



Week Ahead

7 – 13 June



Nordea Research, 6 June 2014

Next week's key events

- **US**

No major events or data from the US.

- **Euro area**

No hugely important data on the agenda in this post ECB-week. Industrial production should rise in April after the small decline in March. Germany will publish final inflation numbers. We expect the very low HICP print for May (0.6% y/y) to be confirmed, as it usually happens. Also French inflation numbers will be out; for the HICP, we expect -0.1% m/m and 0.7% y/y.

- **Norway**

This week Norges Bank will finish its new interest rate forecast to be published 19 June. May CPI (Tues 10:00) will be important. After inflation at 2.5% y/y in April we forecast core inflation to drop to 2.1% in May.

- **Sweden**

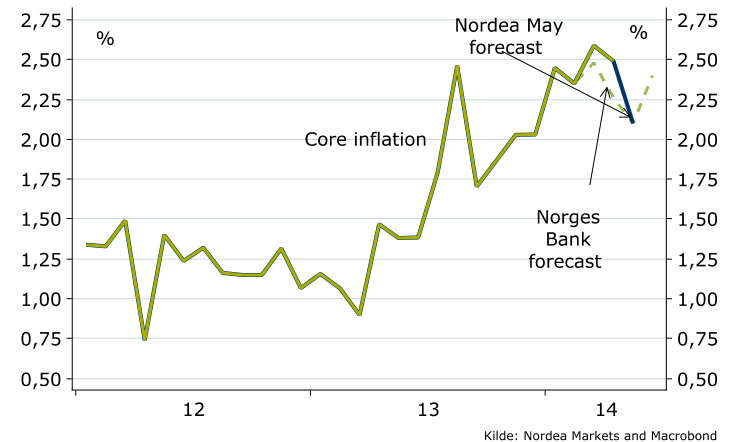
We see CPI unchanged m/m but down 0.2% y/y in May. The year-on-year figure for CPIF will edge down to 0.4% in May from 0.5% April according to our forecast.

- **Japan**

We expect the BoJ to maintain the current policy stance at its June meeting.

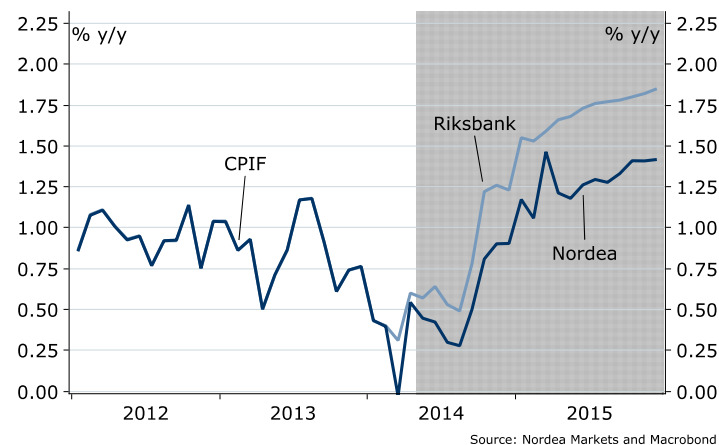
Norway: The week before the week (*Tuesday*)

- This week Norges Bank will finish its new interest rate forecast to be published 19 June.
- **May CPI (Tues 10:00)** will be important. After inflation at 2.5% y/y in April we forecast core inflation to drop to 2.1% in May.
- If we are right core inflation will be back on Norges Bank's forecast after being 0.2% points above its forecast in April.
- Airfares pull down y-o-y growth by 0.3% points due the timing of national holidays (both in April and May, but we will not bore you with that story).
- If we are right Norges Bank will conclude that inflation has been as forecasted.
- **The first survey of the oil companies investment plans for 2015 (Thur 10:00)** will have an impact on the rate forecast if it indicates growth significantly different from Norges Bank forecast for about unchanged investment from 2014 to 2015.



