27 November 2015

Weekly Focus Sweden

ECB to kick off dream month for rate nerds

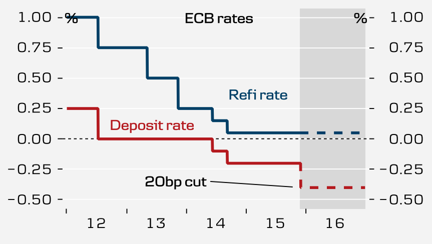
Market Movers ahead

- December 2015 looks set to be a dream month for interest rate nerds given the prospect of the ECB cutting and the Fed hiking for the first time since mid-2006. The ECB gets to kick off the party on Thursday, when we expect it both to lower its deposit rate by 20bp and to extend and enlarge its QE programme.
- Friday brings the November jobs report stateside, which will give us our last insight into the current state of the US labour market before the Fed decides whether to hike on 16 December. We expect somewhat lower employment growth in November than in October but 175,000 new jobs in a month would still point to higher interest rates.
- In addition, just to keep things interesting in our dream month, the week also brings the ISM in the US, flash inflation in Europe and the PMI in China.

Global macro and market themes

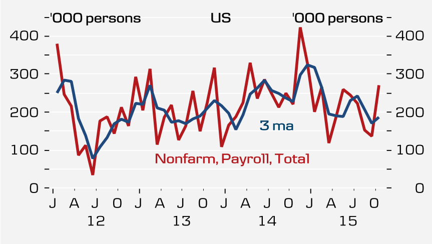
- Euro area growth set to reaccelerate.
- ECB preparing to cut...
- ...while the Fed is ready for lift-off.
- Bond yields set to move higher.
- China bottoming but medium-term challenges remain.
- CNY under increased pressure – more in store.

We now expect the ECB to cut the deposit rate by 20bp



Source: ECB, Danske Bank

Jobs growth probably slowed in November but is still at a solid pace



Source: Macrobond Fianncial

Contents

Financial views

Major indices

	27-Nov	3M	12M
10yr EUR swap	0.83	0.95	1.35
EUR/USD	106	102	116
ICE Brent oil	45	52	56
	27-Nov	6M	12-24M
S&P500	2089	0-5%	5-8%

Source: Danske Bank

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Market movers

Global

- In the **US,** the focus next week is on the November jobs report due on Friday 4 December. This will be a key release ahead of the FOMC meeting on 16 December. The strong jobs report for October took many by surprise with its job growth of 271,000, the highest in 2015 so far, although the increase was, to some extent, a correction due to slower growth in August and September. It is worth noting, however, that according to the minutes from the latest FOMC meeting, its members think that the pace of job gains in August and September will still be high enough to tighten the labour market. That the labour market has tightened was also evident from the growth in average hourly earnings in October, that was at its highest rate in six years at 2.5 % y/y. A slower rate of job growth in November seems plausible and we estimate an increase in nonfarm payrolls of around 175,000, which is below the consensus estimate of approximately 200,000, still well above labour force growth. The jobs report would have to be very weak to alter our call that the FOMC will raise rates in December.

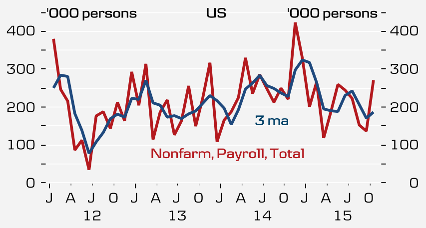
  We expect that average hourly earnings (AHE) increased by 0.3% m/m in November implying a decline in the annual growth rate from 2.5% y/y in October to 2.3% y/y in November. This is in line with the consensus view. The annual growth rate in AHE is by nature volatile so the decline should, in our view, not be over interpreted and it is worth noting that the trend has been upward this year. This is a sign that the Phillips curve is still functioning well. We anticipate that wage growth will continue to trend up as the labour market is expected to tighten further. The unemployment rate for November is expected by the market to stay unchanged at 5.0%.

  The ISM manufacturing index for November is to be released on Tuesday 1 December. Regional indices for November and the ISM order-inventory balance in October indicate that the ISM should not fall below 50. We expect a marginal increase from 50.1 in October to 50.3 in November. The ISM non-manufacturing index is due on Thursday 3 December and is expected to decrease a little to 58 from October figures of 59.1. This is still a very high level indicating that the domestic part of the economy is in good shape.

  Next week also offers several speeches from Fed members including two from the Fed's chair Janet Yellen.

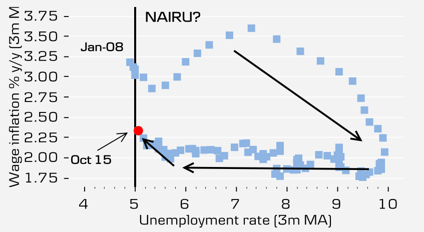
- In the **euro area**, the main event next week is the ECB meeting on Thursday where we expect Draghi to deliver a new 'menu' of monetary easing (20bp deposit rate cut accompanied by a two-tier deposit rate system, stronger forward guidance plus an extension and expansion of the monthly QE purchases. Note that we have changed our view and now expect a deposit rate cut of 20bp up from our previous expectation of a 10bp cut, see *ECB preview*). At the latest ECB meeting in October Draghi's main concerns were low inflation expectations and the stronger effective euro, hence the recent improvement in economic data (PMI, ifo expectations and bank lending), should not prevent the ECB from easing. Added to this, the 4% weakening of the effective euro since the October meeting should also not keep the ECB of the trigger as this is partly driven by expectations of more ECB easing. Fixed income markets are aggressive priced ahead of the meeting with roughly 16bp rate cut priced for December. The expectations to the ECB increased again this week as an article on *Reuters* argued for a two-tiered deposit rate system, where banks would be charged differently depending on the level of excess liquidity deposited. The market's verdict

Job growth probably slowed in November but still solid pace



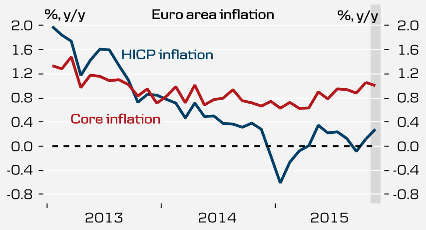
Source: BLS

The Phillips curve is functioning well



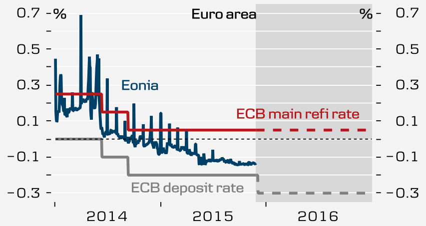
Source: BLS, Danske Bank Markets

Volatile components to lift euro inflation



Source: Eurostat, Danske Bank Markets

ECB to deliver a 'menu' of easing

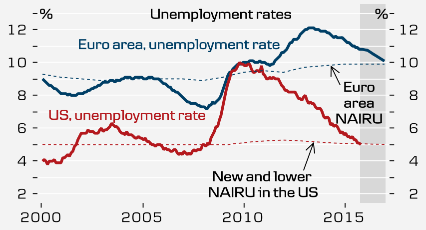


Source: ECB, Danske Bank Markets

was that such a move hinted that the ECB is considering a rate cut of more than 10bp. Importantly, we expect the December easing to be the end of the easing cycle, as we look for a stronger euro area recovery in 2016.

