

# Weekly Focus

## Trade talks enter critical phase as Brexit deadline draws closer

### Market movers ahead

- Focus in China will continue to be on the US-China trade talks as we approach the 1 March deadline next week. High-level trade talks are likely to continue but we do not expect a final deal to be concluded by 1 March.
- In the US, a number of data releases are scheduled for next week, including PCE core inflation, ISM manufacturing and the housing market numbers. Furthermore, Powell testifies before the Senate Banking panel and House Financial Services committee.
- The UK focus remains on Brexit. Next week there will be a second so-called “meaningful vote” on a full Brexit deal on Tuesday 26 February if PM Theresa May is able to secure a new deal with the EU27 (not the case at the time of writing).

### Weekly wrap-up

- Economic data was mixed this week but we see tentative signs of a bottom. Chinese credit jumped higher in January and metal prices continue to send an early signal of a bottom in Chinese growth soon (see Market Movers). Euro PMI data also surprised on the upside, driven by a strong services PMI reading.
- On the Brexit front, things still look uncertain. Sentiment improved a little this week after UK Prime Minister Theresa May had talks with EU President Jean-Claude Juncker, which were described as ‘constructive’.
- Trade talks are entering a critical phase as we near the 1 March deadline. For the third consecutive week, the US and China negotiated at the top level. This suggests to us that commitment to reach a deal soon is very high.

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### Financial views

#### Major indices

	22-Feb	3M	12M
10yr EUR swap	0.65	0.75	1.05
EUR/USD	113	117	125
ICE Brent oil	67	70	80

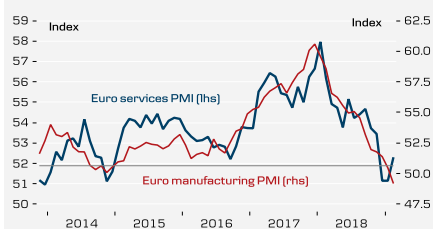
Source: Danske Bank

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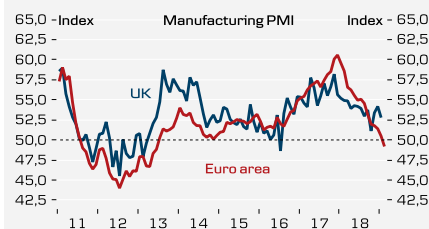
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### Rise in euro service PMI after big drop – manufacturing weaker



Source: Macrobond Financial

### UK PMI manufacturing index probably fell in February



Source: IHS Markit, Macrobond Financial

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# Market movers

## Global

- In the **US**, PCE core inflation numbers for December are due to be released on Friday. Based on the CPI, we expect PCE numbers to come in at 0.2% m/m (1.9 y/y), which is just below the Fed's 2% target. On Thursday, BEA is scheduled to release initial **Q4 GDP**, which will implicitly also give us the PCE inflation data for December. We expect GDP growth to come in at around 2% q/q annualised (3.0% y/y).

On Friday, we get ISM manufacturing data for February. The survey still indicates that the manufacturing sector is expanding in general. As consumption continues to strengthen, we expect the ISM index to stabilise around its current level.

The coming week also brings housing market numbers for December on Wednesday. Recently, the housing market has started to show a bit of weakness, especially home sales numbers, possibly driven by higher mortgage rates. However, housing market data are quite volatile and we will continue to keep an eye on the housing market.

Jerome Powell is set to testify before the Senate Banking Panel on Wednesday and the House Financial Services Committee on Thursday.

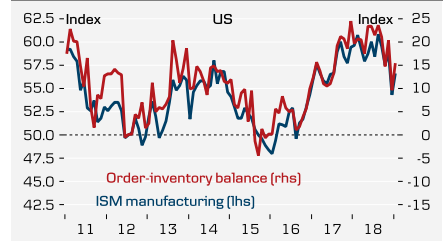
- In the **euro area**, we are due to get the preliminary February HICP figures on Friday. These are an important piece of information for the ECB at its upcoming meeting on 7 March. In January, core inflation rose by 0.16pp to 1.09% y/y, while headline inflation decelerated to 1.4% y/y on the back of falling energy price inflation. With oil prices up some 30% since the trough in December, we expect headline inflation to rise slightly in February to 1.5%. Similarly, for core inflation, we see scope for a further small rise to 1.14% on the back of strengthening *Phillips curve dynamics*.

- Not surprisingly, focus in the **UK** remains on Brexit. Next week, on Tuesday 26 February, there will be a second so-called 'meaningful vote' on a full Brexit deal if Prime Minister Theresa May is able to secure a new deal with the EU27 (not the case at the time of writing). If so, we still think the House of Commons will reject it, although we believe it is likely to be by a smaller margin than last time, as pressure is building. If May does not get a new deal or the House of Commons rejects the deal, there will be another indicative vote on Wednesday 27 February, which gives the members of parliament another chance to force Prime Minister May to ask for an extension of Article 50 to avoid a no-deal Brexit. In our view, the probability of a majority supporting this is likely to be 50:50. If not, it is likely Brexit will go down to the wire (EU summit 21-22 March, UK leaving the EU on 29 March if nothing else happens).

