

# Weekly Focus

## Another central bank turns very dovish

### Market movers ahead

- US retail sales will be important to gauge the strength of the US economy currently. We will also keep an eye on US CPI inflation and durable goods orders.
- On Brexit, three important votes are coming up.
- US-China trade talks are entering the final stage, which is also going to be the most difficult one, as challenges remain. The longer it takes to announce a summit between Donald Trump and Xi Jinping, the more markets will start to worry.
- In the euro area, focus is set to be on industrial production data, which fell sharply in December. Car sales should provide insight into how much of a rebound we can expect from the slump in 2018.
- The Bank of Japan is set to keep its policy stance unchanged at its meeting on Friday.
- In Scandinavia, focus turns to Swedish inflation numbers and Norway's regional network survey.

### Weekly wrap-up

- The ECB joined the Fed in taking a surprisingly dovish twist in its policy guidance and surprised the markets and ourselves by announcing a new series of liquidity measures (TLTRO3s). We no longer expect an ECB hike within our 12-month forecast horizon.
- EUR/USD and bond yields moved sharply lower on the surprise move by the ECB. Lower risk appetite added to the downward move in yields.

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### Financial views

#### Major indices

	08-Mar	3M	12M
10yr EUR swap	0.58	0.75	1.05
EUR/USD	112	113	117
ICE Brent oil	66	70	80

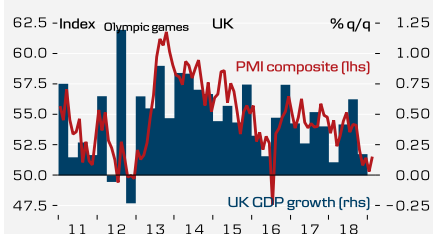
Source: Danske Bank

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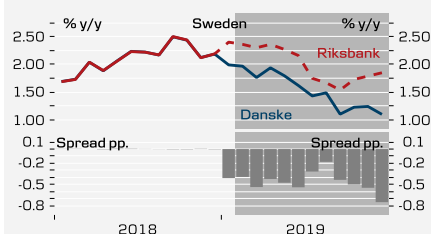
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### Brexit and global slowdown weigh on UK economy



Source: IHS Markit, ONS, Macrobond Financial

### Swedish inflation set to be lower than Riksbank forecast



Source: Danske Bank, Riksbank

### Editor

Chief Analyst  
Allan von Mehren  
+45 45 12 80 55  
[alvo@danskebank.dk](mailto:alvo@danskebank.dk)

# Market movers

## Global

- In the **US**, the most important data release next week is retail sales for January on Monday. In December, the retail sales control group fell by 1.8% m/m, which is the biggest drop since January 2000. It is concerning but our guess is that the drop was a one-off, as this release seems out of line with other data on consumer behaviour. We expect numbers to come in at 1.0% m/m (3.3% y/y, down from 3.5% y/y).

Next week also brings February CPI core which is due out on Tuesday. We expect CPI core rose +0.2% m/m in February implying a core inflation rate unchanged at 2.2% y/y. Moreover, we will keep an eye on the NFIB Small Business Optimism Index on Tuesday, given the recession fears in financial markets.

On Wednesday, capital goods data for January is to be released. New capital goods orders have been on a descending trend since September last year, indicating a slowdown in investments at the beginning 2019. Overall, we expect investments to continue growing in 2019 but probably not at the same pace as in 2017 and 2018.

On Thursday, we get January new home sales numbers. We will continue to keep an eye on the housing market which has begun to show weakness, probably driven by higher mortgage rates.

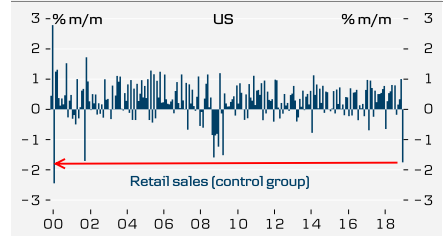
- In the **euro area**, we await the final February inflation figures on Friday. The preliminary print showed headline inflation increasing to 1.5% y/y from 1.4% y/y in January, while core inflation disappointed at 1.0% y/y from 1.1% y/y in January. We are particularly interested in the drivers of this fall in core inflation since the continued absence of transmission from wages to consumer prices is becoming an increasing worry for the ECB. Another important data print will be Wednesday's January industrial production, which in December came in at -4.2% y/y - the biggest decline since the financial crisis. Signs of a rebound here will be welcoming news for the ECB. Developments in the auto sector also remain in focus and hence we will keep an eye on the February new EU car registrations on Friday, where we look for a continuation of the recent months' rebound

