

# Weekly Focus

## As sentiment turns sour, we look for hard data to match

### Market movers ahead

- Next week will be fairly slow in terms of US data and we should get a better sense of how resilient the US economy is to the global slowdown the following week, with ISM manufacturing and the May jobs report coming out.
- We also look forward to hearing more from multiple FOMC members.
- Results from this week's European Parliament election should ensure overall pro-EU sentiment in the Parliament but the political centre could be more fragmented.
- Brexit has returned to the spotlight, with GBP falling and the likelihood of a negative scenario increasing and a leadership contest in the Conservative party coming up.
- The setback in the trade war is set to take its toll on Chinese PMI and, rather than a recovery, we now expect it to move sideways at a quite low level in coming months.
- In Sweden, we expect data to deteriorate, with weak GDP figures and manufacturing confidence declining. In contrast, in Norway and Denmark, we expect data – including GDP figures – to hold up well.

### Weekly wrap-up

- PMI releases cast doubt on the outlook for the global economy and, notably, the decline in US services PMI was troubling, given the strength of the US labour market.
- While the global central banks have not reacted yet to the weakening sentiment, they may be forced to reconsider their stance and markets are pricing Fed cuts.
- Weak economic releases and renewed Brexit uncertainty have hit risk sentiment badly. The stock market has declined and US yields fell sharply.

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### Financial views

#### Major indices

	24-May	3M	12M
10Yr EUR swap	0.40	0.55	0.70
EUR/USD	112	113	117
ICE Brent oil	69	75	80

Source: Danske Bank

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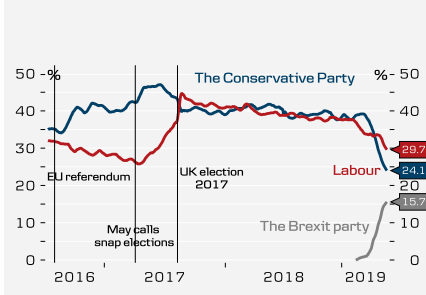
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### Official Chinese PMI expected to move sideways at low level in Q3



Source: Macrobond Financial, NBS, Danske Bank

### UK Conservatives are in freefall



Source: Britain Elects, Macrobond Financial

We plan to publish the next Weekly Focus on 7 June.

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# Market movers

## Global

- The first key event in the euro area next week will be the **European elections**, concluding on Sunday, 26 May. The polls point to some erosion of the political centre; however, overall sentiment in parliament should remain pro-EU. The EU elections will also have important repercussions in the European politics sphere, see *2019 EU Parliament elections: Setting the scene for the 'European Game of Thrones'*.

**Euro area HICP** figures are due out on Tuesday, 4 June. In April, the 'Easter effect' pushed core inflation up by 0.5pp to 1.3% y/y but the May print will probably be a more reliable guide to the trend in actual underlying inflation pressures. As the Easter boost to travel-related service prices wanes, we expect both headline and core inflation to drop back in May, to 1.6% and 1.1%, respectively (see also *Euro Area Research - Inflation under the microscope: simmering, not boiling*).

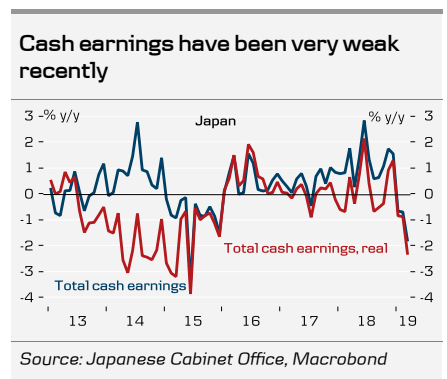
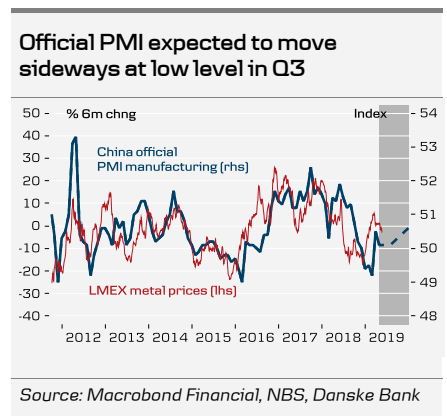
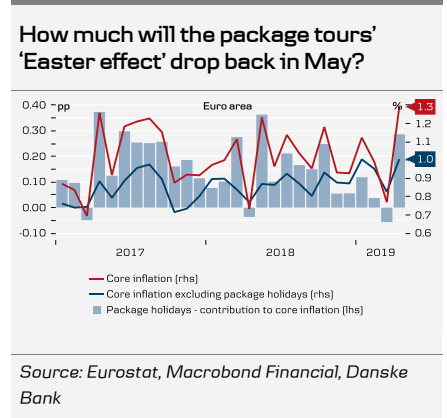
The inflation print will also be of key interest for the **ECB** in light of the recent decline in market-based inflation expectations. At the **meeting on 6 June**, we expect the ECB to maintain its easing bias, with no new additional stimulus measures announced. The update of the staff projections is unlikely to change much for inflation, but we see a downside risk to the 2020-21 growth forecast from its already low level. We will also get more information on the TLTRO3 terms, which we expect to be favourable in light of the ongoing struggles of the economy.