There are not many economic data releases next week but look out for the PMI manufacturing index on Friday, which probably fell. Stockpiling due to Brexit preparations means the index is higher than the equivalent euro area index.

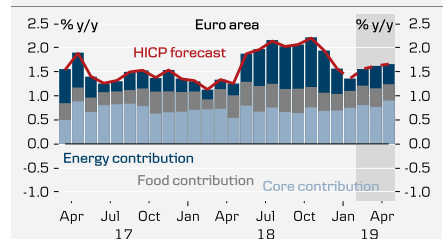
- In our opinion, focus in **China** will continue to be on the US-China trade talks, as we hit the 1 March deadline on Friday next week. High-level trade talks are likely to continue but we do not expect a final deal by 1 March. Instead, we expect the deadline to be extended and believe that a final deal will be closed at a meeting between Xi Jinping and Donald Trump in late March or in April.

### Manufacturing is still expanding but at a lower growth rate



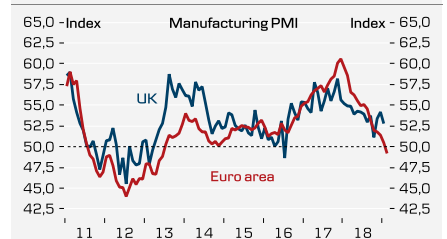
Source: IHS Markit, BEA, Macrobond Financial

### Core inflation set to rise in February



Source: Eurostat, Danske Bank, Macrobond Financial

### UK PMI manufacturing index probably fell in February



Source: IHS Markit, Macrobond Financial

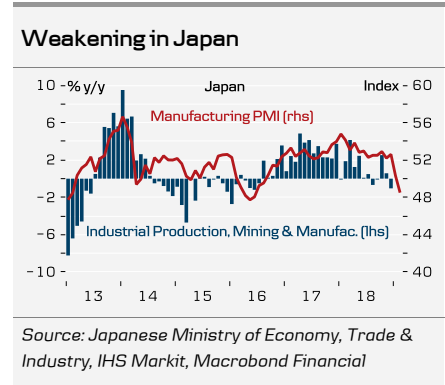
### We look for rebound in PMI soon – but maybe too early in February



Source: Macrobond Financial, Markit, NBS

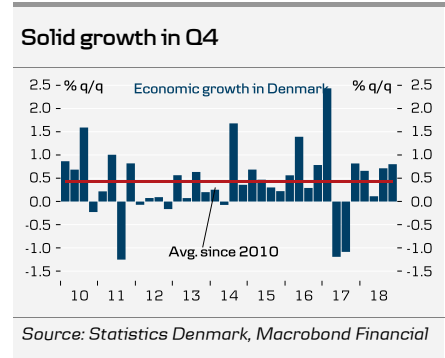
Another item in focus next week will be the release of PMI manufacturing for February. The official version is due out on Friday and the private one (Caixin) on Saturday. We see several signs of growth bottoming in China in Q1, not least in metals markets (see chart). Thus, we look for a rebound soon in PMI. It is not clear whether it will come in February though. There may have been a negative effect because of Chinese New Year. We expect a broadly flat reading for PMI manufacturing in both the official and the private version.

In **Japan**, manufacturing PMIs have weakened significantly at the beginning of the year along with exports. It will be interesting to see whether industrial production confirms the current weakening picture with the January figures on Thursday. On Friday, we get another set of figures for the extremely tight labour market with the unemployment rate and jobs/applicants ratio for January.

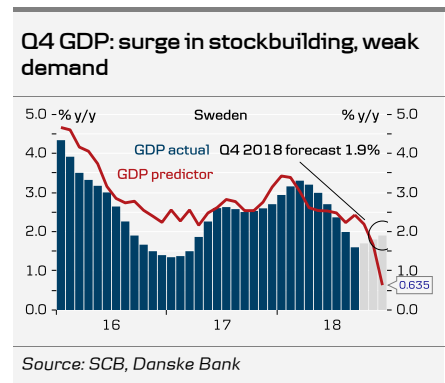


### Scandi

- In **Denmark**, a busy week kicks off with January retail sales, which disappointed in H2 18 despite rising employment and real wages. Growing concern about the state of the economy in Denmark is probably a factor here. February business confidence follows on Wednesday. Sentiment was generally on the wane in H2 18 in every sector bar construction. Manufacturing confidence ended the year with another fall and the picture was unchanged in January, making it five months now in negative territory, so it will be interesting to see which way it heads next. Thursday brings the full national accounts for Q4. The GDP indicator published by Statistics Denmark a fortnight ago suggested strong growth of 0.8% in Q4 and overall growth for 2018 of 1.1%, and Thursday will give us a first insight into what was behind this. Recently, we have seen exports swimming against the tide and surprising on the upside despite the global slowdown. In contrast, retail sales suggest sluggish growth in private consumption. Statistics Denmark's jobless data for January are also due on Thursday. Unemployment has fallen steadily in recent years, with both the jobless rate and the total number of people out of work hitting their lowest levels since February 2009 in December.
- In **Sweden**, our monthly GDP predictor suggests a very weak Q4 print of 0.7% y/y, well below our official forecast of 1.2% y/y incorporated in *Nordic Outlook – At a glance*, 4 January. Actually, we are looking at some demand components on a quarterly basis that seem quite reasonable. It suggests final demand is again likely to be close to zero on a quarter-on-quarter basis (for a third quarter in a row), implying growth of just below 1% y/y.



