

# Weekly Focus

## How will the ECB respond to economic weakness?

### Market movers ahead

- Anyone looking for new liquidity measures from the ECB at its meeting on Thursday could well be disappointed, and it will be interesting to see how the bank's economic projections reflect recent data weakness.
- The US jobs report should show quite strong wage growth, but job growth seems to have reached its peak.
- Maybe the weakest spot in the US economy is the housing market, so keep an eye on housing data.
- Chinese exports were likely weak in February after quite a strong January.
- Danmarks Nationalbank intervened to defend the DKK in December and January, and reserve data will show whether that continued in February.

### Weekly wrap-up

- President Trump has postponed increasing tariffs on Chinese goods, and signals from trade negotiations are mostly optimistic.
- Key Brexit votes have been scheduled for mid-March, and the probability of a 'decent Brexit' has increased somewhat. A postponed deadline seems very likely.
- The Fed is coming closer to announcing an end to balance sheet reduction, and is unhappy with low inflation expectations.
- Oil prices dropped after a bearish tweet from Donald Trump.

### Contents

Market movers	2
Weekly Wrap-Up	5
Scandi update	6
Latest research from Danske Bank	8
Macroeconomic forecast	9
Financial forecast	10
Calendar	11

### Financial views

#### Major indices

	01-Mar	3M	12M
10yr EUR swap	0.71	0.75	1.05
EUR/USD	114	117	125
ICE Brent oil	66	70	80

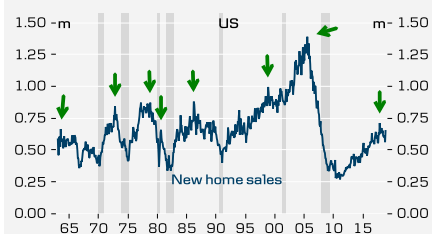
Source: Danske Bank

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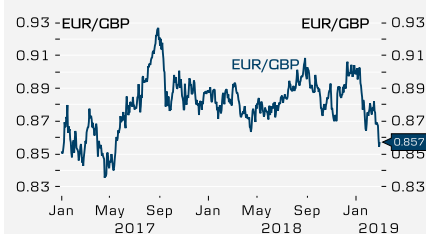
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### The US housing market looks weak



Source: BEA, Macrobond Financial

### Market sees no-deal Brexit as less likely



Source: Bloomberg, Macrobond Financial

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# Market movers

## Global

- In the **US**, the jobs report is the most important release which is due out on Friday. We think average hourly earnings rose +0.25% m/m in February, which means an increase in the annual growth rate to 3.3% y/y, up from 3.2%, while we expect the change in nonfarm payrolls to come in at 190k. Regarding nonfarm payrolls, it seems employment growth has reached its high and has stabilised around its current level of 1.7% y/y. At the moment, the labour market is still strong, but in our view it is important to keep an eye on deceleration in employment.

Next week also brings housing market data. New home sales have been on a declining trend since December 2017, however, data for November came in stronger than expected. As the housing market overall shows signs of weakness, we will keep an eye on these data releases.

- In the **euro area**, the final Q4 GDP estimates are due on Thursday, where for the first time we get detailed information about the growth drivers of the fourth quarter. The Q4 flash estimates showed growth at 1.2% y/y and 0.2% q/q. We expect no revisions to the estimates, but we will particularly look out for the component breakdown, since falling exports drove much of the slowdown in Q3 and it will be interesting to see whether this continued in Q4. We expect that private consumption actually contributed more positively than in the previous quarters in light of increasing real wages.

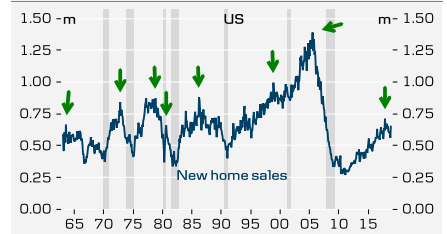
On Thursday, the long-awaited ECB meeting takes place. While no changes to interest rates are expected, the growth outlook and new staff projections alongside the discussion about a new liquidity facility will take centre stage. We do not expect new signals at the meeting, nor an announcement on a liquidity facility (contrary to market consensus). While in the near term the growth outlook remains fragile, we do not expect the ECB meeting to change the overall narrative or market sentiment. However, watch out for a potential volatile and sharp intraday market reaction as market expectations for the meeting are more dovish than ours.

