

Weekly Focus

US-China trade showdown

Market movers ahead

- We see a 60% chance for an interim trade deal between China and the US next week.
- Fed speakers will provide important clues about their policy stance ahead of the October meeting amid higher CPI core inflation.
- ECB minutes will reveal the degree of disagreement about the new easing package and potential future policy responses.
- In the UK, the focus is on the Brexit negotiations between the UK and EU ahead of the 17-18 October EU summit.
- In the Scandi region, inflation readings for September are among the key releases.

Weekly wrap-up

- US data have been weak so far, increasing market bets on a Fed cut in October.
- In China, better than expected PMI numbers raise the hope of a better outlook for the Chinese economy.
- UK PM Boris Johnson's Brexit proposal received a cautious response from the EU.
- SEK extended its losses higher after a dire print for manufacturing PMI.
- Despite the ECB's easing package, market-based inflation expectations hit a new record low.

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Financial views

Major indices

	04-Oct	3M	12M
10yr EUR swap	-0.18	-0.20	-0.10
EUR/USD	110	110	115
ICE Brent oil	58	75	75

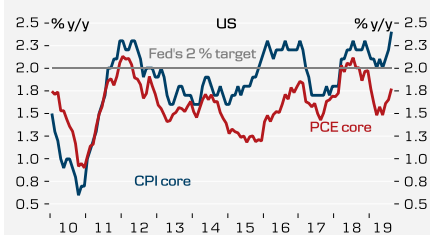
Source: Danske Bank

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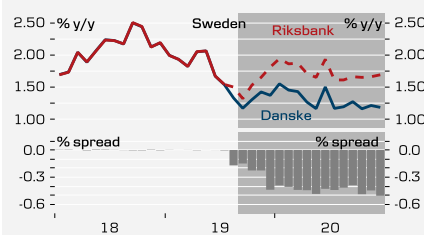
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US core CPI inflation has surprised on the upside recently



Source: BLS, Macrobond Financial

Swedish inflation in September likely below Riksbank's forecast



Source: SCB, Riksbank, Danske Bank

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Market movers

Global

- In the **US**, we have a quiet week ahead of us in terms of data releases. CPI core September is due out Thursday. The last couple of months, CPI core has surprised on the upside, however, we do not expect this to be the beginning of a new trend given the low inflation expectations among others. We expect CPI core rose +0.2% m/m in September (unchanged at 2.4% y/y).

Thursday also brings FOMC meeting minutes. At the September meeting the Fed cut its target range by 25bp to 1.75-2.00% as expected, however, the Fed did not pre-commit to more easing. Further, we had a clear division in the committee and the biggest number of dissenters since 2016 so it will be interesting to see if the minutes will shed light on the different stances within the Fed.

Next week, we will also focus on several Fed speeches. We will listen closely to any signals that the Fed may ease again later this month.

- In the **euro area**, we get minutes from the September ECB meeting on Thursday. Since the meeting there have been some frictions within the Governing Council which peaked with the resignation of ECB board member Sabine Lautenschläger. Furthermore, we have seen conflicting comments in the media in which Chief Economist Philip Lane said that he did not believe that the ECB had delivered a big package and that it could cut rates further. This stands in contrast to Bundesbank President, Jens Weidmann, who stressed the need to adhere to the current rules of the ECB's asset purchases and thus lashed out after Draghi's recent call for more unity among board members. Hence, we look mainly at the discussions and different views in the minutes and furthermore any reflections on potential future stimulus packages (including the ISIN limit reflections).

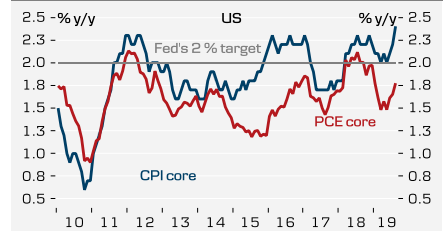
In Germany, we get August industrial production figures on Tuesday. These are not likely to bring any cheer since the German manufacturing slump does not seem to have bottomed out yet from looking at the manufacturing PMIs, with truck toll mileage also pointing to a further m/m decline.

- In the **UK**, the focus is on Brexit following PM Boris Johnson's new Brexit proposal. If a deal is to be reached at the EU summit, the negotiations should probably be concluded next week (EU ambassadors have set a deadline of 11 October). The EU has not outright rejected the proposal but based on EU sources, it is not satisfied either (especially not Ireland). While Johnson has said it is 'take it or leave it', it seems very difficult for him to dodge the Brexit Delay Bill in practice and we still believe another extension followed by snap election is the most likely outcome right now.

With respect to economic releases next week, we look forward to getting the monthly GDP estimate for August. PMIs continue to suggest the UK is stagnating but the GDP data may be distorted by stockpiling ahead of the Brexit deadline on 31 October (although most data suggest companies have not stockpiled to the same extent so far). We expect GDP was flat in August.