On Wednesday 2 December, the flash estimate for euro area HICP inflation in November is due for release and we expect headline inflation to increase to 0.2% y/y. The increase should be driven by the volatile food and energy price inflation, whereas we estimate that core inflation will fall slightly to 1.0% after jumping to 1.1% in October, which was the highest in more than two years. The higher core inflation has mainly been driven by higher goods price inflation, but the euro appreciation during mid-2015 suggests the trend will reverse next year.

Lower euro unemployment rate in '16

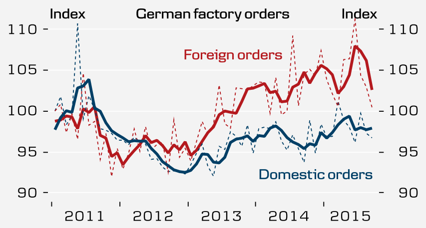


Source: BLS, European Commission, Eurostat, Danske Bank Markets

Ahead of the aggregate euro area inflation figure, the German and Italian HICP inflation figures are due for release on Monday and while the Italian data should increase in line with the euro figure, the German figure is set to decline. The German core components are in focus as the rate increased 0.3pp in October to 1.4%, but much of the lift was due to upward pressure from base effects and we look for it to decline again in November.

On Tuesday, euro area and German unemployment figures are due for release and we expect both figures to remain unchanged. In the euro area, low potential growth has implied that the unemployment rate has declined to the lowest level since the beginning of 2012 despite modest GDP growth. We expect the downward trend towards the structural unemployment rate to continue in 2016.

Cyclical recovery to support Germany



Source: German Federal Statistical Office, Danske Bank Markets

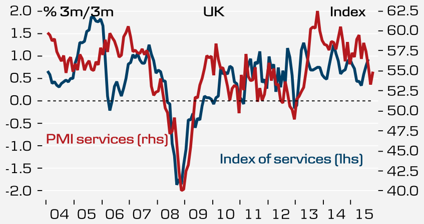
The first estimate of the PMIs in the periphery countries are due for release next week with the manufacturing PMIs released on Tuesday and the service PMIs on Thursday. In Italy, the figures have improved during 2015 and point to higher GDP growth going forward. The Spanish manufacturing PMI has declined each month since May and is at its lowest level since 2013, but the domestic driven service PMI remains above 55.

Euro area retail sales are due for release on Thursday and we look for an increase of 0.2% m/m. Although private consumption should have been one of the main drivers of the 0.3% q/q GDP growth in Q3, retail sales reveal a slowdown in growth in private spending during Q3. We expect that this will continue in Q4 '15 as the impulse from the oil price should fade.

On Friday, German factory orders for October are set to be released. During Q3 the figure was very weak and declined on average 1.9% m/m each month. The weakness was mainly a result of very weak exports orders, but based on signs of a global cyclical recovery and a stabilization in China, we look for a stronger performance during Q4.

- In the **UK**, the main release next week is the PMI services in November due on Thursday. PMI services increased slightly in October after it had declined for three consecutive months. In 2014 and in H1 2015 the index has been elevated compared to actual services output. We think it has found a more reasonable level around 55 which indicates growth in services output of around 0.6-0.7% q/q supporting our view that growth will continue to be driven by services. We anticipate that manufacturing PMI, which is due on Tuesday, has declined in November from 55.5 in October to around 53. This should mainly be seen as a correction as the index made an oddly large jump from 51.8 in September to 55.5 in October. This level is usually associated with growth in manufacturing production of around 1.0% q/q which seems very unlikely since the manufacturing sector is struggling from the strong GBP and the slowdown in manufacturing globally. Other manufacturing indices have not painted the same rosy picture. The reason we do not expect the index to jump all the way down again is that there usually is some degree of inertia in the index.

PMI services has found a more reasonable level around 55

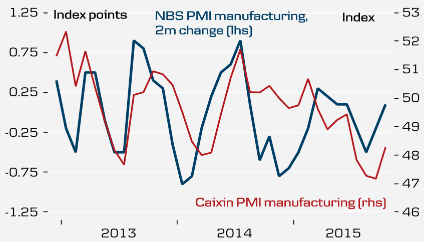


Source: ONS, Markit Economics

- The focus in **China** next week should be on PMI data for both manufacturing and the service sector for November. We look for a rise in the Caixin PMI manufacturing from 48.3 to 48.8 and a rise in the NBS manufacturing PMI from 49.8 to 50.1. This should give further evidence of a short term bottom in the Chinese business cycle. The slight recovery is fuelled by stimulus to investment and less drag from housing construction.

  The Caixin service PMI is very volatile and hard to predict. At 52.0 in October it is close to the average for the series and we think it will stay around this figure for November.

China PMI expected to rise further

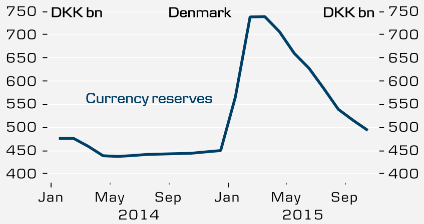


Source: Reuters Ecowin

Scandi

- In **Denmark** a variety of interesting data are on the agenda. On Wednesday the Nationalbank will publish currency reserves data for November. The reserves have attracted considerable attention after soaring in February but have since fallen steadily and are now approaching more normal levels. However, the latest signals from the ECB that it is likely to extend and expand its QE programme will presumably have stemmed the outflow of currency. On Monday, meanwhile, Statistics Denmark is set to release preliminary GDP figures for Q3. Growth was weak in Q2, with both exports and private consumption disappointing, and there is little to suggest that there will be cause for celebration this time around either. Exports were a big disappointment in Q3, and inventory data have not given rise to any great optimism. So, although indicators suggest that private consumption has increased, there is a good chance of growth being very low, if not negative. We expect unchanged GDP in Q3. Statistics Denmark should also release figures for gross unemployment in October on Monday and for bankruptcies and repossessions in November on Friday.

