6 April 2018

Weekly Focus

From trade war to central bank minutes

Market movers ahead

- The US-China trade conflict will be the most important thing to follow in China next week. We believe we have entered a crucial phase and that we may be past the worst.
- CPI core numbers will be in focus in the US next week, as well as the FOMC minutes from the March meeting.
- In the euro area, the most interesting release is the ECB minutes from the March meeting.
- In the Nordic region, we are due to get consumer price data.

Global macro and market themes

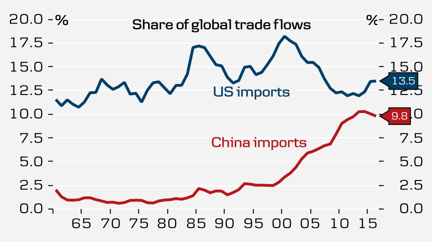
- Trade war round two is over and the next step is the US hearing period (lasting until 15 May). However, it is not impossible that we have seen the worst on the trade front for now so keep an eye on this.
- Growth momentum is peaking according to our MacroScope monitor, amid recent soft indications that data could delay the next step in the ECB announcement. Current PMI levels are consistent with 2.1% y/y growth, compared with the ECB's 2.4% estimate. A revision of its forecast and slower normalisation could be warranted.
- Markets have traded range bound recently, despite the 'trade war'. We still expect EUR/USD to be 1.28 on a 12M horizon.

Focus

Research China - Two scenarios for the US-China trade conflict.

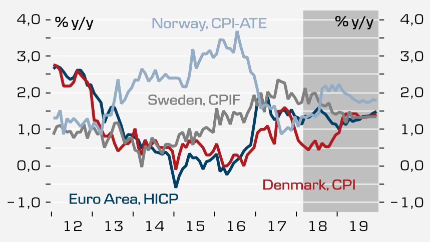
Strategy: Push for a weaker USD supported by flows.

China has become more important for global trade over the past 15 years



Source: World Bank World Development Indicators, Macrobond Financial, Danske Bank

Nordic inflation released next week



Source: Statistical offices, Danske Bank, Macrobond Financial

Contents

Financial views

Major indices	06-Apr	3M	12M
10yr EUR swap	1.01	1.20	1.60
EUR/USD	123	123	128
ICE Brent oil	68	62	64

Source: Danske Bank

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Market movers

Global

- In the **US**, CPI core numbers are due for release on Wednesday. We expect the numbers from March to remain unchanged at 0.2% m/m, which translates into 1.9% y/y (up from 1.8%). However, we still think more expansionary fiscal policy poses upside risk for core inflation but takes time to materialise as argued in *Part 1: Global Inflation – US stimulus and closing output gaps pose upside risk*, 26 February.

  The FOMC minutes from the March meeting are also due to be released on Wednesday. As expected, there were no major changes in the statement but it still signalled that the Fed is more confident that inflation is heading higher. However, the minutes might provide clues on the timing of rate hikes. As we argued in *FOMC Review – Only slightly steeper rate path due to Trumponomics*, 21 March, we still expect the Fed to hike twice more this year (June and December). We will also look out for comments on a possible target shift and/or any views on the large Libor/OIS spread.

  The coming week also brings the preliminary University of Michigan consumer confidence for March and NFIB small business optimism for February, on Tuesday.

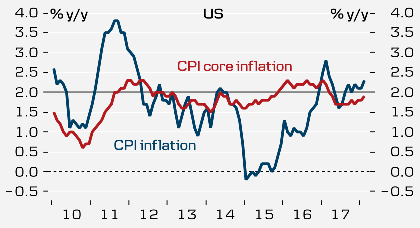
- There are no market movers for the **euro area** next week. The most interesting is the ECB minutes from the March meeting. At the meeting, the ECB removed the QE flexibility. We doubt the minutes will provide new insight about the timing of the next step in the normalisation process.

- In the **UK**, focus next week will be on industrial and manufacturing production data and construction output, which should add further insight on the current activity in the UK economy. We expect both industrial and manufacturing production data to show modest monthly increases in February, indicating that activity is slowing somewhat. In our view, the NIESR GDP growth estimate for March will also attract some attention. We estimate that UK GDP expanded 0.4% in the three months to March, although adverse weather conditions in March suggest some downside risk to our estimate. While we see signs that activity is slowing, we still expect the Bank of England to hike the Bank Rate by 25bp in May.

- There are no market movers in **Japan** next week.

