

Weekly Focus

Will the central bank reveal its latest easing cards?

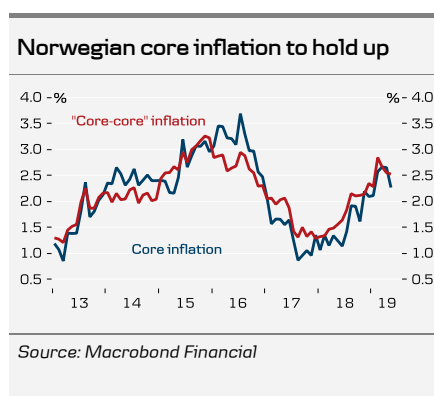
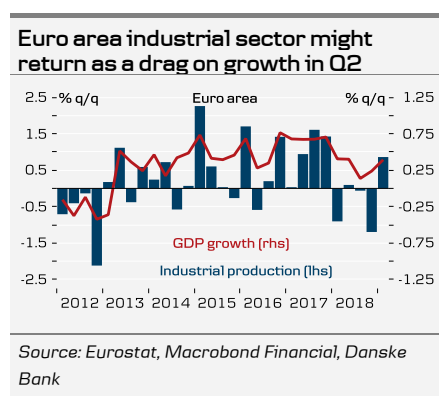
Market movers ahead

- The latest Fed and ECB meeting minutes will be scrutinised for signs of the next steps in their monetary policy easing.
- China will be in focus on a potential restart of US-China trade talks and any comments on this.
- The UK monthly GDP estimate could be bad news for the market.
- US core inflation expected to remain unchanged.
- Nordic inflation numbers are likely to point in different directions (Sweden's core drop, Norway's core climb and Denmark's headline remain broadly unchanged).

Weekly wrap-up

- Despite the trade ceasefire between the US and China, big obstacles remain in reaching a deal that satisfies both sides and we still expect a rocky path ahead.
- Christine Lagarde was surprisingly nominated as the next ECB president but this does not change our expectation of a sizeable easing package in September.
- Tensions between the US and Iran continue to build, posing a danger to Middle East stability.
- Macroeconomic numbers continue to paint a sombre picture of the global economy.

Note that the Weekly Focus will take a break until 9 August.



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

	05-Jul	3M	12M
10yr EUR swap	0.08	0.05	0.15
EUR/USD	113	115	117
ICE Brent oil	63	75	80

Source: Danske Bank

Follow us on *Twitter*

 @Danske_Research

Editor

Chief Analyst

Jakob Ekholdt Christensen
+45 45 12 85 30
Jakc@danskebank.dk

Market movers

Global

- In the **US**, next week is quiet in terms of data releases. CPI core is due out Thursday and likely rose +0.2% m/m in June, which translates into an unchanged annual inflation rate at 2.0% y/y.

Next week also brings several Fed speeches and FOMC meeting minutes on Wednesday. It will be interesting to learn about the different stances within the Fed. As repeated at the last FOMC meeting, the Fed ‘will act as appropriate to sustain the expansion’. Our view is that the Fed will cut rates in July by 25bp and a total of 75bp in the second half of 2019 (that is July, September and December). The trade war is an important risk to our outlook in both directions.

- In the **euro area**, there are two interesting releases on the agenda. The ECB minutes from the June meeting will be out on Thursday. At the press conference, Draghi stressed that the governing council (GC) discussed several options at the meeting including a rate cut and a restart of QE. Draghi in his Sintra speech sent a strong signal to markets that more stimulus is coming. Hence, markets will look out for clues in the minutes on how ready the GC stands in announcing immediate steps already at the 25 July meeting. We still lean towards an announcement of an easing package coming in September (see *New ECB call - rate cut and restart of QE*).

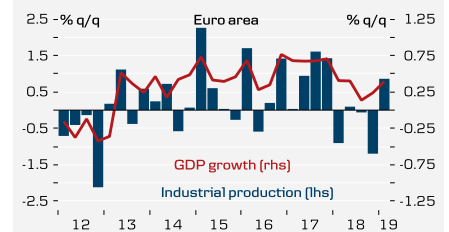
On Friday, we get a further piece of the puzzle on where euro area GDP growth will arrive in Q2 with the industrial production data for May. The April figures pointed to a weak start for the industrial sector into Q2 and business surveys such as the PMI and Ifo point to further setbacks ahead. Hence, we think markets could be in for additional negative surprises when it comes to hard economic data in the coming months, as we also discussed in *Euro Area Research - Catching up with reality*.

