

# Weekly Focus

## Euro debt concerns return

### Market movers ahead

- We expect the US PMI to fall back in May, while the euro area PMI should stabilise after the recent month's weakness.
- We do not expect the minutes from either the Fed (Wednesday) or ECB (Thursday) to change the market's perception of the monetary policy stance in the US and euro area.
- In the UK, we expect inflation to moderate further amid the fading impact of the GBP depreciation.
- Further details on the formation of the new Italian government between the League and Five Star movement will be a key market focus for EUR fixed income markets.
- Keep an eye on the unemployment numbers from Sweden and Norway, where the Swedish numbers might well be the lowest since May 2008.

### Global macro and market themes

- Breakthrough in Italian politics but worrying coalition formations have spooked financial markets and Brussels.
- Further EUR weakening in the near term, but stronger in the medium term.
- Substantial deepening of EMU is not looming.

#### US Markit manufacturing PMI expected to fall in May...



Source: ECB

#### ...while euro-area PMI should stabilise after recent setback



Source: HIS Markit and Macrobond Financials

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### Financial views

#### Major indices

	18-May	3M	12M
10yr EUR swap	1.08	1.15	1.50
EUR/USD	118	119	128
ICE Brent oil	80	72	72

Source: Danske Bank

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# Market movers

## Global

- In the **US**, Markit PMI's for May are due for release on Wednesday. The Empire regional manufacturing survey rose in May, indicating a faster pace of growth than in April. At a national level, however, we expect manufacturing PMI to fall this month from 56.5 down to 55.8, as we still believe we are beyond the peak, so manufacturing growth will be lower but still positive. We expect services PMI to come in at 55.0, up from 54.6.

On Friday, capital goods orders figures are due for release. Overall, business investments have been increasing since 2016 but the past couple of month's numbers have moved sideways – probably due to lower growth in the manufacturing sector. Figures for April will give us an impression of whether investments have stabilised temporarily or more persistently.

The coming week also brings FOMC meeting minutes on Wednesday. We do not expect much news, as the Fed is continuing its gradual hiking cycle with two to three additional rate increases this year. However, we intend to keep an eye on why the Fed removed its phrasing about 'monitoring inflation closely'.

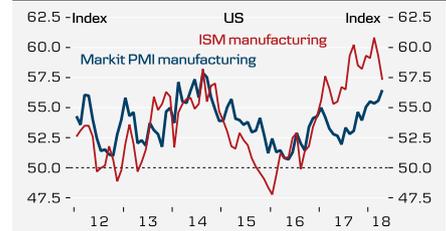
- Next week in the **euro area** will see both the important preliminary PMIs and the ECB minutes. We expect the PMI (Wednesday), which has moderated recently, to yield another 'softer' reading compared with earlier in the year, at the 55 level area. We expect the softer reading to be widespread across countries. It will be interesting to follow the manufacturing PMI and see the potential impact of the spillover of the ongoing trade spat in the US. So far, we expect it to be relatively benign. Also, we get the German ifo (Friday).

On Thursday, we are due to get the ECB minutes from the April meeting. The statement and press conference were more downbeat on growth than in March on the back of the moderation in data. Mario Draghi said during the April press conference that the ECB did not discuss monetary policy 'per se', so we see limited scope for further guidance on the next policy move in the minutes.

- In the **UK** next week, the most important release is the CPI figures for April, due out on Wednesday. One of the reasons the Bank of England stayed on hold in May was that inflation fell more quickly than it projected in February. Inflation is falling back towards 2%, as the impact of GBP depreciation fades. How fast it falls back will be an important factor for how fast the Bank of England tightens monetary policy, as lower inflation means it can support the economy for longer. The second estimate of GDP growth in Q2 (due out on Friday) will also attract attention for two reasons. The first is because the initial estimate of only 0.1% q/q was lower than expected by most economists. The second is because it is the first time we get the expenditure components so that we can see why growth was weak from a demand perspective

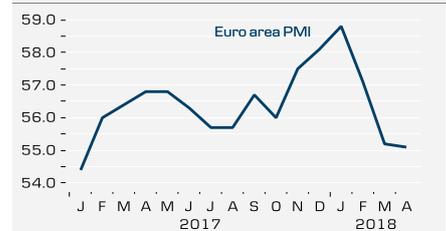
In **China**, we will follow closely any news on the US-China trade front and any signals related to the upcoming meeting between US President Donald Trump and North Korean leader Kim Jong-un.