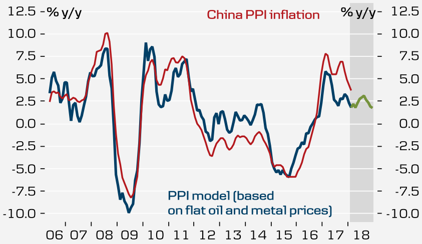
- The US-**China** trade conflict will be the most important thing to follow in China next week. We believe we have entered a crucial phase and that we may be past the worst, see *Research – Two scenarios for the US-China trade conflict*, 4 April. On the data front, PPI and CPI inflation are the most important items to watch. We look for a small further decline in PPI inflation from 3.7% y/y in February to 3.6% y/y in March (consensus 3.2% y/y) based on a moderation in commodity price inflation. CPI inflation moved up to 2.9% y/y in February but the increase was due partly to the timing of Chinese New Year and the inflation rate is set to decline in March to around 2.5%.

CPI core inflation continues to rise by around 0.2% m/m



Source: ISM, IHS Markit, Macrobond Financial

PPI inflation has passed the peak

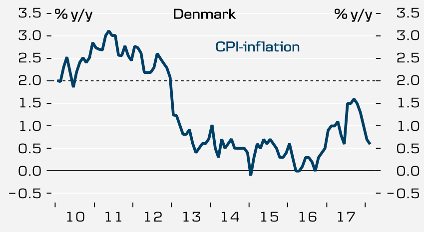


Source: Markit, Macrobond Financial, Danske Bank

Scandi

- In **Denmark**, the week's releases are sparse but important. Tuesday brings the consumer price index for March. Inflation fell once again from January to February. In March, base effects from 2017's steep decrease in food prices will fall out, while gas prices will pull in the other direction. All in all, we believe that inflation will edge down to 0.5%. Monday brings the balance of payments and exports for February. Revised data show an even larger current account surplus in 2017 after the inclusion of a very large patent payment. Exports have disappointed recently and we expect better news in coming months.

Inflation again very low



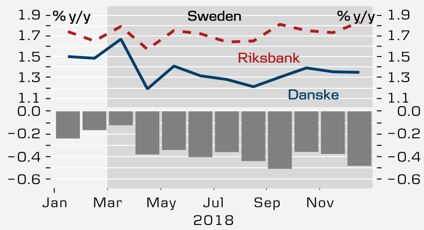
Source: Statistics Denmark

- March inflation is the last input ahead of the **Swedish** Riksbank's 26 April decision. For this reason, it is very important. In short, we expect inflation to rebound in March from rates below the Riksbank's forecasts in January and February. However, the picture is split. Higher energy will pull both CPI and CPIF, temporarily above the Riksbank's forecast. However, we estimate core inflation, CPIF excluding energy, remained below, even though we assume a significant Easter effect on international airline tickets, according to the pattern in recent years. Now, to be honest, this is a forecast in which we have less confidence. Why? Because Travelmarket's flight price index suggests that flight prices fell in March. If this risk materialises, it would shave 0.2 percentage points off our inflation forecast. As shown in the chart on the right, we expect the decrease to come in April, not March. Either way, none of this changes our inflation outlook for 2018 but the bumps and holes in the inflation path may differ from our expectations. Money market inflation expectations are due to be released one day ahead of inflation. These appear to have peaked in October or November 2017 and fallen slightly since. With gradually lower inflation prints, these expectations should move lower in general.

  We expect the February consumption indicator to rise slightly, in line with retail sales. Still, it seems that Swedish private spending is gradually slowing. The uncertainty is just how fast and by how much it will slow given the weakness in house/flat prices.

  The Debt Office is due to release March budget figures. It estimates a SEK1.9bn surplus. In February, the surplus was SEK5.0bn less than expected, divided evenly between lower tax revenues and higher lending to authorities.

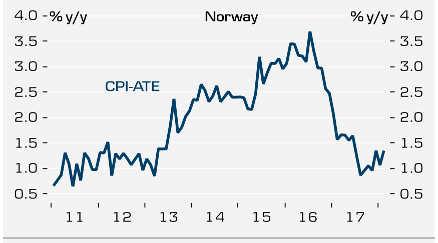
A forecast with a March downside



Sources: Danske Bank, Riksbank

- In **Norway**, core inflation has been rising slowly but surely, after bottoming out just under 1% in August. This is due to a combination of base effects and slightly higher import prices following the weakening of the krone in 2017. Allowing for monthly volatility caused largely by fluctuations in airfares, core inflation has held around 1.2-1.3% y/y since the beginning of 2018. Since the run-up to Easter fell entirely in March this year, we will probably see airfares rise and food prices fall, although it looks as though the fall in food prices will be slightly less than in the past couple of years. Therefore, we expect core inflation to climb from 1.4% y/y in February to 1.5% in March. This would be in line with Norges Bank's projections and so produce a relatively moderate market reaction.

