

Weekly Focus

Signs of a German car sector recovery

Market Movers ahead

- US-China trade talks will continue next week when Treasury Secretary Steven Mnuchin and US Trade Representative Robert Lighthizer travel to Beijing early next week. While Trump has hinted that a deal before 1 March is unlikely, we are not surprised and stick to our view that we will get a deal eventually.
- Q4 GDP data for Japan, Germany and the UK is due out. We think Germany avoided slipping into a technical recession and in the UK, the growth picture has become weaker due to Brexit uncertainties and slower global growth.
- In the euro area, look out for new car registrations in January, as the car sector has been one of the weak spots in the euro area economy. A rebound in car production/sales is one of the ingredients for a rebound in euro area growth.
- In the UK, the MPs will have an indicative vote on how to proceed with Brexit on Thursday.
- We may be heading for a new government shutdown from Friday if President Trump and Congress do not agree on a budget.

Weekly wrap-up

- With less than two months to go, the UK remains divided over Brexit.
- The European Commission has slashed its 2019 growth forecast for Europe. On a more positive note, signs of a German car sector recovery are getting more abundant.
- The Bank of England remained on hold but still signalled a tightening bias despite Brexit uncertainties.
- This week, equity markets remained supported by signs of a resilient US economy, a softer Fed message and a decent earnings season.

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Financial views

Major indices	08-Feb	3M	12M
10yr EUR swap	0.65	0.90	1.20
EUR/USD	113	117	125
ICE Brent oil	62	65	80

Source: Danske Bank

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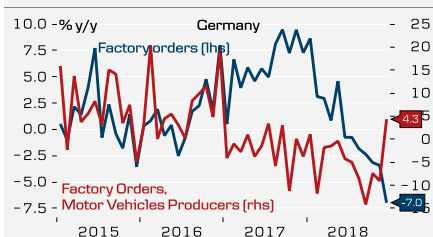


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Editor

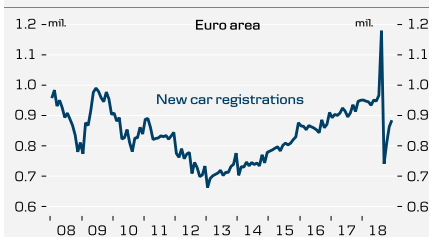
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Tentative signs that German car sector bottlenecks are easing up



Source: German Federal Statistical Office, Macrobond Financial

Will new car registrations bounce back from the historical collapse?



Source: Eurostat, Macrobond Financial, Danske Bank

Market movers

Global

- In the **US**, we may have another government shutdown from 15 February if President Trump and Congress do not agree on a budget. US Treasury Secretary Steven Mnuchin and Trade Representative Robert Lighthizer are travelling to China next week to continue trade negotiations.

In terms of economic data releases, we estimate CPI core (due out on Wednesday) rose +0.2% m/m in January, implying a core inflation rate at 2.1% y/y. Given the recession fears in financial markets, we will keep an eye on the NFIB Small Business Optimism Index on Tuesday, which remains at a very high level compared to the historical average, indicating the economy is doing fine.

Due to the government shutdown, data releases from the Census Bureau and Bureau of Economic Analysis are still lagging. We now know that the initial Q4 GDP growth print is due out on 28 February.

The coming week also brings a few FOMC speeches. While the Fed is very explicitly patient in raising rates, we will monitor any insights it might give on how it plans the balance sheet reduction. See *FOMC review: All we need is just a little patience*, 30 January 2019.

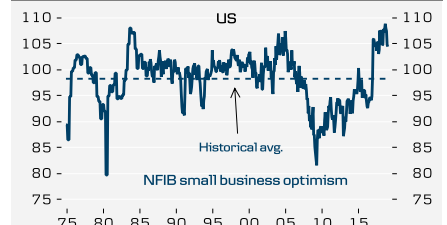
- In the **euro area**, we will keep an eye on January's new car registrations numbers on Friday. Bottlenecks in the car sector have been one of several Achilles heels for the euro area economy in Q4 and a continuing rebound in new car registrations will be welcome news for the economy.

In **Germany**, Q4 GDP growth numbers are due out on Thursday. In Q3, the German economy experienced its first contraction since 2015 with GDP growth rates at -0.1% q/q (1.2% y/y). External factors such as the trade war, Brexit, as well as domestic problems in the car sector and low water levels in the Rhine River continued to hamper activity in Q4. Although we think the German economy has avoided slipping into technical recession, the quarterly growth pace is likely to have remained subdued at 0.1% q/q (see *Research Germany- The epicentre of the euro area slowdown*, 27 January).

