

# Weekly Focus

## In limbo across the board – looking to China for good news

### Market movers ahead

- In the US, the jobs report is the most important release next week. We think it is important to keep an eye on whether employment growth starts to decelerate
- In the euro area, we expect March core inflation stayed at 1.0% as the Easter effect will exert downward pressure on service price inflation.
- Concerning Brexit, we are also likely heading for a long extension if the EU27 allow it. In terms of UK economic data releases, we expect weaker PMIs for March.
- The key releases in China next week will be the PMIs. We believe that Q1 will mark the bottom for Chinese activity.

### Weekly wrap-up

- The ECB is weighing measures to mitigate the negative side effects of negative rates. The considerations suggest that the ECB is preparing for a potentially long period of negative rates.
- The main headache on Brexit is that there is no majority for any of the different solutions and the pressure is still not high enough for Parliament to be forced to make a decision.
- US and German 10-year yields had another week of sharp declines. The economic slowdown, falling inflation and soft central banks reinforce the search for yield.
- Our new forecast for the Nordics, *Nordic Outlook*, 28 March, has been released. We expect a sharp slowdown in Sweden, but strong growth in Norway. Denmark in particular has weathered the global slowdown well, but the outlook for both Denmark and Finland remains dependent on the rest of Europe.

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### Financial views

#### Major indices

	29-Mar	3M	12M
10yr EUR swap	0.46	0.65	0.85
EUR/USD	112	113	117
ICE Brent oil	68	70	80

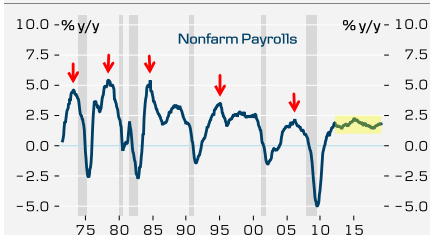
Source: Danske Bank

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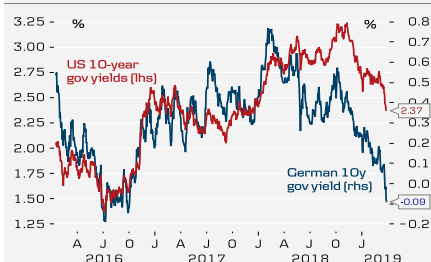
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### A deceleration in employment growth is usually a good indicator of a forthcoming recession



Source: Macrobond Financial

### Bond yields keep pushing lower – downward pressure to persist for now



Source: Macrobond Financial

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# Market movers

## Global

- In the **US**, the jobs report is the most important release which is due out Friday. We think average hourly earnings rose +0.25% m/m in March, which means an increase in the annual growth rate to 3.3% y/y, down from 3.4% y/y in February. We expect nonfarm payrolls rose 190k. In February, nonfarm payrolls only rose by 20,000, but this was likely a fluke, as nonfarm payrolls are very volatile. Overall, the labour market remains strong, but we think it is important to keep an eye on whether employment growth starts to decelerate.

Next week also brings ISM manufacturing, which is due out Monday. Based on a weighted average of the regional PMIs, we expect numbers to come in at 54.5 (currently 54.2). We still expect that manufacturing has peaked and we could see it move slightly lower over the next 3M before it stabilises (still above 50). The US manufacturing sector is not immune to what happens in the rest of the world. Retail sales control group data for February are also released on Monday, which we expect grew 0.5% m/m.

On Tuesday, core capex numbers for February are released, which have showed some weakness in recent months. Overall, we expect investments to continue growing in 2019 but at a slower pace compared to 2017 and 2018.

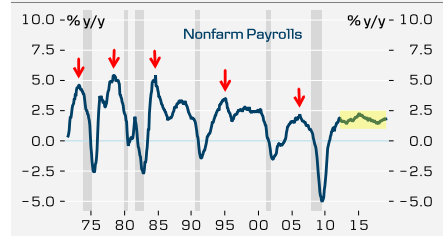
- In the **euro area**, we await the preliminary March HICP inflation numbers on Monday. In February, headline inflation came in at 1.5% y/y, while core inflation fell to 1.0% y/y. Despite a strong pickup in wages, core inflation has fluctuated around this level for the last one and a half years. Although we still expect core inflation to climb higher in 2019, we foresee the March core inflation print staying at 1.0% y/y, as the Easter effect will exert downward pressure on service price inflation, which might be even more pronounced following the methodological changes to German package tours (see here). For headline inflation we see scope for a rise to 1.7% y/y, driven by increasing energy prices.