Inflation has bottomed



Source: Macrobond, Danske Bank

Market movers ahead

Global movers				Event		Period	Danske	Consensus	Previous
Tue	10-Apr	12:00	USD	NFIB small business optimism	Index	Mar			107.6
Wed	11-Apr	3:30	CNY	CPI	y/y	Mar	2.5%	*2.6%*	2.9%
		3:30	CNY	PPI	y/y	Mar	3.6%	*3.3%*	3.7%
		10:30	GBP	Construction output	m/m|y/y	Feb		*0.9%|-2.5%*	-3.4%|-3.9%
		10:30	GBP	Industrial production	m/m|y/y	Feb		*0.4%|2.9%*	1.3%|1.6%
		10:30	GBP	Manufacturing production	m/m|y/y	Feb		*0.2%|3.3%*	0.1%|2.7%
		13:00	GBP	NIESR GDP estimate	q/q	Mar	0.4%	*0.3%*	0.3%
		14:30	USD	CPI core	m/m|y/y	Mar	0.2%|1.9%	*0.2%|2.1%*	0.2%|1.8%
		20:00	USD	FOMC minutes					
Thurs	12-Apr	13:30	EUR	ECB minutes from the March policy meeting releas					
Fri	13-Apr	16:00	USD	University of Michigan Confidence, preliminary	Index	Apr		*101.0*	101.4
Scandi movers									
Mon	09-Apr	8:00	NOK	Industrial production	m/m|y/y	Feb			3.4%|1.8%
Tue	10-Apr	8:00	NOK	CPI	m/m|y/y	Mar		*0.5%|2.4%*	0.9%|2.2%
		8:00	DKK	CPI	m/m|y/y	Mar	0.0%|0.5%	*0.3%|0.8%*	0.7%|0.6%
Wed	11-Apr	8:00	SEK	Prospera inflation expectations					
Thurs	12-Apr	9:30	SEK	Average house prices	SEK m	Mar			3.114
		9:30	SEK	CPI	m/m|y/y	Mar	0.4%|2.0%	*0.3%|2.0%*	0.7%|1.6%

Source: Bloomberg, Danske Bank

Global Macro and Market Themes

Rounds one and two of 'trade war' are over: Markets not overly spooked for now

Trade war took centre stage

Market focus this week was again on trade policy, with the recent retaliation from China and further tariffs by Trump in defence of US technology. US tariffs were softer than initially expected, at USD50bn rather than USD60bn. China's response made clear that the US agriculture, auto and aircraft industries would be hit. According to China Daily, 62% of soybean exports from the US go to China. Further, we note that an important swing state, Iowa, is a major producer of soybeans in the US. In our view, this indicates a carefully chosen retaliation by China in a 'tit-for-tat' response. The economic impact should still not be overestimated, with approximately USD50bn of Chinese goods corresponding to 10% of Chinese exports to the US, or 0.4% of China's GDP.

The first two rounds of the US-China trade conflict are now over, and we enter uncharted territory after the rounds that have been running according to the script laid out by Trump and China over the past seven to eight months. **We see two scenarios that could unfold**: (1) negotiations and a 'grand bargain' and (2) Trump strikes back again and a trade war begins. If Trump keeps new communication to a minimum, we would likely see markets calm down. **Next step is the US hearing period** (lasting until 15 May). However, it is not impossible that we may have seen the worst on the trade front for now. See *Research: Two scenarios for the US-China trade conflict*, 4 April 2018.

For equities, volatility has been high in recent days amid round two of the 'trade war', but focus should soon turn to the quarterly reports. Although it's too early to reach any conclusion, we note that the first reports look promising, with marked positive surprises in both revenues and earnings.

Momentum changing

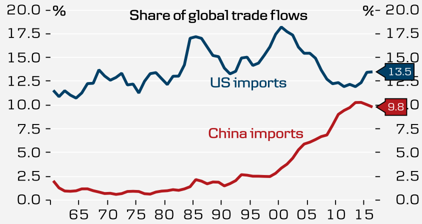
Data has been soft globally recently, in line with our Macroscope model, which suggests that the global business cycle is peaking. On a longer-term horizon, our models have also edged a little lower but to a much smaller extent. This is comforting as the slight signs of stabilisation suggest the global slowdown will prove more moderate. Overall, it points to a fairly short period of decline rather than a long and steep slowdown.