Currency reserves almost back to last year's levels

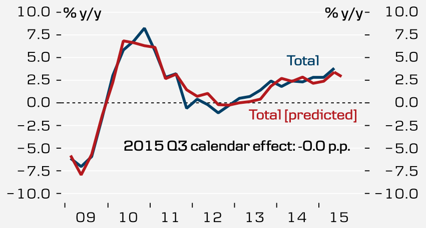


Source: Danmarks Nationalbank

- In **Sweden** the week ahead is over almost before it even starts, as GDP Q3 is published on Monday at 09.30 CET and there is not much else of interest during the week. In short, we expect GDP growth of 3.2% y/y, which is a tad below the Riksbank's forecast. However, uncertainties are large and are symmetrically distributed. In particular we are interested to see how imports and net exports develop after an unusually large volatility during the past couple of quarters. In addition, we will keep an eye on developments in public expenditure, which has grown more strongly than we expected due to the large influx of migrants.

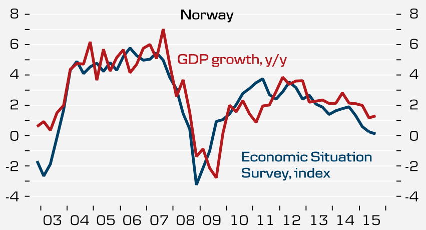
- In **Norway** the key event of the week – and indeed the month – should, of course, be the release of Norges Bank's regional network survey on Friday. The central bank's preferred economic indicator carries considerable weight when the bank considers the domestic economy's short-term prospects. The aggregated output index for the next six months fell to 0.06 in the previous survey, pointing to pretty much zero growth in the economy. As the chart below shows, however, the index has underestimated growth in mainland GDP for a while now, probably because the public sector is underrepresented. While the decline in the output index over the past year can be put down mainly to the downturn in oil-related industries, we have also seen clear signs of second-round effects in the last two surveys in the form of a negative outlook for business services. We expect a similar picture this time around. On the other hand, a number of industrial indicators – such as the PMI, production and new orders – have shown signs of stabilisation, which might mean that the overall outlook for industry is no worse than in the previous survey. We also know that construction orders are growing quickly and that traditional exports are thriving on the weaker krone and lower cost inflation. We therefore predict that the aggregate output index will be around 0. Add in a contribution from the public sector of a few tenths of a percentage point, and this is closely in line with Norges Bank's projections in the September monetary policy report. Developments in the domestic economy should not therefore be an argument either for or against a rate cut in December, and we see this as the final nail in the coffin in this regard. Ahead of the regional network results, we will get PMI data for November on Tuesday. The past two months' increases in the index point to industry stabilising, as mentioned above, so the November figures should tell us whether that was just noise, and perhaps whether the drop in oil prices since the summer has sparked a further decline in the industrial sector.

GDP-growth to moderate in Q3



Source: Statistics Sweden. Danske Bank Markets' calculations.

Growth has slowed in Norway



Source: Macrobond Financial

Market movers ahead

Global movers				Event		Period	Danske	Consensus	Previous
Mon	30-Nov	14:00	DEM	HICP, preliminary	m/m|y/y	Nov	...|0.2%	*0.1%|0.3%*	0.0%|0.2%
Tue	01-Dec	2:00	CNY	PMI manufacturing	Index	Nov	50.1	*49.9*	49.8
		2:45	CNY	Caixin Manufacturing PMI	Index	Nov	48.8	*48.3*	48.3
		11:00	EUR	Unemployment	%	Oct	10.8%	*10.8%*	10.8%
		16:00	USD	ISM manufacturing	Index	Nov	50.3	*50.5*	50.1
		18:45	USD	Fed's Evans (voter, dovish) speaks					
Wed	02-Dec	2:00	USD	Fed's Brainard (voter, dovish) speaks					
		11:00	EUR	HICP - core, flash estimate	%	Nov	1.0%	*1.1%*	1.1%
		11:00	EUR	HICP, flash estimate	y/y	Nov	0.2%	*0.3%*	0.1%
		18:25	USD	Fed's chair Yellen speaks					
Thurs	03-Dec	10:30	GBP	PMI services	Index	Nov	55.0	*55.0*	54.9
		13:45	EUR	ECB announces refi rate	%		0.05%	*0.05%*	0.05%
		13:45	EUR	ECB announces deposit rate	%		-0.40%	*-0.30%*	-0.20%
		14:30	EUR	ECB's Draghi speaks at press conference					
		16:00	USD	Fed's chair Yellen speaks					
		16:00	USD	ISM non-manufacturing	Index	Nov	58.0	*58.0*	59.1
		19:10	USD	Fed's S.Fischer (voter, neutral) speaks					
Fri	04-Dec	8:00	DEM	Factory orders	m/m|y/y	Oct	1.4%|...	*1.0%|-2.1%*	-1.7%|-1.0%
		14:30	USD	Non farm payrolls	1000	Nov	175	*200*	271
		14:30	USD	Average hourly earnings, non-farm	m/m|y/y	Nov	0.3%|2.3%	*0.2%|2.3%*	0.4%|2.5%
		14:30	USD	Unemployment	%	Nov	5.0%	*5.0%*	5.0%
Scandi movers									
Mon	30-Nov	9:00	DKK	GDP, preliminary	q/q|y/y	3rd quarter	0.0%|...	*0.0|...*	0.2%|...
		9:30	SEK	GDP	q/q|y/y	3rd quarter	0.2%|3.2%		1.1%|3.3%
		9:30	SEK	Wages (blue collars/white collars)	y/y	Sep			2.4%
Tue	01-Dec	9:00	NOK	PMI manufacturing	Index	Nov			48.3
Wed	02-Dec	16:00	DKK	Currency reserves	DKK bn	Nov		*466.6*	491.6
Fri	04-Dec	10:00	NOK	Norges Bank Regional Network Report: Output next	Index score	Nov	-0.05		0.06

Source: Bloomberg, Danske Bank Markets

Global Macro and Market Themes

More signs of stronger euro growth in 2016

The past week provided more signs that the euro area economy is regaining momentum after a moderate soft patch during the autumn on the back of the emerging market turmoil. First, composite PMI for November showed an encouraging increase suggesting growth will move to a 2% growth pace in early 2016. Second, the German ifo business survey beat expectations again and showed another solid rise, suggesting German activity is rebounding following some weakness in the industrial sector in Q3. Third, M1 growth rose by 13.9% in October, keeping real M1 growth at levels pointing to very robust growth in 2016 (see chart below). Real M1 growth has proved one of the best leading indicators for the euro area economy with a lead of around nine months.