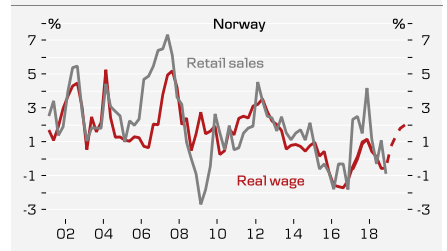
However, GDP is likely to be considerably stronger, as implied by production and inventory data. The business sector production value index rose 1.6% q/q and business and trade inventories appear to have soared, contributing 1.3% q/q. Hence, Swedish corporates appear to be facing sagging demand, which causes rapid, involuntary stockbuilding. Hence, we expect GDP to print a 'healthy' +0.8% q/q/1.9% y/y (grey bars in chart), hiding that demand is around 1 percentage points weaker on both these accounts. If there is no rebound in final demand in Q1 19, GDP might look really ugly as inventories fall back.



In addition, there is a slew of monthly data to consider, including the NIER February confidence survey, January household lending, the trade balance and retail sales. We expect the latter to rebound following a weak December reading.

- In **Norway**, there are no signs yet of the global slowdown affecting the economy. While retail sales have been weak since spring 2018, this has mainly been a result of high power prices eroding consumers' purchasing power. Based on forward power prices, we expect a gradual improvement in purchasing power over the course of this year but fear that January retail sales will also be relatively weak. Given the steep fall of 1.8% m/m in December, we would normally have expected a significant correction in January but we expect a much more cautious rebound of 0.3% m/m. Employment is continuing to rise rapidly but a growing labour supply is stopping unemployment from falling as quickly as it has for the past couple of years. Therefore, we expect (seasonally adjusted) NAV unemployment for February to be unchanged at 2.4% and estimate LFS unemployment for December (November-February) was unchanged at 3.8%. Leading industrial indicators have held up well despite the weaker global climate, which is probably a result of stronger growth in oil-related industries. Nevertheless, we suspect the jump in the PMI to 58.3 in January was a temporary blip and believe that the index will fall back to 56.0 in February. However, this still points to a strong upswing in manufacturing.

**High power prices have hit real wage growth**



Source: Macrobond Financial, Danske Bank

**Market movers ahead**

Global movers			Event	Period	Danske	Consensus	Previous
Wed	27-Feb	16:00	USD Pending home sales	m/m y/y	Jan		-2.2% -9.5%
		16:00	USD Fed chair Powell (voter, neutral) speaks				
Thurs	28-Feb	0:50	JPY Industrial production, preliminary	m/m y/y	Jan	-2.5% 1.3%	-0.1% -1.9%
		2:00	CNY PMI manufacturing	Index	Feb	49.6	49.5
		14:30	USD GDP, first release, preliminary	q/q AR	4th quarter	2.1%	2.5%
Fri	01-Mar	-	CNY Deadline for trade deal between US and China	%	Mar		
		0:30	JPY Unemployment rate	%	Jan	2.4%	2.4%
		0:30	JPY Job-to-applicant ratio		Jan	1.63	1.63
		10:30	GBP PMI manufacturing	Index	Feb	51.0	52.1
		11:00	EUR HICP - core inflation, preliminary	y/y	Feb	1.1%	1.1%
		11:00	EUR HICP inflation, preliminary	y/y	Feb	1.5%	1.4%
		14:30	USD PCE core	m/m y/y	Dec	0.2% 1.9%	0.2% 1.9%
		15:45	USD Markit PMI manufacturing	Index	Feb		53.7
Scandi movers			Event	Period	Danske	Consensus	Previous
Tue	26-Feb	6:30	NOK Consumer confidence	Net. bal.	1st quarter		14.6
Wed	27-Feb	8:00	NOK Retail sales, s.a.	m/m	Jan	1.2%	-1.8%
		9:00	SEK Economic Tendency Survey	Index	Feb		101.9
		9:30	SEK Household lending	y/y	Jan		5.5%
		9:30	SEK Trade balance	SEK bn	Jan		-4.7
Thurs	28-Feb	8:00	DKK GDP, preliminary	q/q y/y	4th quarter		0.7% ...
		8:00	NOK Credit indicator (C2)	y/y	Jan	5.4%	5.4%
		9:30	SEK GDP	q/q y/y	4th quarter	0.8% 1.9%	0.5% 1.5%
Fri	01-Mar	8:30	SEK PMI manufacturing	Index	Feb		51.5
		9:00	NOK PMI manufacturing	Index	Feb	56.0	58.3
		10:00	NOK Unemployment	%	Feb	2.4%	2.4%

