

Weekly Focus

‘Santa’ Powell and Ingves bring hikes for Christmas

Market movers ahead

- As the holiday season is just around the corner, market movers will be limited. However, if the US Congress and President Trump do not reach an agreement on the budget, we may have a government shutdown starting on Saturday 22 December.
- The next data point on the agenda is the US jobs report due out on 4 January, where we expect 190,000 new jobs. More importantly, we estimate average hourly earnings rose +0.25% m/m in December (equivalent to 2.9% y/y).
- Similarly, 4 January is the next focal point in the euro area as the inflation report is due out. We expect headline to remain at 1.9%, but core inflation to tick up to 1.1%.
- We expect little news on the Brexit turmoil and US-China trade war during the holiday season.

Weekly wrap-up


- Both the Fed and Riksbank hiked policy rates and lowered their projected rate paths.
- The Italian government struck a deal with the EU over the budget for 2019.
- The Brexit turmoil continues, with the next crucial date set to be during the week of 14 January, when the House of Commons is due to vote on the Brexit deal.
- Global risk sentiment remains fragile. In FX markets, EUR/USD has edged higher amid softer Fed pricing and declining political risk premia in Europe.

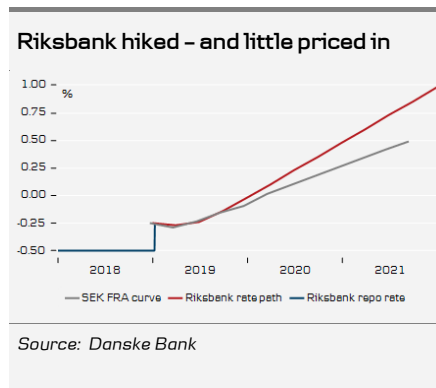
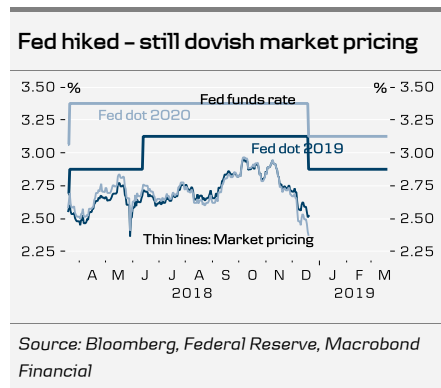
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Financial views			
Major indices			
	20-Dec	3M	12M
10yr EUR swap	0.83	1.10	1.40
EUR/USD	114	113	125
ICE Brent oil	56	65	80

Source: Danske Bank

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Market movers

Global

- In the **US**, it will be quiet between Christmas and New Year. Most interesting is the housing market data (new home sales on Thursday and pending home sales on Friday) given the recent weakness in data.

The jobs report for December is due out on Friday 4 January. After jobs growth disappointed in November, we expect a rebound to 190,000. The unemployment rate may have fallen to 3.6% – it was close between 3.6% and 3.7% last time (3.671%). The most important part of the jobs report is the average hourly earnings. We think average hourly earnings has risen +0.25% m/m in December, which means a fall in the annual growth rate to 2.9% y/y from 3.1%. Overall, average hourly earnings have risen slightly higher this year than in 2016 and 2017.

Unless the US Congress and US President Trump reach an agreement on the budget, we may have a government shutdown starting on Saturday 22 December.

- On Friday 4 January, the **euro area flash HICP** figures for December are due out, but markets will look out for some early clues in the German HICP figures already released a week earlier. In November, euro-area headline inflation fell below the ECB’s 2% target for the first time since May and we expect it to stay at 1.9% in December, as the boost from higher energy prices continues to fade. More importantly, we expect core inflation to reverse its dip below 1.0% in November and jump back to 1.1%, driven by higher services prices during the holiday season. That said, core inflation has continued to surprise on the downside during 2018, as higher wages have yet to feed through to core inflation (see *Euro area Research: Is the Phillips-curve finally coming alive in 2019?*), 18 December.

