

Weekly Focus Sweden

Key Norwegian oil survey

Market Movers ahead

- Norway will likely be the centre of attention next week, with the so-called oil investment survey due on Tuesday. Falling oil prices since last summer have already had a negative effect on the Norwegian economy, but as the price of oil has declined further since its last release, the survey may well have significant market impact if it delivers a surprise.
- In Europe, several interesting measures of the health of the industrial sector are due. Eurozone PMI is scheduled for Monday, when we expect to see a slight rise, followed on Tuesday by Germany’s IFO, which will provide further insight into the outlook for German industry in the coming months. Here too, we assume the IFO expectations index will post a small increase, as the Chinese economy appears more stable and financial uncertainty has eased a little.
- Inflation will be in focus in the US, with the release of PCE inflation on Wednesday. Inflation is a key determinant of interest rates.

Global macro and market themes

- Our MacroScope models have turned positive for the first time in more than six months.
- This is positive for equities, particularly the European ones, neutral for fixed income.
- Previous Fed rate hiking cycles suggest that the USD will weaken after lift-off.
- The CNY to weaken but we still do not expect a big devaluation.

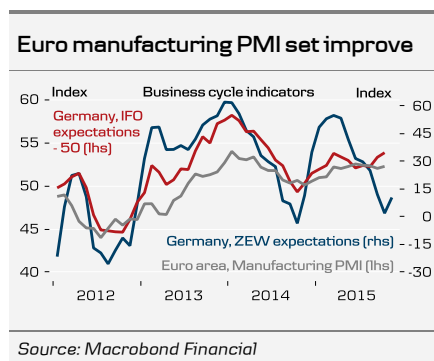
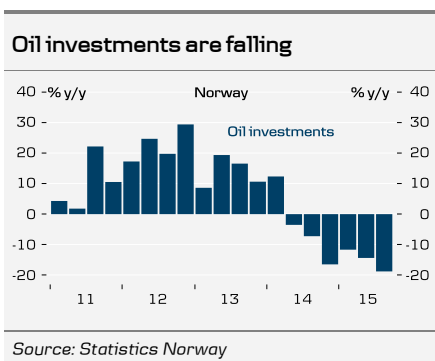
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Financial views

Major indices			
	20-Nov	3M	12M
10yr EUR swap	0.84	0.95	1.35
EUR/USD	107	106	120
ICE Brent oil	44	52	56
	20-Nov	6M	12-24M
S&P500	2081	0.5%	5.8%

Source: Danske Bank



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Market movers

Global

- In the **US**, focus next week will be on PCE inflation figures for October due on Wednesday. In September, PCE core only increased by 0.1 % m/m. Since the service sector is in good shape and we are almost at full employment, we expect wage inflation to continue to increase, implying higher underlying inflation pressure. Note that the CPI core inflation has long been above the PCE core, making room for convergence in the two measures.

Due on Tuesday is the second release of Q3 GDP. Consensus is for an upward revision from 1.5 to 2.0 % q/q AR. Positive figures released after the first release speak in favour of an upward revision. Although the economy slowed in Q3, our view is that the economic recovery remains on track.

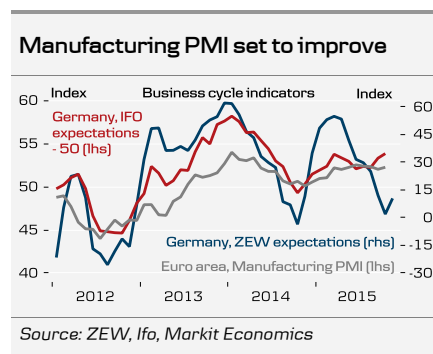
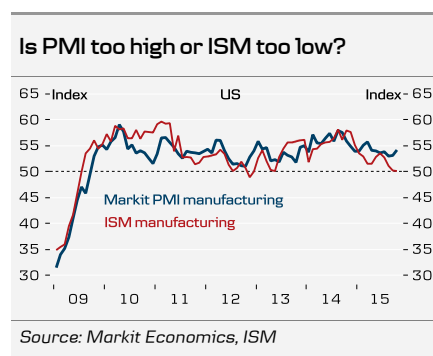
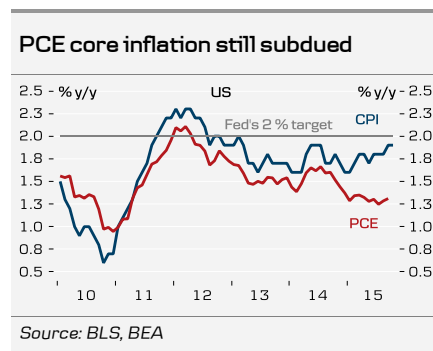
On Wednesday, we will get the durable goods orders for October. Consensus is for a slight increase following the decrease in September of 1.2 % m/m. However, note that durable goods orders are very volatile on a monthly basis. Looking at the recent trend, durable goods orders have more or less been constant over the past two years, reflecting that the manufacturing sector is suffering from the strong USD and the slowdown in manufacturing globally.

Preliminary manufacturing PMI for November is due out on Monday. The index rose to 54.1 in October and continued to be well above the manufacturing ISM index, which turned out to be 50.1 in October. The question is whether we will continue to see a gap between the two indicators. Preliminary service PMI for November is due on Wednesday and we expect it to support our view of a service sector in good shape.

The Fed's John Williams (neutral, 2015 voter) is due to discuss monetary policy on Saturday.

- In the **euro area**, next week will be kicked off with the release of the PMI figures on Monday. We expect the figure to improve moderately mainly due to the signs of stabilisation in the Chinese PMI. Moreover, we have started see the effective euro weakening, which will support exports while the financial stress has also eased off.

