

Weekly Focus

Central banks have spoken, how is the economy doing?

Market movers ahead

- After two weeks of central bank action, focus will likely turn to the real economy, where we will start to get PMI data for September.
- If there is no increase in PMIs in the US, this will indicate that Q3 showed the weakest growth since 2009.
- In Europe, it will be interesting to see if the service sector can continue to support growth despite the weakness in manufacturing.
- A trade deal between the US and Japan could be signed and there could be news about the US-China trade war, with high-level talks expected in early October.
- Swedish NIER survey data will be scrutinised for clues whether the recent bad labour market data paint a true picture of the economy.

Weekly wrap-up

- Norges Bank hiked interest rates and maintained a hiking bias, although it lowered its expectations for the future level of interest rates.
- The Fed cut rates and maintained its easing bias, as widely expected.
- Drone attacks in Saudi Arabia caused a spike in the oil price and a drop in risk sentiment, but both proved temporary.
- Long yields have increased recently, but we expect them to head lower again.

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Financial views

Major indices

	20-Sep	3M	12M
10yr EUR swap	-0.11	-0.20	-0.10
EUR/USD	111	110	115
ICE Brent oil	65	75	75

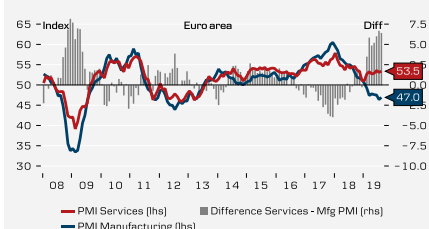
Source: Danske Bank

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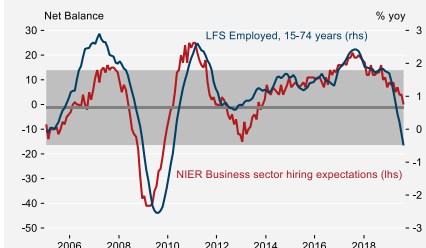
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Split growth in Europe



Source: Markit, Eurostat, Macrobond Financial

Swedish labour market has turned



Source: SCB, NIER, Macrobond Financial

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Market movers

Global

- In the **US**, we have an interesting week ahead of us, as investors have grown increasingly concerned about the US macro outlook. On Monday, we get preliminary Markit PMIs for September. In August, Markit manufacturing data was revised up from 49.9 to 50.3. Even though manufacturing PMIs stayed above the 50 threshold, it still points to the weakest pace of expansion since September 2009.

On Friday, PCE data for August are due out. We expect PCE core to have risen +0.2% m/m in August, implying an unchanged PCE core inflation rate at 1.8% y/y. Next week also brings housing market data on Wednesday and Thursday, which we will continue to keep an eye on. The housing market has been a concern among economists for some time; however, in the last couple of months, numbers have come in stronger due to rate cuts, among other things. Construction is a very cyclical and interest rate-sensitive sector and a downturn in the housing market could have a severe impact on both construction companies and consumers (home owners).

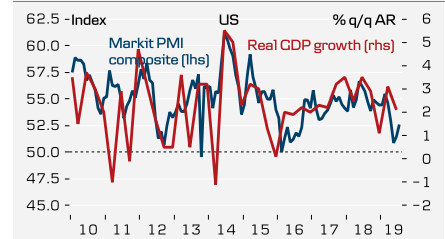
- In the **euro area**, the most important data release next week is the PMI figures for the euro area and Germany on Monday. Last month, the manufacturing PMIs ticked up in both the euro area and Germany. However, both remain two-speed economies, with the service sectors shielding growth from the weak manufacturing sectors. With new orders improving slightly in August, we expect the manufacturing PMI to remain broadly stable at 47.0 in September. However, we see downside potential for the service print after the drop in business expectations last month and expect it to decline to 53.0.

On Tuesday, we get German Ifo prints for September. Both the expectations and current situation component have been on a falling trend for the last year, but we expect to see some stabilization this month in line with the uptick we got in the ZEW expectations last week.

- In the **UK**, focus will be on Brexit developments as the economic data calendar is very light. A particular focus is the UK government’s negotiations with the EU over a solution to the Irish backstop, which seems to be the main sticking point in striking a deal with the EU. Last week, EU Commission president Juncker expressed some optimism that a deal could be reached before 31 October, while the Irish government sounded more cautious. Early next week, we might get the decision by the UK Supreme Court on the lawfulness of Prime Minister Boris Johnson’s suspension of parliament. A decision against him could force Boris Johnson to recall parliament. We continue to believe there will be an extension of the 31 October deadline, followed by new elections to be held in late November or early December.
- In **Japan**, we get flash PMIs on Tuesday. Manufacturing PMI has hovered between 49-50 this year and we have also seen this reflected in industrial production, which has moved sideways. The Service PMI has been stronger, reflecting solid domestic demand. It will be interesting to see if this trend continues.

