

Weekly Focus

Deal or no deal is the million-dollar question

Market movers ahead

- In the US, we will look out for the last Fed speeches before the blackout period begins.
- In the euro area, we expect another dire set of industrial production figures for August. We hope the ZEW prints bring better news for October.
- In the UK, we expect Brexit negotiations to take centre stage. We also expect several economic releases and Bank of England speeches.
- We are likely to see a further decline in Chinese GDP growth for Q3. The trade war is one reason but structurally growth also looks set to be on a declining path over the next decade.
- In Sweden, we are due to get the September unemployment rate. Unemployment has soared over the past few months and we expect a correction. Even so, we believe it remains far higher than the Riksbank forecast.

Weekly wrap-up

- It was a bit of a roller coaster week up to the US-China trade talks. We see a 60% chance that the two sides will strike an interim deal at the beginning of the weekend.
- The minutes from the most recent policy meetings revealed a great deal of disagreement among the governing councils of the ECB and the Fed.
- Ireland and the UK indicated they could find a solution for Brexit. Yet, even if the UK and EU come to an agreement, Boris Johnson's government still faces limited parliamentary backing, making it hard to pass a deal in the UK parliament.

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Financial views

Major indices

| | 11-Oct | 3M | 12M |
|---------------|--------|-------|-------|
| 10yr EUR swap | -0.03 | -0.20 | -0.10 |
| EUR/USD | 110 | 110 | 115 |
| ICE Brent oil | 60 | 65 | 60 |

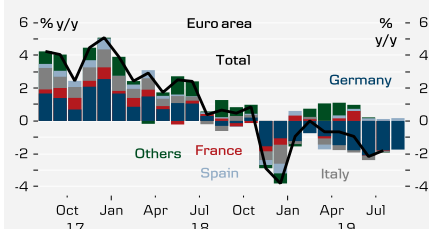
Source: Danske Bank

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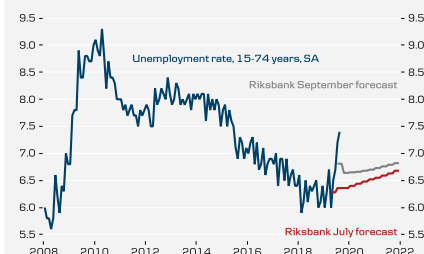
@Danske_Research

German figures point to a further fall in industrial production



Source: Eurostat, Bundesamt, INE, INSEE, Istat, Macrobond Financial, Danske Bank

September unemployment rate should fall back but still above Riksbank



Source: SCB, Riksbank

Editor

Analyst

Bjorn Tangaa Sillemann
+45 45 12 82 29
bjisi@danskebank.dk

Market movers

Global

- In the **US**, it is the last week before the Fed's blackout period begins on 19 October and hence we will listen very closely to Fed speeches during the week to find out whether the Fed is going to cut or not. We expect the Fed will talk down expectations if they are not going to cut. We have said for some time that weak economic figures even in the US will force the Fed's hand.

In terms of economic data releases, it is a quiet week but the retail sales in September due out on Wednesday will be important. Some hawks argue that the Fed does not need to ease much (or at all), as private consumption growth remains solid, so a weak print here may persuade them to support another cut. Retail sales have risen for six months in a row and since retail sales is a very volatile indicator it would not be a big surprise if we get a negative print soon.

- In the **euro area**, next week will bring the August industrial production figures on Monday. The latest year's crumbling production data has mainly been driven by Germany, where production in August fell 4.0% y/y. Hence, the euro area print is not likely to bring any cheer, showing the industrial recession dragging out in Q3.

On Tuesday we get the first sentiment indicators for October when the ZEW prints are due out for both the euro area and Germany. It will be interesting to see whether the rebound in expectations and the fall in current situation continues.

Also on Tuesday, we have the official deadline for euro area countries to submit their 2020 budget plans to Brussels. The focus here will be particularly on how the Italian budget is received, with the government planning a slightly higher budget deficit of 2.2% of GDP than previously agreed with the Commission in June. However, we currently do not envision a replay of the budget fight to the same degree as in 2018.

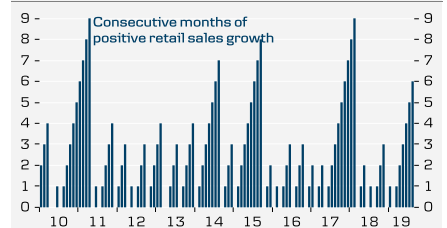
Lastly, Wednesday will bring the final September inflation figures and with it a decomposition of the different categories, which will show us what drove the small uptick in core inflation to 1.0%.