Sweden: Inflation to remain below Riksbank's view (Thursday)

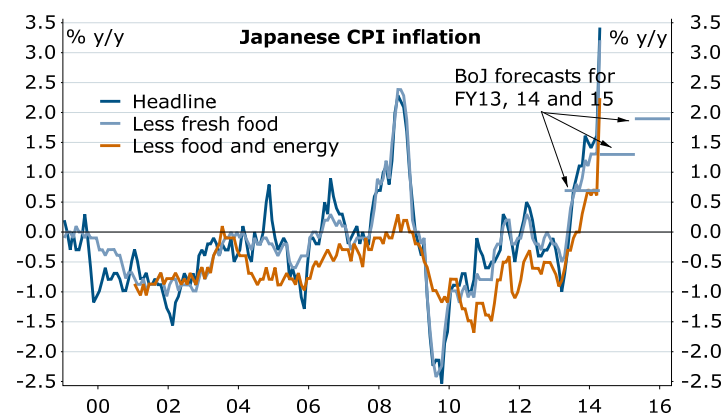
- We see CPI unchanged m/m but down 0.2% y/y in May. The year-on-year figure for CPIF will edge down to 0.4% in May from 0.5% April according to our forecast.
- Inflation thus remains below the Riksbank's forecast, supporting our view of a rate cut in July.
- We see the March reading as the trough for inflation for this time around. However, the main question remains how low underlying cost pressures are. There have been many very low CPI prints the past 6 months, and although we have taken the low CPI trend into account downside risks are still looming in the background. (Thursday)



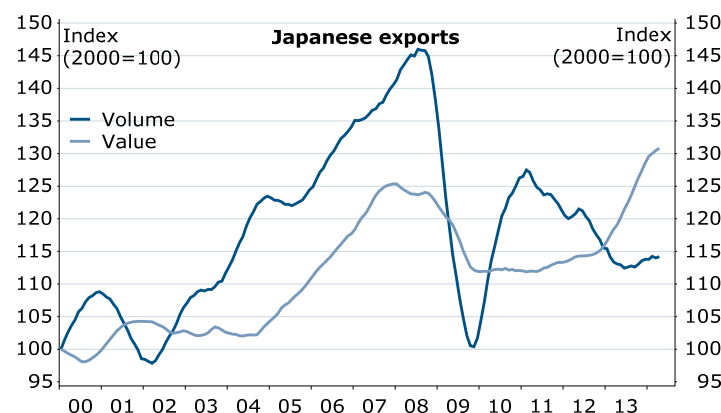
| | Nordea | Riksbank | Prior |
|------------|--------|----------|--------|
| CPI m/m | 0.0 | | 0.4 |
| CPI y/y | -0.2 | 0.0 | 0.0 |
| CPIF m/m | 0.1 | | 0.4 |
| CPIF y/y | 0.4 | 0.6 | 0.5 |
| CPI, index | 314.02 | | 313.89 |

Japan: BoJ (*Friday*)

- We expect the BoJ to maintain the current policy stance at its June meeting.
- First of all, the bank remains positive to achieve its medium-term goal of 2%, even without taking into account the sales tax hike. So inflation speaks for policy status quo.
- Secondly, we hold on to our view that the economy has the ability to absorb the negative spill over of the sales tax hike, thanks to the fiscal package designed for this purpose. In fact, the BoJ is fairly optimistic on the underlying strength of consumer spending, due to a tight labour market and rising wages.
- Finally, the BoJ has for a while been concerned with the export outlook and in fact lowered its FY2014 GDP forecast from 1.4% to 1.1% due to the delayed export recovery. However, there are now clearer signs that export volumes are beginning to pick up. The need for looser monetary policy to stimulate the economy has therefore been eased.



