

# Weekly Focus

## Trade war and US sanctions dominating markets

### Market movers ahead

- In **Norway**, we do not expect Norges Bank to raise its policy rate. The upcoming meeting is one of the small meetings without an updated monetary report and press conference.
- In **Denmark**, the GDP indicator for Q2 is due. We estimate decent growth of 0.5% q/q. In **Sweden**, we get housing price data from Mäklarstatistik and Valueguard.
- In **China**, many interesting economic indicators are due next week. Chinese data have weakened, so they are interesting to follow, also in the light of the escalating trade war with the US and the policy easing in China.
- In the **US**, we are set to get housing and retail sales data.
- In the **UK**, the jobs report for June and CPI inflation for July are due out next week.

### Global macro and market themes

- The trade war between China and the US is escalating, with Donald Trump now wanting to impose 25% tariffs instead of 10% and China retaliating. It is difficult to see a deal between the two countries, at least on this side of the US midterm elections in November.
- The Fed and the ECB are on autopilot; China is easing.
- The US has slapped sanctions on Iran, Turkey and Russia, leading to a slump in the RUB and TRY.

### Focus

*US-China Trade – No deal in sight, 27 July.*

*Flash Comment Russia – Warning shots of US sanctions ‘bill from hell’, 8 August.*


*Flash Comment Turkey – perfect storm deepens around TRY, 7 August.*

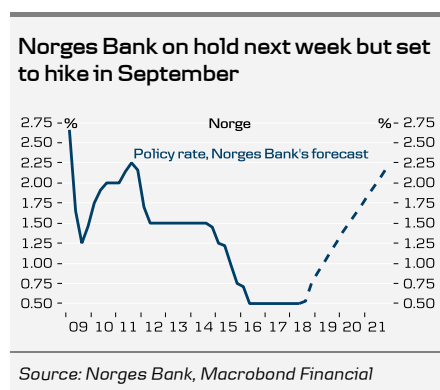
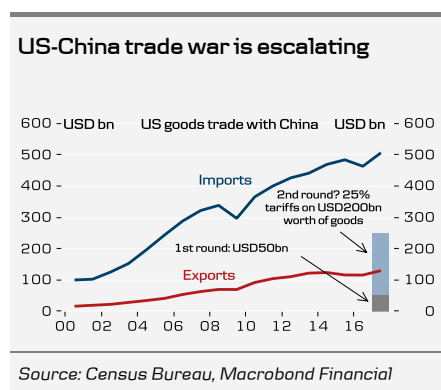
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Financial views			
Major indices			
	10-Aug	3M	12M
10yr EUR swap	0.89	0.95	1.45
EUR/USD	115	116	125
ICE Brent oil	72	72	72

*Source: Danske Bank*

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# Market movers

## Global

- In the **US**, we have a quiet week in terms of data releases. We are due to get retail sales for July on Wednesday, which are likely to show that private consumption remains the main growth driver in the US. Manufacturing production in July, also due out on Wednesday, is interesting too.
- Usually, we do not write about housing data but given the weak housing starts and building permits in June, we look forward to seeing whether they rebounded in July. This might very well be the case given the volatile nature of the numbers.
- In the **euro area**, we await the second estimate of GDP growth for Q2, due for release on Tuesday. The initial growth estimate disappointed at 0.3% q/q, compared with the consensus forecast of 0.4% q/q and the ECB's forecast of 0.5% q/q. We do not expect any revision on Tuesday.

The revised HICP figures for July are due for release on Thursday. The initial estimates were 2.1% y/y and 1.1% y/y for headline and core inflation, respectively, and we do not expect any revision on Thursday.

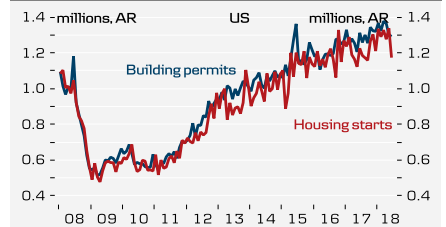
- In the **UK** next week, we have several important data releases coming up. On Tuesday, we are due to get the jobs report for June. We estimate the unemployment rate (3M average) fell from 4.2% to 4.1%, as the single-month figure needs to make a big jump for it not to fall, given it fell to 4.0% in May. Average weekly earnings have risen quite stably at 0.2% m/m for quite some time and we believe the trend continued in June. This would leave the annual growth rate (3M average) unchanged at 2.7% y/y.

CPI inflation for July is due out on Wednesday. In general, we believe the inflation prints will be interesting to follow in H2 18, as we believe the Bank of England is too optimistic on the inflation outlook. We estimate CPI inflation fell to 2.3% y/y from 2.4% y/y in June.