- In the **UK**, the focus is on the Brexit negotiations ahead of the EU summit on Thursday to Friday. The negotiations seemed to have broken down early this week but got back on track after the meeting between Irish PM Varadkar and UK PM Johnson. Unless a deal is reached over the weekend, the EU leaders may not feel confident ratifying a deal at the EU summit. There is, however, always the possibility to call an extraordinary summit.

With respect to economic releases next week, the labour market report for August is due out on Tuesday, CPI inflation in September on Wednesday and retail sales in September on Thursday. We also have plenty of Bank of England speeches, which may give us more insight into whether the central bank is on the brink of cutting rates in line with other major central banks.

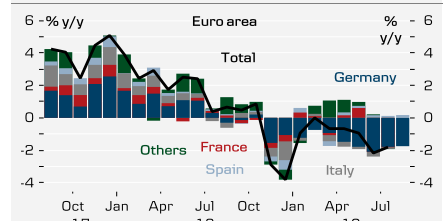
In **Japan**, we get September CPI inflation figures on Friday. Inflation remains far off the 2% target in Japan and momentum is currently downwards. Energy prices are set to lift inflation in September temporarily on the back of the drone strikes on Saudi oil plants in mid-September. A 2pp VAT hike took effect on 1 October, which is likely to lift inflation another approximately 1pp over the coming year. The risk is that this price increase hampers private demand and puts an end to the economic recovery.

Six months of positive retail sales growth



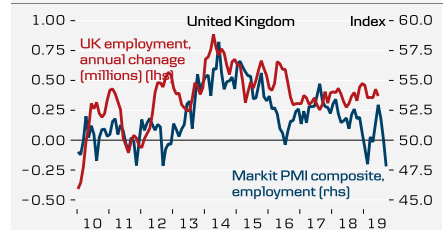
Source: US Census Bureau, Macrobond Financial

German figures point to a further fall in industrial production



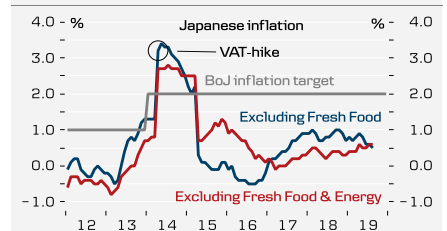
Source: Eurostat, Bundesamt, INE, INSEE, Istat, Danske Bank, Macrobond Financial

UK PMIs suggest employment is falling but hard data is still holding up



Source: IHS Markit, ONS, Macrobond Financial

Energy prices should lift inflation in September



Source: Japanese Cabinet Office, Macrobond Financial

Several exemptions on food etc. and increased public spending are set to counter the negative effect on private demand, though.

- It is time for **China GDP** for Q3. We are likely to see another headline saying lowest growth since the 1990s because the economy probably grew 6.1% y/y in Q3 down from 6.3% y/y in Q2. The trade war has caused headwinds but structurally growth is also on a declining path over the next decade.

China also releases data on exports, industrial production and retail sales. We expect the key figures to point to some stabilisation in growth following the decline over most of the year. Recently Chinese PMI and a few other indicators have pointed to stabilisation and even improvement. CPI inflation is set to rise further from 2.8% y/y to 2.9% y/y as pork prices continue to rise due to African swine fever. We look for PPI to move a bit further into deflation from -0.8% y/y in August to -1.2% y/y in September. This should be the bottom, though, judging from our model based on developments in commodity prices.

We will also look for more signals on the US-China trade war and the outlook for a possible trade deal.

Scandi

- There are no market movers in Denmark in the coming week.
- We have seen an unexpectedly hefty rise in unemployment in **Sweden** over the past months. In fact the steep rise made us look for a correction last month but that did not happen; instead unemployment picked up again. Comments from the Riksbank range from concern to various explanations as to why the data are not very reliable. The latter is a bit worrying to us since several other job related data confirm that the labour market is cooling off.

Having said that, we too have a feeling that unemployment data may be a bit exaggerated. We were wrong about a correction last month but we make another attempt this time around. Admittedly, putting down numbers is to some extent a matter of guessing.