- The focus in **China** will be on the official PMI manufacturing data. Previously, we had expected it to rise further in the coming months as sentiment was starting to improve. However, with the sharp setback in the trade war, we now expect the PMI to move sideways at quite a low level in the coming months. We look for it to be unchanged in May at 50.1. We do not see the PMI falling back to the very low levels seen in January. Stimulus is increasingly feeding through, which puts a floor under growth. Our baseline scenario is a trade deal in late Q3, which should pave the way for recovery in Q4. However, uncertainty is quite elevated at the moment and if the trade war drags out, the recovery would likely be postponed further.

Other focus points will be industrial profits for April and the development in the US-China trade war. One of the things to look out for now is whether there is any retaliation against the US ban on US firms doing business with Chinese tele-giant Huawei, which represents a big hit to the company.

- In **Japan**, we have a quiet week from Monday to Thursday. Then on Friday, we get April industrial production. Manufacturing PMIs suggest we will get a pickup here. On the same day, April retail sales tick in. Q1 has been weak but with a modestly increasing trend since retail sales plunged in January. Weak labour cash income and consumer confidence suggest we are not in for a strong rebound any time soon.

In the following week, we get May service PMIs on Wednesday. Until now this has stayed above 50, supporting growth, while foreign demand has declined. The following Friday, April total cash earnings ticks in. These have looked increasingly dire in the past few months as businesses have been extra aware of costs in the light of slowing global demand. This is bound to weigh on private consumption if we do not get a rebound soon.



Scandi

- Several items of news are due in the coming two weeks in **Denmark**. Next week kicks off with retail sales for April. Retail sales started the year in a slump, but the trend has been up since then. Wednesday should bring the national accounts figures for Q1. GDP growth was 0.3% according to the GDP indicator, and it will be interesting to see what the main drivers were. Our assessment is that demand has been significantly stronger than what GDP growth, which is based on supply, suggests.

Unemployment in April is also due on Wednesday, as is the May business confidence indicator and the figures for foreign portfolio investments and the securities statistics for April. Unemployment as a share of the total labour force stands at 3.7% – the lowest level since February 2009. However, given the global slowdown, we are not particularly concerned about overheating. Manufacturing confidence has been trending higher of late, albeit from a modest level – which does not fit particularly well with the recent very strong growth in industrial production. And, indeed, new industrial production figures are due on Friday, 7 June. The same day is scheduled to bring April’s export figures, which have closely reflected the positive trend in manufacturing at the start of the year. That said, exports took a tumble in March due to a slump in pharmaceutical exports, in particular after a very strong period since the autumn.

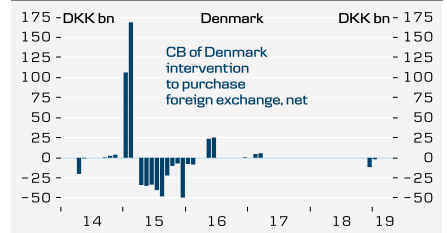
Danmarks Nationalbank is set to publish FX reserve figures for May on Tuesday, 4 June. May saw the Danish krone (DKK) dip below the level that prompted intervention from Danmarks Nationalbank in December and January. Hence, all eyes will be on this figure to see whether DKK weakness triggered further intervention.

- In **Sweden**, the NIER May confidence survey is released next week. Over the past three months, there has been somewhat of a stabilisation in the general decline seen in all sectors. We expect manufacturing confidence to drop further, as suggested by plunging German manufacturing data. We will keep an eye on both retail and private services price expectations to gauge whether SEK weakness is being pushed on to consumers or not. Furthermore, perhaps most important, is employment tendencies. A continued decline in hiring expectations would support the notion that the super strong labour market is turning weaker.

The April trade balance, household lending, retail sales (next week) and private production value (the week after) go into our GDP model, giving a hint about the start of Q2 growth. That said, Q1 GDP growth is also released next week, and will be in focus. Our model suggests GDP growth has slowed to about 1% y/y. This is supported by both private production and the private consumption indicator, which both grew at about 1.2-1.3% y/y. Residential investment is declining. And inventory change appears to be neutral or slightly negative. Uncertainty is primarily related to net exports. In Q4 18, there was a sharp, unusual boost from net services exports. In Q1 19, it seems net goods exports will give a strong boost instead; however, for the wrong reason, i.e. plunging imports. It is hard to make a positive interpretation of that. It represents an upside risk to our forecast.