Signs of reacceleration in growth are also supported by our MacroScope lead models for the euro area, which turned more positive in the latest update (see *Strategy: Global recovery but China deleveraging a drag further out*, 20 November). Looking ahead, we look for a reacceleration in euro area growth towards a 2% pace, supported by still robust real wage gains, decent credit growth, a weak euro and a turn in the global industrial cycle.

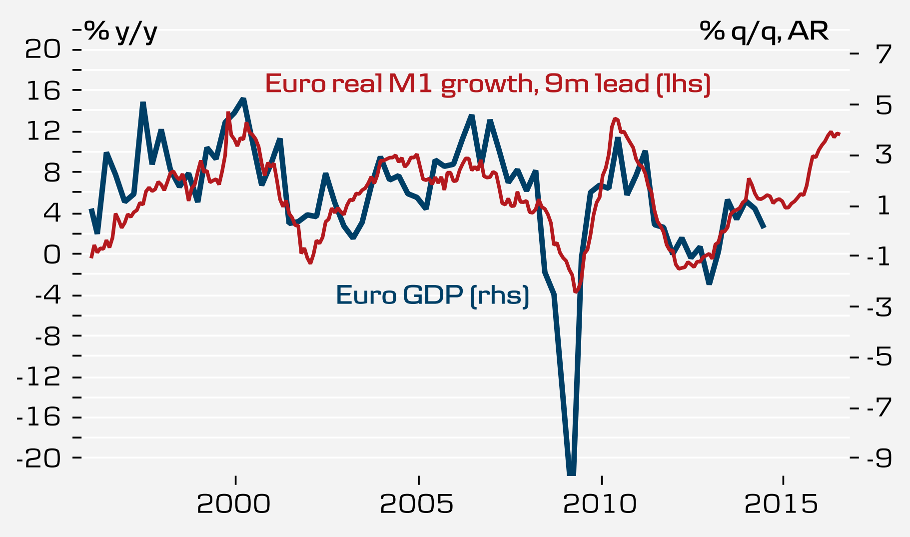
Details on German GDP also revealed that growth in Q3 was held up by a 1.3% q/q gain in public consumption, which is probably related to the inflow of refugees. Private investment on the other hand fell for the second quarter in a row – a likely response to the uncertainty related to the emerging market turmoil over the summer and early autumn months.

As we argued two weeks ago, we expect euro risk assets to see rising support from a range of factors with the most important ones being a reacceleration in growth and renewed ECB easing, which we expect next week (see *Strategy: Euro risk assets supported by QE2 and recovery*, 13 November).

Key points

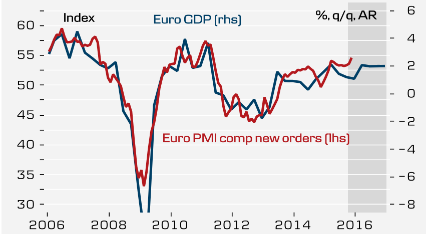
- Euro area growth set to reaccelerate.
- ECB preparing to cut…
- …while the Fed is ready for lift-off.
- Bond yield set to move higher.
- China bottoming but medium-term challenges remain.
- CNY under increased pressure – more in store.

Strong signals from euro money growth



Source: Bloomberg, Danske Bank Markets

PMI rebound points to reacceleration



Source: Macrobond Financial, Danske Bank

ECB preparing to cut…

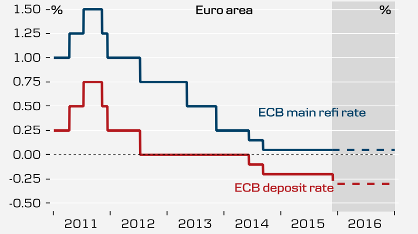
A Reuters' story on Wednesday fuelled further expectations that the ECB is preparing a deposit rate cut at the meeting next week and considering a two-tier deposit rate system as in Denmark and Switzerland, where the deposit rate is -75bp. A two-tier system with two levels of deposit rates, where a certain amount can be placed at a higher level, works to ease the burden on the banking sector of negative deposit rates. As banks are reluctant to pass negative rates on to customers, the cost for the banks rises the more negative the rate is. In a document published yesterday, we look at the Danish experience with a two-tier deposit system (see *ECB Research: ECB and two-tier deposit rate system – the Danish lesson*, 26 November).

The Danish experience shows that it is definitely possible and it benefits the banking system. However, it could create negative side effects in terms of a higher spread between the overnight rate and the lowest deposit rate and larger volatility in fixings. In the DKK market, the uncertainty has been transferred into other short-term money-market rates.

For the EUR market, we would expect a smaller effect on the Eonia rate but it could result in a slightly higher spread to the lower deposit rate. However, as in Denmark, the key determinants would be (1) the spread between the two deposit rates, (2) the amount of excess liquidity and the fraction that can be placed at the two rates and (3) banks' willingness/ability to lend excess liquidity to each other (fragmentation).

In our view, a clear sign that the ECB will cut deposit rates next week is that it has done nothing to talk against the market, which has been priced for a cut for some time now. On the contrary, signals have continued to be quite dovish from ECB president Mario Draghi and the ECB Chief Economist Peter Praet.

ECB set to cut further into negative territory



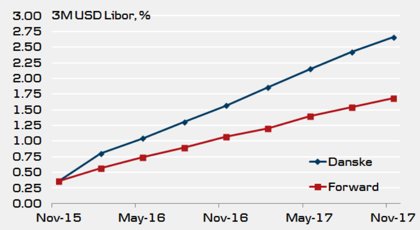
Source: Bloomberg, Danske Bank Markets

…while Fed is preparing to hike

Moving across the Atlantic, eyes are turned in opposite direction as the Fed is getting ready for lift-off at its 16 December meeting. Data continues to point to a 2.0-2.5% growth pace continuing in Q4 and into next year and, with potential growth having falling quite strongly over the past few years, this is enough to lead to a further reduction in labour market slack and thus upward pressure on wage growth. Global uncertainty has also been reduced quite substantially recently, with signs of China bottoming and emerging markets having calmed down. With the latest strong employment report showing an upturn in wage growth, it is clear that time has come for the Fed to start lift-off.

