

# Weekly Focus

## Trump to make final decision on Mexican tariffs

### Market Movers ahead

- With no movement in the negotiations between the US and Mexico so far, there is a real risk of the US imposing higher tariffs on Mexican imports, although the decision may be postponed, as the Mexican government is seen to be taking the talks seriously.
- In the US, the Fed is entering its blackout period ahead of the FOMC meeting on 18-19 June, so there will not be any new Fed policy signals next week. Look out for industrial production and retail sales for May.
- In the euro area, industrial production data for April is due out.
- In the UK, the Conservative Party leadership contest officially kicks off. The first voting takes place next week and the final two candidates will be known the following week. We also get the monthly GDP print and labour market report.
- In Japan, we get revised Q1 GDP data, which may be interesting given the surprising flash estimate.
- In China, focus is on trade data for any signs of weakness in light of the ongoing trade conflict.
- In Sweden, inflation should come in lower than the Riksbank's projections, which puts pressure on the organisation ahead of the next meeting in early July.

### Weekly wrap-up

- New Fed call – next step, rate cut
- Dovish ECB disappoints markets
- Euro area inflation misses estimates
- Markets dovishly priced

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### Financial views

#### Major indices

	07-Jun	3M	12M
10yr EUR swap	0.28	0.55	0.70
EUR/USD	113	113	117
ICE Brent oil	63	75	80

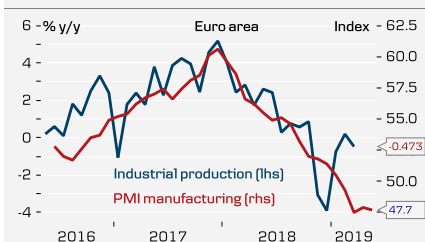
Source: Danske Bank

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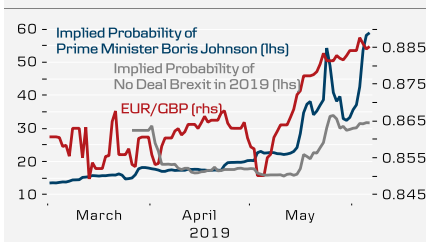
@Danske\_Research

### PMI manufacturing suggests industrial production is weak



Source: IHS Markit, Eurostat, Macrobond Financial

### Boris Johnson favourite to become the next prime minister



Source: Oddschecker, Bloomberg, Macrobond Financial

### Editor

Senior Analyst  
Mikael Olai Milhøj  
+45 45 12 76 07  
milh@danskebank.dk

# Market movers

## Global

- In the **US**, the Fed's blackout period ahead of the 18-19 June meeting begins tomorrow, meaning we are not going to get any more signals ahead of the upcoming meeting.

In terms of economic data releases, we also have a quiet week but given the increased uncertainty of the macro outlook, we are looking forward to the industrial production and retail sales data for May. In addition, the first estimate of consumer confidence from University of Michigan for June is due out next week. All three indicators are due out on Friday. On Tuesday, we also intend to take notice of NFIB Small Business Optimism.

- In the **euro area**, we look out for the April industrial production print on Thursday. Since December 2018, industrial production has been on an upward trend. However, this ended in March, when the print came in at -0.5 % y/y. Despite signs of increasing domestic demand, the latest business surveys point to continued headwinds in the manufacturing sector, with risks of these broadening out to other sectors on the back of the still ongoing geopolitical uncertainty. Hence, we estimate a fall in the April print in line with the March print and the manufacturing PMIs.

In Germany, we are set to get the final May inflation print on Thursday and with it the underlying components. The headline print took a sizable fall last month, falling from 1.84% y/y in April to 1.64% y/y in May, so we are particularly interested in the drivers of this deterioration. It is likely that service price inflation was a drag due to seasonal effects from the timing of Whitsun but whether core inflation also dragged the print down will be of great interest.

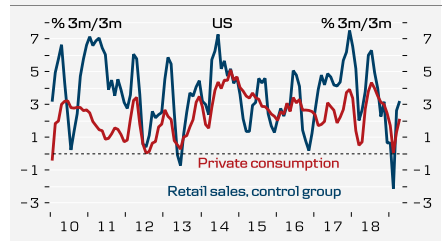
- In the **UK**, the Conservative Party leadership contest begins next week with the first vote taking place on Thursday 13 June. The final two candidates will be decided the following week. Boris Johnson is favourite to become the next Prime Minister, with Jeremy Hunt, Michael Gove and Dominic Raab his main competitors.

In terms of economic data releases, we also have a busy week ahead of us. On Monday, the monthly GDP estimate for April is due out. We expect the GDP prints to come in weaker now that the Brexit stockpiling is finished. On Tuesday, the labour market report is due out.