- In the **UK**, the most important event next week is the Brexit vote in the House of Commons on Thursday 14 February (as confirmed by Leader of the House, Andrea Leadsome, see *Bloomberg*, 7 February). While the next 'meaningful vote' on a full Brexit deal has been postponed, as PM Theresa May and the EU27 have agreed to continue negotiations in late February, this is an indicative vote. May will deliver a statement to the Commons, which the MPs will vote on and which is amendable. This gives the MPs another opportunity to force PM Theresa May to ask the EU27 for an extension of Article 50 (the fact that May promised another vote next week was one reason why the so-called Cooper amendment failed last time).

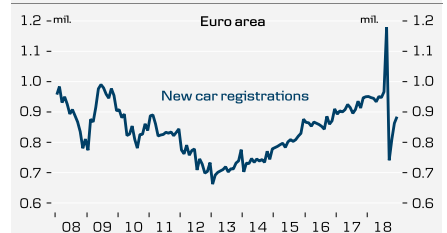
In terms of economic data releases, we look forward to the preliminary Q4 GDP growth print on Monday, which we estimate was +0.3% q/q (+0.1% m/m in December). The growth picture has become weaker, as Brexit uncertainties are weighing on investments and global growth has slowed. On Wednesday, CPI inflation for January is due out.

Business optimism remains well above historical average, but will it last?



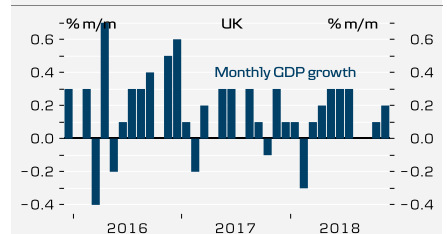
Source: NFIB, Macrobond Financial

Will new car registrations bounce back from the historical collapse?



Source: Eurostat, Macrobond Financial, Danske Bank

Weak monthly GDP growth in recent months



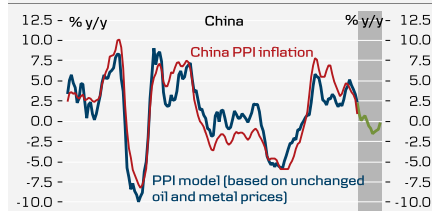
Source: ONS, Macrobond Financial

- Focus in **China** will continue to be on the US-China trade talks. A US delegation headed by Treasury Secretary Mnuchin and US Trade Representative Lighthizer is set to go to Beijing early next week. Talking about the 1 March, Mnuchin said this week, ‘we’re putting in an enormous amount of effort to try to hit this deadline and get a deal. So that’s our objective’.

On the data front, we will get trade balance for January, CPI, PPI and FX Reserves. We saw a big drop in imports and exports in December and expect January to be weak as well before a gradual recovery sets in. Focus in the inflation data will be on the producer prices, where we look for PPI inflation to have dropped further to 0.6% y/y in January from 0.9% y/y in December. CPI inflation is expected to continue hovering around 2%, still far from the 3% target. FX Reserves should not attract much attention as the CNY has strengthened recently.

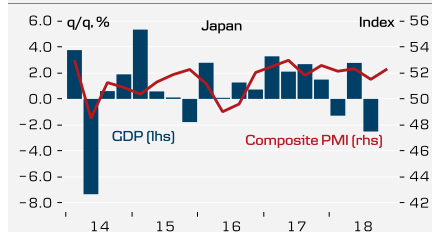
- In **Japan**, the first GDP figures for Q4 are due out on Thursday. Japan has weathered the global economic slowdown quite well thus far, as domestic demand has been solid and businesses have remained fairly optimistic. Weakness has started to show in January but Q4 looks strong and we are looking for a rebound following a dreadful Q3 affected by typhoons and an earthquake, which cut the powers of three million homes and forced factories and airports to close.

PPI inflation heading lower due to weaker commodity price inflation



Source: Macrobond Financial, Markit, NBS

Robust Japanese economy set for rebound in Q4



Note: Annualised changes in GDP.

Source: Japanese Cabinet Office, IHS Markit, Danske Bank, Macrobond Financial.