On Tuesday, data for the German IFO expectations is due to be released, which we also expect to improve slightly for the same reasons as mentioned above. Historically, the German manufacturing PMI and the IFO expectations have been highly correlated. Note that the financial survey indicators (Sentix and ZEW) have undershot the economic survey indicators (IFO and PMI) in recent months but we expect this development to be temporary and fade away soon as we have now started seeing improvements in the financial indicators.



Besides IFO expectations, data for the German GDP components is due to be released on Tuesday. The headline figure released last week was better than expected, most likely due to strong growth in private consumption. The data for the decomposition could still attract some attention as it will reveal the degree of weakness in exports and investments.

On Thursday, money supply figures for October are due to be released. We generally expect the recent strong growth to continue but are also waiting to see if the decline in growth in loans to non-financial corporations in September continues. This is one of the transmission mechanisms of the ECB's QE purchases, and if the upward trend has reversed, this will be a concern for the ECB.

Finally, on Friday, data for the economic confidence for November is due out.

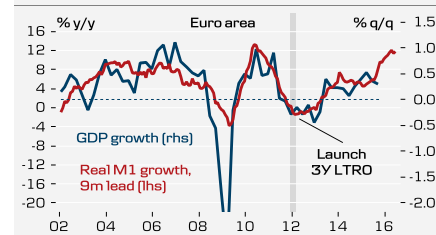
- In the **UK**, the main release next week is the second estimate of GDP growth in Q3 due out on Friday. Data has been more or less in line with the assumptions behind the calculations of the first estimate. Thus, we expect the second estimate to show growth of 0.5% q/q as in the first release. Unlike the first release, we will get details on the expenditure subcomponents, which we expect to show that growth was mainly driven by domestic demand, especially private consumption.

Due out on Friday also is GfK consumer confidence, which we expect to show an increase to 3 in November from 2 in October. Consumer optimism is high and is one of the reasons why we expect private consumption to be the main growth engine going forward.

Scandi

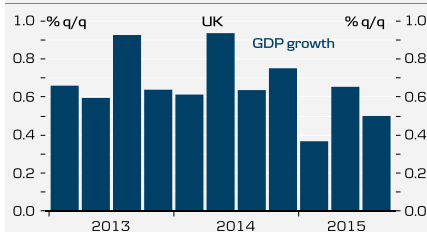
- In **Denmark**, the statistical office will release its monthly employment data for September on Monday and manufacturing confidence numbers for November on Friday. Employment has been on the up since the start of 2013 and we expect this to continue in coming years as the ongoing moderate recovery in Denmark rolls on. We predict an increase in the number of people in work of 1,100 from August to September. Manufacturing confidence has been very weak in recent years, so it will be interesting to see whether its gradual normalisation continues. We expect the indicator to climb to -4 and so continue to close the gap on its German counterpart. Also, on Friday the Nationalbank will release its securities statistics and data for foreign portfolio investments for October.
- In **Sweden**, the week ahead is packed with interesting data. It kicks off with the NIER's consumer and business confidence surveys (Wednesday, 09:00 CET) where spirits have been running high recently. Also on Wednesday, half an hour later, Statistics Sweden is due to publish the Producer Price Index (including export and import prices), which give ample input to both upcoming Q3 GDP numbers (revisions?) and to upstream price pressures (look for domestic supply prices) in the consumption goods sectors. On Thursday (09:30 CET), trade balance data and financial market statistics are due out, which contain data on household debt growth etc. The week will end with retail sales statistics (on Friday, 09:30 CET) and we would not be surprised to see a weakening as many retail sectors should be suffering from an abnormally warm weather over the past few weeks/months.

Growth in money supply to continue its trend



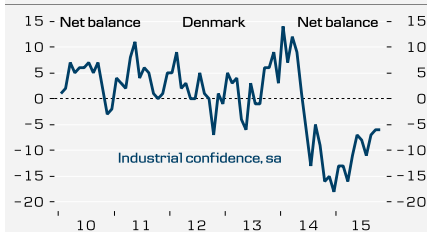
Source: ECB, Eurostat

Q3 GDP growth was 0.5% q/q according to the first estimate



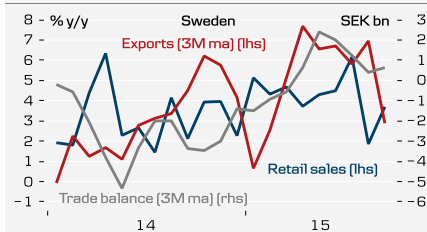
Source: ONS

Manufacturers still downbeat



Source: Statistics Denmark

An exports recoil, please..?



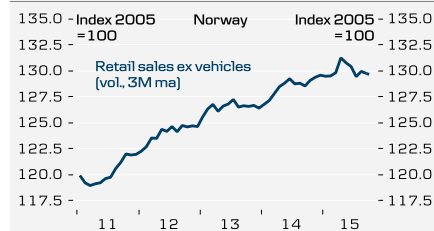
Source: Statistics Sweden. Danske Bank Markets calculations

- In **Norway**, the week's most important release will undoubtedly be the Q4 oil investment survey on Tuesday. The previous report indicated only a very moderate decline in investment in 2016 relative to consensus, but oil prices have since fallen by almost USD20/bbl and we expect this to trigger a further decline in investment in exploration, pulling the overall estimate down. We tentatively predict that the survey will now point to a further 10% decline in investment in 2016, which would be neutral not only for us but also for Norges Bank, so the market reaction should be limited. Remember that the survey will say a lot about activity and growth contributions in 2016, which could affect Norges Bank's growth projections and so its interest rate decision in December.

Also important will be the retail sales numbers for October due out on Friday. Two successive weak months have fuelled concern that the downturn in the Norwegian economy is now having an impact on household demand, in which case there is a substantial risk of a deeper and longer-lasting slump. To date, rate cuts and expansionary monetary policy have propped up household income despite higher unemployment and lower real wage growth but increased uncertainty could push up the saving rate and pull down consumer spending, which could hit the economy hard. However, we seriously doubt that retail sales are actually as weak as the data might suggest, as we have had no indications of this from the trade itself. We therefore estimate a slight rebound in October, with retail sales climbing 0.7% m/m. This is a long way from a consumer boom but will nevertheless reduce the risk of a more serious downturn.