### We expect Markit manufacturing PMI to fall in May



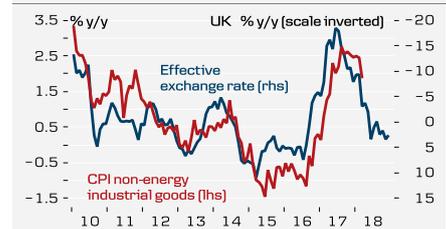
Source: ISM, IHS Markit, Macrobond Financial

### Euro area PMI expected to stabilise



Source: IHS Markit og Macrobond Financial

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



Source: IHS Markit, DG ECFIN, Macrobond Financial

- In **Japan**, we are due to get April exports on Monday. Foreign demand is still the key growth driver in Japan. Recently, we have seen export weakness, though, with decreases in February and March. A strengthening yen has probably had something to do with this. The yen has weakened again in Q2 and April PMIs point to a rebound, which is also what we expect. On Wednesday, we are scheduled to get the May manufacturing PMI print. Here, it will be interesting to see whether domestic orders continue their positive trend. We have recently seen some early signs that domestic demand could be picking up this year.

**Scandi**

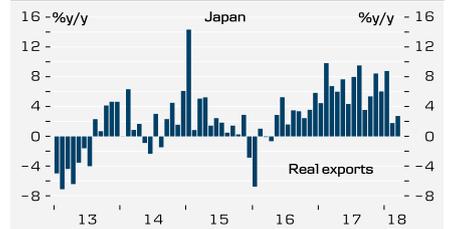
- In **Denmark**, the week offers a variety of interesting data. Consumer confidence for May is due out on Wednesday. The indicator fell in April after a strong start to the year but we expect the public-sector pay settlement to boost sentiment in May, helping the indicator to bounce back to 8.0.

Employment numbers for March are due to be released on Tuesday and it will be interesting to see whether the record-high levels at the beginning of the year continue despite the recent sluggish growth figures for Q1. Retail sales for April follow on Thursday.

April unemployment should continue the positive, stronger downward trend seen since the second half of 2017. We expect the seasonally adjusted unemployment rate to fall to 5.8%, which would be the lowest since May 2008. Despite this, we do not expect any pickup in wage growth as the labour market these days seems much more exposed to global competitive pressures than historically.

- In **Norway**, the week's only significant release is LFS unemployment for May (February-April). Registered unemployment continued to fall over the period according to NAV, albeit slightly more slowly than before, but we expect the LFS jobless rate to be unchanged at 3.9%. We have seen a clear tendency in recent months for growth in the labour supply, which will cause unemployment to come down more slowly despite relatively strong growth in employment.