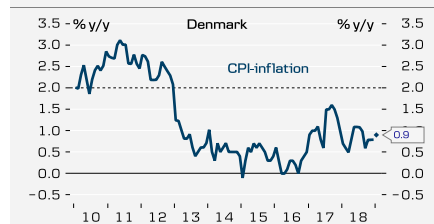
Scandi

- In **Denmark**, the coming week brings two key releases: inflation and the GDP indicator. On Monday, we expect CPI inflation to increase to 0.9% in January from 0.8% in December. Remember, though, that January has historically been the most unpredictable month, as many prices only change once a year. One thing we do know is that the big reduction in the Great Belt toll last year will slip out of inflation, adding close to 0.1pp. Heating, however, is more of a joker in the pack. A government subsidy for a number of district heating plants, mainly in Jutland, has been removed, which will mean price increases locally of more than 50%. We expect the effect on a national level to be relatively benign, but this remains uncertain. On top of that, we expect large increases in prices for TV and internet subscriptions. On the other hand, we expect lower electricity prices to pull inflation down by 0.1pp. We previously expected a large negative contribution this January from a lower TV licence fee, but Statistics Denmark has decided to remove the fee from the CPI basket, so there should be no effect from that. On Thursday, Statistics Denmark's GDP indicator will give us a first estimate of output in Q4 18. We predict healthy growth of 0.7%, thanks primarily to a strong manufacturing sector that has performed well despite the slowdown in the global economy. This expectation is supported by strong export data towards the end of the year. Private consumption still seems to be growing more modestly, however, so we are counting on exports to provide the extra growth in Q4. The indicator is, of course, associated with considerable uncertainty and GDP may subsequently be revised either up or down.
- The Riksbank is the obvious centre of attention next week. We do not expect Riksbank to make any change to the repo rate or the repo rate path. Nor do we expect any comment on the QE programme. This is more likely to be addressed at the next meeting in April. Hence, the policy message is set to remain unchanged, suggesting a next hike in H2. As we do not share the Riksbank's view on inflation – we expect core inflation to be lower in H2 – we do not expect to see that rate hike. Indeed, we do not rule out the Riksbank delivering some 'soft' forward guidance in the form of recognising an increasing downside risk to the economic outlook and hence to the inflation outlook. Given the Fed's recent cautious approach and worrying weakness in German industrial data, we would be surprised if it did not comment on this. Supposedly, 'soft' talk would be negative for the SEK and may bolster recent weakness.

The December private business production data has been delayed, so this is still to be monitored, especially the industrial production component. We have seen German/eurozone industrial production plunging as Sweden should follow with a one-month lag. The outcome is important in the sense that it will be one of the most important final pieces for Q4 GDP. Monthly data currently suggests that GDP growth has fallen below 1% y/y, which would be equivalent to a q/q print being negative again as in Q3. If so, from a technical point of view, Sweden would be in 'recession'. That said, the word recession is really something that we would use as an expression for a situation when the labour market deteriorates sharply, something we do not see in this instance.

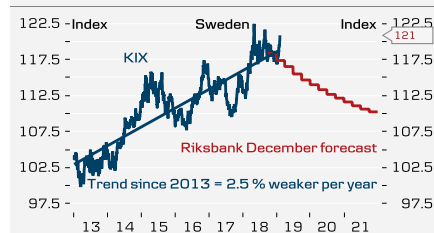
Swedish labour market is record strong. January figures are coming up this week. The labour market is the Swedish economy's last defence and for this reason needs to be monitored closely.

Inflation has been flat for three months now



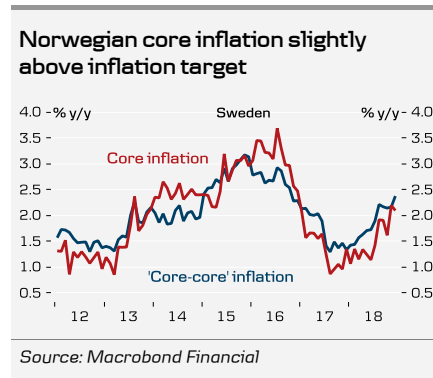
Source: Statistics Denmark, Macrobond Financial

A worrisome trend in the SEK



Source: Riksbank

- Norwegian CPI for January is due out on Monday at 08:00 CET. Core inflation has been at or slightly above Norges Bank's target recently and somewhat higher than projected earlier by the bank. High electricity prices have pushed up headline inflation. Two stores are likely to be apparent in the January CPI data. High core inflation is an argument for Norges Bank following the plan and hiking the sight deposit rate at the upcoming board meeting on 21 March. Norges Bank concluded at the 24 January policy board meeting, after December CPI-ATE at 2.1% y/y, that 'inflation has been slightly higher than expected'. High headline inflation, driven by high electricity prices, reflects a real strain on households' free cash flow at present. Consequently, retail sales numbers were disappointing in Q4 18. Headline inflation in December was 3.5% y/y. Cold weather and the spill over from the European electricity markets suggest another high headline reading in January – at or slightly above the December level.