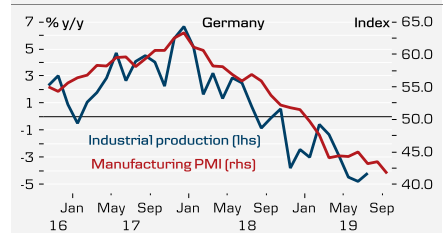
- High-level **US-China** trade talks will take place in Washington on 10-11 October and we see a 60% chance that the talks end with an interim deal, which includes China buying US agricultural goods in return for US President Donald Trump postponing planned tariff increases on China, see US-China Trade – 60% probability of interim deal, 2 October 2019. In terms of data we get FX reserves, PMI services and possibly also money and credit growth.

US CPI core inflation has surprised on the upside lately



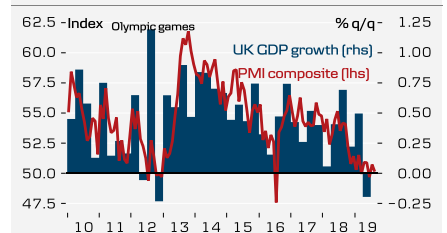
Source: US Census Bureau, BEA

Negative outlook for German industrial production



Source: Bundesbank, Markit, Macrobond Financial

UK PMIs say UK is stagnating



Source: IHS Markit, ONS, Macrobond Financial

China FX reserves



Source: Macrobond Financial, PBoC

- In **Japan**, we have August total cash earnings ticking in on Tuesday. They have looked remarkably gloomy this year with declining real earnings. Domestic demand has stayed robust, though. We have seen a recovery in earnings this year, but a decline again in July, when bonus payments disappointed. We expect a rebound in August.

Scandi

- In **Denmark**, industrial production figures for August are due on Monday. So far, the Danish industrial sector has defied the global trend and produced solid growth rates, pulled higher by the pharmaceutical industry in particular. The key question then is how long this divergence might continue, as we expect that Denmark will, as usual, eventually fall in line with the global trend.

Tuesday should see the release of the Danish Economic Councils' autumn report, which presents its views on the Danish economy and the challenges it faces, while figures for August's current account and exports are due on Wednesday. Exports – and in particular goods exports – have been strong so far this year, which has also been evidenced by a very large surplus on the current account. Industry has been the main driver behind this export performance, so Monday's industrial production figures should give a good indication of which direction exports are headed.

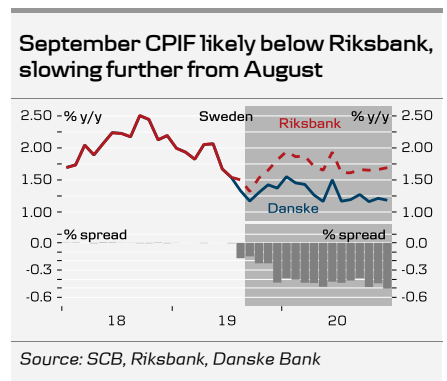
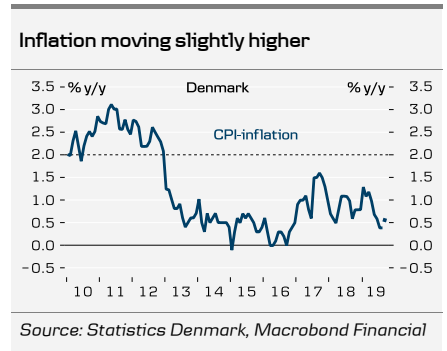
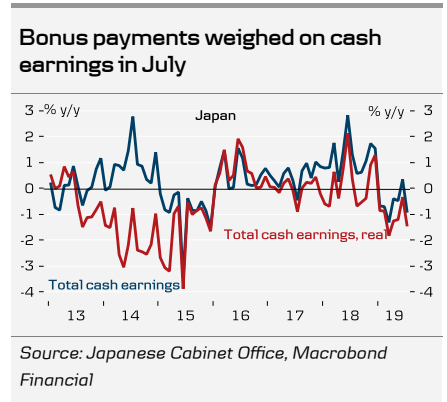
Danish September CPI inflation is due on Thursday. We expect an increase to 0.6% from 0.4% in August. Vacation property rent has weighed heavy on inflation over the summer, because the weight in the CPI has declined sharply this year. That effect should disappear with the September figures. Diesel prices are also set to push up after the drone strikes on oil fields in Saudi Arabia shocked the oil market in mid-September. Food prices on the other hand are likely to pull downwards.

- There is a lot of important data coming out of **Sweden** next week ahead of the Riksbank's 24 October monetary policy decision. September inflation is of course in the limelight. We expect inflation target CPIF to print 1.2 % y/y and core CPIF excl. Energy at 1.5 % y/y, both falling a tenth compared with August. This means that CPIF will be a tenth below the Riksbank's forecast and CPIF excl. Energy will be two tenths below. Again this should add pressure on Riksbank in combination with other weakening data. Risks are probably mostly related to higher/unchanged food prices for which we have assumed another month of decline.