While we expect the Fed to emphasise a very gradual hiking pace, it will also highlight that it is data dependent and we see a clear risk that it will continue to underestimate the decline in unemployment next year, as it has done over the past few years due to an expected rise in the participation rate, which has not materialised. Thus, the Fed might very well be challenged next year on its aim to move as gradually as it projects. For the December meeting though, this will be the message – partly to avoid too big a market reaction when the Fed lifts rates for the first time since 2006.

The market is still pricing a too soft path for Fed rates



Source: Macrobond Financial, Danske Bank

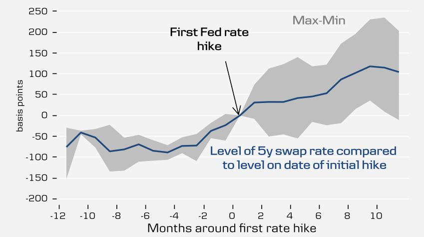
Bond yields set to move higher next year

If the Fed hikes at the December meeting, the market is pricing only two further hikes of 25bp in 2016. While the Fed may move gradually, we believe it is unlikely it will be able to settle on only two hikes. In contrast, our forecast is four hikes, with 25bp every second meeting. This would still be the most gradual hiking path in history.

Thus, we look for a further rise in US two-year yields in H1, which would spill over to longer maturities as well. However, we expect the yield curve to flatten and by more than the market is expecting.

In the euro area, we could also be close to an inflection point in the bond market. It is not unusual that bond yields trough when the market perceives we have had the last easing from the central bank. As we expect quite aggressive easing from the ECB at the December meeting, this may very well be the last shot from the ECB. In combination with a reacceleration in growth and a gradual rise in inflation in H1 (due to base effects), **we see scope for a bottom in German yields soon, with a moderate rise over the next six months.** Also, bear in mind that the market is already quite aggressively priced for rate cuts.

US yields normally rise further after the first Fed hike



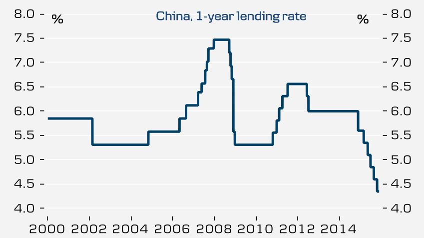
Source: Macrobond Financial, Danske Bank

China bottoming but medium-term challenges remain

Having just come back from a week in China, a clearer picture of the world's now biggest economy has emerged (as clear as it can get). The main takeaways from the trip were the following (see also *China Comment: Takeaways from trip to Hong Kong and Beijing*, 26 November).

- China is generally expected to see short-term stabilisation and moderate recovery.
- Medium term, China still struggles with three big structural challenges: (a) substantial overcapacity in many sectors, (b) debt overhang and (c) a difficult rebalancing process.
- Chinese rebalancing is a strong focus, which is likely to continue in coming years.
- More interest rate cuts and cuts in the reserve requirement ratio (RRR) are likely.
- Financial reforms accelerated this year. We expect this to continue in coming years.

China may cut rates further to ease the debt burden



Source: Macrobond Financial, Danske Bank

Have our views changed after the trip? Both yes and no. To a wide extent, the messages were in line with our baseline story. However, our concern over overcapacity has probably increased, suggesting the medium-term drag from this factor will take longer than expected and that the rebalancing process will be difficult and very disruptive for the Chinese economy. However, disruption is not allowed due to fear of social unrest and hence the pain is likely to be dragged out. Our view on interest rates that there would be no further cuts has also been challenged and we are likely to pencil in more rate cuts in coming weeks. However, we still see a collapse in Chinese growth and/or a banking crisis as very unlikely. China has extremely deep pockets after many years of substantial current account surpluses and accumulation of currency reserves and, in our view, it will manage a soft landing. However, as we have argued, a soft landing for China is felt as a very hard landing in many countries that have exposure to the 'old' industries and to commodity demand, with Brazil being a prime example.

CNY depreciation pressure set to continue with spillover to stocks

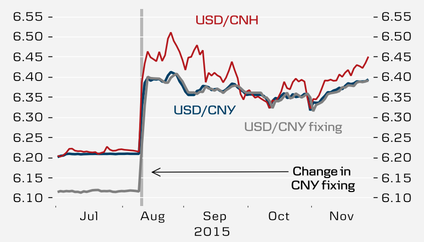
Chinese stocks are sharply lower overnight with onshore stocks down 5.5-6.0% and offshore stocks down 2.6%. What is weighing on the market? Four factors are in play: (1) market regulator CSRC will probe violations in supervision and management regulation for broker Citic Securities, (2) speculation has increased that the CNY will depreciate on the other side of China's inclusion in the SDR expected over the next month, (3) weak industrial profit data was released this morning (although this should not be a surprise) and (4) profit taking after a quite strong rally since September in onshore market (Shenzen index up more than 30% since then).

We think the CNY will continue to be under pressure in the short term and look for more weakening. However, the People's Bank of China will not allow it to weaken too much or too fast. We believe we are likely to see increased intervention in coming months. Several hedge funds and investors seem to be speculating on a marked depreciation through the CNH market (offshore CNY), which also explains why the CNH-CNY spread keeps moving out (at 0.06 this morning, the highest level since early September). China will need to show its hand on the other side of the SDR inclusion and, in our view, will once again be willing to prove that it does not intend to go for a big devaluation. We believe it will do this but it will probably require a lot of intervention and we are likely to see a further decline in the FX reserve over the next two to three months – after some stabilisation set in recently.

It is interesting to see how far China will allow the CNH-CNY spread to go. It is a requirement of the IMF with regard to SDR inclusion that this spread is kept close to zero. China has intervened several times in the offshore market. If it refrains from this now, it could put further upward pressure on the CNH-CNY spread. However, we think it will soon step in, although currently it seems to be a big flow it is up against.

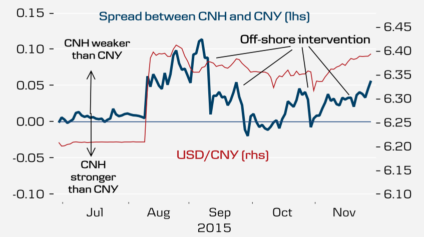
Our forecast for CNY on a 12-month horizon is still for a weakening of 4-5%, with the risk of a bigger depreciation if the EUR/USD continues lower in coming quarters (in contrast with our view of a bottom). The stock market is likely to stay under pressure in the short term as long as the depreciation speculation is ongoing, as we expect foreign investors to become more defensive after the recent rally.