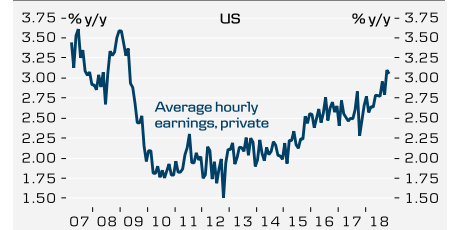
- In the **UK**, focus remains on Brexit where no solution is in sight. While a majority in of the MPs say PM Theresa May’s deal is still unlikely to be agreed, she does not accept the claim and wants to continue to negotiate with the EU despite the EU summit in December not ending well. The House rises on 20 December and returns on 7 January. Brexit will remain a very important market theme in Q1 19. Something needs to give in British politics but it is difficult to predict what. The only majority is a majority against a ‘no deal’ but given that is the default option unless something else happens before 29 March, it is cold comfort.

In terms of economic data releases, the coming weeks are quiet. On 2 January, PMI manufacturing in December is due out. Based on the equivalent euro area index, it probably fell to around 51.4 after the surprising increase in November. The PMI service index is due out on 4 January, where we expect a small rebound after two months of decline. We expect an increase from 50.4 to 51.7.

- Focus in **China** continues to be on trade talks with the US. There is also widespread expectation of more stimulus being announced soon. An article from China Daily: *More major tax cuts are on the horizon*, 28 December, indicated that companies and individuals await the unveiling of a more aggressive tax cut plans. It is very unlikely that a state media source would allow such an article without some sort of basis.

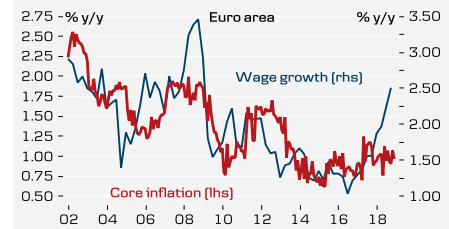
On the data front, official PMI manufacturing for December is due on 31 December. It dropped to 50.0 in November and could very well fall below the 50 level this month. Caixin PMI manufacturing is due on 4 January. It increased slightly from 50.1 to 50.2

Wage growth may have fallen to 2.9% y/y in December but wage pressure still seems to be increasing



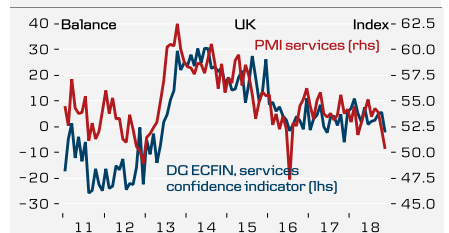
Source: BLS, Macrobond Financial

Higher wages have yet to feed through to higher euro area core inflation



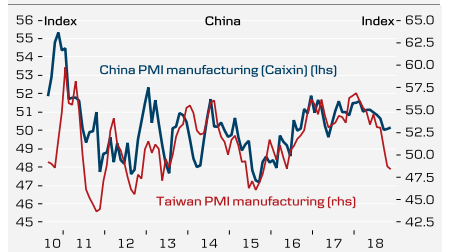
Source: Eurostat, Macrobond Financial, Danske Bank

UK PMI services at low level



Source: IHS Markit, DG ECFIN, Macrobond Financial

China: Taiwan PMI points to downside risk for Chinese PMI



Source: Macrobond Financial, NBS

in November, but we also see a risk it could fall below 50 in the December reading. See *China Leading Indicators - It gets worse before it gets better*, 22 November 2018.

- In **Japan**, we have several releases between Christmas and New Year. On Friday 28 December, the labour market will be in focus with the unemployment rate and the jobs/applicants ratio for November ticking in. The labour market actually loosened in October with unemployment increasing to 2.4% and the number of job openings per 100 applicants decreasing to 162 from 164 in September. This is the first decrease of more than one job/100 applicants in over nine years and it will be interesting to see if it continued in November.

On the same day, November industrial production is due out and on Friday 4 January, December manufacturing PMIs are due. Following a weak Q3, we saw a rebound in October. The recent business Tankan survey for Q4 would suggest the manufacturing sector is doing fine despite worries of tensions stemming from the trade war.

Scandi

- The various **Danish** institutions will be closed for the rest of the year for the Christmas holidays, though there are some important data releases at the start of the New Year.