- News out of the **UK** about Brexit is likely to be limited next week with the outcome of the Conservative Party leadership contest not set to be announced until 22 July. However, on the data front we get more insight in where growth in Q2 19 will arrive with the monthly GDP estimate for May due on Wednesday. After a strong start to the year helped by pre-Brexit stockpiling, the sector has struggled of late as PMIs have fallen back. Overall, we remain sceptic that the economy can maintain its 0.5% q/q growth momentum from Q1.

- Focus in **China** will be on the restart of the US-China trade talks and any comments regarding this. On the data front, we get money and credit, CPI/PPI and trade balance. On consumer price inflation, we have seen an increase lately due to higher food prices, which is related to the African swine fever (see chart). Producer price inflation (PPI) on the other hand is facing downward pressure from lower commodity prices. We look for a decline from 0.6% y/y to 0.3% y/y in line with consensus. Trade data will give more clues to the state of exports in June following the escalation of the trade war. The data are quite volatile, though, so they should be taken with a grain of salt. The money and credit data will give more clues on how much the monetary easing over the past year is feeding through to the economy. There has been some tentative improvement in recent months.

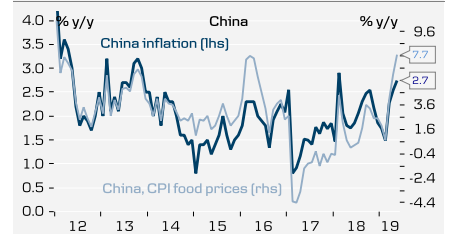
- In **Japan**, we get May total cash earnings on Tuesday. They have looked dire al through this year, as businesses have been extra aware of costs in the light of slowing global demand. This is bound to weigh on private consumption and inflation.

Industrial sector might return as a drag on growth in Q2



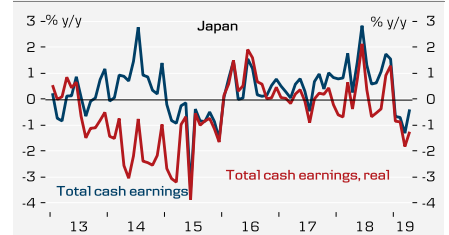
Source: Eurostat, Macrobond Financial, Danske Bank

China: Inflation up on higher food prices



Source: Macrobond Financial, NBS, Danske Bank

Cash earnings have been very weak recently



Source: Japanese Cabinet Office, Macrobond Financial

Scandi

- In **Denmark**, export figures for May are due on Tuesday. Goods exports have performed remarkably well over an extended period taking into account the global economic slowdown. Service exports, on the other hand, have slowed. The Danish shipping fleet, which accounts for half of service exports, is sailing in choppy waters currently, as growth in global trade has more or less evaporated.

On Wednesday, we get inflation figures for June. Following a big drop in May, we expect inflation unchanged at 0.7%. Clothing prices should start to weigh less after very big declines recently. Package holidays, on the other hand, are likely to pull the other way along with declines in gasoline prices.

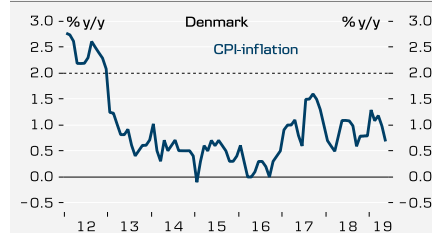
- In **Sweden**, June CPIF inflation is expected to slow considerably to 1.6 % y/y, down from 2.1 % y/y in May. This is spot on the Riksbank's forecast. In our forecast, this is largely an energy effect, with both fuel and electricity falling sharply and pulling down CPIF by 0.15pp each. However, we differ from the Riksbank in the composition: we expect an unchanged print for CPIF excluding Energy (1.7 % y/y), whereas the Riksbank expects a slight increase to 1.8% y/y.

As May turned out higher than expected and contrary to our view that risks were skewed to the downside, how do risks appear in June? Given that May price increases were unusually high for clothing, furniture and restaurants/accommodation compared to the past couple of years, there is probably a downside to these, about 0.1pp. Upside risks are probably related to higher food prices.

Prospera inflation expectations are also on the agenda but the May household consumption indicator is probably more important. Car registrations remaining negative (-15.3 % y/y according to Bil Sweden) and retail sales (-0.5 % y/y) being the weakest since September 2011 suggest there is a risk of a deeper dive into negative growth.