- In the **UK**, everything is about the three key Brexit votes taking place next week. On Tuesday 12 March, the House of Commons will vote on a full Brexit deal (which is expected to be finalised with the EU27 on Sunday or Monday ahead of the vote). If it is voted down, the House of Commons will vote on whether it can support a no deal Brexit on Wednesday 13 March. If it also fails, the House of Commons will vote on whether to ask the EU27 for a short (2-3 month long) extension of Article 50 on Thursday 14 March. Our base case is May's deal will be rejected again (only 15% probability it will pass), that the House of Commons cannot support a no deal Brexit (95% probability) but will force May to ask for an extension (95% probability), which we expect the EU27 leaders to accept. The question is whether the EU27 leaders can support only a short extension, as it has hinted it prefers a longer one.

In terms of economic data releases, the most interesting one is the monthly GDP release for January on Tuesday. Based on the PMIs, growth in Q1 19 seems to be just 0.0-0.1% q/q. However, given the large drop in December, we would not be surprised to see a print to the high side.

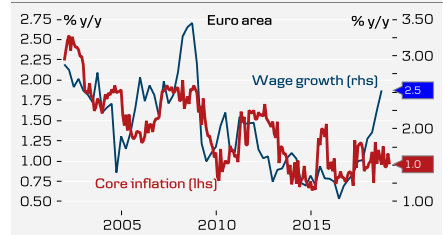
- The key focus in **China** next week will continue to be on trade talks with the US. We also get data on money growth and aggregate finance (credit). In January we saw a big

### We expect retail sales data to recover in January



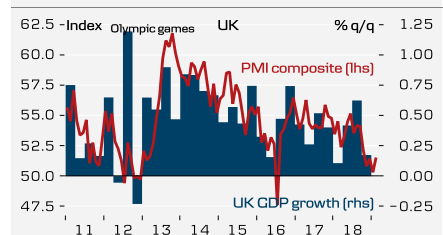
Source: NFIB, Macrobond Financial

### Still no signs of wage growth feeding into core inflation



Source: ECB, Eurostat, Macrobond Financial

### UK PMIs suggest very weak growth in Q1 19

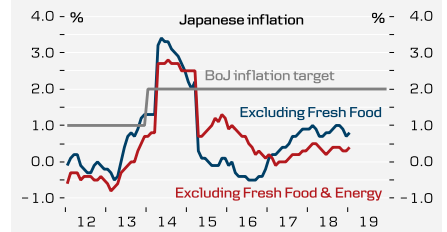


Source: IHS Markit, ONS, Macrobond Financial

jump in credit, which is likely to be reversed a bit in February. The week will also bring numbers on industrial production, retail sales and fixed asset investments. They are likely to remain quite soft in the short term before we expect to see improvement in Q2.

- In **Japan**, the Bank of Japan's (BoJ) monetary policy meeting next week will end on Friday. We expect the BoJ to keep its 'QQE with yield curve control' policy unchanged, and we expect it to move steadily forward with the current policy for the foreseeable future. The economy has proven fairly resilient to the global slowdown so far as domestic demand seems to be keeping growth on track. Governor Kuroda has said he expects the Chinese slowdown to be temporary. That means, the BoJ will remain patient and wait for the Philips curve to do its job, although the sticky labour market makes it a lengthy process. Non-permanent bonus payments are more likely to spike than base salaries, but this will also help consumption and inflation along. Following several years of bitter experience, the BoJ knows it is in for a long struggle.

**Inflation remains far from the target**



Source: Japanese Statistics Bureau, Bank of Japan, Macrobond Financial

**Scandi**

- **Danish** February CPI inflation is due on Monday. We expect inflation unchanged at 1.3%. January was full of surprises, many of which will remain in the index, such as heat energy. With the February print, much depends on the annual rent increase, which was historically low last year. We expect another low rent increase, which will contribute to another year with modest inflation, as rent constitutes as much as a fifth of total CPI. Besides rent, we have several potential jokers this month. Food prices surged and clothing prices decreased much less than usual in January. We expect a correction in February but there is some downside risk here. Hotel prices should increase again after a big decline in January. Prices on public transportation have been adjusted more than usual this year, which will push up the February figures. On the other hand, we expect the currently large contribution from package holidays to start declining.