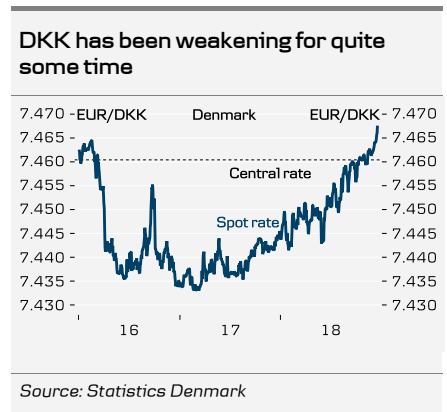
FX reserve data is due on the second business day of the month. December saw the Danish krone continue its trend from previous months of weakening against the EUR and trading at a level where Danmarks Nationalbank has previously intervened to buy DKK more than 50% the time. Hence, December's FX reserve data, which is scheduled for release at the start of January, could very well show an end to 20 months of non-intervention. Nevertheless, this is no reason to begin speculating on a Danish rate hike, in our view. First of all, we expect the DKK to strengthen again in 2019 and, secondly, Danmarks Nationalbank has more than ample FX reserves to call on.

Fresh unemployment figures (November) are due on Friday 4 January. Unemployment has fallen throughout most of 2018 (except March) and now stands at 3.9% of the total labour force. The number of jobless is at the lowest level since February 2009, though unemployment has fallen more modestly over the past four months, while employment growth has slowed. Business confidence (December) is due on the same day. The indicator has generally fallen in recent months, though the 2018 average is still above the average for 2017. Construction is the only sector to have risen for most of 2018.

Danske Bank's take on the Nordic economies, including Denmark, is due on the same Friday. Nordic Outlook will present our forecasts for 2019 and 2020.

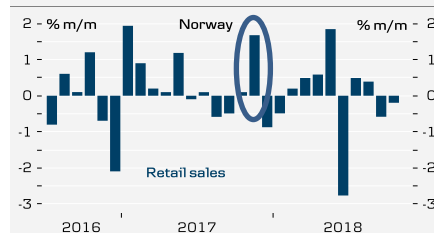
- After the Riksbank's decision to hike rates, there is very little that will rock **Swedish** markets in between Christmas and New Year. The only item on the statistical agenda is the November trade balance. There is usually a slight rebound in November after a drop in October.

Even though Swedish politicians normally take a break at Christmas too, it is more uncertain this year due to the gridlock between parties. That said, we are approaching the final two votes for a new prime minister in Sweden, which may include some tactical voting as a few parties (Greens on the left and Liberals on the right) are very close to being ousted from the Riksdag, according to recent polls. Currently, the outgoing Rec/Green interim government is managing a Moderate/Christian Democratic budget.



- In **Norway**, a variety of data is due to be published over the next fortnight. On the positive side, we estimate retail sales climbed 1.5% m/m in November, due to the seasonal adjustment failing to capture the growth in trading during Black Friday week over the past couple of years. This should help reduce the risk of a spending-driven downturn in the Norwegian economy. The PMI has a tendency to fluctuate considerably from month to month, but the underlying trend this year has clearly been up. A slightly weaker global outlook will probably also hit Norwegian manufacturers, but activity levels in oil-related industries are on the up. We therefore expect the PMI to fall moderately to 55.0 in December, underlining these contrasting fortunes. The housing market has been more or less flat for the past six months after a surge in prices in H1. As mentioned many times before, turnover is strong, which points to healthy demand, but the large number of properties for sale means that the market is well balanced. We therefore anticipate largely unchanged prices once again in December. Finally, we expect LFS unemployment to be held in check by a growing supply of labour and emerging bottleneck problems on the one hand, and further healthy employment growth on the other. We therefore predict an unchanged jobless rate of 4.0%.

Black Friday week made for a strong November in 2017



Source: Macrobond Financial, Danske Bank

Market movers ahead

Global movers			Event		Period	Danske	Consensus	Previous
Thurs	27-Dec	16:00	USD	New home sales	1000 (m/m)	Nov	564	544.0 (-8.9%)
Scandi movers								
Wed	02-Jan	2:45	CNY	Caixin PMI manufacturing	Index	Dec		50.2
Thurs	03-Jan	16:00	USD	ISM manufacturing	Index	Dec	58.5	58.4
Fri	04-Jan	10:30	GBP	PMI services	Index	Dec		50.4
		11:00	EUR	HICP - core inflation, preliminary	y/y	Dec	1.1%	1.0%
		11:00	EUR	HICP inflation, preliminary	y/y	Dec	1.9%	2.0%
		14:30	USD	Non farm payrolls	1000	Dec	190	185
		14:30	USD	Unemployment	%	Dec	3.7%	3.7%
		14:30	USD	Average hourly earnings, non-farm	m/m y/y	Dec	0.25% 2.9%	0.3% 3.0%
		16:15	USD	Fed's Powell (voter, neutral) speaks				0.2% 3.1%
Scandi movers								
Thurs	03-Jan	8:00	NOK	Unemployment (LFS)	%	Oct		4.0%
		17:00	DKK	Currency reserves	DKK bn	Dec		467.3
Fri	04-Jan	6:00	DKK	Danske Bank publishes Nordic Outlook				