Also coming up is jobless data for November from the NAV on Friday. Gross unemployment increased by more than 2,000 people in October, which many interpreted as a rapid acceleration but reporting errors may well have shifted 200-300 people from September to October, and correcting for this gives a much more moderate increase. We still expect the underlying trend to remain a monthly increase of 1,200-1,300 people, which is only marginally higher than Norges Bank projected in the September monetary policy report and will not therefore affect its rate decision in December. We expect the registered unemployment rate to be unchanged at 2.9%. The week also brings LFS unemployment data for September on Wednesday but, as usual, we attach less importance to this volatile – and so more uncertain – measure. We expect the LFS unemployment rate to edge down to 4.5%.

Retail sales have levelled off



Source: Norwegian Statistics

Market movers ahead

Global movers			Event		Period	Danske	Consensus	Previous	
During the week									
Mon	23-Nov	10:00	EUR	PMI manufacturing, preliminary	Index	Nov	52.4	52.2	52.3
		10:00	EUR	PMI services, preliminary	Index	Nov	54.1	54.1	54.1
		15:45	USD	Markit manufacturing PMI, preliminary	Index	Nov		54.0	54.1
Tue	24-Nov	10:00	DEM	IFO - expectations	Index	Nov	104.3	104.0	103.8
		14:30	USD	GDP, second release	q/q ann.	3rd quarter		2.0%	1.5%
Wed	25-Nov	0:50	JPY	Minutes from BoJ meeting on Oct. 30					
		14:30	USD	Personal income	m/m	Oct		0.4%	0.1%
		14:30	USD	Personal spending	m/m	Oct		0.3%	0.1%
		14:30	USD	Durable goods orders, preliminary	m/m	Oct		1.5%	-1.2%
		14:30	USD	PCE core	m/m y/y	Oct		0.1% 1.3%	0.1% 1.3%
		15:45	USD	Markit service PMI, preliminary	Index	Nov			54.8
Fri	27-Nov	-	DEM	Retail sales	m/m y/y	Oct			0.0% 3.4%
		0:30	JPY	CPI - national ex. fresh food and energy	y/y	Oct		0.8%	0.9%
Scandi movers									
During the week									
Mon	23-Nov	16:00	NOK	Norway's Olsen speaks outside Oslo					
Tue	24-Nov	10:00	NOK	Statistics Norway releases Q4 oil investment survey					
		10:20	NOK	Norway's Olsen speaks in Aalesund					
Wed	25-Nov	10:00	NOK	Unemployment (LFS)	%	Sep	4.5%	4.6%	4.6%
Fri	27-Nov	10:00	NOK	Retail sales, s.a.	m/m	Oct	0.7%	0.7%	-0.8%
		10:00	NOK	Unemployment	%	Nov	2.9%	2.9%	2.9%

Source: Bloomberg, Danske Bank Markets

Global Macro and Market Themes

Global recovery but China deleveraging a drag further out

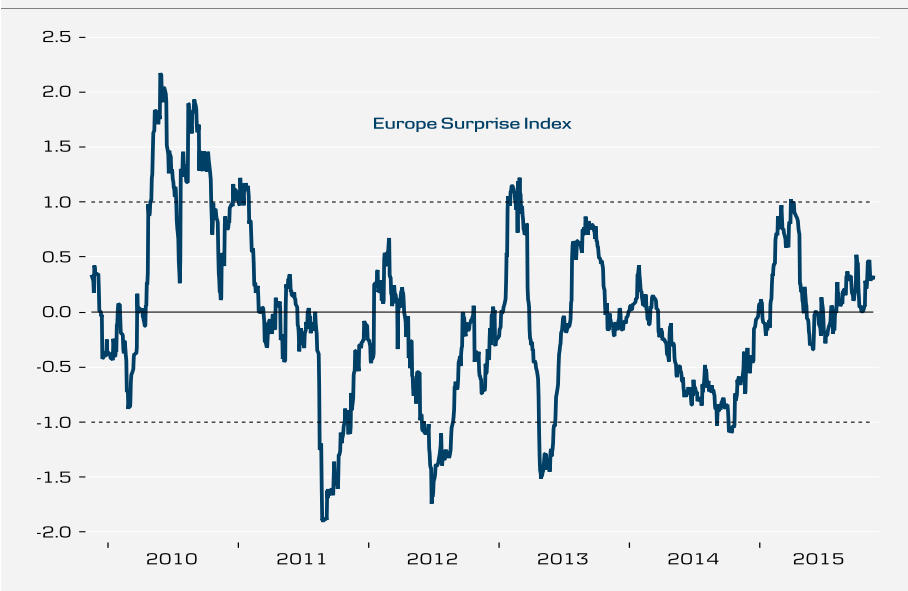
In *Strategy: The global IP cycle is bottoming out*, 6 November 2015, we argued that the global industrial production (IP) cycle is bottoming out and we are now seeing further signs of that. **Our MacroScope models, which provide systematic macro signals, have turned more positive in November.** First, the global signal strength has turned positive for the first time since April. Second, synchronicity has improved significantly as more models across regions have turned positive. Finally, the medium-term models, which provide the best signal for the change in growth momentum on a three-four month horizon have turned positive in the US, Europe and Japan (see Chart 2). The clearest signal is in Europe, where the latest data has shifted the medium-term model to a clear picture of positive momentum after sending somewhat mixed signals over the past two months.