Market movers ahead

Global movers		Event	Period	Danske	Consensus	Previous			
During the week		CNY	Money supply M2	y/y	Jan	8.2%	8.1%		
Mon	11-Feb	CNY	Foreign exchange reserves	USD bn	Jan	3081.9	3072.7		
		10:30	GBP	GDP, preliminary	q/q y/y	4th quarter	0.3% 1.4%	0.6% 1.5%	
Tue	12-Feb	12:00	USD	NFIB small business optimism	Index	Jan	103	104.4	
Wed	13-Feb	10:30	GBP	CPI	m/m y/y	Jan	-0.6% 2.0%	0.2% 2.1%	
		11:00	EUR	Industrial production	m/m y/y	Dec	-0.4% -3.1%	-1.7% -3.3%	
		14:30	USD	CPI headline	m/m y/y	Jan	0.1% 1.5%	-0.1% 1.9%	
Thurs	14-Feb	-	CNY	Trade balance	USD bn	Jan	32.0	57.1	
		-	GBP	Indicative Brexit vote in the House of Commons					
		0:50	JPY	GDP, preliminary	q/q ann.	4th quarter	0.4% 1.4%	-0.6% -2.5%	
Fri	15-Feb	8:00	DEM	GDP, preliminary	q/q y/y	4th quarter	0.1% 1.2%	0.1% 0.8%	
		2:30	CNY	CPI	y/y	Jan		1.9%	
		2:30	CNY	PPI	y/y	Jan	0.6%	0.9%	
		8:00	EUR	New car registrations		Jan			
Scandimovers									
During the week									
Mon	11-Feb	8:00	NOK	CPI	m/m y/y	Jan	-0.1% 3.5%	0.0% 3.5%	
		8:00	DKK	CPI	m/m y/y	Jan	... 0.9%	-0.3% 0.8%	
Tue	12-Feb								
Wed	13-Feb	9:30	SEK	Riksbank, rate decision	%		-0.25%	-0.25%	
Thurs	14-Feb	8:00	DKK	GDP indicator	q/q	4th quarter	0.7%	0.7%	
		9:30	SEK	Unemployment (n.s.a. s.a.)	%	Jan	6.9% 6.4%	6.8%	6.0% 6.4%

Source: Bloomberg, Danske Bank

Weekly Wrap-Up

In search of direction

Main macro themes

- **With less than two months to go, the UK remains divided over Brexit**, while pressure is increasing. PM Theresa May went back to Brussels to secure concessions on the Irish order backstop, but comments from EC President Juncker and EU Council President Tusk point to a hard stance from the EU, ruling out any renegotiations. May is expected to delay the second vote on her deal from next week until the end of February. This means the Article 50 deadline could be extended, at least for technical reasons, as the UK would need more time to pass the necessary legislation. See *Brexit Monitor: May has two and half weeks to renegotiate the backstop*, 29 January.
- **The EC slashed its 2019 growth forecasts** for all major European economies, especially for Italy, which is expected to grow by only 0.2%, causing a sell-off in Italian markets. On a more positive note, signs of a German car sector recovery are increasing, meaning that one of the many European growth headwinds seems at last to be fading in Q1 19 (see *Research Germany: The epicentre of the euro area slowdown*, 27 January).
- **The Bank of England** remained on hold but still signalled a tightening bias. We expect another hike this year, but not before November.

Financial market developments

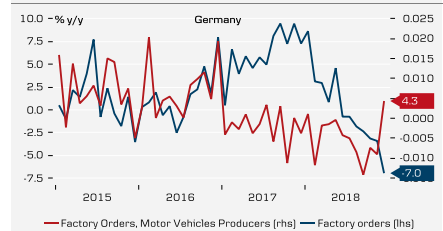
- Apart from Brexit, the biggest market themes continue to be the trade war concerns and the risk of a renewed US government shutdown. The risk of the latter is still high given that Trump's State of the Union speech gave little hope of a compromise. The weaker risk appetite gave some support to **US Treasuries**, where 10Y yields are well below 3% and **EUR/USD** dipped back below 1.14, despite last week's clear 'on hold' message from the Fed.
- In **FX markets**, GBP remained under pressure from a dovish Bank of England message and we still expect EUR/GBP to stay within the 0.86-0.89 range near term with Brexit developments directional for the cross. EUR/SEK continued its relentless move higher, just shy of touching 10.50, on the back of weak macro indicators.
- In **fixed income markets**, the focus is still on global central banks taking a cautious stance on the global economic outlook for 2019. Yield curves are flattening with the long end (10Y) declining, while the front end is stable as central banks are on hold. At 0.15%, 10Y German Bund yields remain well below the 0.25-0.75% trading range for most of 2018. Periphery yields came under pressure after an unconfirmed 'ECB sources' story said that ECB members were reluctant to change the forward guidance in a softer direction as it would tie the hands of a new ECB president. However, the hunt for yields is still on, seen by the strong demand for an Italian 30Y syndicated deal being five times oversubscribed.
- European and US **equity markets** remained supported by signs of a resilient US economy, a softer Fed message and a decent earnings season. After gaining almost 20% from the Christmas low, NASDAQ is on the brink of entering an 'official' bull market.

