

Weekly Focus

Brexit deal could mark the end of the beginning

Market movers ahead

- In the UK the House of Commons votes on the new Brexit deal tomorrow. We expect the vote to be close, but do not think it will reach majority. Our base case remains another extension followed by a snap election.
- Euro area PMI figures are expected to continue to show weakness, as the current manufacturing recession drags on into Q4.
- The ECB will present the outcome of its monetary policy discussions. We expect the cacophony from governing council members will receive attention in the Q&A.
- In the US, we expect core capex data to come out slightly weaker, but Markit PMI to remain largely unchanged.
- In Sweden we expect the Riksbank to signal a delay of the intended next rate hike. However, we still expect it will eventually cut rather than hike rates early next year.

Weekly wrap-up

- In the US-China trade war we got a 'phase one' deal (see our [US-China Trade](#), 12 October). With the US's apparent willingness to compromise, we raise the probability of a bigger deal ahead of the 2020 election to 50%.
- The Swedish labour market report did not correct as we expected, as the unemployment rate held steady at 7.4%.
- We have updated our [MacroScope](#) model (16 October) which points to a mixed picture in the near term, with emerging market economies projected to have reached the bottom, while the US, euro area and Japan continue to show near-term weakness.

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Financial views

Major indices

	18-Oct	3M	12M
10yr EUR swap	0.02	-0.20	-0.10
EUR/USD	111	110	115
ICE Brent oil	60	65	60

Source: Danske Bank

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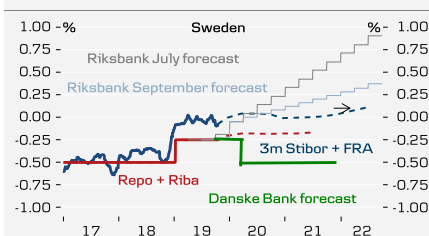
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Negative outlook for the manufacturing sector in Q4

Euro area manufacturing cycle outlook		
	1-3M	6-12M
Order-inventory dynamics	↓	↑
Industry trends		
Cars	↓	↑
Pharma	↓	→
Other	↓	↓
Leading indicators/MacroScope	↓	→
Chinese manufacturing cycle	→	↑
Event risk (tariffs, Brexit etc.)	↓	↓
Total	↓	↑

Source: Danske Bank

The Riksbank will postpone hike next week, but eventually cut rates instead



Source: Macrobond Financial, Danske Bank, Riksbank

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Market movers

Global

- In the **US**, we have a quiet week in front of us in terms of data releases. On Thursday, preliminary Markit PMIs for October are released. The September PMIs sent a signal of modest GDP growth (see chart to the right). The Empire manufacturing index and the Markit PMI orders-inventory balance suggest stronger PMI manufacturing in October, but the global slowdown points to a weaker print. We expect manufacturing PMI to remain broadly unchanged. We and others have been caught by surprise by the sharp fall also in Markit PMI services. Unfortunately we do not have good indicators forecasting the service index but expect it to remain above 50.

Thursday also brings core capex data for September. So far core capex has been holding up despite weak soft indicators, but we expect the coming releases to come in slightly weaker.

Tomorrow, Saturday, the Fed enters its blackout period, so it is unable to change signals before the 30 October meeting.

- In the **euro area**, we have a busy week ahead of us with the prime focus being Thursday. First we get PMI figures from the euro area and Germany. We expect the current manufacturing recession to drag into Q4 19, as trade war effects continue to work their way through the supply chain and since order-inventory dynamics are weighing on production. See more in *Euro Area Research: Manufacturing cycle: recession or recovery?*, 10 October. Domestic demand is still holding up albeit with signs of weakness, so we expect the service print to stay broadly unchanged.

Later on Thursday, the ECB will present the outcome of its monetary policy discussions. We do not expect any policy changes or new messages from the ECB at Draghi's final meeting before leaving office on 31 October. The cacophony from governing council members will receive attention in the Q&A amid declining inflation expectations. See also *ECB Preview - Arrivederci Mr Draghi, bonjour Mrs Lagarde*, 18 October 2019.

