

Makrobildet ved inngangen til sommeren

Juni 2017

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Norsk sommer

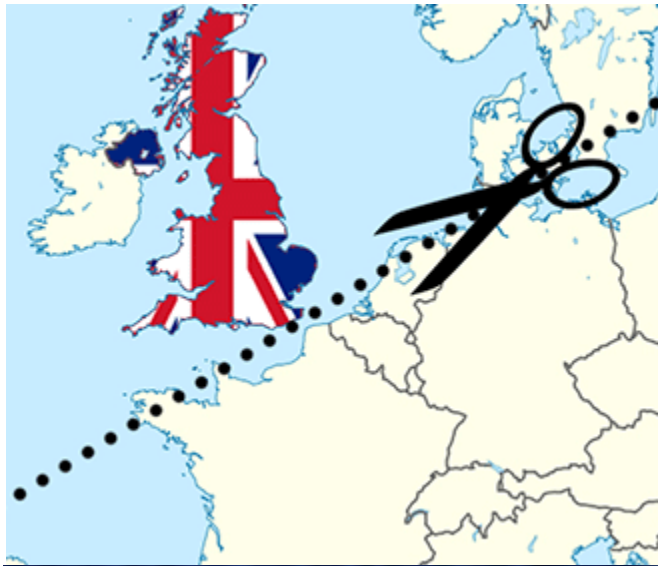
(for det meste pent vær, men også noen regnbygger)

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Politics matters more than economics?



Not all elections go wrong!

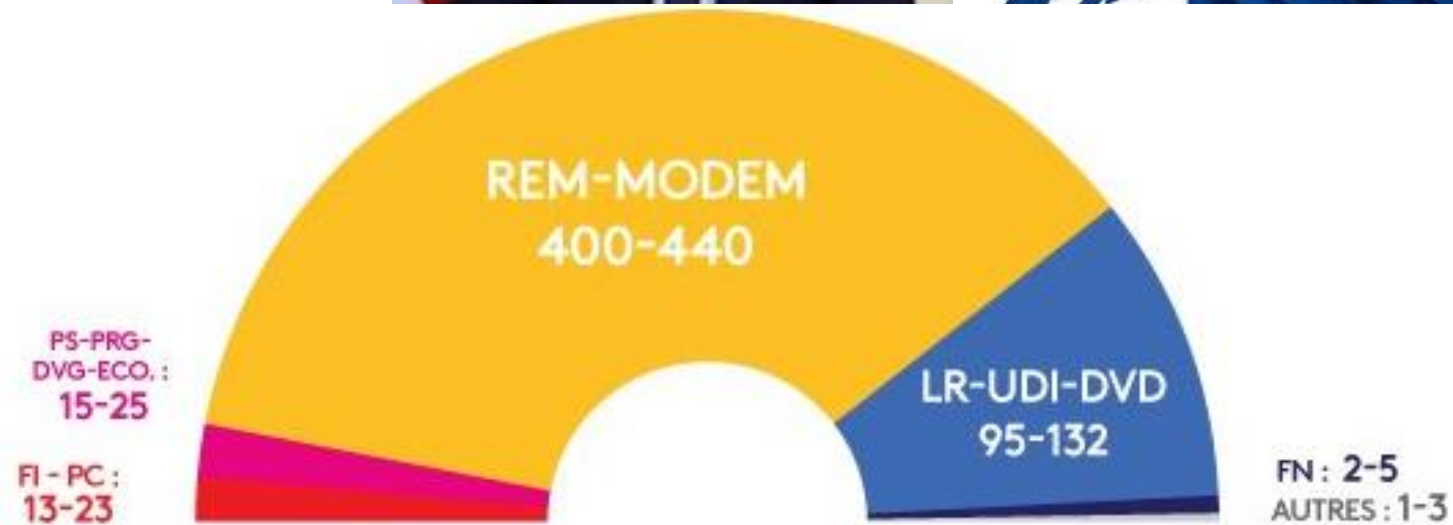


Source: The Economist

Not all elections go wrong!



