

# Weekly Focus

## 2019 starts off on the wrong foot

### Market movers ahead

- Recession fears continue to loom in the US, and we expect that to weigh on business confidence indicators released next week.
- The FOMC minutes and a number of speeches will attract a lot of attention next week, along with further developments in the ongoing government shutdown.
- In the upcoming ECB minutes we will look in particular for discussion on the growth and inflation outlook – not least the comments on the strong wage growth numbers.
- In the UK, the focus remains on Brexit as the debate ahead of the vote in the House of Commons begins next week – the vote is scheduled for the following week.
- The main event of the week in Scandies is the Riksbank Minutes. The focus will be on clues as to how determined the Board is about the need for further hikes.

### Weekly wrap-up

- In the US market pricing is now pointing to cuts rather than hikes. We find the move overdone and with the strong US labour market and economy, we expect the Fed to continue on its hiking path.
- We do not expect a recession in 2019 and hence expect investors to make a reality check at some point, which should lead to higher equity prices.
- On a positive note, we have received promising indications on the US-China trade war, with a new round of talks kicking off next week.
- Our new forecast for the Nordics, *Nordic Outlook*, 4 January, has been released. We expect a more pronounced slowdown in Sweden, but continued moderate growth in the rest of the region.

### Contents

Market movers.....	2
Weekly Wrap-Up .....	5
Scandi update .....	6
Latest research from Danske Bank .....	7
Macroeconomic forecast .....	8
Financial forecast .....	9
Calendar .....	10

### Financial views

#### Major indices

	04-Jan	3M	12M
10yr EUR swap	0.76	1.10	1.40
EUR/USD	114	113	125
ICE Brent oil	54	65	80

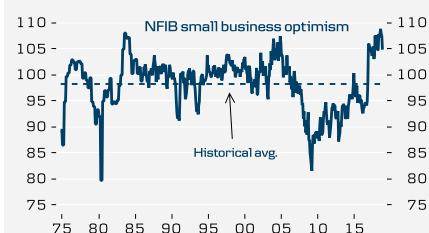
Source: Danske Bank

Follow us on *Twitter*



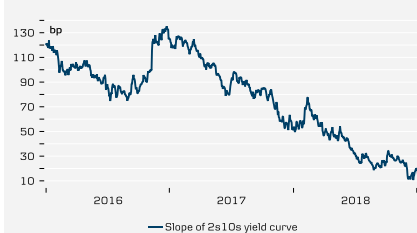
@Danske\_Research

### US business optimism remains high, but will it last?



Source: NFIB, Macrobond Financial

### Slope of the 2s10s US yield curve



Source: Bloomberg, Macrobond Financial, Danske Bank

### Editor

#### Senior Analyst

Louise Aggerstrøm Hansen  
+45 45 12 85 31  
louhan@danskebank.dk

# Market movers

## Global

- In the **US**, we have a few interesting data releases. We expect the CPI core index (due out on Friday) rose +0.2% m/m in December implying an unchanged core inflation rate at 2.2% y/y. Given the recession fears in financial markets, keep an eye on the ISM non-manufacturing index on Monday, which remains at a very high level indicating the economy is doing fine. For the same reason, the NFIB Small Business Optimism Index in December will be interesting to follow on Tuesday.

Until the US Congress ends the ongoing government shutdown by passing a budget, data releases from the Census Bureau and the Bureau of Economic Analysis are postponed (affecting releases such as new home sales and capital goods).

Otherwise, we will be listening very carefully to what the FOMC members have to say next week. On Wednesday, the minutes from the December meeting are due out where we will look for differences in the FOMC members' views on the economy and markets. Influential members like NY Fed President John Williams and Fed vice chair Richard Clarida both speak next week. New voting members like Evans, Rosengren and Bullard also speak next week.

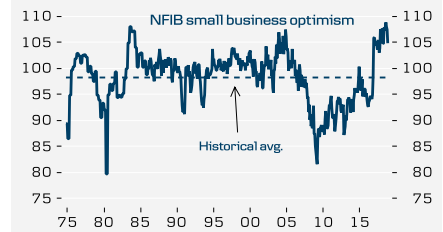
- Next week is relatively quiet in terms of **euro area** releases, with the ECB minutes on Thursday being the main event. The minutes refer to the 13 December meeting where the ECB decided to end the net asset purchases. We will look particularly for the discussion on the growth and inflation outlook – not least the comments on the decade-strong wage-growth numbers. In detail, we will carefully watch for language potentially containing hints for growth outlook, and whether it might be changed at the 24 January meeting (to the 'downside' from 'broadly balanced').

