

Weekly Focus

On the lookout for a recession

Market movers ahead

- In the euro area, we are due to get the last inflation input before the ECB meeting in September, setting the scene for the monetary stimulus package. We expect August inflation to be unchanged from July inflation.
- We do not expect to see any improvement in numbers out of Germany, as the Ifo index is set to decline further on the back of ongoing geopolitical uncertainty.
- In the US, we are set to get preliminary capex orders for July, which will be interesting in light of the ongoing manufacturing slowdown and trade war uncertainty.
- Focus remains on Brexit and whether the anti-hard Brexiteers can find a common way forward to block Prime Minister Boris Johnson delivering a no-deal Brexit.
- Danish data next week should shed light on what has been driving the strong Q2 GDP reading. In contrast, we expect Swedish data to show weakness.

Weekly wrap-up

- We have published an update on our outlook for the global economy (see *Global Economic Update: Stuck in the mud but no hard landing yet*, 22 August). With no solution to the trade war in sight, we have downgraded our growth outlook.
- The FOMC minutes from the July meeting revealed a very divided Fed on the topic of further easing, inflation expectations continue to slide and US PMI manufacturing moved below 50.
- In the euro area, the economic backdrop remains gloomy and the ECB confirmed that it plans to unveil a stimulus package in September but did not give any clues on the exact design and magnitude of policy measures included.

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Financial views

Major indices

	23-Aug	3M	12M
10yr EUR swap	-0.20	-0.30	-0.10
EUR/USD	111	110	115
ICE Brent oil	60	75	75

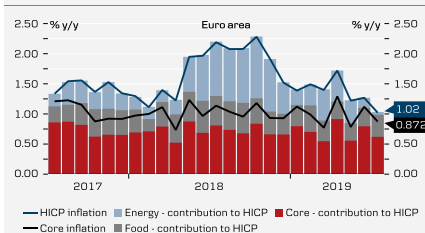
Source: Danske Bank

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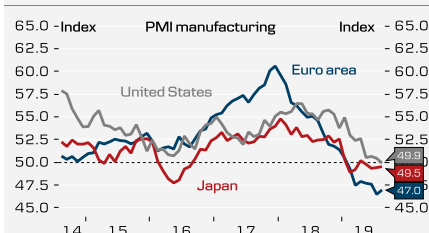
@Danske_Research

Falling energy prices have driven euro area headline inflation lower



Source: Eurostat, Macrobond Financial

US manufacturing PMI falls below 50 for the first time since 2009



Source: Markit, Macrobond Financial, US Census Bureau

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Market movers

Global

- In the **US**, we have a few interesting data releases next week. On Monday, preliminary capex orders in July are due, which will be interesting in the light of the ongoing manufacturing slowdown (recession?) and trade war uncertainty. It seems that many companies are reluctant to invest in the current environment. On Friday, PCE data for July are due to be published. We expect PCE core rose +0.2% m/m in July, implying an unchanged PCE core inflation rate at 1.6%. Retail sales suggest private consumption grew strongly in July.

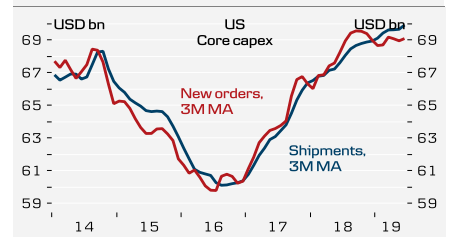
On the back of Fed Chair Powell’s speech today (the content was not known at the time of publication), it will be interesting to hear from the other FOMC members given the high expectations of further Fed easing. We expect a 25bp cut at each of the next five meetings, taking the target range to 0.75-1.00% in March, see *Presentation: Five more cuts from the Fed (chart pack)*, 20 August.

- In the **euro area**, we have an important data release on Friday when the August inflation print ticks in. This will be the last inflation input before the ECB meeting in September, hence setting the scene for the monetary stimulus package. In July, headline inflation fell to a three-year low of 1.0% y/y, while core inflation stood at 0.9% y/y - just below the 1.0% level it has hovered around for the last five years. We expect the headline print to remain at 1.0% y/y, since energy prices have fallen substantially since August last year and we likewise foresee core inflation staying at 0.9% y/y.

Furthermore, we get the German Ifo print on Monday. We expect the current situation print to fall in line with the weak ZEW and the expectations component to fall on the back of ongoing geopolitical uncertainties.