Source: The Economist



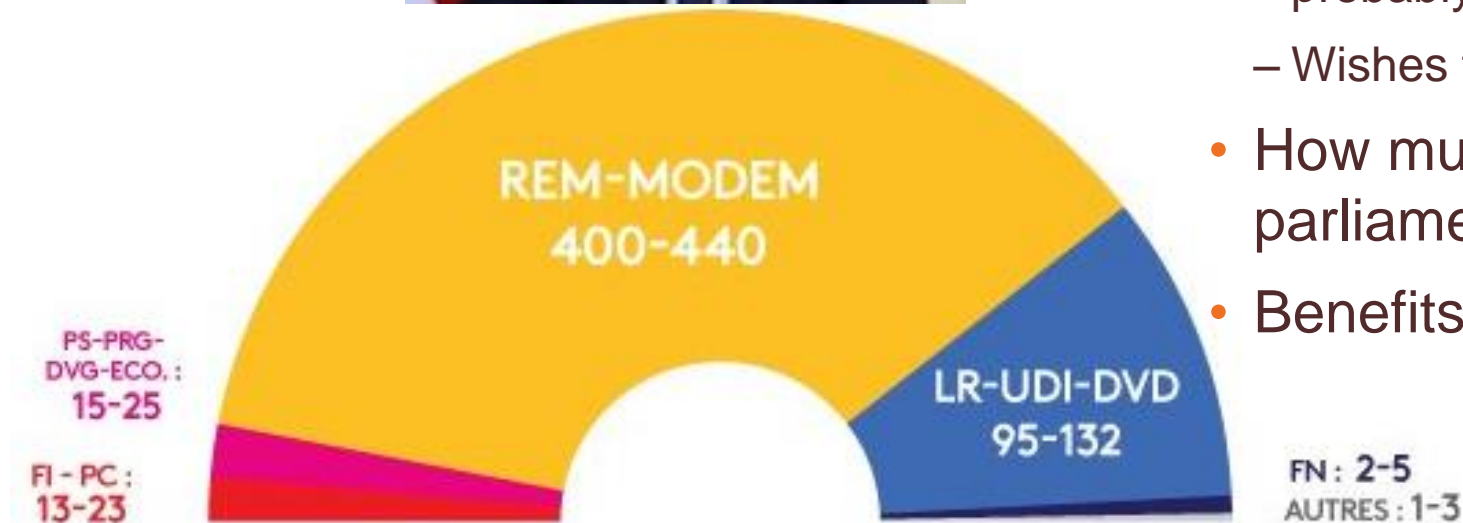
Source: Kantar Sofres

Choice of Macron could be pivotal for the economy



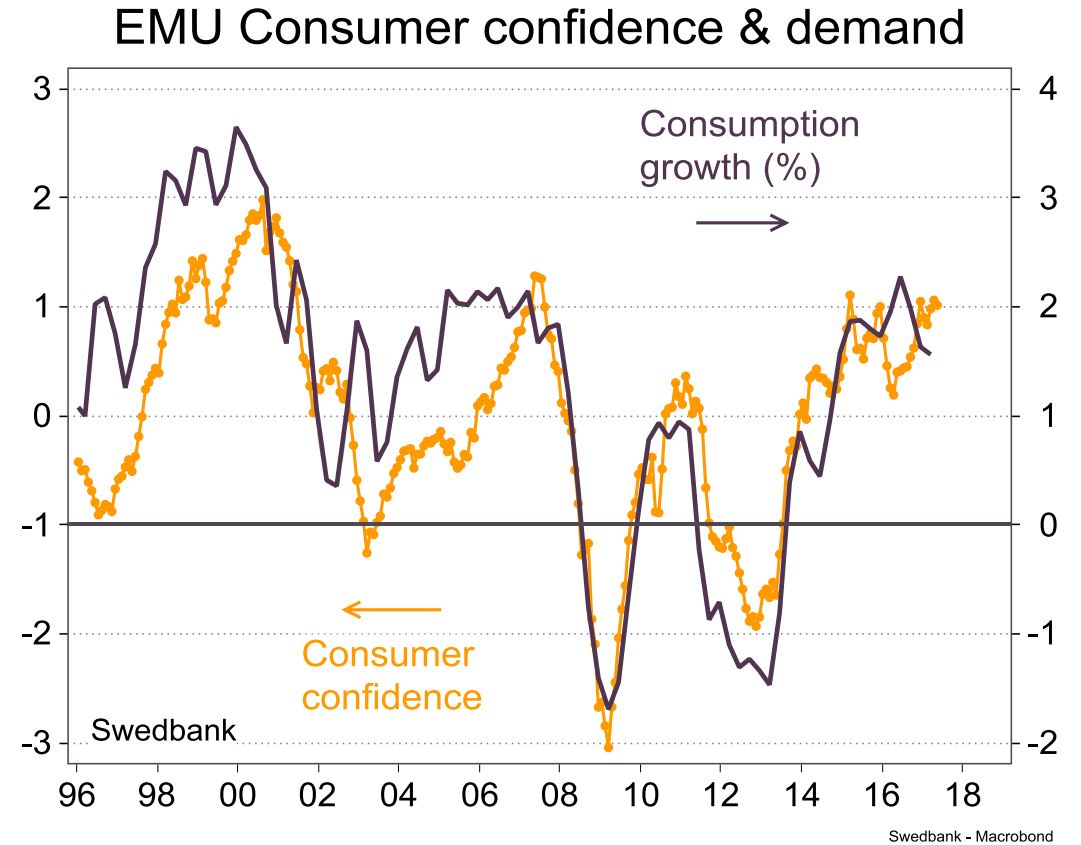
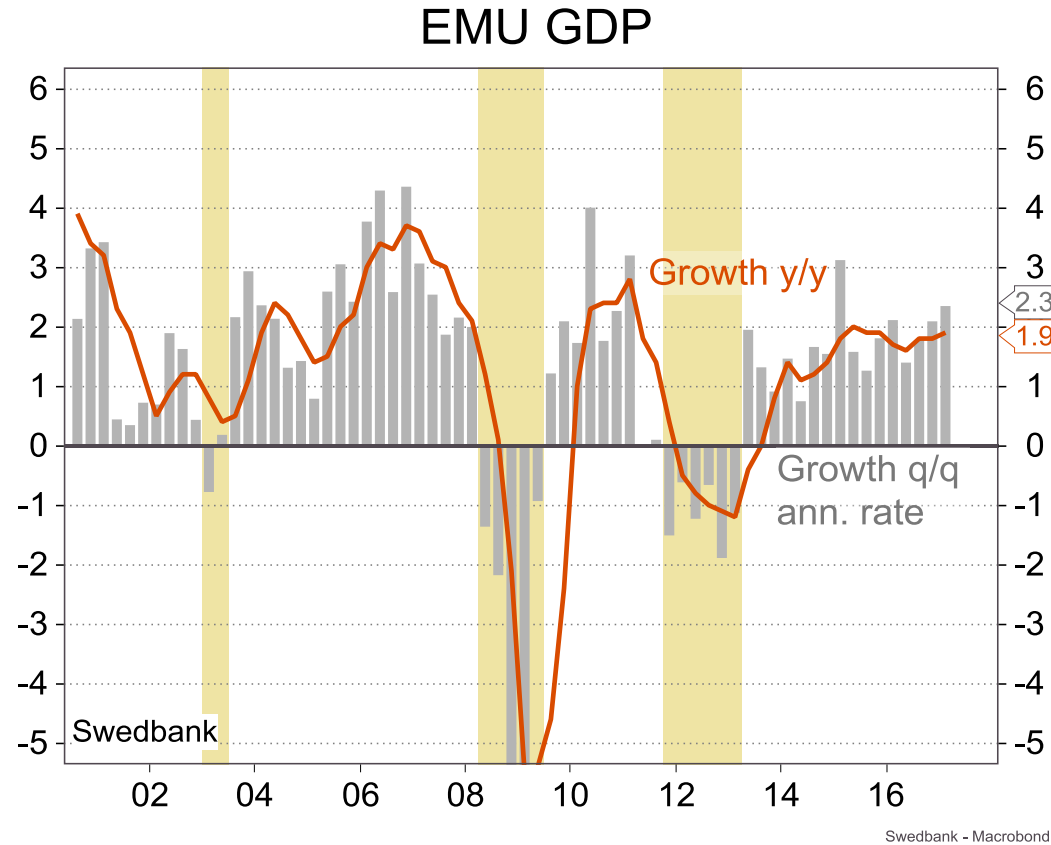
Macron

- Moderate, centrist, pro EU
- Reform agenda
 - Increase labour market flexibility
 - Simplify pensions and benefits regulation, probably also the tax code
 - Wishes to promote entrepreneurship
- How much he can do depends on parliamentary elections in June
- Benefits from improving economy