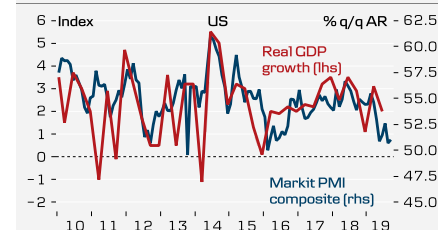
Finally, we get the German Ifo print on Friday. We are looking out for whether the latest stabilisation in the current business climate has continued and if the expectation component has fallen further.

- In the **UK**, all the focus is on tomorrow's vote (Saturday 19 October) on PM Johnson's new Brexit deal. The vote is going to be tight but our base case at the time of writing is that PM Johnson will fall short of a majority without the DUP's support. We will monitor how many of the 20 Conservative MPs, who were expelled from the party for supporting the Brexit Delay Bill, will vote in favour of the deal, how many of the pro-Brexit Labour MPs Johnson can persuade and whether he can get all the eurosceptics from the so-called ERG group on board.

If PM Johnson cannot get his deal through Parliament, he is still required to ask the EU for an extension, according to the Brexit Delay Bill.

- It will be a quiet week in **China** with new home prices for September being the main indicator of interest. House price inflation has been running in an interval of 6-12% y/y for three years now and we expect it to stay there for some time. The housing market is one of the pillars underpinning growth amid the headwinds from the trade war that China faces.

US PMIs signal slower growth



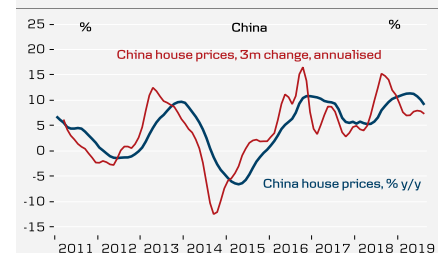
Source: IHS Markit, BEA, Macrobond Financials

Negative outlook for the manufacturing sector in Q4

Euro area manufacturing cycle outlook		
	1-3M	6-12M
Order-inventory dynamics	↓	↑
Industry trends		
Cars	↓	↑
Pharma	↑	→
Other	↓	↓
Leading indicators/MacroScope	↓	→
Chinese manufacturing cycle	→	↑
Event risk (tariffs, Brexit etc.)	↓	↓
Total	↓	↑

Source: Danske Bank

China house prices to continue at cruising speed



Source: Macrobond Financial, Bloomberg, NBS

Comments related to the prospect of a US-China 'phase-one' deal will also be scrutinised by markets. We await news on another round of trade talks to finish a potential document that could be signed by US President Donald Trump and Chinese President Xi Jinping at the APEC meeting in China in mid-November.

- In **Japan**, we get September export figures on Monday. Considering the weakening global demand and a yen up 7% y/y in August in nominal effective terms, Japanese exporters have actually performed decently over the summer. The headwind from the yen has waned slightly during the autumn, but we are not likely to be in for an export rebound soon. On Thursday, we get the first indications of Q4 activity with the October manufacturing PMI.

Scandi

- In **Denmark**, employment figures for August are due on Monday. After a couple of disappointing months, employment regained momentum in July. Danish key indicators have generally been quite robust recently, pointing to a continuing strengthening of the labour market. However, we expect more subdued employment growth going forward.

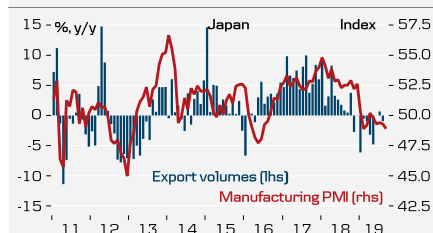
Amid highly volatile consumer confidence, there is still a clear picture of Danish consumers taking a less optimistic view of the prospects for the Danish economy, while they remain confident about their personal finances. The October figures are expected to confirm this trend, so while we expect a small increase in overall consumer confidence, the numbers will still disguise the fact that consumers expect a slowdown in the Danish economy.

- In **Sweden** the Riksbank rate decision is the main event of the week. We expect the Riksbank to signal a delay of the intended next rate hike. We expect at least a verbal intervention stating the hike will come in February rather than December, most likely it will be accompanied by a shift in the repo rate path too. We see no reason to change our call for a February rate cut as we expect data to deteriorate into next year.

The backdrop is that global weakness, which the Riksbank has seen as the main risk to its forecast, is now becoming more of a fact. On home turf both GDP and labour market data (albeit uncertain) have disappointed relative to forecasts. Both CPI inflation and inflation forecasts have been declining and are now closer to 1.5% than the 2% target. In addition, major central banks are moving in the opposite direction to the Riksbank. Hence, there is very little, if anything, supporting the Riksbank's current forecasts for the economy or monetary policy intentions.