We have assumed a decline from 7.4% to 6.8% (i.e. 0.6pp). With a standard seasonal factor for September of -0.5pp we end up with an unadjusted unemployment rate at 6.3%. If correct, adjusted unemployment for Q3 will be on average 7.1% (notice though that previous months may be revised) compared with the RB's upward revised forecast of 6.8%. In Nordic Outlook our implicit assumption was that September would print 6.5% s.a.

Now, the Riksbank's 6.8% of course only represents a starting point. The more interesting question is of course how the Riksbank now sees the outlook for the job market going forward and that in turns depend on the outlook for the economy as a whole. In that respect we find the National Institute of Economic Research's newly released forecast more realistic that the RB's September projection (and more in line with our own).

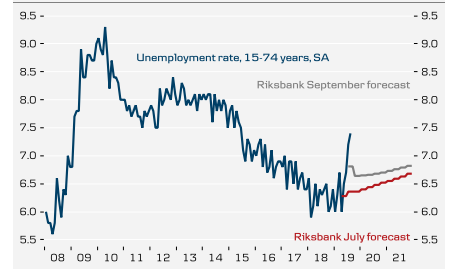
- There are no market movers in Norway in the coming week.

China GDP to hit another low in Q3



Source: Macrobond FinanciaI, PBoC

September unemployment rate should fall back, but still above Riksbank



Source: SCB, Riksbank

Market movers ahead

| Global movers | | | Event | Period | Danske | Consensus | Previous | | |
|--------------------------------|--------|-------|-------|---|---------|-------------|-------------|------------|-------------|
| During the week | | | | | | | | | |
| Mon | 14-Oct | 11:00 | EUR | Industrial production | m/m y/y | Aug | -0.4% -2.4% | 0.3% -2.5% | -0.4% -2.0% |
| Tue | 15-Oct | 10:30 | GBP | Unemployment rate (3M) | % | Aug | | 3.8% | 3.8% |
| | | 10:30 | GBP | Average weekly earnings ex bonuses (3M) | y/y | Aug | | 3.7% | 3.8% |
| | | 11:00 | DEM | ZEW current situation | Index | Oct | | -25.0 | -19.9 |
| Wed | 16-Oct | 11:00 | DEM | ZEW expectations | Index | Oct | | -27.0 | -22.5 |
| | | 10:30 | GBP | CPI | m/m y/y | Sep | | 0.2% 1.8% | 0.4% 1.7% |
| | | 10:30 | GBP | CPI core | y/y | Sep | | 1.7% | 1.5% |
| Thurs | 17-Oct | 10:30 | GBP | Retail sales ex fuels | m/m y/y | Sep | | 0.0% 2.9% | -0.3% 2.2% |
| | | 15:15 | USD | Industrial production | m/m | Sep | | -0.1% | 0.6% |
| Fri | 18-Oct | 1:30 | JPY | CPI - national | y/y | Sep | | 0.2% | 0.3% |
| | | 1:30 | JPY | CPI - national ex. fresh food | y/y | Sep | | 0.3% | 0.5% |
| | | 4:00 | CNY | Industrial production | y/y | Sep | | 5.0% | 4.4% |
| | | 4:00 | CNY | Retail sales | y/y | Sep | | 7.8% | 7.5% |
| | | 4:00 | CNY | Real GDP | q/q y/y | 3rd quarter | | 1.5% 6.1% | 1.6% 6.2% |
| Scandi movers | | | | | | | | | |
| During the week | | | | | | | | | |
| Thurs | 17-Oct | 9:30 | SEK | Unemployment (n.s.a. s.a.) | % | Sep | 6.3% 6.8% | | 7.1% 7.4% |
| Source: Bloomberg, Danske Bank | | | | | | | | | |