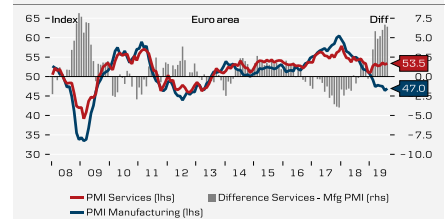
Japan PM Abe and US President Trump might be signing a trade agreement at the United Nations General Assembly in New York. Japan has previously said it would be willing to consider a deal that would reduce agriculture tariffs to levels previously contemplated under the Trans-Pacific Partnership. For Japan, the key thing is that Trump does not impose national security tariffs on Japanese vehicles and auto parts.

US PMIs signal slower growth



Source: IHS Markit, Macrobond Financial

Will the euro area remain a two-speed economy?



Source: Markit, Eurostat, Macrobond Financial

- There are no key market movers out of **China** next week. Focus continues to be on trade talks, where lower-level officials were in Washington this week to prepare for high-level negotiations in early October (we still don't have the exact dates).

Scandi

- In **Denmark**, the week kicks off with figures for wage earner employment in July. The figure fell by 200 overall in May and June, indicating a slowdown in the labour market, where employment had in fact been rising since April 2013. The Danish economy remains solid, however, so a further deterioration is unlikely, but it will be interesting to see whether the new figures point to the labour market upswing having run out of steam for now, or if there is still a little growth to come.

Statistics Denmark is scheduled to publish business confidence figures for September on Friday, while Danmarks Nationalbank will release foreign portfolio investment and securities figures for August. Continuing uncertainty and the global industrial slowdown will presumably still leave their mark on the confidence of Danish industry, where the composite confidence indicator has been on a negative trend since summer 2018.

- There is a batch of **Swedish** data due for release next week. Aside from the usual confidence measures for different sectors, the September NIER survey will be scrutinised for the business sector's hiring, in terms of both outcome and plans. Judging from the negative employment growth in LFS data, hiring plans are likely to have dropped into negative territory too. As always, we will keep an eye on price plans in retail and services, to see whether they confirm the decline seen in Prospera inflation expectations recently.

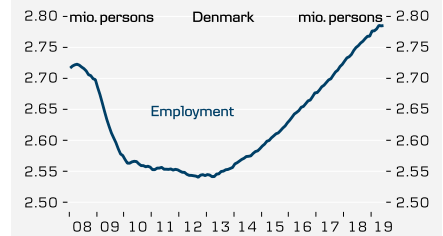
We expect the trade balance to have slipped into negative territory again in August, to print a SEK2.5bn deficit. This would be a fairly modest deficit compared to the past couple of years. One reason for this is that trend growth in goods imports has been much weaker than the exports ditto since late last year. This 'helps' GDP growth but could be indicative of increasing problems in the domestic economy.

We expect that household lending probably remained stable at 4.9 % y/y in August. Although the outlook for Riksbank action is uncertain, we expect mortgage rates to remain low. To some extent, this may have been mitigated by deteriorating labour market data.

We expect August retail sales to have slowed to 3.0 % y/y, from 4.3 % y/y. Last year, there was a sharp m/m increase in August, which we don't expect to be repeated to the same extent.

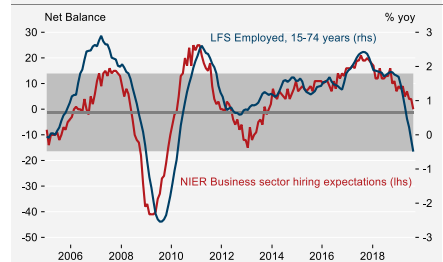
- In **Norway**, unemployment has begun to level off after falling continuously for three years. While this could be a sign that growth is slowing, the number of vacancies is rising fast. This suggests that demand for labour is holding up, but that firms are increasingly having difficulty sourcing the right skills among the jobless, i.e. there are bottlenecks. Therefore, we expect registered unemployment to be unchanged in seasonally adjusted terms at 2.2% in September, with LFS unemployment for July (June-August) inching down to 3.5%.

Will the slowdown in employment continue?