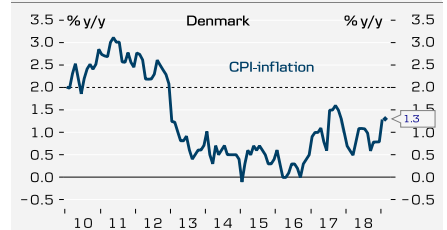
Foreign trade figures are also due on Monday. So far, the Danish economy has proved resilient to the global slowdown. In December, however, exports painted a very different picture to the robust industrial production figures by falling significantly. We are eager to see if this trend has turned, and January's industrial production figures tend to suggest it has.

- The focus in **Sweden** this week is surely on February inflation. Our base case is a partial rebound from January's dip. Still, this base case sees both CPIF and CPIF excluding Energy remaining well below the Riksbank's forecasts. We expect these at 2.0% y/y and 1.5% y/y which are 0.4pp and 0.3pp below the Riksbank's forecast respectively. You can read more about our stress test of the February outcome in *Reading the Markets Sweden*, published today.

Prospera is releasing its big Q1 inflation expectations survey. It is probably too soon to see any shift downwards yet.

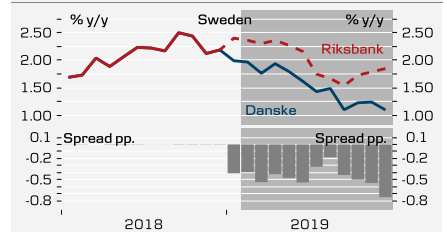
February LFS survey is out. After a setback in the summer of 2018, the decline in unemployment has resumed. That said, with a weakening domestic economy we are expecting the labour market to deteriorate, albeit very slowly.

**Inflation on the rise**



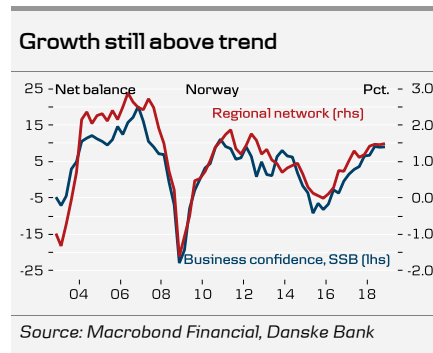
Source: Finance Denmark, Macrobond Financial

**CPIF should remain well below Riksbank in February**



Source: Danske bank, Riksbank

- In **Norway**, Norges Bank publishes the results of its latest regional network survey on Tuesday. This is the most important release in Norway and has proved a very good leading indicator of economic growth. The focus will probably be on the aggregated output index for the next six months, which has climbed steadily as the economy has left the oil crisis behind. In November, the index pointed to mainland GDP growth of around 3% in H1 this year. Since then, we have had very clear signals that the oil-driven upswing is continuing. All leading industrial indicators point to acceleration in manufacturing, and from experience we can assume that it will take a number of other sectors with it, such as services. All in all, therefore, we expect the aggregated output index for the next six months to be in the range 1.3-1.5, corresponding to annualised GDP growth of around 2.6-3%, which is well above trend. This spells a smaller output gap, which would support continued normalisation of monetary policy. Core inflation was a little lower than expected in January, due mostly to bigger price cuts on clothing, footwear and furniture than normal. It has nevertheless been above the 2% target for three straight months. Due to a negative base effect, we expect core inflation to slow further to 2.0% in February, but the risk is to the upside because there is a chance of clothing, footwear and furniture prices correcting in line with the historical pattern. Our forecast, on the other hand, is based partly on weak retail sales continuing to put downward pressure on prices in these segments.