Source: Bloomberg, Danske Bank

# Weekly Wrap-Up

## Trade talks entering the critical phase

### Main macro themes

- **Mixed economic data but we see tentative signs of a bottom.** Chinese credit jumped higher in January and metal prices continue to send an early signal of a bottom in Chinese growth soon (see Market Movers). Euro PMI data also surprised on the upside driven by strong service PMI. In addition, recent data from Germany suggests that the drag on car production is starting to ease. However, on the negative side, manufacturing PMI in both Germany and Japan took another dive in January leaving the overall picture still mixed. US data on investment orders for January also came out on the soft side.
- **On the Brexit front, things still look uncertain.** Sentiment improved a bit this week after UK Prime Minister Theresa May had talks with EU President Jean-Claude Juncker, which were described as ‘constructive’. However, May still struggles with the lack of a stable majority in the House of Commons and it is increasingly likely that it will force Theresa May to ask for an extension of the article 50 deadline.
- **Central banks minutes a mixed bag.** Minutes from the latest Fed meeting showed that members agree to be patient for now but that there is disagreement for how long. ‘Many’ members said the Fed could change the ‘patient’ language ‘if uncertainty abated’. Minutes from the recent ECB meeting showed that the ECB will not take any hasty decision on new so-called TLTRO liquidity measures. We believe it will be patient and that better data during the spring will keep it on the sideline for some time.
- **Trade talks entering critical phase.** For the third consecutive week, the US and China negotiated at a top level. It tells us that the commitment to reach a deal soon is very strong. As we near the 1 March deadline, we enter the critical phase. According to *Reuters*, 21 February, the two sides are now working on a memoranda of understanding in a broad range. The deadline for a deal is 1 March next week but we believe it will be extended (see Market Movers).

### Financial market developments

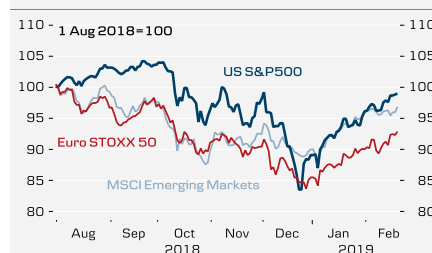
- **Stock markets** continued to edge higher this week on the back of tentative signs of a bottom in growth and rising optimism for a trade deal. Markets increasingly believe in a global recovery on the back of a trade deal, Chinese stimulus and dovish central banks.
- **US and German 10-year yields traded sideways at low levels for most of the week.** At 2.67% and 0.13%, respectively, yield levels are not far off the lows this year. However, early signs that the euro area may recover soon fuelled a small rise in German yields towards the end of the week. We expect German 10-year yields to stay in a range of 0.0-0.3% in coming months. See *Yield Outlook: Higher yields depend on a host of factors*, 13 February 2019.
- **In FX Markets, EUR/USD** moved slightly higher to 1.135 this week, reversing some of the decline seen recently. We look for more range trading short term before a move higher when euro area data is expected to recover and a US-China trade deal is reached. EUR/GBP edged lower this week on positive signals from May’s meeting with Juncker.

### Financial views

Major indices			
	22-Feb	3M	12M
10yr EUR swap	0.65	1.10	1.40
10yr US swap	2.69	3.35	3.55
ECB key rate	-0.40	-0.40	-0.20
Fed funds rate	2.50	2.50	3.00
EUR/SEK	1062	1040	1020
EUR/NOK	977	950	930
EUR/USD	113	117	125
ICE Brent oil	67	70	80

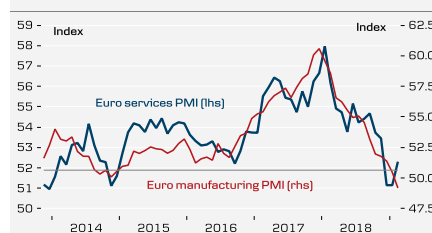
Source: Danske Bank

### Stock markets bouncing on trade optimism and green shoots in China



Source: Macrobond Financial, Danske Bank

### Rise in euro service PMI after big drop – manufacturing weaker



Source: Macrobond Financial

# Scandi update

## Denmark – labour market ends strong year with a whimper

The week’s employment data revealed a weak end to an otherwise strong year for the Danish labour market. Only 500 jobs were created in December, the lowest level for 5.5 years. This weak growth was driven mainly by a decrease of 1,700 in the number of public workers. In the private sector, 2,100 jobs were created, somewhat down on the levels seen earlier in the year. Over the year as a whole, 46,000 more jobs were created and we expect things to move in the same direction in 2019, albeit at a slower rate.

Statistics Denmark’s consumer confidence indicator showed sentiment becoming entrenched at low levels, edging down from 3.9 to 3.3 in January and so well off its peak last summer of more than 10. This weakness is due to consumers being more downbeat about the Danish economy, which could very well be a result of concern about the trade war raging between China and the US and Brexit now being just around the corner.

## Sweden – inflation unlikely to rebound enough

The January inflation outcome was indeed a significant downward surprise, far below (-0.3 percentage points) our own and market expectations and actually out of scope of any forecaster. CPIF excluding energy was also 0.3 percentage points below the January average of the past seven years (-1.5% m/m versus -1.0% m/m). The cause was simply bigger reductions in many components, including food (fell instead of rising), clothing, furniture, foreign airline tickets, charter packages and restaurants. This deviation brought both CPIF and CPIF excluding energy 0.4 percentage points below the Riksbank’s new forecast.