- Focus in **China** continues to be on the trade war with the US, where there is still no sign of a thaw in the war of attrition. Donald Trump said on Thursday that tariffs can go up another at least USD300bn and that he would do action this at the right time. The next key meeting is the Xi Jinping-Trump meeting at the G20 in Osaka on 28-29 June.

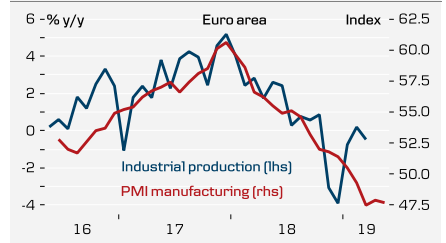
It will be a busy week on the data front, with money and credit, trade balance, CPI/PPI, industrial production, retail sales and fixed asset investments. We expect the numbers to paint a picture of still subdued economic activity and moderate inflation. It will not least be interesting to see how the trade war has affected exports and imports, although the month-to-month data are normally quite volatile.

### US consumption has rebounded



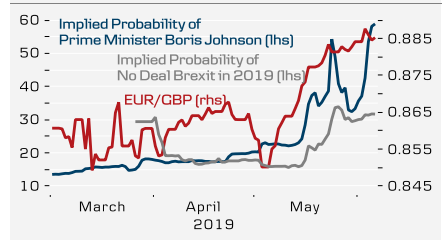
Source: Census Bureau, BEA, Macrobond Financial

### Did industrial production also tumble in May?



Source: Markit, Eurostat, Macrobond Financial

### Boris Johnson favourite to succeed Theresa May, according to betting markets



Source: Oddschecker, Bloomberg, Macrobond Financial

### Chinese exports very volatile on a monthly basis



Source: Macrobond Financial, NBS, Danske Bank

- In **Japan**, we have a quiet week ahead. On Monday, we are due to get revised Q1 GDP figures, usually not a market mover but considering the surprise we got with the flash figures, it will be worth monitoring. The growth drivers in the flash figures for Q1 were declining imports and stock piling, so the solid GDP print was misrepresentative of the underlying strength of Q1. If it turns out that GDP growth was lower or demand held up better than initially estimated, it is something the Bank of Japan will take notice of at its policy meeting later this month.

**Scandi**

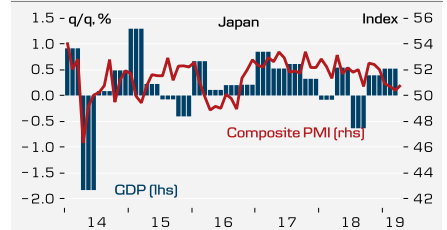
- Danish** May CPI inflation is due on Tuesday. We expect a decline to 0.9% from 1.0% in April. Gasoline prices did not rise as much in May this year as in May 2018, so the contribution declines significantly here. A decline in the PSO tariff on electricity is also likely to have pulled downwards. Base effects on food and leisure push in the other direction but in total the net effect should be negative. Clothing prices remain a joker. With these down 4.8% y/y, we could be in for a rebound in prices at some point but, looking at history, May should not be the month for such a rebound.

- We estimate the **Swedish** consumption indicator rose in April on the back of the bounce in retail sales. However, this may prove temporary, as it is most likely an Easter effect. Prospera is due to release the quarterly inflation expectations survey. In Q1, expectations fell on all horizons but mostly in the short-end. As inflation has continued to fall since then, it seems reasonable to expect a further decline in Q2.

The big event this week is Friday's May inflation figures. Our base case is for a 0.1% m/m increase in all three measures, i.e. CPI, CPIF and CPIF excluding energy, putting the inflation rates at 2.0%, 1.9% and 1.5% y/y, respectively. This is 0.2pp, 0.1pp and 0.2pp, respectively, below the Riksbank's forecasts. We note that there is a significant 0.2pp downside risk this time, stemming from the behaviour of charter packages. We assume a 'seasonally normal' rise in charter prices in May. However, over the past four months, charter prices correlated strongly with Travelmarket's 'flight price index', which suggests a 10% decline in May. Furthermore, German data also suggest a decline in charter prices, adding to this risk. This would affect all three measures above, pulling them significantly below the Riksbank's forecasts and putting pressure on the Riksbank at the upcoming monetary policy meeting in early July. Looking further ahead, if the recent decline in energy prices (both electricity and gasoline) persists, we are likely to reduce our CPIF and CPI forecasts further (primarily June).