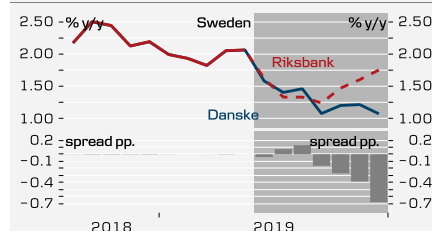
- In **Norway**, core inflation slowed rather unexpectedly to 2.3% y/y in May. With wage growth accelerating, there is little reason to expect domestic inflation to fall and the krone has strengthened less than anticipated, meaning that imported inflation will also hold up. Much of the decrease from April was also due to food and airfares, two components that can be highly volatile from month to month. We expect both to correct in June, giving core inflation of 2.4% y/y, with the risk slightly to the upside. The week also brings GDP for May. The monthly GDP figures have fluctuated considerably from month to month and have proved difficult to predict because of big swings on the supply side (power and agriculture) due to weather conditions. Norges Bank's regional network survey indicates growth in mainland GDP of around 3% y/y for the rest of this year. Much of this will be driven by the service sector, on which we have little interim data, so it is on an uncertain basis that we forecast an increase in mainland GDP of 0.2% m/m.

Intervention may well have been needed in May



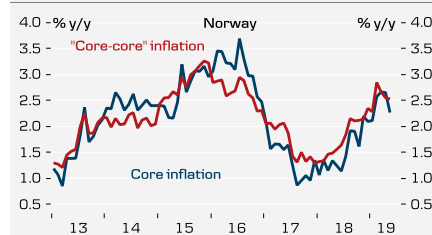
Source: Finance Denmark, Macrobond Financial

We expect June CPIF in line with Riksbank at 1.6 % y/y



Source: SCB, Danske Bank, Riksbank

Core inflation to hold up



Source: Macrobond Financial

Market movers ahead

Global movers			Event	Period	Danske	Consensus	Previous	
Mon	08-Jul	8:00	DEM	Industrial production	m/m y/y	May	0.3% -3.2%	-1.9% -1.8%
Tue	09-Jul	-	CNY	Money supply M2	y/y	Jun	8.6%	8.5%
		1:30	JPY	Labour cash earnings	y/y	May	-0.6%	-0.3%
		16:10	USD	Fed's Bullard (non-voter, dovish) speaks				
Wed	10-Jul	3:30	CNY	CPI	y/y	Jun	2.7%	2.7%
		3:30	CNY	PPI	y/y	Jun	0.3%	0.3%
		10:30	GBP	Monthly GDP estimate	m/m q/q	May	0.2% 0.0%	-0.4% 0.3%
		16:00	USD	Fed's Powell (voter, neutral) speaks				
		16:00	CAD	Bank of Canada rate decision	%		1.75%	1.75%
		20:00	USD	FOMC minutes from June meeting				
Thurs	11-Jul	13:30	EUR	ECB minutes from June meeting				
		14:30	USD	CPI core	m/m y/y	Jun	0.2% 2.0%	0.2% 2.0%
		16:00	USD	Fed's Powell (voter, neutral) speaks				
Fri	12-Jul	-	CNY	Trade balance	USD bn	Jun	45.3	41.7
		11:00	EUR	Industrial production	m/m y/y	May	0.2% -1.6%	-0.5% -0.4%
Scandi movers								
Tue	09-Jul	8:00	DKK	Exports	m/m	May		690.0%
		8:00	NOK	GDP (mainland)	m/m	May	0.2%	0.4%
Wed	10-Jul	8:00	NOK	Core inflation (CPI-ATE)	m/m y/y	Jun	0.5% 2.4%	0.4% 2.3%
		8:00	SEK	Prospera inflation expectations				-0.2% 2.3%
		8:00	DKK	CPI	m/m y/y	Jun	... 0.7%	-0.1% 0.7%
Thurs	11-Jul	9:30	SEK	Underlying inflation CPIF	m/m y/y	Jun	-0.2% 1.6%	-0.1% 1.8%
Fri	12-Jul	9:30	SEK	Riksbank publishes minutes				0.3% 2.1%