Based on historical performance, this is supportive for risk assets, particularly equities and especially in Europe where the signal is most clear. In our view, this will be further supported by a very aggressive ECB on 3 December. Yes, market expectations are running high that the ECB will deliver but ECB board members this week have done nothing to dampen expectations of aggressive easing, which is exactly the reason to believe that they will be very aggressive. **For euro yields, we see the current environment as broadly neutral with ECB easing being counterweighed by higher US yields and a turn higher in the global IP cycle.**

Key points

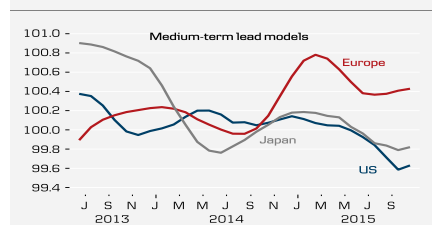
- Our MacroScope models have turned positive for the first time in more than six months.
- This is positive for equities, particularly European equities, neutral for euro FI.
- Previous Fed rate hiking cycles suggest that the USD will weaken after lift-off.
- CNY to weaken after RMB inclusion into SDR has been settled.

Chart 1: Europe is recovering



Source: Macrobond, Danske Bank Markets

Chart 2: Medium-term lead models turning higher

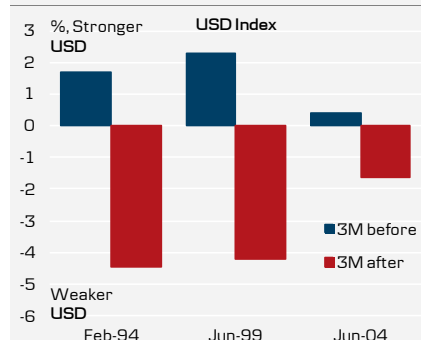


Source: Macrobond, Danske Bank Markets

In the midst of a global cyclical recovery and a stabilisation in China, challenges for global growth over the medium term remain, with the industrial/investment cycle in China in a structural decline. China has experienced more than 30 years of investment boom with investment to GDP reaching close to 50% at its peak. Meanwhile, total leverage (government, household and corporate) rose to around 225% in 2013 from around 165% in 2008 and there are no signs that the tide has turned yet. The build-up in leverage since 2008 came in the aftermath of the significant fiscal and credit stimulus in late 2008 and early 2009. In coming years, China will have to deleverage exactly as the west has been forced to do since the global financial crisis. **This, combined with the much overdue rebalancing of its economy from investment- to consumption-driven growth, will drive a consistent slowdown in the Chinese economy over the medium term.** This will be a major drag on the global economy in coming years and will have important implications for investment returns over the medium term.

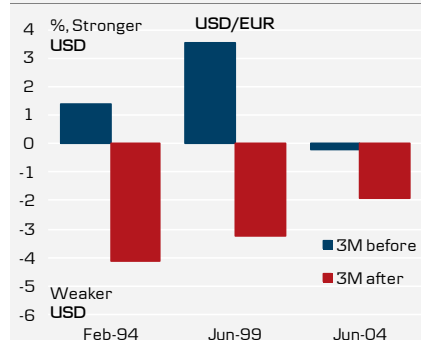
Several clients have asked us how the USD and EUR/USD will trade into and after the ECB and Fed meetings in December. In Chart 3, we show the USD performance through the DXY Index and against the EUR over the last Fed rate hiking cycles in 1994, 1998 and 2004. **We note that the USD tends to strengthen in the three months prior to the start of the Fed hiking cycle while weakening thereafter.** Then some clients are arguing that this time is different as the Fed is tightening exactly at the same time as the ECB will ease. However, the 1994 Fed rate hiking cycle was accompanied by a Bundesbank easing cycle. Again, this time may of course be different due to other reasons but it does make a point. And the DXY index has already rallied 3.87% since 16 September (three months prior to the expected Fed hike) and the euro has fallen 5.1% over the same period. **We expect one final leg of USD strength, EUR weakness over the coming one-three months but we have come a very long way and the medium-term outlook is for a higher EUR/USD** (for example, see *FX Forecast Update – The final leg of the USD rally*, 16 November 2015). CNY has been stable since China changed its fixing methodology and weakened the CNY in August. However, with the IMF’s Managing Director Christine Lagarde’s statement on 13 November that she supports the staff’s finding that the Renminbi (RMB) should be included in the Special Drawing Rights (SDR) alongside USD, EUR, GBP and JPY, we expect that the Chinese authorities will allow gradual CNY depreciation.

Chart 3: The USD falls when the Fed hiking cycle starts



Source: Bloomberg, Danske Bank Markets

Chart 4: EUR/USD rises when the Fed hiking cycle starts



Source: Bloomberg, Danske Bank Markets

Global market views

Asset class	Main factors
Equities Moderately positive on 3M horizon, positive on 12M horizon	China's economy recovers and this is lifting markets. Support from euro area, US growth and the easing stance at ECB, BoJ, BoE and PBoC supports equity markets. However, a early Fed hike would have a dampening effect on markets
Bond market Core yields: Bund yields lower short term, higher medium term US-Euro spread: Wider Peripheral spreads to tighten further from here Spreads to stay stable/tighten as central bank boost liquidity	ECB has opened the door for new rate cuts and more QE, whereas tight labour market points to Fed hikes in Dec '15 Policy divergence to widen spread QE, ECB rate cuts, improving fundamentals and search for yield ECB support but emerging markets instability the risk
FX EUR/USD - lower in 3M, rebound further out USD/JPY - slightly higher near term, range medium term EUR/SEK - stuck between 9.30-9.60 near term, lower medium term EUR/NOK - range trade short term, then lower	Relative rates to weigh near term, then rebound on no renewed policy divergence and strong EUR fundamentals Even with unchanged BoJ measures relative rates will continue to support the cross with Fed hikes coming up Battle between Riksbank and ECB for now, further out EUR/SEK to fall on Swedish growth outperformance Relative rates and liquidity to cap downside short term but eventually lower on positioning and fundamentals
Commodities Oil prices - downwards pressure near-term, recovery in 2016 Metal prices - staying low Gold prices - flat near term Agricultural risks remain on the upside	Rebalancing to support recovery next year. Geopolitical risk factor looming Chinese manufacturing slowdown to cap upside. Consolidation in mining industry puts a floor under prices Low oil price and Fed getting ready to hike keeps a lid over gold price Trending up again, El Niño weather this year is key upside risk

Source: Danske Bank Markets

Scandi Update

Denmark – Things not as bad as they seemed

Statistics Denmark published updated national accounts numbers during the week in which GDP growth in 2012-2014 was revised up by more than a percentage point. In other words, things were not quite as bad as previously believed. This ties in better with movements in employment, which has now been rising for more than two years, but even with the revised data, the economy was still in crisis in 2012 and 2013.