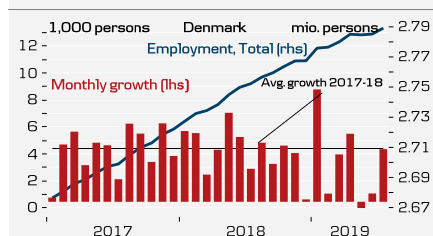
- In **Norway**, we do not anticipate any new signals from Norges Bank at Thursday's rate-setting meeting. The bank signalled clearly in September that interest rates would probably stay around the current level for a long period. Developments since have been something of a mixed bag but, on balance, largely as expected. Norges Bank will therefore repeat the message from its September meeting. For us, then, Statistics Norway's manufacturing survey will be the week's main event. Both the PMI and actual industrial production have shown some signs of weakness lately. Since a continued oil-driven upswing in manufacturing is at the heart of our view of the Norwegian economy over the next 12-18 months, we are taking these signals very seriously. On the other hand, there is little in the oil investment survey to suggest that the peak might already have been reached. Since the manufacturing survey has a much

Several headwinds for exporters



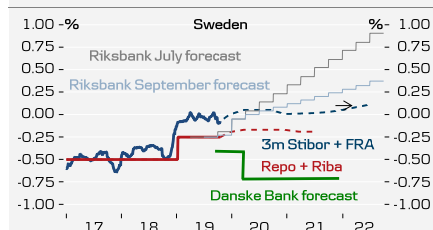
Source: Japanese Cabinet Office, Macrobond Financial

Strong domestic demand



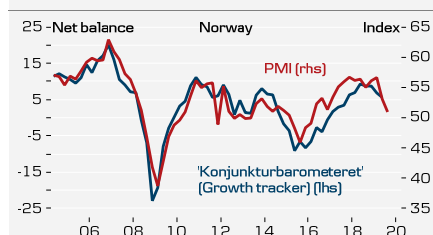
Source: Statistics Denmark, Macrobond Financial

Postponing the hike



Source: Danske Bank, Riksbank, Macrobond Financial

Is PMI exaggerating manufacturing slowdown?



Source: Macrobond Financial, Danske Bank

broader composition than the PMI, we will be very interested to see what the results for Q3 will be. We reckon they will show a slowdown in manufacturing, but one far less dramatic than the PMI might suggest. We predict a moderate drop in the indicator from 5.6 to 3.0.

Market movers ahead

Global movers				Event		Period	Danske	Consensus	Previous
During the week		Sat 19	GBP	UK Parliament vote on Brexit deal					
		Sat 19	USD	Fed enters balckout period					
Mon	21-Oct	1:50	JPY	Exports	y/y (%)	Sep		0.0	-0.1
Tue	22-Oct	14:00	HUF	Central Bank of Hungary rate decision	%		0.9%	0.9%	0.9%
Thurs	24-Oct	2:30	JPY	Nikkei Manufacturing PMI, preliminary	Index	Oct			48.9
		2:30	JPY	Markit PMI services, preliminary	Index	Oct			52.8
		9:30	DEM	PMI manufacturing, preliminary	Index	Oct	41.9	42.0	41.7
		10:00	EUR	PMI manufacturing, preliminary	Index	Oct	45.5	46.0	45.7
		10:00	EUR	PMI services, preliminary	Index	Oct	51.5	52.0	51.6
		13:00	TRY	Central Bank of Turkey rate decision	%		15.5%	15.5%	16.5%
		13:45	EUR	ECB announces deposit rate	%		-0.50%	-0.50%	-0.50%
		14:30	USD	Core capital goods orders, preliminary	%	Sep		-0.1%	-0.4%
Fri	25-Oct	10:00	DEM	IFO - business climate	Index	Oct		94.5	94.6
		10:00	DEM	IFO - expectations	Index	Oct		91.0	90.8
		12:30	RUB	Central Bank of Russia rate decision	%		6.50%	6.8%	7.0%
Scandimovers									
Mon	21-Oct	8:00	NOK	Industrial confidence (SSB)	Net. bal.	3rd quarter	3.0		5.6
		8:00	DKK	Employment		Aug			
Wed	23-Oct	8:00	DKK	Consumer confidence	Net. bal.	Oct			4.3
Thurs	24-Oct	9:30	SEK	Riksbank, rate decision	%		-0.25%	-0.25%	-0.25%
		10:00	NOK	Norges Banks monetary policy meeting	%		1.5%	1.5%	1.5%