- In the **UK**, at least on paper, next week looks quiet. The Brexit battles have been postponed by another two weeks until mid-March although we will, as always, look out for headlines on how the negotiations with the EU are proceeding. For more, see *Brexit Monitor*.

In terms of economic data releases, the most important release will be PMI Services on Tuesday. The index dropped to 50.1 in January and we won't be surprised if it has dropped below the 50 mark in February due to Brexit uncertainties. The service confidence indicator suggests the PMI service index may have fallen to as low as 48.0, which would be the lowest level since the referendum. We also have a few speeches by Bank of England policymakers, which, however, are unlikely to be interesting right now.

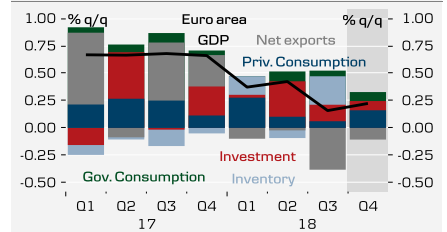
- So far, **Japan** has weathered the global slowdown quite well. Exports have suffered but domestic demand has remained decent. On Tuesday, we will get an indication as to whether that is still the case when February Service PMIs tick in. We might get another important indicator for domestic demand with January labour cash earnings, but due to faulty polling methods that have led to a downward revision in real wages, the publication date for the January figures remains uncertain.

### New home sales show signs of weakness



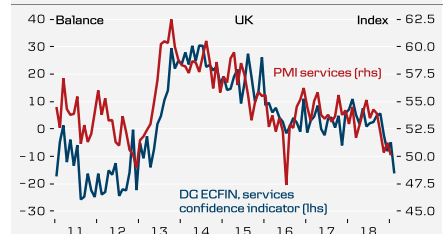
Source: BEA, IHS Markit

### Is domestic demand picking up in the Euro Area?



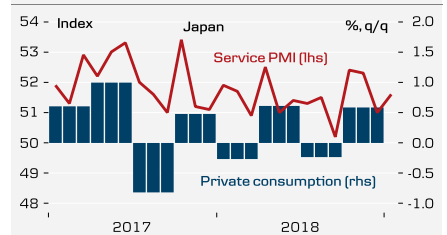
Source: Eurostat, Danske Bank, Macrobond Financial

### UK PMI service index likely dropped below the 50 threshold in February



Source: IHS Markit, Macrobond Financial

### Service sector has kept Japan going strong



Source: IHS Markit, Japanese Cabinet Office, Macrobond

In **China** focus will continue to be on any news around a trade deal with the US and when Trump and Xi will meet for a ‘signing meeting’, as Trump has called it.

On the data front we get trade data for February. January exports were quite strong but likely distorted by the timing of the Chinese New Year in early February. We expect export growth to fall back sharply in February, adding to the picture of mixed data. In Q2 we expect to see more clear signs of a bottom in Chinese activity.

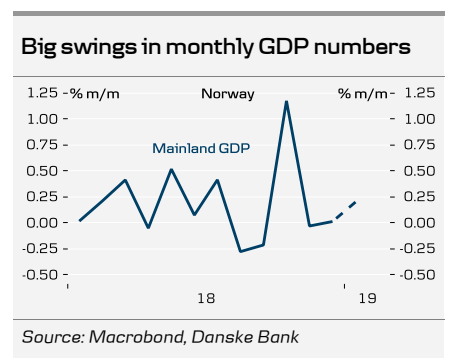
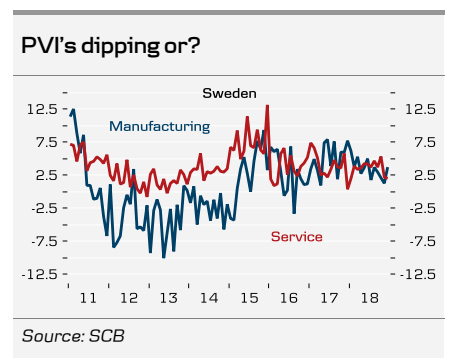
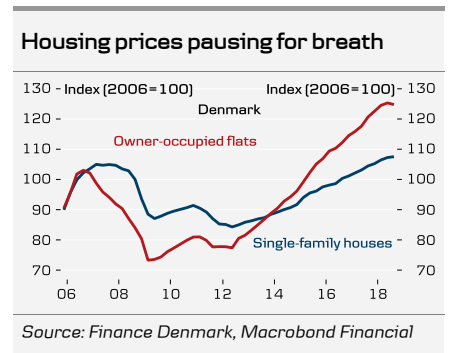
## Scandi