Figures published by employers organisation DA during the week revealed that wages have grown 2.2% over the past year. With consumer prices climbing just 0.6% over the same period, this means that consumers have had a fair bit more money in their pockets and we have seen signs that they have used this to step up their spending. Employment has also risen, which is again positive for spending, and that, in turn, is good for the Danish economy, where private consumption is a key growth driver. At the same time, the fact that wage growth is already accelerating does give some cause for concern.

Sweden – No worries on labour markets

The past week, the main event was undoubtedly the labour force survey, which – again – came in strong, even stronger than we expected. We can now conclude that what we, NIER and even SCB labelled a technical downshift in the unemployment rate (due to difficulties in properly accounting for youth and full time students looking for work), has failed to recoil in the expected way. Hence, the strength on Swedish labour markets is now also reflected in the unemployment rate numbers and we will have to take another look at our forecast for the unemployment rate (as our employment forecast is in line with actual developments, a revision would have little bearing on other aggregates).

Norway – Better than expected

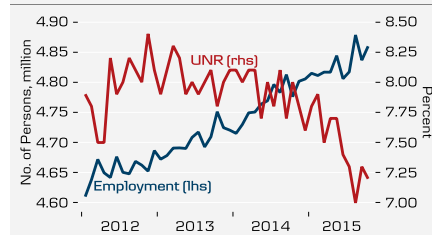
As expected, the GDP figures for Q3 showed growth in the Norwegian economy slowing due to the downturn in the oil sector and early signs of negative spill-over effects, but there was still growth of 0.2% q/q and, with the upward revision of historical data, 1.3% y/y. Drilling down, weak growth in private consumption and investment was offset to some extent by strong public-sector demand and rapid growth in mainland exports. This illustrates how, although the oil downturn is relatively severe, the effects are being mitigated by lower interest rates, a weaker NOK and expansionary fiscal policy. Growth is also higher than Norges Bank expected in its September monetary policy report. At the rate-setting meeting in November, developments in the Norwegian economy were described as ‘slightly weaker than projected’. The Q3 GDP numbers have therefore reduced the probability of a rate cut in December and this caused the NOK to strengthen in the hours after their publication. We would reiterate that the results of the oil investment survey on 24 November and the regional network survey on 4 December will be key in this regard.

Growth in 2012-2014 better than previously reported



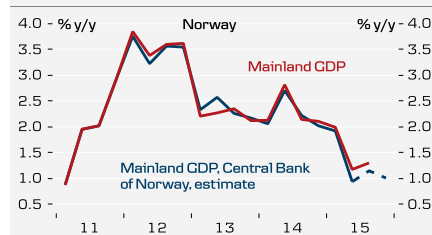
Source: Statistics Denmark

The improvement in UNR was ‘real!’



Source: Statistics Sweden, Danske Bank calculations

Norges Bank has underestimated growth



Source: Macrobond Financial

Latest research from Danske Bank Markets

18/11 FOMC minutes: Outdated due to the strong jobs report - December hike seems very likely

Referatet af FOMC-mødet den 27.-28. oktober svarede stort set til forventningerne, og dermed var markedsreaktionen begrænset.

16/11 Yield Forecast Update - Central banks set the direction for 2016 in December

Monthly yield forecast update

Macroeconomic forecast

Macro forecast, Scandinavia

	Year	GDP ¹	Private cons. ¹	Public cons. ¹	Fixed inv. ¹	Stock build. ²	Ex-ports ¹	Im-ports ¹	Infla-tion ¹	Unem-ploym. ³	Public budget ⁴	Public debt ⁴	Current acc. ⁴
Denmark	2014	1.1	0.8	0.2	4.0	0.4	2.6	3.8	0.6	5.0	1.8	45.1	7.8
	2015	1.6	2.0	1.2	0.1	-0.5	0.4	-1.9	0.6	4.7	-1.9	38.4	6.6
	2016	1.9	2.1	0.2	2.6	0.3	3.0	2.9	1.6	4.4	-2.4	36.8	6.6
Sweden	2014	2.3	2.2	1.6	7.6	0.1	3.5	6.3	-0.2	7.9	-1.9	43.8	6.2
	2015	3.1	2.1	1.9	5.2	-0.3	4.3	2.8	0.0	7.8	-1.7	43.9	7.4
	2016	2.6	1.7	2.3	4.6	-0.1	4.9	4.7	1.2	7.4	-1.5	43.3	7.6
Norway	2014	2.2	2.0	2.7	0.6	0.2	2.7	1.9	2.0	3.5	-	-	-
	2015	1.3	2.3	2.3	-3.5	0.6	1.8	3.4	2.1	4.3	-	-	-
	2016	1.8	1.9	2.3	0.7	-0.2	1.8	2.6	2.5	4.2	-	-	-