Source: Bloomberg, Danske Bank

Weekly wrap-up

Main macro themes—trade truce fails to lift sentiment

- As widely expected, the Xi Jinping-Donald Trump meeting at the weekend’s G20 meeting in Japan ended with a ceasefire in the trade war.** The two sides agreed to restart the trade negotiations, the US promised not to apply new tariffs and no deadline was set for the completion of the talks. Trump also lifted the export ban on Huawei, at least partially. The ceasefire is good news in the sense that it confirms that both sides want to make a trade deal. However, big obstacles remain to reach a deal that satisfies both sides and we still expect a rocky path ahead. The still-tense relationship became evident when President Trump this week strongly condemned China and Europe for manipulating their currencies in an unfair way.
- The European Game of Thrones reached its peak this week.** Following intense negotiations, EU leaders struck an agreement on the succession race for the EU Commission and ECB presidency. The new head of the commission is Ursula von der Leyen – a seasoned centrist politician from Angela Merkel’s CDU party. However, the most important appointment from a market perspective was Christine Lagarde as President of the ECB. We do not know much about Lagarde’s thinking on monetary policy but she has been open to unconventional monetary policy. As such, we do not see a reason to change our ECB call for a package deal in September consisting of a 20bp cut, a QE restart of EUR45-60bn, tiering and extended forward guidance (see more in *ECB Research – New ECB call – rate cut and restart of QE*, 18 June).
- Tensions between the US and Iran continue to build, posing a danger to Middle East stability.** After Iran warned that it will breach the enrichment agreement following the US choosing to abandon the agreement, President Trump warned that the Iranian threats will ‘come back to bite them like nobody has been bitten before!’. The situation could escalate further if Europe fails to provide economic assurances to Iran by 7 July, as Iran will then go ahead with its plans. Iran would then proceed to breach the nuclear agreement. Meanwhile, OPEC agreed to maintain its production cuts for another nine months. We see oil prices climbing over the next few quarters as a result of the cut and geopolitical concerns.
- Macroeconomic numbers continue to paint a sombre picture of the global economy.** US ISM manufacturing is on the weak side (55.1 versus Consensus of 56.0). New orders and employment are down, albeit from high levels. Market-based inflation expectations fell back below the levels before Mario Draghi and the Fed hinted at new stimulus, suggesting that both central banks have a big task to reignite inflation dynamics.

Financial market developments

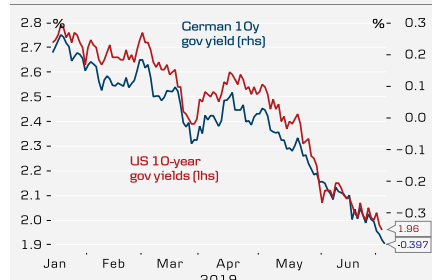
- While equity markets cheered the trade truce between China and the US, fixed income markets were less upbeat.** Stock markets in the US climbed to an all-time high and the European and emerging market equity indices saw good support. However, US and German 10-year yields initially rose on the back of the weekend’s agreement but later in the week fell again as optimism wavered. Italian bonds rallied after the EU Commission held off from launching EDP at this stage after the government promised to rein in some of its spending plans for 2019. However, we still see a fair chance of a renewed stand-off with the EU in the autumn over the 2020 budget. In FX markets, EUR/SEK fell after the Riksbank kept its rate path unchanged, which was a bit more hawkish than the market had expected.

Financial views

Major indices			
	05-Jul	3M	12M
10yr EUR swap	0.08	0.05	0.15
10yr US swap	1.91	1.85	1.85
ECB key rate	-0.40	-0.60	-0.60
Fed funds rate	2.50	2.00	1.75
EUR/SEK	1054	1080	1100
EUR/NOK	963	960	930
EUR/USD	113	115	117
ICE Brent oil	63	75	80

Source: Danske Bank

Bond yields finding a floor?



Source: Macrobond Financial

US equities surging to new record level



Source: Macrobond Financial

Scandi update

Denmark – no FX intervention in June

Danmark Nationalbank (DN) did not intervene in the FX market in June. It has not intervened since January.

The Danish debt management office has published its revised issuance plan for H2. It has raised the issuance target for government bonds by DKK10bn to DKK75bn, while leaving the target for t-bills unchanged at DKK30bn. The increase in issuance target reflects an additional DKK20bn in government purchase of mortgage bonds, i.e. the larger issuance is not due to a worsening of public finances or the new government. Issuance will be centred in 2Y and 10Y nominal bonds.

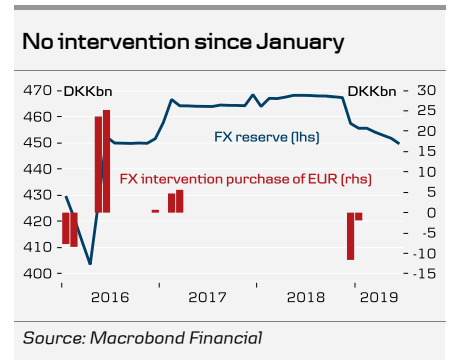
Sweden – Riksbank kicking the can down the road

The main takeaways from the Riksbank’s July meeting were: no change to the repo rate path versus April, where a reduction was expected; no change to QE, in line with expectations; no reservations to the decision; very small changes to the macro forecast, both growth and inflation. In essence, this was a ‘wait and see’ meeting.