Source: Bloomberg, Danske Bank

Weekly Wrap-Up

Fed ignores Trump's rate hike criticism

Main macro themes

- Yesterday, the Fed raised its target range by 25bp to 2.25%-2.50%.** At the same time, the Fed lowered the number of times it expects to raise rates in 2019 to two from three. Moreover, the Fed also signalled that it will become more data dependent again. This reflects that the interest rate is now getting closer to the neutral level, where monetary policy is neither expansionary nor contractionary.
- Today, the Riksbank decided to hike the repo rate by 25bp as expected. The repo rate path was shifted lower and indicates that the next step will be a hike in H2 19. In the macro forecast, both GDP growth and inflation were also lowered.
- Another hectic week in Brexit land.** In a statement this week PM Theresa May said the vote on her Brexit deal will take place in the week beginning 14 January (debate in the House of Commons will begin the week before that). May also said that negotiations with the EU continue despite the EU having said that no further negotiations are planned and that the EU27 will not reopen the Withdrawal Agreement. It seems like the EU leaders will not change position at least until the UK politicians find out what they want. This makes good sense as it is not a given that the deal would survive in the House of Commons even with further concessions given the big divisions in British politics. Also this week, Labour leader Jeremy Corbyn said he wanted to proceed with a no confidence vote in PM Theresa May (not in her government which eventually could lead to snap elections) with limited legal implications besides the embarrassment it would be for May to lose.
- The Italian government struck a deal with the EU over the budget for 2019.** The deal envisages a headline budget deficit of 2.04% of GDP in 2019, which means that the deterioration in the underlying structural balance has been brought down to zero. Among the main reasons for improvement is a delayed implementation of pension reforms and citizen income as well as a possible activation of safeguard clauses in 2020 and 2021. While the agreement is not ideal, it is enough to avoid an Excessive Deficit Procedure at the current stage, but we are sure the EU will continue to monitor closely.

Financial market developments

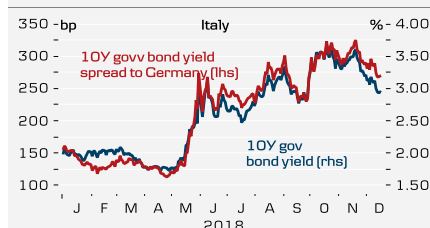
- Global risk sentiment continues to be fragile.** The MSCI world equity index has fallen back another 3.4% since Friday last week and is now down almost 14% since the latest peak in September. Oil prices fell further back to the mid-50s dollars per barrel given concerns about the global economy. The decline in oil prices together with fears of economic slowdown have supported fixed income markets with US 10-year yields falling to 2.8%, the lowest level since August.
- In FX markets, EUR/USD has edged higher amid softer Fed pricing and declining political risk premia in Europe,** notably in relation to Italy (for more details, see our [FX forecast update December](#)). Oil-sensitive currencies such as the NOK and RUB have also lost ground given the fall in oil prices. The British pound is also trading on a soft patch amid uncertainty about the UK exit from the EU. We expect EUR/GBP to remain volatile and within its recent (wide) trading range near term, targeting 0.88 in 1M and 0.87 in 3M.

Financial views - TO BE UPDATED

Major indices			
	20-Dec	3M	12M
10yr EUR swap	0.83	1.10	1.40
10yr US swap	2.78	3.35	3.55
ECB key rate	-0.40	-0.40	-0.20
Fed funds rate	2.50	2.50	3.00
EUR/SEK	1035	1010	1000
EUR/NOK	993	940	910
EUR/USD	114	113	125
ICE Brent oil	56	65	80