Macro forecast, Euroland

	Year	GDP ¹	Private cons. ¹	Public cons. ¹	Fixed inv. ¹	Stock build. ²	Ex-ports ¹	Im-ports ¹	Infla-tion ¹	Unem-ploym. ³	Public budget ⁴	Public debt ⁴	Current acc. ⁴
Euroland	2014	0.9	0.9	0.8	1.3	-0.1	3.9	4.2	0.4	11.6	-2.6	92.3	2.5
	2015	1.4	1.8	1.2	1.5	0.0	4.8	5.0	0.1	11.0	-2.1	91.8	2.6
	2016	1.7	1.2	0.7	3.5	0.0	4.2	4.1	1.2	10.4	-1.7	90.6	2.5
Germany	2014	1.6	1.0	1.7	3.5	-0.1	3.9	3.7	0.8	5.0	0.7	74.7	7.6
	2015	1.3	1.8	1.8	1.5	0.0	5.3	5.5	0.2	4.7	0.6	71.5	7.9
	2016	2.1	1.6	0.8	4.7	0.0	4.7	5.0	1.5	4.6	0.5	68.2	7.7
France	2014	0.2	0.7	1.5	-1.2	-0.1	2.4	3.9	0.6	10.3	-4.0	95.0	-1.7
	2015	0.9	1.7	1.5	-0.7	0.0	6.0	5.9	0.2	10.3	-3.8	96.4	-0.9
	2016	1.0	0.9	0.7	2.8	0.0	3.6	3.9	1.0	10.1	-3.7	97.1	-1.2
Italy	2014	-0.4	0.3	-1.0	-3.2	0.3	2.4	1.7	0.2	12.7	-3.0	132.1	2.0
	2015	0.7	0.6	0.1	0.4	0.0	4.2	5.3	0.1	12.2	-2.6	133.1	2.2
	2016	1.3	0.9	0.3	2.4	0.0	4.4	4.2	1.1	11.8	-2.0	130.6	2.2
Spain	2014	1.4	2.4	0.1	3.4	-0.1	4.2	7.6	-0.2	24.5	-5.8	97.7	0.6
	2015	3.0	3.2	1.2	6.0	0.0	4.6	5.6	-0.4	22.4	-4.5	100.4	1.2
	2016	2.6	2.0	0.5	6.5	0.0	4.6	5.2	0.8	20.5	-3.5	101.4	1.0
Finland	2014	-0.4	0.5	-0.2	-3.3	-	-0.7	0.0	1.0	8.7	-3.1	59.0	-0.9
	2015	0.0	0.4	-0.2	-2.0	-	1.0	-0.3	-0.1	9.6	-3.3	62.5	0.4
	2016	0.8	0.4	-0.5	2.5	-	3.0	2.5	1.0	10.0	-2.9	64.5	0.5

Macro forecast, Global

	Year	GDP ¹	Private cons. ¹	Public cons. ¹	Fixed inv. ¹	Stock build. ²	Ex-ports ¹	Im-ports ¹	Infla-tion ¹	Unem-ploym. ³	Public budget ⁴	Public debt ⁴	Current acc. ⁴
USA	2014	2.4	2.7	-0.6	5.3	0.0	3.4	3.8	1.6	6.2	-4.1	101.0	-2.3
	2015	2.4	3.1	0.8	4.1	0.1	1.6	5.1	0.1	5.3	-2.9	104.0	-2.5
	2016	2.5	2.8	1.0	4.2	-0.2	4.1	4.1	1.9	4.6	-2.6	103.0	-2.6
Japan	2014	-0.1	-1.4	0.3	2.6	0.1	8.4	7.4	2.4	3.6	-7.0	245.0	0.5
	2015	1.0	0.0	0.9	0.8	0.2	7.6	5.0	1.0	3.3	-6.5	245.0	2.2
	2016	1.4	1.4	1.2	1.2	-0.1	6.0	7.4	1.6	3.1	-6.2	246.0	2.0
China	2014	7.4	-	-	-	-	-	-	2.0	4.3	-1.1	40.7	1.8
	2015	6.8	-	-	-	-	-	-	1.7	4.2	-0.8	41.8	2.4
	2016	6.7	-	-	-	-	-	-	2.3	4.2	-0.8	42.8	2.3
UK	2014	2.9	2.7	1.9	7.5	0.3	1.8	2.8	1.5	6.2	-5.7	89.4	-5.1
	2015	2.6	3.2	1.9	5.1	-0.7	6.7	6.0	0.1	5.6	-4.0	87.6	-4.8
	2016	2.5	2.6	0.1	5.2	0.2	5.1	5.6	1.4	5.3	-2.3	86.8	-4.0

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 int. rate	3m interest rate	2-yr swap yield	10-yr swap yield	Currency vs EUR	Currency vs USD	Currency vs SEK
USD	20-Nov	0.25	0.37	0.96	2.09	106.8	-	870.5
	+3m	0.50	0.80	1.25	2.55	106.0	-	886.8
	+6m	0.75	1.04	1.55	2.70	112.0	-	830.4
	+12m	1.25	1.57	1.95	3.00	120.0	-	750.0
EUR	20-Nov	0.05	-0.09	-0.09	0.84	-	106.8	930.0
	+3m	0.05	-0.15	-0.05	0.95	-	106.0	940.0
	+6m	0.05	-0.15	0.00	1.05	-	112.0	930.0
	+12m	0.05	-0.15	0.00	1.35	-	120.0	900.0
JPY	20-Nov	0.10	0.07	0.10	0.46	131.4	123.0	7.1
	+3m	0.10	0.15	-	-	131.4	124.0	7.2
	+6m	0.10	0.20	-	-	140.0	125.0	6.6
	+12m	0.10	0.20	-	-	150.0	125.0	6.0
GBP	20-Nov	0.50	0.57	0.98	1.86	69.9	152.8	1329.8
	+3m	0.75	0.80	1.25	2.15	68.0	156.0	1382.4
	+6m	0.75	1.00	1.50	2.30	71.0	158.0	1309.9
	+12m	1.25	1.34	2.00	2.60	73.0	164.0	1232.9
CHF	20-Nov	-0.75	-0.80	-0.92	0.05	108.5	101.6	856.8
	+3m	-0.75	-	-	-	107.0	100.9	878.5
	+6m	-0.75	-	-	-	110.0	98.2	845.5
	+12m	-0.75	-	-	-	112.0	93.3	803.6
DKK	20-Nov	0.05	-0.14	0.11	1.17	746.0	698.3	124.7
	+3m	0.05	-0.17	0.15	1.30	745.5	703.3	126.1
	+6m	0.05	-0.17	0.20	1.35	745.5	665.6	124.7
	+12m	0.05	-0.17	0.20	1.60	745.5	621.3	120.7
SEK	20-Nov	-0.35	-0.39	-0.26	1.38	930.0	870.5	-
	+3m	-0.45	-0.40	-0.35	1.45	940.0	886.8	-
	+6m	-0.45	-0.40	-0.40	1.50	930.0	830.4	-
	+12m	-0.45	-0.35	-0.30	1.60	900.0	750.0	-
NOK	20-Nov	0.75	1.17	0.94	1.87	921.5	862.5	100.9
	+3m	0.75	1.00	1.05	1.90	940.0	886.8	100.0
	+6m	0.75	1.00	1.10	2.00	925.0	825.9	100.5
	+12m	0.75	1.00	1.10	2.30	880.0	733.3	102.3