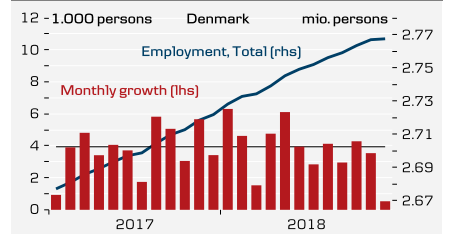
Some of these factors may of course rebound. Hence, stimulating a rebound in February of the same size as the downward January surprise (i.e. 0.3 p.-p. above the 2012-18 average for February or 0.2pp above the 2017-18 average) would pull CPIF up one-tenth to 2.1% y/y and CPIF excluding energy up two-tenths to 1.6% y/y. Even with such a rebound, CPIF would remain 0.3pp below the Riksbank’s forecast and CPIF energy would be 0.1pp below.

Hence, in our view, inflation is unlikely to rebound enough to be back on the Riksbank’s track in January. Should it rebound less, the Riksbank’s problem would be bigger.

## Norway – oil investment set to rise rapidly

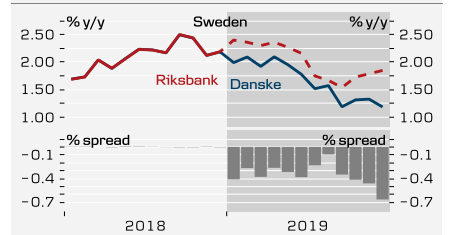
The latest oil investment survey points to annual investment of NOK172.7bn in 2019 and NOK158.5bn in 2020. Taking account of the reference date, this corresponds to growth in oil investment of around 13% this year, adding around 0.6pp to mainland GDP and supporting our expectation that an oil-driven upswing in the Norwegian economy this year will keep growth well above trend despite all the signs of a global slowdown. We believe this increases the likelihood of Norges Bank having to continue to normalise monetary policy this year, with a first hike now in March. The estimate of oil investment in 2020 is very uncertain at this point but points to growth of 2-3%, marginally less than we have been assuming.

**Lowest employment growth for 5.5 years**



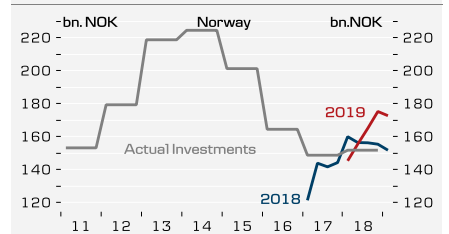
Source: Statistics Denmark, Danske Bank, Macrobond Financial

**CPIF set to remain below Riksbank’s February forecast**



Source: Riksbank, Danske Bank

**Further strong growth in oil investment**



Source: Macrobond Financial, Danske Bank



## Macroeconomic forecast

### Macro forecast, Scandinavia

	Year	GDP <sup>1</sup>	Private cons. <sup>1</sup>	Public cons. <sup>1</sup>	Fixed inv. <sup>1</sup>	Ex-ports <sup>1</sup>	Im-ports <sup>1</sup>	Infla-tion <sup>1</sup>	Wage growth <sup>1</sup>	Unem-ploym <sup>3</sup>	Public budget <sup>4</sup>	Public debt <sup>4</sup>	Current acc. <sup>4</sup>
Denmark	2018	1.0	2.4	0.4	5.9	0.2	3.6	0.8	2.3	3.9	0.3	33.5	5.6
	2019	2.0	1.9	0.4	0.7	2.7	1.3	1.3	2.5	3.9	0.1	33.1	6.0
	2020	1.6	2.3	0.4	3.6	2.0	2.9	1.6	2.8	3.8	-0.1	33.2	5.9
Sweden	2018	2.2	1.2	0.6	4.6	2.3	2.4	2.0	2.6	6.3	0.9	37.0	3.3
	2019	1.4	0.8	0.3	1.7	2.3	1.3	1.9	2.6	6.5	0.5	34.0	4.0
	2020	1.9	1.9	1.8	1.7	3.1	2.5	1.6	2.7	6.9	0.8	33.0	4.0
Norway	2018	2.2	2.0	1.5	0.9	-0.8	0.9	2.7	2.8	2.4	-	-	-
	2019	2.6	2.2	1.7	4.7	3.5	3.0	1.6	3.5	2.3	-	-	-
	2020	2.4	2.3	1.8	2.0	3.0	3.3	1.7	3.8	2.2	-	-	-

### Macro forecast, Euroland

	Year	GDP <sup>1</sup>	Private cons. <sup>1</sup>	Public cons. <sup>1</sup>	Fixed inv. <sup>1</sup>	Ex-ports <sup>1</sup>	Im-ports <sup>1</sup>	Infla-tion <sup>1</sup>	Wage growth <sup>1</sup>	Unem-ploym <sup>3</sup>	Public budget <sup>4</sup>	Public debt <sup>4</sup>	Current acc. <sup>4</sup>
Euro area	2018	1.8	1.3	1.0	3.2	2.9	2.9	1.7	2.3	8.2	-0.6	86.9	3.8
	2019	1.4	1.3	2.1	2.6	2.6	3.9	1.5	2.2	7.8	-0.8	84.9	3.6
	2020	1.5	1.6	2.4	2.0	2.7	3.5	1.5	2.4	7.5	-0.7	82.8	3.6
Germany	2018	1.5	1.0	0.9	3.2	2.1	3.6	1.8	3.0	3.4	1.6	60.1	7.8
	2019	1.0	0.9	2.1	3.6	2.2	5.1	1.8	3.2	3.1	1.2	56.7	7.3
	2020	1.4	1.6	2.2	3.1	3.1	4.6	1.8	3.0	2.9	1.1	53.7	6.9
Finland	2018	2.3	1.5	2.0	2.5	1.1	2.5	1.1	1.9	7.4	-0.3	59.2	-0.9
	2019	1.7	1.6	0.5	1.5	2.5	2.3	1.5	2.5	7.0	0.0	57.9	-0.4
	2020	1.5	1.3	0.5	2.0	2.0	1.5	1.5	2.5	6.9	0.1	56.5	-0.2