Source: Bloomberg, Danske Bank

Weekly Wrap-Up

New deal but still not there

Main macro themes

- The UK and EU27 reached a new Brexit deal this week and the next question is whether it can get through Parliament when it is put to the vote tomorrow. We think not and our base case remains another extension followed by a snap election. However, one good thing is that the tail risk of a no-deal Brexit has diminished, as a no-deal Brexit would no longer be the base case if the Conservatives won a potential election. For more details see [Brexit Monitor – New Brexit deal but DUP still rejects it - tail risk of no deal Brexit has diminished further](#), 17 October.
- In the US-China trade war we got a '*phase one deal*'. With the US's apparent willingness to compromise, we raise the probability of a bigger deal ahead of the 2020 election to 50%. While trade tensions ease, the US-China fight continues in most other areas. The trade deal includes Chinese purchases of US agricultural goods, some intellectual-property and currency measures and access for US financial services in return for the US refraining from this week's planned tariff hikes on USD250bn of Chinese goods. The deal is yet to be signed and focus now turns to the 16-17 November APEC meeting.
- The IMF published its new world economic outlook this week, with a lowering of its global GDP growth estimate to 3.0% for 2019 (from 3.3% in April) and a small rebound to 3.4% in 2020 (3.6% in April), driven by a number of emerging market countries. Furthermore, the IMF said that global central banks had only 'limited ammunition' to fight a recession and that central bank stimuli can offset only part of the damage caused by protectionism. Overall, the IMF struck a generally downbeat tone, with significant challenges ahead for the global economy, pointing primarily to trade, geopolitical tensions, a no-deal Brexit and persistently weak economic data as triggers. We have also updated our MacroScope model, which points to a mixed picture in the near term, where emerging market economies are projected to bottom, while the US, euro area and Japan continue to show near-term weakness.
- The Swedish labour market report did not correct as we expected, as the unemployment rate held steady at 7.4%. We expect the Riksbank to realise the deterioration in economic fundamentals and deliver at least a verbal delay of the intended hike until February but possibly also shift the repo rate path. We still expect a cut in February.

Financial market developments

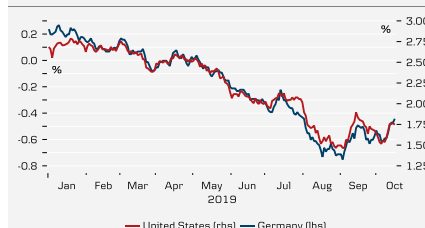
- European fixed income markets have been under pressure from the general positive risk sentiment globally. Despite German yields this week reaching new highs since the summer, with Bunds at -38bp, we expect yields to fall back in the near future, with a Bund target of -0.6% in 3M (see [Yield Outlook – Downside to yields remains despite better risk appetite](#), 16 October).
- This week, EUR/NOK reached the highest level ever recorded, as it surpassed the 2008 crisis peak. While Norway has experienced a negative terms of trade shock this year due to falling gas, oil and salmon prices, it is still difficult to reconcile this with the magnitude of the latest weakness. Fundamentally, we believe the latest weakness has come too far but in our view it is too early to be brave and, therefore, we stay on the sidelines.

Financial views

Major indices			
	18-Oct	3M	12M
10yr EUR swap	0.02	-0.20	-0.10
10yr US swap	1.68	1.30	1.10
ECB key rate	-0.50	-0.50	-0.50
Fed funds rate	2.00	1.50	1.00
EUR/SEK	1078	1100	1120
EUR/NOK	1021	1000	950
EUR/USD	111	110	115
ICE Brent oil	60	65	60

Source: Danske Bank

Bonds have 'sold off' recently on better risk sentiment



Source: Macrobond Financial, Danske Bank

EUR/NOK touched record-high level this week



Source: Macrobond Financial, Danske Bank

Scandi update

Denmark – No economic data

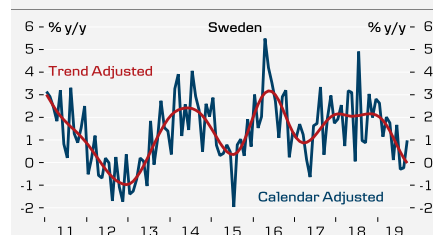
No economic data were released in Denmark this week.