Less important in our view is the release of retail sales for July on Thursday but markets have a tendency to react to this figure. Unfortunately, the number is quite volatile and not a good indicator of private consumption as measured in GDP.

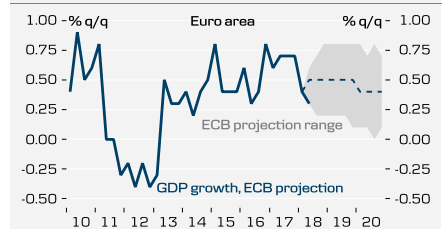
- There are no market movers due in **Japan** next week.
- The key movers in **China** next week are industrial production, retail sales and fixed asset investments, due for release on Tuesday. All three indicators signalled a moderate slowdown in the first half of 2018, reporting figures well below those at the end of 2017. Fixed asset investments in particular have declined notably, from 7.9% y/y in January to 6.0% in June, a result of the gradual financial tightening. We expect the July figures to continue the declining trend, still reflecting a moderate slowdown. In our view, the industrial production figures in particular will be interesting to follow in the light of the escalating trade war with the US, given the uncertainty on how much the imposed tariffs will transmit into Chinese production.

### Weak US housing data in June but may just be due to volatility



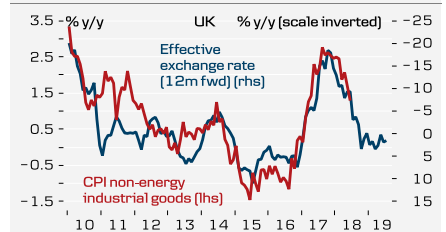
Source: Conference Board, Macrobond Financial

### Euro area growth disappointed in Q2



Macrobond Financial, ECB

### Impact of GBP depreciation on UK inflation is fading

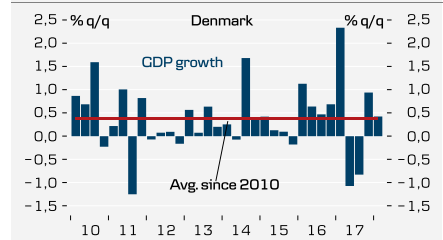


Source: Bank of England, ONS, Macrobond Financial

## Scandi

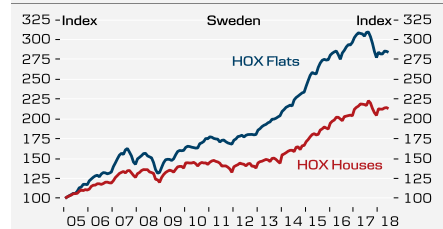
- In **Denmark**, there is only one significant item on the agenda: Statistics Denmark's GDP indicator on Tuesday, which will give us a first estimate of output in Q2. We estimate healthy growth of 0.5%, driven mainly by stronger private consumption. Pulling the other way will be exports of goods, which disappointed overall in Q2 despite growing well in May and June. Exports of services could prove the joker in the pack, however, as Denmark's large shipping sector may have been affected by the market turmoil in the wake of the trade war between the US and China. Imports were higher in Q2 but much of the increase was in the form of ships, which also count as investment, so there will be no great impact on GDP growth. Output will also be boosted by the healthy increase in industrial production in Q2.
- In **Sweden** next week we are due to receive fresh housing price data from Mäklarstatistik (Monday) and, more importantly, from Valueguard (Friday). Apparently the housing market, especially for tenant-owned flats, is still facing a considerable headwind. Danske Bank's indicator based on transaction data in Stockholm suggests that prices for flats were down by 1.4% m/m in July.
- We do not expect **Norway's** central bank to change interest rates on Thursday. This will be a so-called 'interim' meeting without a monetary policy report or press conference. The threshold for changing rates or even giving new signals is, therefore, much higher than at the 'full' meetings. Moreover, Norges Bank signalled quite clearly at its meeting in June that there is a very high probability of a rate hike in September unless growth surprises strongly in one direction or the other. Since then, the international focus has been on political uncertainty, although there has been no particular impact on risk appetite in the financial markets. Norwegian economic data have been a little mixed lately. Inflation in June was exactly as expected, while unemployment appears to be falling as forecast when the NAV figures are corrected for collection date and the change in method. In contrast, retail sales fell more than expected in June, though private consumption, nevertheless, looks set to have made a solid contribution to GDP growth in Q2. PMI was also much weaker than expected, falling below the neutral 50 mark in July. However, the Industrial Confidence Indicator from Statistics Norway, which is a much broader index, rose to 9.2 in Q2 – the highest level since Q4 10. Finally, the oil price is a few USD lower than at the June meeting, though the NOK is also somewhat weaker. All in all, the Norwegian economy still appears to be growing above trend, unemployment is falling and underlying inflation is developing as expected. In addition, house prices rose again in July after flattening in June, driven by prices in Oslo, in particular. All this suggests Norges Bank will repeat its signal that the normalisation of monetary policy will start with a rate hike in September.