### Macro forecast, Global

	Year	GDP <sup>1</sup>	Private cons. <sup>1</sup>	Public cons. <sup>1</sup>	Fixed inv. <sup>1</sup>	Ex-ports <sup>1</sup>	Im-ports <sup>1</sup>	Infla-tion <sup>1</sup>	Wage growth <sup>1</sup>	Unem-ploym <sup>3</sup>	Public budget <sup>4</sup>	Public debt <sup>4</sup>	Current acc. <sup>4</sup>
USA	2018	2.9	2.6	1.6	5.2	4.1	4.7	2.4	3.0	3.9	-4.0	106.0	-3.2
	2019	2.5	2.6	1.7	3.3	2.6	3.9	1.8	3.2	3.6	-4.6	107.0	-3.6
	2020	2.0	2.1	1.0	2.9	2.4	2.6	2.4	3.5	3.5	-4.6	108.0	-3.7
China	2018	6.6	8.2	-	5.0	-	-	2.2	8.5	-	-4.1	50.1	0.7
	2019	6.2	8.0	-	4.7	-	-	2.0	8.3	-	-4.5	53.9	0.7
	2020	6.2	7.8	-	4.6	-	-	2.2	8.0	-	-4.3	57.1	0.7
UK	2018	1.4	1.9	0.2	0.0	0.2	0.8	2.5	3.0	4.1	-1.3	85.0	-3.3
	2019	1.2	1.8	1.3	-0.7	1.5	2.2	1.6	3.5	3.9	-1.5	84.1	-3.2
	2020	1.4	1.7	0.6	1.7	2.0	2.0	1.5	3.8	3.8	-1.3	83.2	-3.0
Japan	2018	0.9	0.3	0.5	1.8	3.1	2.7	0.9	-	2.8	-	-	-
	2019	0.9	1.0	0.8	1.5	2.0	2.1	1.4	-	2.4	-	-	-
	2020	0.5	0.0	0.8	-0.3	2.8	1.2	2.0	-	2.4	-	-	-

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	22-Feb	2.50	2.66	2.62	2.69	113.5	-	657.5	861.4	935.5
	+3m	2.50	2.95	2.75	2.80	117.0	-	637.4	812.0	888.9
	+6m	2.75	3.00	3.05	2.95	120.0	-	621.3	783.3	850.0
	+12m	3.00	3.28	3.15	2.95	125.0	-	596.4	744.0	816.0
EUR	22-Feb	-0.40	-0.31	-0.16	0.65	-	113.5	746.2	977.5	1061.7
	+3m	-0.40	-0.31	-0.15	0.75	-	117.0	745.8	950.0	1040.0
	+6m	-0.40	-0.31	-0.15	0.90	-	120.0	745.5	940.0	1020.0
	+12m	-0.20	0.02	0.20	1.05	-	125.0	745.5	930.0	1020.0
JPY	22-Feb	-0.10	-0.08	-0.03	0.13	125.6	110.7	5.94	7.78	8.45
	+3m	-0.10	-	-	-	128.7	110.0	5.79	7.38	8.08
	+6m	-0.10	-	-	-	132.0	110.0	5.65	7.12	7.73
	+12m	-0.10	-	-	-	140.0	112.0	5.33	6.64	7.29
GBP	22-Feb	0.75	0.86	1.08	1.40	87.0	130.5	857.9	1123.9	1220.7
	+3m	0.75	0.86	1.20	1.60	84.0	139.3	887.9	1131.0	1238.1
	+6m	0.75	0.83	1.30	1.65	83.0	144.6	898.2	1132.5	1228.9
	+12m	1.00	1.07	1.70	1.90	83.0	150.6	898.2	1120.5	1228.9
CHF	22-Feb	-0.75	-0.72	-0.60	0.20	113.5	100.1	657.2	861.0	935.1
	+3m	-0.75	-	-	-	115.0	98.3	648.5	826.1	904.3
	+6m	-0.75	-	-	-	118.0	98.3	631.8	796.6	864.4
	+12m	-0.75	-	-	-	120.0	96.0	621.3	775.0	850.0
DKK	22-Feb	-0.65	-0.32	-0.06	0.77	746.2	657.5	-	131.0	142.3
	+3m	-0.65	-0.30	-0.05	0.90	745.8	637.4	-	127.4	139.4
	+6m	-0.65	-0.30	-0.05	1.05	745.5	621.3	-	126.1	136.8
	+12m	-0.45	0.03	0.30	1.20	745.5	596.4	-	124.7	136.8
SEK	22-Feb	-0.25	-0.07	0.06	0.94	1061.7	935.5	70.3	92.1	100.0
	+3m	-0.25	-0.15	0.00	1.25	1040.0	888.9	71.7	91.3	-
	+6m	-0.25	-0.20	0.00	1.30	1020.0	850.0	73.1	92.2	-
	+12m	-0.25	-0.20	0.00	1.35	1020.0	816.0	73.1	91.2	-
NOK	22-Feb	0.75	1.27	1.57	2.03	977.5	861.4	76.3	100.0	108.6
	+3m	1.00	1.61	1.80	2.15	950.0	812.0	78.5	-	109.5
	+6m	1.00	1.69	1.95	2.35	940.0	783.3	79.3	-	108.5
	+12m	1.25	1.91	2.20	2.55	930.0	744.0	80.2	-	109.7