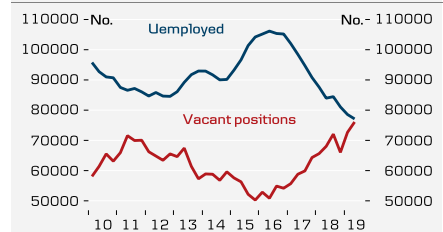
Source: Statistics Denmark, Macrobond Financial

Expecting another bad labour market print



Source: SCB, NIER

Number of vacancies matches number of jobless



Source: Macrobond Financial, Danske Bank

Market movers ahead

Global movers			Event		Period	Danske	Consensus	Previous
During the week								
Mon	23-Sep	9:15	FRF	PMI services, preliminary	Index	Sep	53.2	53.4
		9:30	DEM	PMI manufacturing, preliminary	Index	Sep	44.3	43.5
		9:30	DEM	PMI services, preliminary	Index	Sep	54.3	54.8
		10:00	EUR	PMI manufacturing, preliminary	Index	Sep	47.0	47.0
		10:00	EUR	PMI composite, preliminary	Index	Sep	52.0	51.9
		15:00	EUR	ECB's Draghi speaks in Frankfurt				
		15:45	USD	Markit PMI manufacturing, preliminary	Index	Sep	50.3	50.3
Tue	24-Sep	2:30	JPY	Nikkei Manufacturing PMI, preliminary	Index	Sep		49.3
		10:00	DEM	IFO - current assessment	Index	Sep	97.0	97.3
Fri	27-Sep	14:30	USD	Personal spending	m/m	Aug	0.3%	0.6%
Fri	27-Sep	14:30	USD	PCE core	m/m y/y	Aug	0.2% 1.8%	0.2% 1.8%
Scandi movers								
During the week								
Wed	25-Sep	4:00	NZD	Reserve Bank of New Zealand (cash rate decision)	%		1.0%	1.0%
Thurs	26-Sep	9:00	SEK	Consumer confidence	Index	Sep		94.0
		9:00	SEK	Manufacturing confidence	Index	Sep		94.8
		9:30	SEK	Household lending	y/y	Aug	4.9%	4.9%
Fri	27-Sep	9:30	SEK	Retail sales s.a.	m/m y/y	Aug	0.2% 3.0%	0.4% 4.3%
Fri	27-Sep	10:00	NOK	Unemployment	%	Sep	2.2%	2.3%

Source: Bloomberg, Danske Bank

Weekly Wrap-Up

Diverging central bank action

Main macro themes

- **As expected, Norges Bank raised the policy rate by 25bp from 1.25% to 1.50% at its policy meeting yesterday.** The rate path was adjusted a tad upward in the short term but downward in the long term. Signs of higher growth in labour supply are considered to increase potential growth, hence pushing the rate path downward in the longer term. The rate path now suggests a 40% probability of a rate hike in H1 next year, with a high probability of this happening already in Q1. Importantly, this indicates that rates are more likely to rise than fall next year. **As we consider the labour market to tighten further, we still expect a hike again in March 2020.** See *Norges Bank Review - Rate hike and tightening bias*, 19 September 2019.
- In the US, the Federal Reserve cut its target range by 25bp to 1.75-2.00%. The move was not a surprise, nor were the three dissenters (Rosengren and Esther calling for no cut and Bullard calling for a more aggressive cut of 50bp). There is a clear division in the committee with the largest number of dissenters since 2016. The Fed did not make any major changes to its statement but repeated its easing bias ('will act as appropriate to sustain the expansion'). The Fed still does not pre-commit to more easing, but Powell did not reject more easing may come down the road either. **Given our view that the Fed will continue to cut rates at the next meetings we still see downward pressure on the long end and we see the 10Y US treasury yield hitting 1.10% in 2020.** See *FOMC Review - Fed cut with no quick fix to tight liquidity conditions*, 18 September 2019.
- The drone attacks by Yemeni rebels on Saudi Arabian oil fields this weekend raised tensions in the Middle East and put focus on a marked oil price spike (more below). While an outright military conflict between the US/Saudi Arabia and Iran remains a low likelihood, tensions are likely to remain high. If the situation does not escalate, the impact on financial markets and global economy should be limited. **However, in the case of a military conflict involving Iran and the US/Saudi Arabia, the world economy would fall into recession as the oil price could rise to USD150.** Risky assets would sell off, while safe-haven assets would rally. See *A US-Iran war would trigger a global recession*, 17 September 2019.