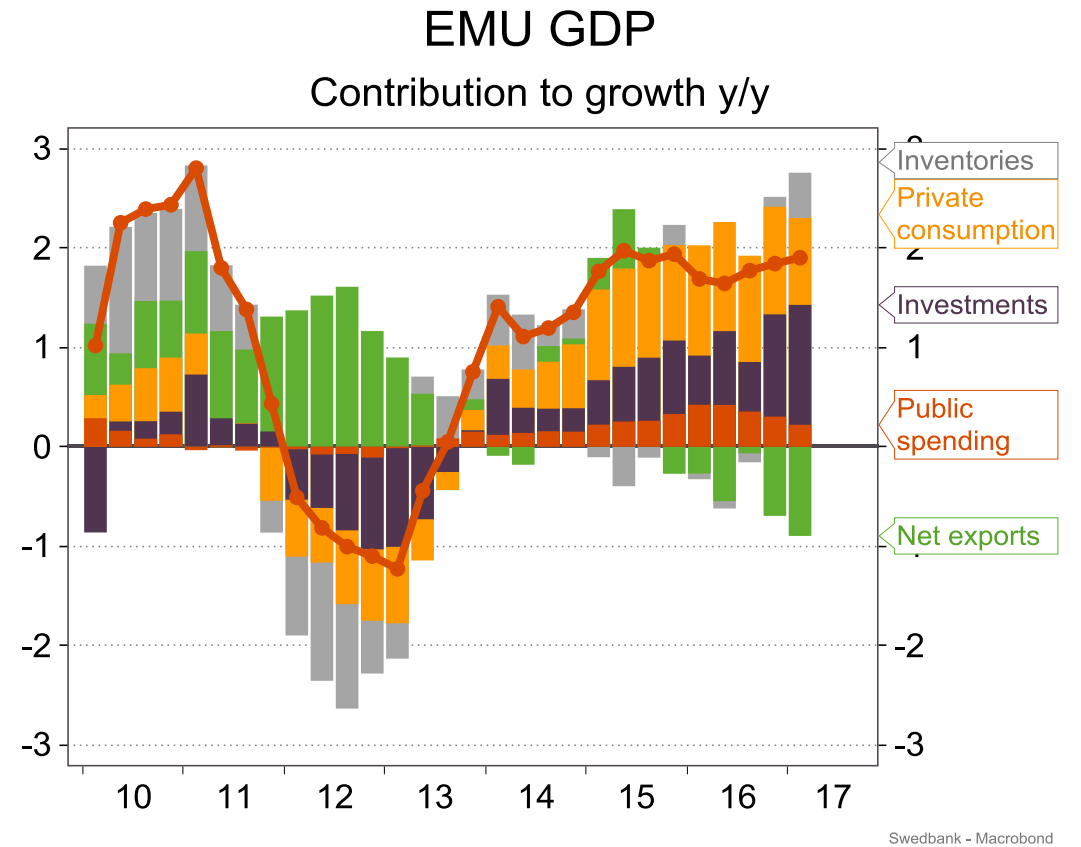
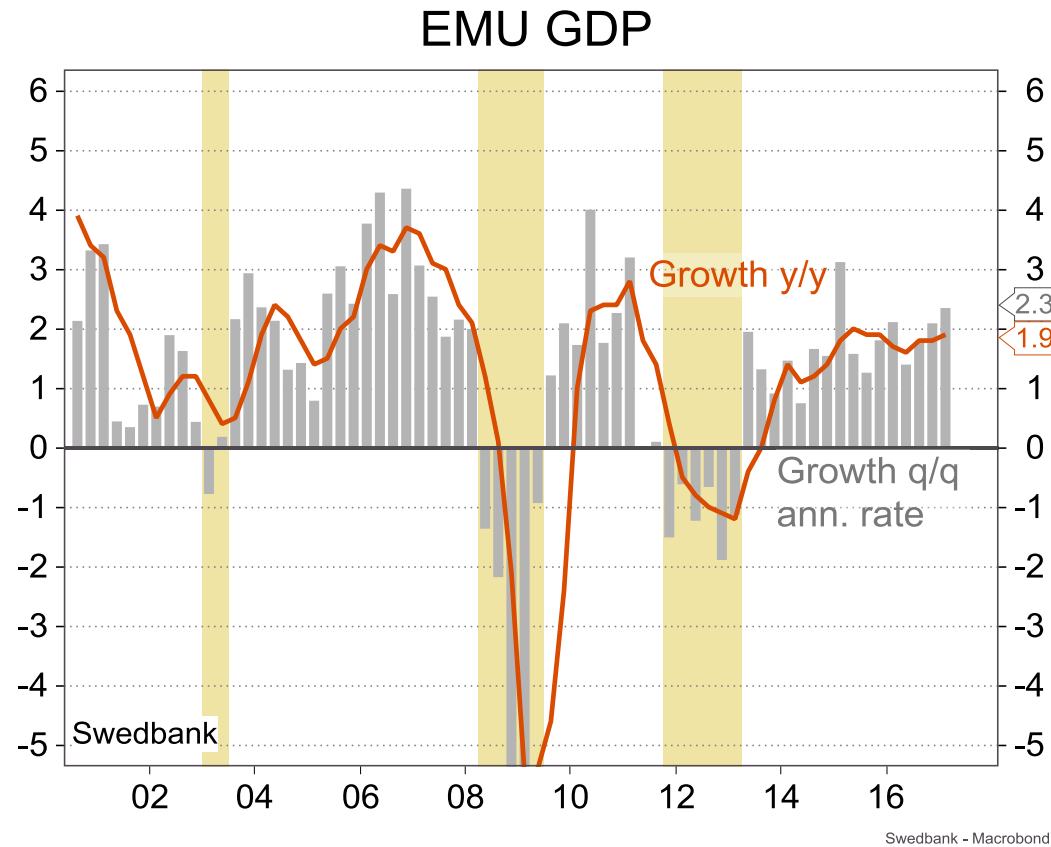
Source: Kantar Sofres

Growth has picked up in Europe ...at first it was consumption growth



Growth has picked up in Europe

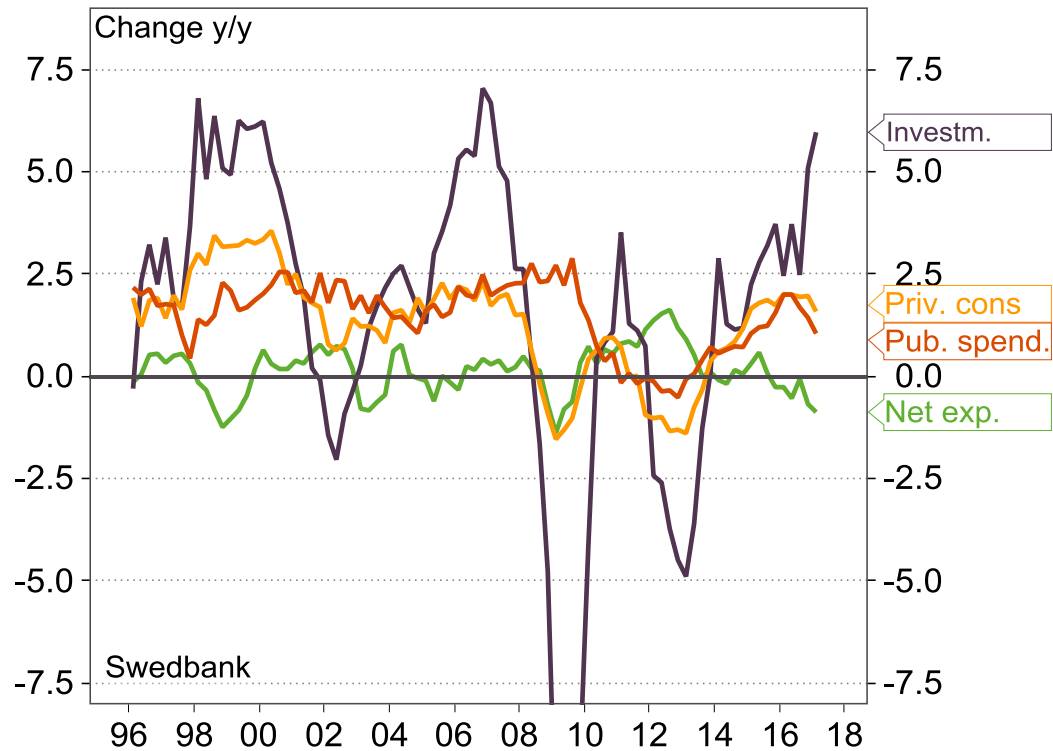
...at first it was consumption growth



Growth has picked up in Europe

...and now investments are taking the lead!