Sweden – Deteriorating labour market not a fluke

On paper, September unemployment did not correct at all, holding steady at 7.4% (s.a.), but - and this is an important but - SCB said that it has identified some calculation problems. In short, unemployment was underestimated earlier this year. In practice unemployment started to move higher already during spring 2019 but the very steep rise in more recent months is overestimated. For employment it is the other way around. Revised data will be published within a month. So the big picture is – as far as we understand – intact, the labour market is cooling off but right now we do not know at what pace. For the same reason, we do not know the true rate of unemployment at this stage. It is an irony that SCB on its home page states: We provide society with statistics that can be trusted.

Statistics for hours worked do not appear to be affected to any significant degree according to SCB. This is probably more important for the economic outlook and GDP growth than relative unemployment, as employment is a main driver for income. As can be seen in the chart on the right, hours worked is now at a virtual standstill. The development resembles the one seen at the Euro crisis in 2012, which is actually the reference point we used for our current macro forecast as laid out in the October Nordic Outlook.

Believe it! A 2012 slowdown is in the pipeline

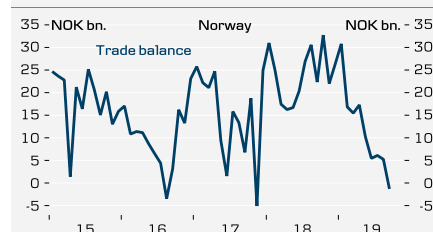


Source: SCB

Norway – Trade deficit far from the new normal

Norway recorded a trade deficit of NOK1.2bn in September, but there is no great danger of deficits becoming the new normal. For one thing, car imports were unusually high in September, which pushed up imports. For another, there was a dramatic drop in gas prices, which are already now 23% higher again. Oil production is also set to grow strongly, especially when the new Johan Sverdrup field gets up to full production.

First trade deficit in two years



Source: Macrobond Financial, Danske Bank

Latest research from Danske Bank

17/10 China Weekly Letter - US compromise raises chances of a real trade deal

A 'phase one' US-China trade deal is on the cards by mid-November. Trump has shown willingness to compromise and we raise the probability of a bigger deal ahead of the 2020 election to 50% (from 40% previously).

18/10 ECB Preview - Arrivederci Mr Draghi, bonjour Mrs Lagarde

Next week's ECB meeting is Draghi's final meeting before leaving office on 31 October.

17/10 Brexit Monitor - New Brexit deal but DUP still rejects it - tail risk of no deal Brexit has diminished further

After the UK and EU27 reached a new Brexit deal today, the next uncertainty is whether Prime Minister Boris Johnson can get it over the finish line when the deal is put to a 'meaningful vote' on Saturday.

16/10 Yield Outlook - Downside to yields remains despite better risk appetite

Danske Bank's yield forecast.

16/10 Brexit Monitor - DUP crucial for getting Brexit over the finish line

Unlike Theresa May, Prime Minister Boris Johnson wants both the hard-core Brexiteers from the European Research Group (ERG) group and the Democratic Unionist Party (DUP) on board before signing a deal with the EU.

14/10 Macro Strategy Views Podcast: Brexit and trade deal optimism to fade in markets

In our *weekly* podcast, Macro Strategy Views, we discuss the recent developments regarding Brexit and the US-China trade deal.

13/10 Brexit Monitor – 20% probability of a deal but another extension followed by snap election remains our base case

We have increased the probability of a deal to 20% based on the positive developments in recent days (see updated game tree page 3)

13/10 Harr's view: Geopolitical rally to fade but China cycle to drive markets

In my view, the uncertainty will persist for global companies, particularly those with a direct link to US-China trade.

12/10 US-China Trade - 'Phase 1' trade-deal not a game-changer for the global economy

The US and China last night completed 'phase one' of a bigger trade deal, requiring Chinese purchases of US agricultural goods, some intellectual-property and currency measures and access for US financial services in return for US refraining from next week's planned tariff hike on USD250bn of Chinese goods.