### GDP grew in Q1



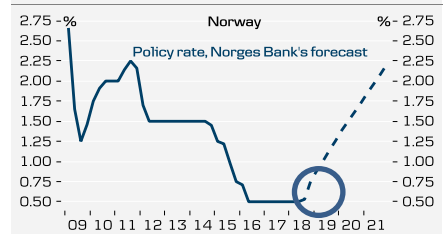
Source: Statistics Denmark

### Prices on flats down again



Source: Valueguard

### Strong signal for rate hike in September



Source: Macrobond Financial, Norges Bank

## Market movers ahead

Global movers		Event		Period	Danske	Consensus	Previous	
Tue	14-Aug	4:00	CNY	Industrial production	y/y	Jul	6.3%	6.0%
		4:00	CNY	Retail sales	y/y	Jul	9.1%	9.0%
		4:00	CNY	Fixed assets investments	y/y	Jul	6.0%	6.0%
		10:30	GBP	Unemployment rate (3M)	%	Jun	4.1%	4.2%
		10:30	GBP	Average weekly earnings ex bonuses (3M)	y/y	Jun	2.7%	2.7%
		11:00	EUR	GDP, 2nd estimate	q/q y/y	2nd quarter	0.3% ...	0.3% 2.1%
Wed	15-Aug	10:30	GBP	CPI	m/m y/y	Jul	-0.2% 2.3%	0.0% 2.5%
		10:30	GBP	CPI core	y/y	Jul	1.8%	1.9%
		14:30	USD	Retail sales control group	m/m	Jul	0.5%	0.0%
		15:15	USD	Industrial production	m/m	Jul	0.4%	0.6%
Thurs	16-Aug	10:30	GBP	Retail sales ex fuels	m/m y/y	Jul	-0.1% 2.6%	-0.6% 3.0%
		14:30	USD	Building permits	1000 (m/m)	Jul	1308	1292.0 (-0.7%)
		14:30	USD	Housing starts	1000 (m/m)	Jul	1273	1173.0 (-12.3%)
Fri	17-Aug	11:00	EUR	HICP inflation, final	m/m y/y	Jul	... 2.1%	-0.3% 2.1%
		11:00	EUR	HICP - core inflation, final	y/y	Jul	1.1%	1.1%
<b>Scandimovers</b>								
Mon	13-Aug	6:00	SEK	Maklarstatistik Swedish housing price data				
		9:30	SEK	Household consumption	m/m y/y	Jun		0.0% 3.7%
Tue	14-Aug	8:00	DKK	GDP indicator	q/q	2nd quarter	0.5%	0.3%
Thurs	16-Aug	10:00	NOK	Norges Banks monetary policy meeting	%		0.5%	0.5%
Fri	17-Aug	9:00	SEK	House prices (Valueguard HOX)	m/m			

Source: Bloomberg, Danske Bank

# Vacation Wrap-Up: Market themes over the past three weeks

## Main macro themes

- **Trade war.** While the US and EU have smoked the peace pipe, the conflict between the US and China has escalated further. The Trump administration is now considering imposing 25% tariffs instead of 10% on USD200bn worth of imported goods from China. This week, China published a list of US products it is going to hit with tariffs (USD60bn) if Trump moves along with this. We still think it is difficult to see the two countries reaching a deal this side of the US mid-term elections in November.
- **Policy.** In the second half of July, China eased both fiscal and monetary policies to counter 'external uncertainties'. In early August, China has made it more expensive to short its currency by raising reserve requirements on foreign exchange contracts.
- **Central bank meetings.** Most interesting was the Bank of Japan (BoJ) meeting, where the bank tweaked its policy by increasing the upper bound on 10Y JGB from 0.1% to 0.2% (mid-target still 0.0%) (see *Bank of Japan Review – BoJ tweaks policy and introduces forward guidance*, 31 July). The Bank of England raised the Bank Rate to 0.75% as expected (see *Bank of England Review – Tight labour market will cause BoE to keep hiking*, 2 August). There has been no real news from the Federal Reserve, which we believe is still likely to raise the target range in both September and December.
- **The US hit Turkey, Iran and Russia with new economic sanctions on 1, 6 and 8 August.** The RUB and TRY have fallen sharply since the sanctions were revealed.