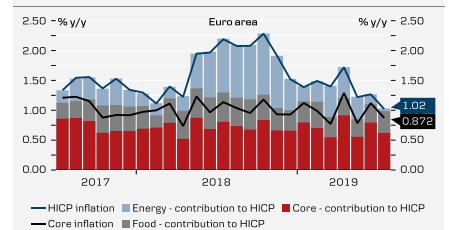
- In the **UK**, we have a quiet week ahead of us without any really interesting data releases. Focus remains on Brexit and whether the anti-hard-Brexiters can find a common way forward to block PM Boris Johnson delivering a no-deal Brexit.
- In **Japan**, we get the July industrial production data on Friday. The manufacturing sector is still the one suffering the most from weaker global demand. PMIs point towards another weak month. On the same day, retail sales tick in. Domestic demand has remained fairly robust, supported by a tight labour market.
- It’s a quiet week in **China** on the data front. Industrial profit growth for July is likely to continue to hover around zero (see chart). Focus continues to be on trade tensions with the US where more news on a planned face-to-face meeting in Washington in September is awaited.

US PMIs signal slower growth



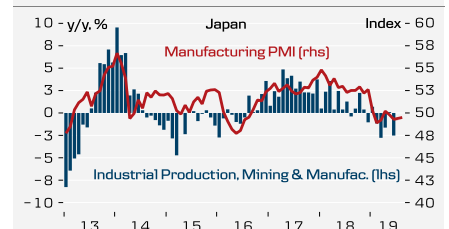
Source: US Census Bureau, Macrobond Financial

Falling energy prices drives headline lower



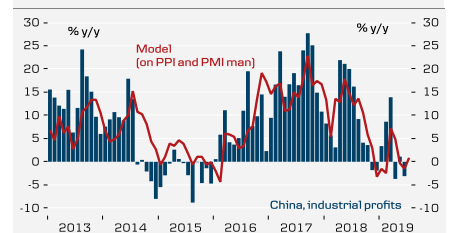
Source: Eurostat, Macrobond Financial

Industrial production likely to remain weak



Source: Japanese Ministry of Economy, Trade & Industry, IHS Markit, Macrobond Financial

China: Industrial profits to hover around zero



Source: Macrobond Financial, NBS, Danske Bank

Scandi

- In **Denmark**, a number of key economic figures are due in the coming week which could potentially provide a better insight into the latest economic developments, as the figures so far have not painted a clear picture.

Statistics Denmark will be publishing several figures towards the end of the week. Business confidence for August is due on Thursday, and this fell last month for both the industrial and the service sector. Industrial production declined by a significant 6.8% in June, and while the Danish economy is continuing to grow, confidence will probably continue to be affected by the global industrial slowdown. Unemployment figures are due on the same day. The latest employment figures have indicated a slowdown in the labour market, and it will be interesting to see if this is also reflected in unemployment. Friday should bring details of the national accounts. The GDP indicator showed strong growth of 0.8%, which we expect was driven mostly by foreign trade, while domestic demand has been more modest. Finally, we will get Statistics Denmark's house price figures for June.

Danmarks Nationalbank is scheduled to publish figures for the currency reserve, foreign portfolio investments and the securities statistic. The Danish krone (DKK) has strengthened in August and is now trading below the central parity rate again, so intervention seems unlikely.

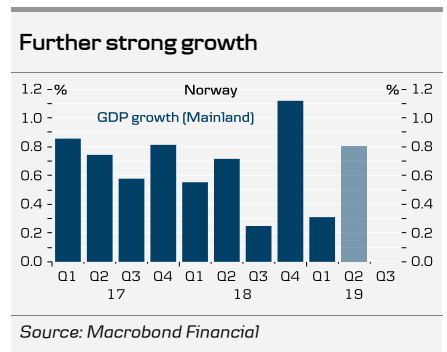
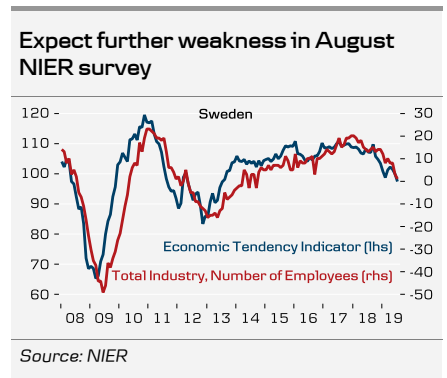
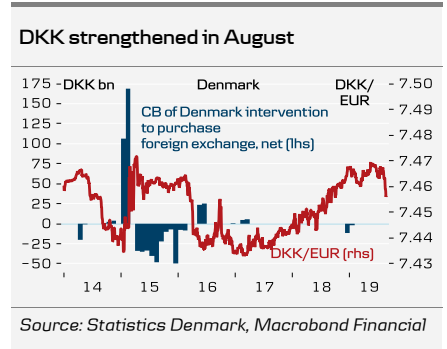
- In **Sweden** the outlook for household lending is somewhat opaque, in particular mortgage lending which constitutes about 80% of the total. The reason is that basic forces move in different directions: property prices have stabilised, propelling demand, while a gradually weakening labour market is likely to reduce it. For now we expect growth to remain unchanged at 4.9 % yoy.