Market movers ahead

Global movers			Event	Period	Danske	Consensus	Previous		
During the week			CNY	Money supply M2	y/y	Feb	8.4%	8.4%	
Mon	11-Mar	13:30	USD	Retail sales control group	m/m	Jan	1.0%	0.6%	-1.7%
Tue	12-Mar	-	GBP	House of Commons votes on Brexit deal					
		10:30	GBP	Monthly GDP estimate	m/m q/q	Jan	0.002 ...	0.002 0.002	-0.004 ...
		11:00	USD	NFIB small business optimism	Index	Feb	102.5	101.2	101.2
		13:30	USD	CPI core	m/m y/y	Feb	0.2% 2.2%	0.2% 2.2%	0.2% 2.2%
Wed	13-Mar	-	GBP	House of Commons votes on "no deal" Brexit					
		3:00	CNY	Industrial production	y/y	Dec			5.4%
		3:00	CNY	Retail sales	y/y	Dec			8.1%
		11:00	EUR	Industrial production	m/m y/y	Jan		0.5% -2.6%	-0.9% -4.2%
		13:30	USD	Core capital goods orders, preliminary	%	Jan		-0.1%	
Thurs	14-Mar	-	GBP	House of Commons votes on extension of Article 50					
		15:00	USD	New home sales	1000 (m/m)	Jan		628	621.0 (3.7%)
		17:00	USD	Fed's George (voter, hawkish) speaks					
Fri	15-Mar	8:00	EUR	New EU car registrations		Jan			
		11:00	EUR	HICP inflation	m/m y/y	Feb		0.3% 1.5%	-1.0% 1.4%
		11:00	EUR	HICP - core inflation	y/y	Feb		1.0%	1.0%
Scandi movers									
Mon	11-Mar	8:00	NOK	CPI	m/m y/y	Feb		0.5 2.6%	-0.5% 3.1%
		8:00	DKK	CPI	m/m y/y	Feb	... 1.3%		0.2% 1.3%
		8:00	DKK	Trade balance ex ships	DKK bn	Jan			6.5
		8:00	NOK	Core inflation (CPI-ATE)	m/m y/y	Feb	... 2.0%	0.7% 2.1%	-0.7% 2.1%
Tue	12-Mar	9:30	SEK	CPI ex energi	m/m y/y	Jan		1.4% ...	1.4% ...
		9:30	SEK	CPI	m/m y/y	Feb	... 1.5%	0.7% 2.1%	-1.0% 2.0%
		9:30	SEK	CPI	m/m y/y	Feb	... 2.0%	0.8% 2.0%	-1.0% 1.9%
		10:00	NOK	Norges Bank Regional Network Report: Output next	Index	Jan			1.5
Wed	13-Mar	8:00	SEK	Prospera inflation expectations					

Source: Bloomberg, Danske Bank

# Weekly Wrap-Up

## ECB takes everyone by surprise

- On 7 March, the ECB surprised the markets and us by announcing a series of TLTRO3s** starting in September 2019 and running until March 2021, each with a two-year maturity. The ECB further extended the forward guidance for rates to remain at current levels ‘at least through the end of 2019’. The trigger for the renewed ECB dovishness is its concern about the macroeconomic outlook, as it downgraded both its growth and inflation outlooks markedly. At the same time, the central bank did not preclude further easing. Consequently, we change our interest rate expectations and do not factor in any rate changes for either of the ECB’s key interest rates over our forecast horizon in the next 12 months (for more details see *Flash Comment ECB Review – A postcard from Japan*, 7 March).
- Reflecting the same concerns about the state of the world economy, the OECD cut its estimate for global growth in 2019 from 3.5% to 3.3%.** The OECD has become more concerned about the outlook for the global economy due to the trade war, slowing growth in China and the fragile eurozone. It has revised down its growth expectations for almost all G20 economies, with particularly large revisions in the euro area for both 2019 and 2020.
- Meanwhile, trade discussions between the US and China are nearing the final — and possibly — most challenging phase.** It is typical at this stage that the most difficult parts of the negotiations need to be resolved — in this case, it is how to ensure that a deal can be enforced from the US side. A solution could be a conditional reduction in US tariffs based on China fulfilling its side of the deal, such as details concerning intellectual property rights, forced transfer of technology and buying of US goods. We are convinced President Donald Trump will go far to get a trade deal, as the alternative of no-deal would mean a significant equity market sell-off and upsetting US farmers, who are among key Trump supporters — such a scenario would be detrimental to his chances of winning the 2020 presidential elections. Nevertheless, we can still see market volatility as a deal gets closer.

## Financial market developments

- The ECB meeting caused a significant reaction in the financial markets.** The new TLTROs combined with the new extended forward guidance and the message that the ECB stands ready (Draghi underlined the easing bias at the press conference) to do more if necessary was positive for market sentiment. In general, European yields fell and the German 10-year yield may fall into negative territory again. After a strong start to the year, the equity rally paused this week seeing a reality check amid the still weak global macro numbers and outlook.
- In light of the very soft ECB message, the EUR/USD nosedived from just above the 1.13 mark to below 1.12.** Near term, we expect EUR/USD to remain below the 1.12 mark. With the risk of pockets of USD strength from renewed pricing of Fed hikes and a trade deal that will not provide much imminent support, this opens the possibility for a EUR/USD move towards 1.10 on a 3M horizon. Over the medium term (3-6M out), we expect EUR/USD to stabilise and move back into the 1.12-1.16 range and we stress that any drift higher would be limited, with any upside deriving mainly from positive spillover to the euro area from a turn in the global (China) cycle.