- In the **UK**, the focus remains on the Brexit as the debate ahead of the vote in the House of Commons begins next week. The vote will take place in the week beginning on Monday 14 January (probably Tuesday or Wednesday that week). Unless some politicians have changed their minds over the Christmas recess, it seems as if PM Theresa May's deal is doomed to fall. We will follow any announcement and/or statements from leading politicians closely. For more about the likely outcome see *10 key questions about the global economy in 2019*, 3 January.

In terms of economic data releases, the most important release is the monthly GDP estimate for November. Given the weak PMIs, do not expect a strong number - we forecast another 0.1% m/m (0.3% 3m/3m) increase.

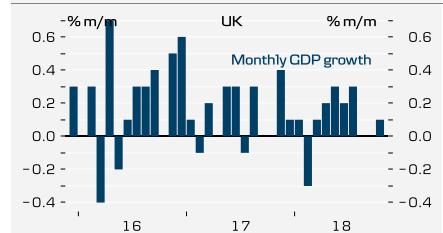
- In **Japan**, we get November cash earnings on Wednesday. After the summer's large bonus payments, cash earnings have lost momentum again and y/y real earnings have been hovering around zero. Cash earnings are key for the inflation outlook to brighten and the Bank of Japan governor Kuroda has highlighted that they will follow wage developments closely in order to spot future tendencies in inflation. Falling oil prices should be supportive and push real wages back onto a positive trend. On Friday, we will also see if this rubs off on private consumption as we get the household spending survey for November.

**Business optimism remains high but will it last?**



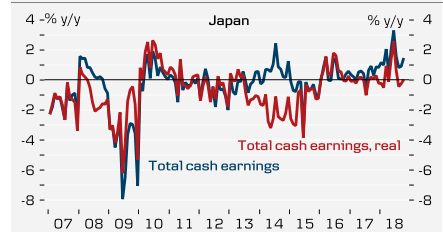
Source: NFIB, Macrobond Financial

**Monthly GDP growth has been weak in recent months**



Source: ONS, Macrobond Financial

**Cash earnings trend still modest despite tight labour market**



Source: Japan Statistics Bureau, Japanese Ministry of Labour, Macrobond Financial

- The focus in **China** will be on more trade talks with the US at vice-ministerial level in Beijing on 7-8 January. It will pave the way for more high-level negotiations later in January. We should also look out for an announcement soon on tax cuts to consumers and companies, which have been well signalled by the Chinese leaders. On the data front producer price inflation for December may attract some attention as it is set to fall further from 2.7% y/y to around 1½% y/y. We expect it to fall into deflationary territory during Q1 due to the big drop in commodity prices (see chart). CPI inflation is expected to decline to 2.1% y/y in December from 2.2% in November; still far below the 3% target.

**Scandi**

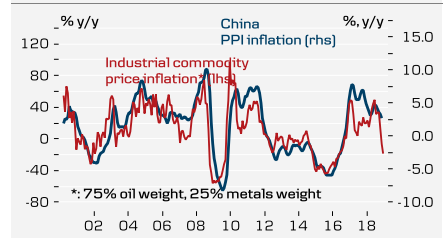
- In **Denmark**, we have a packed week ahead. The Nationalbank kicks things off on Monday with foreign portfolio investment and securities statistics for November. On Tuesday, housing prices for October will tell us whether the market remained more subdued. Wednesday brings figures for foreign trade and the balance of payments in November. On Thursday, we expect inflation to edge down to 0.7% in December from 0.8% in November. On the one hand, lower energy prices are continuing to weigh on inflation, and we expect to see a decline in the previously strong contributions from the ever-volatile airfares, charter travel and books. On the other, the big slide in food prices in December 2017 will drop out of the data and help prop inflation up. Also coming up are November data for bankruptcies on Monday and repossessions and industrial production on Friday.
- In **Sweden**, the main event of the week is Riksbank Minutes. Focus will be on clues as to how determined the Board is about the need for further hikes.

Debt Office releases the December borrowing requirement. The accumulated difference to the October projection was SEK 16.4 bn (i.e. higher borrowing than expected). DO expects to borrow SEK 79 bn in December. Any further slippage in the same direction suggest some room for additional supply going forward.

November production value data is also on the agenda this week. Our guess is that the yoy growth rate will drop as suggested by the decline in manufacturing PMI over the past months. This in turn, will be a checkpoint for Q4 GDP growth. We doubt there are any good reasons to believe that Swedish GDP growth is about to move higher anytime soon.