Source: Danske Bank

10yr Italian government bond yields below 3% - lowest level since September



Source: Macrobond Financial, Danske Bank

EUR/USD climbing higher on soft Fed pricing and probability



Source: Bloomberg, Macrobond Financial

Scandi update

Denmark – Government still expects modest upswing

In a new forecast, the Danish Ministry for Economic Affairs and the Interior expects GDP growth of 1.7% in both 2018 and 2019, which is a marginal downward revision of 0.1 percentage points. Looking further ahead to 2020, the Ministry expects growth of 1.6%. The figure for 2018 appears extremely high, and would require very impressive growth of some 2.7% q/q in Q4 to be achieved, unless some of the data we already have gets revised. The Ministry points out that employment growth has been significantly higher than the computed GDP this year, and apparently because of this expects the figures to be revised upwards, as we have seen many times before in recent years. However, an important aspect of this story is that the number of hours worked has not risen by nearly as much as employment in 2018, so growth here could in reality have fallen. With regards to the coming years, we agree with the forecast's picture of an enduring if modest upswing. Economic growth is not particularly high, but high enough to create stable employment growth that is possible due to a continuing influx of people into the workforce from both Denmark and abroad.

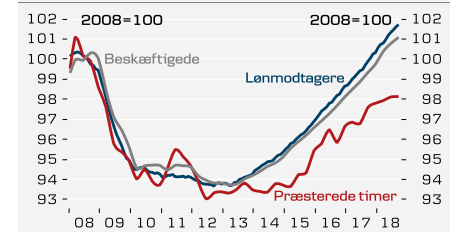
Sweden – budget taken, still searching for a government

At the time of writing there has been no release of Swedish data to be published this week. Swedish politics are still in disarray as the Moderates/Christian Democrat's budget proposal won support in the Riksdag with the help from Sweden Democrats' support and votes laid down by Liberals and the Centre party. That budget includes some income tax cuts and total reforms for some SEK 17 bn. It also incorporates a cyclical public financial savings surplus forecast of 0.9 % (of GDP) for 2019 with a corresponding 0.5 % structural surplus. The tax cuts cannot be changed, but the expenditures can be rearranged. Two candidates so far have had no confidence votes in the Riksdag. Later this week the speaker will propose a third. After that voting will become tactical as there will be a snap election if a fourth candidate is dismissed by the parliament.

Norway – no news

There have been no events or key figures this week to comment on.

Job growth not so clear cut



Source: Statistics Denmark, Macobond Financial

Latest research from Danske Bank

19/12 FOMC review Fed to markets: "Just a couple of more hikes"

As expected, the Fed raised the target range by 25bp to 2.25%-2.50% but only raised the Interest Rate on Excess Reserves by 20bp to 2.40%.

19/12 Italian Politics Monitor - Budget balancing act

The Italian government struck an agreement with the European Commission on its 2019 budget, meaning the risk of an excessive deficit procedure is off the table for now.

19/12 Emerging Markets Briefer - Buying opportunities set to arise after Q1 19

In 2018, emerging markets continued to adapt to rising external challenges. After a slowdown and several crises in 2018, they have shown their increasing ability to adjust to a rapidly changing external environment.

18/12 Finland Research: Shaker outlook into election year 2019

The Finnish economy is set to slow significantly in 2019, but growth is still high enough to have a positive impact on employment and public finances. We have lowered our GDP growth forecast to 1.7% (was 2.0%) in 2019.

18/12 Euro Area Research: Is the Phillips curve finally coming alive in 2019?

We think the euro area Phillips curve is coming alive in 2019. Different measures of underlying inflation pressures have continued their gradual upward trend in 2018, but the impact of higher wages on core inflation has yet to materialise.

17/12 The Big Picture: Japan - Strong real economy but reflation nowhere in sight

We think Japan is heading for a slowdown, but more domestically driven growth is positive news.

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-pleym ³	Public budget ⁴	Public debt ⁴	Current acc. ⁴
Denmark	2017	2.3	2.1	0.7	4.6	3.6	3.6	1.1	1.7	4.2	1.1	36.1	8.0
	2018	1.6	2.5	0.6	7.7	2.2	4.4	0.8	1.9	4.0	0.4	34.7	5.4
	2019	2.0	2.3	0.5	2.6	3.7	3.0	1.2	2.3	3.7	-0.1	33.9	6.1
Sweden	2017	2.5	2.2	0.0	6.1	3.2	4.8	1.8	2.5	6.7	1.2	41.0	4.2
	2018	2.0	2.2	0.8	3.1	2.7	3.7	1.9	2.6	7.1	1.0	37.0	2.8
	2019	1.6	1.9	0.4	1.3	2.3	2.2	1.6	2.7	7.6	0.8	35.0	2.8
Norway	2017	1.8	2.3	2.0	3.5	0.8	2.2	1.8	2.3	2.7	-	-	-
	2018	2.4	2.3	1.9	-0.4	0.8	3.3	2.8	3.0	2.4	-	-	-
	2019	2.5	2.5	1.8	4.4	2.4	3.0	1.6	3.5	2.1	-	-	-