**Exports likely to rebound**



Source: Bank of Japan

**Employment numbers in Denmark at record level**



Source: Danmarks Statistik

**Expect a new low for unemployment**



Source: Statistics Sweden

**Unemployment continues to fall**



Source: Macrobond Financial, Danske Bank

Market movers ahead

Global movers			Event		Period	Danske	Consensus	Previous
During the week								
Mon	21-May	1:50	JPY	Exports	y/y (%)	Apr	0.1	0.0
Tue	22-May							
Wed	23-May	2:30	JPY	Nikkei Manufacturing PMI, preliminary	Index	May		53.8
		10:00	EUR	PMI manufacturing, preliminary	Index	May	56.1	56.2
		10:00	EUR	PMI composite, preliminary	Index	May	55.0	55.1
		10:00	EUR	PMI services, preliminary	Index	May	54.5	54.7
		10:30	GBP	CPI	m/m y/y	Apr	0.4% 2.4%	0.1% 2.5%
		10:30	GBP	CPI core	y/y	Apr	2.2%	2.3%
		15:45	USD	Markit PMI manufacturing, preliminary	Index	May	55.8	56.5
		15:45	USD	Markit PMI service, preliminary	Index	May	55	54.6
		20:00	USD	FOMC minutes				
Thurs	24-May	13:30	EUR	ECB minutes from the April policy meeting release				
Fri	25-May	10:00	DEM	IFO - business climate	Index	May	102.0	102.1
		10:00	DEM	IFO - current assessment	Index	May	105.5	105.7
		10:00	DEM	IFO - expectations	Index	May	98.5	98.7
		10:30	GBP	GDP, preliminary	q/q y/y	1st quarter	0.1% 1.2%	0.1% 1.2%
		14:30	USD	Core capital goods orders, preliminary	%	Apr	0.5%	-0.4%
<b>Scandi movers</b>								
During the week								
Fri	25-May	8:00	NOK	Unemployment (LFS)	%	Mar	3.9%	3.9%

Source: Bloomberg, Danske Bank

# Global Macro and Market Themes

## Italian politics take centre stage as deeper European integration focus picks up

### Italian politics – an ancient Roman tragedy

Finally, there has been some breakthrough relating to a new government formation in Italy. M5S leader Luigi Di Maio was asked to form a government coalition by President Sergio Mattarella a few weeks ago and this weekend a draft agreement between the M5S and League was leaked to the press. Prior to the election, we described this as the worst possible outcome of coalition formation for the economy/markets/Brussels. While M5S and League have pulled back on some of their election proposals, a leaked draft document (which M5S later said was an old version) has taken a toll on markets. The markets took note of it; in particular, markets ridiculed the call for a EUR250bn debt forgiveness from the ECB’s QE purchases. In the current proposal, reform rollback and flat tax rates (at reduced levels) would be key drivers for significantly higher debt levels. We discussed the concerning debt dynamics prior to the elections, when we projected debt/GDP would reach 156% in 2028 with the current government alliance. The Italian-German 10Y benchmark spread is now higher than on Election Day (see *Italian Election Monitor - The good, the bad and the ugly scenarios for Italy*, 25 February).

Financial markets have reached some milestones this week. The 10Y US treasury yield broke 3%, to reach 3.12% at the highest with no particular driver, albeit with plenty of speculation about a further rise in yields. We still stick to the view that yields will be range bound in coming months and that this week’s sell-off is temporary. The euro has been trading below 1.20 all week, as Italian jitters have weighed on FX. A remarkable recoupling of the cross with relative long-term (real) yields has been seen over the past three months though, as US yields have broken key levels, while German yields have not risen to the same extent. We expect the EUR/USD cross to settle in a new range around the current level near term but it remains a buy on dips on a 6-12M perspective. For ECB monetary policy, we also note the trade-weighted exchange rate is now below what it assumed in its staff projections in March, which could support (core) inflation ahead.

### Today’s key points

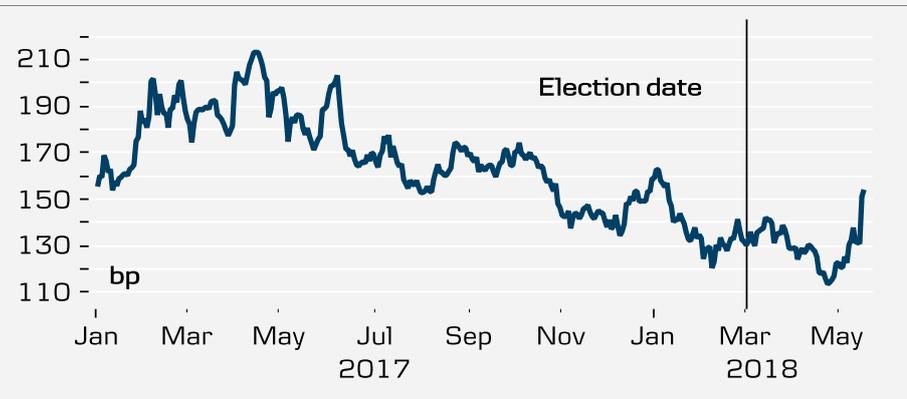
- We have seen a breakthrough in Italian politics but worrying coalition formations have spooked financial markets and Brussels.
- Further EUR weakening in the near term, but stronger in the medium term.
- Substantial deepening of the EMU is not looming.