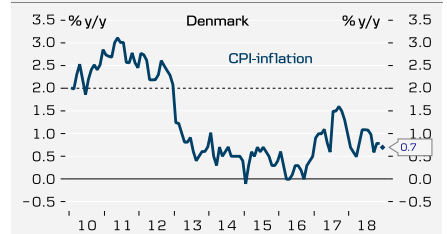
- In **Norway**, core inflation surprised to the upside towards the end of 2018, with unexpectedly strong growth in prices for imported goods, domestically produced goods and services alike. The rise in imported inflation was due to a combination of slightly higher global price pressures, but also a bigger impact on imported consumer goods than import prices would indicate. The rise in prices for Norwegian-produced goods and services was probably a result of cost growth having gradually picked up as resource utilisation has increased. That said, food prices and airfares, which are notoriously volatile, were much higher than normal in November, and we expect a partial correction here, especially to airfares, in December. We therefore anticipate a moderate decrease in core inflation from 2.2% y/y in November to 2.0% in December, and the risk would actually seem to be to the downside. This does not, however, change our view that core inflation is headed up. Persistently high electricity prices mean that we expect a somewhat smaller slowdown in headline inflation in December to 3.4% y/y.

**Chinese PPI inflation to drop sharply in coming months**



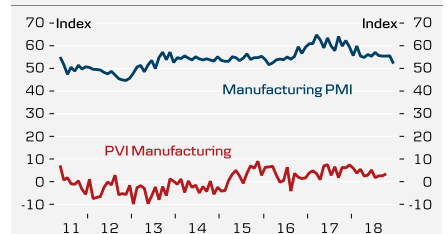
Source: Macrobond Financial, NBS

**Inflation has slowed again slightly the past two months**



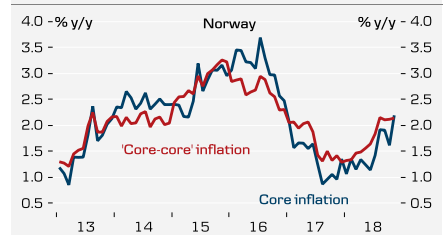
Source: Statistics Denmark, Danske Bank, Macrobond

**PMI suggest manufacturing PVI will slow**



Source: Swedbank, SCB

**Inflation trending up**



Source: Macrobond, Danske Bank



# Weekly Wrap-Up

## A volatile start to the New Year

### Main macro themes

- During the Christmas break and at the beginning of the year, markets have been very volatile on the back of fragile risk sentiment. On the fundamental and economic side, we have broadly received numbers that are as we expected and in line with our recent Big Picture publication (data has generally surprised markets to the downside). On the positive side, we have received promising indications on the US-China trade war where several meetings will be held soon, starting next week. While trade tensions have yet to show a significant impact on the US economy, early signs may have emerged, with lower Apple sales estimates being attributed mainly to lower Chinese purchases.
- This week, we saw Chinese PMI manufacturing figures falling below the 50-mark, further indicating the moderation observed recently, and while we see a bit more downside for PMI in the coming months we expect it to bottom in Q2 19. At the same time, we look for more China stimulus soon through big tax cuts and a further reduction in the reserve requirement ratio. In combination with a US-China trade deal in late Q1 or Q2 we expect this to pave the way for gradual recovery from Q2.

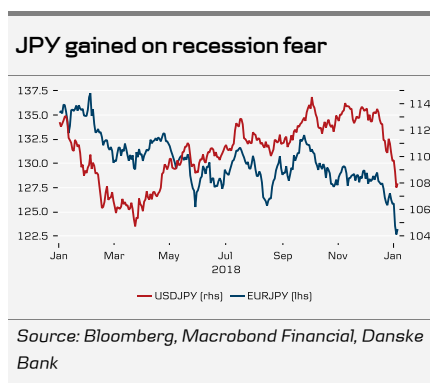
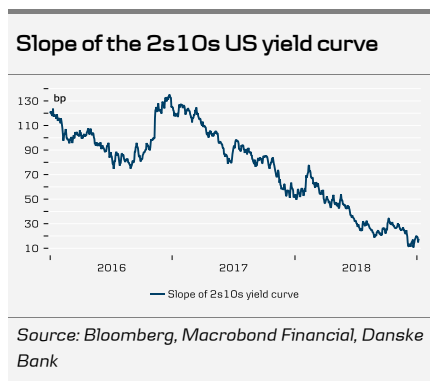
### Financial market developments