Weekly Wrap-Up

Deal or no deal—Brexit and trade discussions reach crucial stage

Main macro themes

- The key focus this week has been the China and US trade negotiations.** It was a bit of a rollercoaster week up to the US-China trade talks, which started yesterday in Washington. Earlier this week, the US blacklisted another eight Chinese companies and imposed visa restrictions on Chinese officials. There are also indications that the White House is considering a limit on Chinese stocks in US government funds. The range of negative news threw cold water on expectations of an interim deal. However, on Wednesday, China signalled that an interim deal was still on the table and the *Financial Times* reported that China would offer to buy 10 million tonnes of US soybeans in exchange for the US taking tariff hikes off the table. We see a 60% chance that the two sides will strike an interim deal at the beginning of the weekend.
- The week minutes from the most recent policy meetings revealed a great deal of disagreement among the governing councils of the ECB and the Fed in relation to the recent policy easing programmes.** The minutes from the Fed meeting showed that the committee remains very divided on the number of future cuts and ‘several’ participants thought the Fed should clarify its intentions. We believe consumer confidence today and retail sales on Wednesday will be key for the Fed’s decision on 30 October, when we expect another 25bp cut.
- On the ECB side, the minutes from the September meeting released yesterday showed that all Governing Council (GC) members wanted to act but disagreed on how to act** (whether to embark on a bigger rate cut and no QE for example). It is also clear to us that the ECB’s economic projections do not take into account a no-deal Brexit or an escalation of trade tensions between the US and China, which, therefore, poses a risk of further easing (not our baseline though), if such scenarios should unfold.
- Brexit negotiations between the EU and UK almost collapsed but on Thursday, Ireland and the UK indicated they could find a solution.** There are not yet many details (probably because neither side wants to risk jeopardising the fragile negotiations) but the most difficult part of the negotiation is the customs union and Irish Prime Minister Leo Varadkar and UK Prime Minister Boris Johnson may have found a way forward here. Yet, even if the UK and EU find an agreement, the Johnson government still faces limited parliamentary backing, making it harder to pass a deal in the UK parliament. Our base case is still another Brexit extension followed by a snap election but the coming week is set to be very important.

Financial market developments

- In the US, yields have risen on the back of increased optimism about a trade deal between the US and China.** The stronger market sentiment also weighed on the USD with EUR/USD rising above 1.10 and cyclically dependent emerging market currencies also strengthening. Meanwhile, the Turkish lira weakened as the US proposed new sanctions amid Turkish military aggression against Kurdish forces in northern Syria.

Financial views

| Major indices | | | |
|----------------|--------|-------|-------|
| | 11-Oct | 3M | 12M |
| 10yr EUR swap | -0.03 | -0.20 | -0.10 |
| 10yr US swap | 1.63 | 1.30 | 1.10 |
| ECB key rate | -0.50 | -0.50 | -0.50 |
| Fed funds rate | 2.00 | 1.50 | 1.00 |
| EUR/SEK | 1083 | 1080 | 1100 |
| EUR/NOK | 1004 | 1000 | 950 |
| EUR/USD | 110 | 110 | 115 |
| ICE Brent oil | 60 | 65 | 60 |

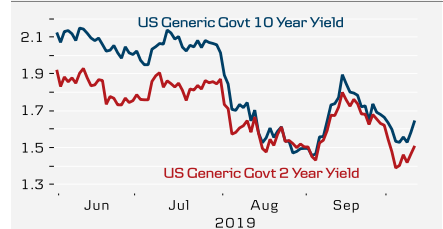
Source: Danske Bank

EUR/USD rose above 1.10 and...



Source: ISM, BEA, Macrobond Financial

...US yields climbed this week amid trade optimism



Source: Bloomberg, Macrobond Financial

Scandi update

Denmark – weak industrial figures, but exports remain buoyant

The week kicked off with bad news on Monday, when Statistics Denmark published industrial production figures for August. Production was down 1.1% on July and in all has fallen 1.6% over the past three months. In contrast, Wednesday’s export figures for August were surprisingly buoyant, up 1.8% relative to July. Exports once again got a particular boost from pharmaceuticals, though growth was quite broadly based across several sectors. Strong exports also lifted the already large current account surplus, which was revised a further DKK30bn higher for 2018. The export numbers appear to be of the highest quality, so this looks mostly like good news. That being said, growth continuing at the same pace seems unrealistic when considering the state of the global economy.

The Danish Economic Councils published their autumn report for the Danish economy on Tuesday. The outlook was essentially the same as Danske Bank’s forecast for the Danish economy, with identical expected GDP growth rates of 2.0% and 1.3% for 2019 and 2020, respectively.

Inflation figures for September were released on Thursday. Inflation rose a tad to 0.5%, pulled higher, in particular, by the very negative contribution from vacation home rentals dropping out of the statistic now that the holiday season is over. In contrast, food and electricity prices fell, with electricity prices now pulling inflation down by close to 0.3 percentage points. However, this will change next month, as the PSO levy is set to rise.