The July trade balance is likely to still show a surplus, possibly lower than last month's SEK2.9 bn. The tricky part is that both imports and exports are now falling in yoy terms as both global export markets and the domestic economy are weakening. Hence, it is difficult to gauge whether this will show up as an improvement or deterioration of the trade balance. We do expect it to reduce Swedish GDP growth, however.

We expect another gain in July retail sales as the weather was less good compared to last year. That probably let shoppers spend more time in shopping malls rather than on the beach. We expect +0.5 % mom/3.8% yoy cal adj.

There has been a broad-based decline in NIER's monthly confidence survey since the start of 2018. In the past couple of months, however, both retail and consumer confidence has improved, albeit the latter still remains below average. Given the recent sharp deterioration in labour market data, this improvement appears unsustainable. In general we expect most sectors to decline again in August. In particular, we expect a continuing decline in hiring figures. In manufacturing, we envisage a further decline in export orders. We also expect retail price expectations to recede, even with a weakening SEK.

- In **Norway**, we expect a broad-based increase in mainland GDP of 0.8% q/q in Q2, with strong growth in construction, government demand and manufacturing. This would be well above trend and mean that capacity utilisation is increasing further. It would also confirm our view that the Norwegian economy has so far managed to absorb the global slowdown, probably due to high oil investment and government demand. If we are right, these figures in isolation will be a good argument for Norges Bank continuing to normalise interest rates. The week also brings NAV's unemployment



figures for August. The past couple of months have seen a worrying change in the downward trend of the past three years. On the other hand, vacancies have continued to climb, so we see the jobless rate holding at 2.3% in August.

Market movers ahead									
Global movers				Event		Period	Danske	Consensus	Previous
Mon	26-Aug	10:00	DEM	IFO - business climate	Index	Aug		95.2	95.7
		10:00	DEM	IFO - current assessment	Index	Aug		98.9	99.4
		10:00	DEM	IFO - expectations	Index	Aug		91.8	92.2
		14:30	USD	Core capital goods orders, preliminary	%	Jul		0.1%	1.5%
Tue	27-Aug	3:30	CNY	Industrial profits	y/y	Jul			-3.1%
Fri	30-Aug	1:50	JPY	Industrial production, preliminary	m/m y/y	Jul		0.3% -0.5%	-3.3% -3.8%
		11:00	EUR	HICP - core inflation	y/y	Aug	0.9%	1.0%	0.9%
		11:00	EUR	HICP inflation, preliminary	y/y	Aug	1.0%	1.0%	1.1%
		14:30	USD	PCE headline	m/m y/y	Jul		0.2% 1.4%	0.1% 1.4%
		14:30	USD	PCE core	m/m y/y	Jul		0.2% 1.6%	0.2% 1.6%
Scandi movers									
Wed	28-Aug	9:30	SEK	Retail sales s.a.	m/m y/y	Jul	0.5% 3.8%	0.3% 3.0%	1.0% 3.8%
Thurs	29-Aug	8:00	NOK	GDP (mainland)	q/q	2nd quarter	0.8%	0.8%	0.3%
		9:00	SEK	Consumer confidence	Index	Aug	95.0	96.8	97.7
		9:00	SEK	Manufacturing confidence	Index	Aug	95.0	96.9	96.9
Fri	30-Aug	8:00	DKK	GDP, flash	q/q y/y	2nd quarter			0.1% ...
		8:00	NOK	Retail sales, s.a.	m/m	Jul	0.2%	0.4%	-0.4%
		10:00	NOK	Unemployment	%	Aug	2.3%	2.3%	2.4%
		8:00	DKK	CPI	m/m y/y	Apr	1.0%		0.1% 1.2%

