

Weekly Focus

Scandi inflation takes centre stage

Market movers ahead

- In the euro area we have a packed week with Spanish elections, a potential decision on US car tariffs and the German Q3 GDP figures coming up.
- Several Fed speeches and US retail sales figures will be scrutinised by the market for changes to the monetary policy outlook.
- In the China focus continues to be on the trade negotiations with the US, while we expect macro data to confirm a soft picture with moderate signs of recovery.
- In Japan we expect solid GDP growth of around 0.5% q/q in Q3.
- In Scandinavia, inflation figures for October and labour market data will take the limelight, especially in Sweden.

Contents

Market movers	2
Weekly Wrap-Up	6
Scandi update	7
Latest research from Danske Bank	8
Macroeconomic forecast	9
Financial forecast	10
Calendar	11

Weekly wrap-up

- Further optimism that the trade war has peaked and a phase one deal is in the pipeline, including a roll-back of some tariffs.
- Building consensus that the Fed should wait and see how things play out before acting again.
- The Bank of England shifts from a neutral policy stance to a dovish one.
- Risk appetite returns on the back of the further trade deal optimism, pushing US and European yields higher.

Financial views

Major indices

	08-Nov	3M	12M
10yr EUR swap	0.14	-0.20	-0.10
EUR/USD	110	111	115
ICE Brent oil	62	65	60

Source: Danske Bank

Follow us on Twitter



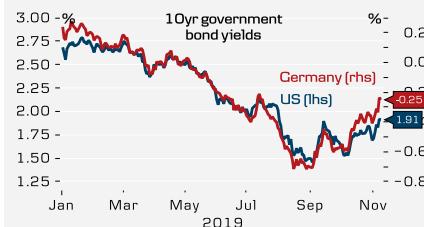
@Danske_Research

Is Germany slipping into 'technical recession' in Q3?



Source: Eurostat, Markit, Macrobond Financial

Yields have risen since the bottom in August



Source: Bloomberg, Macrobond Financial

Editor

Senior Analyst

Aila Mihr
+45 45 12 85 35
amih@DanskeBank.dk

Market movers

Global

- In the **US**, CPI core for October is due out Wednesday. The last couple of months, CPI core has surprised on the upside, but we do not expect this to be the beginning of a new trend given the low inflation expectations. We expect CPI core rose 0.2% m/m in October, which translates to an unchanged inflation rate at 2.4%.

On Friday, retail sales for October are due for release. The past couple of months, retail sales have come in weaker, reflecting lower but still decent consumption growth. In light of the weakness in the manufacturing sector, we will keep an eye on whether private consumption growth can keep up the pace. While a negative surprise is long overdue given the volatility of the time series, fundamentals still look strong and we expect an increase of 0.4% m/m.

Next week, we will also focus on several Fed speeches. The Fed speeches after the October cut suggest most FOMC members, even the doves, think the current stance of monetary policy is appropriate and that data need to deteriorate further before it will cut again. We expect the FOMC members to send the same signal next week, in particular when Powell speaks before the US Congress on Wednesday.

- In the **euro area** we have an important week ahead of us. On Sunday, Spain will host its fourth election in four years as Prime Minister Sanchez failed to strike a deal with far left Podemos after the latest elections in April. Sanchez now hopes to gather enough support to govern, but recent polls show falling support for PSOE and again no party or block is likely to get an absolute majority in the highly fragmented parliament. For markets, a left-wing government supported by nationalist parties would be slightly market unfriendly in the near term, whereas a PSOE minority government with right wing abstention should be market friendly in the near term due to the possibility of market-oriented reforms.

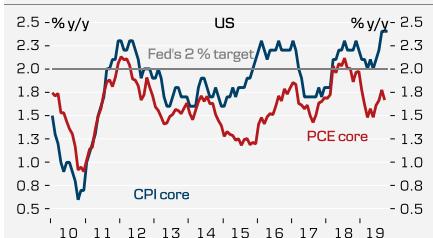
On Wednesday, US President Trump will most likely announce whether or not he will impose additional tariffs on cars imported from the EU. Additional tariffs would be the last nail in the coffin for the already weak euro area manufacturing (and car) sector, just as signs of a stabilisation are becoming more abundant. However, it will also be a hard hit to US consumers, which President Trump will be keen to avoid going into the 2020 Presidential elections. Furthermore, US Commerce Secretary Wilbur Ross lately indicated that tariffs could be off the table for now after ‘good conversations’ with car manufacturers about potential production relocations. Nevertheless, investors should keep a very close eye on the announcement.

Also on Wednesday we get the September industrial production figures. The question is whether the stabilisation in the latest manufacturing PMIs shows up in the production figures. We expect the figures to confirm that the manufacturing sector has stayed in recession in Q3.

In Germany, we look out for the November ZEW indicator on Tuesday and the first Q3 GDP print on Thursday. German PMIs took a further plunge in Q3 pointing to the second consecutive quarter with negative growth (and so-called ‘technical recession’). It now seems like the service sector cannot compensate for the weakness of the ongoing industrial recession. Thus we look for a growth rate of -0.1% q/q.

On Friday we get the final October HICP figures, which will give us details of what drove the surprising uptick in euro area core inflation to 1.1%.

CPI core has surprised on the upside



Source: US Census Bureau, BEA

Is Germany slipping into ‘technical recession’ in Q3?



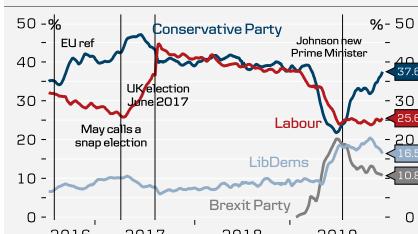
Source: Eurostat, Markit, Macrobond Financial

- In the UK, focus is on the election on 12 December and its outcome. We are probably going to hear a lot about opinion polls but unfortunately it is very difficult to predict the outcome from polls. See more in *Brexit Monitor: Election is an EU referendum in disguise – difficult to predict the outcome from polls*, 30 October.