CNY and CNH moving higher



Source: Macrobond Financial, Danske Bank

CNH-CNY spread rising further



Source: Macrobond Financial, Danske Bank

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 bottoming, higher medium term	ECB has opened the door for new rate cuts and more QE, whereas tight labour market points to Fed hikes in Dec 15
US-Euro spread: Wider	Policy divergence to widen spread
Peripheral spreads to tighten further from here	QE, ECB rate cuts, improving fundamentals and search for yield
Spreads to stay stable/tighten as central bank boosts liquidity	ECB support but emerging markets' instability the risk
FX	
EUR/USD - lower in 3M, rebound further out	Relative rates to weigh near term, then rebound on no renewed policy divergence and strong EUR fundamentals
USD/JPY - slightly higher near term, range medium term	Even with unchanged BoJ measures relative rates will continue to support the cross with Fed hikes coming up
EUR/SEK - stuck between 9.20-9.50 near term, lower medium term	Battle between Riksbank and ECB for now, further out EUR/SEK to fall on Swedish growth outperformance
EUR/NOK - higher short term, then lower	Relative rates and liquidity to cap downside short term but eventually lower on positioning and fundamantals
Commodities	
Oil prices - downwards pressure near-term, recovery in 2016	Rebalancing to support recovery next year. Geopolitical risk factor looming
Metal prices - staying low	Chinese manufacturing slowdown to cap upside. Consolidation in mining industry puts a floor under prices
Gold prices - flat near term	Low oil price and Fed getting ready to hike keeps a lid on gold price
Agricultural risks remain on the upside	Trending up again, El Niño weather this year is key upside risk

Source: Danske Bank Markets

Scandi Update

Denmark – Weak Q3 GDP numbers in prospect

The inventory data for Q3 published this week by Statistics Denmark show that inventory investment will make a slight negative contribution of 0.1pp to GDP growth in Q3. With the data we now have for inventories, private consumption and exports, there is much to suggest that GDP growth could be negative in Q3. On a brighter note, Statistics Denmark's monthly employment figures revealed a seasonally adjusted increase of 3,200 in the number of people in work from August to September, continuing the upward trajectory of the past couple of years. It is good news for the Danish economy that employment has continued to climb despite the slowdown in China and financial turmoil in August and September.

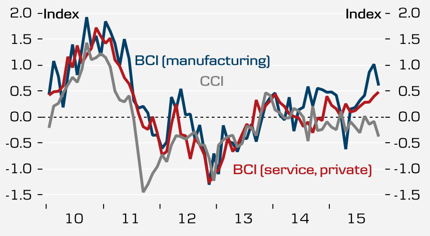
Employment continues to rise

Source: Statistics Denmark

Sweden – A bunch of anecdotal evidence

During the past week, we have received trade balance data, retail sales data, the NIER's surveys on business and consumer confidence etc. Our overall take away is that a slight deceleration is currently underway, but as far as the consumer and domestic sectors are concerned, this was expected by us. Worse though, is that this deceleration is also visible in export sectors, which we had thought would continue on a strong note as the weak krona should shield them from adverse external developments. Exactly why these developments have occurred is not yet clear-cut. We do not draw any strong conclusions at the moment, but this issue deserves close monitoring going forward.

Somewhat slower momentum

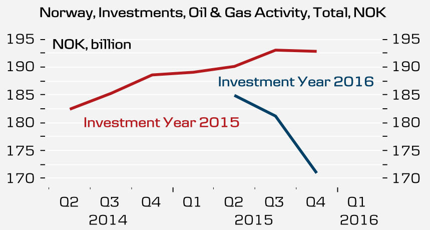


Source: National Institute for Economic Research

Norway – Oil investment as expected

The oil companies now expect investment in the Norwegian sector of around NOK171bn in 2016, which is around NOK10bn less than in the previous survey in August. In other words, oil investment is expected to fall by 11% in 2016, which is only marginally more than the 10% that both Norges Bank and we had forecast. This considerably reduces the downside risk to the Norwegian economy, even though it means that the negative contribution from the oil sector should be almost as large as this year. Based on actual levels in Q3, however, it also means that we are not a million miles away from seeing oil investment – and so growth in the Norwegian economy – bottoming out. How things pan out after 2016 will depend largely on what happens to oil prices next year, but much of the uncertainty about 2016 has now been eliminated, in our view. Furthermore, it means that oil investment should not be a key factor at the rate-setting meeting in December.

Oil investment is set to fall, as expected



Source: Macrobond Financial

Latest research from Danske Bank Markets

27/11 Research US: Don't expect a rebound in the participation rate

It is tempting to ascribe the falling participation rate in the US to the downturn in growth but this conclusion would be wrong, in our view.

26/11 China Comment: Takeaways from trip to Hong Kong and Beijing

In this note we give an overview of the key takeaways from a trip to China during which we talked to banks, institutions and corporates.

20/11 Russian output and demand: heading for improvement

Russia's output indicators signal marginal improvement.

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	0.5	4.7	-1.9	38.4	6.6
	2016	1.9	2.1	0.2	2.6	0.3	3.0	2.9	1.4	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 vsSEK
USD	27-Nov	0.25	0.41	0.99	2.08	106.2	-	872.9
	+3m	0.50	0.80	1.25	2.55	102.0	-	921.6
	+6m	0.75	1.04	1.55	2.70	106.0	-	877.4
	+12m	1.25	1.57	1.95	3.00	116.0	-	775.9
EUR	27-Nov	0.05	-0.11	-0.12	0.83	-	106.2	927.3
	+3m	0.05	-0.23	-0.15	0.95	-	102.0	940.0
	+6m	0.05	-0.23	-0.15	1.05	-	106.0	930.0
	+12m	0.05	-0.23	-0.10	1.35	-	116.0	900.0
JPY	27-Nov	0.10	0.07	0.10	0.45	130.0	122.4	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	27-Nov	0.50	0.57	0.96	1.81	70.4	150.9	1317.0
	+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	27-Nov	-0.75	-0.81	-0.93	0.01	108.7	102.3	853.1
	+3m	-0.85	-	-	-	107.0	104.9	878.5
	+6m	-0.85	-	-	-	110.0	103.8	845.5
	+12m	-0.85	-	-	-	112.0	96.6	803.6
DKK	27-Nov	0.05	-0.16	0.09	1.15	746.0	702.2	124.3
	+3m	0.05	-0.17	0.05	1.30	745.5	730.9	126.1
	+6m	0.05	-0.17	0.05	1.35	745.5	703.3	124.7
	+12m	0.05	-0.17	0.10	1.60	745.5	642.7	120.7
SEK	27-Nov	-0.35	-0.42	-0.31	1.29	927.3	872.9	-
	+3m	-0.45	-0.40	-0.35	1.45	940.0	921.6	-
	+6m	-0.45	-0.40	-0.40	1.50	930.0	877.4	-
	+12m	-0.45	-0.35	-0.30	1.60	900.0	775.9	-
NOK	27-Nov	0.75	1.16	0.91	1.79	920.2	866.1	100.8
	+3m	0.75	1.00	1.05	1.90	940.0	921.6	100.0
	+6m	0.75	1.00	1.10	2.00	925.0	872.6	100.5
	+12m	0.75	1.00	1.10	2.30	880.0	758.6	102.3