Equity markets

Regional		Risiko profil 3 mdr.	Pris trend 3 mdr.	Pris trend 12 mdr.	Regionale rekommendationer
USA (USD)	Stark dollar, måttlig vinsttillväxt, hög värdering.	Medium	0-5%	5-8%	Undervikt
Emerging markets (lokal valuta)	EM under press efter ändringar i Kina's valutapolitik	Hög	0-3%	0-5%	Undervikt
Japan	Reflatering, corporate governance, vinsttillväxt, rimlig värdering	Medium	0-8%	10-15%	Övervikt
Europa (ex. Norden)	Reflatering, vinsttillväxt, billig EUR, rimlig värdering	Medium	0-8%	10-15%	Övervikt
Norden	Vinsttillväxt, dyr värdering	Medium	0%	5-10%	Övervikt

Commodities

	20-Nov	2015				2016				Average	
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2015	2016
NYMEX WTI	40	49	58	47	45	47	52	57	62	50	55
ICE Brent	44	55	63	52	48	51	56	61	66	55	59
Copper	4,631	5,808	6,043	5,380	5,000	5,300	5,500	5,700	5,900	5,558	5,600
Zinc	1,531	2,091	2,188	1,860	1,700	1,800	1,900	2,000	2,100	1,960	1,950
Nickel	8,950	14,410	13,065	10,650	9,800	10,000	11,000	12,000	13,000	11,981	11,500
Aluminium	1,466	1,813	1,787	1,625	1,525	1,600	1,700	1,800	1,900	1,688	1,750
Gold	1,081	1,219	1,193	1,125	1,075	1,075	1,100	1,115	1,130	1,153	1,105
Matif Mill Wheat	177	190	182	176	185	180	180	180	180	183	180
Rapeseed	376	360	370	374	380	370	370	380	390	371	378
CBOT Wheat	491	523	505	512	510	510	530	540	550	513	533
CBOT Corn	364	385	367	383	375	375	400	410	420	377	401
CBOT Soybeans	855	990	966	950	875	875	900	925	950	945	913

Source: Danske Bank Markets

Calendar

Key Data and Events in Week 48

During the week

Day	Currency	Event
Sat 21	USD	Fed's Williams (voter, neutral) speaks
Sat 21	EUR	ECB's Coeure speaks in Berkeley
Sun 22	EUR	ECB's Weidmann speaks in Germany

Monday, November 23, 2015

Time	Currency	Event	Unit	Period	Danske Bank	Consensus	Previous
9:00	CHF	Total sight deposits	CHF bn				467.7
9:00	DKK	Employment (monthly)	1.000 m/m	Sep			265 0.1%
9:00	FRF	PMI manufacturing, preliminary	Index	Nov	50.8	50.8	50.6
9:00	FRF	PMI services, preliminary	Index	Nov	52.5	52.5	52.7
9:30	DEM	PMI manufacturing, preliminary	Index	Nov	52.3	52.0	52.1
9:30	DEM	PMI services, preliminary	Index	Nov	54.6	54.3	54.5
10:00	EUR	PMI manufacturing, preliminary	Index	Nov	52.4	52.2	52.3
10:00	EUR	PMI composite, preliminary	Index	Nov	54.0	54.0	53.9
10:00	EUR	PMI services, preliminary	Index	Nov	54.1	54.1	54.1
15:00	EUR	Eurogroup meeting in Brussels					
15:45	USD	Markit manufacturing PMI, preliminary	Index	Nov		54.0	54.1
16:00	NOK	Norway's Olsen speaks outside Oslo					
16:00	USD	Existing home sales	m (m/m)	Oct		5.40	5.55 4.7%

Tuesday, November 24, 2015

Time	Currency	Event	Unit	Period	Danske Bank	Consensus	Previous
2:35	JPY	Nikkei Manufacturing PMI, preliminary	Index	Nov			52.4
6:30	NOK	Consumer confidence	Net. bal.	4th quarter			-4.1
8:00	DEM	GDP, final	q/q y/y	3rd quarter		0.3% 1.7%	0.3% 1.7%
8:00	DEM	Private consumption	q/q	3rd quarter		0.5%	0.2%
8:00	DEM	Government consumption	q/q	3rd quarter		0.3%	0.3%
8:00	DEM	Gross fixed investments	q/q	3rd quarter		-0.1%	-0.4%
8:45	FRF	Business confidence	Index	Nov		101.0	101.0
10:00	DEM	IFO - business climate	Index	Nov	108.4	108.1	108.2
10:00	DEM	IFO - current assessment	Index	Nov	112.8	112.3	112.6
10:00	DEM	IFO - expectations	Index	Nov	104.3	104.0	103.8
10:00	NOK	Statistics Norway releases Q4 oil investment survey					
10:20	NOK	Norway's Olsen speaks in Aalesund					
13:00	TRY	Central Bank of Turkey rate decision	%		7.5%	7.5%	7.5%
14:30	USD	Personal consumption	q/q	3rd quarter		3.2%	3.2%
14:30	USD	PCE core	q/q	3rd quarter		1.3%	1.3%
14:30	USD	GDP, second release	q/q ann.	3rd quarter		2.0%	1.5%
14:30	USD	GDP price deflator, second release	q/q	3rd quarter		1.2%	1.2%
15:00	USD	S&P Case Shiller House prices	Index	Sep			182.5
16:00	USD	Conference Board consumer confidence	Index	Nov		99.2	97.6