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-pleym ³	Public budget ⁴	Public debt ⁴	Current acc. ⁴
Euro area	2017	2.5	1.7	1.2	2.9	5.4	4.0	1.5	1.6	9.1	-1.0	86.8	4.0
	2018	1.9	1.3	1.0	3.0	2.7	2.6	1.8	2.3	8.2	-0.6	86.9	3.8
	2019	1.6	1.7	2.0	2.4	2.5	3.6	1.8	2.2	7.8	-0.8	84.9	3.6
Germany	2017	2.5	2.0	1.6	3.6	5.3	5.3	1.7	2.6	3.8	1.0	63.9	7.9
	2018	1.6	1.1	0.9	3.3	2.2	3.6	1.9	3.0	3.4	1.6	60.1	7.8
	2019	1.7	1.8	2.2	3.7	2.6	5.1	2.0	3.2	3.1	1.2	56.7	7.3
Finland	2017	2.8	1.3	-0.5	4.0	7.5	3.5	0.8	0.2	8.6	-0.7	61.3	-0.7
	2018	2.7	2.1	2.0	4.0	3.2	3.0	1.2	2.0	7.6	-0.3	59.3	-0.6
	2019	2.0	1.6	0.5	3.5	4.0	3.5	1.5	2.3	7.3	0.1	57.7	-0.2

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-pleym ³	Public budget ⁴	Public debt ⁴	Current acc. ⁴
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	3.0	2.7	1.7	5.2	4.3	4.7	2.4	2.8	3.9	-4.0	106.0	-3.2
	2019	2.7	2.7	1.8	3.6	2.9	3.7	1.8	3.2	3.6	-4.6	107.0	-3.6
China	2017	6.8	8.5	-	5.2	-	-	1.6	9.0	-	-3.9	47.0	1.5
	2018	6.6	8.2	-	5.0	-	-	2.2	8.5	-	-4.1	50.1	0.7
	2019	6.2	8.0	-	4.6	-	-	2.0	8.3	-	-4.5	53.9	0.7
UK	2017	1.7	1.9	-0.1	3.3	5.7	3.2	2.7	2.2	4.4	-1.8	87.4	-3.8
	2018	1.3	1.7	0.5	0.2	1.5	0.4	2.5	3.0	4.1	-1.3	85.0	-3.3
	2019	1.6	1.7	0.6	1.3	2.8	1.6	1.6	3.7	3.9	-1.5	84.1	-3.2
Japan	2017	1.0	-0.1	1.3	1.1	1.7	-1.6	-0.3	-	3.1	-	-	-
	2018	1.7	0.9	0.4	2.5	6.8	3.5	0.5	-	2.8	-	-	-
	2019	0.9	0.3	0.5	1.8	3.1	2.7	0.9	-	2.8	-	-	-