### EURUSD and effective exchange rate



Source: Bloomberg, Macrobond Financial, Danske Bank

### 10Y Italian-German yield spread



Source: Bloomberg, Macrobond Financial, Danske Bank

**On the geopolitical front, North Korea's Kim Jong-Un cancelled a meeting with South Korea and has threatened to cancel the summit with US President Donald Trump in Singapore on 12 June.** North Korea is unhappy with the military drills by undertaken by the US and South Korea, which he sees as a provocation. It is likely the drills are intimidating him and Un would need a guarantee from Trump before unwinding the nuclear programme. Further on geopolitical concerns, following the US withdrawal from the Iran nuclear deal from 2015 and the US's intention to reinstate the highest level of economic sanctions on Iran, the oil price has risen markedly. In addition, the US inauguration of an embassy in Jerusalem has not improved the situation. We see further upside risks to the oil price.

**Deepening the EU has been on the agenda since Emmanuel Macron took office last summer and the key event all policymakers in the EU are looking forward to is the 28-29 June summit.** While the stakes are high, the views are different. France wants risk sharing, while Germany wants risk as part of further integration. This leads us to believe that we are likely to get only some cosmetic initiatives so French President Macron does not lose face. Germany is still lukewarm about further eurozone integration, as Angela Merkel also pointed out last week. While the German government per se is not against the fundamental principle of eurozone integration, including a greater degree of risk sharing and budget co-ordination, there are two major obstacles constraining German support: (1) German mistrust in the EU institutions' ability to enforce rules versus member states and (2) widespread scepticism among the German public about euro area reforms.

## Financial market views

Asset class	Main factors
<b>Equities</b> Positive on 3-12 month horizon.	Near double-digit earnings growth in most major regions. Low rates drive demand for risk assets.
<b>Bond market</b> Germany/Scandi yields - in range for now, higher in 12M EUR 2Y10Y steeper, USD 2Y10Y flatter US-euro spread - short-end to widen further Peripheral spreads - tightening	ECB set to normalise only gradually due to a lack of wage pressure and a stronger euro. ECB on hold for a long time. The ECB keeps a tight leash on the short end of the curve but 10Y higher as US has an impact. The spread in the short-end is set to widen further as the Fed continues to hike. Economic recovery, ECB stimuli, better fundamentals, an improved political picture and rating upgrades to lead to further tightening despite the recent strong moves. Italy is a growing risk after the new government has been formed.
<b>FX &amp; commodities</b> EUR/USD - rangebound near term EUR/GBP - gradually lower over the medium term USD/JPY - lower short term EUR/SEK - risk on the topside EUR/NOK - to move lower but near-term topside risk Oil price - upside risks near term	USD strength near term but supported longer term by valuation and capital-flow reversal due to ECB 'normalisation'. Brexit uncertainty dominates but GBP should strengthen on 6-12M on Brexit clarification and Bank of England rate hikes. US yields decisive near term; downside risks reduced on positioning correct. Longer term higher on Fed-Bank of Japan divergence. Negative on the SEK due to lower growth, subdued inflation and too aggressive Riksbank pricing; eventually EUR/SEK lower but not in H1 18. Positive on NOK on valuation, relative growth, positioning, terms of trade, the global outlook and Norges Bank initiating a hiking cycle. Rising prices on supply concerns, falling inventories and geopolitical risks in particular concern the Iran nuclear deal.