Financial views

Major indices			
	08-Feb	3M	12M
10yr EUR swap	0.65	1.10	1.40
10yr US swap	2.67	3.35	3.55
ECB key rate	-0.40	-0.40	-0.20
Fed funds rate	2.50	2.50	3.00
EUR/SEK	1051	1010	1000
EUR/NOK	977	950	930
EUR/USD	113	117	125
ICE Brent oil	62	65	80

Source: Danske Bank

Tentative signs that German car sector bottlenecks are easing up



Source: Macrobond Financial

10Y German Bund yields remain well below 2018 trading range



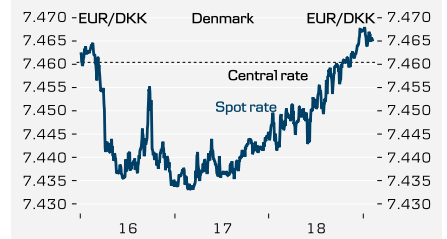
Source: Macrobond Financial

Scandi update

Denmark – Nationalbank intervenes only slightly in January

The Nationalbank announced during the week that it had made purchases of DKK1.9bn in January to support the krone against the euro. The trend in recent weeks has been towards a stronger krone and we do not expect any further need for intervention by the central bank. If there is no need for intervention, there will certainly be no need to raise interest rates to support the currency. We still think it most likely that Danish rates will stay put until rates go up in the euro area, which will not be until at least the autumn or, more realistically, December. Financial market turmoil and weaker economic data have pulled down market expectations, with many now wondering whether there will be a hike this year at all. We still think there will be, as higher wage growth is pushing up inflation in the euro area gradually, but the uncertainty is tangible.

DKK has strengthened lately

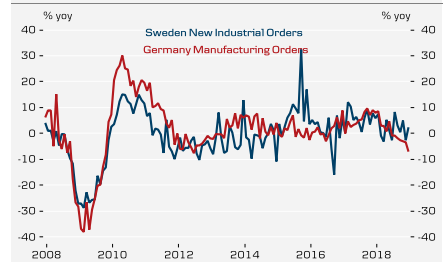


Source: Danmarks Statistik, Macrobond Financial, Danske Bank

Sweden – business is getting worse

In January, the new Composite PMI was introduced. It showed a print at 53.1, the weakest since the temporary dip in April 2016. Before that we have to go back to 2013 to find a weaker figure, i.e. as Swedish business recovered from the euro crisis in the previous year. This signal very much coincides with the ongoing slowdown in the Swedish private services sector. This is evident in both the PMI survey and the NIER confidence survey. There are now clear warning signs that Swedish business is leaving the ‘good conditions’ it has experienced since 2014.

Swedish orders too slow on back of Germany



Source: SCB, Bloomberg

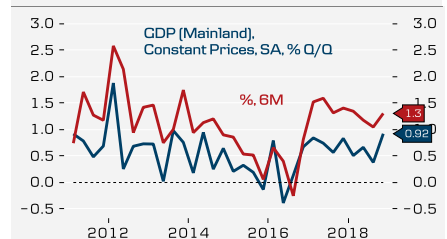
December factory orders, however, bounced back after a dip in November. That said, we see no reason to be complacent as German manufacturing production and orders are falling sharply. Swedish industry is closely tied to Germany, so it is only a matter of time before we will see significant negative prints in Swedish data too.

Our take on this is that it is likely to keep Q4 GDP growth below 1% and slightly negative on a quarterly basis. Technically, Sweden would be in recession as Q3 was negative too on a quarterly basis. However, we are cautious in using the word recession. We would keep that for a situation when the labour market is deteriorating and people lose their jobs and incomes. We are currently not in such a situation, but jobs data needs to be monitored closely.

Norway – growth and employment support rate hikes

National account figures confirmed that growth in the mainland economy was very strong in Q4 at 0.9% q/q. Importantly, the strong growth rate does not imply accelerating growth but rather an expected rebound as temporary factors had weighed on Q3 (weather related). If we look at growth rates over the past couple of quarters, it shows a similar rise as seen over the past years (see margin chart). Growth remains above the trend potential as evident in the substantial rise in employment in Q4 of 0.5% q/q, which was higher than expected by Norges Bank.

Healthy growth in Norway



Source: Macrobond Financial, Danske Bank

Going forward, we expect growth to remain strong as oil investment, private consumption and large civil engineering projects make Norway more insulated against weaker global growth. Overall, we therefore still expect two interest rate hikes from Norges Bank this year with the first one due already next month.

Latest research from Danske Bank

8/2 ECB Research: TLTRO - no longer our base case

TLTRO is not a done deal as the ECB needs a monetary policy justification to conduct another round. Such arguments are not straightforward to find.