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
USD	20-Dec	2.50	2.79	2.78	2.78	114.2	-	653.5
	+3m	2.50	2.99	3.30	3.35	113.0	-	659.7
	+6m	2.75	3.15	3.40	3.55	118.0	-	631.8
	+12m	3.00	3.46	3.60	3.55	125.0	-	596.4
EUR	20-Dec	-0.40	-0.31	-0.16	0.83	-	114.2	746.8
	+3m	-0.40	-0.33	-0.05	1.00	-	113.0	745.5
	+6m	-0.40	-0.33	0.05	1.20	-	118.0	745.5
	+12m	-0.20	-0.12	0.15	1.40	-	125.0	745.5
JPY	20-Dec	-0.10	-0.09	0.00	0.17	127.8	111.9	5.84
	+3m	-0.10	-	-	-	127.7	113.0	5.84
	+6m	-0.10	-	-	-	134.5	114.0	5.54
	+12m	-0.10	-	-	-	143.8	115.0	5.19
GBP	20-Dec	0.75	0.91	1.14	1.46	90.2	126.6	827.7
	+3m	0.75	0.82	1.30	1.70	87.0	129.9	856.9
	+6m	1.00	1.07	1.40	2.00	83.0	142.2	898.2
	+12m	1.00	1.08	1.60	2.20	83.0	150.6	898.2
CHF	20-Dec	-0.75	-0.74	-0.58	0.32	113.4	99.3	658.3
	+3m	-0.75	-	-	-	113.0	100.0	659.7
	+6m	-0.75	-	-	-	116.0	98.3	642.7
	+12m	-0.75	-	-	-	120.0	96.0	621.3
DKK	20-Dec	-0.65	-0.29	-0.03	0.97	746.8	653.5	-
	+3m	-0.65	-0.30	0.05	1.15	745.5	659.7	-
	+6m	-0.65	-0.30	0.15	1.35	745.5	631.8	-
	+12m	-0.45	-0.17	0.25	1.55	745.5	596.4	-
SEK	20-Dec	-0.50	-0.23	0.01	1.12	1035.4	906.2	72.1
	+3m	-0.25	-0.25	0.25	1.35	1010.0	893.8	73.8
	+6m	-0.25	-0.15	0.35	1.30	1000.0	847.5	74.6
	+12m	0.00	0.00	0.55	1.45	1000.0	800.0	74.6
NOK	20-Dec	0.75	1.27	1.57	2.15	993.0	869.0	75.2
	+3m	0.75	1.35	1.65	2.45	940.0	831.9	79.3
	+6m	1.00	1.41	1.95	2.70	920.0	779.7	81.0
	+12m	1.25	1.66	2.20	2.85	910.0	728.0	81.9

Commodities

	20-Dec	2018				2019				Average	
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2018	2019
ICE Brent	56	67	75	76	69	65	70	75	80	72	73

Source: Danske Bank

Calendar

Key Data and Events in Week 52

Monday, December 24, 2018			Period	Danske Bank	Consensus	Previous
-	DKK	Christmas Eve				
-	JPY	Emperor's Birthday				
Tuesday, December 25, 2018			Period	Danske Bank	Consensus	Previous
-	DKK	Christmas Day				
6:00	JPY	Leading economic index, final	Index			100.5
Wednesday, December 26, 2018			Period	Danske Bank	Consensus	Previous
-	DKK	Christmas Holiday (Boxing Day)				
Thursday, December 27, 2018			Period	Danske Bank	Consensus	Previous
2:30	CNY	Industrial profits	y/y			3.6%
10:00	EUR	ECB Publishes Economic Bulletin				
14:30	USD	Initial jobless claims	1000			
15:00	USD	FHFA house price index	m/m	Oct	0.3%	0.2%
16:00	USD	New home sales	1000 (m/m)	Nov	564	544.0 (-8.9%)
16:00	USD	Conference Board consumer confidence	Index	Dec	133.8	135.7
Friday, December 28, 2018			Period	Danske Bank	Consensus	Previous
0:30	JPY	Unemployment rate	%	Nov	2.4%	2.4%
0:30	JPY	Job-to-applicant ratio		Nov	1.63	1.62
0:50	JPY	Retail trade	m/m y/y	Nov	-0.5% 2.1%	1.3% 3.6%
0:50	JPY	Industrial production, preliminary	m/m y/y	Nov	-1.5% 1.0%	2.9% 4.2%
8:00	NOK	Retail sales, s.a.	m/m	Nov		-0.2%
9:00	CHF	KOF leading indicator	Index	Dec		99.1
9:00	ESP	HICP, preliminary	m/m y/y	Dec		-0.2% 1.7%
9:00	ESP	GDP, final	q/q y/y	3rd quarter		0.6% 2.5%
9:30	SEK	Trade balance	SEK bn	Nov		-8.4
10:00	NOK	Norges Bank's daily FX purchases	m	Jan		-350
14:00	DEM	HICP, preliminary	m/m y/y	Dec		0.1% 2.2%
14:30	USD	Advance goods trade balance	USD bn	Nov	-75.0	-77.0
15:45	USD	Chicago PMI	Index	Dec	61.0	66.4
16:00	USD	Pending home sales	m/m y/y	Nov	0.3% ...	-2.6% -4.6%
17:00	USD	DOE U.S. crude oil inventories	K			-497

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Source: Danske Bank

Calendar (continued)