Source: Danske Bank Markets

Calendar - continued

Wednesday, November 25, 2015			Period	Danske Bank	Consensus	Previous
0:50	JPY	Minutes from BoJ meeting on Oct. 30				
6:00	JPY	Leading economic index, final	Index	Sep		101.4
6:00	JPY	Small business confidence	Index	Nov		48.7
8:45	FRF	Consumer confidence	Index	Nov	96.0	96.0
9:00	SEK	Consumer confidence	Index	Nov	99.0	97.6
9:00	SEK	Economic Tendency Survey	Index	Nov	108.5	108.3
9:00	SEK	Manufacturing confidence	Index	Nov	112.5	112.7
9:30	SEK	PPI	m/m/y/y	Oct		-0.3% -1.4%
10:00	NOK	Unemployment (LFS)	%	Sep	4.5%	4.6%
13:00	USD	MBA Mortgage Applications	%			6.2%
14:30	USD	Personal income	m/m	Oct	0.4%	0.1%
14:30	USD	Personal spending	m/m	Oct	0.3%	0.1%
14:30	USD	Durable goods orders, preliminary	m/m	Oct	1.5%	-1.2%
14:30	USD	PCE inflation	m/m/y/y	Oct	0.1% 0.3%	-0.1% 0.2%
14:30	USD	Initial jobless claims	1000			271
14:30	USD	PCE core	m/m/y/y	Oct	0.1% 1.3%	0.1% 1.3%
15:45	USD	Markit service PMI, preliminary	Index	Nov		54.8
15:45	USD	Markit composite PMI, preliminary	Index	Nov		55.0
16:00	USD	University of Michigan Confidence, final	Index	Nov	93.0	93.1
16:00	USD	New home sales	1000 (m/m)	Oct	500	468.0 (-11.5%)
16:30	USD	DOE U.S. crude oil inventories	K			252
22:45	NZD	Trade balance	NZD M	Oct	-1000	-1222
Thursday, November 26, 2015			Period	Danske Bank	Consensus	Previous
9:00	ESP	GDP, final	q/q/y/y	3rd quarter	0.8% 3.4%	0.8% 3.4%
9:30	SEK	Household lending	y/y	Oct	7.4%	7.3%
9:30	SEK	Trade balance	SEK bn	Oct	1.5	3.3
10:00	EUR	Money supply (M3)	y/y	Oct	4.9%	4.9%
13:00	DEM	GfK consumer confidence	Net. Bal.	Dec	9.2	9.4
Friday, November 27, 2015			Period	Danske Bank	Consensus	Previous
-	DEM	Retail sales	m/m/y/y	Oct		0.0% 3.4%
0:30	JPY	CPI - national ex. fresh food	y/y	Oct	-0.1%	-0.1%
0:30	JPY	CPI - national ex. fresh food and energy	y/y	Oct	0.8%	0.9%
0:30	JPY	CPI- Tokyo	y/y	Nov	0.2%	0.1%
0:30	JPY	CPI - Tokyo ex fresh food	y/y	Nov	-0.1%	-0.2%
0:30	JPY	Household spending	y/y	Oct	0.0%	-0.4%
0:30	JPY	Unemployment rate	%	Oct	3.4%	3.4%
0:30	JPY	Job-to-applicant ratio		Oct	1.25	1.24
0:30	JPY	CPI - national	y/y	Oct	0.3%	0.0%
1:05	GBP	GfK consumer confidence	Index	Nov	3.0	2.0
8:45	FRF	Household consumption	m/m/y/y	Oct	-0.2% ...	0.0% 2.6%
9:00	DKK	CB's securities statistics		Oct		
9:00	DKK	Foreign portfolio investments		Oct		
9:00	DKK	Confidence indicator, industry, s.a.	Net balance	Nov		-6
9:00	ESP	HICP, preliminary	m/m/y/y	Nov	0.0% -0.7%	0.3% -0.9%
9:30	SEK	Retail sales s.a.	m/m/y/y	Oct	.. 3.2%	0.8% 4.2%
10:00	NOK	Retail sales, s.a.	m/m	Oct	0.7%	0.7%
10:00	NOK	Wage index manufacturing	q/q	3rd quarter		0.0%
10:00	NOK	Unemployment	%	Nov	2.9%	2.9%
10:00	ITL	Business confidence	Index	Nov	105.2	105.9
10:30	GBP	GDP, 2nd estimate	q/q/y/y	3rd quarter	0.5% 2.3%	0.5% 2.3%
10:30	GBP	Index of services	m/m 3m/3m	Sep	0.3% 0.8%	0.0% 0.9%
11:00	EUR	Business climate indicator	Net bal.	Nov	0.5	0.4
11:00	EUR	Industrial confidence	Net bal.	Nov	-2.1	-2.0
11:00	EUR	Economic confidence	Index	Nov	105.9	105.9
11:00	EUR	Consumer confidence, final	Net bal.	Nov		
11:00	EUR	Service confidence	Net bal.	Nov	12.2	11.9

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Source: Danske Bank Markets

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