Otherwise we have a busy week ahead of us in terms of economic data releases, which will be interesting in the light of the dovish message sent by the Bank of England this week. On Monday, the monthly GDP estimate for September is due. Given the weak PMIs, growth seems to remain sluggish but there might have been a positive contribution from stockpiling ahead of the previous 31 October Brexit deadline. On Tuesday, the jobs report for September is due out, which will be interesting, as the last couple of reports have shown decreasing employment. On Wednesday CPI inflation for October is due out and retail sales for October are out on Thursday.

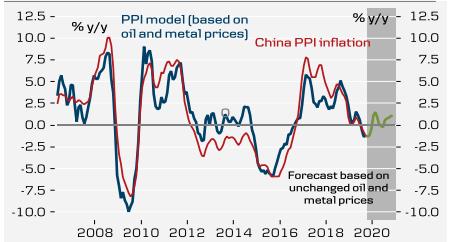
- In China focus continues to be on the trade negotiations with the US. The timing of a phase one deal as well as how extensive it will be are the key factors to watch. On the data front we get CPI and PPI inflation on Sunday, which will likely show a further rise in CPI inflation to 3.4% in October from 3.0% in September due to the rising pork prices related to the African swine fever crisis. We expect PPI inflation to stay in deflationary territory around the current level of -1.3% for the rest of the year before moving into positive territory in early 2020. Next week we have retail sales, industrial production and monetary and credit growth in the pipeline. We look for the data to confirm a soft picture with moderate signs of recovery.
- In Japan, we get the first Q3 national account figures on Thursday and we expect solid GDP growth of around 0.5% q/q. Export volumes have been solid and consumers have frontloaded ahead of the October VAT hike. PMIs have also held up nicely, at least through Q3.

Conservatives have surged further in polls



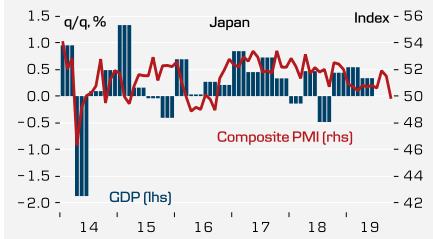
Source: British elects, Macrobond Financial

China PPI deflation with us for a while longer



Source: Macrobond Financial, Markit, NBS

Strong Q3 in Japan, but downturn ahead



Source: Japanese Cabinet Office, IHS Markit, Macrobond Financial

Scandi

- The coming week promises a series of interesting data in **Denmark**, with Monday looking particularly interesting – both current account and export figures are due for September as well as inflation figures for October. Danske Bank's export barometer took a pronounced dive in September, which does not bode well for the upcoming export figures, though inventory building in the UK could have pulled a little in the other direction. Industrial production, which was strong again in September, could presumably also have a positive impact on exports.

We expect inflation to remain unchanged at 0.5% in October. Fuel prices, in particular, will tend to pull inflation lower as last year's large October increase in diesel prices slips out of the data. Pulling in the other direction are electricity prices, which are set to rise on the back of an increase in the PSO tariff in Q4. Pork prices, too, look set to increase significantly on the back of the swine flu epidemic in China.

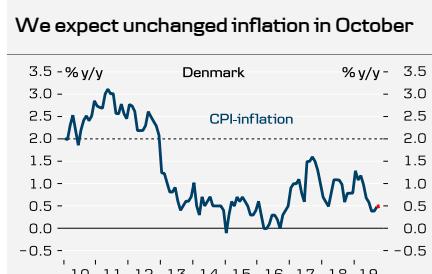
Statistics Denmark is scheduled to release its GDP indicator for Q3 on Thursday. Other indicators are almost unanimously pointing higher, with both exports and private consumption looking strong, and industrial activity rather buoyant in Q3. We expect growth of 0.5% q/q.

- We expect **Swedish** October CPIF and CPIF excl. Energy (Wednesday) to print 1.5% y/y and 1.7% y/y, respectively, slightly up from the previous month. That is, however, 0.1 percentage points below the Riksbank's forecasts. We expect very small price changes m/m, which is normal. Together with other data such as declining inflation expectations, weak PMIs and a deteriorating labour market this might increase the pressure on the Riksbank's pricing ahead of the December meeting. The market currently prices about 20bp or 80% probability, which is roughly in line with our own subjective probability for a hike.

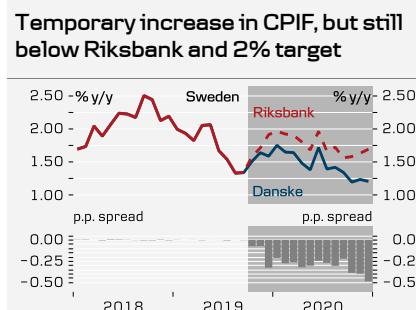
Prospera releases November money market inflation expectations on Tuesday. Our hunch is that they are likely to remain unchanged or decline further.

The October LFS survey will definitely be scrutinised on Thursday, despite the fact that Statistics Sweden has revealed that the data in the past 15 months has been faulty. That said, we get the feeling that there has been too much emphasis on this, disregarding Statistics Sweden's message that the unemployment rate has been higher in July 2018–July 2019 and lower over the past three months relative to the published figures. Regressing other available labour market data on LFS unemployment rate confirms that view, but still suggests that the unemployment rate has been close to 7% in recent months. We do not make any forecasts this time.