- In **Denmark**, there is plenty on the agenda in the coming week. On Monday, the Nationalbank publishes February figures for its currency reserves. The central bank spent DKK14bn in December and January defending the krone, but the currency strengthened somewhat against the euro over the course of February, probably eliminating the need for further intervention. The market will look for confirmation of this in Monday’s numbers. On Wednesday, Statistics Denmark releases housing prices for December. It is quite a while now since apartment prices stopped climbing, and they have actually fallen slightly since June. House prices have been largely unchanged since June, but dipped in November. Finally, Thursday brings figures for industrial production in January. The manufacturing sector has looked very strong recently with a big jump in activity in December, thanks particularly to very strong growth in the pharmaceutical sector. On the other hand, Statistics Denmark’s manufacturing tendency survey has suggested trading conditions deteriorated markedly at the beginning of 2019.
- In **Sweden**, February PMI services is set to follow the dip seen in NIER private services confidence, possibly printing around 53.

Production value indices (PVI) turned out surprisingly high in December. We expect some retracement in both manufacturing and services sectors, as signalled by European manufacturing production and domestic services surveys.

The January household consumption indicator should rebound in January on the back of retail sales, noting that last year’s data has been revised lower.

- In **Norway**, we have seen little impact from the global slowdown as yet. GDP growth accelerated to 0.9% in Q4 after slowing temporarily in Q3, and Friday brings output data for January. The monthly numbers have proved somewhat volatile, and we do not yet have much information about January beyond unemployment, retail sales and the PMI. It is therefore only on a very uncertain basis that we predict mainland GDP growth of 0.2% m/m in January. We expect Thursday’s industrial production figures to show an increase of 0.4% m/m in January fuelled by stronger growth in oil-related industries. Finally, housing prices have risen further than expected for the past couple of months. We are also seeing turnover holding up well enough for the stock of unsold properties to fall. The market therefore seems to be reasonably balanced, and we expect prices to be unchanged or creep up only slightly in January.



Market movers ahead

Global movers			Event	Period	Danske	Consensus	Previous
During the week	Sun 03 - 08		JPY Labour cash earnings	y/y	Jan		
Tue	05-Mar	1:30	JPY Markit PMI services	Index	Feb		51.6
		10:00	ITL GDP, final	q/qly/y	4th quarter	-0.2% 0.1%	-0.2% 0.1%
		10:30	GBP PMI services	Index	Feb	48.5	50.1
Thurs	07-Mar	14:30	EUR ECB's Draghi speaks at press conference			0	0
Fri	08-Mar	-	CNY Trade balance	USD bn	Feb	27.2	39.2
		14:30	USD Unemployment	%	Feb	3.8%	3.9%
		14:30	USD Average hourly earnings, non-farm	m/mly/y	Feb	0.3% 3.3%	0.3% 3.3%
		14:30	USD Non farm payrolls	1000	Feb	190	304
		14:30	USD Housing starts	1000 (m/m)	Jan		1078.0 (-11.2%)
Scandi movers							
During the week							
Mon	04-Mar	17:00	DKK Currency reserves	DKK bn	Feb		455.5
Tue	05-Mar	8:30	SEK PMI services	Index	Feb		54.1
		9:30	SEK Service Production Value		Jan		
		11:00	NOK Quarterly index on housing prices		4th quarter	0.5%	0.5%
Thurs	07-Mar	6:00	SEK Maklarstatistik Swedish housing price data				
		9:30	SEK Average house prices	SEK m	Feb		3.111
Fri	08-Mar	8:00	NOK GDP (mainland)	q/qly/y	4th quarter	0.2%	0.0%