On Thursday, we get minutes from the March ECB meeting. At the latest meeting the ECB announced a new series of TLTRO3, opened the door for further easing, and extended the forward guidance to rates remaining at present levels ‘at least through the end of the 2019’. We are particularly interested in the details of the discussion of the TLTRO3 announcement from members of the Governing Councils. Judging from recent communication, the ECB has become increasingly concerned about the side effects of a prolonged period of negative rates on bank profitability. However, we do not expect a discussion on a tiered deposit system to already have taken place.

- In the **UK**, we are going to continue discussing Brexit also next week. After the indicative votes this week, which ended with the House of Commons rejecting all eight options, we are likely heading for a new round of indicative votes on Monday but with fewer options to vote on. In our view, there seem to be four possible ways forward now: May’s deal, no deal, a second EU referendum or May’s deal including a permanent customs union. We are also probably heading for a long extension if EU27 allows it, see *Brexit Monitor: No no no no no no no no*, 28 March.

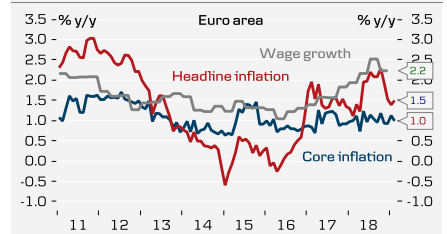
In terms of economic data releases, we get PMIs for March, so we get a full picture of Q1. We expect the service index (Wednesday) to decline slightly to 50.8 from 51.3. For some time, the manufacturing index (Monday) has been higher than the equivalent index for the euro area, as UK manufacturers have stockpiled ahead of Brexit. This will

**A deceleration in employment growth is usually a good indicator of a forthcoming recession**



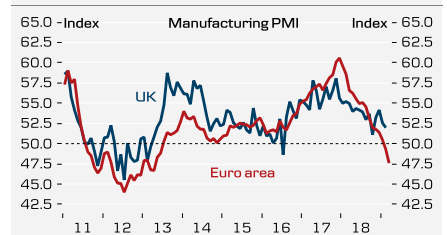
Source: Macrobond Financial

**Still no signs of transmission from wage growth to core inflation**



Source: ECB, Eurostat, Macrobond Financial

**UK PMI manufacturing is set to decline**



Source: IHS Markit, Macrobond Financial

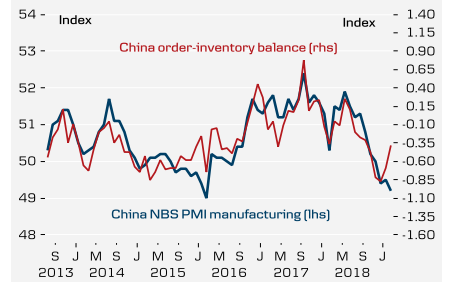
likely still be the case but we think the downturn in Europe is strong enough to force the UK index down as well and we cannot rule out that a sharp fall will happen soon. We expect it to decline to 51.0 from 52.0.

- The key releases in **China** next week will be the PMIs from both Caixin and NBS. The Caixin PMI manufacturing rebounded sharply in February and we look for it to fall back a bit again from 49.9 to 49.6 (consensus 50.0) in March. However, the NBS PMI manufacturing dropped to a new low last month (chart) and we expect it to rebound from 49.2 in February to 49.7 in March. Looking through the month-to-month noise we believe that Q1 will mark the bottom for Chinese activity and that stimulus and reduced trade tensions will pave the way for a moderate recovery during 2019.

In **India** we look for another rate cut by the Reserve Bank of India (RBI) from 6.25% to 6.0%. RBI lowered rates in May on the back of lower inflation and since then we have seen a further decline in inflation to 2.6%, well below the 4% target. Apart from lower food price inflation, weaker economic activity and a strengthening of the Indian rupee have reduced the inflation pressure.

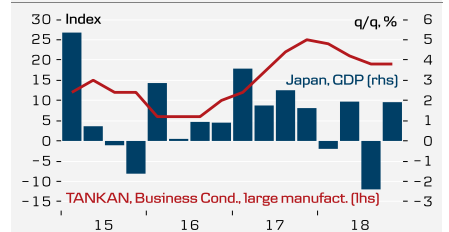
- In **Japan**, we get the Bank of Japan's quarterly Tankan business survey of corporate activity on Monday. Here we get a good indicator on how Japanese businesses have weathered the global slowdown and how they look at the prospects for coming months. Manufacturing PMIs indicate a decline in Q1 activities. On Wednesday, we get March service PMIs and on Friday, we get the household spending survey and labour market cash earnings for February. This will give us more information on how the domestically oriented part of the economy is doing. It has been robust so far.