- In **Norway**, core inflation has slowed from its April peak with reductions in both domestic and imported inflation. Since capacity utilisation still seems high, there is little reason to expect any significant disinflation when it comes to domestic goods and services. At the same time, the NOK has weakened further, which would suggest higher imported inflation ahead, although it may fluctuate considerably from month to month. In addition, both food prices and airfares fell abnormally far in October last year. We therefore expect core inflation (Monday) to climb to 2.3% y/y in October. Due to high power prices in October, headline inflation too will pick up again after falling all year. GDP growth has held up impressively in the face of the global slowdown. Although Norges Bank's regional network survey is pointing to slightly weaker growth ahead, the monthly GDP numbers have been solid. There is still strong growth in oil investment and government demand, the most important drivers, and other business investment is also growing faster than normal. We therefore expect mainland GDP



Source: Statistics Denmark, Macrobond Financial, Danske Bank



Source: SCB, Riksbank, Danske Bank



Source: Norges Statistik, Macrobond Financial, Danske Bank

(Tuesday) to climb 0.8% q/q in Q3. We will also be keeping an eye on the numbers for wage growth in Q3 and vacancies, both of which are very important for our view that the labour market remains tight and wage growth high.

Market movers ahead								
Global movers			Event		Period	Danske	Consensus	Previous
During the week	Sat 09	CNY	Money supply M2	y/y	Oct	8.4%	8.4%	8.4%
	Sat 09	CNY	PPI	y/y	Oct	-1.3%	-1.5%	-1.2%
	Sat 09	CNY	CPI	y/y	Oct	3.4%	3.4%	3.0%
	Sun 10	EUR	General elections in Spain					
Mon	11-Nov	10:30	GBP	Monthly GDP estimate	m/m q/q	Sep	-0.1% 0.4%	-0.1% ...
Tue	12-Nov	11:00	DEM	ZEW expectations	Index	Nov	-14.0	-22.8
Wed	13-Nov	-	EUR	US president Trump will announce his decision on EU car tariffs				
		10:30	GBP	CPI core	y/y	Oct	1.7%	1.7%
		11:00	EUR	Industrial production	m/mly/y	Sep	-0.3% -2.3%	0.4% -2.8%
		14:30	USD	CPI core	m/mly/y	Oct	0.2% 2.4%	0.1% 2.4%
Thurs	14-Nov	0:50	JPY	GDP, preliminary	q/q ann.	3rd quarter	0.5% ...	0.3% 1.3%
		3:00	CNY	Industrial production	y/y	Oct	5.4%	5.8%
		3:00	CNY	Retail sales	y/y	Oct	7.8%	7.8%
		8:00	DEM	GDP, preliminary	q/qly/y	3rd quarter	-0.1% 0.5%	-0.1% 0.4%
		10:30	GBP	Retail sales ex fuels	m/mly/y	Oct	0.3% 3.6%	0.2% 3.0%
Fri	15-Nov	14:30	USD	Retail sales control group	m/m	Oct	0.4%	0.3%
Scandi movers								
Mon	11-Nov	8:00	NOK	Core inflation (CPI-ATE)	m/mly/y	Oct	0.2% 2.3%	0.2% 2.3%
		8:00	DKK	CPI	m/mly/y	Oct	.. 0.5%	-0.2% 0.5%
Tue	12-Nov	8:00	NOK	GDP [mainland]	q/q	3rd quarter	0.8%	0.8%
Wed	13-Nov	9:30	SEK	Underlying inflation CPIF	m/mly/y	Oct	.. 1.7%	0.0% 1.5%
Thurs	14-Nov	8:00	DKK	GDP indicator	q/q	3rd quarter	0.5%	0.8%
		9:30	SEK	Unemployment (n.s.a.)	%	Oct		7.1% 7.4%

Source: Bloomberg, Danske Bank

Weekly Wrap-Up

Risk rally on the back of further trade deal optimism

Main macro themes

- This week provided further optimism that the trade war has peaked and a phase one deal is in the pipeline** – a deal that could include a roll-back of some tariffs (see *Reuters*). China is pushing the US to cancel the tariff increase in December and remove the 15% tariff rate imposed on 1 September on Chinese goods worth USD125bn. According to Reuters, China also aims for relief from 25% tariffs put on goods worth USD250bn. White House spokesperson Stephanie Grisham told Fox News on Thursday the US is ‘very, very optimistic’ about completing a trade deal. **We look for the signing of a phase one deal in late November or early December** and expect it to include a rollback of the 1 September 15% tariff hike. For more details, see *China Weekly Letter – The tide has turned – we lower our USD/CNY forecast*, 8 November.
- The EU Commission lowered euro area growth forecasts for 2019 and 2020 to 1.1% and 1.2%**, respectively (versus 1.2% and 1.4%, respectively, previously). There was a clear call to step up fiscal policy in countries with fiscal space to strengthen Europe’s resilience and support growth.
- The Bank of England shifted from a neutral policy stance to a dovish one** at its meeting this week. Against expectations, two policymakers voted in favour of cutting the policy rate. More could soon follow suit if the economy remains weak.
- Since the Fed cut last week, many FOMC members have talked openly about their own views and **it seems that there is now consensus that the Fed should wait and see how things play out before acting again**. Most US economic indicators have been improving, not least the US jobs report released a week ago.

Financial market developments

- Risk appetite amid ‘good news’ regarding trade talks has infused optimism to stock markets and was the key driver for both FX and fixed income markets on Thursday.**
- Both US and European yields rose significantly on the back of the further trade deal optimism.** On Thursday, US 10-year Treasury yields rose from 1.80% early in the morning to 1.97% in the afternoon. Yields have now declined back to 1.90%. Ten-year German government bond yields have risen almost 50bp from the low level seen in August, while two-year yields have risen some 30bp since August.
- In the FX markets**, the SEK, CAD, AUD and NZD have been winners over the past month in the equity rally amid market hopes of a cyclical turn but over the past week, strong Norwegian data alongside higher gas and oil prices have brought the NOK into good company. In contrast, the JPY and CHF have underperformed.
- USD/CNY has moved below 7.0 on the positive trade news and we have lowered our forecast to 6.8 in 12 months from 7.0 previously** (see *China Weekly Letter – The tide has turned – we lower our USD/CNY forecast*, 8 November).