Source: Bloomberg, Danske Bank

# Weekly Wrap-Up

## Fed concerned about low inflation expectations

### Main macro themes

- **On Sunday, US President Donald Trump decided to delay the increase in US tariffs on imported goods from China** (without specifying for how long), as the ongoing talks with China remain constructive. We still believe the two sides will agree on a deal in Q2 despite US Trade Representative Robert Lighthizer's more hawkish comments this week. There is speculation that US President Trump and China President Xi Jinping may meet as early as mid-March. On a negative note, Trump's meeting with North Korean leader Kim Jong-un ended without a joint statement or press conference, as Trump was dissatisfied with how the talks proceeded.
- **The Brexit fight has been postponed further, after Prime Minister Theresa May promised to hold three key votes in two weeks** (vote on full deal 12 March, vote on 'no deal' Brexit 13 March and vote on extension of Article 50 14 March). The most likely outcome of these votes is that the UK will ask the EU27 for a two- to three-month extension of the Article 50 deadline. **We stick to our long-held view that the two most likely scenarios are either May's deal (or something very similar) passing eventually or a second EU referendum.** There are increasing signs that the Brexiteers are under pressure, as they are aware that the alternative to May's deal is softer, not cleaner/harder. For more see *Brexit Monitor – 'No deal' risk has declined but not disappeared*, 28 February.
- **Fed chair Jerome Powell hinted that the Fed is 'close' to finalising its plan for the balance sheet runoff.** We expect the Fed to announce at the March meeting that the shrinking of the balance sheet will end in Q4. **Powell also said inflation expectations are the most important inflation driver.** Subdued inflation expectations, both market and survey based, seem to be the main risk to our Fed call of a rate hike in June.

### Financial market developments

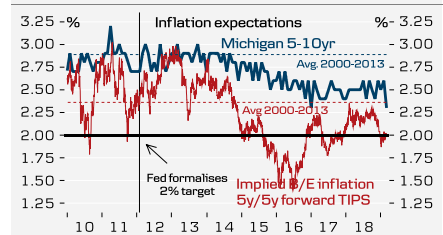
- **EUR/GBP has moved lower and is now trading at the lowest level since spring 2017.** Markets think the probability of a 'no deal' Brexit has declined, although not completely disappeared. Brexit remains the key driver for the GBP.
- **EUR/USD went briefly above 1.14 Thursday but is now back below.** The EUR leg drove the move higher in EUR/USD. Bundesbank president Jens Weidmann said during the week that the ECB should look through short-term weakness and that employment and wages are rising. He further said that there is *'no acute need to adjust ECB rate guidance'*. See more in *ECB Preview – No TLTRO announcement as ECB waits for further data*, 1 March.
- **Equity has had a good start to 2019. The S&P 500 is now nearly 18.5% higher than the bottom in late December 2018** and is now less than 5% below the peak in September 2018. Dovish central banks and positive signals from the US-China talks have driven stocks higher despite economic indicators remaining weak in Europe, China and Japan.
- **On Monday, Trump spooked the oil market by tweeting that 'oil prices are getting too high' and that 'OPEC should relax'.** Markets remember October 2018 when he made similar comments, which helped initiate the steep downturn in oil prices in Q4. Oil prices fell more than 3% after the tweet but have recovered somewhat afterwards. Brent oil is currently trading at USD66.9 per barrel.

### Financial views

Major indices			
	01-Mar	3M	12M
10yr EUR swap	0.71	1.10	1.40
10yr US swap	2.74	3.35	3.55
ECB key rate	-0.40	-0.40	-0.20
Fed funds rate	2.50	2.50	3.00
EUR/SEK	1049	1040	1020
EUR/NOK	973	950	930
EUR/USD	114	117	125
ICE Brent oil	66	70	80