**Rising order-inventory balance points to rebound in NBS PMI manufacturing**



Source: Macrobond Financial, Markit, NBS

**Likely to see weakening signals from Tankan business survey**



Note: Business conditions is calculated by subtracting the percentage share of enterprises responding "unfavourable" from that of "favourable".

Source: Japanese Cabinet Office, Bank of Japan, Macrobond Financial

**Scandi**

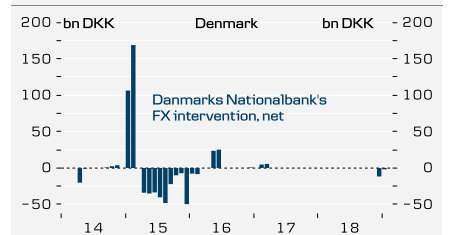
- Denmark** has a rather quiet week ahead. On Tuesday, Danmarks Nationalbank (DN) is set to publish March's FX reserve numbers. EUR/DKK rose during the second-half of March. That is probably owing to annual dividend payments from large Danish corporations. However, EUR/DKK did not reach the 7.4670-80 high from December and January, which triggered FX intervention. Hence, it has probably stayed on the sidelines for the second month in a row. On Friday Statistics Denmark is scheduled to release industrial production numbers for February.
- March Manufacturing PMI is sure to be in focus in **Sweden** in the coming week. New orders bounced back in February after a dip close to the 'standstill' 50 level in January. However, Swedish manufacturing is closely correlated to German manufacturing and hence the huge drop seen in German orders over the past couple of months implies a huge downside risk for Swedish PMI.

Services PMI, on the other hand, while on a downward trend, is set to remain at recent normal levels around 55.

Danske Bank's Boprisindikator tracking prices on Stockholm flats will probably be released on Tuesday.

The Debt Office forecast a March SEK7.4bn deficit. The February SEK41bn surplus was SEK7bn lower than expected, but the DO says the main reason for the deviation was SEK19bn in temporary lending to Riksbank, hiding a close to SEK11bn positive surprise on the primary account, mostly due to lower lending to some authorities.

**We do not foresee more intervention in the near future**



Source: Finance Denmark, Macrobond Financial

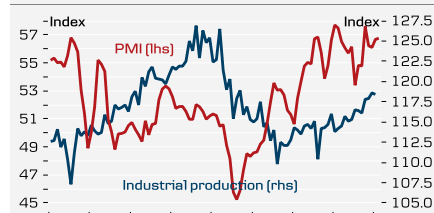
**Can Swedish PMI orders avoid the abyss?**



Source: Markit, Swedbank

- The global slowdown in manufacturing shows no sign of infecting **Norwegian** industry so far. This is of course due to the strong impulses coming from oil investments, and as they are set to grow strongly in 2019 we definitely expect an increase in industrial activity over the year. We therefore also expect that industrial production rose 0.4% m/m in February, and that PMI will remain above trend, even though we expect a slight fall to 55.0 in March. The housing market still being well balanced means we expect house prices to be essentially flat in March after a surprisingly strong start to the year. Keep an eye too on news from the wage bargaining round, which could see the first strike ever being called in connection with wage negotiations covering only parts of the Norwegian private sector. Whether we get a solution over the weekend or early next week, we expect the result to be stated as ‘slightly above 3%’, which would be well in line with our forecast for wage growth of 3.3% this year.