Source: Bloomberg, Danske Bank

Weekly Wrap-Up

Markets take a breather

Main macro themes

- **We published an update on our outlook for the global economy yesterday** (see *Global Economic Update - Stuck in the mud but no hard landing yet*). Our new base-case of no solution to the trade war between China and US ahead of the 2020 US presidential election has led us to downgrade our growth trajectory for both advanced and emerging markets.
- **Regional Fed chiefs this week downplayed the case for further rate cuts ahead**, in the absence of a significant slowdown. The FOMC minutes from the July meeting had already revealed a very divided Fed on this topic. Still US inflation expectations continue to slide and the **August US manufacturing PMI slipped back below 50 for the first time since 2009**, setting the stage for more Fed rate cuts ahead (see *Presentation: Five more cuts from the Fed [chart pack]*, 20 August).
- **The euro area manufacturing PMI recovered some ground in August** but at 47.0 remained in contractionary territory. Midway through Q3, euro area PMIs suggest the economy should remain in low gear at 0.2% q/q, with the possibility of another German GDP contraction still on the cards. As the economic backdrop remains gloomy, ECB minutes from the July meeting confirmed that a stimulus package is to be unveiled in September but did not give any clues on the exact design and magnitude of policy measures included.
- **The Italian government of Five Star Movement and League collapsed** after Prime Minister Giuseppe Conte resigned on the back of Deputy Prime Minister Matteo Salvini calling for a vote of no confidence on the government. Consultations continue about a new cross-party governing coalition including Five Star and the Partito Democratico party, which seems to be the preferred choice of President Sergio Mattarella to avoid interference with the 2020 budgeting season. However, politicians have a deadline until Tuesday and policy differences remain. Hence, the possibility of a snap election in Q4 remains alive.

Financial market developments

- Despite the government crisis, **Italian government bonds rallied on the expectation of a new coalition** of a more pro-business and pro-EU government. Germany launched a new 30Y bond, which for the first time was issued with a negative coupon of -0.11%, though demand was underwhelming. Despite the hawkish Fed comments, the **US 2s10s yield spread headed towards negative territory again** following negative US data surprises.
- **In the FX space, EUR/USD and USD/JPY continued range-trading**, as risk sentiment stabilised. The GBP strengthened as the market became more optimistic on the prospect of a Brexit deal following comments from the French and German leaders. In the Scandies, both EUR/NOK and EUR/SEK have been trading sideways to moderately lower this week, driven primarily by the global environment.
- **Equity markets had a mixed week and continued in a zig-zag pattern**, as risk sentiment remained fragile ahead of the G7 meeting at the weekend.

Financial views

Major indices	23-Aug	3M	12M
10yr EUR swap	-0.20	-0.30	-0.10
10yr US swap	1.57	1.25	1.20
ECB key rate	-0.40	-0.60	-0.60
Fed funds rate	2.25	1.75	1.00
EUR/SEK	1072	1080	1100
EUR/NOK	995	965	950
EUR/USD	111	110	115
ICE Brent oil	60	75	75

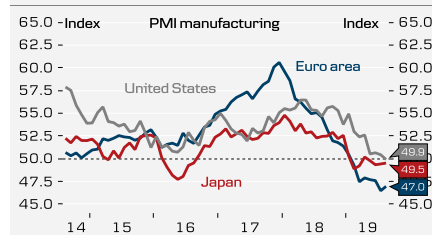
Source: Danske Bank

Bond yields continue relentless decline to new lows



Source: Macrobond Financial, Danske Bank

US manufacturing PMI falls below 50 for the first time since 2009



Source: Markit, Macrobond Financial, US Census Bureau

Scandi update

Denmark – signs of labour market weakness but consumers optimistic

Wage earner employment again showed signs of weakness, with only a modest 500 new jobs created in June. The figure fell – by 700 – in May for the first time since April 2013, so these new weak figures indicate May’s downturn was not a one-off fluctuation but that a slowdown is under way in the labour market. There is a real risk that unemployment could increase in the time ahead due to the slowdown in Denmark’s neighbouring economies, though the latest strong economic growth figures for Q2 show the Danish economy remains rather robust and that the bottom is therefore unlikely to fall out of employment for now.