In Europe specifically, we note that, for example, the PMI has declined recently, albeit from a very high level. The current PMI levels at around 56 are consistent with our forecast of 2.1% y/y. This has to be compared with the ECB's recent staff projections, where the ECB expects annual growth of 2.4% in 2018. At the current juncture, we expect the ECB to revise its growth forecast lower in June.

Today's key points

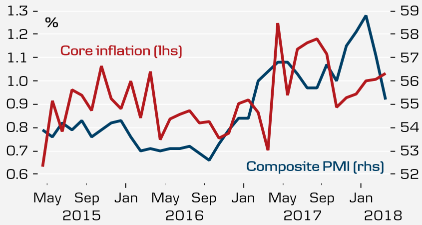
- Trade war round two is over.
- Momentum is changing, which could postpone ECB's normalisation decision.
- EUR/USD range-bound for now.
- Libor/OIS spread stabilising.

China has become more important for global trade over the past 15 years



Source: Macrobond Financial, Danske Bank

PMI declining and disappointing; albeit rising, core inflation could delay ECB action



Source: Macrobond Financial, Danske Bank

Further, the euro area flash inflation prints on Wednesday disappointed. In particular, we expect the stronger EUR to be part of the explanation of a disappointing core, as, for example, the goods items rose only 0.25% in March, from 0.58% in February, which also saw a muted 'Easter effect'. **This softer data may reduce the probability of the ECB's next step coming in June, and increase the probability of the ECB changes being postponed until later.** Currently a 10bp hike is fully priced in 15 months' time.

Range trading

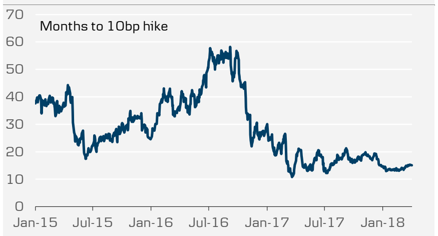
Despite trade war concerns, US rates rose slightly in the longer end this week, leading to a slightly steeper curve. The EUR curve did not react much and has continued range trading in its new band (10Y Bund around 0.5%).

The spread divergence between the US and EUR is at a record high, both in the short end and the long end of the curve. Despite this, we have argued recently that short-term rates are not a key driver of EUR/USD at present and that it is unaffected by this wide spread for now. **The Fed would need to change its course on policy more dramatically for it to impact USD crosses and we still see EUR/USD in the 1.21-1.26 range near term with markets being more focused on trade policy**. Our medium-term story remains unchanged. We target 1.28 in 12M.

Higher Libor/OIS spread is still on our radar

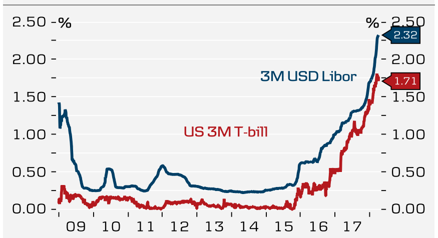
We previously highlighted the USD/OIS spread being on our radar (see *Weekly Focus: A slowly fought trade war,* 23 March 2018). The spread finally showed some signs of stabilisation with a marginal widening over the past week. It currently stands at 61bp, the highest since 2009. We expect spreads to remain relatively wide due to the balance sheet reduction and US repatriation but the flow effect from the recent US T-bill issuance and the rebuilding of the US Treasury's cash buffer at the Fed should be transitory.

Months to first 10bp ECB rate hike according to market pricing



Source: Danske Bank

Surge in money 3M USD Libor rates somewhat halted alongside stabilising US T-bill yields



Source: Macrobond Financial

Financial views

Asset class	Main factors
Equities	
Positive on 3-12 month horizon.	Strong business cycle and near double digit earnings growth in most major regions. Low rates drive demand for risk assets.
Bond market	
German/Scandi yields – in recent range for now, higher in	ECB to normalise gradually only due to lack of wage pressure and stronger euro. ECB on hold for a long time.
EUR 2y10y steeper, USD 2y10y flatter	The ECB keeps a tight leash on the short end of the curve. But 10Y higher as US impact.
US-euro spread - short-end to widen further	The spread in the short-end to widen further as Fed continues to hike
Peripheral spreads – tightening	Economic recovery, ECB stimuli, better fundamentals, an improved political picture and rating upgrades to lead to further tightening despite the recent strong moves. Italy still a risk
FX & Commodities	
EUR/USD – rangebound near term	In 1.21-1.26 range for now; supported longer term by valuation and capital-flow reversal due to ECB 'normalisation'
EUR/GBP – gradually lower over the medium term	Brexit uncertainty dominates but GBP should strengthen in 6-12M on Brexit clarification and BoE rate hikes.
USD/JPY – lower short term	Risk appetite decisive near term; downside risks reduced on postioning correct.
EUR/SEK – risk to the topside	Negative on the SEK due to lower growth, subdued inflation and too aggressive RB pricing; eventually EUR/SEK lower but not in H1 18
EUR/NOK - to move lower, but near-term topside risk	Positive on NOK on valuation, relative growth, positoning, terms-of-trade, the global outlook, and Norges Bank initiating a hiking cycle.
Oil price – lower short term	Talk of long-term coorporation between OPEC and Russia has supported prices. Downside risk from escalation of trade war.