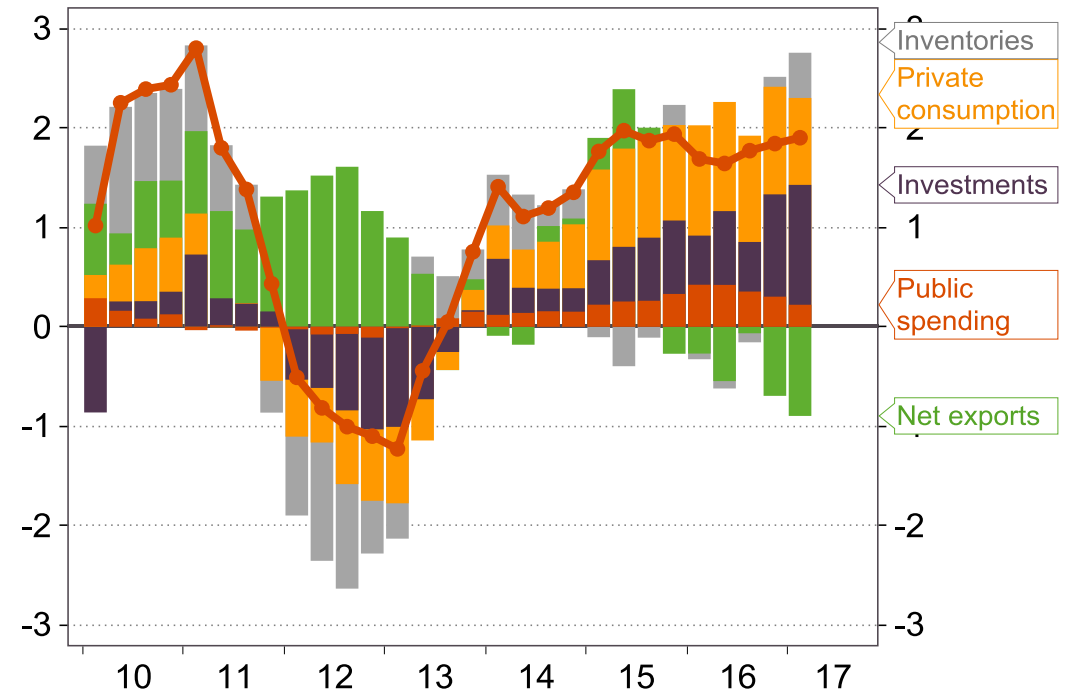
EMU GDP Components



Swedbank - Macrobond

EMU GDP

Contribution to growth y/y

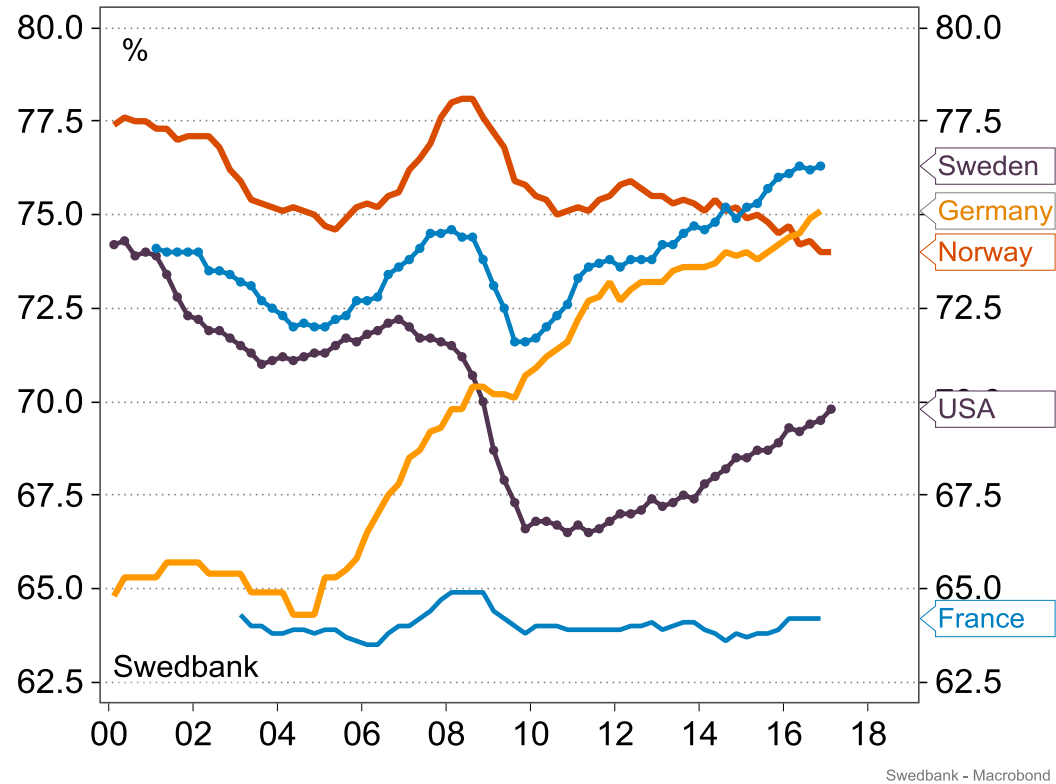


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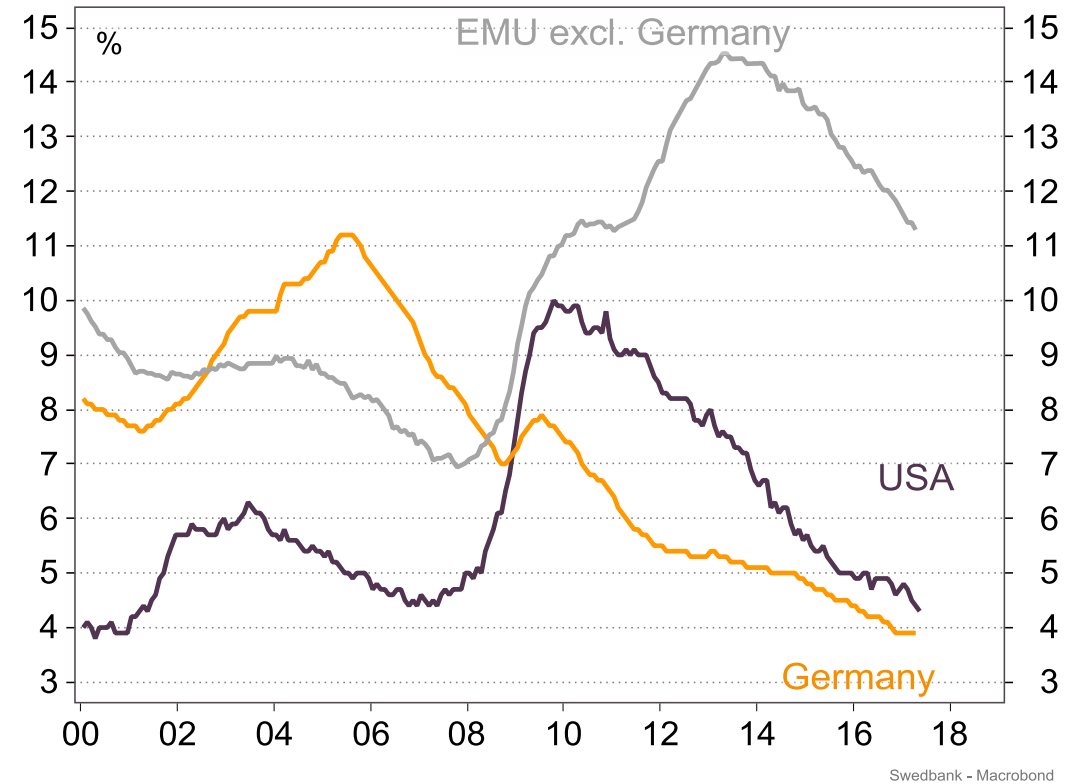
Could France become the new Germany?