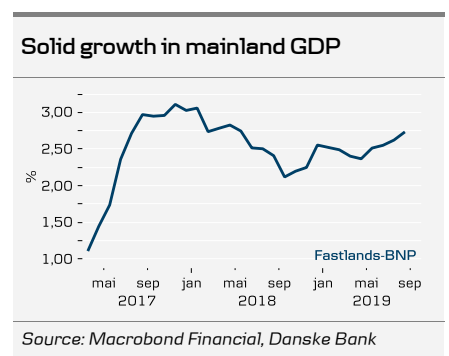
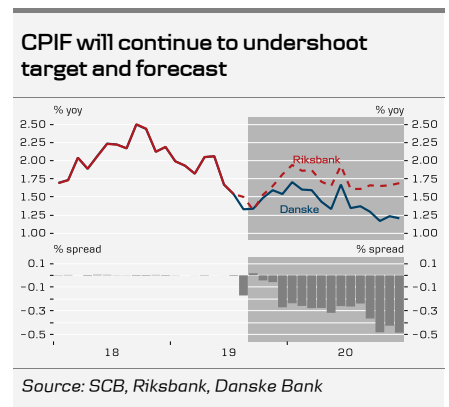
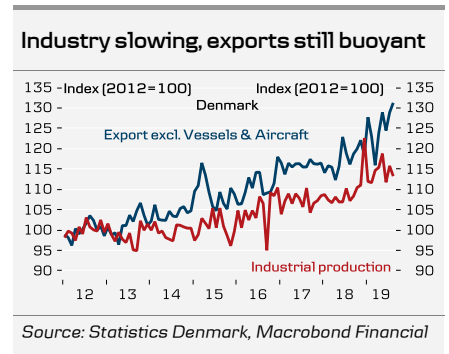
Sweden – weak growth, inflation/expectations below target

September inflation was the event of the week. CPIF and CPIF excl. Energy turned out at 1.3 % y/y and 1.6 % y/y, spot on and a tenth below Riksbank’s forecasts. That said, the outcome was higher than our forecast which was the same as market consensus. Although it took the immediate pressure off Riksbank, we still find it likely that Riksbank will postpone the repo rate path on 24 October. One reason is that October money market inflation expectations dropped again. Looking forward we still expect inflation to undershoot Riksbank’s forecast in the coming year, eventually pushing Riksbank to cut rates again in February.

The August prints for private production value (PVI) and the household indicator did not do very much to lift our GDP tracker’s estimate for Q3: it now suggests 1.1% y/y. In Nordic Outlook we have assumed 1.5% y/y as there is a significant base effect from last year when Q3 GDP dropped 0.5% q/q. As a comparison, Riksbank’s September forecast is for 1.8% y/y.

Norway – growth accelerating

Mainland GDP fell 0.2% m/m in August after rising 0.8% in July, but the underlying annual growth rate of 2.9% is actually slightly higher than in H1. Growth is also broad-based, with both oil investment and other business investment climbing strongly, and housing investment rising faster more than normal. Private consumption and government demand are growing at around a normal rate, while exports of traditional goods have levelled off. This means that, as expected, growth in the Norwegian economy remains above trend despite the global slowdown.



Latest research from Danske Bank

10/10 China Weekly Letter - A roller coaster week should end with interim deal

An interim deal between US and China is still on the table despite US blacklisting of more Chinese companies. Trump announced he will meet the vice Premier on Friday, which bodes well for the result of trade talks.

10/10 Flash: ECB Research - Muddy ECB minutes amid questioned commitment

The ECB minutes from the September meeting released earlier today showed all Governing Council members (GC) wanted to act, but disagreements on how to act. Markets still question the ECB's ability and willingness to do whatever it takes.

10/10 Euro Area Research: Manufacturing cycle: recession or recovery?

The focus in the market continues to centre on the protracted manufacturing recession in the euro area and when a potential trough may finally be reached.

9/10 Denmark: Larger trade surplus last year indicates stronger recovery

Massive revision of construction exports and higher shipping activity are the key reasons Danish economic activity has been stronger than previously estimated.

8/10 Brexit Monitor - Negotiations have broken down, blame game has started

Brexit negotiations between the EU27 and the UK government seem to have broken down.

7/10 Macro Strategy Views Podcast: US-China trade talks - interim deal but challenges further out

In our weekly Macro Strategy Views podcast, we discuss this week's trade talks between the US and China, what might be included in an interim deal and what are the challenges further out for reaching an all-inclusive deal.