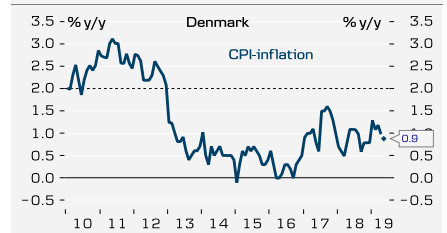
- In **Norway**, the most important release is Norges Bank's regional network report. The aggregated output index has held around 1.5 since the beginning of 2018, pointing to underlying growth in mainland GDP of close to 3%. Oil-related manufacturing and services showed the strongest growth in the February survey and this positive trend looks set to continue given the growing optimism seen in the oil investment survey and elsewhere. We also believe that the outlook for construction is slightly brighter than last time around, while traditional exporters are starting to feel the effects of the global slowdown. On balance, we expect the aggregated output index to be somewhere between 1.4 and 1.6, corresponding to growth well above trend for the rest of this year. Indeed, anything above 1.1 would point to above-trend growth. The week also brings inflation data for May. Core inflation has surprised on the upside in recent months and base effects would suggest a further increase in May but we also estimate a clear correction in airfares, leaving core inflation unchanged at 2.6% y/y.

**Surprisingly high Q1 GDP growth up for revision**



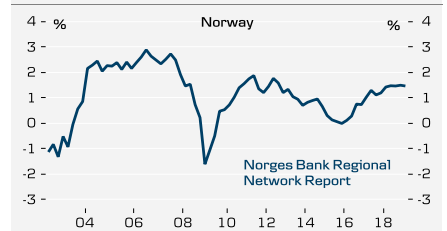
Source: Japanese Cabinet Office, IHS Markit, Macrobond Financial

**Expected minor fall in inflation**



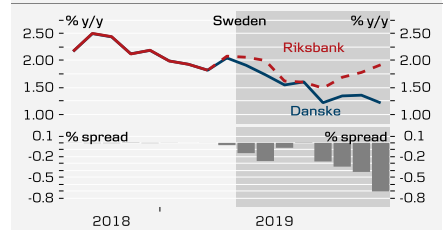
Source: Finance Denmark, Macrobond Financial

**Growth well above trend**



Source: Macrobond, Danske Bank

**Although below Riksbank's, our May forecast could prove overly optimistic**



Source: SCB, Riksbank and Danske Bank

Market movers ahead

Global movers			Event	Period	Danske	Consensus	Previous
During the week	Sun 09	-	CNY Money supply M2	y/y	May	8.6%	8.5%
		-	USD US may impose tariffs on Mexican goods				
Mon	10-Jun	-	CNY Trade balance	USD bn	May	23.2	13.8
		1:50	JPY GDP, final	q/q ann.	1st quarter	0.6% 2.2%	0.5% 2.1%
		10:30	GBP Monthly GDP estimate	m/m q/q	Apr	-0.1% 0.4%	-0.1% 0.5%
Tue	11-Jun	10:30	GBP Unemployment rate (3M)	%	Apr	3.8%	3.8%
		12:00	USD NFIB small business optimism	Index	May	102.8	103.5
Wed	12-Jun	3:30	CNY CPI	y/y	May	2.7%	2.5%
		3:30	CNY PPI	y/y	May	0.6%	0.9%
Thurs	13-Jun	-	GBP Conservative Party leadership contest, first vote				
		8:00	DEM HICP, final	m/m y/y	May	0.3% 1.3%	0.3% 1.3%
		11:00	EUR Industrial production	m/m y/y	Apr	-0.3% -0.4%	-0.3% -0.6%
Fri	14-Jun	4:00	CNY Industrial production	y/y	May	5.4%	5.4%
		4:00	CNY Retail sales	y/y	May	8.0%	7.2%
		4:00	CNY Fixed assets investments	y/y	May	6.1%	6.1%
		14:30	USD Retail sales control group	m/m	May		0.0%
		15:15	USD Industrial production	m/m	May	0.2%	-0.5%
		16:00	USD University of Michigan Confidence, preliminary	Index	Jun	97.0	100.0
Scandimovers							
Mon	10-Jun	6:00	SEK Maklarstatistik Swedish housing price data				
		9:30	SEK Household consumption	m/m y/y	Apr		-0.2% 0.4%
		9:30	SEK Budget balance	SEK bn	May		-2.6
Tue	11-Jun	8:00	DKK CPI	m/m y/y	May	... 0.9%	0.2% 1.0%
		8:00	NOK Core inflation (CPI-ATE)	m/m y/y	May	0.1% 2.6%	0.5% 2.6%
		10:00	NOK Norges Bank Regional Network Report: Output next	Index	May	1.5	1.5
Wed	12-Jun	8:00	SEK Prospera inflation expectations				
Fri	14-Jun	9:30	SEK Underlying inflation, CPIFxEn	m/m y/y	May	... 1.5%	