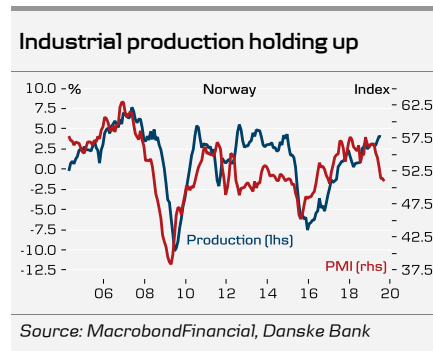
Prospera also releases monthly money market inflation expectations. Supposedly forecasters in most banks and other parts of the financial community have revised down their inflation forecasts going forward, which may show up in a further decline in October expectations.

Given the drop below 50 in Swedish September PMI's this week we would not be surprised to see quite bad, or even negative, y/y readings for the August private sector production value index (PVI). Moreover, the August household consumption indicator is also out. Car registrations and retail sales suggest it could fall back to 1% y/y. Both these figures enter our GDP model. Currently, with a limited amount of data it suggests Q3 GDP will remain at 1 % y/y, which is actually lower than the assumption in our Nordic Outlook released earlier this week.

NIER publish a new macro forecast, supposedly revised down.



- In **Norway**, the government presents its national budget for 2020 on Monday. We expect the fiscal policy proposals to be mildly expansionary, with the structural non-oil deficit climbing from 7.7% this year to 7.9%, i.e. a fiscal stimulus of 0.2pp of GDP. This is marginally more than Norges Bank assumed in the September monetary policy report, but not enough to impact on interest rate expectations. In the currency market, however, it is worth noting that, because oil production is expected to increase considerably next year, the government's net cash flow from oil and gas will rise significantly from 2019 to 2020. Given that the government only spends a certain amount of this oil revenue, transfers to the Government Pension Fund Global will head back up towards NOK40bn next year, and this is what impacts on net currency flows over the course of a year.



The week also brings a variety of data, the most exciting in the wake of a surprisingly weak PMI being August industrial production. We remain convinced that the PMI is exaggerating the slowdown in manufacturing, but we nevertheless expect production to drop 0.4% m/m after the recent very strong figures. Also coming up is the GDP indicator for August, where we expect a fall of 0.3% m/m after the strong growth in July. Finally, there are the September numbers for inflation, which has faded somewhat into the background now that everything is about whether or not growth holds up. Higher capacity utilisation and higher wage growth mean that domestic inflation will be pushing up, and a weaker krone probably spells higher imported inflation. Nor do there tend to be any major monthly variations in September, so we expect the core rate to be unchanged at 2.1%, with the risk possibly slightly to the upside this time around.

Market movers ahead

Global movers			Event	Period	Danske	Consensus	Previous	
Mon	07-Oct	1:30	JPY Labour cash earnings	y/y	Aug		-0.2% -1.0%	
		3:45	CNY Caixin PMI service	Index	Sep	52.0	52.1	
		8:00	DEM Industrial production	m/m y/y	Aug	-0.2% -4.2%	-0.6% -4.2%	
		14:30	USD PPI	m/m y/y	Sep	0.1% 1.8%	0.1% 1.8%	
Tue	08-Oct	14:30	USD PPI core	m/m y/y	Sep	0.2% 2.4%	0.3% 2.3%	
		-	CNY Money supply M2	y/y	Sep	8.3%	8.2%	
		16:30	USD Fed's Powell (voter, neutral) speaks					
		20:00	USD FOMC minutes					
Wed	09-Oct	10:30	GBP Monthly GDP estimate	m/m q/q	Aug	0.0% 0.2%	0.0% 0.1%	0.3% 0.0%
Fri	11-Oct	1:30	JPY Labour cash earnings	y/y	Aug		-0.2% -1.0%	
		3:45	CNY Caixin PMI service	Index	Sep	52.0	52.1	
		8:00	DEM Industrial production	m/m y/y	Aug	-0.2% -4.2%	-0.6% -4.2%	
		14:30	USD PPI	m/m y/y	Sep	0.1% 1.8%	0.1% 1.8%	
		14:30	USD PPI core	m/m y/y	Sep	0.2% 2.4%	0.3% 2.3%	
		-	CNY Money supply M2	y/y	Sep	8.3%	8.2%	
		16:30	USD Fed's Powell (voter, neutral) speaks					
		20:00	USD FOMC minutes					
		10:30	GBP Monthly GDP estimate	m/m q/q	Aug	0.0% 0.2%	0.0% 0.1%	0.3% 0.0%
		-	GBP EU ambassadors deadline for reaching Brexit deal					
		Scandi movers						
Mon	07-Oct	8:00	NOK Manufacturing production	m/m y/y	Aug	-0.4% ...	-0.3% ...	1.0% 3.8%
		8:00	NOK Norwegian government presents 2020 Budget					
Wed	09-Oct	8:00	NOK GDP (mainland)	m/m	Aug	-0.3%		
Thurs	10-Oct	8:00	NOK GDP (mainland)	m/m	Aug	-0.3%		
		8:00	NOK CPI	m/m y/y	Sep		0.5% 1.5%	-0.7% 1.6%
		8:00	DKK CPI	m/m y/y	Sep	... 0.6%		-0.4% 0.4%
		9:30	SEK CPI	m/m y/y	Sep	0.3% 1.3%	0.3% 1.4%	-0.4% 1.4%