Macroeconomic forecast

Macro forecast. Scandinavia

| | Year | GDP ¹ | Private cons. ¹ | Public cons. ¹ | Fixed inv. ¹ | Ex-ports ¹ | Im-ports ¹ | Infla-tion ¹ | Wage growth ¹ | Unem-ploym ³ | Public budget ⁴ | Public debt ⁴ | Current acc. ⁴ |
|---------|------|------------------|----------------------------|---------------------------|-------------------------|-----------------------|-----------------------|-------------------------|--------------------------|-------------------------|----------------------------|--------------------------|---------------------------|
| Denmark | 2018 | 1.5 | 2.2 | 0.9 | 6.5 | 0.4 | 3.3 | 0.8 | 2.2 | 3.9 | 0.6 | 34.2 | 7.1 |
| | 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 | 0.9 | 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 | Infla-tion 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 | 2.3 | 3.5 | 2.7 | 1.8 | 2.3 | 8.2 | -0.5 | 85.1 | 3.6 |
| | 2019 | 1.2 | 1.2 | 1.5 | 2.6 | 2.4 | 2.6 | 1.2 | 2.2 | 7.7 | -0.9 | 85.8 | 3.3 |
| | 2020 | 0.9 | 1.4 | 1.8 | 1.4 | 1.4 | 2.6 | 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 | 3.0 | 3.4 | 1.7 | 60.9 | 7.3 |
| | 2019 | 0.5 | 1.5 | 2.1 | 2.9 | 0.8 | 2.8 | 1.4 | 3.2 | 3.1 | 1.0 | 58.4 | 6.0 |
| | 2020 | 0.7 | 1.4 | 2.3 | 1.3 | 0.7 | 2.7 | 1.5 | 3.0 | 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 | -0.7 | 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 | Infla-tion 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 | -1.5 | 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 | 11-Oct | 2.00 | 1.98 | 1.64 | 1.63 | 110.5 | - | 676.0 | 908.5 | 980.1 |
| | +3m | 1.50 | 1.22 | 1.30 | 1.30 | 110.0 | - | 678.8 | 909.1 | 981.8 |
| | +6m | 1.00 | 1.00 | 0.90 | 1.00 | 113.0 | - | 660.4 | 858.4 | 964.6 |
| | +12m | 1.00 | 1.00 | 1.00 | 1.10 | 115.0 | - | 648.7 | 826.1 | 956.5 |
| EUR | 11-Oct | -0.50 | -0.42 | -0.42 | -0.03 | - | 110.5 | 746.9 | 1003.8 | 1082.9 |
| | +3m | -0.50 | -0.41 | -0.50 | -0.20 | - | 110.0 | 746.7 | 1000.0 | 1080.0 |
| | +6m | -0.50 | -0.41 | -0.50 | -0.20 | - | 113.0 | 746.3 | 970.0 | 1090.0 |
| | +12m | -0.50 | -0.41 | -0.40 | -0.10 | - | 115.0 | 746.0 | 950.0 | 1100.0 |
| JPY | 11-Oct | -0.10 | -0.11 | -0.13 | 0.00 | 120.5 | 108.5 | 6.20 | 8.33 | 8.99 |
| | +3m | -0.10 | - | - | - | 116.6 | 106.0 | 6.40 | 8.58 | 9.26 |
| | +6m | -0.10 | - | - | - | 119.8 | 106.0 | 6.23 | 8.10 | 9.10 |
| | +12m | -0.10 | - | - | - | 126.5 | 110.0 | 5.90 | 7.51 | 8.70 |
| GBP | 11-Oct | 0.75 | 0.76 | 0.79 | 0.86 | 87.4 | 126.5 | 854.8 | 1148.8 | 1239.4 |
| | +3m | 0.75 | 0.79 | 0.70 | 0.70 | 90.0 | 122.2 | 829.7 | 1111.1 | 1200.0 |
| | +6m | 0.75 | 0.79 | 0.70 | 0.70 | 90.0 | 125.6 | 829.2 | 1077.8 | 1211.1 |
| | +12m | 0.75 | 0.79 | 0.80 | 0.75 | 90.0 | 127.8 | 828.9 | 1055.6 | 1222.2 |
| CHF | 11-Oct | -0.75 | -0.79 | -0.74 | -0.32 | 110.2 | 99.8 | 677.5 | 910.5 | 982.3 |
| | +3m | -0.75 | - | - | - | 110.0 | 100.0 | 678.8 | 909.1 | 981.8 |
| | +6m | -0.75 | - | - | - | 112.0 | 99.1 | 666.3 | 866.1 | 973.2 |
| | +12m | -0.75 | - | - | - | 114.0 | 99.1 | 654.4 | 833.3 | 964.9 |
| DKK | 11-Oct | -0.75 | -0.44 | -0.34 | 0.05 | 746.9 | 676.0 | - | 134.4 | 145.0 |
| | +3m | -0.75 | -0.45 | -0.40 | -0.10 | 746.7 | 678.8 | - | 133.9 | 144.6 |
| | +6m | -0.75 | -0.45 | -0.45 | -0.15 | 746.3 | 660.4 | - | 130.0 | 146.1 |
| | +12m | -0.75 | -0.45 | -0.35 | -0.05 | 746.0 | 648.7 | - | 127.3 | 147.5 |
| SEK | 11-Oct | -0.25 | -0.10 | -0.05 | 0.34 | 1082.9 | 980.1 | 69.0 | 92.7 | 100.0 |
| | +3m | -0.25 | -0.10 | -0.15 | 0.35 | 1080.0 | 981.8 | 69.1 | 92.6 | - |
| | +6m | -0.50 | -0.35 | -0.30 | 0.35 | 1090.0 | 964.6 | 68.5 | 89.0 | - |
| | +12m | -0.50 | -0.35 | -0.30 | 0.35 | 1100.0 | 956.5 | 67.8 | 86.4 | - |
| NOK | 11-Oct | 1.50 | 1.82 | 1.85 | 1.75 | 1003.8 | 908.5 | 74.4 | 100.0 | 107.9 |
| | +3m | 1.50 | 2.00 | 1.90 | 1.65 | 1000.0 | 909.1 | 74.7 | - | 108.0 |
| | +6m | 1.75 | 2.15 | 2.00 | 1.70 | 970.0 | 858.4 | 76.9 | - | 112.4 |
| | +12m | 1.75 | 2.15 | 2.05 | 1.70 | 950.0 | 826.1 | 78.5 | - | 115.8 |