Source: Danske Bank

Scandi Update

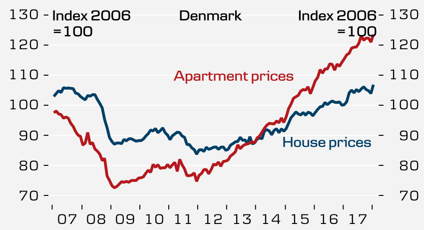
Denmark – housing market starts year strongly

This week's housing market data for January showed house prices climbing 1.6% m/m after allowing for normal seasonal variations and apartment prices up 1.3%. It now seems that previous talk of a weak property market at the end of 2017 was premature, because house prices actually increased in both November and December in seasonally adjusted terms.

Nationalbank's currency reserves data for March confirmed that the central bank did not intervene in the foreign exchange market, making it 12 months in a row without the krone coming under pressure. Higher interest rates would therefore still seem to be some way off, namely when the ECB begins to hike, which we do not expect until 2019.

Finally, the number of unemployed fell by 700 from January to February, giving an unchanged jobless rate of 4.1%. The labour market is tightening and, therefore, the greatest challenge is likely to be ensuring a sufficient pool of labour from which firms can recruit so that we do not end up with the same bottleneck problems as a decade ago. Unemployment today is not nearly as low as it was back then though, so this is not an acute problem but it is one that needs to be borne in mind.

Housing prices climbed strongly in January



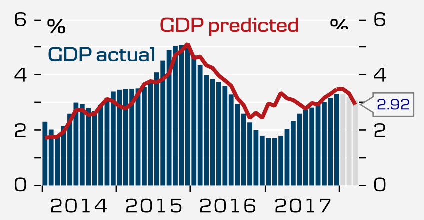
Source: Statistics Denmark

Sweden – house prices down again, growth slowing

Our own Swedish 'boprisindikator', tracking prices for flats in the Stockholm municipality, showed March prices falling by 1.2 % m/m (or -1.6 % seasonally adjusted) in line with our expectation. However, more worrisome is that transactions collapsed by 50% versus February and even more compared with March 2017. This probably shows that sellers' and buyers' price expectations are far apart, something that will take time to align. During this process, we expect prices to continue down a bit further. This said, it is also a sharp reaction to the amortisation requirement introduced on 1 March. In line with this, we note that residential developers have reported plunging sales in Q1 compared with Q1 17.

Updating our GDP growth tracker with recent monthly data suggests growth momentum slowed in Q1. This is in line with our official GDP forecast (grey columns).

Growth momentum slowing in Q1

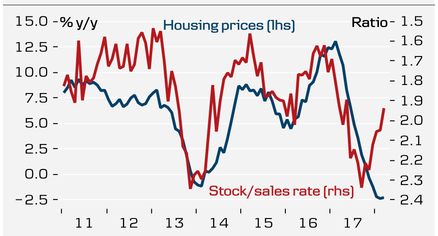


Source: Danske Bank, Riksbank

Norway – housing prices up sharply in Oslo

Housing prices climbed 0.2% m/m in March on the back of a 0.4% increase in February and have therefore been more or less stable since September 2017. The stock-to-sales ratio has also fallen further, suggesting a better balance in the market and a dwindling risk of a fresh round of price decreases. The increase in March was driven largely by prices in Oslo, which gained 1.5% m/m, after climbing 0.6% in February. This is more than we had expected but there are signs that the supply of housing in Oslo will increase over the course of 2018, which we hope will combine with higher interest rates to rein in prices. Developments in the housing market so far this year mean that the downside risk to the economy is gradually receding, lending support to our expectation of a rate hike after the summer.

Better balance in the housing market



Source: Macrobond Financial, Danske Bank

Latest research from Danske Bank

6/4 Emerging Markets Briefer - Trade war casts shadows

After the inflation scare in early February, the fear of a global trade war has occupied financial markets.

4/4 Research - Two scenarios for the US-China trade conflict

We are entering a crucial phase in the US-China trade conflict.

