



Week Ahead

24 May – 30 May



Nordea Research, 23 May 2014

Next week's key events

- **Euro area**

Results of the European Parliament elections will be published late Sunday evening. Data-wise it will be a calm week with (weak) lending and credit flow data as well as sentiment data from the European Commission on Wednesday.

- **Sweden**

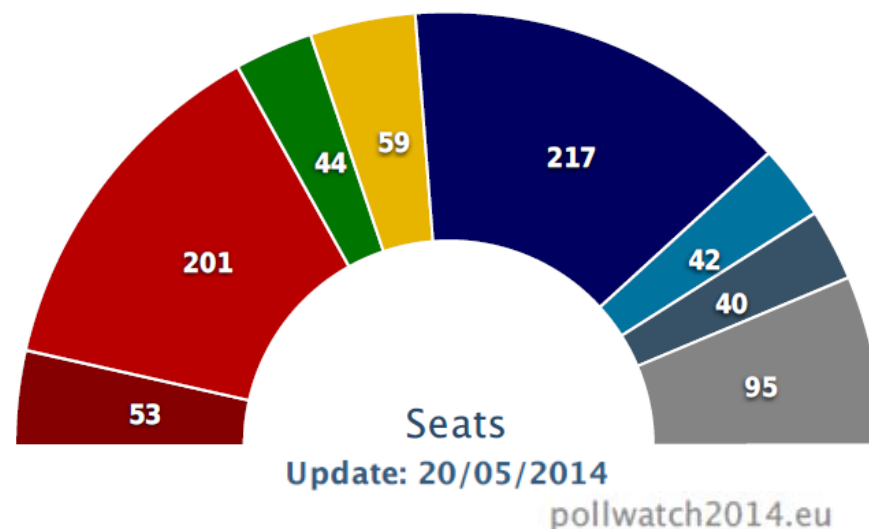
GDP to edge down by 0.2% q/q in Q1 according to our forecast. This implies a year-on-year figure at 2.1%. Our call is weaker than the Riksbank's view (+0.2% q/q and 2.5% y/y).

- **Norway**

We expect April retail sales (Wed 10:00) to decrease by 0,2 % m/m s.a. Retail sales increased by 1,0 % in March, but we are suspicious that the figure was affected by the Easter even though Statistics Norway have models to correct for this.

EP elections: EU/euro-sceptics moving forward (*Sunday*)

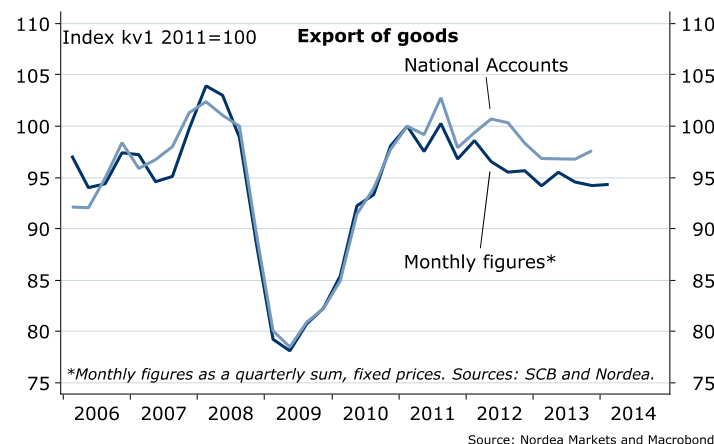
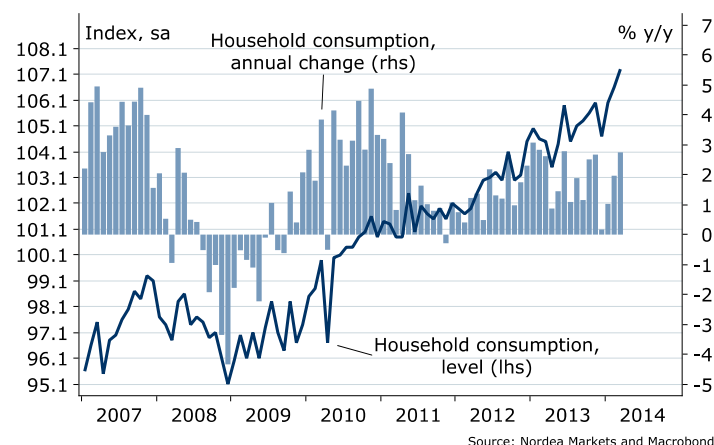
European United Left (e.g. Greek Syriza, French Communist Party, German Die Linke)	GUE-NGL: 52
Social Democrats (e.g. SPD, Labour Party)	S&D: 209
Greens and regionalist parties	Greens/EFA: 38
Liberals (e.g. UK Liberal Democrats, German FDP, Danish Venstre)	ALDE/ADLE: 63
European People's Party (e.g. German CDU, French UMP)	EPP: 212
European Conservatives and Reformists (e.g. UK Tories, Polish PiS)	ECR: 43
Europe of Freedom and Democracy (e.g. UKIP, the Finns Party, Dansk Folkeparti)	EFD: 39
Non-attached (e.g. Front National, Dutch PVV, Austrian FPÖ, Vlaams Belang)	NI: 95