| Commodities | | | | | | | | | | | | |
|-------------|--------|------|----|----|----|------|----|----|----|---------|------|--|
| | | 2019 | | | | 2020 | | | | Average | | |
| | 11-Oct | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | 2019 | 2020 | |
| ICE Brent | 60 | 64 | 68 | 62 | 65 | 60 | 60 | 60 | 60 | 65 | 60 | |

Source: Dansk Bank

Calendar

Key Data and Events in Week 42

| During the week | | | | Period | Danske Bank | Consensus | Previous |
|-----------------------------|-----|---|---------|-------------|-------------|------------|-------------|
| Monday, October 14, 2019 | | | | Period | Danske Bank | Consensus | Previous |
| - | JPY | Health-Sports Day | | | | | |
| - | USD | Columbus Day (Exchange open) | | | | | |
| - | CNY | Trade balance | USD bn | Sep | | 34.8 | 34.8 |
| 11:00 | EUR | Industrial production | m/mly/y | Aug | -0.4% 2.4% | 0.3% -2.5% | -0.4% -2.0% |
| Tuesday, October 15, 2019 | | | | Period | Danske Bank | Consensus | Previous |
| - | USD | Budget statement | USD bn | Sep | | 93.0 | 119.1 |
| 2:30 | AUD | RBA September Meeting Minutes | | | | | |
| 3:30 | CNY | PPI | y/y | Sep | | -1.2% | -0.8% |
| 3:30 | CNY | CPI | y/y | Sep | | 2.9% | 2.8% |
| 6:30 | JPY | Industrial production, final | m/mly/y | Aug | | | -1.2% -4.7% |
| 8:00 | NOK | Trade balance | NOK bn | Sep | | | 6.7 |
| 8:45 | FRF | HICP, final | m/mly/y | Sep | | -0.4% 1.1% | -0.4% 1.1% |
| 10:25 | USD | Fed's Bullard (non-voter, dovish) speaks | | | | | |
| 10:30 | GBP | Unemployment rate (3M) | % | Aug | | 3.8% | 3.8% |
| 10:30 | GBP | Average weekly earnings ex bonuses (3M) | y/y | Aug | | 3.7% | 3.8% |
| 11:00 | DEM | ZEW current situation | Index | Oct | | -25.0 | -19.9 |
| 11:00 | DEM | ZEW expectations | Index | Oct | | -27.0 | -22.5 |
| 14:30 | USD | Empire Manufacturing PMI | Index | Oct | | 0.0 | 2.0 |
| 18:45 | USD | Fed's George (non-voter, hawkish) speaks | | | | | |
| 23:45 | NZD | CPI | q/qly/y | 3rd quarter | | 0.6% 1.4% | 0.6% 1.7% |
| Wednesday, October 16, 2019 | | | | Period | Danske Bank | Consensus | Previous |
| 10:30 | GBP | PPI - input | m/mly/y | Sep | | 0.3% -1.8% | -0.1% -0.8% |
| 10:30 | GBP | CPI | m/mly/y | Sep | | 0.2% 1.8% | 0.4% 1.7% |
| 10:30 | GBP | CPI core | y/y | Sep | | 1.7% | 1.5% |
| 11:00 | ITL | HICP, final | m/mly/y | Sep | | ... 0.3% | ... 0.3% |
| 11:00 | EUR | HICP inflation | m/mly/y | Sep | | 0.2% 0.9% | 0.1% 1.0% |
| 11:00 | EUR | HICP - core inflation, final | y/y | Sep | | 1.0% | 1.0% |
| 11:00 | EUR | Trade balance | EUR bn | Aug | | 18.5 | 19 |
| 14:30 | USD | Retail sales control group | m/m | Sep | | 0.4% | 0.3% |
| 14:30 | CAD | CPI | m/mly/y | Sep | | ... 2.0% | ... 1.9% |
| 16:00 | USD | NAHB Housing Market Index | Index | Oct | | 68.0 | 68.0 |
| 16:45 | USD | Fed's Evans (non-voter, dovish) speaks | | | | | |
| 19:00 | EUR | ECB's Weidmann speaks | | | | | |
| 21:00 | USD | Fed's Brainard (voter, dovish) speaks | | | | | |
| 22:00 | USD | TICS international capital flow, Net inflow | USD bn | Aug | | | 43.8 |