Our take is that the Riksbank is describing the Swedish economy as strong, with resource utilisation still higher than normal. The Riksbank acknowledges that global risks appear to have intensified but this has not been incorporated in the KIX-weighted policy rate forecast (ECB, Fed, BoE and Bank of Norway). That is slightly reduced, but sees higher rates in 2021. The big three of these have clearly signalled rate cut intentions and this is also to different degrees priced into money markets. Note, however, that the Riksbank is open to following: ‘The downturn in international bond yields can indicate that global interest rates going forward will be low for a longer period to come’ and ‘if the conditions for inflation were to change, monetary policy will be adjusted.’ This suggests that if the ECB and the Fed cut, the Riksbank will adapt.

Norway – manufacturers hoist yellow flag

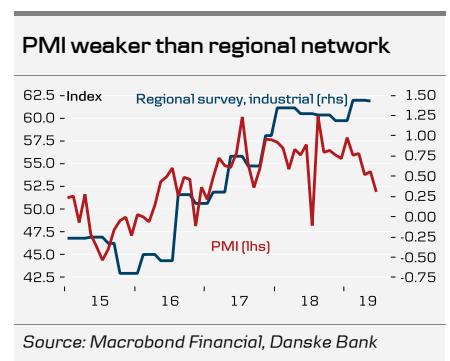
The PMI fell unexpectedly to 51.9 in June, whereas we had predicted an increase to 54.5. We have long argued that strong growth in oil investment has been propping up manufacturing activity despite the global slowdown. The June figures could be a sign that the negative effects from the global economy are starting to dominate, and that we are entering a weaker period for Norwegian manufacturers. This is supported by a sharp fall in the index for export orders. On the other hand, the PMI can be highly volatile from month to month, and drops of this magnitude (2.2 points m/m) are not uncommon and have in fact occurred seven times since August 2017. Nor were there any signs of a manufacturing slowdown in the regional network survey published only a fortnight ago, a far more stable indicator than the PMI. As mentioned before, it would appear that oil-related industries weigh somewhat less in the PMI than in reality, which may explain part of the difference. Obviously we will not be making any changes to our outlook at this stage, but we will be keeping an eye on other manufacturing indicators, next up being Statistics Norway’s tendency survey on 23 July.



Small changes to macro forecast

	2018	2019	2020	2021
CPI	2.0 (2.0)	1.8 (2.0)	2.2 (2.3)	2.6 (2.6)
CPIF	2.1 (2.1)	1.7 (1.8)	1.8 (1.8)	1.9 (1.9)
GDP	2.4 (2.3)	1.8 (1.7)	1.6 (1.9)	1.8 (1.8)
Unemployment, per cent	6.3 (6.3)	6.3 (6.4)	6.5 (6.5)	6.6 (6.6)

Source: Riksbank



Latest research from Danske Bank

5/7 Inflation Preview Sweden: June CPIF to be in line with Riksbank

June CPIF inflation is expected to slow considerably to 1.6% y/y, down from 2.1% y/y in May.

3/7 Euro Area Macro Monitor: ECB's credibility on the line

Markets do not believe in the ECB's inflation target. A big easing package is needed to restore credibility, though the impact on the economy is likely to be muted

3/7 Riksbank Comment - Kicking the can down the road

Main takeaways: No change to the repo rate path vs April where a reduction was expected.

3/7 ECB Research - Lagarde to take 'one of the most difficult' jobs

Following intense negotiations, EU leaders have struck an agreement on the succession race for the EU Commission and ECB presidency.

3/7 Monthly Executive Briefing: send in the central bank cavalry (again)

The global macroeconomic situation continues to show signs of weakness

2/7 Flash Comment Denmark: No FX intervention in June

Danmark Nationalbank (DN) did not intervene in the FX market in June. It has not intervened since January.

2/7 China Leading Indicators - Short-term weakness, but no hard landing

Our view. PMIs are set to remain weak in the short term, but there is no sign of a hard landing. On the other side of a trade deal, the economy should recover again.

30/6 US-China Trade - Ceasefire a reality but no quick fixes to reach a deal

As widely expected, the Xi-Trump meeting ended with a ceasefire in the trade war. The export ban on Huawei was also lifted, at least partially.