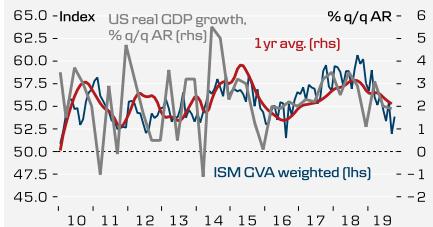
Financial views

Major indices

	08-Nov	3M	12M
10Yr EUR swap	0.14	-0.20	-0.10
10Yr US swap	1.82	1.30	1.10
ECB key rate	-0.50	-0.50	-0.50
Fed funds rate	1.75	1.50	1.00
EUR/SEK	1066	1100	1120
EUR/NOK	1008	1010	970
EUR/USD	110	111	115
ICE Brent oil	62	65	60

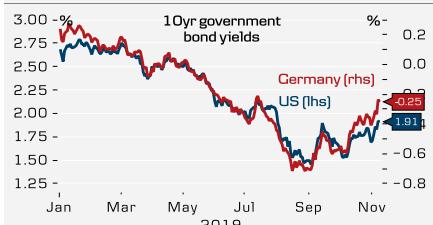
Source: Danske Bank

Slightly better ISM but US growth has still peaked



Source: ISM, BEA, Macrobond Financial

Yields have risen since the bottom in August



Source: Bloomberg, Macrobond Financial

Scandi update

Denmark – intervention and an upward revision

Monday's FX reserve figures for October from Danmarks Nationalbank revealed that the central bank had intervened in the currency markets to buy DKK400m. While this was a relatively modest intervention, we expect to see further intervention in November, as the DKK is at its weakest level against the EUR since its introduction in 1999 (ignoring a small number of days in 2015).

Thursday saw the release of more positive news on the Danish economy, when Statistics Denmark issued revised national accounts figures for 2016-18. It revised 2018 GDP 1.5% higher. Productivity growth has been somewhat higher than thought so far, which indicates to us that the future growth potential for the Danish economy is also higher.

Industrial production figures for September were published on the same day, showing growth of 1.5% relative to August. Business confidence in the industrial sector has long been pointing lower and following a fall of 1.1% from July to August, the dark mood appeared to have infected production. However, these new figures paint a different picture of Danish industry, which remains robust despite the global slowdown.

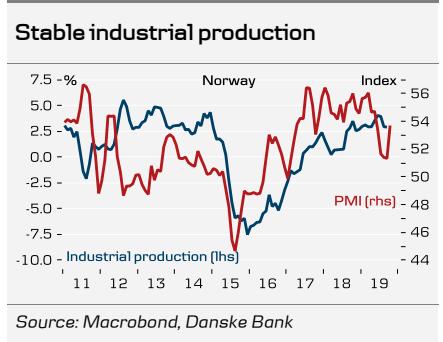
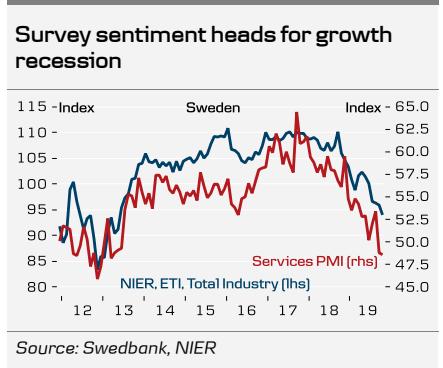
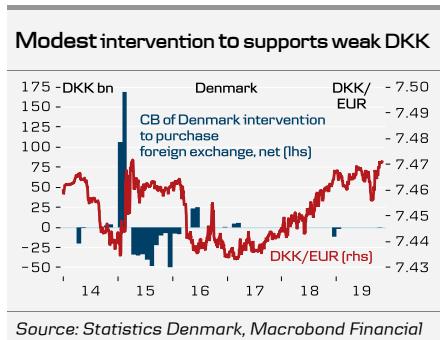
Sweden – Riksbank Minutes much softer than press release

In our view, the main takeaways from the Riksbank Minutes are as follows. (1) Arguments for hiking the policy rate to zero in December are generally quite thin; rather, it 'feels right'. Note there is no discussion of a 'magical zero' or 'reversal rates', i.e. the negative bi-effects of negative rates outweighing the advantages. (2) Zero is not a floor. Several members point out that the policy rate can be lowered back to -0.25% if warranted by economic data. (3) A December hike remains probable (say 75%) but it is not written in stone. Per Jansson remains sceptical about a hike in the first place and (at least) Cecilia Skingsley and Martin Flodén could flip if data (macro/inflation/inflation expectations) turn out badly. (4) No one on the board of governors sees a strong case for a protracted hiking cycle after a probable December hike. For our take on fixed income and FX markets, see *Reading the Markets: Sweden*, 8 November.

Swedish October services PMI accompanied manufacturing PMI on the low side of the 50 mark, printing 49.5. This means composite PMI at 48.6 was the lowest since March 2013. Private sector PVI (includes manufacturing, services and construction) has hovered around 2% over the past five months, printing a meagre 1.4% y/y in September. Judging from PMIs, NIER's confidence survey and not least industrial orders (which fell by 1.5% y/y in September), we expect PVI to grind into negative over the next couple of months. Data so far up to September suggest Q3 GDP growth at 1.2% y/y, less than our official forecast of 1.5% y/y and less than the Riksbank's forecast, which is 2.0% y/y.