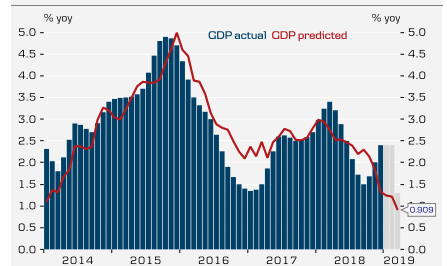
May manufacturing PMI is exposed to the same German threat as mentioned above. There is a high risk we will see a print well below 50.

Danmarks Nationalbank could well have intervened in May



Source: Finance Denmark, Macrobond Financial

GDP growth slows towards 1%

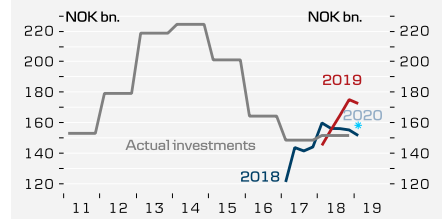


Source: Macrobond Financial, Danske Bank

- In **Norway**, the week's main event is the release of the quarterly oil investment survey. There are clear signs that the main reason why manufacturing and the economy as a whole have performed relatively well during a period of global weakness is growing activity in oil-related industries. The survey is therefore crucial for the economic outlook this year and next, and a key factor in our view of how interest and exchange rates will move over the next couple of years. We expect the estimate for oil investment this year to be around the previous estimate of NOK171bn, which equates to growth of around 13%. The figure for 2020 is very uncertain, but we should ideally see something in the region of NOK165bn if we are to have further faith in increased oil investment next year, too.

The week also brings the May PMI, which will be very interesting after the surprise drop in April. We think most of the decrease was down to problems with seasonal adjustment around Easter and so expect a rebound to 54.7 in May. The GDP figures for April will finally be adjusted for supply-side effects from power and fisheries, and should show an increase of 0.3% m/m. Lastly, we expect continued above-trend growth to mean that the labour market remains tight, with registered unemployment holding at 2.2% (seasonally-adjusted) in May.

### Strong growth in oil investments this year



Source: Macrobond Financial, Danske Bank

Market movers ahead

Global movers		Event		Period	Danske	Consensus	Previous
During the week		Sun 26	EUR	EU Parliament elections			
Mon	27-May	-	DEM	Retail sales	m/m y/y		0.0% -2.1%
		3:30	CNY	Industrial profits	y/y		13.9%
Tue	28-May	10:00	EUR	Money supply (M3)	y/y	4.40%	4.5%
		11:00	EUR	Economic confidence	Index	103.9	104.0
Wed	29-May	16:00	CAD	Bank of Canada rate decision	%	1.75%	1.75%
Fri	31-May	3:00	CNY	PMI manufacturing	Index	50.1	50.1
		3:00	CNY	PMI non-manufacturing	Index		54.2
		14:30	USD	PCE core	m/m y/y	0.2% 1.6%	0.0% 1.6%
		1:30	JPY	CPI - national	y/y		0.9%
							0.5%
Scandi movers		Event		Period	Danske	Consensus	Previous
Tue	28-May	8:00	NOK	Oil investment survey			
		9:30	SEK	Trade balance	SEK bn	3	7
		9:30	SEK	Retail sales s.a.	m/m y/y	0.5% 1.9%	0.5% 1.9%
Wed	29-May	8:00	NOK	Retail sales, s.a.	m/m	0.2%	0.6%
		8:00	DKK	GDP, preliminary	q/q y/y		0.8% ...
		9:30	SEK	GDP	q/q y/y	-0.3% 1.3%	0.2 1.8%
Fri	31-May	10:00	NOK	Unemployment	%	2.2%	2.3%
		9:30	SEK	Unemployment (n.s.a. s.a.)	%		7.1% 6.7%
Global movers		Event		Period	Danske	Consensus	Previous
Mon	03-Jun	3:45	CNY	Caixin PMI manufacturing	Index		50.0
		10:30	GBP	PMI manufacturing	Index		53.1
		16:00	USD	ISM manufacturing	Index		52.8
Tue	04-Jun	11:00	EUR	Unemployment	%		7.7%
		11:00	EUR	HICP - core inflation, preliminary	y/y	1.1%	1.3%
		15:45	USD	Fed's Powell (voter, neutral) speaks			
Wed	05-Jun	3:45	CNY	Caixin PMI service	Index		54.2
		10:30	GBP	PMI services	Index		50.4
		16:00	USD	ISM non-manufacturing	Index		56.5
Thurs	06-Jun	13:45	EUR	ECB announces refi rate	%	0.00%	0.00%
		13:45	EUR	ECB announces deposit rate	%	-0.40%	-0.40%
		14:30	EUR	ECB's Draghi speaks at press conference			0
Fri	07-Jun	8:00	DEM	Industrial production	m/m y/y		0.5% -0.9%
		14:30	USD	Average hourly earnings, non-farm	m/m y/y		0.3% ...
		14:30	USD	Non farm payrolls	1000		195
		1:30	JPY	CPI - national	y/y		0.9%
							0.5%
Scandi movers		Event		Period	Danske	Consensus	Previous
During the week							
Mon	03-Jun	8:30	SEK	PMI manufacturing	Index		50.9
		9:00	NOK	PMI manufacturing	Index		53.8
Tue	04-Jun	9:30	SEK	Industrial orders	m/m y/y		-4.9% -8.1%
		17:00	DKK	Currency reserves	DKK bn		452.9
Fri	07-Jun	8:00	NOK	Manufacturing production	m/m y/y		-0.8% 1.4%
		9:30	SEK	Unemployment (n.s.a. s.a.)	%		7.1% 6.7%