## Fixed income developments

- European core bond markets have seen increasing support from rising geo-political risks, as especially the TRY remains under strong pressure as some European banks may be exposed.
- Italy is particularly underperforming on the back of continued speculation on a new 2019 budget that would potentially clash with EU budget rules and trigger rating downgrades. The 10Y spread between Italy and Germany has widened further and, at 256bp, is at a level not seen since early June.
- In Japan, the wider yield range for 10Y JGB yields from the BoJ initially created some market uncertainty and a slight increase in 10Y yields to the new upper target of 0.10%.

## FX developments

USD has generally enjoyed support from continued trade woes and pressure on EM related to US-imposed sanctions versus Turkey and Russia. EUR/USD remained in the 1.15-1.18 range until last week when safe-haven demand related to possible TRY contagion to the euro area fuelled a significant drop in EUR versus other majors and the cross still looks vulnerable. The trade issue has been most visible in the CNY, which has continued to fall sharply. GBP has continued to weaken as no-deal Brexit fears are increasingly priced in with risks skewed to the downside. In Scandi FX, EUR/SEK and EUR/NOK have been rangy in past weeks but a clear divergence in CPI prints was seen last Friday (strong in Norway, weakish in Sweden) and this sent EUR/SEK above 10.40.

## Key themes

- The trade war between China and US is escalating, with Donald Trump now wanting to impose 25% tariffs instead of 10% and China retaliating.
- The Fed and the ECB are on autopilot. China is easing.
- The US has slapped sanctions on Iran, Turkey and Russia, leading to a slump in RUB and TRY.
- Italy is underperforming again, which, together with trade frictions, has sent global yields down.
- The global trade war is most visible in the CNY, which has fallen sharply.

## Links to previous wrap-ups

- [Vacation Wrap-up #1](#), 15 July
- [Vacation Wrap-up #2](#), 22 July
- [Vacation Wrap-up #3](#), 29 July
- [Vacation Wrap-up #4](#), 5 August

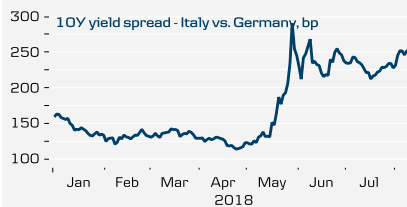
# Market themes in pictures

## Trump may raise the tariff rate to 25% instead of 10%



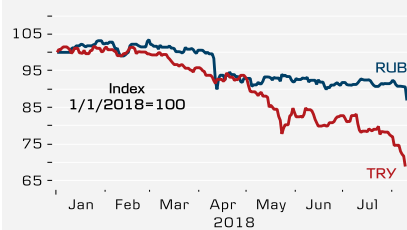
Source: Census Bureau, Macrobond, Danske Bank

## 10Y yield spread between Italy and Germany widens



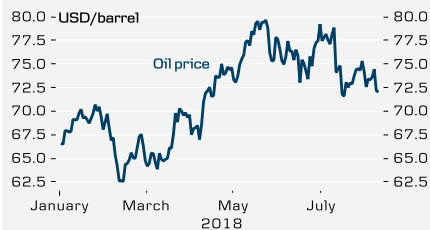
Sources: Macrobond Financial, Danske Bank

## RUB and TRY have been hit hard by US sanctions



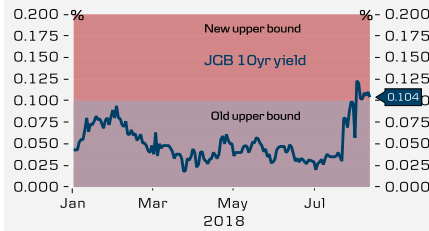
Sources: Macrobond Financial, Danske Bank

## Oil price has fallen back over the summer



Source: Macrobond Financial, Danske Bank

## Bank of Japan has lifted its upper bound for JGB 10Yr yields



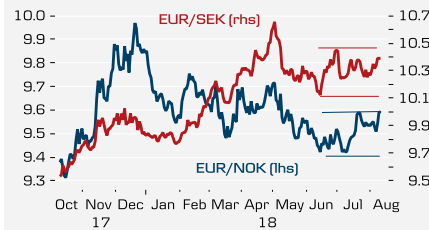
Source: Macrobond Financial, Danske Bank

## Yields are falling back amid weak risk sentiment



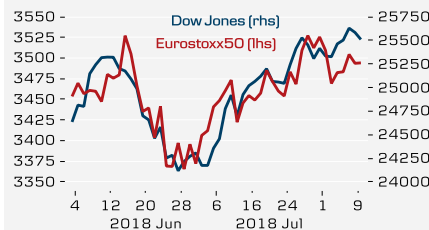
Sources: Macrobond Financial, Danske Bank