Macroeconomic forecast

Macro forecast. Scandinavia

	Year	GDP ¹	Private cons. ¹	Public cons. ¹	Fixed inv. ¹	Ex-ports ¹	Im-ports ¹	Infla-tion ¹	Wage growth ¹	Unem-ploym ³	Public budget ⁴	Public debt ⁴	Current acc. ⁴
Denmark	2018	1.5	2.2	0.9	6.5	0.4	3.3	0.8	2.3	3.9	0.5	34.1	5.7
	2019	1.7	1.5	0.4	-1.6	2.3	1.7	1.0	2.2	3.8	0.5	32.5	6.2
	2020	1.6	2.3	0.5	3.0	1.7	2.1	1.3	2.5	3.8	0.0	31.5	6.6
Sweden	2018	2.5	1.2	0.9	4.0	3.9	3.8	2.0	2.6	6.3	0.9	38.5	0.4
	2019	1.3	0.4	0.6	-0.9	4.4	2.0	1.7	2.6	6.6	0.1	34.0	4.0
	2020	1.5	1.8	1.5	0.6	3.3	2.6	1.5	2.7	7.1	0.5	33.0	4.1
Norway	2018	2.2	2.0	1.2	1.0	-0.7	0.6	2.7	2.8	2.4	-	-	-
	2019	2.6	2.0	1.7	4.8	3.0	3.3	2.5	3.3	2.3	-	-	-
	2020	2.3	2.4	1.7	3.0	3.5	2.7	1.7	3.8	2.2	-	-	-

Macro forecast. Euroland

	Year	GDP ¹	Private cons. ¹	Public cons. ¹	Fixed inv. ¹	Ex-ports ¹	Im-ports ¹	Infla-tion ¹	Wage growth ¹	Unem-ploym ³	Public budget ⁴	Public debt ⁴	Current acc. ⁴
Euro area	2018	1.9	1.3	1.0	3.3	3.2	3.2	1.8	2.3	8.2	-0.5	85.1	3.6
	2019	1.2	1.4	1.4	3.4	2.5	3.1	1.3	2.2	7.7	-0.9	85.8	3.3
	2020	1.4	1.4	1.8	1.8	2.2	2.7	1.4	2.3	7.5	-0.9	84.3	3.2
Germany	2018	1.5	1.1	1.0	2.7	2.2	3.4	1.9	3.0	3.4	1.7	60.9	7.3
	2019	0.7	1.9	1.7	2.9	1.5	3.2	1.4	3.2	3.1	1.0	58.4	6.0
	2020	1.3	1.3	2.3	2.3	1.7	2.7	1.5	3.0	3.0	0.8	55.6	5.9
Finland	2018	2.3	2.0	1.4	3.1	1.1	4.1	1.1	1.8	7.4	-0.7	59.5	-1.6
	2019	1.3	0.8	0.5	0.0	3.0	2.0	1.2	2.5	6.5	-0.3	58.3	-1.7
	2020	1.0	1.2	1.5	1.0	2.0	2.5	1.5	2.5	6.4	-0.2	57.3	-1.4