Equity markets

Regional		Risiko profil 3 mdr.	Pris trend 3 mdr.	Pris trend 12 mdr.	Regionale rekommen-dationer
USA (USD)	Stark dollar, måttlig vinsttillväxt, hög värdering,	Medium	0-5%	5-8%	Undervikt
Emerging markets (lokal valuta)	EM under press efter endringer i Kina's valutapolitikk	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	Vinsttllväxt, dyr värdering	Medium	0-%	5-10%	Övervikt

Commodities

		2015				2016				Average	
	27-Nov	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2015	2016
NYMEX WTI	42	49	58	47	45	47	52	57	62	50	55
ICE Brent	45	55	63	52	48	51	56	61	66	55	59
Copper	4,636	5,808	6,043	5,380	5,000	5,300	5,500	5,700	5,900	5,558	5,600
Zinc	1,604	2,091	2,188	1,860	1,700	1,800	1,900	2,000	2,100	1,960	1,950
Nickel	9,195	14,410	13,065	10,650	9,800	10,000	11,000	12,000	13,000	11,981	11,500
Aluminium	1,501	1,813	1,787	1,625	1,525	1,600	1,700	1,800	1,900	1,688	1,750
Gold	1,068	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	386	360	370	374	380	370	370	380	390	371	378
CBOT Wheat	479	523	505	512	510	510	530	540	550	513	533
CBOT Corn	366	385	367	383	375	375	400	410	420	377	401
CBOT Soybeans	875	990	966	950	875	875	900	925	950	945	913

Source: Danske Bank Markets

Calendar

Key Data and Events in Week 49

During the week				Period	Danske Bank	Consensus	Previous
Sun 29	EUR	EU summit in Brussels					
Tue 01 - 07	JPY	Official reserves assets	USD bn	Nov			1244.2
Monday, November 30, 2015				Period	Danske Bank	Consensus	Previous
0:50	JPY	Industrial production, preliminary	m/m|y/y	Oct		1.8%|-0.9%	1.1%|-0.8%
0:50	JPY	Large retailers' sales	y/y	Oct		3.0%	1.7%
0:50	JPY	Retail trade	m/m|y/y	Oct		0.3%|0.9%	0.8%|-0.1%
6:00	JPY	Housing starts	y/y	Oct		2.6%	2.6%
9:00	DKK	GDP, preliminary	q/q|y/y	3rd quarter	0.0%|...	0.0|...	0.2%|...
9:00	DKK	Gross unemployment s.a.	K (%)	Oct	(4.6%)	122K (4.6%)	122K (4.6%)
9:00	ESP	Retail sales	y/y	Oct			4.3%
9:00	CHF	Total sight deposits	CHF bn				468.3
9:30	SEK	GDP	q/q|y/y	3rd quarter	0.2%|3.2%		1.1%|3.3%
9:30	SEK	Wages (blue collars/white collars)	y/y	Sep			2.4%
10:00	NOK	Credit indicator (C2)	y/y	Oct	5.5%		5.6%
10:00	NOK	Norges Bank's daily FX purchases	m	Dec	0		-700
10:30	GBP	Mortgage approvals	1000	Oct		69.9	68.9
10:30	GBP	Broad money M4	m/m|y/y	Oct			-1.0%|-0.6%
11:00	ITL	HICP, preliminary	m/m|y/y	Nov	...|0.4%	-0.1%|0.3%	0.5%|0.3%
12:00	EUR	Portugal, GDP, final	q/q|y/y	3rd quarter			0.0%|1.4%
14:00	DEM	HICP, preliminary	m/m|y/y	Nov	...|0.2%	0.1%|0.3%	0.0%|0.2%
15:45	USD	Chicago PMI	Index	Nov		54.0	56.2
16:00	USD	Pending home sales	m/m|y/y	Oct		1.5%|...	-2.3%|2.5%
Tuesday, December 1, 2015				Period	Danske Bank	Consensus	Previous
-	USD	Total vechicle sales	m	Nov		18	18.12
2:00	CNY	PMI manufacturing	Index	Nov	50.1	49.9	49.8
2:00	CNY	PMI non-manufacturing	Index	Nov			53.1
2:35	JPY	Nikkei Manufacturing PMI, final	Index	Nov			52.8
2:45	CNY	Caixin service PMI	Index	Nov	52.0		52.0
2:45	CNY	Caixin Manufacturing PMI	Index	Nov	48.8	48.3	48.3
4:30	AUD	Reserve Bank of Australia rate decision	%		2.0%	2.0%	2.0%
7:45	CHF	GDP	q/q|y/y	3rd quarter		0.2%|0.8%	0.2%|1.2%
8:30	SEK	PMI manufacturing	Index	Nov	53.5		53.5
9:00	NOK	PMI manufacturing	Index	Nov			48.3
9:15	CHF	Retail sales	y/y	Oct			0.2%
9:15	ESP	PMI manufacturing	Index	Nov	51.7		51.3
9:30	CHF	PMI manufacturing	Index	Nov		50.5	50.7
9:45	ITL	PMI manufacturing	Index	Nov	54.4		54.1
9:50	FRF	PMI manufacturing, final	Index	Nov	50.8	50.8	50.8
9:55	DEM	PMI manufacturing, final	Index	Nov	52.6	52.6	52.6
9:55	DEM	Unemployment	%	Nov	6.4%	6.4%	6.4%
10:00	EUR	PMI manufacturing, final	Index	Nov	52.8	52.8	52.8
10:30	GBP	PMI manufacturing	Index	Nov	53.0	53.6	55.5
11:00	EUR	Unemployment	%	Oct	10.8%	10.8%	10.8%
11:00	ITL	GDP, final	q/q|y/y	3rd quarter			0.2%|0.9%
14:30	CAD	GDP	m/m|y/y	Sep		0.1%|...	0.1%|0.9%
15:45	USD	Markit manufacturing PMI, final	Index	Nov		52.6	52.6
16:00	USD	Construction spending	m/m	Oct		0.5%	0.6%
16:00	USD	ISM manufacturing	Index	Nov	50.3	50.5	50.1
16:00	USD	ISM prices paid	Index	Nov		40.0	39.0
18:45	USD	Fed's Evans (voter, dovish) speaks					

