in the light of the monster drug patent transaction in 2017 which effectively lopped 0.4pp off growth in 2018.

## Sweden – Riksbank on a steady course

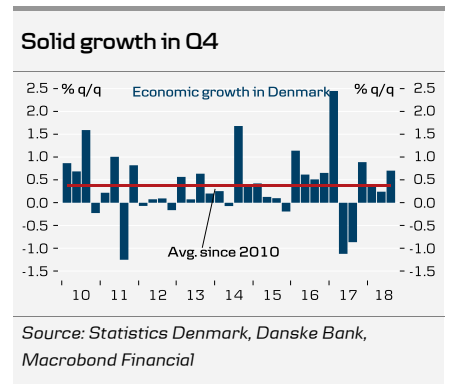
The Riksbank’s Monetary Policy Report revealed basically no changes of significance compared with the December meeting. The GDP estimate for 2019 was lowered by two tenths to 1.3% (y/y), the unemployment forecast was unchanged, the inflation forecast was practically unchanged and the repo rate forecast was unchanged, implying the next hike would be in Q3 (presumably September) and followed by approximately two hikes per year through the end of the forecast (Q1 22). The press release mentions slower international growth but also stresses that economic conditions are expected to remain strong in coming years. The Riksbank has repeated that normalisation of monetary policy must be very gradual.

Considering that many institutions such as the IMF and the EU commission, not to mention private banks, have scaled back their growth forecasts, the Fed has made a pause and the ECB has softened its tone of late, the Riksbank appears to be remarkably unaffected. That could of course be taken as a ‘hawkish’ sign. Having said that, we believe that the Riksbank, a bit like the ECB, is in assessment mode; it is buying itself time to see how data unfolds, not least what the ECB comes up with in March. One piece of news though: the recently expired mandate to governor Ingves and deputy governor af Jochnick to intervene in SEK to prevent an excessively rapid appreciation of the krona was not renewed.

## Norway – Norges Bank on track for rate hikes

Norges Bank governor Øystein Olsen’s annual speech to the supervisory council did not include any major news about monetary policy this year. He reiterated the message that the policy rate will be raised gradually and cautiously going forward if economic development is in line with the bank’s projections.

Norwegian inflation at present is high due to elevated electricity prices. However, January inflation, released 11 September, was somewhat lower than expected due to sales of clothes and furniture. The January headline inflation at 3.1% y/y was down from 3.5% y/y in December and short of consensus expectations of 3.4% y/y. Core inflation was unchanged at 2.1% y/y. A dry summer and structural changes to the energy market pushed electricity prices upwards during 2018. Annual inflation for 2018 according to Statistics Norway was

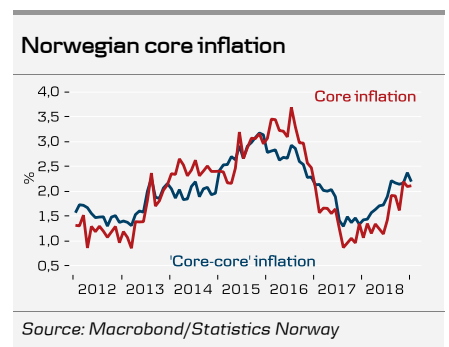


**Riksbank’s new forecast**

	2017	2018	2019	2020
GDP	2.0 (2.0)	2.1 (2.1)	2.0 (1.9)	1.8 (1.8)
GDP	2.1 (2.1)	2.2 (2.2)	1.3 (1.5)	1.9 (2.0)
Unemployment, %	6.7 (6.7)	6.3 (6.3)	6.3 (6.3)	6.5 (6.5)
Repo rate, %	-0.5 (-0.5)	-0.5 (-0.5)	-0.2 (-0.2)	0.3 (0.3)

Note: The assessment in the December Monetary Report is shown in brackets  
Source: Statistic Sweden, Riksbank

Source: Riksbank



2.7% - which almost perfectly matched the recent estimate of nominal wage growth for 2018 of 2.8%. The lack of real wage growth in 2018 probably explains to a large degree the weakness in retail sales – and the corresponding heavy sales activity in January. These effects should be temporary. Normalisation of energy prices should reduce inflation going forwards, and wage growth be above 3%, which should boost household consumption during 2019.



# Latest research from Danske Bank

*13/2 Yield Outlook: Higher yields depend on a host of factors*

Danske Bank's monthly yield forecasts.

*13/2 Riksbank Comment - On a steady course.*

Main takeaways: There are no changes of significance compared with the December policy meeting.