Financial market developments

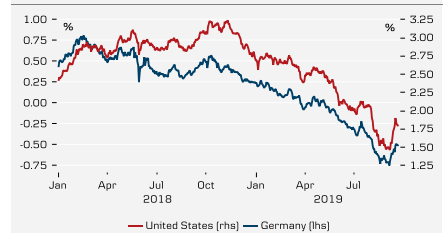
- Risk sentiment had a rough start to the week after the drone strikes. However, it ended the week on a slightly positive note. Looking further back, the past month has been hectic on the financial markets. In particular during the second half of August yields went markedly lower to recover in September. Yesterday we published our updated *Yield Outlook*. We expect long yields to fall back to August levels.
- After an initial spike of up to 20% in Brent oil on Monday, oil is somewhat lower again. There will still be a disrupted oil supply in weeks to come, but this should be transitory, see *Saudi oil production under attack*, 15 September 2019.

Financial views

Major indices			
	20-Sep	3M	12M
10yr EUR swap	-0.11	-0.20	-0.10
10yr US swap	1.64	1.30	1.10
ECB key rate	-0.50	-0.50	-0.50
Fed funds rate	2.00	1.50	1.00
EUR/SEK	1069	1080	1100
EUR/NOK	994	965	950
EUR/USD	111	110	115
ICE Brent oil	65	75	75

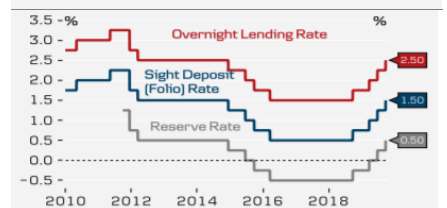
Source: Danske Bank

Despite recent sell-off, we expect bond yields to head lower again



Source: Macrobond Financial

Norges bank is the lone hiker



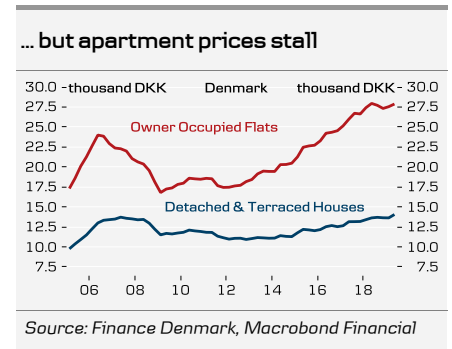
Source: Macrobond Financial, Danske Bank

Scandi update

Denmark – broad-based rise in house prices

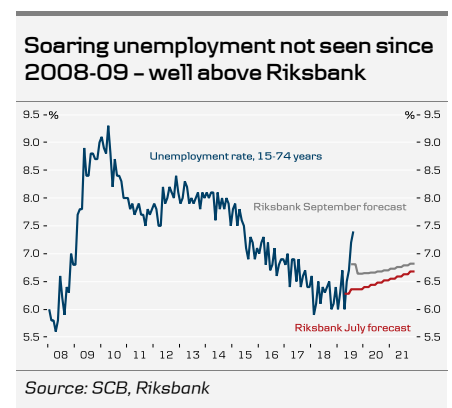
Finance Denmark released its housing market statistics on Monday, which showed rising house prices across the country. Prices rose in all regions – most in mid-Jutland, with 3.8%, and least in the Copenhagen region at 2.5%. The picture is more mixed with apartment prices, which overall are 0.3% lower than in Q2 last year. The decline is in part due to the equivalent fall in the Copenhagen region, where a combination of already high prices and stricter credit terms are presumably putting a damper on the market.

Consumer confidence fell to 4.3 in September from 6.3 in August. While consumers’ view of their own finances remained solid, their thoughts on the outlook for the Danish economy took a pronounced dive. In fact, we would have to go all the way back to the end of 2011 to find a time when Danes last had such negative expectations for the Danish economy over the coming year. Hence, there is no doubt that the deterioration in the outlook for the global economy has made Danes less optimistic on how the Danish economy will perform going forward.



Sweden – Riksbank neglecting deteriorating data

The Riksbank minutes on the surface appear quite hawkish, all except Deputy Governor Jansson appear to be sticking to the idea of raising the repo rate again at the turn of the year. However, there is also a tendency that all members are accepting that there is less need to hike rates long-term than before. That was actually the reason for the flattened repo path. The strange thing is that the Swedish economy is still perceived as ‘strong’. Even after these minutes were released – when we have seen weaker than forecast GDP, much higher unemployment, a bit lower inflation (well below target) and inflation expectations falling (also well below target) – both Ingves and Flodén stick to the view that the repo rate will be raised. We expect a continuation of a string of weaker data to convince the Board eventually that the right thing is not to hike but to cut the repo rate. Apparently, it is a slow to come to its senses.