- Global fixed income markets have recorded a strong rally during the past few weeks. The 10Y UST is trading at the lowest level in two years after a 70bp drop since the start of November. Recession fears are taking their toll on markets, where we now also observe market pricing pointing to cuts rather than hikes. We find the move overdone and with the strong US labour market and economy, we expect the Fed to continue on its hiking path. The slope of the US yield curve is at its flattest in a decade. The global recession fears have also pulled 10Y German yields down to 0.16%, a two-year low. Consequently, ECB pricing is now only pointing to a 20bp hike in end-2020.
- FX markets have also recorded a volatile period where scandi currencies in particular have seen volatility as global risk sentiment has proven to be instrumental near term. Traditional safe haven currencies such as the yen have gained support on recent sour risk sentiment. In scandi, the EUR/NOK went through some very volatile Christmas trading sessions with the cross several times spiking above the 10.00 figure, then suddenly moving sharply lower ahead of New Year and now trading at the 9.87 level.
- It is noteworthy that oil markets have been very volatile, with daily changes of USD2-3, though during the past few days we have seen early signs of stabilisation in the oil market, after hitting a low around USD50/bbl.
- A poor December for equities ended with a strong rebound in the last week of the year, US markets in particular having some very positive trading days. Macro momentum is weakening, but it is worth considering how much of this is already in the prices. We do not expect a recession in 2019 and hence see investors making a reality check, leading to higher prices. Historically, it is rare to see two years of negative performance outside recession. However, to see a sustained move higher in equities we need to see macro momentum improving. Short term we look for a rebound from oversold conditions.

**Financial views**

Major indices			
	0+Jan	3M	12M
10yr EUR swap	0.76	1.10	1.40
10yr US swap	2.61	3.35	3.55
ECB key rate	-0.40	-0.40	-0.20
Fed funds rate	2.50	2.50	3.00
EUR/SEK	1026	1010	1000
EUR/NOK	988	940	910
EUR/USD	114	113	125
ICE Brent oil	56	65	80

Source: Bloomberg, Macrobond Financial, Danske Bank



# Scandi update

## Denmark – central bank intervenes for first time in 20 months

The Nationalbank announced during the week that it sold DKK11.6bn from its currency reserves in December to support the krone. This is the first time the central bank has intervened since March 2017 and follows the krone's gradual depreciation in recent months.

As we see it, the pressure on the krone has come partly from poor returns on Danish equity investments abroad reducing the need to convert foreign currency. Nor was the current account surplus quite as high in 2018, with limited growth in exports for much of the year and rising investment activity in Denmark bringing a need for more imports. We expect some of this picture to change in 2019, and the krone to rally. We still cannot see the Nationalbank bringing out its big guns and putting up interest rates until the ECB does so in December.

## Sweden – the Riksbank hiked, but yields decline

December is supposed to have been the starting point for the Riksbank's normalisation of interest rates, as it hiked the repo rate by 25bp. Instead of higher rates, however, Swedish yields have dropped markedly at the start of the New Year on the back of lower German and US yields. Right now we see it as a toss of a coin whether or not there will be another rate hike in September. Meanwhile, Swedish long-dated yields will be guided by global sentiment.

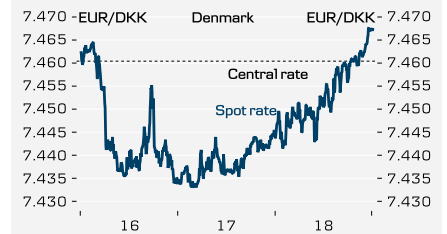
On home turf, December Swedish manufacturing PMI converged to levels consistent with the eurozone and Germany. This shows that it is quite unlikely that a favourable development in manufacturing industries will make up for weakening domestic construction and consumer spending. Swedish growth is definitely heading for a slowdown well below trend in 2019.

Turning to the housing market, November data again showed some stabilisation in household mortgage credit growth. There has actually been a slight increase in credit growth since June. That said, note that credit to tenant-owner associations continued to slow. Hence, data gives mixed signals.

## Norway – no signs of slowing down

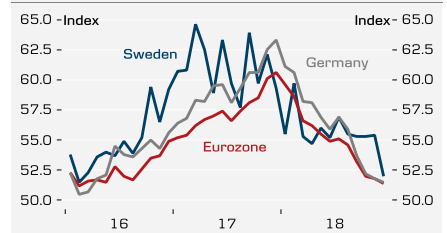
In a world of increased uncertainty, there are still no signs of the Norwegian economy slowing down. Just before Christmas, jobless data from NAV showed gross unemployment falling fairly quickly towards the end of the year, which suggests that growth is still above trend. While the more volatile LFS data are showing unchanged unemployment, that is because the labour supply is expanding rapidly. Employment itself is still growing at more than 2% y/y. The manufacturing PMI also suggests that the oil-driven upswing will continue into 2019. Although the index edged down from 56.2 in November to 55.9 in December, it does tend to fluctuate from month to month and still points to relatively strong growth in industrial production. It is particularly worth noting that the Norwegian data are not mirroring the ongoing decline in indices elsewhere. Of course, the danger is not over, and the slide in oil prices since October means that the downside risk has increased, but the effects on the Norwegian economy to date are so moderate that another interest rate hike in March is highly likely.