8/2 Bank of England Review - Sitting, waiting, wishing for Brexit clarification

As expected, the Bank of England (BoE) voted unanimously to keep the Bank Rate at 0.75%. As expected, it lowered both its GDP and CPI inflation projections.

7/2 China Leading Indicators - First signs of a bottom

We look for a US-China deal in March or Q2 to remove a key headwind.

4/2 Flash Comment Denmark: FX intervention slowed in January

Danmarks Nationalbank sold DKK2bn in FX reserves in January down from DKK12bn sold in December. It was the second straight month of FX intervention.

4/2 Macro Strategy Views Podcast: Why financial markets ignore political uncertainty

During January, most market-based measures of financial market volatility collapsed, while estimates of political uncertainty were at record levels.

4/2 Euro Area Macro Monitor - Recession angst is building

Q4 18 GDP growth of 0.2% q/q confirmed a lacklustre finish to 2018 and macro data continues to point to a tough start for the euro area economy in 2019.

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	1.0	2.4	0.4	5.9	0.2	3.6	0.8	2.3	3.9	0.3	33.5	5.6
	2019	2.0	1.9	0.4	0.7	2.7	1.3	1.3	2.5	3.9	0.1	33.1	6.0
	2020	1.6	2.3	0.4	3.6	2.0	2.9	1.6	2.8	3.8	-0.1	33.2	5.9
Sweden	2018	2.2	1.2	0.6	4.6	2.3	2.4	2.0	2.6	6.3	0.9	37.0	3.3
	2019	1.4	0.8	0.3	1.7	2.3	1.3	1.9	2.6	6.5	0.5	34.0	4.0
	2020	1.9	1.9	1.8	1.7	3.1	2.5	1.6	2.7	6.9	0.8	33.0	4.0
Norway	2018	2.2	1.9	1.9	0.6	-0.5	1.5	2.7	2.8	2.4	-	-	-
	2019	2.6	2.2	1.7	4.7	3.5	3.0	1.6	3.5	2.3	-	-	-
	2020	2.4	2.3	1.8	2.0	3.0	3.3	1.7	3.8	2.2	-	-	-

Macro forecast, Euroland

	Year	GDP 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	1.8	1.3	1.0	2.9	2.7	2.6	1.7	2.3	8.2	-0.6	86.9	3.8
	2019	1.5	1.6	2.0	2.3	2.5	3.6	1.4	2.2	7.8	-0.8	84.9	3.6
	2020	1.5	1.6	2.4	2.0	2.7	3.5	1.5	2.4	7.5	-0.7	82.8	3.6
Germany	2018	1.5	1.1	0.9	3.2	2.1	3.6	1.8	3.0	3.4	1.6	60.1	7.8
	2019	1.4	1.7	2.2	3.4	2.3	5.1	1.8	3.2	3.1	1.2	56.7	7.3
	2020	1.6	1.9	2.2	3.1	3.1	4.6	1.8	3.0	2.9	1.1	53.7	6.9
Finland	2018	2.3	1.5	2.0	2.5	1.1	2.5	1.1	1.9	7.4	-0.3	59.2	-0.9
	2019	1.7	1.6	0.5	1.5	2.5	2.3	1.5	2.5	7.0	0.0	57.9	-0.4
	2020	1.5	1.3	0.5	2.0	2.0	1.5	1.5	2.5	6.9	0.1	56.5	-0.2

Macro forecast, Global

	Year	GDP 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	3.0	2.7	1.7	5.2	4.3	4.7	2.4	2.8	3.9	-4.0	106.0	-3.2
	2019	2.7	2.7	1.8	3.6	2.9	3.7	1.8	3.4	3.6	-4.6	107.0	-3.6
	2020	2.0	2.1	1.0	2.9	2.4	2.6	2.4	3.5	3.5	-4.6	108.0	-3.7
China	2018	6.6	8.2	-	5.0	-	-	2.2	8.5	-	-4.1	50.1	0.7
	2019	6.2	8.0	-	4.7	-	-	2.0	8.3	-	-4.5	53.9	0.7
	2020	6.2	7.8	-	4.6	-	-	2.2	8.0	-	-4.3	57.1	0.7
UK	2018	1.3	1.7	0.5	0.2	1.5	0.4	2.5	3.0	4.1	-1.3	85.0	-3.3
	2019	1.6	1.7	0.6	1.3	2.8	1.6	1.6	3.7	3.9	-1.5	84.1	-3.2
	2020	1.5	1.6	0.4	1.9	2.4	2.0	1.5	3.8	3.9	-1.3	83.2	-3.0
Japan	2018	0.9	0.3	0.5	1.8	3.1	2.7	0.9	-	2.8	-	-	-
	2019	0.9	1.0	0.8	1.5	2.0	2.1	1.4	-	2.4	-	-	-
	2020	0.5	0.0	0.8	-0.3	2.8	1.2	2.0	-	2.4	-	-	-