- EU/euro-sceptic or populist movements (now some 15% of seats) will get a lot more, maybe up to 30 %
- These movements are not united but heterogeneous and usually bad in forging effective coalitions
- Success of the “extremists” will bring the moderates (Conservatives, Social Democrats, Liberals) closer together, so that the EP will not become dysfunctional
- However, in countries such as France, Italy or Greece, a strong result for EU/euro-sceptic parties could reduce the willingness and/or ability of governments to deliver reforms

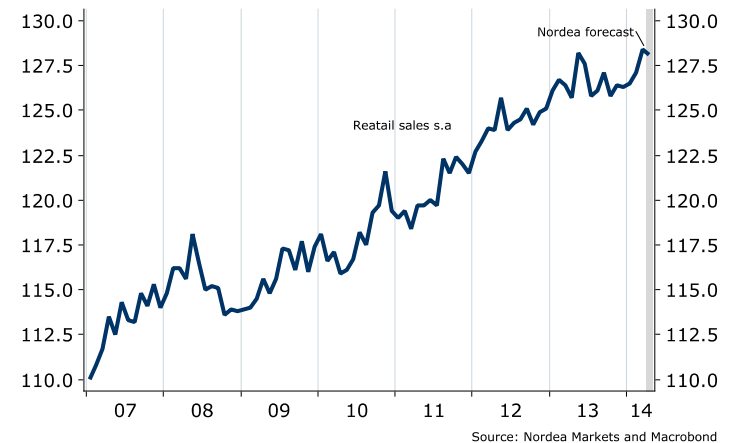
Sweden: Weak Q1 GDP but no need to worry (Friday)

- GDP to edge down by 0.2% q/q in Q1 according to our forecast. This implies a year-on-year figure at 2.1%. Our call is weaker than the Riksbank's view (+0.2% q/q and 2.5% y/y).
- Exports remained weak in Q1 while household consumption showed continued momentum in growth.
- The drop in Q1 should be seen on the back of the hefty rise by 1.7% q/q in Q4. Thus, the trend remains healthy and the recovery is on track.
- The Riksbank will probably draw the same conclusion. We see a rate cut by 25bp more or less as a done deal.



Norway: Small drop in retail sales (*Wednesday*)

- We expect **April retail sales (Wed 10:00)** to decrease by 0,2 % m/m s.a.
- Retail sales increased by 1,0 % in March, but we are suspicious that the figure was affected by the Easter even though Statistics Norway have models to correct for this.
- We therefore have to look at the March and April figures together. If we are right the two months still points to fairly strong growth in retail sales.
- The rebound must be seen in relation to the weak trend through 2013 and we think the development is in line with our view of modest growth in private consumption.
- Recent growth in retail sales has been on the upside to Norges Bank. We think however Norges Bank judge this as a correction of the weak trend in 2013