Source: Bloomberg, Danske Bank

# Weekly Wrap-Up

## New Fed call – dovish Draghi disappoints market

### Main macro themes

- In the US, we now expect a dovish policy signal to pave the way for an upcoming insurance cut from the Fed. The Fed is unlikely to cut rates in June but we expect it to change its current neutral signal to a more dovish stance highlighting risks. Fed chair Powell could make this move during the press conference/FOMC statement at the 18-19 June meeting. While it is probably too early for the Fed to make more than an insurance cut at this point, previous recessions showed that the Fed can respond more forcefully by cutting rates to 0%. In recent days we have seen a symphony of Fed speakers on the soft side, such as Powell, Kaplan, Bullard and Clarida. For more, see *Dovish policy signal to pave the way for an upcoming insurance cut*.
- The ECB and Draghi were on the dovish side at yesterday’s meeting, although not to the extent expected by markets. The ECB decided to extend the forward guidance to ‘at present levels at least through H1 2020’ (where markets had priced almost a 50-50 chance of a 10bp cut in September). That was significantly more hawkish than the markets expected. The TLTRO3 modalities was broadly expected. The new staff projections were broadly unchanged, leading to an unchanged baseline narrative, although the external environment posed a more prominent risk than previously. Markets are still pricing a 10bp rate cut by summer next year. For more, see *ECB not delivering to market expectations*.
- The euro area core and headline inflation figures for May disappointed us and markets. Core inflation fell back to 0.8% from 1.3% in April, mainly due to base effects from travel and package tours. A lower reading was expected, but it was surprisingly low, but we do not throw in the towel on our expectation of a gradual upward core inflation profile for the end of the year. For more, see *Inflation under the microscope: simmering, not boiling*.
- The US-China trade talks are still deadlocked and we see escalation on a broader range of fronts. For example, China this week warned students and tourists about going to the US. It may be partly an attempt to hurt the US tourism and education sector. The next thing to look out for is the Xi-Trump meeting at the G20 meeting in Osaka on 28-29 June. Either it will result in a ceasefire and the restarting of talks or we could be facing a further escalation afterwards with US tariffs on all Chinese goods.

### Financial market developments

- The global hunt for yield environment in fixed income markets continued this week – with no imminent catalyst to change this. Central banks are in easing mode, with the Fed already pricing in a 60bp cut by the end of next year and ECB pricing pointing to a 10bp cut in summer next year. After the ECB meeting, the German yield curve saw support, resulting in the DBR 34 turning to negative-yielding territory. The maturity of the first German bond trading in positive-yielding territory is 18Y, which is an all-time high.
- The Fed and ECB monetary policy have been in focus this week, which in the FX space has led to a Fed ready to cut rates and an ECB that has only started discussing how it would respond if the economy deteriorates even further. The monetary policy divergence supports our 6M forecast for EUR/USD of 1.15

### Today’s key points

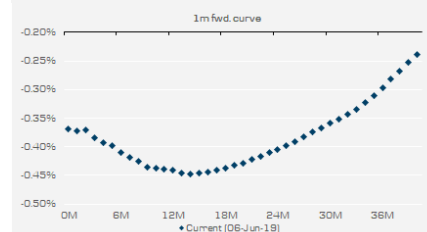
- New Fed call – next step, rate cut
- Dovish ECB disappoints markets
- Euro area inflation misses estimates
- Markets dovishly priced

### Financial views

Major indices			
	07-Jun	3M	12M
10yr EUR swap	0.28	0.55	0.70
10yr US swap	2.12	2.35	2.50
ECB key rate	-0.40	-0.40	-0.40
Fed funds rate	2.50	2.50	2.50
EUR/SEK	1063	1080	1100
EUR/NOK	980	960	930
EUR/USD	113	113	117
ICE Brent oil	63	75	80

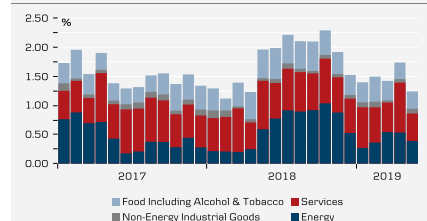
Source: Danske Bank

### ECB pricing points to rate cut in summer next year



Source: Danske Bank

### Euro area inflation disappointed in May



Source: Eurostat, Macrobond Financial, Danske Bank

# Scandi update

## Denmark – GDP growth dragged lower by import surge

Statistics Denmark published the national accounts for Q1 last week. GDP growth was 0.2%, a tad lower than the 0.3% pointed to by the GDP indicator. Exports, private consumption and investment all grew decently, while a fall in public consumption and a significant surge in imports pulled in the other direction. Hence, the modest growth figure was still underpinned by strong private demand, so the economy remains in relatively fine shape overall.