Norway – manufacturing still alive and kicking

Last week, we saw the PMI surprise on the upside, with a clear upward trend behind the monthly volatility. This week, we also saw actual industrial production bounce back in September, suggesting that activity is now stabilising. Thus, our main impression is that we are seeing a manufacturing slowdown, but to a much lesser extent than indicated by the PMI over the summer. Our conclusion is that we are far from seeing a recession in Norwegian manufacturing but that the underlying rate of growth is now rather more uncertain.



Latest research from Danske Bank

China Weekly Letter - The tide has turned - we lower our USD/CNY forecast

A phase one deal is still on track and is set to include some tariff roll-backs. The likely timing and location of the signing are still unclear, though.

7/11 Flash Comment Denmark: Economic recovery stronger than expected

New figures reveal Danish GDP was 1.5% higher in 2018 than previously estimated.

5/11 Riksbank Comment - Minutes show more uncertainty than press release

Following the 24 October monetary policy announcement, we got the impression that a December hike was as close to a done deal as one could possibly get and that leaving negative rates has become a target in itself. The minutes give a somewhat different impression.

4/11 Flash Comment Denmark: DN reacts to DKK weakening

Danmarks Nationalbank (DN) sold DKK0.4bn in FX reserves due to FX intervention in October.

4/11 Macro Strategy Views (podcast) - Is the uptick in yields sustainable - and what is going on with the NOK?

In this week's edition of Macro Strategy Views, we ask whether the recent rise in yields is sustainable

4/11 Monthly Executive Briefing - Moderate recovery on the horizon

The global economy is still weak heading into Q4 but there are a few rays of light.

Macroeconomic forecast

Macro forecast. Scandinavia

	Year	GDP ¹	Private cons. ¹	Public cons. ¹	Fixed inv. ¹	Ex-ports ¹	Im-ports ¹	Inflation ¹	Wage growth ¹	Unem-ploym ³	Public budget ⁴	Public debt ⁴	Current acc. ⁴
Denmark	2018	1.5	2.2	0.9	5.4	0.4	3.3	0.8	2.2	3.8	0.8	34.2	7.0
	2019	2.0	1.5	0.3	-1.8	4.5	0.3	0.8	2.0	3.8	2.0	32.4	7.6
	2020	1.3	2.4	0.9	0.9	1.6	1.9	1.2	2.1	4.0	0.5	31.5	7.3
Sweden	2018	2.4	1.6	0.4	4.6	3.1	3.6	2.0	2.6	6.3	0.8	38.5	0.4
	2019	1.0	0.7	0.7	-1.8	4.2	1.7	1.7	2.6	6.8	0.1	35.0	3.7
	2020	0.7	1.9	1.5	-2.2	2.7	2.1	1.1	2.4	7.8	-0.5	34.0	3.7
Norway	2018	2.2	1.9	1.4	2.8	-0.2	1.9	2.7	2.8	2.5	-	-	-
	2019	2.6	2.0	2.0	4.8	3.0	3.5	2.2	3.4	2.3	-	-	-
	2020	2.2	2.4	1.7	3.0	4.0	2.5	2.2	3.6	2.2	-	-	-

Macro forecast. Euroland

	Year	GDP ¹	Private cons. ¹	Public cons. ¹	Fixed inv. ¹	Ex-ports ¹	Im-ports ¹	Inflation ¹	Wage growth ¹	Unem-ploym ³	Public budget ⁴	Public debt ⁴	Current acc. ⁴
Euro area	2018	1.9	1.4	1.1	2.4	3.3	2.7	1.8	2.3	8.2	-0.5	85.9	3.8
	2019	1.2	1.1	1.6	6.8	2.5	4.6	1.2	2.1	7.6	-0.9	85.8	3.3
	2020	0.9	1.4	1.8	2.5	1.4	3.2	1.0	2.3	7.5	-0.9	84.3	3.2
Germany	2018	1.5	1.2	1.4	3.5	2.3	3.7	1.9	2.9	3.4	1.9	61.9	7.3
	2019	0.5	1.5	2.1	2.9	0.8	2.8	1.3	3.0	3.1	1.0	58.4	6.0
	2020	0.7	1.4	2.3	1.3	0.7	2.7	1.5	2.8	3.0	0.8	55.6	5.9
Finland	2018	1.7	1.8	1.5	3.3	2.2	5.0	1.1	1.7	7.4	-0.8	59.1	-1.4
	2019	1.2	0.8	1.5	0.5	3.5	2.0	1.1	2.5	6.6	-0.4	58.4	-0.8
	2020	0.8	1.0	1.5	0.6	1.5	2.0	1.4	2.7	6.6	-0.4	57.7	-0.8

Macro forecast. Global

	Year	GDP ¹	Private cons. ¹	Public cons. ¹	Fixed inv. ¹	Ex-ports ¹	Im-ports ¹	Inflation ¹	Wage growth ¹	Unem-ploym ³	Public budget ⁴	Public debt ⁴	Current acc. ⁴
USA	2018	2.9	3.0	1.7	4.6	3.0	4.4	2.4	3.0	3.9	-3.9	106.0	-2.3
	2019	2.3	2.5	2.3	1.6	-0.5	2.0	2.0	3.3	3.6	-4.2	106.0	-2.6
	2020	1.7	2.4	0.9	1.1	0.7	2.2	2.3	3.6	3.4	-4.2	106.0	-2.7
China	2018	6.6	8.2	-	5.0	-	-	2.2	8.5	-	-4.1	50.1	0.7
	2019	6.2	7.5	-	5.0	-	-	2.5	8.0	-	-6.1	53.9	0.0
	2020	6.0	7.8	-	4.6	-	-	2.2	7.5	-	-5.5	57.1	-0.1
UK	2018	1.4	1.6	0.6	-0.1	-0.9	0.7	2.5	3.0	4.1	-2.3	86.8	-4.0
	2019	1.2	1.9	2.5	-0.6	0.7	4.2	1.9	3.5	3.8	-1.4	83.8	-3.8
	2020	1.3	1.6	1.3	-2.0	0.8	-2.4	1.4	3.5	3.6	-1.1	82.9	-3.5
Japan	2018	0.8	0.3	0.8	1.1	3.4	3.3	0.9	-	2.4	-	-	-
	2019	1.4	1.0	2.2	2.4	-1.7	-0.6	1.0	-	2.4	-	-	-
	2020	0.5	-0.3	1.7	0.6	1.7	1.2	1.6	-	2.5	-	-	-