Despite these weak labour market figures, consumers appear optimistic about the future. Statistics Denmark’s consumer confidence indicator hit 6.3 in August, which was markedly higher than July’s 2.9. While there is uncertainty on the global economy, families’ views on their own finances now and in a year’s time pulled the indicator higher. Indeed, their views on their current financial position have not been better since before the financial crisis. The optimism presumably comes on the back of very low interest rates and decent real wage growth, which has put more money in Danes’ pockets.

Sweden – July LFS likely to make Riksbank rethink its strategy

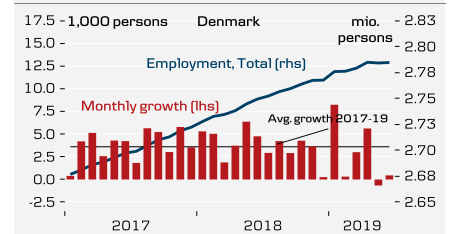
Unemployment jumped again in July (sharply), which was a (big) surprise. From time to time, these things happen as a result of inflows to the labour force. Not this time around, as the labour force was basically unchanged. Instead, employment registered another decline. One can always claim that the data around summer are unreliable. This may be so but the thing is that basically all job-market indicators point in the same direction. Hiring plans are lower and overtime hours are falling quickly (see *Reading the Markets Sweden*, 16 August). Vacancies are off the peak and temporary employment is in decline. Employers scaling back on overtime and temporary workers is a significant early indicator.

The labour market is at the core of the Riksbank’s thinking. A strong labour market and high resource utilisation lead to higher wages and, in the end, inflation. It is clear to us that the Riksbank’s unemployment forecast needs a significant revision and it is time for a more fundamental rebuff of the policy strategy. Simply pushing the next hike (in the repo path) out by a quarter may not be enough. Indeed, we would not be surprised if at least one board member (Per Jansson) proposes at the meeting in September that the next step will be a rate cut rather than a hike.

Norway – oil investment set to rise in 2020

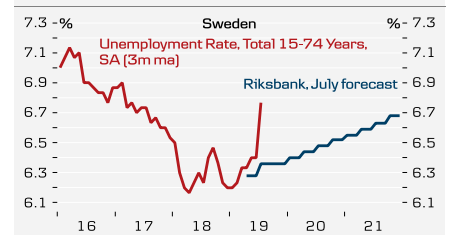
As expected, there was little change in the oil companies’ estimates of investment on the Norwegian Continental Shelf in 2019 and 2020. They now expect to invest NOK181.7bn in 2019 and NOK174.0bn in 2020 (as against NOK183.7bn and NOK172.4bn in the May survey). Allowing for the surge related to Sverdrup II in late 2018, the survey points to growth in oil investments this year of around 14% y/y. The downward revision from May could actually be a result of projects being postponed due to capacity problems. The survey also indicates investment growth next year of around 5% in nominal terms, confirming that oil investment is set to make a positive contribution to the Norwegian economy once again in 2020. These figures are no game changer for the markets but do support our expectation of a somewhat longer oil upswing in the Norwegian economy.

Labour market slowdown



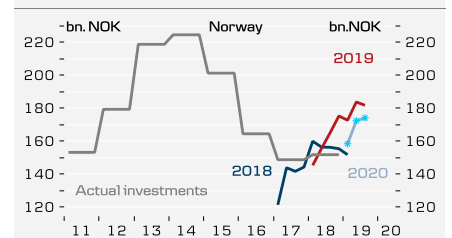
Source: Statistics Denmark, Macrobond Financial

Riksbank needs to rethink deteriorating labour market



Source: SCB, Riksbank

Little change in oil forecast



Source: Macrobond Financial, Danske Bank

Latest research from Danske Bank

22/8 Global Economic Update: Stuck in the mud but no hard landing yet

The global macroeconomic backdrop has weakened significantly since we published The Big Picture in June following the escalation of the trade war between China and the US. In this document, we present our updated economic outlook for the US, China, the eurozone, Germany, Japan and several emerging markets.

20/8 Presentation: Five more cuts from the Fed (chart pack)

In this presentation, we illustrate our Fed view with charts.

19/8 Macro Strategy Views Podcast: Why Germany should ease fiscal policy

In our Macro Strategy Views podcast, we discuss the arguments for why Germany should ease fiscal policy.

18/8 Harr's view: Why Germany should ease fiscal policy

Thomas Harr argues why Germany should immediately ease fiscal policy.