...Europe still has high growth potential

Employment rate, ages 15-64

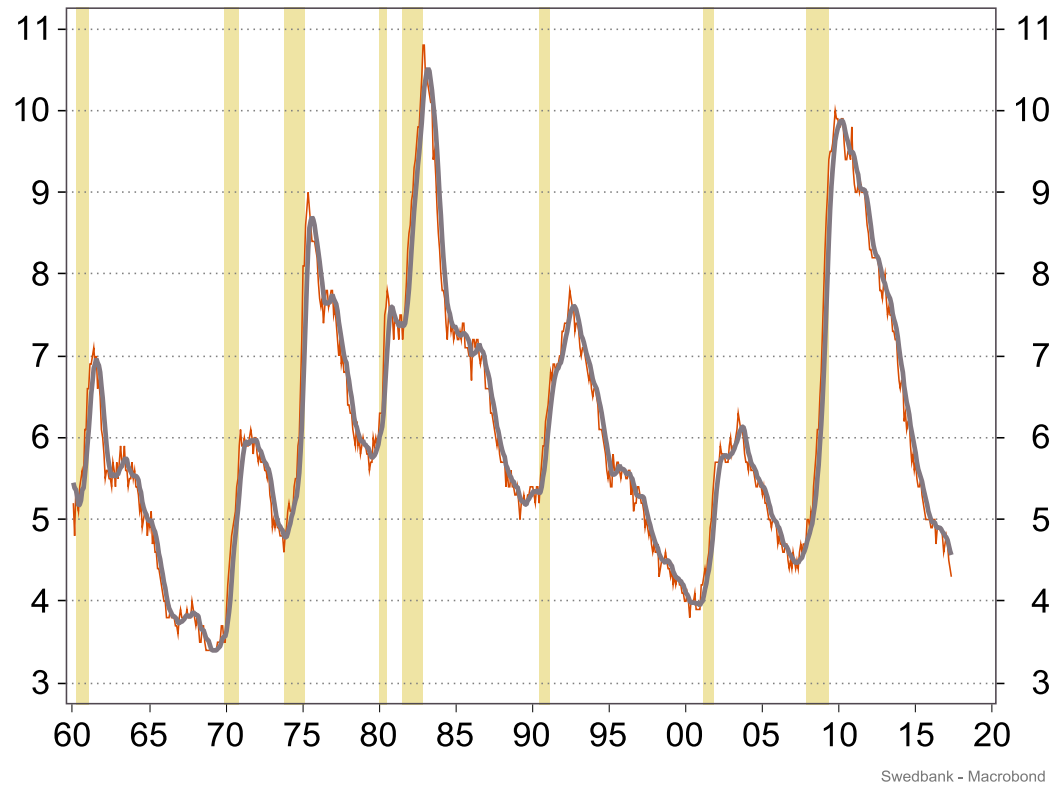


Unemployment

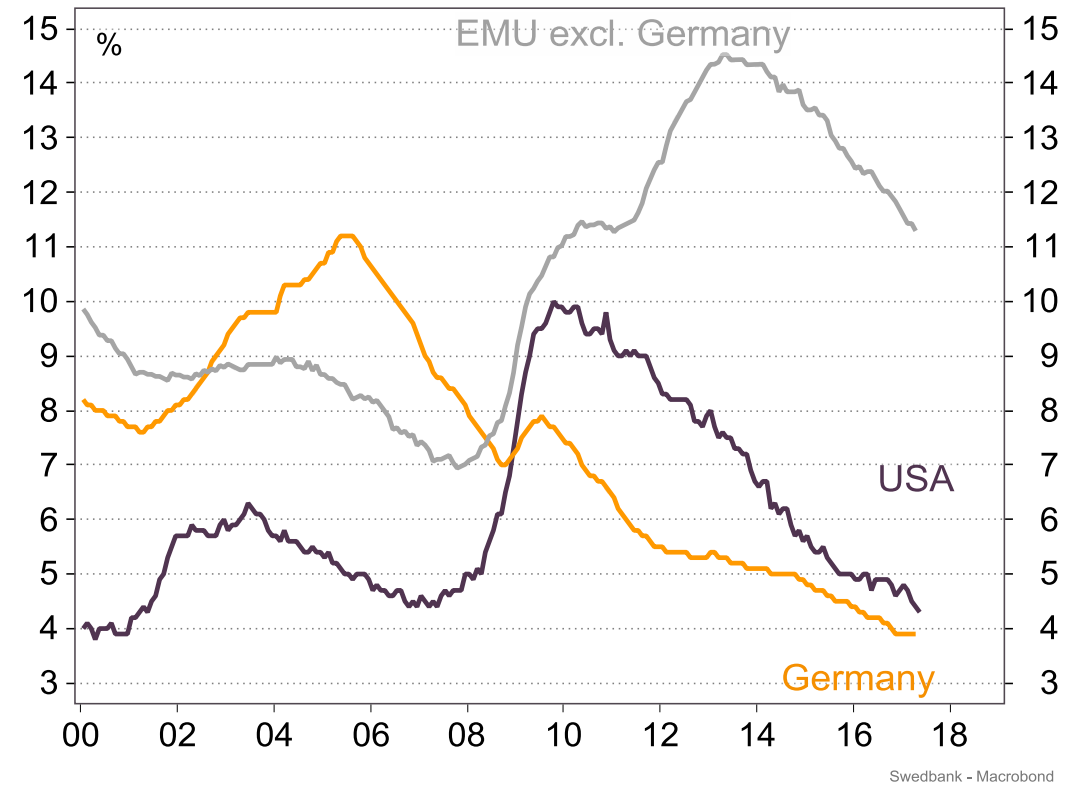


Less spare capacity in the the US economy ...but is a recession coming shortly? No