Source: Bloomberg, Danske Bank

# Weekly Wrap-Up

## Rising doubts about the global economic outlook

### Main macro themes

- PMI releases cast doubt about the outlook for the global economy**, with the most severe the slump in the US, where both the manufacturing and services PMI fell sharply. While it is not a big surprise to us that US manufacturing is not immune to the weakening global economic environment (global value chains), the service sector slowdown is more surprising given the strength of the US labour market. Japanese and German PMIs surprised on the downside, while the French PMI was a rare light. The weakening of the PMIs comes amid the significant uncertainty about trade between China and the US posed by the trade dispute between the two countries.
- While the global central banks have not yet reacted to the weakening sentiment, they may be forced to reconsider their stance.** The Fed minutes released this week flag concern among Fed staff about the inflation outlook. Moreover, the Fed has been more responsive to the weakening outlook and we expect it to analyse carefully the implications of the PMI numbers. Markets are already pricing in cuts but the Fed has so far maintained a strong neutral bias.
- In the UK, Theresa May has announced that she is stepping down as Prime Minister on 7 June.** This came after her new bid to find a majority for her withdrawal agreement failed. She will stay in the position until The Conservative Party finds a new leader, which is likely to take six weeks. With May stepping down, it opens the way for a more pro-Brexit Conservative leader, such as Boris Johnson. The new leadership process is set to take six weeks. The new political situation may call the 31 October deadline with the EU into doubt and this deadline may need to be extended. In our view, uncertainty is bound to remain high in coming weeks (see *Brexit Monitor – End of May*, 23 May).
- Tension between China and the US is shifting from the direct trade discussions to the tech sector.** Donald Trump’s administration is seeking to close off Beijing’s access to key technologies by limiting the sale of vital US components to China’s Huawei Technologies Co. The US is considering putting at least five Chinese surveillance companies on the same blacklist.

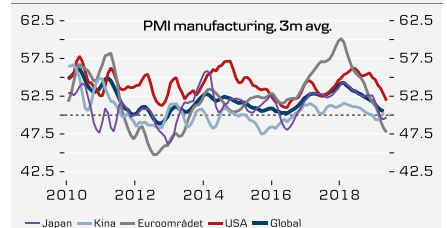
### Financial market developments

- The weak economic releases and renewed Brexit uncertainty have hit risk sentiment badly.** The stock market has declined and US yields have fallen sharply. In FX markets, the classic safe-haven currencies – JPY and CHF – outperformed peers, while emerging market currencies and Scandi currencies took a dive. **Markets are now pricing in a full 25bp rate cut from the Fed by the end of the year.**
- The renewed Brexit uncertainty weakened the GBP, as the likely replacement of May with a true Brexiteer reduces the likelihood of a soft Brexit deal for the moment. However, the new political situation is not severe enough to warrant a significantly weaker GBP, as there are still obstacles for a hard Brexit, even if Boris Johnson, the pro-Brexit candidate, takes over after Theresa May.

### Financial views

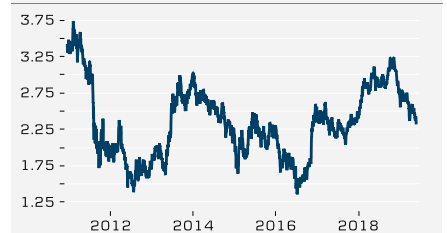
Major indices	24-May	3M	12M
10yr EUR swap	0.40	0.55	0.70
10yr US swap	2.27	2.35	2.50
ECB key rate	-0.40	-0.40	-0.40
Fed funds rate	2.50	2.50	2.50
EUR/SEK	1073	1080	1100
EUR/NOK	976	960	930
EUR/USD	112	113	117
ICE Brent oil	69	75	80

### PMIs paint a more negative picture of world economy



Source: Macrobond Financial

### US 10-year yields are falling amid weak sentiment



Source: Macrobond Financial

# Scandi update

## Denmark – employment continued to climb in March

Statistics Denmark has released wage earner employment figures for March, which showed 3,000 more people in work. Hence, we conclude that the upswing in Denmark is still on track. The fear was that global concerns would dampen the upswing and cause job growth to shift down a gear but we see no evidence of this.