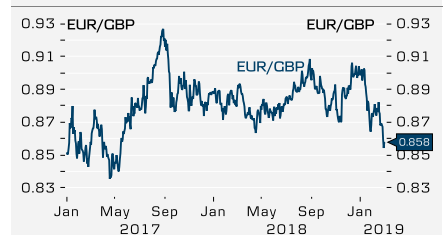
Source: Danske Bank

### Fed Chair Powell is concerned about low inflation expectations



Source: Bloomberg, University of Michigan, Macrobond Financial

### EUR/GBP has moved lower, as markets think the probability of a 'no deal' Brexit has declined



Source: Bloomberg, Macrobond Financial

# Scandi update

## Denmark – exports ensure solid growth in Q4

The national accounts for Q4 showed economic growth in Denmark of 0.7%, which is markedly better than in Europe as a whole. This was due to strong export growth despite the global slowdown, led by a pharmaceutical sector that is looking very strong right now. Growth for 2018 as a whole ended up at 1.2%, the lowest since 2013, but there were two good reasons for this. First, 2018 saw an exceptionally hot and dry summer, which hit agricultural output hard. Second, GDP in 2017 was artificially inflated by the recognition of a patent transaction that should have been accrued over a number of years. Statistics Denmark has confirmed that it plans to revise this at some point, which will in isolation boost GDP growth in 2018 by 0.4pp.

The week also brought jobless figures for January. The number of people out of work in Denmark fell throughout 2018, with the unemployment rate (number of jobless as a percentage of the labour force) falling to 3.7% in December, the lowest figure since February 2009. This is very low by historical standards and could be a sign that the labour market is about to peak but there are also several signs that things could rapidly go the other way. Firms are not reporting labour shortages to the same extent as they were just three months ago but then the global slowdown and weak economic growth in Germany, Denmark’s biggest trading partner, could well pull in the other direction. The number of full-time unemployed fell by 1,300 in January, while the jobless rate was unchanged.

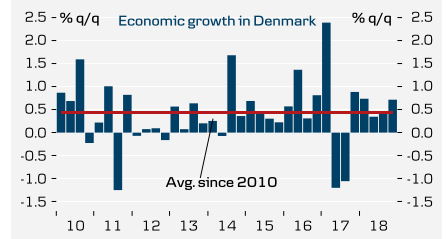
Elsewhere, retail sales fell 0.3% in January and have fallen 0.1% over the past three months, which has to be seen as a major disappointment, while manufacturing confidence edged down further in February and has now been in negative territory for five straight months.

## Sweden – strong headline Q4 GDP, weak underneath

On the surface, Q4 GDP appears much stronger than expected as it turned out +1.2% q/q and 2.4% y/y calendar adjusted. However, if you scrape off the paint from net exports and inventories, it left final domestic demand at just +0.2% q/q and 0.8% y/y according to our calculations. The rest came from either inventory build-up (contribution 0.3pp q/q and 0.6pp y/y) or net exports (contribution 0.7pp q/q and 1.1pp y/y). Most of the latter in turn came from net exports of services. Hence, although GDP looks fine to us, domestic final demand fell to lowest level since Q1 13. Given the state of the domestic Swedish economy, with a deteriorating housing market and close to zero real wage growth, we are really not surprised. Looking forward, we expect net exports (where both goods and services net has quite uncommonly expanded for two consecutive quarters) to pull back.

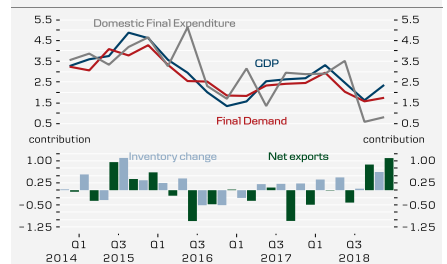
In line with this story, our GDP indicator (does not include services exports or inventories) continues to suggest weakening GDP growth in Q1.