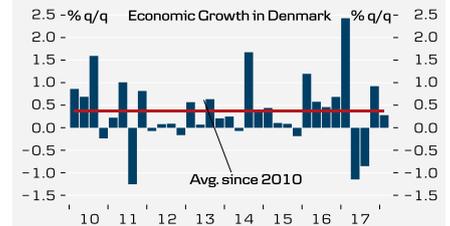
Source: Danske Bank

# Scandi Update

## Denmark – sluggish Q1

Output climbed 0.3% in Q1 according to Statistics Denmark’s GDP indicator. While close to our forecast of 0.4%, this is on the low side and a little disappointing at this stage of the upswing. As the GDP indicator is only a first estimate calculated from the production side, we do not yet know which components of demand dragged growth down. Statistics Denmark itself says that activity in the construction, manufacturing and utilities sectors increased, with shipping pulling the other way. Figures from Dankort suggest no great increase in consumer spending, and exports have also been disappointing, so this could also be part of the reason why the economy did not grow more strongly in Q1. We think there is scope for both exports and private consumption to start pushing up during the course of the year, however, so there is also good reason to expect slightly stronger growth.

**GDP indicator shows limited growth in Q1**



Source: Statistics Denmark

## Sweden – data confirms residential construction decline

April HOX data showed a slightly stronger increase in Stockholm tenant-owned flats (1.7% m/m) than our Boprisindikator suggested (+0.5 % m/m). Over the past months prices have stabilised, but in our view that is probably just temporary relief. Why? Well, the most important subject is really prices on **new** flats, which are in over-supply, extremely expensive and at prices that have not declined at all. Up until now that is! Hemnet reports that asking prices in April on new flats were down 12% y/y compared to only 2% y/y for existing flats. And it seems that builders may opt for bigger price reductions going forward. Price reduction means that the correction is underway and that it will take some time to work off unsold flats. This process will continue in 2018-19.

**Falling starts will impact GDP growth**



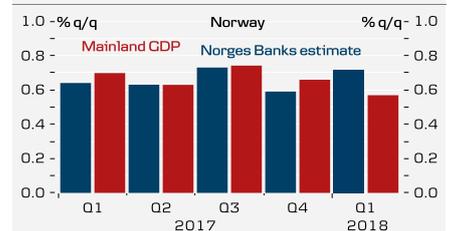
Source: SCB

This take on housing-market developments was further supported by Q1 permits and starts data. After seasonally adjusting data, it now seems as if multi-dwelling (i.e. either tenant-owned flats or rental flats) starts actually peaked in Q2 17, that is, much earlier than we previously thought. And they show a steady decline from there in Q3, Q4 and Q1. Our 2018 GDP forecast assumes a steady decline in residential investment throughout 2018 and into 2019. This data seems to confirm that this approach is correct.

## Norway – all set for post-summer rate hike

Mainland GDP grew 0.6% q/q in Q1. The underlying data were a little weak, with a drop in private investment and flat private consumption, and growth propped up by strong growth in net exports and relatively good growth in government demand. We suspect, however, that some of the weakness in private demand was driven by a combination of calendar effects (Easter) and cold weather, especially in March. This is supported by solid increases in both employment and hours worked during the quarter. With these GDP figures, one important source of uncertainty is out of the way, so the stage is now set for Norges Bank to deliver the promised rate increase ‘after summer 2018’. Although inflation has been slightly lower than expected, the central bank expects developments in the main drivers of inflation to push inflation up gradually, which points towards the gradual normalisation of monetary policy.

**Growth much as expected**



Source: Macrobond Financial, Danske Bank

## Latest research from Danske Bank

*17/5 FX Forecast Update: SEK revival set to be temporary*

Danske Bank's new FX forecasts.

*10/5 Bank of England review: Keeping the hiking cycle alive but timing is data dependent*

Hiking cycle postponed, not cancelled. As expected, the Bank of England decided not to hike the Bank Rate at this meeting (vote count unchanged 7-2, a bit dovish as some had thought it might be 6-3), as economic indicators surprised to the downside.

*8/5 Flash Comment International: US withdraws from Iran nuclear deal*

US President Trump tonight announced that US will withdraw from the 2015 Iran nuclear deal and reinstate nuclear-related sanctions.

*8/5 Flash Comment: US-China trade: staying on the negotiation path*

China's top economic adviser and vice-premier Liu He is going to the US next week for further negotiations. This is a positive sign that the path of negotiation is still the preferred one after the US delegation was in Beijing last week.