### Financial views

Major indices			
	08-Mar	3M	12M
10yr EUR swap	0.58	1.10	1.40
10yr US swap	2.65	3.35	3.55
ECB key rate	-0.40	-0.40	-0.20
Fed funds rate	2.50	2.50	3.00
EUR/SEK	1064	1040	1020
EUR/NOK	988	950	930
EUR/USD	112	113	117
ICE Brent oil	66	70	80

Source: Danske Bank

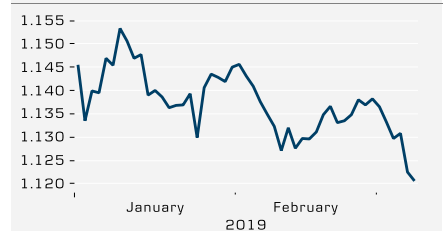
### A more cautious ECB macro outlook

ECB projections March 2019	2019	2020	2021
GDP growth	1.1% (1.7%)	1.6% (1.7%)	1.5% (1.5%)
HICP inflation	1.2% (1.6%)	1.5% (1.7%)	1.6% (1.8%)
Core inflation	1.2% (1.4%)	1.4% (1.6%)	1.6% (1.8%)
Wage growth	2.1% (2.1%)	2.4% (2.5%)	2.6% (2.7%)

Parenthesis are the old ECB projections (from December 2018)

Source: ECB, Danske Bank

### ECB triggers a nosedive in EUR/USD



Source: Bloomberg, Macrobond Financial

# Scandi update

## Denmark – Solid DKK and rate hikes still a long way off

Danmarks Nationalbank released currency reserve figures for February last week, and they showed the central bank had not intervened on behalf of the Danish krone (DKK). This follows on the heels of two months (December and January) in which Danmarks Nationalbank bought krone – and thus sold off some of its currency reserves – to avert a significant weakening of the DKK against the euro (EUR). The central bank intervening in December and January had fuelled speculation that it might raise interest rates, but this is now off the table, as the DKK looks solid and has strengthened since the start of the year. We still expect Danmarks Nationalbank will wait for the European Central Bank to move on interest rates, and that will be in December at the earliest in our view.

New house price figures for December were released by Statistics Denmark in the past week. They showed a pronounced fall of 3.0% in apartment prices, while house prices rose 0.8% from November to December. Other price indices show a flatter movement in apartment prices, also in the opening months of this year. Looking at prices year-on-year, apartment prices are up 1.6% and house prices 4.2%. We have now become accustomed to the housing market moving at different speeds, with house prices continuing to quietly crawl higher while apartment prices move sideways.

Finally, industrial production figures – excluding pharmaceuticals – showed a small drop of 0.6% from December to January. However, the figure is still above the Q4 level. Production in the pharmaceutical industry, meanwhile, rose by a whopping nearly 50% in December, but returned to more normal levels in January.

## Sweden – GDP still signals a slowdown in Q1

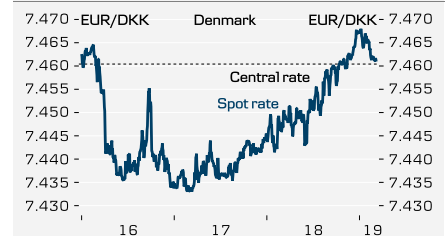
January’s private sector PVI (production value index) dropped 0.7 % m/m in January, pulling down the y/y increase from an overly high 5.0% in December to a more reasonable 2.1% in January. This input leaves our GDP indicator roughly unchanged at just below 1% y/y for Q1 19. This is considerably below the official Q4 GDP print of 2.4% y/y but is quite reasonable as the latter was driven by unusual factors. So far, however, there is very little data for Q1. Note that industrial orders dipped into negative territory, suggesting a further decline in production growth in February.

Swedish composite PMI rose in February after a gradual decline throughout 2018. It remains to be seen whether this is a bottoming sign or not. That would depend to a large extent on Eurozone data.