USA Unemployment vs. recessions

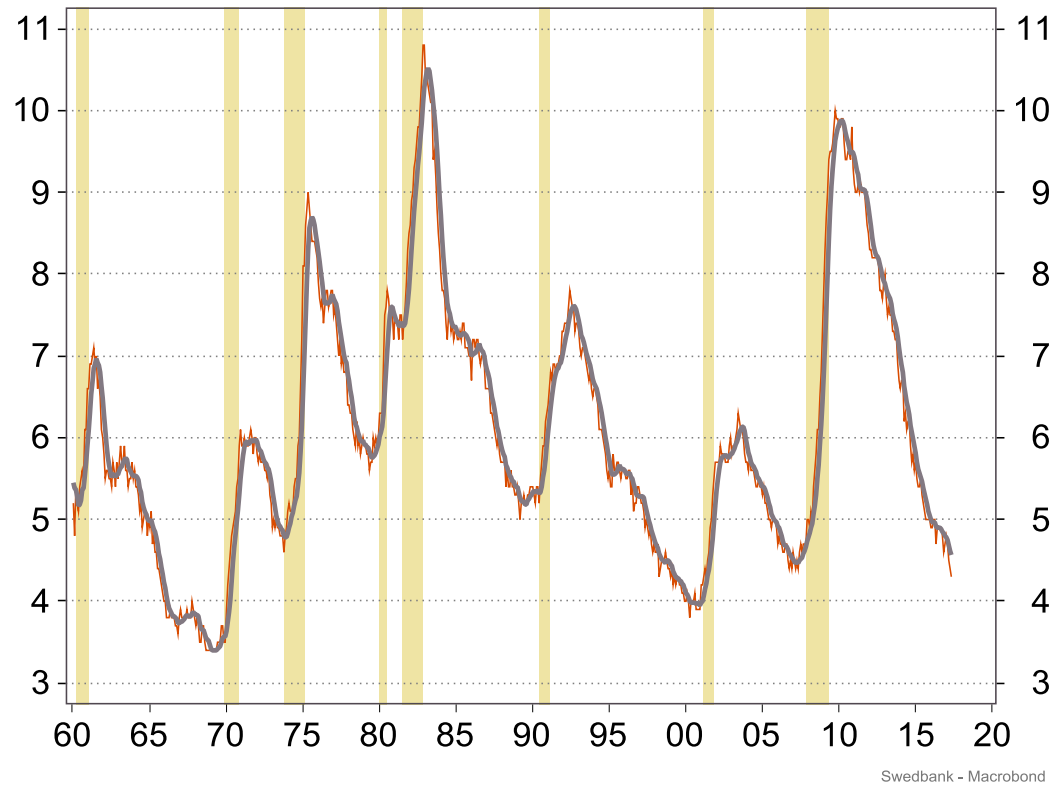


Unemployment

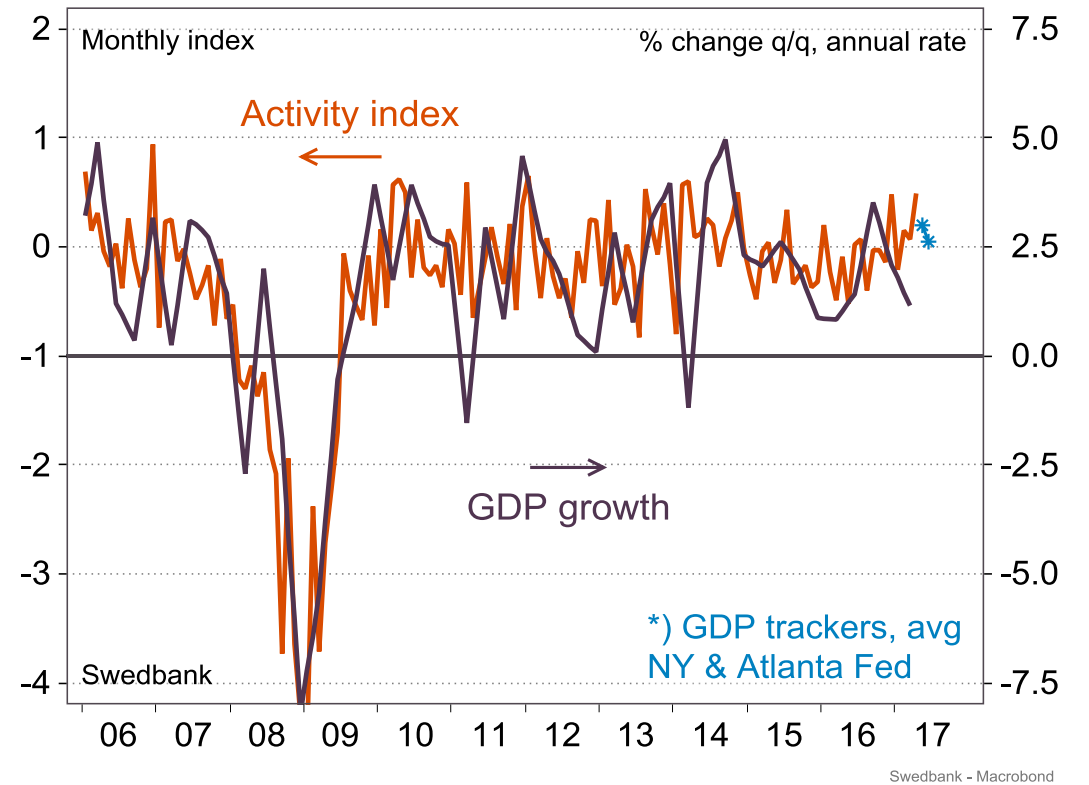


Less spare capacity in the the US economy ...but the economy is still growing!

USA Unemployment vs. recessions



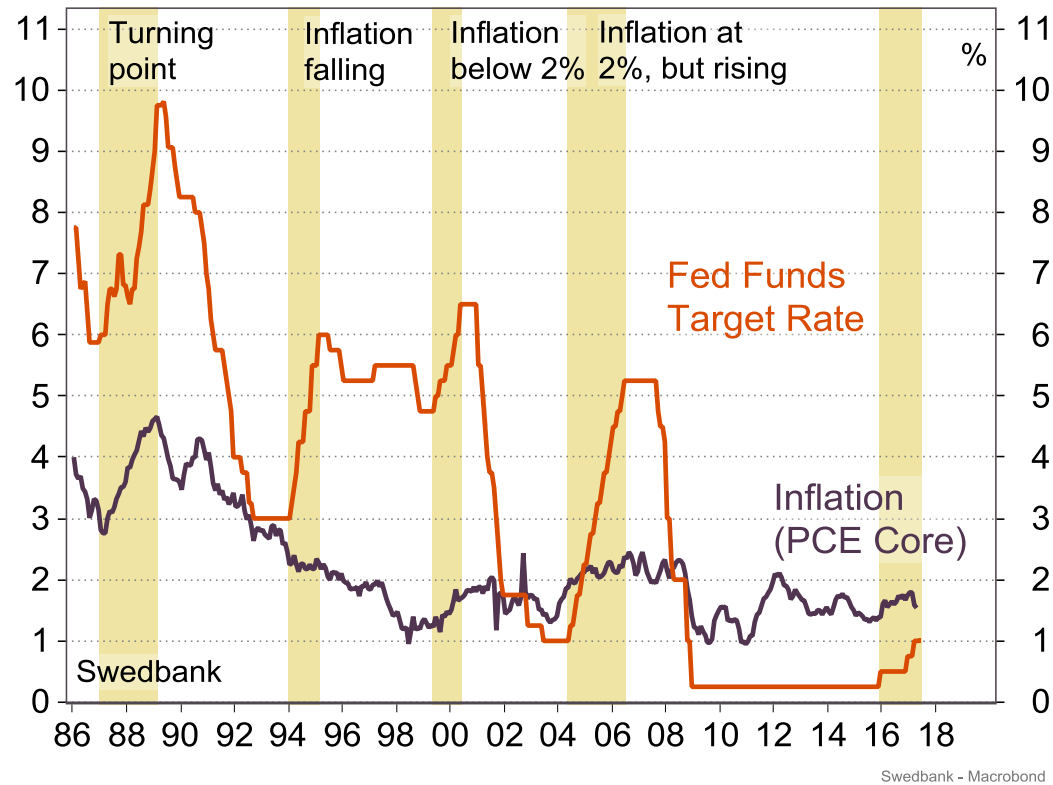
USA National Activity index vs GDP



What matters most to the Fed:
...inflation or unemployment?