*11/2 FX Forecast Update: Mind the Scandi-differences*

Danske Bank's monthly FX forecasts.

*11/2 Flash comment Denmark - Very low inflation days are over*

January inflation surprised on the upside. There was lots of noise in the figures

*11/2 Macro Strategy Views Podcast: The strong returns of 2019 and why this may change*

We discuss why equity markets could turn more volatile in coming weeks given the risks of near-term negative news flows regarding the trade negotiations, combined with a still weak global cycle.



## Macroeconomic forecast

### Macro forecast, Scandinavia

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

### Macro forecast, Euroland

	Year	GDP <sup>1</sup>	Private cons. <sup>1</sup>	Public cons. <sup>1</sup>	Fixed inv. <sup>1</sup>	Ex-ports <sup>1</sup>	Im-ports <sup>1</sup>	Infla-tion <sup>1</sup>	Wage growth <sup>1</sup>	Unem-ploym <sup>3</sup>	Public budget <sup>4</sup>	Public debt <sup>4</sup>	Current acc. <sup>4</sup>
Euro area	2018	1.8	1.3	1.0	3.2	2.9	2.9	1.7	2.3	8.2	-0.6	86.9	3.8
	2019	1.4	1.3	2.1	2.6	2.6	3.9	1.4	2.2	7.8	-0.8	84.9	3.6
	2020	1.5	1.6	2.4	2.0	2.7	3.5	1.5	2.4	7.5	-0.7	82.8	3.6
Germany	2018	1.5	1.0	0.9	3.2	2.1	3.6	1.8	3.0	3.4	1.6	60.1	7.8
	2019	1.0	0.9	2.1	3.6	2.2	5.1	1.8	3.2	3.1	1.2	56.7	7.3
	2020	1.4	1.6	2.2	3.1	3.1	4.6	1.8	3.0	2.9	1.1	53.7	6.9
Finland	2018	2.3	1.5	2.0	2.5	1.1	2.5	1.1	1.9	7.4	-0.3	59.2	-0.9
	2019	1.7	1.6	0.5	1.5	2.5	2.3	1.5	2.5	7.0	0.0	57.9	-0.4
	2020	1.5	1.3	0.5	2.0	2.0	1.5	1.5	2.5	6.9	0.1	56.5	-0.2

### Macro forecast, Global

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

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

## Financial forecast - DKK

### Bond and money markets

		Key interest rate	3m interest rate	2-yr swap yield	10-yr swap yield	Currency vs EUR	Currency vs USD	Currency vs DKK
USD	15-Feb	2.50	2.74	2.62	2.67	113.4	-	658.2
	+3m	2.50	2.95	2.75	2.80	117.0	-	637.4
	+6m	2.75	3.00	3.05	2.95	120.0	-	621.3
	+12m	3.00	3.28	3.15	2.95	125.0	-	596.4
EUR	15-Feb	-0.40	-0.31	-0.16	0.65	-	113.4	746.4
	+3m	-0.40	-0.31	-0.15	0.75	-	117.0	745.8
	+6m	-0.40	-0.31	-0.15	0.90	-	120.0	745.5
	+12m	-0.20	0.02	0.20	1.05	-	125.0	745.5
JPY	15-Feb	-0.10	-0.09	-0.02	0.14	124.7	109.8	5.99
	+3m	-0.10	-	-	-	128.7	110.0	5.79
	+6m	-0.10	-	-	-	132.0	110.0	5.65
	+12m	-0.10	-	-	-	140.0	112.0	5.33
GBP	15-Feb	0.75	0.90	1.05	1.36	87.5	129.6	853.2
	+3m	0.75	0.86	1.20	1.60	84.0	139.3	887.9
	+6m	0.75	0.83	1.30	1.65	83.0	144.6	898.2
	+12m	1.00	1.07	1.70	1.90	83.0	150.6	898.2
CHF	15-Feb	-0.75	-0.71	-0.59	0.19	113.6	100.2	657.0
	+3m	-0.75	-	-	-	115.0	98.3	648.5
	+6m	-0.75	-	-	-	118.0	98.3	631.8
	+12m	-0.75	-	-	-	120.0	96.0	621.3
DKK	15-Feb	-0.65	-0.32	-0.05	0.78	746.4	658.2	-
	+3m	-0.65	-0.30	-0.05	0.90	745.8	637.4	-
	+6m	-0.65	-0.30	-0.05	1.05	745.5	621.3	-
	+12m	-0.45	0.03	0.30	1.20	745.5	596.4	-
SEK	15-Feb	-0.25	-0.08	0.04	0.96	1050.9	926.7	71.0
	+3m	-0.25	-0.15	0.00	1.25	1040.0	888.9	71.7
	+6m	-0.25	-0.20	0.00	1.30	1020.0	850.0	73.1
	+12m	-0.25	-0.20	0.00	1.35	1020.0	816.0	73.1
NOK	15-Feb	0.75	1.26	1.56	2.02	976.6	861.2	76.4
	+3m	1.00	1.61	1.80	2.15	950.0	812.0	78.5
	+6m	1.00	1.69	1.95	2.35	940.0	783.3	79.3
	+12m	1.25	1.91	2.20	2.55	930.0	744.0	80.2