Solid end to 2018



Source: Statistics Denmark, Danske Bank, Macrobond Financial

Domestic economy slowing

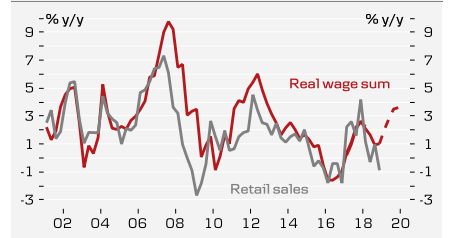


Source: SCB, Danske Bank's calculations

## Norway – retail sales weak but not about to collapse

Retail sales grew 1.6% m/m in January, which would seem mainly to be a rebound from the sharp fall in December –the underlying trend since last autumn still seems to be more or less sideways. While sales remain far from buoyant, the rebound came as a relief after the recent spate of negative news from the retail trade. The figures clearly reduce the risk of consumption of goods falling off a cliff, which could have had implications for expectations about the March rate-setting meeting. Other than the underlying structural headwinds facing retailers, we believe that much of the weakness towards the end of 2018 was down to high power prices eroding consumers’ purchasing power. Historically, there has been a surprisingly close correlation between total real wages (real wages and employment) and consumption of goods. Based on forward pricing, we expect much lower power prices in 2019 than we saw in 2018. Together with slightly higher wage growth and further robust employment growth, we expect this to boost retail sales over the course of 2019.

Lower power prices set to boost purchasing power



Source: Macrobond Financial, Danske Bank

## Latest research from Danske Bank

### *1/3 Poland - New fiscal boost changes central bank metrics*

This new round of fiscal spending strengthens our base case that the PiS government is set to continue after the election this year.

### *28/2 Monthly Executive Briefing - Trade talks provide ray of sunshine for global growth*

Data through February confirmed that we remain in a fragile economic growth environment.

### *28/2 Brexit Monitor – 'No deal' risk has declined but not disappeared*

After 48 very eventful hours, it is appropriate to take stock on Brexit. PM Theresa May has promised three important votes in mid-March, which now, after the passing of the Cooper amendment, sets down in writing May's pledge.

### *25/2 Macro Strategy Views Podcast: How China rules the world economy and implications for equity markets*

In our weekly podcast, Macro Strategy Views, we discuss China's stimulus, the challenges of the eurozone and the implications for equity markets. Our Global Head of FI&C Research chairs today's podcast while our Chief Equity Strategist, Mattias Sundling, joins him.



## 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	1.2	2.4	0.5	5.0	0.5	2.9	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	1.8	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	1.4	2.4	7.5	-0.7	82.8	3.6
Germany	2018	1.5	0.9	1.0	2.7	2.2	3.4	1.9	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

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	01-Mar	2.50	2.63	2.62	2.74	113.8	-	656.0	855.3	922.6
	+3m	2.50	2.95	2.75	2.80	117.0	-	637.4	812.0	888.9
	+6m	2.75	3.00	3.05	2.95	120.0	-	621.3	783.3	850.0
	+12m	3.00	3.28	3.15	2.95	125.0	-	596.4	744.0	816.0
EUR	01-Mar	-0.40	-0.31	-0.14	0.71	-	113.8	746.2	972.8	1049.4
	+3m	-0.40	-0.31	-0.15	0.75	-	117.0	745.8	950.0	1040.0
	+6m	-0.40	-0.31	-0.15	0.90	-	120.0	745.5	940.0	1020.0
	+12m	-0.20	0.02	0.20	1.05	-	125.0	745.5	930.0	1020.0
JPY	01-Mar	-0.10	-0.08	-0.02	0.17	125.6	111.9	5.94	7.74	8.35
	+3m	-0.10	-	-	-	128.7	110.0	5.79	7.38	8.08
	+6m	-0.10	-	-	-	132.0	110.0	5.65	7.12	7.73
	+12m	-0.10	-	-	-	140.0	112.0	5.33	6.64	7.29
GBP	01-Mar	0.75	0.85	1.12	1.50	85.9	132.5	869.0	1133.0	1222.1
	+3m	0.75	0.86	1.20	1.60	84.0	139.3	887.9	1131.0	1238.1
	+6m	0.75	0.83	1.30	1.65	83.0	144.6	898.2	1132.5	1228.9
	+12m	1.00	1.07	1.70	1.90	83.0	150.6	898.2	1120.5	1228.9
CHF	01-Mar	-0.75	-0.72	-0.58	0.26	113.6	99.9	656.8	856.3	923.7
	+3m	-0.75	-	-	-	115.0	98.3	648.5	826.1	904.3
	+6m	-0.75	-	-	-	118.0	98.3	631.8	796.6	864.4
	+12m	-0.75	-	-	-	120.0	96.0	621.3	775.0	850.0
DKK	01-Mar	-0.65	-0.32	-0.04	0.83	746.2	656.0	-	130.4	140.6
	+3m	-0.65	-0.30	-0.05	0.90	745.8	637.4	-	127.4	139.4
	+6m	-0.65	-0.30	-0.05	1.05	745.5	621.3	-	126.1	136.8
	+12m	-0.45	0.03	0.30	1.20	745.5	596.4	-	124.7	136.8
SEK	01-Mar	-0.25	-0.07	0.11	1.03	1049.4	922.6	71.1	92.7	100.0
	+3m	-0.25	-0.15	0.00	1.25	1040.0	888.9	71.7	91.3	-
	+6m	-0.25	-0.20	0.00	1.30	1020.0	850.0	73.1	92.2	-
	+12m	-0.25	-0.20	0.00	1.35	1020.0	816.0	73.1	91.2	-
NOK	01-Mar	0.75	1.28	1.60	2.11	972.8	855.3	76.7	100.0	107.9
	+3m	1.00	1.61	1.80	2.15	950.0	812.0	78.5	-	109.5
	+6m	1.00	1.69	1.95	2.35	940.0	783.3	79.3	-	108.5
	+12m	1.25	1.91	2.20	2.55	930.0	744.0	80.2	-	109.7