**Norwegian industrial activity up despite global slowdown**



Source: Macrobond Financial, Danske Bank

**Market movers ahead**

Global movers		Event		Period	Danske	Consensus	Previous	
During the week		Sun 31	CNY	PMI manufacturing	Index	Mar	49.7	49.2
Mon	01-Apr	-	GBP	Possible new round of indicative votes on Brexit options				
		10:30	GBP	PMI manufacturing	Index	Mar	51.0	51.0
		11:00	EUR	HICP - core inflation, preliminary	y/y	Mar	1.0%	1.0%
		11:00	EUR	HICP inflation, preliminary	y/y	Mar	1.7%	1.5%
		14:30	USD	Retail sales control group	m/m	Feb	0.2%	1.1%
		16:00	USD	ISM manufacturing	Index	Mar	54.3	54.2
Tue	02-Apr	14:30	USD	Core capital goods orders, preliminary	%	Feb		0.8%
Wed	03-Apr	3:45	CNY	Caixin PMI service	Index	Mar		52.3
		10:30	GBP	PMI services	Index	Mar	50.8	51.0
Thurs	04-Apr	13:30	EUR	ECB Meeting Minutes				51.3
Fri	05-Apr	14:30	USD	Unemployment	%	Mar	3.8%	3.8%
		14:30	USD	Average hourly earnings, non-farm	m/m y/y	Mar	0.25% 3.3%	0.2% 3.4%
		14:30	USD	Non farm payrolls	1000	Mar	190	175
Scandimovers								
During the week								
Mon	01-Apr	8:30	SEK	PMI manufacturing	Index	Mar	51.5	52.5
		9:00	NOK	PMI manufacturing	Index	Mar	55.0	56.3
Tue	02-Apr	17:00	DKK	Currency reserves	DKK bn	Mar		455.6
Wed	03-Apr	8:30	SEK	PMI services	Index	Mar		55.9
Fri	05-Apr	6:00	SEK	Maklarstatistik Swedish housing price data				
		8:00	NOK	Manufacturing production	m/m y/y	Feb		-0.2% 4.0%
		9:30	SEK	Budget balance	SEK bn	Mar		41.1

Source: Bloomberg, Danske Bank

# Weekly Wrap-Up

## ECB talk of two-tier system fuels rate cut expectations

### Main macro themes

- The economic newsflow continues to be mixed.** On a positive note, data on business confidence in both Germany (ifo) and France (INSEE) showed an increase this week. This mirrors the picture from the euro composite PMI (bottom chart). On a less positive note, US consumer confidence fell back in March. For a deep dive into global macro data, see *Tour of the global economy (in one chart pack)*, 26 March.
- The ECB is weighing measures** to mitigate the negative side-effects of negative rates (including banks' profitability) such as a two-tiered deposit system. The consideration suggests that the ECB is preparing a potentially long period of negative rates and was seen as a further dovish move, which fuelled further rate cut expectations in markets. ECB staff are looking into the issue but ECB Chief Economist Peter Praet stressed that there should be a monetary policy reason for this. We cannot rule out the launch of a tiering system at this stage. However, we reiterate that the important lesson to draw is the ECB's willingness to act with all its instruments as it is wary about the current situation in the euro area. The EONIA curve is marginally inverted at the short end and points to only a 20bp hike by December 2021 (see *ECB Research - ECB Watchers conference: is a tiering system really the answer?*, 28 March).
- On Brexit the House of Commons voted eight times** on Wednesday on different versions of Brexit. The main headache on Brexit is that there is no majority for any of the different solutions and the pressure is still not high enough for Parliament to be forced to make a decision (see *Brexit Monitor – No no no no no no no no*, 27 March). The next step is likely to be a new round of indicative votes but on fewer options on Monday 1 April. Unless something happens before, the UK will crash out of the EU on 12 April.
- Positive news on US-China trade talks.** While progress has been slowing down, we got a slightly more upbeat message this week. Some sources close to the talks revealed to *Reuters* that China had made unprecedented proposals on forced technology transfer. If the two rounds of high-level talks planned for this week and next are successful, the chances of a Xi Jinping-Donald Trump summit at the end of April are high. However, it is also possible that the two sides need more time and a June summit has also been mentioned.

### Financial market developments

- Stock markets have stabilised** and taking a step back we are trading water following the strong increase in the first two months of the year. While soft macro data should keep markets in check in the short term we look for higher equities on a 6-12M horizon.
- US and German 10-year yields had another week of sharp declines.** The economic slowdown, falling inflation and soft central banks reinforce the search for yield. Euro market inflation expectations fell sharply and are close to the low point in 2016.
- In FX markets, EUR/USD pushed lower** following the dovish ECB message and low German inflation data for March. EUR/GBP traded sideways most of the week unaffected by the Brexit votes. **Commodity prices have been stable this week**, with the Brent oil price staying around USD67/bbl and metal prices also moving sideways.