Source: Bloomberg, Danske Bank

Weekly Wrap-Up

Weaker US data but signs of stabilisation in China

Main macro themes

- **US data have been weak so far, causing a repricing of the Fed.** ISM manufacturing fell to 47.8 in September from 48.1 in August and is now at the lowest level since the financial crisis. Looking at the details, ISM non-manufacturing also came out much weaker than anticipated and, combined with the ISM indices, suggests GDP growth of around just 1% q/q AR.
- We expect the Fed to cut rates again when they meet later this month. **The probability of a Fed cut later this month is now around 85% according to market pricing, up from 40% Monday.** The repricing of the Fed was caused by the weak data releases.
- In China, Caixin PMI manufacturing in September surprised to the upside by rising to 51.4 from 50.4, the highest level since February 2018. The official NBS PMI also surprised to the upside but remains below 50. Both suggest the Chinese economy is recovering slightly from the weak levels over the summer. **The Chinese economy is soft but not in a hard landing and if anything seems to be improving slightly.**
- In the UK, all three PMI indicators (construction, manufacturing, service) are below 50 indicating that the UK is nearly falling into a recession. Brexit uncertainty and slower global growth are weighing on the economy.
- **In the UK, PM Boris Johnson presented his Brexit proposals to the public and the EU this week.** It seems like Johnson may be fairly close to a majority in Parliament, but this of course does not matter much if EU is not on board and the EU's reception has been more cautious (especially in Ireland). **Our base case is still another Brexit extension followed by snap election.**

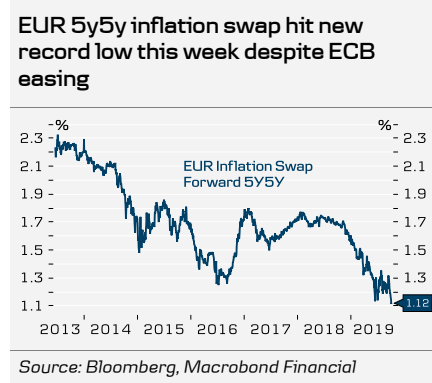
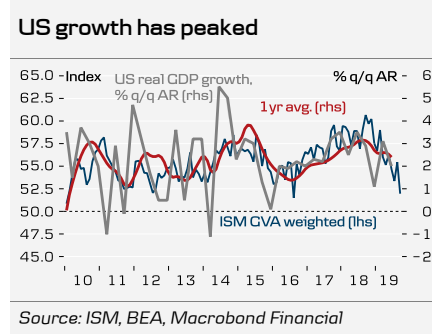
Financial market developments

- **EUR/SEK extended the drift higher after a dire print for manufacturing PMI.** As Swedish data has continued to deteriorate, and with the recent signs that German manufacturing weakness is finally spilling over to Sweden, we believe it is about time that the Riksbank acknowledge the weakness and as a first step postpone its planned hike to somewhere into Q2 20 at least. **Thus, we see a clear and substantial upside-risk to our 1M EUR/SEK target of 10.70.**
- **Despite the ECB's easing package, market based inflation expectations, measured by EUR 5y5y inflation swap, hit a new record low of 1.13% on Thursday.** The ECB has signalled that fiscal policies are the main policy tool and should support the economy via growth-friendly policies and structural reforms and we therefore do not expect near-term stimulus measures from the ECB at the current juncture.
- In the US, yields have fallen on the back of weaker economic data. EUR/USD has continued to trade below 1.10.

Financial views

Major indices			
	04-Oct	3M	12M
10yr EUR swap	-0.18	-0.20	-0.10
10yr US swap	1.43	1.30	1.10
ECB key rate	-0.50	-0.50	-0.50
Fed funds rate	2.00	1.50	1.00
EUR/SEK	1082	1080	1100
EUR/NOK	1000	1000	950
EUR/USD	110	110	115
ICE Brent oil	58	75	75

Source: Danske Bank



Scandi update

Denmark – government set to ease slightly

Statistics Denmark published unemployment figures for August on Monday. Gross unemployment was largely unchanged at 104,000 full-time unemployed, which equates to an unemployment rate of 3.8%.

Property prices in July were released by Statistics Denmark on the same day. The solid pace of growth in house prices appeared undiminished at 0.7%, while apartment prices, in contrast, once again showed significant signs of weakness, with a fall of some 4.4%, the largest fall in a single month since 2008. That being said, the sharp fall should be viewed with some scepticism, as Boligsiden's equivalent figure showed slight growth in July, yet we must nevertheless conclude that the apartment market is currently under pressure.