## 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>	Stock build. <sup>2</sup>	Ex-ports <sup>1</sup>	Im-ports <sup>1</sup>	Infla-tion <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	2.2	1.5	1.2	3.7	0.1	4.4	4.1	1.1	4.2	1.0	36.4	7.7
	2018	1.8	1.9	1.0	5.8	0.3	1.2	4.2	0.6	4.0	-0.2	35.7	7.5
	2019	1.9	2.6	0.5	4.2	-0.2	2.9	3.6	1.3	3.8	-0.1	34.5	7.5
Sweden	2017	2.7	2.4	0.4	6.0	0.1	3.7	5.0	1.8	6.7	1.2	41.0	4.1
	2018	1.7	1.6	1.3	-1.1	0.2	5.6	4.8	1.6	7.1	1.0	37.0	3.5
	2019	2.0	1.8	0.8	0.4	0.2	4.7	3.8	1.3	7.6	0.8	35.0	3.9
Norway	2017	1.9	2.5	2.2	4.9	-1.6	1.1	2.8	1.8	2.7	-	-	-
	2018	2.5	2.5	1.8	3.0	-0.2	2.0	2.0	2.0	2.3	-	-	-
	2019	2.3	2.3	1.8	2.0	0.0	2.0	2.0	1.9	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>	Stock build. <sup>2</sup>	Ex-ports <sup>1</sup>	Im-ports <sup>1</sup>	Infla-tion <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	3.2	-	5.4	4.5	1.5	9.1	-0.9	86.7	3.5
	2018	2.1	1.7	1.4	4.0	-	4.9	5.0	1.5	8.4	-0.7	86.0	3.4
	2019	1.9	1.9	1.3	4.2	-	3.4	4.4	1.4	8.0	-0.6	85.5	3.4
Germany	2017	2.5	2.1	1.6	3.9	-	5.3	5.6	1.7	3.7	1.3	64.1	8.0
	2018	2.2	1.8	2.3	3.4	-	5.0	6.0	1.5	3.4	1.2	60.2	7.9
	2019	2.0	2.3	2.2	4.5	-	3.1	4.8	1.7	3.3	1.0	56.3	7.6
Finland	2017	2.6	1.6	1.3	6.3	-	7.8	3.5	0.7	8.6	-0.6	61.4	0.7
	2018	2.4	2.1	0.5	3.5	-	4.5	4.5	1.0	8.0	-0.2	59.6	0.6
	2019	2.0	1.6	0.5	3.5	-	4.5	4.0	1.4	7.7	-0.2	58.0	0.8

### Macro forecast, Global

	Year	GDP <sup>1</sup>	Private cons. <sup>1</sup>	Public cons. <sup>1</sup>	Fixed inv. <sup>1</sup>	Stock build. <sup>2</sup>	Ex-ports <sup>1</sup>	Im-ports <sup>1</sup>	Infla-tion <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	2.3	2.8	0.1	4.0	-0.1	3.4	4.0	2.1	4.4	-3.6	106.0	-2.4
	2018	2.4	2.2	0.0	5.1	0.0	3.6	2.6	2.5	4.0	-4.1	109.0	-3.0
	2019	2.1	1.9	0.4	4.9	0.0	3.1	3.0	2.1	3.8	-5.2	113.0	-3.1
China	2017	6.9	-	-	-	-	-	-	2.0	4.1	-3.7	47.6	1.4
	2018	6.5	-	-	-	-	-	-	2.3	4.3	-3.4	50.8	1.1
	2019	6.3	-	-	-	-	-	-	2.3	4.3	-3.4	53.9	1.2
UK	2017	1.8	1.7	0.1	4.0	-0.4	5.7	3.2	2.7	4.4	-2.4	87.0	-4.6
	2018	1.3	1.3	0.5	1.9	0.1	2.4	2.2	2.3	4.1	-2.0	87.3	-4.7
	2019	1.2	1.0	0.4	2.0	0.0	2.6	1.8	1.6	4.1	-1.8	87.4	-4.6