Calendar

Sunday 25. May 2014			Nordea	Consensus	Actual	Latest
	BE	Parliament Election	May			
	EU	ECB conference on Central Banks held in Portugal				
	EU	European Parliament Election (22- 25th of May)	May			
Monday 26. May 2014			Nordea	Consensus	Actual	Latest
	MX	Special Holiday				
	GB	Late May Bank Holiday				
08:00	GB	House prices, nationwide (sa, m/m)	May			1.2%
09:30	SE	PPI (m/m)	Apr			- 0.2%
09:30	SE	Retail sales (sa, m/m)	Apr	- 0.7%		1.1%
09:30	SE	Retail sales (y/y)	Apr	5.0%		5.1%
10:00	NO	Mortgage rate, banks and mortgage companies (SSB)	Q1			4.08%
10:00	NO	Speech by Norges Bank Deputy Governor Nicolaisen (Charts Published)				
10:00	PL	Retail sales (y/y) (Exp 23- 26 May)	Apr	9.0%		3.1%
10:00	PL	Unemployment rate (Exp 23- 26 May)	Apr	12.9%		13.5%
13:00	SE	Meeting of the Executive Board of the Riksbank				
Tuesday 27. May 2014			Nordea	Consensus	Actual	Latest
	DE	Retail sales (m/m)	Apr			0.7%
07:45	CH	GDP (q/q)	Q1	0.6%		0.2%
07:45	CH	GDP (y/y)	Q1	2.1%		1.7%
08:45	FR	Consumer confidence	May			85
09:30	SE	Trade balance	Mar			2.6 bn
11:30	ZA	GDP (y/y)	Q1			2.0%
14:00	HU	MNB announces interest rates (Base rate)	Mar	2.50%		2.50%
14:30	US	Durable goods orders (m/m)	Apr	0.4%		2.50%
15:45	US	Markit composite PMI (preliminary)	May			55.6
15:45	US	Markit services PMI (preliminary)	May			55
16:00	US	Consumer confidence	May	83.0		82.3
16:00	US	Richmond Fed manufacturing index	May	4		7
16:30	US	Dallas Fed Man. Activity	May	9.0		11.7
Wednesday 28. May 2014			Nordea	Consensus	Actual	Latest
08:00	DE	Consumer confidence, GfK	Jun			8.5
08:45	FR	Consumer spending (y/y)	Apr			- 1.2%
09:30	SE	Financial market statistics, household lending (y/y)	Apr			5.1%
09:55	DE	Unemployment rate (sa)	May	6.7%		6.7%
10:00	EU	M3 (y/y)	Apr	1.2%	1.2%	1.1%
10:00	NO	Retail sales (m/m)	Apr	- 0.2%		1.0%
11:00	EU	Business climate indicator	May	0.3		0.3
11:00	EU	Consumer confidence	May	- 7.0		- 8.6
12:00	SE	Riksbank's Ingves: Monetary policy and macroprudential policy, published				
14:00	NO	Norges Bank's survey of inflation expectations	Q2			
22:45	BR	BCB announces interest rates (SELIC target)	May	11.00%		11.00%

Calendar

Thursday 29. May 2014					Nordea	Consensus	Actual	Latest
	AU	Ascension Day						
	DK	Ascension Day						
	FI	Ascension Day						
	NO	Ascension Day						
	SE	Ascension Day						
	CH	Ascension Day						
00:30	JP	CPI, national (y/y)				3.3%		1.6%
00:30	JP	CPI, national, excluding food and energy (y/y)				3.1%		1.3%
05:30	JP	Industrial Production (y/y)				-2.0%		0.7%
14:30	US	GDP (q/q annualised, advance)	Q1	-0.5%		-0.2%		0.1%
14:30	US	Jobless claims, initial	May			320k		326k
14:30	US	Personal consumption (q/q annualised, advance)	Q1					3.0%
16:00	US	Home sales, pending (m/m)	Apr			1.6%		3.4%
Friday 30. May 2014					Nordea	Consensus	Actual	Latest
	DK	Day After Ascension						
	EU	OECD Economic Outlook	May					
01:05	GB	Consumer Confidence, Gfk	May			-2		-3
09:00	DK	GDP (y/y, preliminary)	Q1					0.5%
09:00	CH	Leading indicator, KOF	May			102		102
09:30	SE	GDP (sa, q/q) (final)	Q1	-0.2%				1.7%
09:30	SE	GDP (wda, y/y) (final)	Q1	2.1%				3.1%
10:00	NO	Wages, quarterly	Q1					
10:00	PL	GDP (y/y, final)	Q1					3.3%
13:00	IN	GDP (y/y)	Q1					4.7%
14:00	BR	GDP (q/q)	Q1			0.0%		0.7%
14:00	BR	GDP (y/y)	Q1			1.8%		1.9%
14:30	CA	GDP (q/q, annualized)	Q1					2.9%
14:30	US	PCE prices, core (q/q, annualised) (advance)	Q1			0.2%		0.2%
15:15	US	Chicago PMI	May			60		63

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Editor:

Emil Kuch Jørgensen
Junior Analyst
Global Strategy
+45 3333 1502

emil.kuch.jorgensen@nordea.com