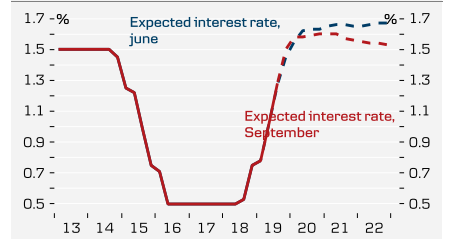
The unemployment data mentioned above is nothing but terrible, reaching an unexpected 7.4 % sa in August. And it cannot be dismissed as summer month noise because the Public Employment Service’s register-based unemployment statistics show the same sharp increase. There are also very strong indications in plummeting job vacancies, temporary jobs, overtime and total hours worked. Not to mention the fact that employment has been declining since the start of the year. In our view, there is no doubt at all that the labour market is deteriorating and quite rapidly so. It should not take too long before Riksbank starts to realise this.

Norway – Norges Bank goes against the flow

Norges Bank raised its key policy rate by 25bp during the week to 1.50%. In the press release, the Executive Board signalled that the policy rate will probably now be unchanged for the rest of the year: ‘The Executive Board’s current assessment of the outlook and balance of risks suggests that the policy rate will most likely remain at this level in the coming period’ – which we take to mean as the period until the next monetary policy report, i.e. up to and including the December meeting. The interest rate path in the current report does, however, indicate a roughly 40% chance of a further hike in H1 next year, with a relatively good chance of this happening in Q1. After that, it shows an unchanged policy rate until 2022, when there is a roughly 30% chance of a cut.

This is very much in line with our own expectations, and perhaps the most important take-away from the Bank’s projections is that the next change to interest rates is far more likely to be up than down. Based on our own forecasts for the domestic and global economies, we still see Norges Bank raising its policy rate again in March next year.

Interest rates more likely to go up than down



Source: Macrobond Financial, Danske Bank

Latest research from Danske Bank

20/9 China Weekly Letter: Interim deal possible, but still a long way to the real deal

Lower-level officials meet in Washington. Small interim deal a possibility in October but real break-through is hard to envision at this stage.

19/9 Yield Outlook - Long yields set to fall back again

The past month has been hectic on the financial markets. During the second half of August, the 10Y Bund yield traded below -0.70% at times, while 30Y Bund yields sometimes dipped below -0.25%.

19/9 ECB Research - TLTRO - low take up, but ECB should not be concerned

In the ECB's TLTRO3.1 operation (19 September) banks took only EUR3.4bn, while banks decided voluntarily to repay EUR32bn next week.

19/9 Norges Bank Review - Rate hike and tightening bias

As we expected, Norges Bank (NB) this morning raised the policy rate by 25bp from 1.25% to 1.50%.

18/9 FOMC Review - Fed cut with no quick fix to tight liquidity conditions

As expected, the Federal Reserve cut its target range by 25bp to 1.75-2.00%.

17/9 Research: A US-Iran war would trigger a global recession

While outright military conflict between the US/Saudi Arabia and Iran remains a low likelihood, tensions likely to remain high.

16/9 Macro Strategy Views Podcast: Fiscal policy is now the only game in town

In our weekly podcast, Macro Strategy Views, we reflect on the ECB's policy meeting last week and discuss Norges Bank's meeting this week.

15/9 Flash Comment International: Saudi oil production under attack

Saudi Arabia has temporarily lost 5.7mb/d of oil output following drone attacks on Saturday.

15/09 Harr's Views: Fiscal policy is now the only game in town

I interpret the ECB's focus on fiscal policy as its silent acknowledgement that monetary policy stimulus is becoming less effective.