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

Financial forecast

Bond and money markets

		Key interest rate	3m interest rate	2-yr swap yield	10-yr swap yield	Currency vs EUR	Currency vs USD	Currency vs DKK	Currency vs NOK	Currency vs SEK
USD	08-Nov	1.75	1.90	1.71	1.82	110.5	-	676.5	912.2	965.1
	+3m	1.50	1.14	1.30	1.30	111.0	-	673.0	909.9	973.0
	+6m	1.00	1.00	0.90	1.00	113.0	-	660.5	867.3	973.5
	+12m	1.00	1.00	1.00	1.10	115.0	-	648.7	843.5	956.5
EUR	08-Nov	-0.50	-0.40	-0.33	0.14	-	110.5	747.3	1007.6	1066.0
	+3m	-0.50	-0.41	-0.50	-0.20	-	111.0	747.0	1010.0	1080.0
	+6m	-0.50	-0.41	-0.50	-0.20	-	113.0	746.4	980.0	1100.0
	+12m	-0.50	-0.41	-0.40	-0.10	-	115.0	746.0	970.0	1100.0
JPY	08-Nov	-0.10	-0.10	-0.04	0.10	120.5	109.3	6.20	8.36	8.85
	+3m	-0.10	-	-	-	118.8	107.0	6.29	8.50	9.09
	+6m	-0.10	-	-	-	120.9	107.0	6.17	8.11	9.10
	+12m	-0.10	-	-	-	126.5	110.0	5.90	7.67	8.70
GBP	08-Nov	0.75	0.80	0.79	0.97	86.2	128.2	866.9	1168.9	1236.7
	+3m	0.75	0.79	0.70	0.70	87.5	126.9	853.7	1154.3	1234.3
	+6m	0.75	0.79	0.70	0.70	87.5	129.1	853.0	1120.0	1257.1
	+12m	0.75	0.79	0.80	0.75	87.5	131.4	852.6	1108.6	1257.1
CHF	08-Nov	-0.75	-0.71	-0.64	-0.11	110.0	99.6	679.1	915.7	968.8
	+3m	-0.75	-	-	-	110.0	99.1	679.1	918.2	981.8
	+6m	-0.75	-	-	-	112.0	99.1	666.4	875.0	982.1
	+12m	-0.75	-	-	-	114.0	99.1	654.4	850.9	964.9
DKK	08-Nov	-0.75	-0.42	-0.24	0.23	747.3	676.5	-	134.8	142.7
	+3m	-0.75	-0.45	-0.45	-0.15	747.0	673.0	-	135.2	144.6
	+6m	-0.75	-0.45	-0.45	-0.15	746.4	660.5	-	131.3	147.4
	+12m	-0.75	-0.45	-0.35	-0.05	746.0	648.7	-	130.0	147.5
SEK	08-Nov	-0.25	0.03	0.16	0.60	1066.0	965.1	70.1	94.5	100.0
	+3m	0.00	0.18	0.20	0.35	1080.0	973.0	69.2	93.5	-
	+6m	0.00	0.18	0.20	0.35	1100.0	973.5	67.9	89.1	-
	+12m	0.00	0.18	0.20	0.45	1100.0	956.5	67.8	88.2	-
NOK	08-Nov	1.50	1.85	2.01	2.01	1007.6	912.2	74.2	100.0	105.8
	+3m	1.50	2.00	1.90	1.65	1010.0	909.9	74.0	-	106.9
	+6m	1.75	2.15	2.00	1.70	980.0	867.3	76.2	-	112.2
	+12m	1.75	2.15	2.05	1.70	970.0	843.5	76.9	-	113.4

Commodities

	08-Nov	2019				2020				Average	
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2019	2020
ICE Brent		62	64	68	62	65	60	60	60	65	60