We also received new consumer confidence numbers, which came in at 5.9 in May compared with 3.7 in April. Consumer confidence has been somewhat in the doldrums since the start of 2019, so the increase was a welcome change. The upturn was driven by a more upbeat view on both the Danish economy and families’ own finances. Danes have also become more optimistic on the outlook for the coming year.

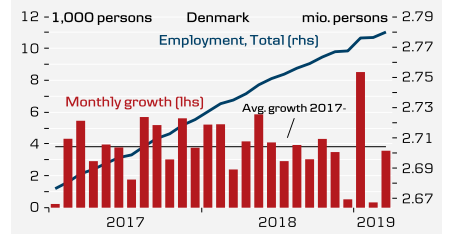
## Sweden – labour market surprises again, hides weakness

Although the (seasonally adjusted) participation rate fell back from a record high of 73.6% in March to 73.3% in April, the employment rate showed the opposite development, rising from 68.7% in March to a record high of 69.0% in April. Correspondingly, the unemployment rate reached a record low of 5.8%. To a large extent, we see this as a recoil from the high March print. Growth in hours worked has recently slowed to around 2% y/y, which we believe is fine. However, the trend in employment growth is definitely slowing; in April it was 1.5% y/y, the weakest since 2016. Actually, it seems that this is the case too for both the working population and the labour force. Early indicators such as growth in new job vacancies or business hiring plans (NIER) say we should expect a further slowdown.

## Norway – no events

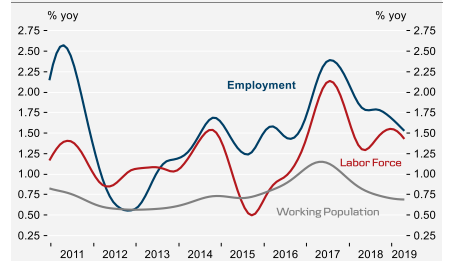
There are no key figures or events in Norway to comment on.

**Employment growth back on track in March**



Source: Statistics Denmark, Danske Bank, Macrobond Financial

**Weaker trend growth in the labour market**



Source: SCB

# Latest research from Danske Bank

*23/5 Brexit Monitor - End of May*

Brexit has returned to the headlines, as Theresa May's premiership is coming to an end and cross-party talks have broken down.



## 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	1.4	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	0.5
	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 <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	1.1	3.3	3.1	3.1	1.8	2.3	8.2	-0.5	85.1	3.6
	2019	1.4	1.2	2.3	3.1	3.0	4.0	1.5	2.2	7.7	-0.8	84.9	3.3
	2020	1.5	1.6	2.4	2.0	2.7	3.5	1.4	2.4	7.5	-0.7	82.8	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	7.3
	2019	1.1	0.9	3.2	3.3	2.2	4.4	1.4	3.2	3.1	1.2	56.7	7.3
	2020	1.4	1.6	2.2	3.1	3.1	4.6	1.5	3.0	2.9	1.1	53.7	6.9
Finland	2018	2.3	1.4	1.4	3.2	1.5	4.2	1.1	1.8	7.4	-0.7	58.9	-1.9
	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 <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	1.5	5.2	4.0	4.5	2.4	3.0	3.9	-4.0	106.0	-3.2
	2019	2.4	2.4	1.3	2.9	2.1	3.5	1.8	3.3	3.6	-4.6	107.0	-3.6
	2020	1.9	2.1	1.0	2.7	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	1.8	0.4	0.2	0.1	0.7	2.5	3.0	4.1	-1.5	86.8	-3.3
	2019	1.0	1.4	1.3	-0.7	1.4	2.2	1.6	3.5	3.9	-1.5	84.1	-3.2
	2020	1.3	1.5	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