## Commodities

	01-Mar	2019				2020				Average	
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2019	2020
ICE Brent	66	65	70	75	80	80	80	80	80	72	80

Source: Danske Bank

# Calendar

## Key Data and Events in Week 10

During the week					Period	Danske Bank	Consensus	Previous
Sun 03 - 08	JPY	Labour cash earnings	y/y	Jan				
Mon 04	USD	Advance goods trade balance	USD bn	Jan				-79.5
Monday, March 4, 2019					Period	Danske Bank	Consensus	Previous
-	USD	Advance goods trade balance	USD bn	Jan				-79.5
10:30	EUR	Sentix Investor Confidence	Index	Mar			-3.1	-3.7
10:30	GBP	PMI construction	Index	Feb			50.5	50.6
11:00	EUR	PPI	m/m y/y	Jan			2.0% 0.3%	3.0% -0.8%
16:00	USD	Construction spending	m/m	Dec			0.2%	0.8%
17:00	DKK	Currency reserves	DKK bn	Feb				455.5
Tuesday, March 5, 2019					Period	Danske Bank	Consensus	Previous
1:30	JPY	Markit PMI services	Index	Feb				51.6
2:45	CNY	Caixin PMI service	Index	Feb			53.5	53.6
4:30	AUD	Reserve Bank of Australia rate decision	%		1.5%	1.5%	1.5%	1.5%
8:30	SEK	PMI services	Index	Feb				54.1
8:30	CHF	CPI	m/m y/y	Feb			0.4% 0.5%	-0.3% 0.6%
9:15	ESP	PMI services	Index	Feb			54.3	54.7
9:30	SEK	Industrial orders	m/m y/y	Jan				3.1% 2.4%
9:30	SEK	Service Production Value		Jan				
9:45	ITL	PMI services	Index	Feb			49.4	49.7
9:50	FRF	PMI services	Index	Feb			49.8	49.8
9:55	DEM	PMI services	Index	Feb			55.1	55.1
10:00	EUR	PMI composite	Index	Feb			51.4	51.4
10:00	EUR	PMI services	Index	Feb			52.3	52.3
10:00	ITL	GDP, final	q/q y/y	4th quarter			-0.2% 0.1%	-0.2% 0.1%
10:30	GBP	PMI services	Index	Feb	48.5	50.1	50.1	50.1
11:00	NOK	Quarterly index on housing prices		4th quarter	0.5%			0.5%
11:00	EUR	Retail sales	m/m y/y	Jan			1.0% 1.9%	-1.6% 0.8%
15:45	USD	Markit PMI service	Index	Feb			56.2	56.2
16:00	USD	ISM non-manufacturing	Index	Feb			57.2	56.7
16:00	USD	New home sales	1000 (m/m)	Dec			580	657.0 (16.9%)
20:00	USD	Budget statement	USD bn	Jan			3.0	-13.5
Wednesday, March 6, 2019					Period	Danske Bank	Consensus	Previous
-	PLN	Polish central bank rate decision	%		1.5%	1.5%	1.5%	1.5%
1:30	AUD	GDP	q/q y/y	4th quarter			0.5% 2.7%	0.3% 2.8%
8:00	DKK	House prices	q/q y/y	Dec				
9:30	SEK	Current account	SEK bn	4th quarter				38.6
12:00	TRY	Central Bank of Turkey rate decision	%		24.0%	24.0%	24.0%	24.0%
14:15	USD	ADP employment	1000	Feb			185	213
14:30	USD	Trade balance	USD bn	Dec			-54.2	-49.3
16:00	CAD	Bank of Canada rate decision	%		1.75%	1.75%	1.75%	1.75%
16:30	USD	DOE U.S. crude oil inventories	K					-8647
18:00	USD	Fed's Williams (voter, neutral) speaks						
18:00	USD	Fed's Mester (voter, hawkish) speaks						