4/4 Flash Comment Denmark: Highest level of government deposits since May 2015

The Danish FX reserve was DKK467bn in March - unchanged from February as Danmarks Nationalbank refrained from intervening in FX markets.

27/3 Nordic Outlook – March 2018

Danske Bank's quarterly review of the Nordic economies.

Macroeconomic forecast

Macro forecast, Scandinavia

	Year	GDP[1]	Private cons.[1]	Public cons.[1]	Fixed inv.[1]	Stock build.[2]	Exports[1]	Imports[1]	Inflation[1]	Unemploym.[3]	Public budget[4]	Public debt[4]	Current acc.[4]
Denmark	2017	2.2	1.5	1.2	3.7	0.1	4.4	4.1	1.1	4.3	1.0	36.4	7.7
	2018	1.8	1.9	1.0	5.8	0.3	2.5	4.2	0.6	4.0	-0.2	35.7	7.5
	2019	1.9	2.6	0.5	4.2	-0.2	2.9	3.6	1.3	3.8	-0.1	34.5	7.5
Sweden	2017	2.7	2.4	0.4	6.0	0.1	3.7	5.0	1.8	6.7	1.2	41.0	4.1
	2018	1.7	1.6	1.3	-1.1	0.2	5.6	4.8	1.6	7.1	1.0	37.0	3.5
	2019	2.0	1.8	0.8	0.4	0.2	4.7	3.8	1.3	7.6	0.8	35.0	3.9
Norway	2017	1.8	2.3	2.0	3.5	-1.6	0.8	2.2	1.8	2.7	-	-	-
	2018	2.5	2.5	1.8	3.0	-0.2	2.0	2.0	2.0	2.3	-	-	-
	2019	2.3	2.3	1.8	2.0	0.0	2.0	2.0	1.9	2.2	-	-	-

Macro forecast, Euroland

	Year	GDP[1]	Private cons.[1]	Public cons.[1]	Fixed inv.[1]	Stock build.[2]	Exports[1]	Imports[1]	Inflation[1]	Unemploym.[3]	Public budget[4]	Public debt[4]	Current acc.[4]
Euro area	2017	2.5	1.7	**1.2**	**3.1**	-	5.3	4.3	1.5	9.1	-1.1	89.3	3.0
	2018	2.1	1.7	**1.5**	**3.8**	-	4.6	4.6	1.3	8.4	-0.9	87.2	3.0
	2019	1.9	1.9	**1.3**	**4.2**	-	3.4	4.4	1.3	8.0	-0.8	85.2	2.9
Germany	2017	2.5	2.1	1.6	3.9	-	5.3	5.6	1.7	3.8	0.9	64.8	7.8
	2018	2.2	1.8	2.3	3.4	-	5.0	6.0	1.5	3.5	1.0	61.2	7.5
	2019	2.0	2.3	2.2	4.5	-	3.1	4.8	1.5	3.3	1.0	57.9	7.2
Finland	2017	2.6	1.6	1.3	6.3	-	7.8	3.5	0.7	8.6	-0.6	61.4	0.7
	2018	2.4	2.1	0.5	3.5	-	4.5	4.5	1.0	8.0	-0.2	59.6	0.6
	2019	2.0	1.6	0.5	3.5	-	4.5	4.0	1.4	7.7	-0.2	58.0	0.8

Macro forecast, Global

	Year	GDP[1]	Private cons.[1]	Public cons.[1]	Fixed inv.[1]	Stock build.[2]	Exports[1]	Imports[1]	Inflation[1]	Unemploym.[3]	Public budget[4]	Public debt[4]	Current acc.[4]
USA	2017	2.3	2.8	0.1	4.0	-0.1	3.4	4.0	2.1	4.4	-3.6	106.0	-2.4
	2018	2.4	2.2	0.0	5.1	0.0	3.6	2.6	2.5	4.0	-4.1	109.0	-3.0
	2019	2.1	1.9	0.4	4.9	0.0	3.1	3.0	2.1	3.8	-5.2	113.0	-3.1
China	2017	6.9	-	-	-	-	-	-	2.0	4.1	-3.7	47.6	1.4
	2018	6.5	-	-	-	-	-	-	2.3	4.3	-3.4	50.8	1.1
	2019	6.3	-	-	-	-	-	-	2.3	4.3	-3.4	53.9	1.2
UK	2017	1.8	1.7	0.1	4.0	-0.4	5.7	3.2	2.7	4.4	-2.4	87.0	-4.6
	2018	1.3	1.3	0.5	1.9	0.1	2.4	2.2	2.2	4.1	-2.0	87.3	-4.7
	2019	1.2	1.0	0.4	2.0	0.0	2.6	1.8	1.8	4.1	-1.8	87.4	-4.6