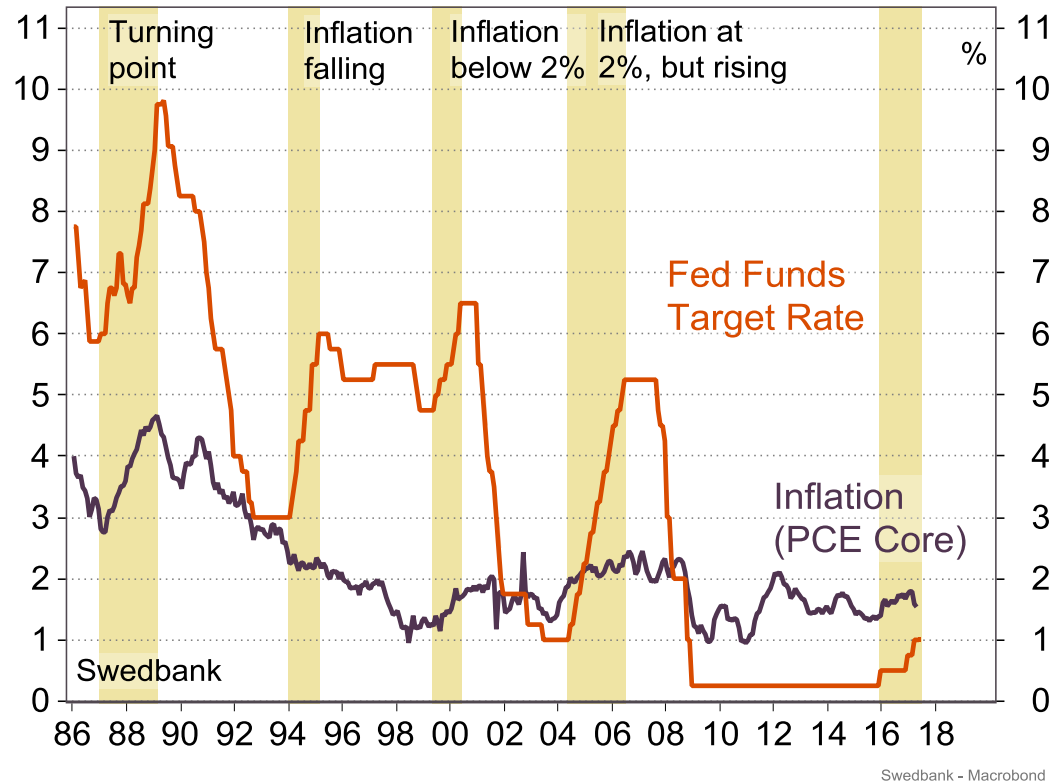
What matters most to the Fed: ...inflation or unemployment?

USA Fed Funds Rate vs. Inflation

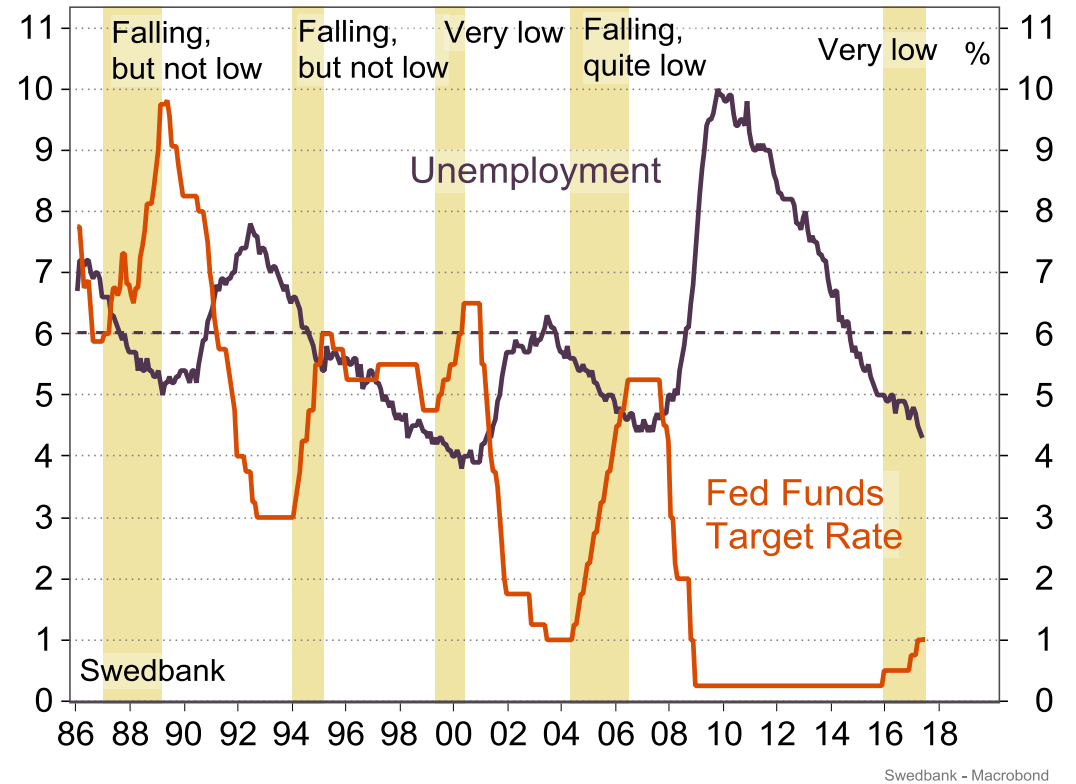


What matters most to the Fed: ...inflation or unemployment?