## Norway – Manufacturing upswing continues

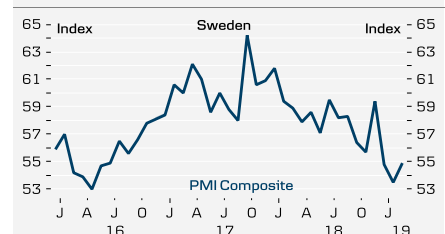
While industrial production fell moderately in January, the underlying trend is still clearly positive despite the global manufacturing downturn. In all probability this is a result of oil-related industries beginning to feel the effects of growing investment in the North Sea. The underlying data shows that activity in oil-related industries grew by almost 9% y/y in January, while mainland manufacturing was more or less flat. We expect this trend to continue during the year, since we anticipate an increase in oil investment of around 13% in 2019. We also expect the global manufacturing climate to improve gradually, which would put wind in the sails of export-oriented mainland manufacturers.

**DKK has strengthened since the start of the year**



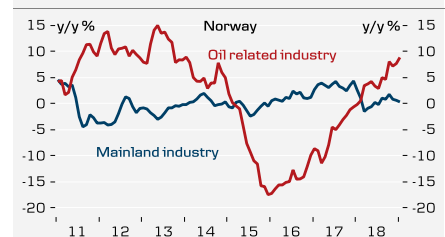
Source: Statistics Denmark, Macrobond Financial, Danske Bank

**Small bounce in composite PMI**



Source: Swedbank

**Oil-driven manufacturing upswing**



Source: Macrobond Financial, Danske Bank

## Latest research from Danske Bank

### *7/3 ECB Review - A postcard from Japan*

Today, the ECB surprised us by announcing a series of TLTRO3 starting in September 2019 and continuing until March 2021, each with a two-year maturity. The ECB further extended the rate forward guidance to rates remaining at present levels 'at least through the end of the 2019'

### *6/3 Euro Area Macro Monitor - Tentative signs of spring*

In the euro area economy, the first flowers have started to bloom, with February's Service PMIs showing a rebound.

### *4/3 Flash Comment Denmark: Stronger DKK ends need for FX intervention*

The Danish FX reserve was unchanged in February as a stronger DKK ended the need for FX intervention.

### *4/3 Macro Strategy Views Podcast: How the Fed and China drive global inflation and what it means for Sweden*

The Fed's substantial dovish policy shift has lifted marked-based inflation expectations in the US, which might help anchor global inflation expectations.

### *4/3 Euro Area Research - Is the euro area heading for recession?*

In this publication we introduce our Danske growth tracker for the euro area.