Financial views			
Major indices			
	29-Mar	3M	12M
10yr EUR swap	0.46	0.65	0.85
10yr US swap	2.40	2.65	2.70
ECB key rate	-0.40	-0.40	-0.40
Fed funds rate	2.50	2.50	2.50
EUR/SEK	1042	1040	1030
EUR/NOK	968	950	930
EUR/USD	112	113	117
ICE Brent oil	68	70	80

Source: Danske Bank



# Scandi update

## Denmark – retail sales weak

Last week saw new figures for retail sales, which rose 0.2% in February – the first increase since November, when corrected for seasonality. Growth was mostly driven by an increase in clothing sales of 1.9%. However, this comes after very disappointing sales in both December and January. Clothing sales are in fact down almost 3% when comparing the statistics for the latest three months with the three months before that. The consumption upswing remains very modest, even though we have solid growth in real wages, jobs and house prices, and despite interest rates being around an all-time low. However, this also highlights the considerable potential in Danish consumption going forward.

Business confidence figures arrived last week too, detailing sentiment in the most cyclically dependent sectors. Manufacturing sentiment has taken a dive since the middle of last year on the back of the global economy slowing. And while sentiment has stabilised somewhat in recent months, it is at a low level – in other words, manufacturing has a negative outlook on the future. However, this is really not surprising given that Brexit and the US-China trade war remain unresolved. Europe’s economy, meanwhile, looks worryingly weak, while China, too, has seemed rather feeble in recent months. Naturally this is a concern for Danish exporters going forward.

Finally, we have published our take on the Danish and Nordic economies in our quarterly report, *Nordic Outlook*, 28 March. You can find out there how Denmark can swim against the stream – by focusing on an upswing driven by rising exports, while the rest of the world suffers a slump in manufacturing.

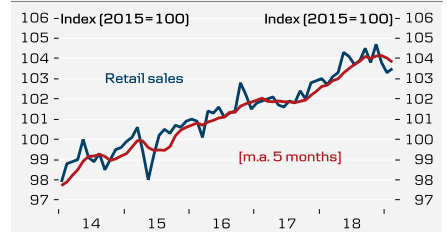
## Sweden – the long awaited correction in manufacturing confidence has arrived

On the macro front NIER’s March survey finally showed the downward correction in manufacturing confidence that we have been waiting for, though it is still above the neutral level. Now, however, it appears to be on track for a convergence with manufacturing PMI. Confidence in other sectors rose, but all of them except construction remain below neutral. Hence, the signal is that growth is slowing. This fits nicely with our GDP indicator which suggests growth at about 1 % y/y in Q1, based on new February data for retail sales and foreign trade.

Swedish 10y govies dropped about 10bp to 0.28% on the back of the decline in German yields this week. In contrast, there has been almost no change at the front end: the market still expects the Riksbank to hike 14bp up to and including the December meeting this year.

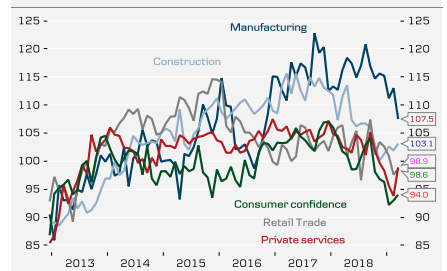
The SEK has been in media focus with the Riksbank arguing it has an inflation target and cannot have an exchange rate target at the same time. It is obvious to us that given the current state of things (too low wage growth and global goods deflation), this is basically to give a carte blanche for a gradual SEK weakening. Of course, the Riksbank does not want to get blamed for that and argues the SEK is just one of many currencies being hit over the past couple of months. In our view, the SEK is victim mainly of the structural inconsistency between the inflation target and wage formation. The need to reform the latter has been shielded from media focus.

Retail sales up modestly after some slow months



Source: Statistics Denmark, Danske Bank, Macrobond Financial

Confidence grinding lower



Source: NIER

## Norway – unemployment continues to trend lower

The pace of growth in the Norwegian economy was thrown into doubt when Labour Force Survey figures showed an increase in unemployment from 3.7% to 3.9% in January. Given that all growth and employment indicators continue to look strong, this was a surprise. And indeed later in the week we got the more stable unemployment figures from NAV (Norwegian Labour and Welfare Administration), which showed unchanged unemployment at 2.3% in March. The figures also showed gross unemployment to be 2,700 lower in March compared to December. This clearly suggests growth was also above trend in Q1. True, retail sales numbers surprised negatively, but the broader goods consumption indicator, which goes directly into the GDP figures, showed that private goods consumption has been roughly flat so far in the quarter, so the downside risk from private consumption is limited. Additionally, from March electricity prices will begin to swallow up less purchasing power from households, so we expect stronger numbers over the rest of the year.