Source: Danske Bank Markets

Calendar - continued

Wednesday, December 2, 2015				Period	Danske Bank	*Consensus*	Previous
-	PLN	Polish central bank rate decision	%		**1.5%**	*1.5%*	1.5%
1:30	AUD	GDP	q/q|y/y	3rd quarter		*0.7%|2.3%*	0.2%|2.0%
2:00	USD	Fed's Brainard (voter, dovish) speaks					
9:00	DKK	House and apartment prices		Sep			
9:30	SEK	Current account	SEK bn	3rd quarter			58.4
10:30	GBP	PMI construction	Index	Nov		*58.6*	58.8
11:00	EUR	PPI	m/m|y/y	Oct		*-3.2%|-0.4%*	-3.1%|-0.3%
11:00	EUR	HICP - core, flash estimate	%	Nov	**1.0%**	*1.1%*	1.1%
11:00	EUR	HICP, flash estimate	y/y	Nov	**0.2%**	*0.3%*	0.1%
13:00	USD	MBA Mortgage Applications	%				-3.2%
14:10	USD	Fed's Lockhart (voter, neutral) speaks					
14:15	USD	ADP employment	1000	Nov		*190*	182
14:30	USD	Unit labour cost, final	q/q	3rd quarter		*1.0%*	1.4%
16:00	DKK	Currency reserves	DKK bn	Nov		*466.6*	491.6
16:00	CAD	Bank of Canada rate decision	%		**0.5%**	*0.5%*	0.5%
16:30	USD	DOE U.S. crude oil inventories	K				961
18:25	USD	Fed's chair Yellen speaks					
21:40	USD	Fed's Williams (voter, neutral) speaks					

Thursday, December 3, 2015				Period	Danske Bank	*Consensus*	Previous
1:30	AUD	Trade balance	AUD m	Oct	**-2600**	*-2500*	-2317
2:35	JPY	Markit PMI services	Index	Nov			52.2
7:30	FRF	ILO unemployment	%	3rd quarter		*10.4%*	10.3%
8:30	SEK	PMI services	Index	Nov	**58.0**		57.5
9:15	ESP	PMI services	Index	Nov	**56.4**		55.9
9:45	ITL	PMI services	Index	Nov	**53.9**		53.4
9:50	FRF	PMI services, final	Index	Nov	**51.3**	*51.3*	51.3
9:55	DEM	PMI services, final	Index	Nov	**55.6**	*55.6*	55.6
10:00	EUR	PMI composite, final	Index	Nov			54.4
10:00	EUR	PMI services, final	Index	Nov	**54.6**	*54.6*	54.6
10:30	GBP	PMI services	Index	Nov	**55.0**	*55.0*	54.9
10:30	GBP	PMI composite	Index	Nov			55.4
11:00	EUR	Retail sales	m/m|y/y	Oct	**0.2%|...**	*0.2%|2.8%*	-0.1%|2.9%
11:15	NOK	Norway's Olsen speaks in Kristiansund					
13:45	EUR	ECB announces refi rate	%		**0.05%**	*0.05%*	0.05%
13:45	EUR	ECB announces deposit rate	%		**-0.40%**	*-0.30%*	-0.20%
14:30	USD	Initial jobless claims	1000				260
14:30	EUR	ECB's Draghi speaks at press conference					
14:40	USD	Fed's Mester (non-voter, hawkish) speaks					
15:45	USD	Markit service PMI, final	Index	Nov			56.5
15:45	USD	Markit composite PMI, final	Index	Nov			56.1
16:00	USD	Fed's chair Yellen speaks					
16:00	USD	ISM non-manufacturing	Index	Nov	**58.0**	*58.0*	59.1
16:00	USD	Durable goods orders, final	m/m	Oct			3.0%
16:00	USD	Factory orders	m/m	Oct		*1.0%*	-1.0%
19:10	USD	Fed's S.Fischer (voter, neutral) speaks					

Source: Danske Bank Markets

Calendar - continued

Friday, December 4, 2015				Period	Danske Bank	*Consensus*	Previous
-	EUR	S&P may publish Ireland's debt rating					
-	OPC	OPEC meeting, Vienna					
1:30	AUD	Retail sales	m/m	Oct		*0.4%*	0.4%
2:30	JPY	Labor cash earnings	y/y	Oct		*0.4%*	0.4%
6:00	JPY	Consumer confidence	Index	Nov		*41.7*	41.5
8:00	DEM	Factory orders	m/m|y/y	Oct	**1.4%|...**	*1.0%|-2.1%*	-1.7%|-1.0%
9:00	DKK	Forced sales (s.a.)	Number	Nov			
9:00	DKK	Bankruptcies (s.a.)	Number	Nov			
9:15	CHF	CPI	m/m|y/y	Nov		*0.0%|-1.3%*	0.1%|-1.4%
9:30	SEK	Industrial production s.a.	m/m|y/y	Oct	**...|3.5%**		2.0%|6.3%
9:30	SEK	Service production	m/m|y/y	Oct			0.1%|1.4%
9:30	SEK	Industrial orders	m/m|y/y	Oct			22.3%|32.8%
10:00	NOK	Norges Bank Regional Network Report: Output next 6M	Index score	Nov	**-0.05**		0.06
14:30	CAD	Net change in full time employment	1000	Nov			9
14:30	USD	Non farm payrolls	1000	Nov	**175**	*200*	271
14:30	USD	Average hourly earnings, non-farm	m/m|y/y	Nov	**0.3%|2.3%**	*0.2%|2.3%*	0.4%|2.5%
14:30	USD	Unemployment	%	Nov	**5.0%**	*5.0%*	5.0%
14:30	USD	Private payrolls	1000	Nov	**175**	*190*	268
14:30	USD	Manufacturing payrolls	1000	Nov	**-10**	*0*	0
14:30	USD	Average weekly hours	Hours	Nov		*34.5*	34.5
14:30	USD	Trade balance	USD bn	Oct		*-40.7*	-40.8
21:45	USD	Fed's Bullard (non-voter, hawkish) speaks					
22:00	USD	Fed's Kocherlakota (non-voter, dovish) speaks					

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Source: Danske Bank Markets

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