Tuesday saw the release of Danske Bank's quarterly Nordic Outlook, where we give our views on and forecasts for the Danish economy. Denmark's economy is continuing to perform well – in fact so well that we have revised up our estimate for GDP growth this year from 1.7% to 2.0%. However, we expect the global slowdown will be more keenly felt next year, and have therefore revised down our forecast for 2020 from 1.6% to 1.3% (You can read more about this forecast and our take on the other Nordic economies in *Nordic Outlook*, 1 October 2019.)

On Wednesday, the new government presented its draft budget, which paves the way for a slight easing of fiscal policy that should increase demand in Denmark by 0.1% from 2019 to 2020. Hence, the government is listening to the ECB's urging of countries to ease fiscal policy, despite Denmark being in fine fettle, with low unemployment and decent growth. Given the weaker outlook for 2020, however, this modest easing could potentially be a good precaution to take.

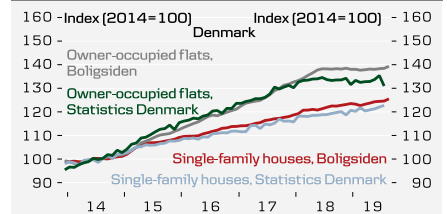
Sweden – PMIs finally plunging

We have for some time been waiting for the gap to close between Swedish and German manufacturing PMIs. In September it did, printing 46.3, the weakest since December 2012. This confirms that Swedish export industries have been contaminated by the recession in German industries. On top of that, Swedish services PMI dropped back below 50 in September. Overall, the composite PMI printed 48.8, the weakest since April 2013.

In the background, a calculated (weighted) employment PMI fell to 52.6. This confirms the weaker labour market trends seen in other data such as the NIER's confidence survey and the LFS.

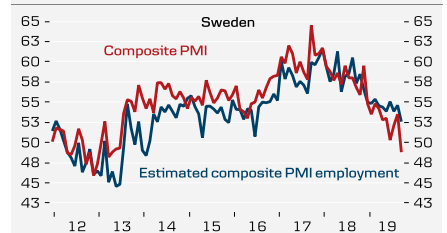
Needless to say, the outcome adds to a string of recent weaker data that should convince the Riksbank, as a first step, to delay the repo rate path at the upcoming October monetary policy meeting.

Pronounced fall in apartment prices



Source: Statistics Denmark, Boligsiden, Macrobond Financial

Composite PMI hits low this cycle

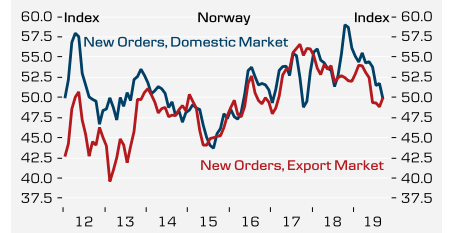


Source: Swedbank, SILF

Norway – is lower PMI sign of peak or just noise?

The PMI surprised by falling to 50.4 in September. Although we had expected the index to drop back after what seemed an overly strong rebound in August, it fell much further than we had expected and now points to growth in Norwegian manufacturing drying up. Of course, the PMI is notoriously volatile, and the drop in September could once again be down to sampling error (small panel). Two-thirds of the decrease from August to September was the result of a fall in the index for new orders from 56.2 to 48.7. Oddly, though, this was due mainly to a drop in orders from the domestic market. Either this is just noise, or it is a sign that oil-related industries are already peaking. Given that the oil investment survey is showing an increase of more than 15% this year and a further 3-4% next year, that would be very surprising. We have previously noted that there is ‘too little oil’ in the PMI, which may be part of the story. So we now need to see what the hard production data for August and, not least, Statistics Norway’s confidence indicator on 21 October, have to say.

Domestic orders down



Source: Macrobond Financial, Danske Bank

Latest research from Danske Bank

4/10 A Tour of the Global Economy - in one chart pack

The global economy is at a precarious moment. While OECD leading indicators point to further downside, PMI new orders actually picked up, driven partly by China and stabilising world trade growth.

4/10 China Weekly Letter - Is the Chinese business cycle turning?

Chinese data suggest the worst is behind us in Chinese manufacturing.

2/10 US-China Trade – 60% probability of an interim deal

US and China meet for high-level trade negotiations next week, sources say 10-11 October. Below is a quick overview.

2/10 Euro Area Macro Monitor: Has the service sector caught the manufacturing malaise?

The euro area economy has been humming at two speeds since the beginning of the year - a swift service sector and a sluggish manufacturing sector.

1/10 Conference Call: Global Recession Risk (recording)

On Tuesday 1 October at 10:00 we hosted a conference call discussing the risk of a global recession in the light of growing fears about the imminence of such an outcome.

1/10 Macro Strategy Views Podcast: The ailing Swedish labour market and implications for the Riksbank

In our weekly podcast, Macro Strategy Views, we discuss the weak stance of the Swedish labour market.