### Unemployment falls as expected



Source: Macrobond Financial, Danske Bank

## Latest research from Danske Bank

*28/3 ECB Research - ECB Watchers conference: is a tiering system really the answer?*

Yesterday's ECB Watchers conference shook markets. The comments from Mario Draghi, Peter Praet and Luis de Guindos on attention to banks' profitability fuelled with a Reuters *ECB sources story* sent yields lower. Praet explained the comments further this morning.

*28/3 Brexit Monitor: No no no no no no no no*

While a lot seems to happen every day, we still do not know what is going to happen with less than two and a half weeks until the new Brexit day on 12 April. **None of the Brexit options has won support from a majority in the House of Commons.**

*28/3 Nordic Outlook - March 2019*

Danske Bank's quarterly report of the Nordic economies

*28/3 Russia - Postcard from Moscow 6 strong macro policy framework amid external risks*

We recently had the opportunity to visit Moscow, where we met with different policymakers and observers. This document provides our key observations from the trip

*25/3 Macro Strategy Views Podcast: Why Scandinavia is not the Eurozone*

We discuss the similarities and differences between the Scandinavian countries and the eurozone in terms of the outlook for interest rates.



## 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	1.2	2.4	0.5	5.0	0.5	2.9	0.8	2.3	3.9	0.5	34.6	6.0
	2019	1.8	1.8	0.4	-1.2	3.2	1.2	1.2	2.2	3.8	0.3	32.6	7.1
	2020	1.6	2.2	0.4	3.2	1.9	2.4	1.4	2.5	3.8	0.0	31.5	7.1
Sweden	2018	2.4	1.2	0.9	3.3	3.5	2.9	2.0	2.6	6.3	0.7	37.0	0.5
	2019	1.0	0.8	0.6	-0.3	4.1	3.2	1.7	2.6	6.6	0.1	34.0	4.4
	2020	1.5	1.6	1.5	1.7	3.2	2.8	1.5	2.7	7.1	0.5	33.0	4.2
Norway	2018	2.2	2.0	1.5	0.9	-0.8	0.9	2.7	2.8	2.4	-	-	-
	2019	2.6	2.0	1.8	4.7	3.5	3.0	2.2	3.3	2.3	-	-	-
	2020	2.4	2.3	1.8	1.8	3.0	3.0	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	3.1	3.0	2.9	1.8	2.3	8.2	-0.6	86.9	3.8
	2019	1.3	1.2	2.3	2.7	2.8	3.5	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	0.9	1.0	2.7	2.2	3.4	1.9	3.0	3.4	1.6	60.1	7.8
	2019	0.9	0.9	2.8	3.3	2.2	4.6	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	1.4	1.4	3.2	1.5	4.2	1.1	1.8	7.4	-0.6	58.9	-1.9
	2019	1.7	1.6	0.5	1.0	2.5	3.0	1.3	2.5	6.5	0.0	57.6	-1.5
	2020	1.2	1.3	0.5	1.0	2.0	2.0	1.5	2.5	6.4	0.1	56.3	-1.2