Commodities												
	22-Feb	2019				2020				Average		
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2019	2020	
ICE Brent	67	65	70	75	80	80	80	80	80	73	80	

Source: Danske Bank



# Calendar

## Key Data and Events in Week 9

During the week			Period	Danske Bank	Consensus	Previous
Sat 23	GBP	BoE members including Carney testify before Parliament Committee				
Monday, February 25, 2019			Period	Danske Bank	Consensus	Previous
6:00	JPY	Leading economic index, final	Index			97.9
8:00	DKK	Retail sales	m/m y/y			-0.6% -0.4%
Tuesday, February 26, 2019			Period	Danske Bank	Consensus	Previous
-	GBP	Possible Brexit vote in the House of Commons				
6:30	NOK	Consumer confidence	Net. bal.			14.6
8:00	DEM	GfK consumer confidence	Net. Bal.		10.7	10.8
8:45	FRF	Consumer confidence	Index		92.0	91.0
14:00	HUF	Central Bank of Hungary rate decision	%	0.90%	0.90%	0.90%
14:30	USD	Building permits	1000 (m/m)		1290	1322.0 (4.5%)
14:30	USD	Housing starts	1000 (m/m)		1255	1256.0 (3.2%)
15:00	USD	FHFA house price index	m/m			0.4%
16:00	USD	Conference Board consumer confidence	Index		124.2	120.2
16:00	USD	Fed chair Powell (voter, neutral) speaks				
Wednesday, February 27, 2019			Period	Danske Bank	Consensus	Previous
-	DEM	Retail sales	m/m y/y		2.0% 1.2%	-3.1% -2.1%
-	GBP	Possible Brexit vote in the House of Commons				
8:00	NOK	Retail sales, s.a.	m/m		1.2%	-1.8%
8:00	NOK	Unemployment (LFS)	%	3.8%	3.8%	3.8%
9:00	SEK	Consumer confidence	Index		93.9	92.0
9:00	SEK	Economic Tendency Survey	Index			101.9
9:00	SEK	Manufacturing confidence	Index			111.3
9:30	SEK	Household lending	y/y			5.5%
9:30	SEK	Trade balance	SEK bn			-4.7
10:00	EUR	Money supply (M3)	y/y		4.0%	4.1%
10:00	EUR	Loans to households (adj. for sales and sec.)	%		4.0%	4.1%
10:00	EUR	Loans to NFCs (adj. for sales and sec.)	%		4.0%	4.1%
11:00	EUR	Service confidence	Net bal.		10.0	11.0
11:00	EUR	Business climate indicator	Net bal.		0.7	0.7
11:00	EUR	Industrial confidence	Net bal.		0.4	0.5
11:00	EUR	Economic confidence	Index		106.0	106.2
11:00	EUR	Consumer confidence	Net bal.		-7.4	-7.4
14:30	USD	Advance goods trade balance	USD bn		-75.7	
14:30	CAD	CPI	m/m y/y		... 1.5%	... 2.0%
16:00	USD	Pending home sales	m/m y/y			-2.2% -9.5%
16:00	USD	Core capital goods orders, final	%			-0.7%
16:00	USD	Fed chair Powell (voter, neutral) speaks				
16:30	USD	DOE U.S. crude oil inventories	K			3672