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

Financial forecast

Bond and money markets

		Key int. rate	3m interest rate	2-yr swap yield	10-yr swap yield	Currency vs EUR	Currency vs USD	Currency vs DKK
USD	06-Apr	1.50	2.15	2.58	2.85	123.3	-	604.3
	+3m	2.00	2.32	2.60	3.05	123.0	-	605.3
	+6m	2.00	2.40	2.80	3.15	125.0	-	595.6
	+12m	2.25	2.85	3.05	3.35	128.0	-	581.8
EUR	06-Apr	0.00	-0.33	-0.15	1.01	-	123.3	744.9
	+3m	0.00	-0.33	-0.05	1.20	-	123.0	744.5
	+6m	0.00	-0.33	0.00	1.25	-	125.0	744.5
	+12m	0.00	-0.33	0.20	1.60	-	128.0	744.8
JPY	06-Apr	-0.10	-0.05	0.05	0.26	130.4	105.8	5.71
	+3m	-0.10	-	-	-	131.6	107.0	5.66
	+6m	-0.10	-	-	-	137.5	110.0	5.41
	+12m	-0.10	-	-	-	143.4	112.0	5.19
GBP	06-Apr	0.50	0.60	1.03	1.53	88.2	139.7	844.3
	+3m	0.75	0.77	1.25	1.75	87.0	141.4	855.7
	+6m	0.75	0.89	1.45	1.90	86.0	145.3	865.7
	+12m	1.00	1.14	1.70	2.10	84.0	152.4	886.6
CHF	06-Apr	-0.75	-0.74	-0.49	0.48	117.0	94.9	636.7
	+3m	-0.75	-	-	-	119.0	96.7	625.6
	+6m	-0.75	-	-	-	121.0	96.8	615.3
	+12m	-0.75	-	-	-	123.0	96.1	605.5
DKK	06-Apr	0.05	-0.30	-0.01	1.19	744.9	604.3	-
	+3m	0.05	-0.30	0.10	1.35	744.5	605.3	-
	+6m	0.05	-0.30	0.15	1.40	744.5	595.6	-
	+12m	0.05	-0.30	0.35	1.75	744.8	581.8	-
SEK	06-Apr	-0.50	-0.44	-0.17	1.26	1008.0	817.7	73.9
	+3m	-0.50	-0.45	-0.10	1.45	1030.0	837.4	72.3
	+6m	-0.50	-0.45	-0.05	1.50	1030.0	824.0	72.3
	+12m	-0.50	-0.45	0.05	1.60	1010.0	789.1	73.7
NOK	06-Apr	0.50	1.06	1.50	2.30	949.3	770.1	78.5
	+3m	0.50	1.05	1.55	2.50	940.0	764.2	79.2
	+6m	0.75	1.20	1.75	2.60	920.0	736.0	80.9
	+12m	1.00	1.40	1.95	2.95	910.0	710.9	81.8

Commodities

		2018				2019				Average	
	06-Apr	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2018	2019
NYMEX WTI	58	58	58	60	60	60	60	61	61	58	61
ICE Brent	68	62	62	64	64	64	64	65	65	63	65