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	24-May	2.50	2.52	2.21	2.27	111.9	-	959.0
	+3m	2.50	2.50	2.30	2.35	113.0	-	955.8
	+6m	2.50	2.50	2.30	2.40	115.0	-	947.8
	+12m	2.50	2.50	2.30	2.50	117.0	-	940.2
EUR	24-May	-0.40	-0.31	-0.25	0.40	-	111.9	1073.4
	+3m	-0.40	-0.31	-0.20	0.55	-	113.0	1080.0
	+6m	-0.40	-0.31	-0.15	0.60	-	115.0	1090.0
	+12m	-0.20	-0.12	-0.10	0.70	-	117.0	1100.0
JPY	24-May	-0.10	-0.07	-0.03	0.10	125.6	109.5	8.54
	+3m	-0.10	-	-	-	122.0	108.0	8.85
	+6m	-0.10	-	-	-	127.1	110.5	8.58
	+12m	-0.10	-	-	-	131.0	112.0	8.39
GBP	24-May	0.75	0.80	0.91	1.17	88.3	126.8	1216.1
	+3m	0.75	0.84	1.05	1.35	86.0	131.4	1255.8
	+6m	0.75	0.84	1.10	1.45	86.0	133.7	1267.4
	+12m	0.75	0.84	1.20	1.50	86.0	136.0	1279.1
CHF	24-May	-0.75	-0.71	-0.68	-0.05	112.2	100.2	957.1
	+3m	-0.75	-	-	-	113.0	100.0	955.8
	+6m	-0.75	-	-	-	115.0	100.0	947.8
	+12m	-0.75	-	-	-	117.0	100.0	940.2
DKK	24-May	-0.65	-0.34	-0.17	0.51	746.8	667.2	143.7
	+3m	-0.65	-0.33	-0.10	0.65	746.3	660.4	144.7
	+6m	-0.65	-0.33	-0.05	0.70	745.9	648.6	146.1
	+12m	-0.65	-0.33	0.00	0.80	745.5	637.2	147.6
SEK	24-May	-0.25	-0.01	0.06	0.76	1073.4	959.0	100.0
	+3m	-0.25	0.05	0.05	0.90	1080.0	955.8	-
	+6m	-0.25	0.00	0.10	0.90	1090.0	947.8	-
	+12m	-0.25	0.00	0.10	0.95	1100.0	940.2	-
NOK	24-May	1.00	1.49	1.83	2.04	976.2	872.2	110.0
	+3m	1.25	1.80	1.85	2.15	960.0	849.6	112.5
	+6m	1.25	1.96	2.05	2.20	940.0	817.4	116.0
	+12m	1.50	2.14	2.15	2.35	930.0	794.9	118.3

Commodities											
	24-May	2019				2020				Average	
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2019	2020
ICE Brent	69	65	70	75	80	80	80	80	80	72	80

Source: Dansk Bank

# Calendar

## Key Data and Events in Week 22

During the week				Period	Danske Bank	Consensus	Previous
Sun 26	EUR	EU Parliament elections					
Sun 26	EUR	ECB's Lautenschlaeger speaks in Frankfurt					
Mon 27	DEM	Retail sales	m/m y/y	Apr			0.0% -2.1%
Mon 27	USD	Memorial Day					
Monday, May 27, 2019				Period	Danske Bank	Consensus	Previous
-	DEM	Retail sales	m/m y/y	Apr			0.0% -2.1%
-	USD	Memorial Day					
3:30	CNY	Industrial profits	y/y	Apr			13.9%
7:00	JPY	Leading economic index, final	Index	Mar			96.3
8:00	DKK	Retail sales	m/m y/y	Apr			0.7% 0.5%
Tuesday, May 28, 2019				Period	Danske Bank	Consensus	Previous
6:30	NOK	Consumer confidence	Net. bal.	2nd quarter			12.7
7:45	CHF	GDP	q/q y/y	1st quarter		0.4% ...	0.2% 1.4%
8:00	NOK	Oil investment survey					
8:00	DEM	GfK consumer confidence	Net. Bal.	Jun			10.4
8:45	FRF	Consumer confidence	Index	May			96.0
9:00	SEK	Consumer confidence	Index	May			95.8
9:00	SEK	Economic Tendency Survey	Index	May			102.7
9:00	SEK	Manufacturing confidence	Index	May			108.4
9:30	SEK	Household lending	y/y	Apr			5.0%
9:30	SEK	Trade balance	SEK bn	Apr	<b>3</b>		7
9:30	SEK	Retail sales s.a.	m/m y/y	Apr	<b>0.5% 1.9%</b>	0.7% 1.5%	0.5% 1.9%
10:00	EUR	Money supply (M3)	y/y	Apr		4.40%	4.5%
10:00	EUR	Loans to households (adj. for sales and sec.)	%	Apr			4.5%
10:00	EUR	Loans to NFCs (adj. for sales and sec.)	%	Apr			4.5%
11:00	EUR	Service confidence	Net bal.	May		11	11.5
11:00	EUR	Business climate indicator	Net bal.	May		0.4	0.4
11:00	EUR	Industrial confidence	Net bal.	May		-4.3	-4.1
11:00	EUR	Economic confidence	Index	May		103.9	104.0
11:00	EUR	Consumer confidence, final	Net bal.	May		-6.5	-6.5
14:00	HUF	Central Bank of Hungary rate decision	%			0.90%	0.90%
15:00	USD	FHFA house price index	m/m	Mar			0.3%
16:00	USD	Conference Board consumer confidence	Index	May		130.0	129.2