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	2.3	3.9	0.5	34.1	5.7
	2019	1.7	1.5	0.4	-1.6	2.3	1.7	1.0	2.2	3.8	0.5	32.5	6.2
	2020	1.6	2.3	0.5	3.0	1.7	2.1	1.3	2.5	3.8	0.0	31.5	6.6
Sweden	2018	2.5	1.2	0.9	4.0	3.9	3.8	2.0	2.6	6.3	0.9	38.5	0.4
	2019	1.3	0.4	0.6	-0.9	4.4	2.0	1.7	2.6	6.6	0.1	34.0	4.0
	2020	1.5	1.8	1.5	0.6	3.3	2.6	1.5	2.7	7.1	0.5	33.0	4.1
Norway	2018	2.2	2.0	1.2	1.0	-0.7	0.6	2.7	2.8	2.4	-	-	-
	2019	2.6	2.0	1.7	4.8	3.0	3.3	2.5	3.3	2.3	-	-	-
	2020	2.3	2.4	1.7	3.0	3.5	2.7	1.7	3.8	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	1.3	1.0	2.0	3.4	2.6	1.8	2.3	8.2	-0.5	85.1	3.6
	2019	1.1	1.3	1.5	2.1	2.4	2.8	1.3	2.2	7.7	-0.9	85.8	3.3
	2020	0.9	1.5	1.8	1.3	1.4	2.7	1.3	2.3	7.5	-0.9	84.3	3.2
Germany	2018	1.5	1.1	1.0	2.7	2.2	3.4	1.9	3.0	3.4	1.7	60.9	7.3
	2019	0.5	1.9	1.5	2.5	1.3	3.5	1.4	3.2	3.1	1.0	58.4	6.0
	2020	0.7	1.5	2.2	1.4	1.0	3.0	1.5	3.0	3.0	0.8	55.6	5.9
Finland	2018	1.7	2.0	1.4	3.1	1.1	4.1	1.1	1.8	7.4	-0.7	59.5	-1.6
	2019	1.3	0.8	0.5	0.0	3.0	2.0	1.2	2.5	6.5	-0.3	58.3	-1.7
	2020	1.0	1.2	1.5	1.0	2.0	2.5	1.5	2.5	6.4	-0.2	57.3	-1.4

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	3.1	3.6	-4.2	106.0	-2.6
	2020	1.7	2.4	0.9	1.1	0.7	2.2	2.3	3.4	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	1.8	0.4	0.2	0.1	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	0.7	1.1	3.3	3.4	0.9	-	2.4	-	-	-
	2019	1.4	0.3	1.7	1.1	-1.1	-1.8	1.0	-	2.5	-	-	-
	2020	0.5	-0.4	0.8	0.3	3.5	1.1	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	23-Aug	2.25	2.15	1.63	1.57	110.7	-	673.6	898.7	968.5
	+3m	1.75	1.39	1.30	1.25	110.0	-	678.0	877.3	981.8
	+6m	1.25	1.05	0.90	1.00	113.0	-	659.7	849.6	964.6
	+12m	1.00	1.00	1.00	1.20	115.0	-	648.3	826.1	956.5
EUR	23-Aug	-0.40	-0.42	-0.49	-0.20	-	110.7	745.5	994.6	1071.9
	+3m	-0.60	-0.51	-0.50	-0.30	-	110.0	745.8	965.0	1080.0
	+6m	-0.60	-0.51	-0.50	-0.30	-	113.0	745.5	960.0	1090.0
	+12m	-0.60	-0.51	-0.45	-0.10	-	115.0	745.5	950.0	1100.0
JPY	23-Aug	-0.10	-0.10	-0.13	-0.06	120.5	106.7	6.19	8.25	8.89
	+3m	-0.10	-	-	-	115.5	105.0	6.46	8.35	9.35
	+6m	-0.10	-	-	-	118.7	105.0	6.28	8.09	9.19
	+12m	-0.10	-	-	-	126.5	110.0	5.89	7.51	8.70
GBP	23-Aug	0.75	0.76	0.72	0.72	90.5	122.3	823.9	1099.1	1184.5
	+3m	0.75	0.84	0.70	0.60	90.0	122.2	828.6	1072.2	1200.0
	+6m	0.75	0.84	0.70	0.60	90.0	125.6	828.3	1066.7	1211.1
	+12m	0.75	0.84	0.80	0.70	90.0	127.8	828.3	1055.6	1222.2
CHF	23-Aug	-0.75	-0.84	-0.93	-0.50	109.1	98.6	683.5	911.9	982.7
	+3m	-0.75	-	-	-	110.0	100.0	678.0	877.3	981.8
	+6m	-0.75	-	-	-	112.0	99.1	665.6	857.1	973.2
	+12m	-0.75	-	-	-	114.0	99.1	653.9	833.3	964.9
DKK	23-Aug	-0.65	-0.43	-0.40	-0.10	745.5	673.6	-	133.4	143.8
	+3m	-0.75	-0.50	-0.40	-0.20	745.8	678.0	-	129.4	144.8
	+6m	-0.75	-0.50	-0.45	-0.25	745.5	659.7	-	128.8	146.2
	+12m	-0.75	-0.50	-0.40	-0.05	745.5	648.3	-	127.4	147.6
SEK	23-Aug	-0.25	-0.02	-0.16	0.24	1071.9	968.5	69.6	92.8	100.0
	+3m	-0.25	-0.10	-0.15	0.25	1080.0	981.8	69.1	89.4	-
	+6m	-0.25	-0.10	-0.15	0.25	1090.0	964.6	68.4	88.1	-
	+12m	-0.25	-0.10	-0.20	0.20	1100.0	956.5	67.8	86.4	-
NOK	23-Aug	1.25	1.61	1.71	1.58	994.6	898.7	75.0	100.0	107.8
	+3m	1.50	2.11	1.80	1.65	965.0	877.3	77.3	-	111.9
	+6m	1.50	2.16	1.90	1.65	960.0	849.6	77.7	-	113.5
	+12m	1.75	2.30	1.95	1.75	950.0	826.1	78.5	-	115.8