1/10 Nordic Outlook - October 2019

Danske Bank's quarterly review of the Nordic Economies

29/9 Harr's view: On the road in the US - clients' views and where we differ

Until the Eurozone reaches a more credible fiscal/monetary policy mix, I expect inflation expectations and EUR/USD to fall further

Macroeconomic forecast

Macro forecast. Scandinavia

	Year	GDP ¹	Private cons. ¹	Public cons. ¹	Fixed inv. ¹	Ex-ports ¹	Im-ports ¹	Infla-tion ¹	Wage growth ¹	Unem-ploym ³	Public budget ⁴	Public debt ⁴	Current acc. ⁴
Denmark	2018	1.5	2.2	0.9	6.5	0.4	3.3	0.8	2.2	3.9	0.5	34.1	5.8
	2019	2.0	1.5	0.3	-1.8	4.5	0.3	0.8	2.0	3.8	2.0	32.4	7.6
	2020	1.3	2.4	0.9	0.9	1.6	1.9	1.2	2.1	4.0	0.5	31.5	7.3
Sweden	2018	2.4	1.6	0.4	4.6	3.1	3.6	2.0	2.6	6.3	0.9	38.5	0.4
	2019	1.0	0.7	0.7	-1.8	4.2	1.7	1.7	2.6	6.8	0.1	35.0	3.7
	2020	0.7	1.9	1.5	-2.2	2.7	2.1	1.1	2.4	7.8	-0.5	34.0	3.7
Norway	2018	2.2	1.9	1.4	2.8	-0.2	1.9	2.7	2.8	2.5	-	-	-
	2019	2.6	2.0	2.0	4.8	3.0	3.5	2.2	3.4	2.3	-	-	-
	2020	2.2	2.4	1.7	3.0	4.0	2.5	2.2	3.6	2.2	-	-	-

Macro forecast. Euroland

	Year	GDP ¹	Private cons. ¹	Public cons. ¹	Fixed inv. ¹	Ex-ports ¹	Im-ports ¹	Infla-tion ¹	Wage growth ¹	Unem-ploym ³	Public budget ⁴	Public debt ⁴	Current acc. ⁴
Euro area	2018	1.9	1.4	1.1	2.3	3.5	2.7	1.8	2.3	8.2	-0.5	85.1	3.6
	2019	1.2	1.2	1.5	2.6	2.4	2.6	1.1	2.2	7.7	-0.9	85.8	3.3
	2020	0.9	1.4	1.8	1.4	1.4	2.6	0.9	2.3	7.5	-0.9	84.3	3.2
Germany	2018	1.5	1.2	1.4	3.5	2.3	3.7	1.9	3.0	3.4	1.7	60.9	7.3
	2019	0.5	1.5	2.1	2.9	0.8	2.8	1.4	3.2	3.1	1.0	58.4	6.0
	2020	0.7	1.4	2.3	1.3	0.7	2.7	1.5	3.0	3.0	0.8	55.6	5.9
Finland	2018	1.7	1.8	1.5	3.3	2.2	5.0	1.1	1.7	7.4	-0.7	59.1	-1.4
	2019	1.2	0.8	1.5	0.5	3.5	2.0	1.1	2.5	6.6	-0.4	58.4	-0.8
	2020	0.8	1.0	1.5	0.6	1.5	2.0	1.4	2.7	6.6	-0.4	57.7	-0.8

Macro forecast. Global

	Year	GDP ¹	Private cons. ¹	Public cons. ¹	Fixed inv. ¹	Ex-ports ¹	Im-ports ¹	Infla-tion ¹	Wage growth ¹	Unem-ploym ³	Public budget ⁴	Public debt ⁴	Current acc. ⁴
USA	2018	2.9	3.0	1.7	4.6	3.0	4.4	2.4	3.0	3.9	-3.9	106.0	-2.3
	2019	2.3	2.5	2.3	1.6	-0.5	2.0	2.0	3.3	3.6	-4.2	106.0	-2.6
	2020	1.7	2.4	0.9	1.1	0.7	2.2	2.3	3.6	3.4	-4.2	106.0	-2.7
China	2018	6.6	8.2	-	5.0	-	-	2.2	8.5	-	-4.1	50.1	0.7
	2019	6.2	7.5	-	5.0	-	-	2.5	8.0	-	-6.1	53.9	0.0
	2020	6.0	7.8	-	4.6	-	-	2.2	7.5	-	-5.5	57.1	-0.1
UK	2018	1.4	1.6	0.6	-0.1	-0.9	0.7	2.5	3.0	4.1	-1.5	86.8	-4.0
	2019	1.2	1.9	2.5	-0.6	0.7	4.2	1.9	3.5	3.8	-1.4	83.8	-3.8
	2020	1.3	1.6	1.3	-2.0	0.8	-2.4	1.4	3.5	3.6	-1.1	82.9	-3.5
Japan	2018	0.8	0.3	0.8	1.1	3.4	3.3	0.9	-	2.4	-	-	-
	2019	1.4	1.0	2.2	2.4	-1.7	-0.6	1.0	-	2.4	-	-	-
	2020	0.5	-0.3	1.7	0.6	1.7	1.2	1.6	-	2.5	-	-	-