### 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	1.5	5.3	3.9	4.6	2.4	3.0	3.9	-4.0	106.0	-3.2
	2019	2.4	2.4	1.3	2.9	2.1	3.5	1.8	3.3	3.6	-4.6	107.0	-3.6
	2020	1.9	2.1	1.0	2.7	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	1.0	1.4	1.3	-0.7	1.4	2.2	1.6	3.5	3.9	-1.5	84.1	-3.2
	2020	1.3	1.5	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	29-Mar	2.50	2.60	2.37	2.40	112.3	-	664.8	862.5	928.1
	+3m	2.50	2.60	2.55	2.65	113.0	-	659.9	840.7	920.4
	+6m	2.50	2.60	2.55	2.70	115.0	-	648.3	817.4	895.7
	+12m	2.50	2.60	2.60	2.70	117.0	-	637.2	794.9	880.3
EUR	29-Mar	-0.40	-0.31	-0.20	0.46	-	112.3	746.4	968.4	1042.0
	+3m	-0.40	-0.31	-0.15	0.65	-	113.0	745.7	950.0	1040.0
	+6m	-0.40	-0.31	-0.15	0.70	-	115.0	745.5	940.0	1030.0
	+12m	-0.40	-0.31	-0.05	0.85	-	117.0	745.5	930.0	1030.0
JPY	29-Mar	-0.10	-0.06	-0.04	0.10	125.6	110.8	5.94	7.71	8.29
	+3m	-0.10	-	-	-	124.3	110.0	6.00	7.64	8.37
	+6m	-0.10	-	-	-	126.5	110.0	5.89	7.43	8.14
	+12m	-0.10	-	-	-	131.0	112.0	5.69	7.10	7.86
GBP	29-Mar	0.75	0.84	0.94	1.20	86.2	130.2	865.5	1122.8	1208.2
	+3m	0.75	0.84	1.20	1.40	83.0	136.1	898.4	1144.6	1253.0
	+6m	0.75	0.84	1.30	1.55	82.0	140.2	909.1	1146.3	1256.1
	+12m	0.75	0.84	1.30	1.70	83.0	141.0	898.2	1120.5	1241.0
CHF	29-Mar	-0.75	-0.70	-0.66	0.00	111.8	99.6	667.4	865.8	931.7
	+3m	-0.75	-	-	-	114.0	100.9	654.1	833.3	912.3
	+6m	-0.75	-	-	-	115.0	100.0	648.3	817.4	895.7
	+12m	-0.75	-	-	-	117.0	100.0	637.2	794.9	880.3
DKK	29-Mar	-0.65	-0.32	-0.11	0.58	746.4	664.8	-	129.7	139.6
	+3m	-0.65	-0.32	-0.05	0.75	745.7	659.9	-	127.4	139.5
	+6m	-0.65	-0.32	-0.05	0.80	745.5	648.3	-	126.1	138.2
	+12m	-0.65	-0.32	0.05	0.95	745.5	637.2	-	124.7	138.2
SEK	29-Mar	-0.25	0.00	0.09	0.81	1042.0	928.1	71.6	92.9	100.0
	+3m	-0.25	-0.05	0.00	0.90	1040.0	920.4	71.7	91.3	-
	+6m	-0.25	-0.05	0.00	0.95	1030.0	895.7	72.4	91.3	-
	+12m	-0.25	-0.05	0.00	0.95	1030.0	880.3	72.4	90.3	-
NOK	29-Mar	1.00	1.34	1.68	1.94	968.4	862.5	77.1	100.0	107.6
	+3m	1.25	1.77	1.90	2.10	950.0	840.7	78.5	-	109.5
	+6m	1.25	1.85	2.15	2.20	940.0	817.4	79.3	-	109.6
	+12m	1.50	1.93	2.30	2.35	930.0	794.9	80.2	-	110.8

Commodities												
		2019				2020				Average		
	29-Mar	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2019	2020	
ICE Brent	68	65	70	75	80	80	80	80	80	72	80	

Source: Dansk Bank

# Calendar

## Key Data and Events in Week 14

During the week				Period	Danske Bank	Consensus	Previous
Sun 31	CNY	PMI manufacturing	Index	Mar		49.7	49.2
Sun 31	CNY	PMI non-manufacturing	Index	Mar		54.4	54.3
Mon 01	GBP	Possible new round of indicative votes on Brexit options					
Monday, April 1, 2019				Period	Danske Bank	Consensus	Previous
-	GBP	Possible new round of indicative votes on Brexit options					
1:50	JPY	Tankan large manufacturers index (outlook)	Index	1st quarter		13.0	19.0 15.0
1:50	JPY	Tankan large non-manufacturers index (outlook)	Index	1st quarter		22.0	24.0 20.0
2:30	JPY	Nikkei Manufacturing PMI, final	Index	Mar			48.9
3:45	CNY	Caixin PMI manufacturing	Index	Mar	49.6	50.0	49.9
8:30	SEK	PMI manufacturing	Index	Mar		51.5	52.5
9:00	NOK	PMI manufacturing	Index	Mar		55.0	56.3
9:15	ESP	PMI manufacturing	Index	Mar		50.0	49.9
9:45	ITL	PMI manufacturing	Index	Mar		47.5	47.7
9:50	FRF	PMI manufacturing, final	Index	Mar		49.8	49.8
9:55	DEM	PMI manufacturing, final	Index	Mar		44.7	44.7
10:00	EUR	PMI manufacturing, final	Index	Mar		47.6	47.6
10:30	GBP	PMI manufacturing	Index	Mar	51.0	51.0	52.0
11:00	EUR	Unemployment	%	Feb		7.8%	7.8%
11:00	EUR	HICP - core inflation, preliminary	y/y	Mar	1.0%	1.0%	1.0%
11:00	EUR	HICP inflation, preliminary	y/y	Mar	1.7%	1.5%	1.5%
14:30	USD	Retail sales control group	m/m	Feb		0.2%	1.1%
15:30	CAD	RBC manufacturing PMI	Index	Mar			52.6
15:45	USD	Markit PMI manufacturing, final	Index	Mar			52.5
16:00	USD	Construction spending	m/m	Feb	-0.1%	-0.3%	1.3%
16:00	USD	ISM manufacturing	Index	Mar	54.3	54.2	54.2
18:00	USD	Fed's George (voter, hawkish) speaks					
Tuesday, April 2, 2019				Period	Danske Bank	Consensus	Previous
-	USD	Total vehicle sales	m	Mar		16.65	16.56
5:30	AUD	Reserve Bank of Australia rate decision	%		1.5%	1.5%	1.5%
8:30	CHF	CPI	m/m y/y	Mar		0.4% 0.6%	0.4% 0.6%
10:30	GBP	PMI construction	Index	Mar		49.7	49.5
11:00	EUR	PPI	m/m y/y	Feb		3.0% 0.2%	3.0% 0.4%
14:30	USD	Core capital goods orders, preliminary	%	Feb			0.8%
17:00	DKK	Currency reserves	DKK bn	Mar			455.6
23:00	USD	Fed's George (voter, hawkish) speaks					