Foreign trade and industrial production figures also arrived last week. Both appear to be in fine shape, despite the global slowdown over the past year. Industrial production rose 0.5% in April, while goods exports were up 5.6% – albeit after a sharp fall in March.

## Sweden – recent data on the positive side

‘Hard’ April data in the form of retail sales and production surprised on the upside of expectations. The rebound in retail sales was of such magnitude (+1.9% m/m/3.9% y/y) that we suspect it is mainly an Easter effect. If so, there is likely to be a negative correction in May.

April production value data revealed a strong month-on-month rebound primarily in manufacturing (which was further underpinned by a 9% m/m surge in new orders), but also in services. Construction dropped marginally after soaring in the previous four months.

All in all, these figures raised the predicted Q2 GDP growth in our indicator to slightly above 1% y/y.

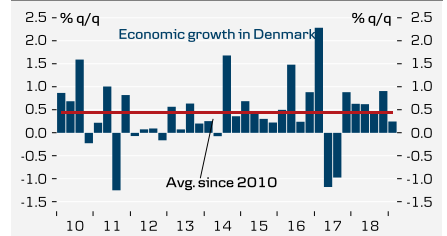
May composite PMI posted a marginal increase to 53.3 after an upside surprise in the manufacturing index and a counterbalancing decline in the services index. Manufacturing is still holding up well given the weakness in German data.

## Norway – no sign of a slowdown

Mainland GDP rose by 0.3% m/m in April, indicating that growth remained buoyant into Q2. Traditional mainland exports also increasing by 0.3% m/m was particularly encouraging, and they are now up 6.6% on the same month last year, which points to the global slowdown still having no real impact on Norway’s economy. We are also still seeing strong demand impulses from oil investments, and very positive figures for mainland investments. The contribution from net exports was negative on the back of strong import growth, meaning there was a solid increase of 0.9% in domestic demand.

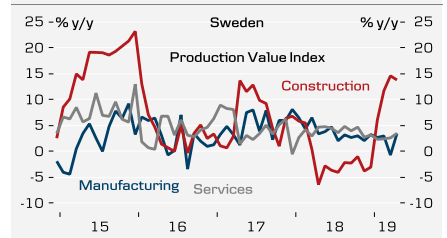
Also worth noting is a 2.2% m/m increase in industrial production in April. Annual growth here thus came in at 4%, as growth in the oil-related sector was close to 15%, while mainland industrial growth was essentially unchanged.

Start of the year sees just modest GDP growth



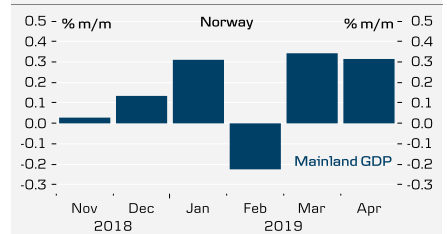
Source: Statistics Denmark, Macrobond Financial, Danske Bank,

Production bounced in April



Source: SCB

GDP growth on the rise



Source: Macrobond Financial, Danske Bank

## Latest research from Danske Bank

### *6/6 Flash ECB Comment: ECB not delivering to market expectations*

The ECB's decision today to extend the forward guidance to 'at present levels at least through H1 2020' were on the dovish side of our expectations, but significantly more hawkish than markets expected.

### *6/6 China Weekly Letter - Are we heading for an all-out trade war?*

There is no sign of improvement in the war of attrition between the US and China as the trade war widens in scope.

### *4/6 Flash Comment Denmark - Danmarks Nationalbank saw through weakest DKK this year*

The FX reserve fell slightly in May to DKK451.7bn. Danmarks Nationalbank saw through a rise in EUR/DKK to the highest level this year and refrained from intervening.

### *4/6 Flash Comment - Base effects in the driver's seat but ECB concerns*

Today's euro area inflation print came in below our estimate and market consensus at only 0.8% (1.3% in April). Headline inflation was 1.2%. We expect core inflation to rebound to 1.0% in June.