## Rangy Scandi FX in summer markets



Sources: Macrobond Financial, Danske Bank

## US equity markets have fared well despite trade tensions



Source: Bloomberg, Macrobond Financial, Danske Bank

## Recent publications

*Flash Comment - Russian rouble: warning shots of US sanctions 'bill from hell', 8 August*

*Flash Comment - Turkish lira: perfect storm deepens around the TRY, 7 August*

*Bank of England Review - Tight labour market will cause BoE to keep hiking, 2 August*

*Bank of Japan Review - BoJ tweaks policy and introduces forward guidance, 31 July*

*US-China Trade - No deal in sight, 27 July*

*ECB Research - Whatever it took - in Charts, 25 July*

*China Market Monitor - Unabated weakening of the CNY, 19 July*

*FX Forecast Update - Trade war to keep USD bid for now, 16 July*

*FX Strategy - FX ripple effects of global trade war, 16 July*

*Flash Comment - Minutes focus on core CPI which undershoots again, 12 July*

# Scandi update

## Denmark – strong growth in exports

The week’s foreign trade numbers revealed a sharp rise in exports of goods of 3.5% in June, a second month of strong growth. Nevertheless, exports fell 0.1% in Q2 as a whole and Denmark’s export markets are continuing to expand, so there is scope for even stronger growth in H2.

The week also brought industrial production data for June, completing the picture for Q2. With an increase of 0.3% m/m in June and revised figures for April and May, there was an increase of 0.6% in Q2 as a whole. This looks good on the face of it but both industrial production and exports had ground to make up after disappointing in 2017.

## Sweden – mini wrap-up of recent Swedish macro data

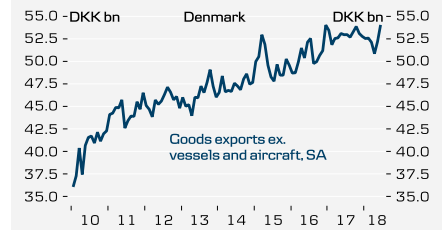
To do a mini wrap-up of recent Swedish macro data, we focus on two numbers. First, Q2 GDP numbers (released 30 July) were considerably stronger than expected at 3.3% y/y, compared with consensus of 2.6% y/y. Admittedly, the flash release for Q2 GDP is shaky given it is published about two months earlier than for other quarters. Still, one issue we underestimated was the effect of new (higher) taxes on cars purchased from 1 July. Hence, in order to avoid these taxes, car sales surged by close to 75% y/y in June, thereby boosting consumer spending as a whole. Then again, car sales slumped by around 50% y/y in July, so we will probably see a pullback in Q3 GDP instead.

Second, inflation – at least headline inflation – has moved higher and CPIF inflation was unchanged at 2.2% in July. The problem is that this inflation push is almost entirely the result of surging energy prices (gasoline and electricity). In the meantime, the Riksbank’s preferred core inflation measure (CPIF excluding energy) continued to decline to just 1.3% in July, which is below the Riksbank’s projection.

## Norway – strong industrial upswing ahead

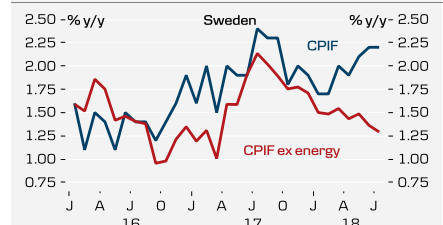
PMI fell to 49.3 in July, the lowest level since November 2016 – and an index value below 50.0 indicates that industrial activity actually declined in July. Moreover, actual industrial production was unchanged in June and thus somewhat weaker than expected. Hence, industrial growth, which is at the centre of our optimistic view on Norwegian economic growth for the rest of this year and for next year, looks set to be significantly weaker than expected. Nevertheless, actual production rose 0.8% in Q2 despite the weak June figures, which could indicate the weakness in Q1 was temporary. However, even more important was that the industrial confidence indicator (Statistics Norway), which is much broader and thus a more stable survey than PMI, rose to 9.2 in Q2. This is the highest value for the index since Q4 10 and confirms our expectation that the industrial upswing is relatively robust. Moreover, figures show a significant pickup in total orders for industry. In our view, this indicates to us that the oil-driven upswing we expect in the Norwegian industrial sector remains most visible in order books but that actual production figures will increase considerably in the autumn.