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	18-May	1.75	2.33	2.81	3.13	118.2	-	630.2
	+3m	2.00	2.37	2.80	3.05	119.0	-	625.6
	+6m	2.00	2.51	3.00	3.15	123.0	-	605.3
	+12m	2.50	2.94	3.30	3.35	128.0	-	581.4
EUR	18-May	0.00	-0.33	-0.12	1.08	-	118.2	744.8
	+3m	0.00	-0.33	-0.15	1.15	-	119.0	744.5
	+6m	0.00	-0.33	-0.10	1.20	-	123.0	744.5
	+12m	0.00	-0.33	0.10	1.50	-	128.0	744.3
JPY	18-May	-0.10	-0.02	0.05	0.29	131.0	110.9	5.68
	+3m	-0.10	-	-	-	130.9	110.0	5.69
	+6m	-0.10	-	-	-	137.8	112.0	5.40
	+12m	-0.10	-	-	-	143.4	112.0	5.19
GBP	18-May	0.50	0.63	1.06	1.70	87.5	135.1	851.4
	+3m	0.50	0.79	1.25	1.75	86.5	137.6	860.7
	+6m	0.75	1.05	1.45	1.90	84.0	146.4	886.3
	+12m	1.00	1.30	1.70	2.10	83.0	154.2	896.7
CHF	18-May	-0.75	-0.73	-0.46	0.56	118.1	100.0	630.5
	+3m	-0.75	-	-	-	119.0	100.0	625.6
	+6m	-0.75	-	-	-	121.0	98.4	615.3
	+12m	-0.75	-	-	-	123.0	96.1	605.1
DKK	18-May	0.05	-0.28	0.03	1.25	744.8	630.2	-
	+3m	0.05	-0.30	0.00	1.30	744.5	625.6	-
	+6m	0.05	-0.30	0.05	1.35	744.5	605.3	-
	+12m	0.05	-0.30	0.25	1.65	744.3	581.4	-
SEK	18-May	-0.50	-0.38	-0.13	1.31	1031.0	872.4	72.2
	+3m	-0.50	-0.45	-0.15	1.25	1030.0	865.5	72.3
	+6m	-0.50	-0.45	-0.15	1.30	1050.0	853.7	70.9
	+12m	-0.50	-0.45	-0.05	1.50	1020.0	796.9	73.0
NOK	18-May	0.50	1.08	1.43	2.29	958.7	811.2	77.7
	+3m	0.50	1.15	1.55	2.45	940.0	789.9	79.2
	+6m	0.75	1.30	1.65	2.55	930.0	756.1	80.1
	+12m	1.00	1.50	2.05	2.90	920.0	718.8	80.9

Commodities												
	18-May	2018				2019				Average		
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2018	2019	
NYMEX WTI	72	63	66	68	68	69	69	70	70	66	70	
ICE Brent	80	67	70	72	72	72	72	74	74	70	73	