Source: Dansk Bank

Calendar

Key Data and Events in Week 46

During the week			Period	Danske Bank	Consensus	Previous
Sat 09	CNY	Money supply M2	y/y	Oct		8.4%
Sat 09	USD	Fed's Williams (voter, neutral) speaks				
Sat 09	USD	Fed's Brainard (voter, neutral) speaks				
Sat 09	CNY	PPI	y/y	Oct	-1.3%	-1.5%
Sat 09	CNY	CPI	y/y	Oct	3.4%	3.4%
Sun 10	EUR	General elections in Spain				
Mon 11	USD	Veterans' Day (Exchange open)				
Monday, November 11, 2019			Period	Danske Bank	Consensus	Previous
-	USD	Veterans' Day (Exchange open)				
8:00	DKK	Trade balance ex ships	DKK bn	Sep		9.8
8:00	DKK	Exports	m/m	Sep		980.0%
8:00	NOK	Core inflation (CPI-ATE)	m/m y/y	Oct	0.2% 2.3%	0.2% 2.3%
8:00	NOK	CPI	m/m y/y	Oct		0.1% 1.8%
8:00	NOK	PPI	m/m y/y	Oct		0.0% -10.7%
8:00	DKK	Current account (nsa sa)	DKK bn	Sep		... 18.6
8:00	DKK	CPI	m/m y/y	Oct	... 0.5%	-0.2% 0.5%
10:30	GBP	GDP, preliminary	q/q y/y	3rd quarter	0.4% 1.1%	0.4% 1.1%
10:30	GBP	Monthly GDP estimate	m/m q/q	Sep	-0.1% 0.4%	-0.1% ...
10:30	GBP	Index of services	m/m 3m/3m	Sep		0.001 0.004
10:30	GBP	Trade balance	GBP mio.	Sep		-2000
14:15	USD	Fed's Rosengren (voter, hawkish) speaks				-1546
Tuesday, November 12, 2019			Period	Danske Bank	Consensus	Previous
8:00	SEK	Prospera inflation expectations				
8:00	NOK	GDP [total]	q/q	3rd quarter		0.3%
8:00	NOK	GDP [mainland]	q/q	3rd quarter	0.8%	0.8%
9:00	EUR	ECB's Coeure speaks in Frankfurt				
10:30	GBP	Unemployment rate (3M)	%	Sep		3.9%
10:30	GBP	Average weekly earnings ex bonuses (3M)	y/y	Sep		3.8%
11:00	DEM	ZEW current situation	Index	Nov		-24.0
11:00	DEM	ZEW expectations	Index	Nov		-14.0
12:00	USD	NFIB small business optimism	Index	Oct		102.0
18:55	USD	Fed's Harker (non-voter, neutral) speaks				101.8
Wednesday, November 13, 2019			Period	Danske Bank	Consensus	Previous
-	USD	Fed's Kashkari (non-voter, dovish) speaks				
-	EUR	US president Trump will announce his decision on EU car tariffs				
2:00	NZD	Reserve Bank of New Zealand [cash rate decision]	%		1.0%	0.75%
8:00	DEM	HICP, final	m/m y/y	Oct		0.1% 0.9%
9:30	SEK	Underlying inflation CPIF	m/m y/y	Oct	... 1.7%	0.0% 1.5%
9:30	SEK	CPI	m/m y/y	Oct	...1.5%	0.1% 1.6%
10:30	GBP	PPI - input	m/m y/y	Oct		-1.1% -4.8%
10:30	GBP	CPI	m/m y/y	Oct		-0.1% 1.6%
10:30	GBP	CPI core	y/y	Oct		1.7%
11:00	EUR	Industrial production	m/m y/y	Sep		-0.3% -2.3%
14:30	USD	CPI headline	m/m y/y	Oct		0.3% 1.7%
14:30	USD	CPI core	m/m y/y	Oct	0.2% ...	0.2% 2.4%
17:00	USD	Fed's Powell (voter, neutral) speaks				
19:30	USD	Fed's Kashkari (non-voter, dovish) speaks				
20:00	USD	Budget statement	USD bn	Oct		82.8

Source: Danske Bank

Calendar

Thursday, November 14, 2019			Period	Danske Bank	Consensus	Previous
0:50	JPY	GDP deflator, preliminary	y/y	3rd quarter	0.5%	0.4%
0:50	JPY	GDP, preliminary	q/q ann.	3rd quarter	0.5% ...	0.2% 0.9%
1:01	GBP	RICS house price balance	Index	Oct	0.0	0.0
1:30	AUD	Employment change	1000	Oct	16	14.7
3:00	CNY	Industrial production	y/y	Oct	5.4%	5.8%
3:00	CNY	Retail sales	y/y	Oct	7.8%	7.8%
3:00	CNY	Fixed assets investments	y/y	Oct	5.4%	5.4%
7:30	FRF	ILO unemployment	%	3rd quarter	8.4%	8.5%
8:00	DEM	GDP, preliminary	q/q y/y	3rd quarter	-0.1% 0.5%	-0.1% 0.4%
8:00	DKK	GDP indicator	q/q	3rd quarter	0.5%	0.8%
8:45	FRF	HICP, final	m/m y/y	Oct	-0.1% 0.9%	-0.1% 0.9%
9:00	ESP	HICP, final	m/m y/y	Oct	... 0.2%	0.6% 0.2%
9:30	SEK	Unemployment (n.s.a. s.a.)	%	Oct	7.1% 7.4%	
10:30	GBP	Retail sales ex fuels	m/m y/y	Oct	0.3% 3.6%	0.2% 3.0%
10:30	EUR	Portugal, GDP, preliminary	q/q y/y	3rd quarter	0.5% 1.8%	
11:00	EUR	GDP, preliminary	q/q y/y	3rd quarter	0.2% 1.1%	0.2% 1.1%
11:00	EUR	Employment, preliminary	q/q y/y	3rd quarter	0.2% 1.2%	
14:30	USD	Initial jobless claims	1000		211	
14:30	USD	PPI	m/m y/y	Oct	0.3% 0.9%	-0.3% 1.4%
14:30	USD	PPI core	m/m y/y	Oct	0.2% 1.5%	-0.3% 2.0%
15:00	USD	Fed's Clarida (voter, neutral) speaks				
15:10	USD	Fed's Evans (voter, hawkish) speaks				
16:00	USD	Fed's Powell (voter, neutral) speaks				
17:00	USD	DOE U.S. crude oil inventories	K		7929	
17:45	USD	Fed's Daly (non-voter, neutral) speaks				
18:00	USD	Fed's Williams (voter, neutral) speaks				
18:20	USD	Fed's Bullard (voter, dovish) speaks				
Friday, November 15, 2019			Period	Danske Bank	Consensus	Previous
-	EUR	Moody's may publish Spain's debt rating				
-	EUR	Fitch may publish Ireland's debt rating				
-	EUR	S&P may publish Netherlands's debt rating				
5:30	JPY	Industrial production, final	m/m y/y	Sep	1.4% 1.1%	
8:00	NOK	Trade balance	NOK bn	Oct	-1.2	
9:00	EUR	ECB's Mersch speaks				
11:00	ITL	HICP, final	m/m y/y	Oct	... 0.2%	... 0.2%
11:00	EUR	HICP inflation, final	m/m y/y	Oct	0.2% 0.7%	0.2% 0.7%
11:00	EUR	HICP - core inflation, final	y/y	Oct	1.1%	1.1%
11:00	EUR	Trade balance	EUR bn	Sep	17.4	20.3
14:30	USD	Retail sales control group	m/m	Oct	0.4%	0.3%
14:30	USD	Import prices	m/m y/y	Oct	-0.2% ...	0.2% -1.6%
14:30	USD	Empire Manufacturing PMI	Index	Nov	6.0	4.0
15:15	USD	Capacity utilization	%	Oct	77.1%	77.5%
15:15	USD	Industrial production	m/m	Oct	-0.3%	-0.4%
15:15	USD	Manufacturing production	m/m	Oct	-0.5%	