## 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	1.2	2.4	0.5	5.0	0.5	2.9	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	0.5
	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	2.0	1.5	0.9	-0.8	0.9	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 <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	1.8	1.3	1.0	3.1	3.0	2.9	1.8	2.3	8.2	-0.6	86.9	3.8
	2019	1.3	1.2	2.3	2.7	2.8	3.5	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	1.4	2.4	7.5	-0.7	82.8	3.6
Germany	2018	1.5	0.9	1.0	2.7	2.2	3.4	1.9	3.0	3.4	1.6	60.1	7.8
	2019	1.0	1.0	2.8	3.3	2.3	4.6	1.8	3.2	3.1	1.2	56.7	7.3
	2020	1.4	1.6	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 <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	5.3	3.9	4.6	2.4	3.0	3.9	-4.0	106.0	-3.2
	2019	2.5	2.6	1.7	3.3	2.6	3.9	1.8	3.2	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	1.4	1.9	0.2	0.0	0.2	0.8	2.5	3.0	4.1	-1.3	85.0	-3.3
	2019	1.2	1.8	1.3	-0.7	1.5	2.2	1.6	3.5	3.9	-1.5	84.1	-3.2
	2020	1.4	1.7	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	08-Mar	2.50	2.59	2.58	2.65	112.1	-	665.6	881.2	949.1
	+3m	2.50	2.95	2.75	2.80	113.0	-	660.0	840.7	920.4
	+6m	2.75	3.00	3.05	2.95	115.0	-	648.3	817.4	887.0
	+12m	3.00	3.28	3.15	2.95	117.0	-	637.2	794.9	871.8
EUR	08-Mar	-0.40	-0.31	-0.19	0.58	-	112.1	746.0	987.7	1063.8
	+3m	-0.40	-0.31	-0.15	0.75	-	113.0	745.8	950.0	1040.0
	+6m	-0.40	-0.31	-0.15	0.90	-	115.0	745.5	940.0	1020.0
	+12m	-0.40	-0.31	0.20	1.05	-	117.0	745.5	930.0	1020.0
JPY	08-Mar	-0.10	-0.07	-0.03	0.14	125.6	111.0	5.94	7.86	8.47
	+3m	-0.10	-	-	-	124.3	110.0	6.00	7.64	8.37
	+6m	-0.10	-	-	-	126.5	110.0	5.89	7.43	8.06
	+12m	-0.10	-	-	-	131.0	112.0	5.69	7.10	7.78
GBP	08-Mar	0.75	0.84	1.07	1.37	85.6	130.9	871.1	1153.3	1242.2
	+3m	0.75	0.86	1.20	1.60	84.0	134.5	887.9	1131.0	1238.1
	+6m	0.75	0.83	1.30	1.65	83.0	138.6	898.2	1132.5	1228.9
	+12m	1.00	1.07	1.70	1.90	83.0	141.0	898.2	1120.5	1228.9
CHF	08-Mar	-0.75	-0.70	-0.61	0.13	113.2	101.0	659.1	872.7	940.0
	+3m	-0.75	-	-	-	114.0	100.9	654.2	833.3	912.3
	+6m	-0.75	-	-	-	115.0	100.0	648.3	817.4	887.0
	+12m	-0.75	-	-	-	117.0	100.0	637.2	794.9	871.8
DKK	08-Mar	-0.65	-0.32	-0.10	0.69	746.0	665.6	-	132.4	142.6
	+3m	-0.65	-0.32	-0.05	0.90	745.8	660.0	-	127.4	139.4
	+6m	-0.65	-0.32	-0.05	1.05	745.5	648.3	-	126.1	136.8
	+12m	-0.65	-0.32	0.30	1.20	745.5	637.2	-	124.7	136.8
SEK	08-Mar	-0.25	-0.07	0.08	0.93	1063.8	949.1	70.1	92.8	100.0
	+3m	-0.25	-0.15	0.00	1.25	1040.0	920.4	71.7	91.3	-
	+6m	-0.25	-0.20	0.00	1.30	1020.0	887.0	73.1	92.2	-
	+12m	-0.25	-0.20	0.00	1.35	1020.0	871.8	73.1	91.2	-
NOK	08-Mar	0.75	1.30	1.57	1.97	987.7	881.2	75.5	100.0	107.7
	+3m	1.00	1.61	1.80	2.15	950.0	840.7	78.5	-	109.5
	+6m	1.00	1.69	1.95	2.35	940.0	817.4	79.3	-	108.5
	+12m	1.25	1.91	2.20	2.55	930.0	794.9	80.2	-	109.7

## Commodities

	08-Mar	2019				2020				Average	
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2019	2020
ICE Brent	66	65	70	75	80	80	80	80	80	72	80