Source: Danske Bank

# Calendar

## Key Data and Events in Week 21

During the week				Period	Danske Bank	Consensus	Previous
Mon 21	DKK	Whit Monday					
Monday, May 21, 2018				Period	Danske Bank	Consensus	Previous
-	DKK	Whit Monday					
1:50	JPY	Exports	y/y (%)	Apr		0.1	0.0
1:50	JPY	Import	y/y (%)	Apr		0.1	0.0
1:50	JPY	Trade balance, s.a.	JPY bn	Apr		114.9	119.2
20:05	USD	Fed's Harker (non-voter, hawkish) speaks					
23:30	USD	Fed's Kashkari (non-voter, dovish) speaks					
Tuesday, May 22, 2018				Period	Danske Bank	Consensus	Previous
8:00	DKK	Employment, s.a.		Mar			
9:30	SEK	Unemployment (n.s.a. s.a.)	%	Apr	6.2% 5.8%	6.6%	6.5% 6.2%
9:30	SEK	Industrial production s.a.	y/y	Apr			6.5%
14:00	HUF	Central Bank of Hungary rate decision			0.9%	0.9%	0.9%
Wednesday, May 23, 2018				Period	Danske Bank	Consensus	Previous
2:30	JPY	Nikkei Manufacturing PMI, preliminary	Index	May			53.8
6:30	NOK	Consumer confidence	Net bal.	2nd quarter			20.3
7:30	FRF	ILO unemployment	%	1st quarter		8.8%	8.9%
8:00	DKK	Consumer confidence	Net bal.	May	8.0	7.0	7.1
9:00	FRF	PMI manufacturing, preliminary	Index	May		53.9	53.8
9:00	FRF	PMI services, preliminary	Index	May		57.2	57.4
9:30	DEM	PMI manufacturing, preliminary	Index	May		57.9	58.1
9:30	DEM	PMI services, preliminary	Index	May		53.3	53.0
10:00	EUR	PMI manufacturing, preliminary	Index	May		56.1	56.2
10:00	EUR	PMI composite, preliminary	Index	May	55.0	55.0	55.1
10:00	EUR	PMI services, preliminary	Index	May		54.5	54.7
10:30	GBP	PPI - input	m/m y/y	Apr		1.1% 5.8%	-0.1% 4.2%
10:30	GBP	CPI	m/m y/y	Apr		0.4% 2.4%	0.1% 2.5%
10:30	GBP	CPI core	y/y	Apr		2.2%	2.3%
15:45	USD	Markit PMI manufacturing, preliminary	Index	May	55.8		56.5
15:45	USD	Markit PMI service, preliminary	Index	May	55		54.6
16:00	EUR	Consumer confidence, preliminary	Net bal.	May		0.5	0.4
16:00	USD	New home sales	1000 (m/m)	Apr		680	694.0 (4.0%)
16:30	USD	DOE U.S. crude oil inventories	K				-1404
20:00	USD	FOMC minutes					

Source: Danske Bank

## Calendar (continued)

Thursday, May 24, 2018				Period	Danske Bank	Consensus	Previous
7:00	JPY	Leading economic index, final	Index	Mar			105.0
8:00	DKK	Retail sales	m/m y/y	Apr		0.1% ...	0.4% 1.8%
8:00	DEM	GfK consumer confidence	Net. Bal.	Jun		10.8	10.8
8:00	DEM	GDP, final	q/q y/y	1st quarter		0.3% 2.3%	0.3% 2.3%
8:00	DEM	Private consumption	q/q	1st quarter		0.2%	0.0%
8:00	DEM	Government consumption	q/q	1st quarter		-0.2%	0.5%
8:00	DEM	Gross fixed investments	q/q	1st quarter		1.1%	0.0%
8:45	FRF	Business confidence	Index	May		107.0	108.0
9:30	SEK	PPI	m/m y/y	Apr			1.2% 4.0%
10:15	USD	Fed's Dudley (voter, neutral) speaks					
10:30	GBP	Retail sales ex fuels	m/m y/y	Apr		0.5% 0.1%	-0.5% 1.1%
13:30	EUR	ECB minutes from the April policy meeting released					
14:30	USD	Initial jobless claims	1000				
15:00	USD	FHFA house price index	m/m	Mar			0.6%
16:00	USD	Existing home sales	m (m/m)	Apr		5.57	5.60 0.011
20:00	USD	Fed's Harker (non-voter, hawkish) speaks					
Friday, May 25, 2018				Period	Danske Bank	Consensus	Previous
-	EUR	Moody's may publish Austria's debt rating					
8:00	NOK	Unemployment (LFS)	%	Mar		3.9%	3.9%
10:00	DEM	IFO - business climate	Index	May		102.0	102.1
10:00	DEM	IFO - current assessment	Index	May		105.5	105.7
10:00	DEM	IFO - expectations	Index	May		98.5	98.7
10:30	GBP	GDP, preliminary	q/q y/y	1st quarter		0.1% 1.2%	0.1% 1.2%
10:30	GBP	Index of services	m/m 3m/3m	Mar		0.001 0.003	-0.002 0.004
14:30	USD	Core capital goods orders, preliminary	%	Apr		0.5%	-0.4%
15:00	USD	Fed's Powell (voter, neutral) speaks					
16:00	USD	University of Michigan Confidence, final	Index	May		98.8	98.8
17:45	USD	Fed's Evans (non-voter, dovish) speaks					
17:45	USD	Fed's Kaplan (non-voter, neutral) speaks					

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Source: Danske Bank

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