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	2.1	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	0.0	3.4	1.7	60.9	7.3
	2019	0.5	1.5	2.1	2.9	0.8	2.8	1.4	3.0	3.1	1.0	58.4	6.0
	2020	0.7	1.4	2.3	1.3	0.7	2.7	1.5	2.8	3.0	0.8	55.6	5.9
Finland	2018	1.7	1.8	1.5	3.3	2.2	5.0	1.1	1.7	7.4	-0.7	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	18-Oct	2.00	2.00	1.63	1.68	111.2	-	671.9	918.2	969.4
	+3m	1.50	1.14	1.30	1.30	110.0	-	678.8	909.1	1000.0
	+6m	1.00	1.00	0.90	1.00	113.0	-	660.4	858.4	991.2
	+12m	1.00	1.00	1.00	1.10	115.0	-	648.7	826.1	973.9
EUR	18-Oct	-0.50	-0.41	-0.38	0.02	-	111.2	747.1	1021.0	1077.9
	+3m	-0.50	-0.41	-0.50	-0.20	-	110.0	746.7	1000.0	1100.0
	+6m	-0.50	-0.41	-0.50	-0.20	-	113.0	746.3	970.0	1120.0
	+12m	-0.50	-0.41	-0.40	-0.10	-	115.0	746.0	950.0	1120.0
JPY	18-Oct	-0.10	-0.11	-0.12	0.01	120.5	108.6	6.20	8.47	8.94
	+3m	-0.10	-	-	-	116.6	106.0	6.40	8.58	9.43
	+6m	-0.10	-	-	-	119.8	106.0	6.23	8.10	9.35
	+12m	-0.10	-	-	-	126.5	110.0	5.90	7.51	8.85
GBP	18-Oct	0.75	0.78	0.81	0.90	86.4	128.7	864.9	1182.0	1247.8
	+3m	0.75	0.79	0.70	0.70	90.0	122.2	829.7	1111.1	1222.2
	+6m	0.75	0.79	0.70	0.70	90.0	125.6	829.2	1077.8	1244.4
	+12m	0.75	0.79	0.80	0.75	90.0	127.8	828.9	1055.6	1244.4
CHF	18-Oct	-0.75	-0.78	-0.72	-0.24	109.9	98.8	679.8	929.0	980.7
	+3m	-0.75	-	-	-	110.0	100.0	678.8	909.1	1000.0
	+6m	-0.75	-	-	-	112.0	99.1	666.3	866.1	1000.0
	+12m	-0.75	-	-	-	114.0	99.1	654.4	833.3	982.5
DKK	18-Oct	-0.75	-0.42	-0.30	0.10	747.1	671.9	-	136.7	144.3
	+3m	-0.75	-0.45	-0.45	-0.15	746.7	678.8	-	133.9	147.3
	+6m	-0.75	-0.45	-0.45	-0.15	746.3	660.4	-	130.0	150.1
	+12m	-0.75	-0.45	-0.35	-0.05	746.0	648.7	-	127.3	150.1
SEK	18-Oct	-0.25	-0.07	0.00	0.41	1077.9	969.4	69.3	94.7	100.0
	+3m	-0.25	-0.10	-0.10	0.35	1100.0	1000.0	67.9	90.9	-
	+6m	-0.50	-0.35	-0.30	0.35	1120.0	991.2	66.6	86.6	-
	+12m	-0.50	-0.35	-0.30	0.45	1120.0	973.9	66.6	84.8	-
NOK	18-Oct	1.50	1.80	1.88	1.81	1021.0	918.2	73.2	100.0	105.6
	+3m	1.50	2.00	1.90	1.65	1000.0	909.1	74.7	-	110.0
	+6m	1.75	2.15	2.00	1.70	970.0	858.4	76.9	-	115.5
	+12m	1.75	2.15	2.05	1.70	950.0	826.1	78.5	-	117.9

Commodities													
	18-Oct	2019				2020				Average			
		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 43

During the week

Sat 19 GBP UK Parliament vote on Brexit deal

Sat 19 USD Fed enters balckout period

Monday, October 21, 2019

				Period	Danske Bank	Consensus	Previous
1:50	JPY	Exports	y/y [%]	Sep		0.0	-0.1
1:50	JPY	Import	y/y [%]	Sep		0.0	-0.1
1:50	JPY	Trade balance, s.a.	JPY bn	Sep		-178.1	-130.8
8:00	NOK	Industrial confidence (SSB)	Net. bal.	3rd quarter	3.0		5.6
8:00	DKK	Lonmodtagerbeskæftigelse		Aug			