Source: Reuters Ecowin and Nordea Markets



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Calendar

| Monday 9. Jun 2014 | | | | Nordea | Consensus | Previous |
|------------------------|----|---|-----|--------|-----------|----------|
| | DK | Whitmonday | | | | |
| 01:50 | JP | GDP (q/q, final) | Q1 | | 1.4% | 1.5% |
| 09:00 | SE | Central Government Debt | May | | | |
| Tuesday 10. Jun 2014 | | | | Nordea | Consensus | Previous |
| 08:45 | FR | Industrial production (m/m) | Apr | | | - 0.7% |
| 08:45 | FR | Industrial production (y/y) | Apr | | | - 0.8% |
| 09:00 | DK | CPI (m/m) | May | | | 0.2% |
| 09:00 | DK | CPI (y/y) | May | | | 0.7% |
| 09:00 | DK | CPI, EU harmonized (m/m) | May | | | 0.1% |
| 09:00 | DK | CPI, EU harmonized (y/y) | May | | | 0.5% |
| 09:00 | DK | Industrial production, excl. shipbuilding (sa, m/m) | Apr | | | 4.7% |
| 10:00 | NO | CPI (y/y) | May | 1,7% | | 1,8 |
| 10:00 | NO | CPI, core (y/y) | May | 2,1% | | 2,5 |
| 10:30 | GB | Industrial production (m/m) | Apr | | | - 0.1% |
| 10:30 | GB | Industrial production (y/y) | Apr | | | 2.3% |
| 11:00 | NO | Auction of Treasury Bonds | | | | |
| 13:30 | US | NFIB small business optimism index | May | | | 95.2 |
| 14:00 | NO | CPIXE and other inflation indicators | May | | | 2.3 |
| 16:00 | US | JOLTs job openings | May | | | 4014 |
| Wednesday 11. Jun 2014 | | | | Nordea | Consensus | Previous |
| 09:30 | SE | Business sector production (m/m) | Apr | | | - 0.8% |
| 10:30 | GB | Unemployment rate, claimant count | May | | | 3.3% |
| 11:00 | SE | SNDO to auction T- bills (SEK 15bn) | | | | |
| 12:00 | NO | Norges Bank announces auction of Treasury Bills | | | | |

Calendar

| Thursday 12. Jun 2014 | | | | Nordea | Consensus | Previous |
|-----------------------|----|---|-----|--------|-----------|----------|
| 08:00 | SE | The Sw. Financial Supervisory Authority's stability report, published | | | | |
| 08:45 | FR | CPI (m/m) | May | | | 0.0% |
| 08:45 | FR | CPI (y/y) | May | | | 0.7% |
| 09:30 | SE | CPI (m/m) | May | 0.0% | | 0.4% |
| 09:30 | SE | CPI (y/y) | May | -0.2% | | 0.0% |
| 09:30 | SE | CPIF (m/m) | May | 0.1% | | 0.4% |
| 09:30 | SE | CPIF (y/y) | May | 0.4% | | 0.5% |
| 09:30 | SE | House prices, Statistics Sweden (y/y) | May | | | |
| 10:00 | NO | Investment survey, oil | Q2 | | | |
| 11:00 | EU | Industrial production (sa, m/m) | Apr | | | -0.3% |
| 11:00 | EU | Industrial production (wda, y/y) | Apr | | | -0.1% |
| 11:00 | SE | SNDO to auction inflation-linked bonds (SEK 1bn) | | | | |
| 14:30 | US | Retail sales (m/m) | May | | | 0.1% |
| 14:30 | US | Retail sales, ex auto and gas (m/m) | May | | | -0.1% |
| 16:00 | US | Business inventories (m/m) | Apr | | | 0.4% |
| Friday 13. Jun 2014 | | | | Nordea | Consensus | Previous |
| | JP | BoJ announces interest rates | Jun | | | 0.10% |
| | JP | BoJ asset purchase program | Jun | | | 270T |
| 09:30 | SE | Unemployment labour force survey (AKU) | May | 8.4% | | 8.7% |
| 09:30 | SE | Unemployment labour force survey, SA (AKU) | May | 8.0% | | |
| 11:00 | EU | Trade balance, sa | Apr | | | 15.2bn |
| 13:00 | SE | Meeting of the General Council of the Riksbank | | | | |
| 14:00 | DE | HICP (m/m, final) | May | 0.1% | | |
| 14:00 | DE | HICP (y/y, final) | May | 0.9% | | |
| 14:00 | PL | CPI (m/m) | May | | | 0.0% |
| 14:00 | PL | CPI (y/y) | May | | | 0.3% |
| 14:00 | PL | Current account balance (EUR) | Apr | | | 517m |
| 14:00 | PL | Trade balance (EUR) | Apr | | | 475m |
| 14:30 | US | PPI final demand (m/m) | May | | | 0.6% |
| 14:30 | US | PPI final demand (y/y) | May | | | 2.1% |

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