Source: Danske Bank

## Calendar (continued)

Wednesday, May 29, 2019					Period	Danske Bank	Consensus	Previous
8:00	NOK	Retail sales, s.a.	m/m	Apr		<b>0.2%</b>		0.6%
8:00	NOK	Credit indicator (C2)	y/y	Apr				5.8%
8:00	DKK	Gross unemployment s.a.	K (%)	Apr				0.037
8:00	DKK	GDP, preliminary	q/q y/y	1st quarter				0.8% ...
8:45	FRF	Household consumption	m/m y/y	Apr				-0.1% -1.9%
8:45	FRF	HICP, preliminary	m/m y/y	May				0.4% 1.5%
8:45	FRF	GDP, final	q/q y/y	1st quarter				0.3% 1.1%
9:00	CHF	KOF leading indicator	Index	May				96.2
9:30	SEK	GDP	q/q y/y	1st quarter		<b>-0.3% 1.3%</b>	<i>0.2 1.8%</i>	1.2% 2.4%
9:30	SEK	Wages (blue collars/white collars)	y/y	Mar				2.4%
9:55	DEM	Unemployment	%	May				4.9%
16:00	CAD	Bank of Canada rate decision	%			<b>1.75%</b>	<i>1.75%</i>	1.75%
Thursday, May 30, 2019					Period	Danske Bank	Consensus	Previous
9:00	ESP	HICP, preliminary	m/m y/y	May				1.1% 1.6%
14:30	USD	GDP, second release	q/q AR	1st quarter			<i>3.1%</i>	3.2%
14:30	USD	Advance goods trade balance	USD bn	Apr			<i>-71.7</i>	-71.4
14:30	USD	Initial jobless claims	1000					
14:30	USD	PCE core	q/q AR	1st quarter				1.30%
16:00	USD	Pending home sales	m/m y/y	Apr			<i>1.0% ...</i>	3.8% -3.2%
17:00	USD	DOE U.S. crude oil inventories	K					4740
Friday, May 31, 2019					Period	Danske Bank	Consensus	Previous
1:01	GBP	GfK consumer confidence	Index	May				-13.0
1:30	JPY	Unemployment rate	%	Apr			<i>2.4%</i>	2.5%
1:30	JPY	Job-to-applicant ratio		Apr			<i>1.63</i>	1.63
1:50	JPY	Retail trade	m/m y/y	Apr			<i>1.2% 1.1%</i>	0.2% 1.0%
1:50	JPY	Industrial production, preliminary	m/m y/y	Apr			<i>0.2% -1.6%</i>	-0.6% -4.3%
3:00	CNY	PMI manufacturing	Index	May		<b>50.1</b>	<i>50.0</i>	50.1
3:00	CNY	PMI non-manufacturing	Index	May			<i>54.2</i>	54.3
7:00	JPY	Consumer confidence	Index	May				40.4
10:00	NOK	Unemployment	%	May		<b>2.2%</b>	<i>2.1%</i>	2.3%
10:00	NOK	Norges Bank's daily FX purchases	m	Jun				-600
10:00	ITL	GDP, final	q/q y/y	1st quarter				0.2% 0.1%
11:00	ITL	HICP, preliminary	m/m y/y	May				0.5% 1.1%
12:00	EUR	Portugal, GDP, final	q/q y/y	1st quarter				0.5% 1.8%
14:00	DEM	HICP, preliminary	m/m y/y	May				1.0% 2.1%
14:30	USD	Personal spending	m/m	Apr			<i>0.2%</i>	0.9%
14:30	USD	PCE headline	m/m y/y	Apr			<i>0.3% 1.6%</i>	0.2% 1.5%
14:30	CAD	GDP	m/m y/y	Mar				-0.1% 1.1%
14:30	USD	PCE core	m/m y/y	Apr		<b>0.2% 1.6%</b>	<i>0.2% 1.6%</i>	0.0% 1.6%
15:45	USD	Chicago PMI	Index	May			<i>54.0</i>	52.6
16:00	USD	University of Michigan Confidence, final	Index	May			<i>101.5</i>	102.4