Source: Danske Bank

Calendar

| Thursday, October 17, 2019 | | | | Period | Danske Bank | Consensus | Previous |
|----------------------------|-----|--|------------|-------------|-------------------|-----------|----------------|
| 2:30 | AUD | Employment change | 1000 | Sep | | 15 | 34.7 |
| 9:30 | SEK | Unemployment (n.s.a./s.a.) | % | Sep | 6.3% 6.8% | | 7.1% 7.4% |
| 10:30 | GBP | Retail sales ex fuels | m/m y/y | Sep | | 0.0% 2.9% | -0.3% 2.2% |
| 14:30 | USD | Housing starts | 1000 (m/m) | Sep | | 1320 | 1364.0 (12.3%) |
| 14:30 | USD | Philly Fed index | Index | Oct | | 7.1 | 12.0 |
| 14:30 | USD | Building permits | 1000 (m/m) | Sep | | 1340 | 1425.0 (8.2%) |
| 14:30 | USD | Initial jobless claims | 1000 | | | | 210 |
| 15:15 | USD | Capacity utilization | % | Sep | | 77.7% | 77.9% |
| 15:15 | USD | Industrial production | m/m | Sep | | -0.1% | 0.6% |
| 15:15 | USD | Manufacturing production | m/m | Sep | | -0.3% | 0.5% |
| 17:00 | USD | DOE U.S. crude oil inventories | K | | | | 2927 |
| 20:00 | USD | Fed's Evans (non-voter, dovish) speaks | | | | | |
| 22:20 | USD | Fed's Williams (voter, neutral) speaks | | | | | |
| Friday, October 18, 2019 | | | | Period | Danske Bank | Consensus | Previous |
| 1:30 | JPY | CPI - national | y/y | Sep | | 0.2% | 0.3% |
| 1:30 | JPY | CPI - national ex. fresh food | y/y | Sep | | 0.3% | 0.5% |
| 4:00 | CNY | Fixed assets investments | y/y | Sep | | 5.5% | 5.5% |
| 4:00 | CNY | Industrial production | y/y | Sep | | 5.0% | 4.4% |
| 4:00 | CNY | Retail sales | y/y | Sep | | 7.8% | 7.5% |
| 4:00 | CNY | Real GDP | q/q y/y | 3rd quarter | | 1.5% 6.1% | 1.6% 6.2% |
| 10:00 | EUR | Current account | EUR bn | Aug | | | 20.5 |
| 15:00 | USD | Fed's Kaplan (non-voter, neutral) speaks | | | | | |
| 16:05 | USD | Fed's George (non-voter, hawkish) speaks | | | | | |

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

Source: Danske Bank

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