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	1.5	2.2	0.9	6.5	0.4	3.3	0.8	2.3	3.9	0.5	34.1	5.7
	2019	1.7	1.5	0.4	-1.6	2.3	1.7	1.0	2.2	3.8	0.5	32.5	6.2
	2020	1.6	2.3	0.5	3.0	1.7	2.1	1.3	2.5	3.8	0.0	31.5	6.6
Sweden	2018	2.5	1.2	0.9	4.0	3.9	3.8	2.0	2.6	6.3	0.9	38.5	0.4
	2019	1.3	0.4	0.6	-0.9	4.4	2.0	1.7	2.6	6.6	0.1	34.0	4.0
	2020	1.5	1.8	1.5	0.6	3.3	2.6	1.5	2.7	7.1	0.5	33.0	4.1
Norway	2018	2.2	1.9	1.4	2.8	-0.2	1.9	2.7	2.8	2.4	-	-	-
	2019	2.6	2.0	1.7	4.8	3.0	3.3	2.5	3.3	2.3	-	-	-
	2020	2.3	2.4	1.7	3.0	3.5	2.7	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	1.9	1.4	1.1	2.3	3.5	2.7	1.8	2.3	8.2	-0.5	85.1	3.6
	2019	1.2	1.2	1.5	2.6	2.4	2.6	1.2	2.2	7.7	-0.9	85.8	3.3
	2020	0.9	1.4	1.8	1.4	1.4	2.6	1.3	2.3	7.5	-0.9	84.3	3.2
Germany	2018	1.5	1.2	1.4	3.5	2.3	3.7	1.9	3.0	3.4	1.7	60.9	7.3
	2019	0.5	1.5	2.1	2.9	0.8	2.8	1.4	3.2	3.1	1.0	58.4	6.0
	2020	0.7	1.4	2.3	1.3	0.7	2.7	1.5	3.0	3.0	0.8	55.6	5.9
Finland	2018	1.7	1.8	1.5	3.3	2.2	5.0	1.1	1.8	7.4	-0.7	58.9	-1.4
	2019	1.3	0.8	0.5	0.0	3.0	2.0	1.2	2.5	6.5	-0.3	58.3	-1.7
	2020	1.0	1.2	1.5	1.0	2.0	2.5	1.5	2.5	6.4	-0.2	57.3	-1.4

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	3.0	1.7	4.6	3.0	4.4	2.4	3.0	3.9	-3.9	106.0	-2.3
	2019	2.3	2.5	2.3	1.6	-0.5	2.0	2.0	3.1	3.6	-4.2	106.0	-2.6
	2020	1.7	2.4	0.9	1.1	0.7	2.2	2.3	3.4	3.4	-4.2	106.0	-2.7
China	2018	6.6	8.2	-	5.0	-	-	2.2	8.5	-	-4.1	50.1	0.7
	2019	6.2	7.5	-	5.0	-	-	2.5	8.0	-	-6.1	53.9	0.0
	2020	6.0	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	3.0	4.1	-1.5	86.8	-4.0
	2019	1.2	1.9	2.5	-0.6	0.7	4.2	1.9	3.5	3.8	-1.4	83.8	-3.8
	2020	1.3	1.6	1.3	-2.0	0.8	-2.4	1.4	3.5	3.6	-1.1	82.9	-3.5
Japan	2018	0.8	0.3	0.8	1.1	3.4	3.3	0.9	-	2.4	-	-	-
	2019	1.4	1.0	2.2	2.4	-1.7	-0.6	1.0	-	2.4	-	-	-
	2020	0.5	-0.3	1.7	0.6	1.7	1.2	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	20-Sep	2.00	2.16	1.71	1.64	110.5	-	675.6	899.2	967.6
	+3m	1.50	1.22	1.30	1.30	110.0	-	678.0	877.3	981.8
	+6m	1.00	1.00	0.90	1.00	113.0	-	659.7	849.6	964.6
	+12m	1.00	1.00	1.00	1.10	115.0	-	648.3	826.1	956.5
EUR	20-Sep	-0.50	-0.40	-0.43	-0.11	-	110.5	746.7	993.9	1069.5
	+3m	-0.50	-0.41	-0.50	-0.20	-	110.0	745.8	965.0	1080.0
	+6m	-0.50	-0.41	-0.50	-0.20	-	113.0	745.5	960.0	1090.0
	+12m	-0.50	-0.41	-0.40	-0.10	-	115.0	745.5	950.0	1100.0
JPY	20-Sep	-0.10	-0.09	-0.15	-0.04	120.5	107.9	6.20	8.25	8.87
	+3m	-0.10	-	-	-	115.5	105.0	6.46	8.35	9.35
	+6m	-0.10	-	-	-	118.7	105.0	6.28	8.09	9.19
	+12m	-0.10	-	-	-	126.5	110.0	5.89	7.51	8.70
GBP	20-Sep	0.75	0.78	0.80	0.79	88.0	125.6	848.6	1129.5	1215.4
	+3m	0.75	0.79	0.70	0.70	90.0	122.2	828.6	1072.2	1200.0
	+6m	0.75	0.79	0.70	0.70	90.0	125.6	828.3	1066.7	1211.1
	+12m	0.75	0.79	0.80	0.75	90.0	127.8	828.3	1055.6	1222.2
CHF	20-Sep	-0.75	-0.80	-0.76	-0.37	109.5	99.1	682.0	907.7	976.8
	+3m	-0.75	-	-	-	110.0	100.0	678.0	877.3	981.8
	+6m	-0.75	-	-	-	112.0	99.1	665.6	857.1	973.2
	+12m	-0.75	-	-	-	114.0	99.1	653.9	833.3	964.9
DKK	20-Sep	-0.75	-0.43	-0.34	-0.02	746.7	675.6	-	133.1	143.2
	+3m	-0.75	-0.45	-0.40	-0.10	745.8	678.0	-	129.4	144.8
	+6m	-0.75	-0.45	-0.45	-0.15	745.5	659.7	-	128.8	146.2
	+12m	-0.75	-0.45	-0.35	-0.05	745.5	648.3	-	127.4	147.6
SEK	20-Sep	-0.25	-0.06	-0.05	0.33	1069.5	967.6	69.8	92.9	100.0
	+3m	-0.25	-0.10	-0.15	0.35	1080.0	981.8	69.1	89.4	-
	+6m	-0.50	-0.35	-0.30	0.35	1090.0	964.6	68.4	88.1	-
	+12m	-0.50	-0.35	-0.30	0.35	1100.0	956.5	67.8	86.4	-
NOK	20-Sep	1.50	1.76	1.83	1.70	993.9	899.2	75.1	100.0	107.6
	+3m	1.50	2.07	1.90	1.65	965.0	877.3	77.3	-	111.9
	+6m	1.50	2.19	2.00	1.70	960.0	849.6	77.7	-	113.5
	+12m	1.75	2.32	2.05	1.70	950.0	826.1	78.5	-	115.8