## Macroeconomic forecast

### Macro forecast, Scandinavia

	Year	GDP <sup>1</sup>	Private cons. <sup>1</sup>	Public cons. <sup>1</sup>	Fixed inv. <sup>1</sup>	Ex-ports <sup>1</sup>	Im-ports <sup>1</sup>	Infla-tion <sup>1</sup>	Wage growth <sup>1</sup>	Unem-ploym <sup>3</sup>	Public budget <sup>4</sup>	Public debt <sup>4</sup>	Current acc. <sup>4</sup>
Denmark	2018	1.4	2.3	0.8	5.1	0.6	2.7	0.8	2.3	3.9	0.5	34.1	6.0
	2019	1.8	1.8	0.4	-1.2	3.2	1.2	1.2	2.2	3.8	0.3	32.6	7.1
	2020	1.6	2.2	0.4	3.2	1.9	2.4	1.4	2.5	3.8	0.0	31.5	7.1
Sweden	2018	2.4	1.2	0.9	3.3	3.5	2.9	2.0	2.6	6.3	0.9	38.5	0.4
	2019	1.0	0.8	0.6	-0.3	4.1	3.2	1.7	2.6	6.6	0.1	34.0	4.4
	2020	1.5	1.6	1.5	1.7	3.2	2.8	1.5	2.7	7.1	0.5	33.0	4.2
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	1.8	4.7	3.5	3.0	2.2	3.3	2.3	-	-	-
	2020	2.4	2.3	1.8	1.8	3.0	3.0	1.7	3.8	2.2	-	-	-

### Macro forecast, Euroland

	Year	GDP <sup>1</sup>	Private cons. <sup>1</sup>	Public cons. <sup>1</sup>	Fixed inv. <sup>1</sup>	Ex-ports <sup>1</sup>	Im-ports <sup>1</sup>	Infla-tion <sup>1</sup>	Wage growth <sup>1</sup>	Unem-ploym <sup>3</sup>	Public budget <sup>4</sup>	Public debt <sup>4</sup>	Current acc. <sup>4</sup>
Euro area	2018	1.9	1.3	1.0	3.3	3.2	3.2	1.8	2.3	8.2	-0.5	85.1	3.6
	2019	1.4	1.2	2.3	3.1	3.0	4.0	1.5	2.2	7.7	-0.8	84.9	3.3
	2020	1.5	1.6	2.4	2.0	2.7	3.5	1.4	2.4	7.5	-0.7	82.8	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	1.1	0.9	3.2	3.3	2.2	4.4	1.4	3.2	3.1	1.2	56.7	7.3
	2020	1.4	1.6	2.2	3.1	3.1	4.6	1.5	3.0	2.9	1.1	53.7	6.9
Finland	2018	2.3	1.4	1.4	3.2	1.5	4.2	1.1	1.8	7.4	-0.7	58.9	-1.9
	2019	1.7	1.6	0.5	1.0	2.5	3.0	1.3	2.5	6.5	0.0	57.6	-1.5
	2020	1.2	1.3	0.5	1.0	2.0	2.0	1.5	2.5	6.4	0.1	56.3	-1.2

### Macro forecast, Global

	Year	GDP <sup>1</sup>	Private cons. <sup>1</sup>	Public cons. <sup>1</sup>	Fixed inv. <sup>1</sup>	Ex-ports <sup>1</sup>	Im-ports <sup>1</sup>	Infla-tion <sup>1</sup>	Wage growth <sup>1</sup>	Unem-ploym <sup>3</sup>	Public budget <sup>4</sup>	Public debt <sup>4</sup>	Current acc. <sup>4</sup>
USA	2018	2.9	2.6	1.5	5.2	4.0	4.5	2.4	3.0	3.9	-4.0	106.0	-3.2
	2019	2.4	2.4	1.3	2.9	2.1	3.5	1.6	3.3	3.6	-4.6	107.0	-3.6
	2020	1.9	2.1	1.0	2.7	2.4	2.6	1.7	3.5	3.5	-4.6	108.0	-3.7
China	2018	6.6	8.2	-	5.0	-	-	2.2	8.5	-	-4.1	50.1	0.7
	2019	6.2	8.0	-	4.7	-	-	2.0	8.3	-	-4.5	53.9	0.7
	2020	6.2	7.8	-	4.6	-	-	2.2	8.0	-	-4.3	57.1	0.7
UK	2018	1.4	1.8	0.4	0.2	0.1	0.7	2.5	3.0	4.1	-1.5	86.8	-3.3
	2019	1.0	1.4	1.3	-0.7	1.4	2.2	1.6	3.5	3.9	-1.5	84.1	-3.2
	2020	1.3	1.5	0.6	1.7	2.0	2.0	1.5	3.8	3.8	-1.3	83.2	-3.0
Japan	2018	0.9	0.3	0.5	1.8	3.1	2.7	0.9	-	2.8	-	-	-
	2019	0.9	1.0	0.8	1.5	2.0	2.1	1.4	-	2.4	-	-	-
	2020	0.5	0.0	0.8	-0.3	2.8	1.2	2.0	-	2.4	-	-	-