### Commodities

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

Source: Danske Bank

# Financial forecast - SEK

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	15-Feb	2.50	2.74	2.62	2.67	113.4	-	926.7
	+3m	2.50	2.95	2.75	2.80	117.0	-	888.9
	+6m	2.75	3.00	3.05	2.95	120.0	-	850.0
	+12m	3.00	3.28	3.15	2.95	125.0	-	816.0
EUR	15-Feb	-0.40	-0.31	-0.16	0.65	-	113.4	1050.9
	+3m	-0.40	-0.31	-0.15	0.75	-	117.0	1040.0
	+6m	-0.40	-0.31	-0.15	0.90	-	120.0	1020.0
	+12m	-0.20	-0.12	0.20	1.05	-	125.0	1020.0
JPY	15-Feb	-0.10	-0.09	-0.02	0.14	124.7	109.8	8.43
	+3m	-0.10	-	-	-	128.7	110.0	8.08
	+6m	-0.10	-	-	-	132.0	110.0	7.73
	+12m	-0.10	-	-	-	140.0	112.0	7.29
GBP	15-Feb	0.75	0.90	1.05	1.36	87.5	129.6	1201.2
	+3m	0.75	0.86	1.20	1.60	84.0	139.3	1238.1
	+6m	0.75	0.83	1.30	1.65	83.0	144.6	1228.9
	+12m	1.00	1.07	1.70	1.90	83.0	150.6	1228.9
CHF	15-Feb	-0.75	-0.71	-0.59	0.19	113.6	100.2	925.1
	+3m	-0.75	-	-	-	115.0	98.3	904.3
	+6m	-0.75	-	-	-	118.0	98.3	864.4
	+12m	-0.75	-	-	-	120.0	96.0	850.0
DKK	15-Feb	-0.65	-0.32	-0.05	0.78	746.4	658.2	140.8
	+3m	-0.65	-0.30	-0.05	0.90	745.8	637.4	139.4
	+6m	-0.65	-0.30	-0.05	1.05	745.5	621.3	136.8
	+12m	-0.45	0.03	0.30	1.20	745.5	596.4	136.8
SEK	15-Feb	-0.25	-0.08	0.04	0.96	1050.9	926.7	100.0
	+3m	-0.25	-0.15	0.00	1.25	1040.0	888.9	-
	+6m	-0.25	-0.20	0.00	1.30	1020.0	850.0	-
	+12m	-0.25	-0.20	0.00	1.35	1020.0	816.0	-
NOK	15-Feb	0.75	1.26	1.56	2.02	976.6	861.2	107.6
	+3m	1.00	1.61	1.80	2.15	950.0	812.0	109.5
	+6m	1.00	1.69	1.95	2.35	940.0	783.3	108.5
	+12m	1.25	1.91	2.20	2.55	930.0	744.0	109.7