Exports of goods up further in June



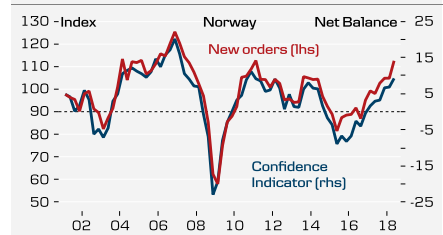
Source: Statistics Denmark

Inflation push from energy



Source: Macrobond Financial

Order-driven upturn



Source: Macrobond Financial, Danske Bank

## Latest research from Danske Bank

### *8/8 Flash Comment - Russian rouble: warning shots of US sanctions 'bill from hell'*

On 8 August 2018, the Russian rouble saw an intraday drop of 2.7% against the USD and 2.4% versus the EUR as the full text of the US sanctions 'bill from hell', introducing harsh anti-Russia sanctions, was leaked to the public through the Russian media (Kommersant).

### *7/8 Flash Comment - Turkish lira: perfect storm deepens around the TRY*

A deepening diplomatic stand-off between Turkey and the US over Turkey's detainment of a US pastor has pressured the TRY to a new historical lows.

### *31/7 Bank of England Review: Tight labour market will cause BoE to keep hiking*

Bank of England increased the Bank Rate to 0.75% from 0.50% as expected but the unanimous 9-0 vote was a hawkish surprise.

### *31/7 Bank of Japan Review: BoJ tweaks policy and introduces forward guidance*

The Bank of Japan has tweaked its policy and introduced forward guidance in order to increase policy sustainability, as the weaker inflation outlook requires easing for longer.

### *30/7 Flash Comment - Bank of Russia stays on hold, signalling no cuts for longer*

Russia's central bank (CBR) kept its key rate unchanged at 7.25% on 27 July, as it expects inflation to return to its 4% target in 2018 and temporarily overshoot it in 2019 from the current 2.3%, as the VAT is set to rise by 2pp.

### *27/7 US-China Trade - no deal in sight*

The trade deal between the EU and the US has left the question of whether a similar positive development could be seen between the US and China. However, since Trump left the negotiating table at the end of May, there has been no sign of trade talks between the US and China. We do not see any deal between the two countries this side of the mid-term elections in November.



## 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	2017	2.3	1.6	0.6	4.5	4.4	4.3	1.1	1.7	4.2	1.0	36.4	7.8
	2018	1.8	2.3	1.1	5.0	0.5	3.6	0.8	1.9	4.0	-0.2	35.1	6.5
	2019	1.8	2.4	0.5	1.5	2.7	2.4	1.2	2.3	3.8	-0.2	34.4	7.2
Sweden	2017	2.5	2.2	0.4	5.9	3.6	4.8	1.8	2.5	6.7	1.2	41.0	4.2
	2018	2.0	2.0	0.6	3.0	3.8	4.2	1.7	2.6	7.1	1.0	37.0	2.8
	2019	1.9	1.8	0.8	0.4	4.7	3.8	1.4	2.7	7.6	0.8	35.0	3.2
Norway	2017	1.8	2.3	2.0	3.5	0.8	2.2	1.8	2.3	2.7	-	-	-
	2018	2.5	2.3	1.9	2.0	2.0	2.5	2.4	3.0	2.4	-	-	-
	2019	2.3	2.5	1.9	3.5	2.4	2.3	1.6	3.5	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	2017	2.5	1.7	1.2	2.9	5.5	4.2	1.5	1.6	9.1	-0.9	86.7	3.5
	2018	2.0	1.6	1.2	2.6	3.3	2.9	1.7	2.0	8.4	-0.7	86.0	3.4
	2019	1.7	1.9	2.1	1.8	3.1	3.8	1.4	2.3	8.0	-0.6	85.5	3.4
Germany	2017	2.5	2.0	1.5	4.0	5.3	5.6	1.7	2.6	3.8	1.3	64.1	8.0
	2018	2.0	1.4	0.8	4.0	3.3	3.2	1.7	2.8	3.4	1.2	60.2	7.9
	2019	1.9	2.3	2.1	3.2	3.7	5.3	1.6	3.0	3.3	1.0	56.3	7.6
Finland	2017	2.7	1.7	1.6	5.8	7.5	3.7	0.7	0.2	8.6	-0.6	61.3	0.7
	2018	2.7	2.1	0.9	4.0	4.2	4.2	1.0	2.0	8.0	-0.3	59.1	0.5
	2019	2.0	1.6	0.5	3.5	4.5	4.0	1.4	2.3	7.7	-0.1	57.6	0.7