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



# Financial forecast

Bond and money markets										
		Key interest rate	3m interest rate	2-yr swap yield	10-yr swap yield	Currency vs EUR	Currency vs USD	Currency vs DKK	Currency vs NOK	Currency vs SEK
USD	07-Jun	2.50	2.47	1.94	2.12	112.7	-	662.9	870.0	943.7
	+3m	2.25	2.25			113.0	-	660.4	849.6	955.8
	+6m	2.25	2.25			115.0	-	648.6	817.4	947.8
	+12m	2.25	2.25			117.0	-	637.2	794.9	940.2
EUR	07-Jun	-0.40	-0.32	-0.28	0.28	-	112.7	746.8	980.1	1063.0
	+3m	-0.40	-0.31	-0.20	0.55	-	113.0	746.3	960.0	1080.0
	+6m	-0.40	-0.31	-0.15	0.60	-	115.0	745.9	940.0	1090.0
	+12m	-0.40	-0.31	-0.10	0.70	-	117.0	745.5	930.0	1100.0
JPY	07-Jun	-0.10	-0.06	-0.07	0.06	125.6	108.5	5.94	7.80	8.46
	+3m	-0.10	-	-	-	122.0	108.0	6.12	7.87	8.85
	+6m	-0.10	-	-	-	127.1	110.5	5.87	7.40	8.58
	+12m	-0.10	-	-	-	131.0	112.0	5.69	7.10	8.39
GBP	07-Jun	0.75	0.80	0.82	1.04	88.7	127.0	842.1	1105.3	1198.8
	+3m	0.75	0.84	1.05	1.35	86.0	131.4	867.8	1116.3	1255.8
	+6m	0.75	0.84	1.10	1.45	86.0	133.7	867.3	1093.0	1267.4
	+12m	0.75	0.84	1.20	1.50	86.0	136.0	866.9	1081.4	1279.1
CHF	07-Jun	-0.75	-0.71	-0.73	-0.17	112.0	99.4	667.0	875.5	949.5
	+3m	-0.75	-	-	-	113.0	100.0	660.4	849.6	955.8
	+6m	-0.75	-	-	-	115.0	100.0	648.6	817.4	947.8
	+12m	-0.75	-	-	-	117.0	100.0	637.2	794.9	940.2
DKK	07-Jun	-0.65	-0.35	-0.21	0.38	746.8	662.9	-	131.3	142.4
	+3m	-0.65	-0.33	-0.10	0.65	746.3	660.4	-	128.6	144.7
	+6m	-0.65	-0.33	-0.05	0.70	745.9	648.6	-	126.0	146.1
	+12m	-0.65	-0.33	0.00	0.80	745.5	637.2	-	124.7	147.6
SEK	07-Jun	-0.25	-0.02	-0.01	0.62	1063.0	943.7	70.2	92.2	100.0
	+3m	-0.25	0.05	0.05	0.90	1080.0	955.8	69.1	88.9	-
	+6m	-0.25	0.00	0.10	0.90	1090.0	947.8	68.4	86.2	-
	+12m	-0.25	0.00	0.10	0.95	1100.0	940.2	67.8	84.5	-
NOK	07-Jun	1.00	1.47	1.71	1.88	980.1	870.0	76.2	100.0	108.5
	+3m	1.25	1.80	1.85	2.15	960.0	849.6	77.7	-	112.5
	+6m	1.25	1.96	2.05	2.20	940.0	817.4	79.4	-	116.0
	+12m	1.50	2.14	2.15	2.35	930.0	794.9	80.2	-	118.3

Commodities												
		2019				2020				Average		
	07-Jun	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 24