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

Financial forecast

Bond and money markets

		Key interest rate	3m interest rate	2-yr swap yield	10-yr swap yield	Currency vs EUR	Currency vs USD	Currency vs DKK
USD	08-Feb	2.50	2.74	2.62	2.67	113.3	-	659.0
	+3m	2.50	2.92	2.85	2.85	117.0	-	637.6
	+6m	2.75	2.97	3.15	3.15	120.0	-	621.3
	+12m	3.00	3.23	3.25	3.20	125.0	-	596.4
EUR	08-Feb	-0.40	-0.31	-0.16	0.65	-	113.3	746.3
	+3m	-0.40	-0.33	-0.05	0.90	-	117.0	746.0
	+6m	-0.40	-0.33	0.05	1.00	-	120.0	745.5
	+12m	-0.20	-0.06	0.15	1.20	-	125.0	745.5
JPY	08-Feb	-0.10	-0.09	-0.02	0.14	124.7	109.8	5.99
	+3m	-0.10	-	-	-	128.7	110.0	5.80
	+6m	-0.10	-	-	-	132.0	110.0	5.65
	+12m	-0.10	-	-	-	140.0	112.0	5.33
GBP	08-Feb	0.75	0.90	1.05	1.36	87.6	129.3	851.8
	+3m	0.75	0.85	1.30	1.70	84.0	139.3	888.1
	+6m	0.75	0.82	1.40	2.00	83.0	144.6	898.2
	+12m	1.00	1.07	1.60	2.20	83.0	150.6	898.2
CHF	08-Feb	-0.75	-0.71	-0.58	0.19	113.5	100.2	657.6
	+3m	-0.75	-	-	-	114.0	97.4	654.4
	+6m	-0.75	-	-	-	116.0	96.7	642.7
	+12m	-0.75	-	-	-	120.0	96.0	621.3
DKK	08-Feb	-0.65	-0.31	-0.04	0.78	746.3	659.0	-
	+3m	-0.65	-0.30	0.05	1.05	746.0	637.6	-
	+6m	-0.65	-0.30	0.15	1.15	745.5	621.3	-
	+12m	-0.45	-0.03	0.25	1.35	745.5	596.4	-
SEK	08-Feb	-0.25	-0.08	0.05	0.98	1050.0	927.1	71.1
	+3m	-0.25	-0.20	0.05	1.25	1010.0	863.2	73.9
	+6m	-0.25	-0.20	0.00	1.30	1000.0	833.3	74.6
	+12m	-0.25	-0.20	0.00	1.40	1000.0	800.0	74.6
NOK	08-Feb	0.75	1.26	1.57	2.03	974.8	860.7	76.6
	+3m	1.00	1.58	1.80	2.35	950.0	812.0	78.5
	+6m	1.00	1.67	1.95	2.55	940.0	783.3	79.3
	+12m	1.25	1.87	2.20	2.80	930.0	744.0	80.2

Commodities

	08-Feb	2018				2019				Average	
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2019	2020
ICE Brent	62	67	75	76	69	65	70	75	80	73	80