### 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	2017	2.2	2.5	-0.1	4.8	3.0	4.6	2.1	2.5	4.4	-3.5	105.0	-2.5
	2018	2.5	2.4	1.3	5.3	4.2	4.4	2.5	2.6	3.9	-4.0	106.0	-3.0
	2019	2.3	2.3	1.1	4.0	3.1	3.0	2.0	2.8	3.6	-4.6	107.0	-3.4
China	2017	6.9	-	-	-	-	-	2.0	9.0	4.1	-3.7	47.6	1.4
	2018	6.6	-	-	-	-	-	2.3	8.7	4.3	-3.4	50.8	1.1
	2019	6.4	-	-	-	-	-	2.3	8.5	4.3	-3.4	53.9	1.2
UK	2017	1.7	1.9	-0.1	3.4	5.4	3.2	2.7	2.2	4.4	-1.8	87.7	-4.1
	2018	1.1	1.1	1.1	2.9	1.3	1.2	2.5	2.5	4.2	-1.8	85.4	-4.4
	2019	1.2	1.2	0.4	1.3	2.6	2.0	1.5	2.9	4.1	-1.7	85.3	-4.0

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

## Financial forecast

### Bond and money markets

		Key int. rate	3m interest rate	2-yr swap yield	10-yr swap yield	Currency vs EUR	Currency vs USD	Currency vs DKK
USD	10-Aug	2.00	2.34	2.82	2.95	114.6	-	650.3
	+3m	2.00	2.45	2.80	3.05	116.0	-	642.5
	+6m	2.25	2.67	3.00	3.15	120.0	-	621.0
	+12m	2.75	2.97	3.30	3.35	125.0	-	595.8
EUR	10-Aug	0.00	-0.32	-0.14	0.89	-	114.6	745.5
	+3m	0.00	-0.33	-0.15	0.95	-	116.0	745.3
	+6m	0.00	-0.33	0.00	1.05	-	120.0	745.3
	+12m	0.00	-0.33	0.10	1.45	-	125.0	744.8
JPY	10-Aug	-0.10	-0.04	0.05	0.33	127.0	110.8	5.87
	+3m	-0.10	-	-	-	129.9	112.0	5.74
	+6m	-0.10	-	-	-	136.8	114.0	5.45
	+12m	-0.10	-	-	-	142.5	114.0	5.23
GBP	10-Aug	0.75	0.81	1.08	1.53	89.8	127.6	830.1
	+3m	0.75	0.82	1.15	1.70	86.5	134.1	861.6
	+6m	0.75	0.82	1.45	1.90	84.0	142.9	887.2
	+12m	1.00	1.07	1.70	2.15	83.0	150.6	897.3
CHF	10-Aug	-0.75	-0.73	-0.54	0.41	114.1	99.5	653.6
	+3m	-0.75	-	-	-	116.0	100.0	642.5
	+6m	-0.75	-	-	-	119.0	99.2	626.3
	+12m	-0.75	-	-	-	122.0	97.6	610.5
DKK	10-Aug	0.05	-0.30	-0.02	1.02	745.5	650.3	-
	+3m	0.05	-0.30	-0.05	1.10	745.3	642.5	-
	+6m	0.05	-0.30	0.10	1.20	745.3	621.0	-
	+12m	0.05	-0.30	0.20	1.60	744.8	595.8	-
SEK	10-Aug	-0.50	-0.35	-0.13	1.14	1043.5	910.3	71.4
	+3m	-0.50	-0.45	-0.20	1.05	1040.0	896.6	71.7
	+6m	-0.50	-0.40	-0.15	1.25	1050.0	875.0	71.0
	+12m	-0.50	-0.40	-0.10	1.55	1020.0	816.0	73.0
NOK	10-Aug	0.50	1.05	1.48	2.19	957.9	835.6	77.8
	+3m	0.75	1.25	1.55	2.40	920.0	793.1	81.0
	+6m	0.75	1.30	1.70	2.55	920.0	766.7	81.0
	+12m	1.00	1.50	1.90	2.75	910.0	728.0	81.8

### Commodities

	10-Aug	2018				2019				Average	
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2018	2019
NYMEX WTI	66	63	68	68	68	69	69	70	70	67	70
ICE Brent	72	67	75	72	72	72	72	74	74	72	73