Commodities												
	23-Aug	2019				2020				Average		
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2019	2020	
ICE Brent	60	65	70	70	75	75	75	75	75	72	75	

Source: Dansk Bank

Calendar

Key Data and Events in Week 35

During the week

Sat 24 USD Jackson Hole conference

Monday, August 26, 2019

				Period	Danske Bank	Consensus	Previous
7:00	JPY	Leading economic index, final	Index	Jun			93.3
10:00	DEM	Ifo - business climate	Index	Aug		95.2	95.7
10:00	DEM	Ifo - current assessment	Index	Aug		98.9	99.4
10:00	DEM	Ifo - expectations	Index	Aug		91.8	92.2
14:30	USD	Core capital goods orders, preliminary	%	Jul		0.1%	1.5%

Tuesday, August 27, 2019

				Period	Danske Bank	Consensus	Previous
-	DEM	Retail sales	m/m y/y	Jul		-1.1 ...	3.5% -1.6%
3:30	CNY	Industrial profits	y/y	Jul			-3.1%
8:00	DEM	GDP, final	q/q y/y	2nd quarter		-0.1% 0.4%	-0.1% 0.4%
8:00	DEM	Private consumption	q/q	2nd quarter		0.2%	1.2%
8:00	DEM	Government consumption	q/q	2nd quarter		0.3%	-0.3%
8:00	DEM	Gross fixed investments	q/q	2nd quarter		0.2%	1.1%
8:45	FRF	Business confidence	Index	Aug		104.0	105.0
8:45	FRF	Consumer confidence	Index	Aug		102.0	102.0
9:30	SEK	PPI	m/m y/y	Jul			-0.2% 2.5%
9:30	SEK	Household lending	y/y	Jul	4.9%	4.8%	4.9%
9:30	SEK	Trade balance	SEK bn	Jul	2.0		2.9
14:00	HUF	Central Bank of Hungary rate decision	%			0.9%	0.9%
15:00	USD	FHFA house price index	m/m	Jun			0.1%
16:00	USD	Conference Board consumer confidence	Index	Aug		130.0	135.7

Wednesday, August 28, 2019

				Period	Danske Bank	Consensus	Previous
8:00	NOK	Credit indicator (C2)	y/y	Jul			5.7%
8:00	DEM	GfK consumer confidence	Net. Bal.	Sep		9.5	9.7
9:30	SEK	Retail sales s.a.	m/m y/y	Jul	0.5% 3.8%	0.3% 3.0%	1.0% 3.8%
10:00	EUR	Money supply (M3)	y/y	Jul		4.7%	4.5%
10:00	EUR	Loans to households (adj. for sales and sec.)	%	Jul			
10:00	EUR	Loans to NFCs (adj. for sales and sec.)	%	Jul			
16:30	USD	DOE U.S. crude oil inventories	K				-2732