### Nationalbank sells currency to support krone



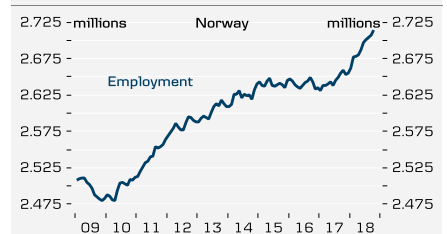
Source: Statistics Denmark, Macrobond Financial

### Swedish manufacturing PMI slows



Source: Markit, Swedbank

### Strong growth in employment



Source: Macrobond Financial, Danske Bank

# Latest research from Danske Bank

## *4/1 Nordic Outlook*

Danske Bank's quarterly review of the Nordic economies

## *3/1 QE Details: The end is here - reinvestments to stay*

The ECB published the final numbers of the APP programme, thereby concluding the net asset purchase programme. The QE figures for December showed the PSPP rose as expected to a 90% share of total PSPP holdings.

## *3/1 China Leading Indicators - Darkest before dawn*

Still more weakness in the short term but moderate recovery from Q2 19.

## *3/1 10 key questions about the global economy in 2019*

10 key questions about the global economy in 2019

## *2/1 Flash Comment Denmark - Future inflation drag cancelled as media licence will be removed from Danish CPI*

The media licence will be removed from Danish CPI.

## Macroeconomic forecast

### Macro forecast, Scandinavia

	Year	GDP <sup>1</sup>	Private cons. <sup>1</sup>	Public cons. <sup>1</sup>	Fixed inv. <sup>1</sup>	Ex-ports <sup>1</sup>	Im-ports <sup>1</sup>	Infla-tion <sup>1</sup>	Wage growth <sup>1</sup>	Unem-ploym <sup>3</sup>	Public budget <sup>4</sup>	Public debt <sup>4</sup>	Current acc. <sup>4</sup>
Denmark	2018	1.0	2.4	0.4	5.9	0.2	3.6	0.8	2.3	4.0	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	1.9	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	1.9	1.9	0.6	-0.5	1.5	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	1.9	1.3	1.0	3.0	2.7	2.6	1.8	1.6	8.2	-0.6	86.9	3.8
	2019	1.6	1.7	2.0	2.4	2.5	3.6	1.8	2.3	7.8	-0.8	84.9	3.6
	2020	1.5	1.6	2.4	2.0	2.7	3.5	1.6	2.2	7.5	-0.7	82.8	3.6
Germany	2018	1.6	1.1	0.9	3.3	2.2	3.6	1.9	2.6	3.4	1.6	60.1	7.8
	2019	1.7	1.8	2.2	3.7	2.6	5.1	2.0	3.0	3.1	1.2	56.7	7.3
	2020	1.6	1.9	2.2	3.1	3.1	4.6	1.7	3.2	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	7.5	-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	3.0	2.7	1.7	5.2	4.3	4.7	2.4	2.8	3.9	-4.0	106.0	-3.2
	2019	2.7	2.7	1.8	3.6	2.9	3.7	1.8	3.1	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	1.3	1.7	0.5	0.2	1.5	0.4	2.5	3.0	4.1	-1.3	85.0	-3.3
	2019	1.6	1.7	0.6	1.3	2.8	1.6	1.6	3.7	3.9	-1.5	84.1	-3.2
	2020	1.5	1.6	0.4	1.9	2.4	2.0	1.5	3.8	3.9	-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
USD	04-Jan	2.50	2.79	2.56	2.61	114.1	-	654.6
	+3m	2.50	2.99	3.30	3.35	113.0	-	659.7
	+6m	2.75	3.15	3.40	3.55	118.0	-	631.8
	+12m	3.00	3.46	3.60	3.55	125.0	-	596.4
EUR	04-Jan	-0.40	-0.31	-0.18	0.76	-	114.1	746.8
	+3m	-0.40	-0.33	-0.05	1.00	-	113.0	745.5
	+6m	-0.40	-0.33	0.05	1.20	-	118.0	745.5
	+12m	-0.20	-0.12	0.15	1.40	-	125.0	745.5
JPY	04-Jan	-0.10	-0.07	0.00	0.15	123.1	107.9	6.06
	+3m	-0.10	-	-	-	127.7	113.0	5.84
	+6m	-0.10	-	-	-	134.5	114.0	5.54
	+12m	-0.10	-	-	-	143.8	115.0	5.19
GBP	04-Jan	0.75	0.91	1.10	1.40	90.1	126.6	828.9
	+3m	0.75	0.82	1.30	1.70	87.0	129.9	856.9
	+6m	1.00	1.07	1.40	2.00	83.0	142.2	898.2
	+12m	1.00	1.08	1.60	2.20	83.0	150.6	898.2
CHF	04-Jan	-0.75	-0.71	-0.59	0.25	112.5	98.6	663.7
	+3m	-0.75	-	-	-	113.0	100.0	659.7
	+6m	-0.75	-	-	-	116.0	98.3	642.7
	+12m	-0.75	-	-	-	120.0	96.0	621.3
DKK	04-Jan	-0.65	-0.28	-0.03	0.92	746.8	654.6	-
	+3m	-0.65	-0.30	0.05	1.15	745.5	659.7	-
	+6m	-0.65	-0.30	0.15	1.35	745.5	631.8	-
	+12m	-0.45	-0.17	0.25	1.55	745.5	596.4	-
SEK	04-Jan	-0.25	-0.11	0.03	1.05	1025.7	899.1	72.8
	+3m	-0.25	-0.20	0.25	1.35	1010.0	893.8	73.8
	+6m	-0.25	-0.20	0.35	1.30	1000.0	847.5	74.6
	+12m	-0.25	-0.20	0.55	1.45	1000.0	800.0	74.6
NOK	04-Jan	0.75	1.26	1.46	2.01	988.3	866.3	75.6
	+3m	0.75	1.35	1.65	2.45	940.0	831.9	79.3
	+6m	1.00	1.41	1.95	2.70	920.0	779.7	81.0
	+12m	1.25	1.66	2.20	2.85	910.0	728.0	81.9