Source: Danske Bank

## Calendar (continued)

Thursday, February 28, 2019					Period	Danske Bank	Consensus	Previous
0:50	JPY	Industrial production, preliminary	m/mly/y	Jan		-2.5% 1.3%	-0.1% -1.9%	
0:50	JPY	Retail trade, preliminary	m/mly/y	Jan		-0.9% 1.5%	0.9% 1.3%	
1:01	GBP	GfK consumer confidence	Index	Feb	<b>-14.0</b>	-15.0	-14.0	
2:00	CNY	PMI manufacturing	Index	Feb		49.6	49.5	
2:00	CNY	PMI non-manufacturing	Index	Feb		54.5	54.7	
7:45	CHF	GDP	q/qly/y	4th quarter		0.4% 1.7%	-0.2% 2.4%	
8:00	DKK	GDP, preliminary	q/qly/y	4th quarter			0.7% ...	
8:00	NOK	Credit indicator (C2)	y/y	Jan		5.4%	5.4%	
8:00	DKK	Gross unemployment s.a.	K (%)	Jan			104(3.8)	
8:00	DKK	CB's securities statistics		Jan				
8:00	DKK	Foreign portfolio investments		Jan				
8:45	FRF	Household consumption	m/mly/y	Jan			-1.5% -2.3%	
8:45	FRF	HICP, preliminary	m/mly/y	Feb		0.4% 1.8%	-0.6% 1.4%	
8:45	FRF	GDP, preliminary	q/qly/y	4th quarter		0.3% 0.9%	0.3% 0.9%	
9:00	CHF	KOF leading indicator	Index	Feb		96.0	95.0	
9:00	ESP	HICP, preliminary	m/mly/y	Feb		... 1-0%	-1.7% 1.0%	
9:30	SEK	Retail sales s.a.	m/mly/y	Jan		0.7% 1.0%	-1.4% -1.1%	
9:30	SEK	GDP	q/qly/y	4th quarter	<b>0.8% 1.9%</b>	0.5% 1.5%	-0.2% 1.6%	
9:30	SEK	PPI	m/mly/y	Jan			-0.6% 5.6%	
9:30	SEK	Wages (blue collars/white collars)	y/y	Dec			2.9%	
10:00	NOK	Norges Bank's daily FX purchases	m	Mar			-450	
11:00	ITL	HICP, preliminary	m/mly/y	Feb		-0.1% 1.2%	-1.7% ...	
12:00	EUR	Portugal, GDP, final	q/qly/y	4th quarter			0.4% 1.7%	
14:00	USD	Fed's Clarida (voter, neutra) speaks						
14:00	DEM	HICP, preliminary	m/mly/y	Feb		0.6% 1.8%	-1.0% 1.7%	
14:30	USD	PCE core, preliminary	q/q AR	4th quarter		0.016	0.016	
14:30	USD	Initial jobless claims	1000					
14:30	USD	GDP, first release, preliminary	q/q AR	4th quarter	<b>2.1%</b>	2.5%	3.4%	
14:50	USD	Fed's Bostic (non-voter, dovish) speaks						
15:45	USD	Chicago PMI	Index	Feb		58.0	56.7	
17:00	USD	Fed's Harker (non-voter, dovish) speaks						
19:00	USD	Fed's Kaplan (non-voter, dovish) speaks						
Friday, March 1, 2019					Period	Danske Bank	Consensus	Previous
-	USD	Total vehicle sales	m	Feb		16.8	16.6	
-	CNY	Deadline for trade deal between US and China	%	Mar				
0:30	JPY	Unemployment rate	%	Jan		2.4%	2.4%	
0:30	JPY	Job-to-applicant ratio		Jan		1.63	1.63	
1:30	JPY	Nikkei Manufacturing PMI	Index	Feb			48.5	
2:45	CNY	Caixin PMI manufacturing	Index	Feb		48.5	48.3	
6:00	JPY	Consumer confidence	Index	Feb		41.6	41.9	
8:30	SEK	PMI manufacturing	Index	Feb			51.5	
9:00	NOK	PMI manufacturing	Index	Feb	<b>56.0</b>	57.0	58.3	
9:15	ESP	PMI manufacturing	Index	Feb		51.8	52.4	
9:45	ITL	PMI manufacturing	Index	Feb		47.6	47.8	
9:50	FRF	PMI manufacturing	Index	Feb		51.4	51.4	
9:55	DEM	PMI manufacturing	Index	Feb		47.6	47.6	
9:55	DEM	Unemployment	%	Feb		5.0%	5.0%	
10:00	EUR	PMI manufacturing	Index	Feb		49.2	49.2	
10:00	NOK	Unemployment	%	Feb	<b>2.4%</b>		2.4%	
10:30	GBP	PMI manufacturing	Index	Feb	<b>51.0</b>	52.1	52.8	
11:00	ITL	GDP	y/y			0.8%	1.6%	
11:00	EUR	Unemployment	%	Jan		7.9%	7.9%	
11:00	EUR	HICP - core inflation, preliminary	y/y	Feb	<b>1.1%</b>		1.1%	
11:00	EUR	HICP inflation, preliminary	y/y	Feb	<b>1.5%</b>	1.5%	1.4%	
14:30	USD	Personal spending	m/m	Dec		0.3%	0.4%	
14:30	USD	PCE headline	m/mly/y	Dec		0.0% 1.7%	0.1% 1.8%	
14:30	CAD	GDP	m/mly/y	Dec			-0.1% 1.7%	
14:30	USD	PCE core	m/mly/y	Dec	<b>0.2% 1.9%</b>	0.2% 1.9%	0.1% 1.9%	
15:30	CAD	RBC manufacturing PMI	Index	Feb			53.0	
15:45	USD	Markit PMI manufacturing	Index	Feb			53.7	
16:00	USD	ISM manufacturing	Index	Feb		56.0	56.6	
16:00	USD	University of Michigan consumer confidence	Index	Feb		96.0	95.5	
18:50	USD	Fed's Bostic (non-voter, dovish) speaks						
19:15	USD	Fed's Bostic (non-voter, dovish) speaks						

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Source: Danske Bank

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