Source: Danke Bank

Calendar

Key Data and Events in Week 15

During the week				Period	Danske Bank	Consensus	Previous
Sat 07	CNY	Foreign exchange reserves	USD bn	Mar		*3146.0*	3134.5
Sat 07	USD	Fed's Evans (non-voter, dovish) speaks					
Monday, April 9, 2018				Period	Danske Bank	Consensus	Previous
7:00	JPY	Consumer confidence	Index	Mar		*44.5*	44.3
7:45	CHF	Unemployment	%	Mar		*2.9%*	2.9%
8:00	DKK	Trade balance ex ships	DKK bn	Feb			6
8:00	DKK	Exports	m/m	Feb			
8:00	DEM	Trade balance	EUR bn	Feb		*19.0*	17.3
8:00	NOK	Manufacturing production	m/m|y/y	Feb			-2.0%|-0.4%
8:00	NOK	Industrial production	m/m|y/y	Feb			3.4%|1.8%
8:00	DKK	Current account (nsa|sa)	DKK bn	Feb			...|9.4
9:30	SEK	Budget balance	SEK bn	Mar			49.9
10:30	EUR	Sentix Investor Confidence	Index	Apr		*24.0*	24.0
Tuesday, April 10, 2018				Period	Danske Bank	Consensus	Previous
-	CNY	Money supply M2	y/y	Mar		*8.9%*	8.8%
-	CNY	Total social finance credit	CNY bn	Mar		*1900*	1173.6
8:00	NOK	CPI	m/m|y/y	Mar		*0.5%|2.4%*	0.9%|2.2%
8:00	NOK	PPI	m/m|y/y	Mar			-2.6%|4.7%
8:00	DKK	CPI	m/m|y/y	Mar	**0.0%|0.5%**	*0.3%|0.8%*	0.7%|0.6%
8:00	NOK	Core inflation (CPI-ATE)	m/m|y/y	Mar	**0.5%|1.5%**	*0.5%|1.4%*	0.8%|1.4%
8:45	FRF	Industrial production	m/m|y/y	Feb		*1.4%|4.7%*	-2.0%|1.2%
9:30	SEK	Household consumption	m/m|y/y	Feb			-0.1%|0.8%
12:00	USD	NFIB small business optimism	Index	Mar			107.6
14:30	USD	PPI	m/m|y/y	Mar		*0.1%|2.9%*	0.2%|2.8%
14:30	USD	PPI core	m/m|y/y	Mar		*0.2%|2.6%*	0.2%|2.5%
Wednesday, April 11, 2018				Period	Danske Bank	Consensus	Previous
-	PLN	Polish central bank rate decision	%		**1.5%**	*1.5%*	1.5%
3:30	CNY	CPI	y/y	Mar	**2.5%**	*2.6%*	2.9%
3:30	CNY	PPI	y/y	Mar	**3.6%**	*3.3%*	3.7%
8:00	SEK	Prospera inflation expectations					
10:30	GBP	Construction output	m/m|y/y	Feb		*0.9%|-2.5%*	-3.4%|-3.9%
10:30	GBP	Industrial production	m/m|y/y	Feb		*0.4%|2.9%*	1.3%|1.6%
10:30	GBP	Manufacturing production	m/m|y/y	Feb		*0.2%|3.3%*	0.1%|2.7%
10:30	GBP	Trade balance	GBP mio.	Feb		*-2600*	-3074
13:00	GBP	NIESR GDP estimate	q/q	Mar	**0.4%**	*0.3%*	0.3%
14:30	USD	CPI headline	m/m|y/y	Mar		*0.0%|2.3%*	0.2%|2.2%
14:30	USD	CPI core	m/m|y/y	Mar	**0.2%|1.9%**	*0.2%|2.1%*	0.2%|1.8%
16:30	USD	DOE U.S. crude oil inventories	K				-4617
20:00	USD	Budget statement	USD bn	Mar			-215.2
20:00	USD	FOMC minutes					

Source: Danske Bank

Calendar (continued)

Thursday, April 12, 2018				Period	Danske Bank	*Consensus*	Previous
1:01	GBP	RICS house price balance	Index	Mar		*0.0*	0.0
8:45	FRF	HICP, final	m/m|y/y	Mar		*1.1%|1.7%*	1.1%|1.7%
9:30	SEK	Average house prices	SEK m	Mar			3.114
9:30	SEK	CPI	m/m|y/y	Mar	**0.4%|2.0%**	*0.3%|2.0%*	0.7%|1.6%
9:30	SEK	Underlying inflation CPIF	m/m|y/y	Mar	**0.4%|2.1%**	*0.3%|2.1%*	0.7%|1.7%
11:00	EUR	Industrial production	m/m|y/y	Feb		*0.4%|4.3%*	-1.0%|2.7%
13:30	EUR	ECB minutes from the March policy meeting released					
14:30	USD	Initial jobless claims	1000				
14:30	USD	Import prices	m/m|y/y	Mar		*0.1%|3.8%*	0.4%|3.5%
23:00	USD	Fed's Kashkari (non-voter, dovish) speaks					
Friday, April 13, 2018				**Period**	**Danske Bank**	***Consensus***	**Previous**
-	EUR	Moody's may publish Spain's debt rating					
-	EUR	Moody's may publish Ireland's debt rating					
-	CNY	Trade balance	USD bn	Mar		*27.9*	33.8
8:00	DEM	HICP, final	m/m|y/y	Mar		*0.4%|1.5%*	0.4%|1.5%
9:00	ESP	HICP, final	m/m|y/y	Mar		*1.2%|1.3%*	1.2%|1.3%
11:00	EUR	Trade balance	EUR bn	Feb			19.9
14:00	USD	Fed's Rosengren (non-voter, hawk) speaks					
15:00	USD	Fed's Bullard (non-voter, dovish) speaks					
16:00	USD	University of Michigan Confidence, preliminary	Index	Apr		*101.0*	101.4

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Source: Danske Bank

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