## Commodities

	04-Jan	2018				2019				Average	
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2019	2020
ICE Brent	56	67	75	76	69	65	70	75	80	73	80

Source: Danske Bank

# Calendar

## Key Data and Events in Week 2

During the week				Period	Danske Bank	Consensus	Previous
Sat 05	USD	Fed's Williams (voter, neutral) speaks					
Mon 07	DEM	Retail sales	m/m y/y	Nov		0.4% -0.6%	0.1% 5.0%
Mon 07	CNY	Foreign exchange reserves	USD bn	Dec		3071.9	3061.7
Monday, January 7, 2019				Period	Danske Bank	Consensus	Previous
-	DEM	Retail sales	m/m y/y	Nov		0.4% -0.6%	0.1% 5.0%
-	CNY	Foreign exchange reserves	USD bn	Dec		3071.9	3061.7
1:30	JPY	Markit PMI services	Index	Dec			52.3
8:00	DEM	Factory orders	m/m y/y	Nov		0.1% -3.0%	0.3% -2.7%
8:00	DKK	CB's securities statistics		Nov			
8:00	DKK	Foreign portfolio investments		Nov			
8:00	DKK	Bankruptcies (s.a.)	Number	Dec			
9:00	CHF	SNB balance sheet, intervention	CHF bn	Dec			748.8
10:30	EUR	Sentix Investor Confidence	Index	Jan		-2.5	-0.3
11:00	EUR	Retail sales	m/m y/y	Nov		0.1% 0.3%	0.3% 1.7%
16:00	USD	ISM non-manufacturing	Index	Dec		59.2	60.7
16:00	USD	Core capital goods orders, final	%	Nov			-0.6%
Tuesday, January 8, 2019				Period	Danske Bank	Consensus	Previous
6:00	JPY	Consumer confidence	Index	Dec		42.8	42.9
8:00	DEM	Industrial production	m/m y/y	Nov		0.3% -0.8%	-0.5% 1.6%
8:00	NOK	Manufacturing production	m/m y/y	Nov			1.5% 3.0%
8:00	NOK	Industrial production	m/m y/y	Nov			2.3% 4.5%
11:00	EUR	Business climate indicator	Net bal.	Dec		1.0	1.1
11:00	EUR	Industrial confidence	Net bal.	Dec		3.0	3.4
11:00	EUR	Economic confidence	Index	Dec		108.5	109.5
11:00	EUR	Consumer confidence, final	Net bal.	Dec		-6.2	-6.2
11:00	EUR	Service confidence	Net bal.	Dec		12.4	13.3
12:00	USD	NFIB small business optimism	Index	Dec		103.5	104.8
14:30	USD	Trade balance	USD bn	Nov		-54.0	-55.5
21:00	USD	Consumer credit	USD bn	Nov		14.3	25.4
Wednesday, January 9, 2019				Period	Danske Bank	Consensus	Previous
-	PLN	Polish central bank rate decision	%		1.50%	1.50%	1.50%
1:00	JPY	Labour cash earnings	y/y	Nov		1.2%	1.5%
8:00	DKK	Current account (nsa sa)	DKK bn	Nov			... 11.7
8:00	DEM	Trade balance	EUR bn	Nov		21	18.9
8:00	DKK	Trade balance ex ships	DKK bn	Nov			5.8
8:00	DKK	Exports	m/m	Nov			
8:00	NOK	GDP (mainland)	q/q	4th quarter	0.3%		0.5%
8:30	CHF	CPI	m/m y/y	Dec		-0.2% 0.8%	-0.3% 0.9%
8:45	FRF	Consumer confidence	Index	Dec		91.0	92.0
9:30	SEK	Budget balance	SEK bn	Dec			15.6
11:00	EUR	Unemployment	%	Nov		8.1%	8.1%
15:00	USD	Fed's Evans (non-voter, dovish) speaks					
16:00	CAD	Bank of Canada rate decision	%		1.75%	2.00%	1.75%
16:30	USD	DOE U.S. crude oil inventories	K				
17:30	USD	Fed's Rosengren (non-voter, hawk) speaks					
20:00	USD	FOMC minutes					