Tuesday, October 22, 2019

				Period	Danske Bank	Consensus	Previous
14:00	HUF	Central Bank of Hungary rate decision	%		0.9%	0.9%	0.9%
14:30	CAD	Retail sales	m/m	Aug			0.4%
16:00	USD	Existing home sales	m(m/m)	Sep		5.46	5.49 0.013

Wednesday, October 23, 2019

				Period	Danske Bank	Consensus	Previous
8:00	DKK	Consumer confidence	Net. bal.	Oct			4.3
8:45	FRF	Business confidence	Index	Oct		105.0	106.0
15:00	USD	FHFA house price index	m/m	Aug			0.4%
16:00	EUR	Consumer confidence, preliminary	Net bal.	Oct		-6.8	-6.5
16:30	USD	DOE U.S. crude oil inventories	K				9281

Thursday, October 24, 2019

				Period	Danske Bank	Consensus	Previous
2:30	JPY	Nikkei Manufacturing PMI, preliminary	Index	Oct			48.9
2:30	JPY	Markit PMI services, preliminary	Index	Oct			52.8
7:00	JPY	Leading economic index, final	Index	Aug			91.7
8:00	NOK	Unemployment (LFS)	%	Aug		3.7%	3.8%
9:15	FRF	PMI manufacturing, preliminary	Index	Oct		50.0	50.1
9:15	FRF	PMI services, preliminary	Index	Oct		51.6	51.1
9:30	SEK	Riksbank, rate decision	%		-0.25%	-0.25%	-0.25%
9:30	DEM	PMI manufacturing, preliminary	Index	Oct	41.9	42.0	41.7
9:30	DEM	PMI services, preliminary	Index	Oct	51.2	51.8	51.4
10:00	EUR	PMI manufacturing, preliminary	Index	Oct	45.5	46.0	45.7
10:00	EUR	PMI composite, preliminary	Index	Oct	49.9	50.4	50.1
10:00	EUR	PMI services, preliminary	Index	Oct	51.5	52.0	51.6
10:00	NOK	Norges Banks monetary policy meeting	%		1.5%	1.5%	1.5%
13:00	TRY	Central Bank of Turkey rate decision	%		15.5%	15.5%	16.5%
13:45	EUR	ECB announces deposit rate	%		-0.50%	-0.50%	-0.50%
14:30	EUR	ECB's Draghi speaks in Frankfurt					
14:30	USD	Initial jobless claims	1000				214
14:30	USD	Core capital goods orders, preliminary	%	Sep		-0.1%	-0.4%
14:30	EUR	ECB's Draghi speaks at press conference				0	0
15:45	USD	Markit PMI manufacturing, preliminary	Index	Oct			51.1
15:45	USD	Markit PMI service, preliminary	Index	Oct			50.9
16:00	USD	New home sales	1000 (m/m)	Sep		710	713.0 (7.1%)

Friday, October 25, 2019

				Period	Danske Bank	Consensus	Previous
-	EUR	Moody's may publish France's debt rating					
-	EUR	S&P may publish Italy's debt rating					
-	EUR	Fitch may publish Netherlands's debt rating					
-	EUR	S&P may publish Greece's debt rating					
8:00	DEM	GfK consumer confidence	Net. Bal.	Nov		9.8	9.9
9:30	SEK	Retail sales s.a.	m/m y/y	Sep	0.5% 2.5%	0.5% 2.5%	0.0% 2.7%
9:30	SEK	PPI	m/m y/y	Sep			-0.5% 1.4%
9:30	SEK	Household lending	y/y	Sep			4.9%
10:00	DEM	IFO - business climate	Index	Oct		94.5	94.6
10:00	DEM	IFO - current assessment	Index	Oct		98.0	98.5
10:00	DEM	IFO - expectations	Index	Oct		91.0	90.8
10:00	EUR	ECB's survey of professional forecasters					
12:30	RUB	Central Bank of Russia rate decision	%		6.5%	6.8%	7.0%
16:00	USD	University of Michigan Confidence, final	Index	Oct		96.0	96.0

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Source: Danske Bank

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