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

Financial forecast

Bond and money markets										
		Key interest rate	3m interest rate	2-yr swap yield	10-yr swap yield	Currency vs EUR	Currency vs USD	Currency vs DKK	Currency vs NOK	Currency vs SEK
USD	04-Oct	2.00	2.06	1.43	1.43	109.7	-	680.4	911.7	986.1
	+3m	1.50	1.22	1.30	1.30	110.0	-	678.8	909.1	981.8
	+6m	1.00	1.00	0.90	1.00	113.0	-	660.4	858.4	964.6
	+12m	1.00	1.00	1.00	1.10	115.0	-	648.7	826.1	956.5
EUR	04-Oct	-0.50	-0.43	-0.48	-0.18	-	109.7	746.6	1000.4	1081.9
	+3m	-0.50	-0.41	-0.50	-0.20	-	110.0	746.7	1000.0	1080.0
	+6m	-0.50	-0.41	-0.50	-0.20	-	113.0	746.3	970.0	1090.0
	+12m	-0.50	-0.41	-0.40	-0.10	-	115.0	746.0	950.0	1100.0
JPY	04-Oct	-0.10	-0.10	-0.16	-0.04	120.5	106.8	6.20	8.30	8.98
	+3m	-0.10	-	-	-	116.6	106.0	6.40	8.58	9.26
	+6m	-0.10	-	-	-	119.8	106.0	6.23	8.10	9.10
	+12m	-0.10	-	-	-	126.5	110.0	5.90	7.51	8.70
GBP	04-Oct	0.75	0.77	0.62	0.62	88.9	123.5	840.1	1125.7	1217.5
	+3m	0.75	0.79	0.70	0.70	90.0	122.2	829.7	1111.1	1200.0
	+6m	0.75	0.79	0.70	0.70	90.0	125.6	829.2	1077.8	1211.1
	+12m	0.75	0.79	0.80	0.75	90.0	127.8	828.9	1055.6	1222.2
CHF	04-Oct	-0.75	-0.77	-0.82	-0.44	109.7	99.9	680.8	912.2	986.6
	+3m	-0.75	-	-	-	110.0	100.0	678.8	909.1	981.8
	+6m	-0.75	-	-	-	112.0	99.1	666.3	866.1	973.2
	+12m	-0.75	-	-	-	114.0	99.1	654.4	833.3	964.9
DKK	04-Oct	-0.75	-0.43	-0.39	-0.09	746.6	680.4	-	134.0	144.9
	+3m	-0.75	-0.45	-0.40	-0.10	746.7	678.8	-	133.9	144.6
	+6m	-0.75	-0.45	-0.45	-0.15	746.3	660.4	-	130.0	146.1
	+12m	-0.75	-0.45	-0.35	-0.05	746.0	648.7	-	127.3	147.5
SEK	04-Oct	-0.25	-0.10	-0.19	0.17	1081.9	986.1	69.0	92.5	100.0
	+3m	-0.25	-0.10	-0.15	0.35	1080.0	981.8	69.1	92.6	-
	+6m	-0.50	-0.35	-0.30	0.35	1090.0	964.6	68.5	89.0	-
	+12m	-0.50	-0.35	-0.30	0.35	1100.0	956.5	67.8	86.4	-
NOK	04-Oct	1.50	1.80	1.85	1.64	1000.4	911.7	74.6	100.0	108.2
	+3m	1.50	2.00	1.90	1.65	1000.0	909.1	74.7	-	108.0
	+6m	1.75	2.15	2.00	1.70	970.0	858.4	76.9	-	112.4
	+12m	1.75	2.15	2.05	1.70	950.0	826.1	78.5	-	115.8

Commodities

	04-Oct	2019				2020				Average	
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2019	2020
ICE Brent	58	65	70	70	75	75	75	75	75	70	75