Macro forecast. Global

	Year	GDP ¹	Private cons. ¹	Public cons. ¹	Fixed inv. ¹	Ex-ports ¹	Im-ports ¹	Infla-tion ¹	Wage growth ¹	Unem-ploym ³	Public budget ⁴	Public debt ⁴	Current acc. ⁴
USA	2018	2.9	2.6	1.5	5.2	4.0	4.5	2.4	3.0	3.9	-3.9	106.0	-2.3
	2019	2.5	2.3	1.6	2.4	2.4	2.1	2.0	3.1	3.6	-4.2	106.0	-2.6
	2020	2.0	2.1	1.0	3.4	2.8	3.0	2.3	3.4	3.4	-4.2	106.0	-2.7
China	2018	6.6	8.2	-	5.0	-	-	2.2	8.5	-	-4.1	50.1	0.7
	2019	6.2	8.0	-	4.7	-	-	2.0	8.3	-	-4.5	53.9	0.7
	2020	6.2	7.8	-	4.6	-	-	2.2	8.0	-	-4.3	57.1	0.7
UK	2018	1.4	1.8	0.4	0.2	0.1	0.7	2.5	3.1	4.1	-1.5	86.8	-4.0
	2019	1.5	1.8	2.5	1.5	2.0	8.5	1.8	2.9	3.7	-1.4	83.8	-3.8
	2020	1.6	1.4	0.6	0.1	2.0	-2.9	1.4	3.3	3.4	-1.1	82.9	-3.5
Japan	2018	0.8	0.3	0.7	1.1	3.3	3.4	0.9	-	2.4	-	-	-
	2019	1.0	0.3	1.7	1.1	-1.1	-1.8	1.0	-	2.5	-	-	-
	2020	0.5	-0.4	0.8	0.3	3.5	1.1	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	05-Jul	2.50	2.29	1.80	1.91	112.7	-	662.1	854.0	934.6
	+3m	2.00	1.91	1.70	1.85	115.0	-	649.0	834.8	939.1
	+6m	1.75	1.75	1.55	1.70	117.0	-	637.5	803.4	931.6
	+12m	1.75	1.75	1.65	1.85	117.0	-	637.2	794.9	940.2
EUR	05-Jul	-0.40	-0.35	-0.41	0.08	-	112.7	746.4	962.7	1053.6
	+3m	-0.60	-0.51	-0.40	0.05	-	115.0	746.3	960.0	1080.0
	+6m	-0.60	-0.51	-0.40	0.05	-	117.0	745.9	940.0	1090.0
	+12m	-0.60	-0.51	-0.30	0.15	-	117.0	745.5	930.0	1100.0
JPY	05-Jul	-0.10	-0.07	-0.11	0.00	125.6	108.0	5.94	7.66	8.39
	+3m	-0.10	-	-	-	123.1	107.0	6.07	7.80	8.78
	+6m	-0.10	-	-	-	128.7	110.0	5.80	7.30	8.47
	+12m	-0.10	-	-	-	128.7	110.0	5.79	7.23	8.55
GBP	05-Jul	0.75	0.76	0.72	0.91	89.6	125.8	832.6	1073.9	1175.2
	+3m	0.75	0.84	0.90	1.00	90.0	127.8	829.2	1066.7	1200.0
	+6m	0.75	0.84	0.90	1.00	90.0	130.0	828.8	1044.4	1211.1
	+12m	0.75	0.84	0.90	1.20	90.0	130.0	828.3	1033.3	1222.2
CHF	05-Jul	-0.75	-0.74	-0.81	-0.29	111.2	98.6	671.2	865.8	947.5
	+3m	-0.75	-	-	-	112.0	97.4	666.3	857.1	964.3
	+6m	-0.75	-	-	-	113.0	96.6	660.1	831.9	964.6
	+12m	-0.75	-	-	-	115.0	98.3	648.3	808.7	956.5
DKK	05-Jul	-0.65	-0.38	-0.32	0.17	746.4	662.1	-	129.0	141.2
	+3m	-0.75	-0.44	-0.35	0.10	746.3	649.0	-	128.6	144.7
	+6m	-0.75	-0.44	-0.35	0.10	745.9	637.5	-	126.0	146.1
	+12m	-0.75	-0.44	-0.25	0.20	745.5	637.2	-	124.7	147.6
SEK	05-Jul	-0.25	-0.04	-0.06	0.49	1053.6	934.6	70.8	91.4	100.0
	+3m	-0.25	-0.10	-0.15	0.50	1080.0	939.1	69.1	88.9	-
	+6m	-0.25	-0.10	-0.15	0.50	1090.0	931.6	68.4	86.2	-
	+12m	-0.25	-0.10	-0.20	0.50	1100.0	940.2	67.8	84.5	-
NOK	05-Jul	1.25	1.55	1.80	1.81	962.7	854.0	77.5	100.0	109.4
	+3m	1.50	1.86	1.90	2.00	960.0	834.8	77.7	-	112.5
	+6m	1.50	2.02	2.10	2.10	940.0	803.4	79.4	-	116.0
	+12m	1.75	2.14	2.25	2.25	930.0	794.9	80.2	-	118.3

Commodities												
		2019				2020				Average		
	05-Jul	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2019	2020	
ICE Brent	63	65	70	75	80	80	80	80	80	72	80	

Source: Danske Bank

Calendar

Key Data and Events in Week 28

During the week

				Period	Danske Bank	Consensus	Previous
Sun 07	CNY	Foreign exchange reserves	USD bn	Jun		3110.0	3101.0
Sun 07	EUR	ECB's Coeure speaks in Provence					

Monday, July 8, 2019

				Period	Danske Bank	Consensus	Previous
8:00	DEM	Industrial production	m/m y/y	May		0.3% -3.2%	-1.9% -1.8%
8:00	DEM	Trade balance	EUR bn	May		17	17.9
10:30	EUR	Sentix Investor Confidence	Index	Jul		0.0	-3.3
21:00	USD	Consumer credit	USD bn	May		15.0	17.5