Source: Danske Bank

# Calendar

## Key Data and Events in Week 33

During the week				Period	Danske Bank	Consensus	Previous
<b>Monday, August 13, 2018</b>							
6:00	SEK	Maklarstatistik Swedish housing price data					
9:30	SEK	Household consumption	m/m y/y	Jun			0.0% 3.7%
10:00	ITL	HICP, final	m/m y/y	Jul		... 1.9%	... 1.9%
<b>Tuesday, August 14, 2018</b>							
4:00	CNY	Industrial production	y/y	Jul		6.3%	6.0%
4:00	CNY	Retail sales	y/y	Jul		9.1%	9.0%
4:00	CNY	Fixed assets investments	y/y	Jul		6.0%	6.0%
6:30	JPY	Industrial production, final	m/m y/y	Jun			-2.1% -1.2%
7:30	FRF	ILO unemployment	%	2nd quarter		9.1%	9.2%
8:00	DKK	GDP indicator	q/q	2nd quarter	0.5%		0.3%
8:00	DEM	HICP, final	m/m y/y	Jul		0.4% 2.1%	0.4% 2.1%
8:00	DEM	GDP, preliminary	q/q y/y	2nd quarter		0.4% 2.1%	0.3% 2.3%
8:45	FRF	HICP, final	m/m y/y	Jul		-0.1% 2.6%	-0.1% 2.6%
9:00	ESP	HICP, final	m/m y/y	Jul		-1.2% 2.3%	-1.2% 2.3%
10:30	EUR	Portugal, GDP, preliminary	q/q y/y	2nd quarter			0.4% 2.1%
10:30	GBP	Unemployment rate (3M)	%	Jun	4.1%	4.2%	4.2%
10:30	GBP	Average weekly earnings ex bonuses (3M)	y/y	Jun	2.7%	2.7%	2.7%
11:00	EUR	Industrial production	m/m y/y	Jun		-0.4% 2.6%	1.3% 2.4%
11:00	EUR	GDP, 2nd estimate	q/q y/y	2nd quarter	0.3% ...	0.3% 2.1%	0.3% 2.1%
11:00	DEM	ZEW current situation	Index	Aug		71.1	72.4
11:00	DEM	ZEW expectations	Index	Aug		-20	-24.7
12:00	USD	NFIB small business optimism	Index	Jul		106.8	107.2
14:30	USD	Import prices	m/m y/y	Jul		0.1% ...	-0.4% 4.3%
<b>Wednesday, August 15, 2018</b>							
8:00	NOK	Trade balance	NOK bn	Jul			22
10:30	GBP	PPI - input	m/m y/y	Jul		0.1% 10.4%	0.2% 10.2%
10:30	GBP	CPI	m/m y/y	Jul	-0.2% 2.3%	0.0% 2.5%	0.0% 2.4%
10:30	GBP	CPI core	y/y	Jul	1.8%	1.9%	1.9%
14:30	USD	Retail sales control group	m/m	Jul		0.5%	0.0%
14:30	USD	Unit labour cost, preliminary	q/q	2nd quarter		0.0%	2.9%
14:30	USD	Empire Manufacturing PMI	Index	Aug		20.0	22.6
15:15	USD	Capacity utilization	%	Jul		78.2%	78.0%
15:15	USD	Industrial production	m/m	Jul		0.4%	0.6%
15:15	USD	Manufacturing production	m/m	Jul		0.3%	0.8%
16:00	USD	NAHB Housing Market Index	Index	Aug		67.0	68.0
16:30	USD	DOE U.S. crude oil inventories	K				-1351
22:00	USD	TICS international capital flow, Net inflow	USD bn	Jun			69.9

Source: Danske Bank

## Calendar (continued)

Thursday, August 16, 2018					Period	Danske Bank	Consensus	Previous
1:50	JPY	Exports	y/y (%)	Jul		0.1	0.1	
1:50	JPY	Import	y/y (%)	Jul		0.1	0.0	
1:50	JPY	Trade balance, s.a.	JPY bn	Jul		20.7	66.2	
3:30	AUD	Employment change	1000	Jul		15	50.9	
10:00	NOK	Norges Banks monetary policy meeting	%		0.5%	0.5%	0.5%	
10:30	GBP	Retail sales ex fuels	m/m y/y	Jul		-0.1% 2.6%	-0.6% 3.0%	
11:00	EUR	Trade balance	EUR bn	Jun			16.9	
14:30	USD	Initial jobless claims	1000					
14:30	USD	Building permits	1000 (m/m)	Jul		1308	1292.0 (-0.7%)	
14:30	USD	Housing starts	1000 (m/m)	Jul		1273	1173.0 (-12.3%)	
14:30	USD	Philly Fed index	Index	Aug		22.0	25.7	
Friday, August 17, 2018					Period	Danske Bank	Consensus	Previous
9:00	SEK	House prices (Valueguard HOX)	m/m					
10:00	EUR	Current account	EUR bn	Jun			22.4	
11:00	EUR	HICP inflation, final	m/m y/y	Jul	.. 2.1%	-0.3% 2.1%	0.1% 2.0%	
11:00	EUR	HICP - core inflation, final	y/y	Jul	1.1%	1.1%	1.1%	
14:30	CAD	CPI	m/m y/y	Jul			.. 2.5%	
16:00	USD	University of Michigan Confidence, preliminary	Index	Aug		97.9	97.9	

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Source: Danske Bank

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