Commodities												
	20-Sep	2019				2020				Average		
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2019	2020	
ICE Brent	65	65	70	70	75	75	75	75	75	72	75	

Source: Dansk Bank

Calendar

Key Data and Events in Week 39

During the week

Period	Danske Bank	Consensus	Previous
Mon 23	JPY	Autumnal Equinox Day	

Monday, September 23, 2019

Period	Danske Bank	Consensus	Previous
-	JPY	Autumnal Equinox Day	
8:00	DKK	Employment, s.a.	M Jul 2.81
9:15	FRF	PMI manufacturing, preliminary	Index Sep 51.2 51.1
9:15	FRF	PMI services, preliminary	Index Sep 53.2 53.4
9:30	DEM	PMI manufacturing, preliminary	Index Sep 44.3 43.5
9:30	DEM	PMI services, preliminary	Index Sep 54.3 54.8
10:00	EUR	PMI manufacturing, preliminary	Index Sep 47.0 47.0
10:00	EUR	PMI composite, preliminary	Index Sep 52.0 51.9
10:00	EUR	PMI services, preliminary	Index Sep 53.0 53.2 53.5
15:00	EUR	ECB's Draghi speaks in Frankfurt	
15:45	USD	Markit PMI manufacturing, preliminary	Index Sep 50.3 50.3
15:45	USD	Markit PMI service, preliminary	Index Sep 51.5 50.7
15:50	USD	Fed's Williams (voter, neutral) speaks	
17:30	USD	Fed's Daly (non-voter, neutral) speaks	
19:00	USD	Fed's Bullard (non-voter, dovish) speaks	

Tuesday, September 24, 2019

Period	Danske Bank	Consensus	Previous
2:30	JPY	Nikkei Manufacturing PMI, preliminary	Index Sep 49.3
2:30	JPY	Markit PMI services, preliminary	Index Sep 53.3
7:00	JPY	Leading economic index, final	
7:30	JPY	BoJ Kuroda speaks	
8:45	FRF	Business confidence	Index Sep 105.0 105.0
10:00	DEM	IFO - business climate	Index Sep 94.5 94.3
10:00	DEM	IFO - current assessment	Index Sep 97.0 97.3
10:00	DEM	IFO - expectations	Index Sep 92.0 91.3
14:00	HUF	Central Bank of Hungary rate decision	
15:00	USD	FHFA house price index	m/m Jul 0.3% 0.2%
16:00	USD	Conference Board consumer confidence	Index Sep 134.0 135.1