Tuesday, July 9, 2019

				Period	Danske Bank	Consensus	Previous
-	CNY	Money supply M2	y/y	Jun		8.6%	8.5%
1:30	JPY	Labour cash earnings	y/y	May		-0.6%	-0.3%
7:45	CHF	Unemployment	%	Jun		2.4%	2.4%
8:00	DKK	Current account (nsa sa)	DKK bn	May			... 16.1
8:00	DKK	Trade balance ex ships	DKK bn	May			6.9
8:00	DKK	Exports	m/m	May			690.0%
8:00	NOK	GDP (mainland)	m/m	May	0.2%		0.4%
9:30	SEK	Household consumption	m/m y/y	May			0.2% 0.0%
12:00	USD	NFIB small business optimism	Index	Jun			105.0
16:10	USD	Fed's Bullard (non-voter, dovish) speaks					

Wednesday, July 10, 2019

				Period	Danske Bank	Consensus	Previous
3:30	CNY	CPI	y/y	Jun		2.7%	2.7%
3:30	CNY	PPI	y/y	Jun	0.3%	0.3%	0.6%
8:00	NOK	Core inflation (CPI-ATE)	m/m y/y	Jun	0.5% 2.4%	0.4% 2.3%	-0.2% 2.3%
8:00	SEK	Prospera inflation expectations					
8:00	NOK	CPI	m/m y/y	Jun		0.2% 2.1%	-0.3% 2.5%
8:00	NOK	PPI	m/m y/y	Jun			-1.0% 0.4%
8:00	DKK	CPI	m/m y/y	Jun	... 0.7%		-0.1% 0.7%
8:45	FRF	Industrial production	m/m y/y	May		0.3% 1.6%	0.4% 1.1%
10:30	GBP	Monthly GDP estimate	m/m q/q	May		0.2% 0.0%	-0.4% 0.3%
10:30	GBP	Index of services	m/m 3m/3m	May		0.1% 0.1%	0.0% 0.2%
10:30	GBP	Trade balance	GBP mio.	May		-3200	-2740
16:00	USD	Fed's Powell (voter, neutral) speaks					
16:00	CAD	Bank of Canada rate decision	%			1.75%	1.75%
16:30	USD	DOE U.S. crude oil inventories	K				-1085
19:30	USD	Fed's Bullard (non-voter, dovish) speaks					
20:00	USD	FOMC minutes from June meeting					

Source: Danske Bank

Calendar

Thursday, July 11, 2019					Period	Danske Bank	Consensus	Previous
1:01	GBP	RICS house price balance	Index	Jun			-0.1	-0.1
8:00	DEM	HICP, final	m/m y/y	Jun			0.1% 1.3%	0.1% 1.3%
8:45	FRF	HICP, final	m/m y/y	Jun			0.3% 1.4%	0.3% 1.4%
9:30	SEK	CPI	m/m y/y	Jun		-0.2% 1.7%	-0.1% 1.8%	0.3% 2.2%
9:30	SEK	Underlying inflation CPIF	m/m y/y	Jun		-0.2% 1.6%	-0.1% 1.8%	0.3% 2.1%
9:30	SEK	Underlying inflation, CPIFxEn		Feb		0.1% 1.7%		
11:30	GBP	BoE Financial Stability Report						
12:15	EUR	ECB's Coeure speaks in Frankfurt						
13:30	EUR	ECB minutes from June meeting						
14:30	USD	Initial jobless claims	1000					221
14:30	USD	CPI headline	m/m y/y	Jun			0.0% 1.6%	0.1% 1.8%
14:30	USD	CPI core	m/m y/y	Jun		0.2% 2.0%	0.2% 2.0%	0.1% 2.0%
16:00	USD	Fed's Powell (voter, neutral) speaks						
17:10	USD	Fed's Williams (voter, neutral) speaks						
20:00	USD	Budget statement	USD bn	Jun				-207.8
23:00	USD	Fed's Kashkari (non-voter, dovish) speaks						
Friday, July 12, 2019					Period	Danske Bank	Consensus	Previous
-	CNY	Trade balance	USD bn	Jun			45.3	41.7
6:30	JPY	Industrial production, final	m/m y/y	May				2.3% -1.8%
8:00	NOK	Trade balance	NOK bn	Jun				11.3
9:00	ESP	HICP, final	m/m y/y	Jun			-0.1% 0.6%	-0.1% 0.6%
9:30	SEK	Riksbank publishes minutes						
11:00	EUR	Industrial production	m/m y/y	May			0.2% -1.6%	-0.5% -0.4%
14:30	USD	PPI	m/m y/y	Jun			0.1% ...	0.1% 1.8%
14:30	USD	PPI core	m/m y/y	Jun			0.2% ...	0.2% 2.3%

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 Jakob Ekholdt Christensen, Chief 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/S. It is provided for informational purposes only and should not be considered investment advice. 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: 5 July 2019, 12:55 CEST

Report first disseminated: 5 July 2019, 13:10 CEST