Thursday, August 29, 2019

				Period	Danske Bank	Consensus	Previous
8:00	NOK	GDP (total)	q/q	2nd quarter			-0.1%
8:00	DKK	Gross unemployment s.a.	K (%)	Jul			104.3 (3.8)
8:00	NOK	GDP (mainland)	q/q	2nd quarter	0.8%	0.8%	0.3%
8:45	FRF	Household consumption	m/m y/y	Jul			-0.1% -0.6%
8:45	FRF	GDP, final	q/q y/y	2nd quarter		0.2% 1.3%	0.2% 1.3%
9:00	SEK	Consumer confidence	Index	Aug	95.0	96.8	97.7
9:00	SEK	Economic Tendency Survey	Index	Aug			96.8
9:00	SEK	Manufacturing confidence	Index	Aug	95.0	96.9	96.9
9:00	ESP	HICP, preliminary	m/m y/y	Aug		... 0.6%	-1.1% 0.6%
9:55	DEM	Unemployment	%	Aug		5.0%	5.0%
11:00	EUR	Business climate indicator	Net bal.	Aug		-0.2	-0.1
11:00	EUR	Industrial confidence	Net bal.	Aug		-7.4	-7.4
11:00	EUR	Economic confidence	Index	Aug		102.3	102.7
11:00	EUR	Consumer confidence, final	Net bal.	Aug		-7.1	-7.1
11:00	EUR	Service confidence	Net bal.	Aug		10.5	10.6
14:00	DEM	HICP, preliminary	m/m y/y	Aug		0.1% 1.2%	0.4% 1.1%
14:30	USD	Advance goods trade balance	USD bn	Jul		-74.0	-74.2
14:30	USD	GDP, second release	q/q AR	2nd quarter		0.02	0.021
14:30	USD	Initial jobless claims	1000				
16:00	USD	Pending home sales	m/m y/y	Jul		0.0% ...	2.8% -0.6%

Source: Danske Bank

Calendar

Friday, August 30, 2019				Period	Danske Bank	Consensus	Previous
1:01	GBP	GfK consumer confidence	Index	Aug		-12.0	-11.0
1:30	JPY	Unemployment rate	%	Jul		2.3%	2.3%
1:30	JPY	Job-to-applicant ratio		Jul		1.61	1.61
1:50	JPY	Retail trade	m/m y/y	Jul		-0.9% -0.6%	0.0% 0.5%
1:50	JPY	Industrial production, preliminary	m/m y/y	Jul		0.3% -0.5%	-3.3% -3.8%
8:00	DKK	GDP, flash	q/q y/y	2nd quarter			0.1% ...
8:00	NOK	Retail sales, s.a.	m/m	Jul	0.2%	0.4%	-0.4%
8:45	FRF	HICP, preliminary	m/m y/y	Aug		0.4% 1.2%	-0.2% 1.3%
9:00	CHF	KOF leading indicator	Index	Aug		94.8	97.1
9:30	SEK	Wages (blue collars/white collars)	y/y	Jun			2.4%
10:00	NOK	Norges Bank's daily FX purchases	m	Sep			-500
10:00	NOK	Unemployment	%	Aug	2.3%	2.3%	2.4%
11:00	ITL	HICP, preliminary	m/m y/y	Aug		... 0.5%	-1.8% 0.3%
11:00	EUR	Unemployment	%	Jul		7.5%	7.5%
11:00	EUR	HICP - core inflation	y/y	Aug	0.9%	1.0%	0.9%
11:00	EUR	HICP inflation, preliminary	y/y	Aug	1.0%	1.0%	1.1%
12:00	EUR	Portugal, GDP, final	q/q y/y	2nd quarter			0.5% 1.8%
12:00	ITL	GDP, final	q/q y/y	2nd quarter		0.0% 0.0%	0.0% 0.0%
14:30	USD	Personal spending	m/m	Jul		0.5%	0.3%
14:30	USD	PCE headline	m/m y/y	Jul		0.2% 1.4%	0.1% 1.4%
14:30	CAD	GDP	m/m y/y	Jun		0.1% ...	0.2% 1.4%
14:30	USD	PCE core	m/m y/y	Jul		0.2% 1.6%	0.2% 1.6%
15:45	USD	Chicago PMI	Index	Aug		48.0	44.4
16:00	USD	University of Michigan Confidence, final	Index	Aug		92.5	92.1

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Source: Danske Bank

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