The editors do not guarantee the accurateness of figures, hours or dates stated above

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

Source: Danske Bank

Disclosures

This research report has been prepared by Danske Bank A/S ('Danske Bank'). The author of this research report is Aila Mihr, Senior Analyst.

Analyst certification

Each research analyst responsible for the content of this research report certifies that the views expressed in the research report accurately reflect the research analyst's personal view about the financial instruments and issuers covered by the research report. Each responsible research analyst further certifies that no part of the compensation of the research analyst was, is or will be, directly or indirectly, related to the specific recommendations expressed in the research report.

Regulation

Danske Bank is authorised and subject to regulation by the Danish Financial Supervisory Authority and is subject to the rules and regulation of the relevant regulators in all other jurisdictions where it conducts business. Danske Bank is subject to limited regulation by the Financial Conduct Authority and the Prudential Regulation Authority (UK). Details on the extent of the regulation by the Financial Conduct Authority and the Prudential Regulation Authority are available from Danske Bank on request.

Danske Bank's research reports are prepared in accordance with the recommendations of the Danish Securities Dealers Association.

Conflicts of interest

Danske Bank has established procedures to prevent conflicts of interest and to ensure the provision of high-quality research based on research objectivity and independence. These procedures are documented in Danske Bank's research policies. Employees within Danske Bank's Research Departments have been instructed that any request that might impair the objectivity and independence of research shall be referred to Research Management and the Compliance Department. Danske Bank's Research Departments are organised independently from, and do not report to, other business areas within Danske Bank.

Research analysts are remunerated in part based on the overall profitability of Danske Bank, which includes investment banking revenues, but do not receive bonuses or other remuneration linked to specific corporate finance or debt capital transactions.

Financial models and/or methodology used in this research report

Calculations and presentations in this research report are based on standard econometric tools and methodology as well as publicly available statistics for each individual security, issuer and/or country. Documentation can be obtained from the authors on request.

Risk warning

Major risks connected with recommendations or opinions in this research report, including as sensitivity analysis of relevant assumptions, are stated throughout the text.

Date of first publication

See the front page of this research report for the date of first publication.

General disclaimer

This research report has been prepared by Danske Bank A/S. It is provided for informational purposes only and should not be considered investment advice. It does not constitute or form part of, and shall under no circumstances be considered as, an offer to sell or a solicitation of an offer to purchase or sell any relevant financial instruments (i.e. financial instruments mentioned herein or other financial instruments of any issuer mentioned herein and/or options, warrants, rights or other interests with respect to any such financial instruments) ('Relevant Financial Instruments').

The research report has been prepared independently and solely on the basis of publicly available information that Danske Bank considers to be reliable. While reasonable care has been taken to ensure that its contents are not untrue or misleading, no representation is made as to its accuracy or completeness and Danske Bank, its affiliates and subsidiaries accept no liability whatsoever for any direct or consequential loss, including without limitation any loss of profits, arising from reliance on this research report.

The opinions expressed herein are the opinions of the research analysts responsible for the research report and reflect their judgement as of the date hereof. These opinions are subject to change and Danske Bank does not undertake to notify any recipient of this research report of any such change nor of any other changes related to the information provided herein.

This research report is not intended for, and may not be redistributed to, retail customers in the United Kingdom or the United States.

This research report is protected by copyright and is intended solely for the designated addressee. It may not be reproduced or distributed, in whole or in part, by any recipient for any purpose without Danske Bank's prior written consent.

Disclaimer related to distribution in the United States

This research report was created by Danske Bank A/S and is distributed in the United States by Danske Markets Inc., a U.S. registered broker-dealer and subsidiary of Danske Bank A/A, pursuant to SEC Rule 15a-6 and related interpretations issued by the U.S. Securities and Exchange Commission. The research report is intended for distribution in the United States solely to 'U.S. institutional investors' as defined in SEC Rule 15a-6. Danske Markets Inc. accepts responsibility for this research report in connection with distribution in the United States solely to 'U.S. institutional investors'.

Danske Bank is not subject to U.S. rules with regard to the preparation of research reports and the independence of research analysts. In addition, the research analysts of Danske Bank who have prepared this research report are not registered or qualified as research analysts with the NYSE or FINRA but satisfy the applicable requirements of a non-U.S. jurisdiction.

Any U.S. investor recipient of this research report who wishes to purchase or sell any Relevant Financial Instrument may do so only by contacting Danske Markets Inc. directly and should be aware that investing in non-U.S. financial instruments may entail certain risks. Financial instruments of non-U.S. issuers may not be registered with the U.S. Securities and Exchange Commission and may not be subject to the reporting and auditing standards of the U.S. Securities and Exchange Commission.

Report completed: 8 November 2019, 12:35 CEST

Report first disseminated: 8 November 2019, 13:40 CEST