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

Source: Danske Bank

# Calendar

## Key Data and Events in Week 8

During the week			Period	Danske Bank	Consensus	Previous
-	USD	US-China trade talks continue in Washington D.C.				
Monday, February 18, 2019			Period	Danske Bank	Consensus	Previous
-	USD	Presidents' Day				
Tuesday, February 19, 2019			Period	Danske Bank	Consensus	Previous
9:30	SEK	Underlying inflation CPIF	m/m y/y	Jan	-0.9% 1.7%	0.4% 2.2%
9:30	SEK	Housing permits		4th quarter		
9:30	SEK	CPI	m/m y/y	Jan	-0.7% 2.3%	0.4% 2.0%
10:00	EUR	Current account	EUR bn	Dec		20.3
10:30	GBP	Unemployment rate (3M)	%	Dec	4.0%	4.0%
10:30	GBP	Average weekly earnings ex bonuses (3M)	y/y	Dec	3.3%	3.3%
11:00	DEM	ZEW current situation	Index	Feb		27.6
11:00	DEM	ZEW expectations	Index	Feb		-15.0
14:50	USD	Fed's Mester (non-voter, hawkish) speaks				
16:00	USD	NAHB Housing Market Index	Index	Feb		59.0
16:00	EUR	ECB's Praet speaks in Berlin				58.0
Wednesday, February 20, 2019			Period	Danske Bank	Consensus	Previous
0:50	JPY	Exports	y/y [%]	Jan		-0.1
0:50	JPY	Import	y/y [%]	Jan		0.0
0:50	JPY	Trade balance, s.a.	JPY bn	Jan		171.1
8:00	DKK	Consumer confidence	Net. bal.	Feb	5.0	3.9
8:00	SEK	Prospera inflation expectations				
9:30	SEK	Swedish debt office forecast				
9:30	SEK	Capacity utilization, industry	%	4th quarter		91.0%
16:00	EUR	Consumer confidence, preliminary	Net bal.	Feb		-7.9
19:30	USD	Fed's Bullard (voter, dovish) speaks				
20:00	USD	FOMC minutes				
Thursday, February 21, 2019			Period	Danske Bank	Consensus	Previous
1:30	AUD	Employment change	1000	Jan		15
1:30	JPY	Nikkei Manufacturing PMI, preliminary	Index	Feb		50.3
8:00	DEM	HICP, final	m/m y/y	Jan		-1.0% 1.7%
8:00	DKK	Employment, s.a.	M	Dec		
8:45	FRF	Business confidence	Index	Feb		102.0
8:45	FRF	HICP, final	m/m y/y	Jan		-0.6% 1.4%
9:00	EUR	ECB's Praet speaks in Luxembourg				
9:15	FRF	PMI manufacturing, preliminary	Index	Feb		51.2
9:15	FRF	PMI services, preliminary	Index	Feb		47.8
9:30	DEM	PMI manufacturing, preliminary	Index	Feb		49.7
9:30	DEM	PMI services, preliminary	Index	Feb		53.0
10:00	ITL	HICP, final	m/m y/y	Jan		... 0.9%
10:00	EUR	PMI manufacturing, preliminary	Index	Feb	50.2	50.5
10:00	EUR	PMI composite, preliminary	Index	Feb		51.0
10:00	EUR	PMI services, preliminary	Index	Feb	51.4	51.4
14:30	USD	Initial jobless claims	1000			
14:30	USD	Core capital goods orders, preliminary	%	Dec	0.2%	-0.6%
14:30	EUR	ECB's Praet speaks in Brussels				
14:30	USD	Philly Fed index	Index	Feb	14.5	17.0
15:45	USD	Markit PMI manufacturing, preliminary	Index	Feb	55	54.9
15:45	USD	Markit PMI service, preliminary	Index	Feb		54.2
16:00	USD	Existing home sales	m (m/m)	Jan	5	4.99 -0.064
17:00	USD	DOE U.S. crude oil inventories	K			

Source: Danske Bank

## Calendar (continued)

Friday, February 22, 2019				Period	Danske Bank	Consensus	Previous
0:30	JPY	CPI - national	y/y	Jan		0.2%	0.3%
0:30	JPY	CPI - national ex. fresh food	y/y	Jan		0.8%	0.7%
2:30	CNY	Housing prices		Jan			
8:00	DEM	GDP, final	q/q y/y	4th quarter			0.0% 0.6%
8:00	DEM	Private consumption	q/q	4th quarter			-0.3%
8:00	DEM	Government consumption	q/q	4th quarter			0.2%
8:00	DEM	Gross fixed investments	q/q	4th quarter			0.8%
9:30	SEK	Riksbank publishes minutes from 12/02/19 meeting					
10:00	DEM	IFO - business climate	Index	Feb		99	99.1
10:00	DEM	IFO - current assessment	Index	Feb			104.3
10:00	DEM	IFO - expectations	Index	Feb			94.2
11:00	EUR	HICP inflation	m/m y/y	Jan		... 1.4%	0.0% 1.6%
11:00	EUR	HICP - core inflation, final	y/y	Jan		1.1%	1.1%
14:30	CAD	Retail sales	m/m	Dec		0.0%	-0.9%
16:15	USD	Fed's Williams (voter, neutral) speaks					
16:30	EUR	ECB's Draghi speaks in Italy					
19:30	USD	Fed's Harker (non-voter, dovish) speaks					
19:30	USD	Fed's Bullard (voter, dovish) speaks					
23:30	USD	Fed's Williams (voter, neutral) speaks					

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Source: Danske Bank

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