Source: Danske Bank

## Calendar (continued)

Wednesday, April 3, 2019			Period	Danske Bank	Consensus	Previous
-	USD	Fed's George (voter, hawkish) speaks				
-	PLN	Polish central bank rate decision	%		1.5%	1.5%
2:30	JPY	Markit PMI services	Index			52.3
3:45	CNY	Caixin PMI service	Index		52.3	51.1
8:30	SEK	PMI services	Index			55.9
9:15	ESP	PMI services	Index		55.0	54.5
9:45	ITL	PMI services	Index			50.4
9:50	FRF	PMI services, final	Index		48.8	48.7
9:55	DEM	PMI services, final	Index		54.9	54.9
10:00	EUR	PMI composite, final	Index		51.3	51.3
10:00	EUR	PMI services, final	Index	52.7		52.7
10:30	GBP	PMI services	Index	50.8	51.0	51.3
11:00	EUR	Retail sales	m/m y/y		0.1% 2.4%	1.3% 2.2%
14:15	USD	ADP employment	1000		180	183
14:30	USD	Fed's Bostic (non-voter, dovish) speaks				
15:45	USD	Markit PMI service, final	Index			54.8
16:00	USD	ISM non-manufacturing	Index	54.5	58.0	59.7
16:30	USD	DOE U.S. crude oil inventories	K			2800
18:30	USD	Fed's George (voter, hawkish) speaks				
22:40	USD	Fed's George (voter, hawkish) speaks				
23:00	USD	Fed's Kashkari (non-voter, dovish) speaks				
Thursday, April 4, 2019			Period	Danske Bank	Consensus	Previous
8:00	DEM	Factory orders	m/m y/y			-2.6% -3.9%
13:30	EUR	ECB Meeting Minutes				
14:30	USD	Initial jobless claims	1000			
18:00	USD	Fed's George (voter, hawkish) speaks				
19:00	USD	Fed's Mester (non-voter, neutral) speaks				
22:30	USD	Fed's George (voter, hawkish) speaks				
Friday, April 5, 2019			Period	Danske Bank	Consensus	Previous
-	CNY	Tomb Sweeping Day				
2:00	JPY	Labour cash earnings	y/y		0.9%	1.2%
6:00	SEK	Maklarstatistik Swedish housing price data				
7:00	JPY	Leading economic index, preliminary	Index		97.2	96.5
8:00	NOK	Manufacturing production	m/m y/y			-0.2% 4.0%
8:00	NOK	Industrial production	m/m y/y		0.4%	-2.2% -3.4%
8:00	DEM	Industrial production	m/m y/y		0.5% -1.3%	-0.8% -3.3%
8:00	DKK	Industrial production	m/m			-9.5%
9:00	CHF	SNB balance sheet, intervention	CHF bn			738.8
9:30	SEK	Budget balance	SEK bn			41.1
14:30	USD	Unemployment	%	3.8%	3.8%	3.8%
14:30	USD	Average hourly earnings, non-farm	m/m y/y	0.25% 3.3%	0.2% 3.4%	0.4% 3.4%
14:30	USD	Non farm payrolls	1000	190	175	20
14:30	CAD	Net change in full time employment	1000			67.4
17:00	USD	Fed's George (voter, hawkish) speaks				
21:00	USD	Consumer credit	USD bn		17.5	17.0
21:30	USD	Fed's Bostic (non-voter, dovish) speaks				

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