During the week					Period	Danske Bank	Consensus	Previous
Sun 09	CNY	Money supply M2	y/y	May		8.6%	8.5%	
-	USD	US may impose tariffs on Mexican goods						
Monday, June 10, 2019					Period	Danske Bank	Consensus	Previous
-	DKK	Whit Monday						
-	CNY	Trade balance	USD bn	May		23.2	13.8	
1:50	JPY	GDP deflator, final	y/y	1st quarter		0.2%	0.2%	
1:50	JPY	GDP, final	q/q ann.	1st quarter		0.6% 2.2%	0.5% 2.1%	
6:00	SEK	Maklarstatistik Swedish housing price data						
9:30	SEK	Household consumption	m/m y/y	Apr			-0.2% 0.4%	
9:30	SEK	Budget balance	SEK bn	May			-2.6	
10:30	GBP	Monthly GDP estimate	m/m q/q	Apr		-0.1% 0.4%	-0.1% 0.5%	
10:30	GBP	Index of services	m/m 3m/3m	Apr		0.1% 0.2%	-0.1% 0.3%	
10:30	GBP	Trade balance	GBP mio.	Apr		-4700	-5408	
Tuesday, June 11, 2019					Period	Danske Bank	Consensus	Previous
8:00	NOK	CPI	m/m y/y	May		0.1% 2.9%	0.4% 2.9%	
8:00	NOK	PPI	m/m y/y	May			0.7% 2.6%	
8:00	DKK	CPI	m/m y/y	May	.. 0.9%	0.2% 1.0%	0.3% 1.0%	
8:00	NOK	Core inflation (CPI-ATE)	m/m y/y	May	0.1% 2.6%	0.0% 2.5%	0.5% 2.6%	
10:00	NOK	Norges Bank Regional Network Report: Output next 6M	Index	May	1.5	1.5	1.5	
10:30	GBP	Average weekly earnings ex bonuses (3M)	y/y	Apr		3.1%	3.3%	
10:30	EUR	Sentix Investor Confidence	Index	Jun		2.9	5.3	
10:30	GBP	Unemployment rate (3M)	%	Apr		3.8%	3.8%	
12:00	USD	NFIB small business optimism	Index	May		102.8	103.5	
14:30	USD	PPI	m/m y/y	May		0.1% 2.1%	0.2% 2.2%	
14:30	USD	PPI core	m/m y/y	May		0.2% 2.3%	0.1% 2.4%	
Wednesday, June 12, 2019					Period	Danske Bank	Consensus	Previous
3:30	CNY	CPI	y/y	May		2.7%	2.5%	
3:30	CNY	PPI	y/y	May		0.6%	0.9%	
8:00	SEK	Prospera inflation expectations						
9:00	ESP	HICP, final	m/m y/y	May		0.2% 0.9%	0.2% 0.9%	
10:15	EUR	ECB's Draghi speaks in Frankfurt						
13:00	TRY	Central Bank of Turkey rate decision	%			24.0%	24.0%	
14:30	USD	CPI headline	m/m y/y	May		0.1% 1.9%	0.3% 2.0%	
14:30	USD	CPI core	m/m y/y	May		0.2% 2.1%	0.1% 2.1%	
16:30	USD	DOE U.S. crude oil inventories	K				6771	
20:00	USD	Budget statement	USD bn	May			160.3	
Thursday, June 13, 2019					Period	Danske Bank	Consensus	Previous
-	GBP	Conservative Party leadership contest, first vote						
1:01	GBP	RICS house price balance	Index	May		-0.2	-0.2	
3:30	AUD	Employment change	1000	May		16	28.4	
8:00	DEM	HICP, final	m/m y/y	May		0.3% 1.3%	0.3% 1.3%	
9:30	SEK	Average house prices	SEK m	May			3.06	
9:30	CHF	SNB 3-month Libor target rate	%			-0.8%	-0.8%	
11:00	EUR	Industrial production	m/m y/y	Apr		-0.3% -0.4%	-0.3% -0.6%	
14:30	USD	Initial jobless claims	1000					
14:30	USD	Import prices	m/m y/y	May		-0.4% ...	0.2% -0.2%	

Source: Danske Bank

# Calendar

Friday, June 14, 2019				Period	Danske Bank	Consensus	Previous
4:00	CNY	Industrial production	y/y	May		5.4%	5.4%
4:00	CNY	Retail sales	y/y	May		8.0%	7.2%
4:00	CNY	Fixed assets investments	y/y	May		6.1%	6.1%
6:30	JPY	Industrial production, final	m/m y/y	Apr			0.6% -1.1%
8:45	FRF	HICP, final	m/m y/y	May		0.2% 1.1%	0.2% 1.1%
9:30	SEK	Underlying inflation, CPIFxEn	m/m y/y	May	.. 1.5%		
9:30	SEK	Underlying inflation CPIF	m/m y/y	May	0.6% 1.9%	0.2% 2.0%	0.6% 2.0%
9:30	SEK	CPI	m/m y/y	May	.. 2.0%	0.1% 2.0%	0.7% 2.1%
11:00	ITL	HICP, final	m/m y/y	May		.. 0.9%	.. 0.9%
12:30	RUB	Central Bank of Russia rate decision	%			7.5%	7.8%
14:30	USD	Retail sales control group	m/m	May			0.0%
15:15	USD	Capacity utilization	%	May		78.0%	77.9%
15:15	USD	Industrial production	m/m	May		0.2%	-0.5%
15:15	USD	Manufacturing production	m/m	May		0.2	-0.5%
16:00	USD	University of Michigan Confidence, preliminary	Index	Jun		97.0	100.0

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

Source: Danske Bank

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