Source: Dansk Bank

Calendar

Key Data and Events in Week 41

Monday, October 7, 2019					Period	Danske Bank	Consensus	Previous
-	USD	Budget statement	USD bn	Sep			82.5	119.1
-	CNY	National day						
-	CNY	Foreign exchange reserves	USD bn	Sep			3105.6	3107.2
0:45	USD	Fed's George (non-voter, hawkish) speaks						
6:00	SEK	Maklarstatistik Swedish housing price data						
7:00	JPY	Leading economic index, preliminary	Index	Aug			91.7	93.7
8:00	DKK	Industrial production	m/m	Aug				4.1%
8:00	NOK	Manufacturing production	m/m y/y	Aug	-0.4% ...		-0.3% ...	1.0% 3.8%
8:00	NOK	Industrial production	m/m y/y	Aug				0.5% -5.7%
8:00	NOK	Norwegian government presents 2020 Budget						
8:00	DEM	Factory orders	m/m y/y	Aug			-0.4% -6.9%	-2.7% -5.6%
9:00	CHF	SNB balance sheet, intervention	CHF bn	Sep				767.1
9:30	SEK	Budget balance	SEK bn	Sep				30.1
10:30	EUR	Sentix Investor Confidence	Index	Oct			-13.0	-11.1
16:20	USD	Fed's Kashkari (non-voter, dovish) speaks						
21:00	USD	Consumer credit	USD bn	Aug			16.0	23.3
Tuesday, October 8, 2019					Period	Danske Bank	Consensus	Previous
1:30	JPY	Labour cash earnings	y/y	Aug			-0.2%	-1.0%
3:45	CNY	Caixin PMI service	Index	Sep			52.0	52.1
7:45	CHF	Unemployment	%	Sep			2.3%	2.3%
8:00	DEM	Industrial production	m/m y/y	Aug			-0.2% -4.2%	-0.6% -4.2%
9:30	SEK	Industrial orders	m/m y/y	Aug				0.4% -2.2%
12:00	USD	NFIB small business optimism	Index	Sep			102.5	103.1
12:00	DKK	Danish economic council publishes fall report on Danish economy 2019						
14:30	USD	PPI	m/m y/y	Sep			0.1% 1.8%	0.1% 1.8%
14:30	USD	PPI core	m/m y/y	Sep			0.2% 2.4%	0.3% 2.3%
19:35	USD	Fed's Evans (non-voter, dovish) speaks						
19:50	USD	Fed's Powell (voter, neutral) speaks						
23:00	USD	Fed's Kashkari (non-voter, dovish) speaks						
Wednesday, October 9, 2019					Period	Danske Bank	Consensus	Previous
-	CNY	Money supply M2	y/y	Sep			8.3%	8.2%
8:00	SEK	Prospera inflation expectations						
8:00	DKK	Current account (nsa sa)	DKK bn	Aug				... 15.1
8:00	DKK	Trade balance ex ships	DKK bn	Aug				8.1
8:00	DKK	Exports	m/m	Aug				
8:00	NOK	GDP (mainland)	m/m	Aug	-0.3%			
9:15	SEK	NIER economic forecasts						
16:30	USD	Fed's Powell (voter, neutral) speaks						
16:30	USD	DOE U.S. crude oil inventories	K					3104
20:00	USD	FOMC minutes						

Source: Danske Bank

Calendar

Thursday, October 10, 2019				Period	Danske Bank	Consensus	Previous
1:01	GBP	RICS house price balance	Index	Sep		-0.1	0.0
8:00	NOK	CPI	m/m y/y	Sep		0.5% 1.5%	-0.7% 1.6%
8:00	NOK	PPI	m/m y/y	Sep			-0.3% -9.4%
8:00	DKK	CPI	m/m y/y	Sep	.. 0.6%		-0.4% 0.4%
8:00	DEM	Trade balance	EUR bn	Aug		18.6	21.6
8:00	NOK	Core inflation (CPI-ATE)	m/m y/y	Sep	0.6% 2.1%	0.5% 2.1%	-0.6% 2.1%
8:45	FRF	Industrial production	m/m y/y	Aug		0.3% 0.2%	0.3% -0.2%
9:30	SEK	Average house prices	SEK m	Sep			3.105
9:30	SEK	Underlying inflation CPIF	m/m y/y	Sep	0.3% 1.2%	0.3% 1.2%	-0.4% 1.3%
9:30	SEK	Household consumption	m/m y/y	Aug			0.8% 2.8%
9:30	SEK	CPI	m/m y/y	Sep	0.3% 1.3%	0.3% 1.4%	-0.4% 1.4%
10:30	GBP	Trade balance	GBP mio.	Aug		-1000	-219
10:30	GBP	Monthly GDP estimate	m/m q/q	Aug	0.0% 0.2%	0.0% 0.1%	0.3% 0.0%
10:30	GBP	Index of services	m/m 3m/3m	Aug		0% 0.2%	0.3% 0.2%
13:30	EUR	ECB minutes from September meeting					
13:30	EUR	ECB Accounts of September Policy Meeting					
14:30	USD	Initial jobless claims	1000				219
14:30	USD	CPI headline	m/m y/y	Sep		0.1% 1.9%	0.1% 1.7%
14:30	USD	CPI core	m/m y/y	Sep	0.2% 2.4%	0.2% 2.4%	0.3% 2.4%
23:30	USD	Fed's Mester (voter, hawkish) speaks					
Friday, October 11, 2019				Period	Danske Bank	Consensus	Previous
-	EUR	S&P may publish Germany's debt rating					
-	EUR	Moody's may publish Belgium's debt rating					
-	GBP	EU ambassadors deadline for reaching Brexit deal					
8:00	DEM	HICP, final	m/m y/y	Sep		-0.1% 0.9%	-0.1% 0.9%
9:00	ESP	HICP, final	m/m y/y	Sep		0.4% 0.2%	0.4% 0.2%
14:00	USD	Fed's Kashkari (non-voter, dovish) speaks					
14:30	CAD	Net change in full time employment	1000	Sep			23.8
14:30	USD	Import prices	m/m y/y	Sep		0.0% ...	-0.5% -2.0%
16:00	USD	University of Michigan Confidence, preliminary	Index	Oct		92.0	93.2
19:15	USD	Fed's Rosengren (non-voter, hawk) speaks					
21:00	USD	Fed's Kaplan (non-voter, neutral) speaks					

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Source: Danske Bank

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