

Danske Daily

Market Movers Today

- **Very light calendar today with this morning's Japanese data and the Dallas Fed manufacturing activity index this afternoon the main releases due.**
- **Focus will continue to be on the direction of oil prices following the heavy sell-off in December so far;** with oil prices currently closely linked to risk appetite it will likely require that oil bottoms before risk assets will be able to stage a widespread rebound. Liquidity is set to remain low and note that New Zealand, Australia and the UK remain closed today (Boxing Day, in lieu).

Holiday edition

Selected Market News

- **There has been little material market news over the Christmas period with tentative signs of a stabilisation in crude-oil prices a key market move.**
- **Front-end Brent and WTI contracts alike are now trading around the USD37.50/bbl mark after WTI fell below USD34 earlier this month.** The lifting of the US export ban on crude mid December has put upward pressure on WTI, and thus led WTI and Brent to trade largely at par, as this will make it potentially possible for US crude to add more directly to the global supply glut. Iran has re-iterated its intentions to bring exports back to pre-sanctions levels, hinting it could send as much as 500 mb/d on the market though most market observers doubt that will be a story for H1. But, the game of chicken between OPEC and non-OPEC producers will set the agenda for oil markets heading into 2016: while high-cost non-OPEC producers give in and cut production before the pain on the fiscal budgets in OPEC countries become too much for the cartel to continue its market-share preservation strategy.
- **Japanese data out overnight showed that industrial production and retail sales alike on the whole came out below expectations, both weakening during the month of November.** USD/JPY edging slightly higher this morning to remain above the 120 mark following the pre-Christmas drop. Elsewhere, 10Y US Treasuries continue to hover around 2.25% whereas the German bund edged higher ahead of the holiday period to now linger around 0.63%. Equities mixed in Asian trading with the Japanese indices posting minor gains while China is largely in red; futures trading suggest Europe should open with small gains today.

Scandi Markets Today

- Apart from Finnish consumer and business confidence indices there are no scheduled Scandi events today.

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Key figures and events

Monday, December 28, 2015					Period	Danske Bank	Consensus	Previous
-	GBP	Nationwide house prices	m/mly/y	Dec				0.1% 3.7%
0:50	JPY	Industrial production, preliminary	m/mly/y	Nov				1.4% -1.4%
0:50	JPY	Large retailers' sales	y/y	Nov				2.9%
0:50	JPY	Retail trade	m/mly/y	Nov				1.2% 1.8%
16:30	USD	Dallas Fed manufacturing activity	Index	Dec			-6	-4.9

Source: Bloomberg, Danske Bank Markets

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Expected updates

Danske Daily is updated on a daily basis.

First date of publication

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