Key Data and Events in Week 1

Monday, December 31, 2018					Period	Danske Bank	Consensus	Previous
-	DKK	New Year's Eve						
-	JPY	Bank Holiday						
2:00	CNY	PMI manufacturing	Index	Dec				50.0
2:00	CNY	PMI non-manufacturing	Index	Dec				53.4
Tuesday, January 1, 2019					Period	Danske Bank	Consensus	Previous
-	USD	Bank Holiday New Year's Day						
Wednesday, January 2, 2019					Period	Danske Bank	Consensus	Previous
-	DEM	Retail sales	m/m y/y	Nov				0.1% 5.0%
2:45	CNY	Caixin PMI manufacturing	Index	Dec				50.2
8:30	SEK	PMI manufacturing	Index	Dec				56.7
9:00	NOK	PMI manufacturing	Index	Dec				56.1
9:15	ESP	PMI manufacturing	Index	Dec				52.6
9:45	ITL	PMI manufacturing	Index	Dec				48.6
9:50	FRF	PMI manufacturing, final	Index	Dec				49.7
9:55	DEM	PMI manufacturing, final	Index	Dec				51.5
10:00	EUR	PMI manufacturing, final	Index	Dec				51.4
10:30	GBP	PMI manufacturing	Index	Dec	51.4			53.1
15:30	CAD	RBC manufacturing PMI	Index	Dec				54.9
15:45	USD	Markit PMI manufacturing, final	Index	Dec				53.9
Thursday, January 3, 2019					Period	Danske Bank	Consensus	Previous
-	USD	Total vehicle sales	m	Dec			17.35	17.4
8:00	NOK	Unemployment (LFS)	%	Oct				4.0%
9:30	SEK	Household lending	y/y	Nov				5.8%
10:00	EUR	Money supply (M3)	y/y	Nov				3.9%
10:00	EUR	Loans to households (adj. for sales and sec.)	%	Nov				
10:00	EUR	Loans to NFCs (adj. for sales and sec.)	%	Nov				
10:30	GBP	PMI construction	Index	Dec				53.4
14:15	USD	ADP employment	1000	Dec			175	179
16:00	USD	ISM manufacturing	Index	Dec	58.5		58.4	59.3
16:00	USD	Construction spending	m/m	Nov			0.4%	-0.1%
17:00	DKK	Currency reserves	DKK bn	Dec				467.3

Source: Danske Bank

Calendar (continued)

Friday, January 4, 2019					Period	Danske Bank	Consensus	Previous
1:30	JPY	Nikkei Manufacturing PMI, final	Index	Dec				52.4
2:45	CNY	Caixin PMI service	Index	Dec				53.8
6:00	DKK	Danske Bank publishes Nordic Outlook						
8:00	DKK	Gross unemployment s.a.	K (%)	Nov				106.4
8:00	NOK	Credit indicator (C2)	y/y	Nov				5.7%
8:30	SEK	PMI services	Index	Dec				62.2
8:45	FRF	HICP, preliminary	m/m y/y	Dec				-0.2% 2.2%
9:15	ESP	PMI services	Index	Dec				54.0
9:45	ITL	PMI services	Index	Dec				50.3
9:50	FRF	PMI services, final	Index	Dec				49.6
9:55	DEM	PMI services, final	Index	Dec				52.5
9:55	DEM	Unemployment	%	Dec				5.0%
10:00	EUR	PMI composite, final	Index	Dec				51.3
10:00	EUR	PMI services, final	Index	Dec				51.4
10:30	GBP	PMI services	Index	Dec			51.7	50.4
11:00	EUR	PPI	m/m y/y	Nov				4.9% 0.8%
11:00	EUR	HICP - core inflation, preliminary	y/y	Dec	1.1%			1.0%
11:00	EUR	HICP inflation, preliminary	y/y	Dec	1.9%			2.0%
11:00	ITL	HICP, preliminary	m/m y/y	Dec				-0.3% 1.6%
14:30	CAD	Net change in full time employment	1000	Dec				89.9
14:30	USD	Non farm payrolls	1000	Dec	190	185		155
14:30	USD	Unemployment	%	Dec	3.7%	3.7%		3.7%
14:30	USD	Average hourly earnings, non-farm	m/m y/y	Dec	0.25% 2.9%	0.3% 3.0%		0.2% 3.1%
15:45	USD	Markit PMI service, final	Index	Dec				53.4
16:15	USD	Fed's Powell (voter, neutral) speaks						
16:15	USD	Fed Chair Yellen (neutral) speaks						

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Source: Danske Bank

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