Source: Danske Bank

Calendar

Key Data and Events in Week 7

During the week				Period	Danske Bank	Consensus	Previous
-	CNY	Money supply M2	y/y	Jan		8.2%	8.1%
.	CNY	US Treasury Secretary Mnuchin and Trade Representative Lighthizer in Beijing for trade talks					
Monday, February 11, 2019				Period	Danske Bank	Consensus	Previous
-	JPY	National Foundation Day					
-	CNY	Foreign exchange reserves	USD bn	Jan		3081.9	3072.7
8:00	NOK	Core inflation (CPI-ATE)	m/m y/y	Jan		-0.5% 2.4%	0.0% 2.1%
8:00	NOK	CPI	m/m y/y	Jan		-0.1% 3.5%	0.0% 3.5%
8:00	NOK	PPI	m/m y/y	Jan			-3.5% 7.8%
8:00	DKK	CPI	m/m y/y	Jan		.. 0.9%	-0.3% 0.8%
8:30	CHF	CPI	m/m y/y	Jan		-0.3% 0.6%	-0.3% 0.7%
10:30	GBP	GDP, preliminary	q/q y/y	4th quarter		0.3% 1.4%	0.3% 1.4%
10:30	GBP	Monthly GDP estimate	m/m q/q	Dec		0.001 0.003	0.002 0.003
10:30	GBP	Index of services	m/m 3m/3m	Dec		0.0% 0.4%	0.3% 0.3%
10:30	GBP	Trade balance	GBP mio.	Dec		-3000	-2904
Tuesday, February 12, 2019				Period	Danske Bank	Consensus	Previous
12:00	USD	NFIB small business optimism	Index	Jan		103	104.4
14:30	USD	Retail sales control group	m/m	Dec		0.4%	0.9%
18:45	USD	Fed's Powell (voter, neutral) speaks					
Wednesday, February 13, 2019				Period	Danske Bank	Consensus	Previous
0:30	USD	Fed's Mester (voter, hawkish) speaks					
1:30	USD	Fed's George (non-voter, hawkish) speaks					
2:00	NZD	Reserve Bank of New Zealand (cash rate decision)	%			1.8%	1.8%
9:30	SEK	Riksbank, rate decision	%			-0.25%	-0.25%
10:30	GBP	PPI - input	m/m y/y	Jan		0.3% 3.8%	-1.0% 3.7%
10:30	GBP	PPI - input	m/m y/y	Jan			-1.0% 3.7%
10:30	GBP	CPI	m/m y/y	Jan		-0.6% 2.0%	0.2% 2.1%
10:30	GBP	CPI core	y/y	Jan		1.9%	1.9%
11:00	EUR	Industrial production	m/m y/y	Dec		-0.4% -3.1%	-1.7% -3.3%
14:30	USD	CPI headline	m/m y/y	Jan		0.1% 1.5%	-0.1% 1.9%
14:30	USD	CPI core	m/m y/y	Jan		0.2% 2.1%	0.2% 2.2%
14:50	USD	Fed's Mester (voter, hawkish) speaks					
16:30	USD	DOE U.S. crude oil inventories	K				1263
20:00	USD	Budget statement	USD bn	Dec		-10.5	-204.9

Source: Danske Bank

Calendar (continued)

Thursday, February 14, 2019				Period	Danske Bank	Consensus	Previous
-	CNY	Trade balance	USD bn	Jan		32.0	57.1
-	GBP	Indicative Brexit vote in the House of Commons					
0:50	JPY	GDP deflator, preliminary	y/y	4th quarter		-0.4%	-0.3%
0:50	JPY	GDP, preliminary	q/q ann.	4th quarter		0.4% 1.4%	-0.6% -2.5%
1:01	GBP	RICS house price balance	Index	Jan		-0.2	-0.2
7:30	FRF	ILO unemployment	%	4th quarter		9.1%	9.1%
8:00	DKK	GDP indicator	q/q	4th quarter	0.7%		0.7%
8:00	DEM	GDP, preliminary	q/q y/y	4th quarter	0.1% 1.2%	0.1% 0.8%	-0.2% 1.1%
9:30	SEK	Unemployment (n.s.a. s.a.)	%	Jan	6.9% 6.4%	6.8%	6.0% 6.4%
10:30	EUR	Portugal, GDP, preliminary	q/q y/y	4th quarter			0.3% 2.1%
11:00	EUR	GDP, preliminary	q/q y/y	4th quarter		0.2% 1.2%	0.2% 1.2%
11:00	EUR	Employment, preliminary	q/q y/y	4th quarter			0.2% 1.3%
14:30	USD	Initial jobless claims	1000				
14:30	USD	PPI	m/m y/y	Jan		0.1% 2.3%	-0.2% 2.5%
14:30	USD	PPI core	m/m y/y	Jan		0.2% 2.5%	-0.1% 2.7%
Friday, February 15, 2019				Period	Danske Bank	Consensus	Previous
2:30	CNY	CPI	y/y	Jan			1.9%
2:30	CNY	PPI	y/y	Jan	0.6%		0.9%
5:30	JPY	Industrial production, final	m/m y/y	Dec			-0.1% -1.9%
8:00	EUR	New car registrations		Jan			
8:00	NOK	Trade balance	NOK bn	Jan			25
8:00	NOK	Trade balance	NOK bn	Jan			25
9:00	ESP	HICP, final	m/m y/y	Jan		-1.7% 1.0%	-1.7% 1.0%
10:30	GBP	Retail sales ex fuels	m/m y/y	Jan		0.2% 3.0%	-1.3% 2.6%
11:00	EUR	Trade balance	EUR bn	Dec			15.1
14:00	EUR	ECB's Coeure speaks in New York					
14:30	USD	Empire Manufacturing PMI	Index	Feb		7.5	3.9
14:30	USD	Import prices	m/m y/y	Jan		-0.2% ...	-1.0% -0.6%
15:15	USD	Capacity utilization	%	Jan		78.8%	78.7%
15:15	USD	Industrial production	m/m	Jan		0.1%	0.3%
15:15	USD	Manufacturing production	m/m	Jan		0.2%	1.1%
16:00	USD	University of Michigan Confidence, preliminary	Index	Feb		94.0	91.2
22:00	USD	TICS international capital flow, Net inflow	USD bn	Dec			31.0

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Source: Danske Bank

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