Source: Danske Bank

# Calendar

## Key Data and Events in Week 11

During the week				Period	Danske Bank	Consensus	Previous
Sat 09	CNY	CPI	y/y	Feb		1.5%	1.7%
Sat 09	CNY	PPI	y/y	Feb		0.2%	0.1%
Sat 09	USD	Fed chair Powell (voter, neutral) speaks					
Sun 10	CNY	Money supply M2	y/y	Feb		8.4%	8.4%
Monday, March 11, 2019				Period	Danske Bank	Consensus	Previous
8:00	NOK	CPI	m/m y/y	Feb		0.5 2.6%	-0.5% 3.1%
8:00	NOK	PPI	m/m y/y	Feb			0.3% 4.9%
8:00	DKK	Current account (nsa sa)	DKK bn	Jan			... 17.4
8:00	DKK	CPI	m/m y/y	Feb	...  <b>1.3%</b>		0.2% 1.3%
8:00	DEM	Industrial production	m/m y/y	Jan		0.4% -3.4%	-0.4% -3.9%
8:00	DEM	Trade balance	EUR bn	Jan		13.5	14.3
8:00	DEM	Labour costs	q/q y/y	4th quarter			1.0% 2.7%
8:00	DKK	Trade balance ex ships	DKK bn	Jan			6.5
8:00	DKK	Exports	m/m	Jan			
8:00	NOK	Core inflation (CPI-ATE)	m/m y/y	Feb	...  <b>2.0%</b>	0.7% 2.1%	-0.7% 2.1%
13:30	USD	Retail sales control group	m/m	Jan	<b>1.0%</b>	0.6%	-1.7%
Tuesday, March 12, 2019				Period	Danske Bank	Consensus	Previous
-	GBP	House of Commons votes on Brexit deal					
9:30	SEK	CPI ex energi	m/m y/y	Jan		1.4% ...	1.4% ...
9:30	SEK	CPI	m/m y/y	Feb	...  <b>1.5%</b>	0.7% 2.1%	-1.0% 2.0%
9:30	SEK	CPI	m/m y/y	Feb	...  <b>2.0%</b>	0.8% 2.0%	-1.0% 1.9%
10:00	NOK	Norges Bank Regional Network Report: Output next 6M	Index	Jan			1.5
10:30	GBP	Monthly GDP estimate	m/m q/q	Jan	<b>0.002 ...</b>	0.002 0.002	-0.004 ...
10:30	GBP	Index of services	m/m 3m/3m	Jan		-0.2% 0.5%	-0.2% 0.4%
10:30	GBP	Trade balance	GBP mio.	Jan		-3371	-3229
11:00	USD	NFIB small business optimism	Index	Feb		102.5	101.2
13:30	USD	CPI headline	m/m y/y	Feb		0.2% 1.6%	0.0% 1.6%
13:30	USD	CPI core	m/m y/y	Feb	<b>0.2% 2.2%</b>	0.2% 2.2%	0.2% 2.2%
Wednesday, March 13, 2019				Period	Danske Bank	Consensus	Previous
-	GBP	House of Commons votes on "no deal" Brexit					
3:00	CNY	Industrial production	y/y	Dec			5.4%
3:00	CNY	Retail sales	y/y	Dec			8.1%
8:00	SEK	Prospera inflation expectations					
9:00	ESP	HICP	m/m y/y	Feb		0.2% 1.1%	0.2% 1.1%
11:00	EUR	Industrial production	m/m y/y	Jan		0.5% -2.6%	-0.9% -4.2%
13:30	USD	Core capital goods orders, preliminary	%	Jan		-0.1%	
13:30	USD	PPI	m/m y/y	Feb		0.2% 1.9%	-0.1% 2.0%
13:30	USD	PPI core	m/m y/y	Feb		0.2% 2.6%	0.3% 2.6%
15:00	USD	Construction spending	m/m	Jan		0.6%	-0.6%
15:30	USD	DOE U.S. crude oil inventories	K				7069

Source: Danske Bank

## Calendar (continued)

Thursday, March 14, 2019			Period	Danske Bank	Consensus	Previous
-	GBP	House of Commons votes on extension of Article 50				
1:01	GBP	RICS house price balance	Index	Feb	-0.2	-0.2
3:00	CNY	Fixed assets investments	y/y	Feb	6.0%	5.9%
8:00	DEM	HICP	m/m y/y	Feb	0.5% 1.7%	0.5% 1.7%
8:45	FRF	HICP	m/m y/y	Feb	0.1% 1.5%	0.1% 1.5%
9:30	SEK	Unemployment (n.s.a. s.a.)	%	Feb		6.5% 6.0%
12:00	EUR	Ireland, GDP	q/q y/y	4th quarter		0.9% 4.9%
13:30	USD	Initial jobless claims	1000			223
13:30	USD	Import prices	m/m y/y	Feb	0.3% ...	-0.5% -1.7%
15:00	USD	New home sales	1000 (m/m)	Jan	628	621.0 (3.7%)
17:00	USD	Fed's George (voter, hawkish) speaks				
Friday, March 15, 2019			Period	Danske Bank	Consensus	Previous
-	JPY	BoJ policy rate	%		-0.1%	-0.1%
8:00	NOK	Trade balance	NOK bn	Feb		28.8
8:00	EUR	New EU car registrations		Jan		
11:00	EUR	HICP inflation	m/m y/y	Feb	0.3% 1.5%	-1.0% 1.4%
11:00	EUR	HICP - core inflation	y/y	Feb	1.0%	1.0%
11:00	ITL	HICP	m/m y/y	Feb	... 1.2%	... 1.2%
13:30	USD	Empire Manufacturing PMI	Index	Mar	10.0	8.8
14:15	USD	Capacity utilization	%	Feb	78.8%	78.2%
14:15	USD	Industrial production	m/m	Feb	0.6%	-0.6%
14:15	USD	Manufacturing production	m/m	Feb	0.5%	-0.9%
15:00	USD	University of Michigan consumer confidence, prelimina	Index	Mar	95.8	93.8
17:00	USD	Fed's George (voter, hawkish) speaks				
21:00	USD	TICS international capital flow, Net inflow	USD bn	Jan		-33.1

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

Source: Danske Bank

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**Report completed:** 8 March 2019, 13:00 CEST

**Report first disseminated:** 8 March 2019, 13:10 CEST