Source: Danske Bank

## Calendar (continued)

Thursday, January 10, 2019				Period	Danske Bank	Consensus	Previous
-	CNY	Money supply M2	y/y	Dec		8.1%	8.0%
2:30	CNY	PPI	y/y	Dec	1.5%	1.6%	2.7%
2:30	CNY	CPI	y/y	Dec	2.1%	2.1%	2.2%
6:00	JPY	Leading economic index, preliminary	Index	Nov		99.5	99.6
7:45	CHF	Unemployment	%	Dec		2.4%	2.4%
8:00	NOK	Core inflation (CPI-ATE)	m/m y/y	Dec	.. 2.0%	.. 2.0%	0.3% 2.2%
8:00	NOK	CPI	m/m y/y	Dec	.. 3.4%	.. 3.1%	0.5% 3.5%
8:00	NOK	PPI	m/m y/y	Dec			-3.2% 14.9%
8:00	DKK	CPI	m/m y/y	Dec	.. 0.7%	.. 0.8%	-0.3% 0.8%
8:45	FRF	Industrial production	m/m y/y	Nov		0.5% 0.0%	1.2% -0.7%
9:30	SEK	Industrial orders	m/m y/y	Nov			1.0% 3.1%
13:30	EUR	ECB minutes					
14:30	USD	Initial jobless claims	1000				
18:00	USD	Fed's Powell (voter, neutral) speaks					
18:30	USD	Fed's Bullard (non-voter, dovish) speaks					
19:00	USD	Fed's Evans (non-voter, dovish) speaks					
23:30	USD	Fed's Clarida (voter, neutral) speaks					
Friday, January 11, 2019				Period	Danske Bank	Consensus	Previous
8:00	DKK	Industrial production	m/m	Nov			1.0%
8:00	DKK	Forced sales (s.a.)	Number	Dec			
9:30	SEK	Average house prices	SEK m	Dec			2.837
10:30	GBP	Monthly GDP estimate	m/m q/q	Nov	0.1%..	0.1%	0.1%
10:30	GBP	Trade balance	GBP mio.	Nov		-2629	-3300
14:30	USD	CPI headline	m/m y/y	Dec		-0.1% 1.9%	0.0% 2.2%
14:30	USD	CPI core	m/m y/y	Dec	0.2% 2.2%	0.2% 2.2%	0.2% 2.2%
20:00	USD	Budget statement	USD bn	Dec		0.0	-204.9

The editors do not guarantee the accurateness of figures, hours or dates stated above

For further information, call (+45) 45 12 85 22.

Source: Danske Bank

## Disclosures

This research report has been prepared by Danske Bank A/S ('Danske Bank'). The author of this research report is Louise Aggerstrøm Hansen, Senior Analyst.