Wednesday, September 25, 2019

Period	Danske Bank	Consensus	Previous
4:00	NZD	Reserve Bank of New Zealand (cash rate decision)	
8:00	NOK	Unemployment (LFS)	% Jul 3.5% 3.5% 3.6%
8:00	DEM	GfK consumer confidence	Net. Bal. Oct 9.6 9.7
8:45	FRF	Consumer confidence	Index Sep 103.0 102.0
9:00	EUR	ECB's Coeure speaks in Frankfurt	
14:00	USD	Fed's Evans (voter, neutral) speaks	
16:00	USD	Fed's George (voter, neutral) speaks	
16:00	EUR	ECB's Coeure speaks in Berlin	
16:00	USD	New home sales	1000 (m/m) Aug 653 635.0 (-12.8%)
16:30	USD	DOE U.S. crude oil inventories	K 1058

Source: Danske Bank

Calendar

Thursday, September 26, 2019			Period	Danske Bank	Consensus	Previous
1:00	USD	Fed's Kaplan (non-voter, neutral) speaks				
8:00	DKK	Retail sales	m/m y/y	Aug		-0.2% 2.4%
8:35	JPY	BoJ Kuroda speaks				
9:00	SEK	Consumer confidence	Index	Sep		94.0
9:00	SEK	Economic Tendency Survey	Index	Sep		94.9
9:00	SEK	Manufacturing confidence	Index	Sep		94.8
9:30	SEK	Household lending	y/y	Aug	4.9%	4.9%
9:30	SEK	Trade balance	SEK bn	Aug	-2.5	6.7
9:30	SEK	PPI	m/m y/y	Aug		0.3% 2.0%
10:00	EUR	Money supply (M3)	y/y	Aug	5.1%	5.2%
10:00	EUR	Loans to households (adj. for sales and sec.)	%	Aug	5.1%	5.2%
10:00	EUR	Loans to NFCs (adj. for sales and sec.)	%	Aug	5.1%	5.2%
10:00	EUR	ECB Publishes Economic Bulletin				
14:30	USD	Initial jobless claims	1000			208
14:30	USD	PCE core	q/q AR	2nd quarter		0.017
14:30	USD	Advance goods trade balance	USD bn	Aug	-73.5	-72.3
14:30	USD	GDP, second release	q/q AR	2nd quarter	0.02	0.02
15:30	EUR	ECB's Draghi speaks in Frankfurt				
15:30	USD	Fed's Kaplan (non-voter, neutral) speaks				
16:00	USD	Fed's Bullard (non-voter, dovish) speaks				
16:00	USD	Pending home sales	m/m y/y	Aug	1.0% ..	-2.5% 1.7%
17:45	USD	Fed's Clarida (voter, neutral) speaks				
17:45	USD	Fed's Daly (non-voter, neutral) speaks				
20:00	USD	Fed's Kashkari (non-voter, dovish) speaks				
22:30	USD	Fed's Barkin (non-voter, neutral) speaks				
Friday, September 27, 2019			Period	Danske Bank	Consensus	Previous
1:01	GBP	GfK consumer confidence	Index	Sep	-14.0	-14.0
3:30	CNY	Industrial profits	y/y	Aug		2.6%
8:00	DKK	Business Confidence		Sep		
8:00	DKK	CB's securities statistics		Aug		
8:00	DKK	Foreign portfolio investments		Aug		
8:00	NOK	Credit indicator (C2)	y/y	Aug		5.6%
8:45	FRF	Household consumption	m/m y/y	Aug	0.3% -0.1%	0.4% 0.1%
8:45	FRF	HICP, preliminary	m/m y/y	Sep	-0.3% 1.3%	0.5% 1.3%
9:30	SEK	Retail sales s.a.	m/m y/y	Aug	0.2% 3.0%	0.4% 4.3%
10:00	NOK	Unemployment	%	Sep	2.2%	2.3%
11:00	EUR	Business climate indicator	Net bal.	Sep	0.1	0.1
11:00	EUR	Industrial confidence	Net bal.	Sep	-5.8	-5.9
11:00	EUR	Economic confidence	Index	Sep	103.0	103.1
11:00	EUR	Consumer confidence, final	Net bal.	Sep		
11:00	EUR	Service confidence	Net bal.	Sep	9.5	9.3
14:30	USD	Personal spending	m/m	Aug	0.3%	0.6%
14:30	USD	PCE core	m/m y/y	Aug	0.2% 1.8%	0.2% 1.6%
14:30	USD	Fed's Quarles (voter, hawkish) speaks				
14:30	USD	Core capital goods orders, preliminary	%	Aug	0.0%	0.2%
14:30	USD	PCE headline	m/m y/y	Aug	0.1% 1.4%	0.2% 1.4%
16:00	USD	University of Michigan Confidence, final	Index	Sep	92.1	92.0
19:00	USD	Fed's Harker (non-voter, neutral) speaks				

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Source: Danske Bank

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