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Source: Danske Bank

# Calendar

## Key Data and Events in Week 23

During the week				Period	Danske Bank	Consensus	Previous
<b>Monday, June 3, 2019</b>							
-	USD	Total vehicle sales	m	May			16.4
2:30	JPY	Nikkei Manufacturing PMI, final	Index	May			49.6
3:45	CNY	Caixin PMI manufacturing	Index	May		50.0	50.2
8:30	SEK	PMI manufacturing	Index	May			50.9
8:30	CHF	CPI	m/m y/y	May			0.2% 0.7%
9:00	NOK	PMI manufacturing	Index	May			53.8
9:15	ESP	PMI manufacturing	Index	May			51.8
9:45	ITL	PMI manufacturing	Index	May			49.1
9:50	FRF	PMI manufacturing, final	Index	May			50.6
9:55	DEM	PMI manufacturing, final	Index	May			44.3
10:00	EUR	PMI manufacturing, final	Index	May			47.7
10:30	GBP	PMI manufacturing	Index	May			53.1
15:30	CAD	RBC manufacturing PMI	Index	May			49.7
15:45	USD	Markit PMI manufacturing, final	Index	May			50.6
16:00	USD	Construction spending	m/m	Apr		0.5%	-0.9%
16:00	USD	ISM manufacturing	Index	May		53.7	52.8
<b>Tuesday, June 4, 2019</b>							
6:30	AUD	Reserve Bank of Australia rate decision	%			1.3%	1.5%
9:30	SEK	Industrial orders	m/m y/y	Apr			-4.9% -8.1%
9:30	SEK	Current account	SEK bn	1st quarter			39.6
10:30	GBP	PMI construction	Index	May			50.5
11:00	EUR	Unemployment	%	Apr			7.7%
11:00	EUR	HICP - core inflation, preliminary	y/y	May	1.1%		1.3%
11:00	EUR	HICP inflation, preliminary	y/y	May	1.6%		1.7%
15:45	USD	Fed's Powell (voter, neutral) speaks					
16:00	USD	Core capital goods orders, final	%	Apr			
17:00	DKK	Currency reserves	DKK bn	May			452.9
<b>Wednesday, June 5, 2019</b>							
-	PLN	Polish central bank rate decision	%				1.5%
2:30	JPY	Markit PMI services	Index	May			51.8
3:30	AUD	GDP	q/q y/y	1st quarter			0.2% 2.3%
3:45	CNY	Caixin PMI service	Index	May		54.2	54.5
8:30	SEK	PMI services	Index	May			54.0
9:15	ESP	PMI services	Index	May			53.1
9:45	ITL	PMI services	Index	May			50.4
9:50	FRF	PMI services, final	Index	May			51.7
9:55	DEM	PMI services, final	Index	May			55.0
10:00	EUR	PMI composite, final	Index	May			51.6
10:00	EUR	PMI services, final	Index	May			52.5
10:30	GBP	PMI services	Index	May			50.4
11:00	EUR	PPI	m/m y/y	Apr			2.9% -0.1%
11:00	EUR	Retail sales	m/m y/y	Apr			0.0% 1.9%
14:15	USD	ADP employment	1000	May			275
15:45	USD	Markit PMI service, final	Index	May			50.9
16:00	USD	ISM non-manufacturing	Index	May		56.5	55.5
16:30	USD	DOE U.S. crude oil inventories	K				

Source: Danske Bank

## Calendar (continued)

Thursday, June 6, 2019				Period	Danske Bank	Consensus	Previous
8:00	DEM	Factory orders	m/m y/y	Apr			0.6% -6.0%
11:00	EUR	GDP, final	q/q y/y	1st quarter			0.4% 1.2%
11:00	EUR	Gross fixed investments	q/q	1st quarter			1.3%
11:00	EUR	Government consumption	q/q	1st quarter			0.7%
11:00	EUR	Private consumption	q/q	1st quarter			0.2%
11:00	EUR	Employment, final	q/q y/y	1st quarter			0.3% 1.3%
13:45	EUR	ECB announces refi rate	%		0.00%	0.00%	0.00%
13:45	EUR	ECB announces deposit rate	%		-0.40%	-0.40%	-0.40%
14:30	USD	Initial jobless claims	1000				
14:30	EUR	ECB's Draghi speaks at press conference					0
14:30	USD	Unit labour cost, final	q/q	1st quarter		-0.9%	-0.9%
14:30	USD	Trade balance	USD bn	Apr		-52.0	-50.0
Friday, June 7, 2019				Period	Danske Bank	Consensus	Previous
-	CNY	Dragon Boat Day					
-	CNY	Foreign exchange reserves	USD bn	May			3095.0
1:30	JPY	Labour cash earnings	y/y	Apr			-1.9%
7:00	JPY	Leading economic index, preliminary	Index	Apr			
7:45	CHF	Unemployment	%	May			2.4%
8:00	DKK	Industrial production	m/m	Apr			1.0%
8:00	NOK	Manufacturing production	m/m y/y	Apr			-0.8% 1.4%
8:00	NOK	Industrial production	m/m y/y	Apr			-1.4% -6.5%
8:00	DEM	Industrial production	m/m y/y	Apr			0.5% -0.9%
8:00	DEM	Trade balance	EUR bn	Apr			22.6
8:00	DEM	Labour costs	q/q y/y	1st quarter			-0.1% 2.0%
8:45	FRF	Industrial production	m/m y/y	Apr			-0.9% -0.9%
9:00	CHF	SNB balance sheet, intervention	CHF bn	May			771.6
14:30	CAD	Net change in full time employment	1000	May			73
14:30	USD	Unemployment	%	May		3.7%	3.6%
14:30	USD	Average hourly earnings, non-farm	m/m y/y	May		0.3% ...	0.2% 3.2%
14:30	USD	Non farm payrolls	1000	May		195	263
21:00	USD	Consumer credit	USD bn	Apr			10.3

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Source: Danske Bank

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**Report completed:** 24 May 2019, 14:20 CEST

**Report first disseminated:** 24 May 2019, 14:40 CEST