### Analyst certification

Each research analyst responsible for the content of this research report certifies that the views expressed in the research report accurately reflect the research analyst's personal view about the financial instruments and issuers covered by the research report. Each responsible research analyst further certifies that no part of the compensation of the research analyst was, is or will be, directly or indirectly, related to the specific recommendations expressed in the research report.

### Regulation

Danske Bank is authorised and subject to regulation by the Danish Financial Supervisory Authority and is subject to the rules and regulation of the relevant regulators in all other jurisdictions where it conducts business. Danske Bank is subject to limited regulation by the Financial Conduct Authority and the Prudential Regulation Authority (UK). Details on the extent of the regulation by the Financial Conduct Authority and the Prudential Regulation Authority are available from Danske Bank on request.

Danske Bank's research reports are prepared in accordance with the recommendations of the Danish Securities Dealers Association.

### Conflicts of interest

Danske Bank has established procedures to prevent conflicts of interest and to ensure the provision of high-quality research based on research objectivity and independence. These procedures are documented in Danske Bank's research policies. Employees within Danske Bank's Research Departments have been instructed that any request that might impair the objectivity and independence of research shall be referred to Research Management and the Compliance Department. Danske Bank's Research Departments are organised independently from, and do not report to, other business areas within Danske Bank.

Research analysts are remunerated in part based on the overall profitability of Danske Bank, which includes investment banking revenues, but do not receive bonuses or other remuneration linked to specific corporate finance or debt capital transactions.

### Financial models and/or methodology used in this research report

Calculations and presentations in this research report are based on standard econometric tools and methodology as well as publicly available statistics for each individual security, issuer and/or country. Documentation can be obtained from the authors on request.

### Risk warning

Major risks connected with recommendations or opinions in this research report, including as sensitivity analysis of relevant assumptions, are stated throughout the text.

### Date of first publication

See the front page of this research report for the date of first publication.

## General disclaimer

This research report has been prepared by Danske Bank (a division of Danske Bank A/S). It is provided for informational purposes only. It does not constitute or form part of, and shall under no circumstances be considered as, an offer to sell or a solicitation of an offer to purchase or sell any relevant financial instruments (i.e. financial instruments mentioned herein or other financial instruments of any issuer mentioned herein and/or options, warrants, rights or other interests with respect to any such financial instruments) ('Relevant Financial Instruments').

The research report has been prepared independently and solely on the basis of publicly available information that Danske Bank considers to be reliable. While reasonable care has been taken to ensure that its contents are not untrue or misleading, no representation is made as to its accuracy or completeness and Danske Bank, its affiliates and subsidiaries accept no liability whatsoever for any direct or consequential loss, including without limitation any loss of profits, arising from reliance on this research report.

The opinions expressed herein are the opinions of the research analysts responsible for the research report and reflect their judgement as of the date hereof. These opinions are subject to change and Danske Bank does not undertake to notify any recipient of this research report of any such change nor of any other changes related to the information provided herein.

This research report is not intended for, and may not be redistributed to, retail customers in the United Kingdom or the United States.

This research report is protected by copyright and is intended solely for the designated addressee. It may not be reproduced or distributed, in whole or in part, by any recipient for any purpose without Danske Bank's prior written consent.

## Disclaimer related to distribution in the United States

This research report was created by Danske Bank A/S and is distributed in the United States by Danske Markets Inc., a U.S. registered broker-dealer and subsidiary of Danske Bank A/A, pursuant to SEC Rule 15a-6 and related interpretations issued by the U.S. Securities and Exchange Commission. The research report is intended for distribution in the United States solely to 'U.S. institutional investors' as defined in SEC Rule 15a-6. Danske Markets Inc. accepts responsibility for this research report in connection with distribution in the United States solely to 'U.S. institutional investors'.

Danske Bank is not subject to U.S. rules with regard to the preparation of research reports and the independence of research analysts. In addition, the research analysts of Danske Bank who have prepared this research report are not registered or qualified as research analysts with the NYSE or FINRA but satisfy the applicable requirements of a non-U.S. jurisdiction.

Any U.S. investor recipient of this research report who wishes to purchase or sell any Relevant Financial Instrument may do so only by contacting Danske Markets Inc. directly and should be aware that investing in non-U.S. financial instruments may entail certain risks. Financial instruments of non-U.S. issuers may not be registered with the U.S. Securities and Exchange Commission and may not be subject to the reporting and auditing standards of the U.S. Securities and Exchange Commission.

**Report completed:** 4 January 2019, 13:50 CEST

**Report first disseminated:** 4 January 2019, 14:00 CEST