Source: Danske Bank

## Calendar (continued)

Thursday, March 7, 2019				Period	Danske Bank	Consensus	Previous
-	CNY	Foreign exchange reserves	USD bn	Feb		3087.9	3087.9
6:00	SEK	Maklarstatistik Swedish housing price data					
6:00	JPY	Leading economic index, preliminary	Index	Jan		96.0	97.5
7:45	CHF	Unemployment	%	Feb		2.4%	2.4%
8:00	DKK	Industrial production	m/m	Jan			12.6%
8:00	NOK	Manufacturing production	m/m y/y	Jan	0.4%		0.5% 2.5%
8:00	NOK	Industrial production	m/m y/y	Jan			-1.0% 1.2%
9:00	CHF	SNB balance sheet, intervention	CHF bn	Feb			741.5
9:30	SEK	Budget balance	SEK bn	Feb			8.7
9:30	SEK	Average house prices	SEK m	Feb			3.111
11:00	EUR	GDP, final	q/q y/y	4th quarter	0.2% 1.2%	0.2% 1.2%	0.2% 1.2%
11:00	EUR	Gross fixed investments	q/q	4th quarter		0.3%	0.7%
11:00	EUR	Government consumption	q/q	4th quarter		0.4%	0.3%
11:00	EUR	Private consumption	q/q	4th quarter		0.3%	0.1%
11:00	EUR	Employment, final	q/q y/y	4th quarter			0.3% 1.2%
13:45	EUR	ECB announces refi rate	%			0.00%	0.00%
13:45	EUR	ECB announces deposit rate	%			-0.40%	-0.40%
14:30	USD	Initial jobless claims	1000				
14:30	USD	Unit labour cost, final	q/q	4th quarter		2.0%	0.9%
14:30	EUR	ECB's Draghi speaks at press conference				0	0
21:00	USD	Consumer credit	USD bn	Jan		17.0	16.6
Friday, March 8, 2019				Period	Danske Bank	Consensus	Previous
-	EUR	Ireland, GDP	q/q y/y	4th quarter			0.9% 4.9%
-	CNY	Trade balance	USD bn	Feb		27.2	39.2
0:50	JPY	GDP deflator, final	y/y	4th quarter		-0.3%	-0.3%
0:50	JPY	GDP, final	q/q ann.	4th quarter		0.3% 1.7%	0.3% 1.4%
8:00	DEM	Factory orders	m/m y/y	Jan		-0.3% -4.0%	-1.6% -7.0%
8:00	NOK	GDP (mainland)	q/q y/y	4th quarter	0.2%		0.0%
8:45	FRF	Industrial production	m/m y/y	Jan		0.1% 0.6%	0.8% -1.4%
9:30	SEK	Household consumption	m/m y/y	Jan			-0.8% -1.0%
14:30	USD	Building permits	1000 (m/m)	Jan			1326.0 (0.3%)
14:30	USD	Unemployment	%	Feb	3.8%	3.9%	4.0%
14:30	USD	Average hourly earnings, non-farm	m/m y/y	Feb	0.3% 3.3%	0.3% 3.3%	0.1% 3.2%
14:30	USD	Non farm payrolls	1000	Feb	190	185	304
14:30	USD	Housing starts	1000 (m/m)	Jan			1078.0 (-11.2%)
14:30	CAD	Net change in full time employment	1000	Feb			30.9

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Source: Danske Bank

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