USA Fed Funds Rate vs. Inflation

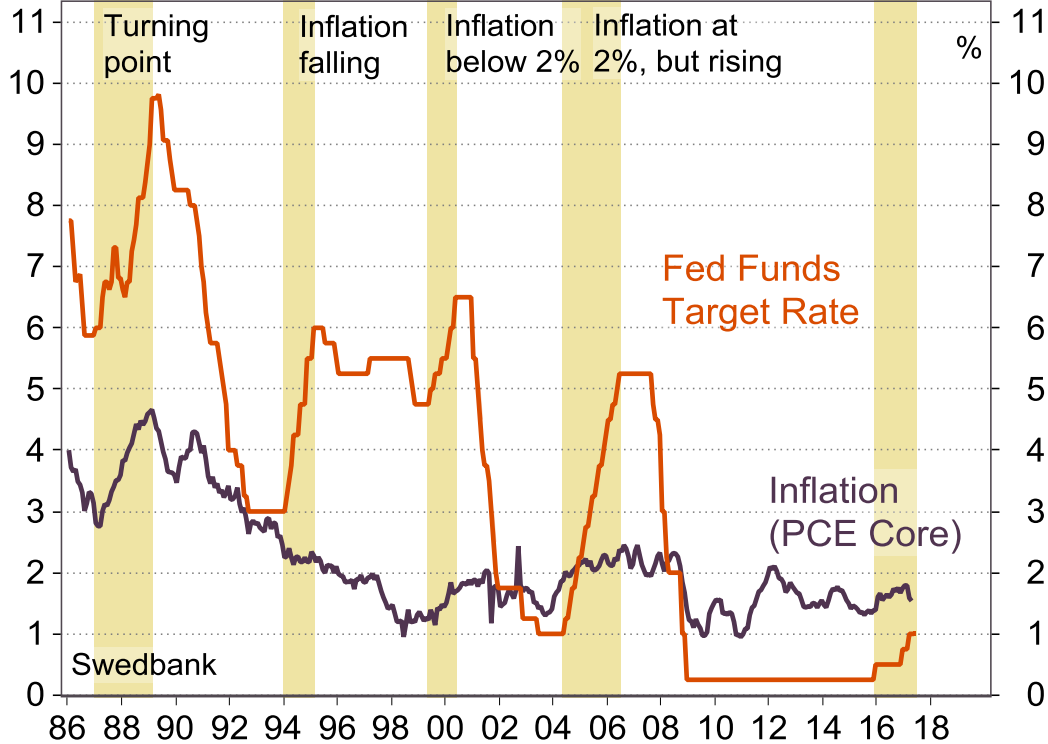


USA Fed Funds Rate vs. Unemployment



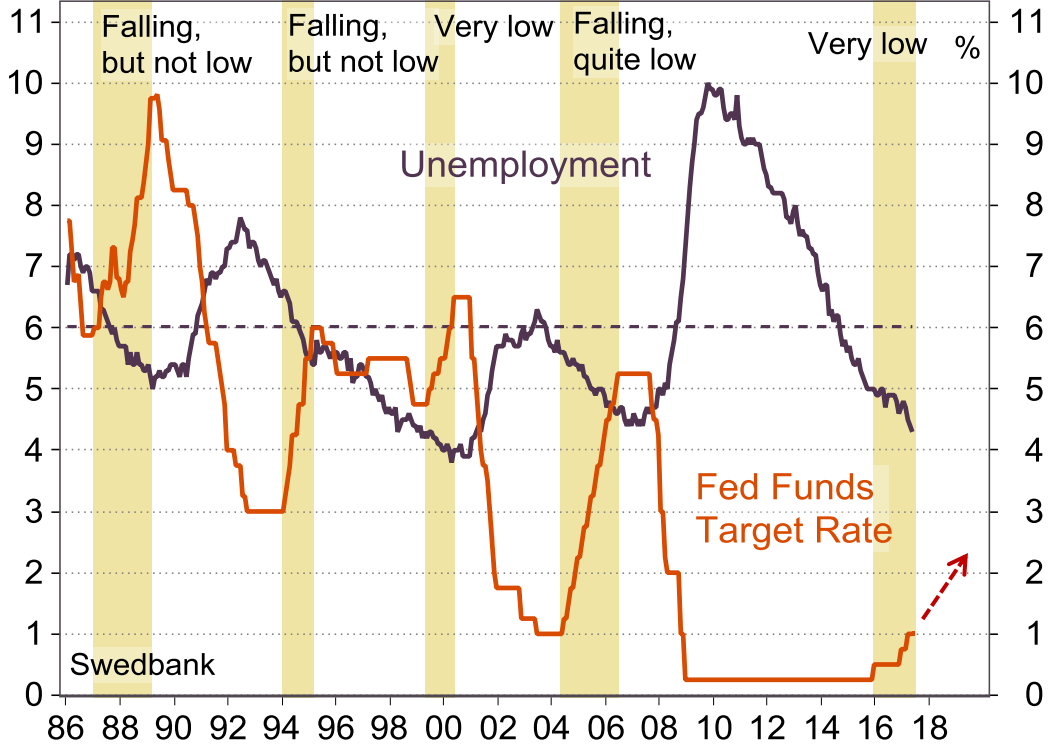
Fed will hike tonight and will look to further hikes in the year ahead

USA Fed Funds Rate vs. Inflation



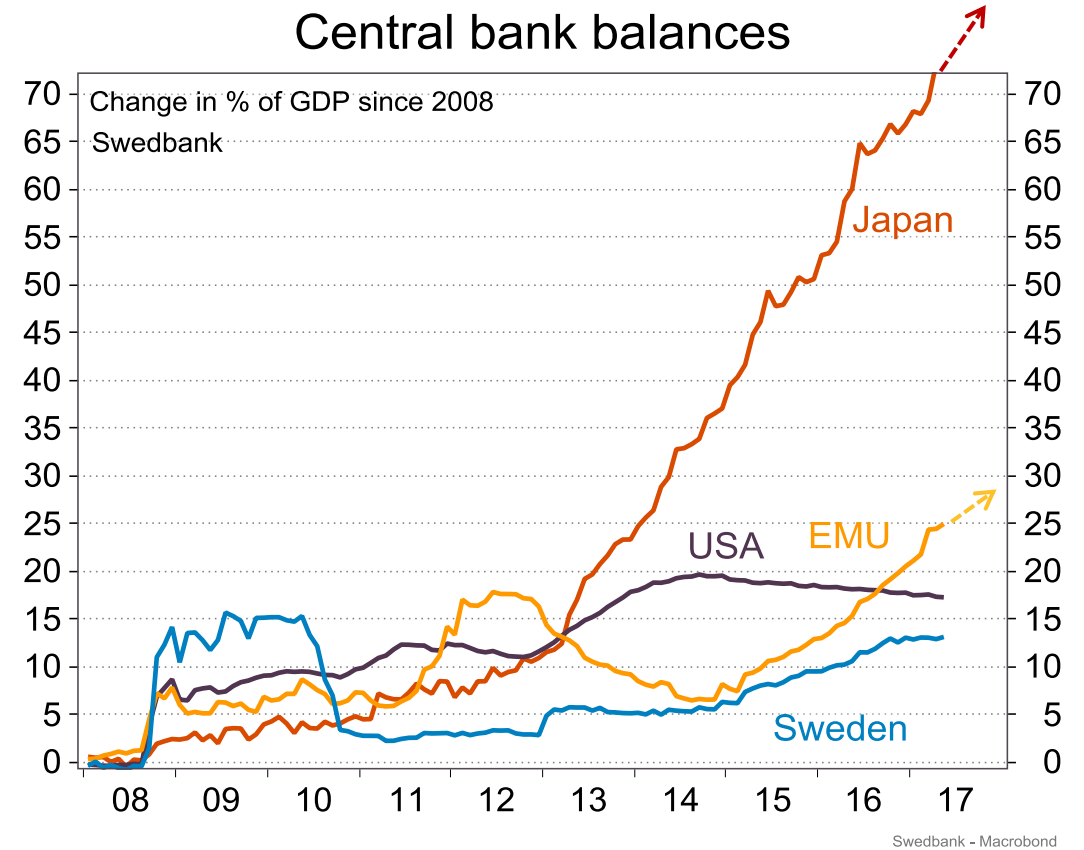
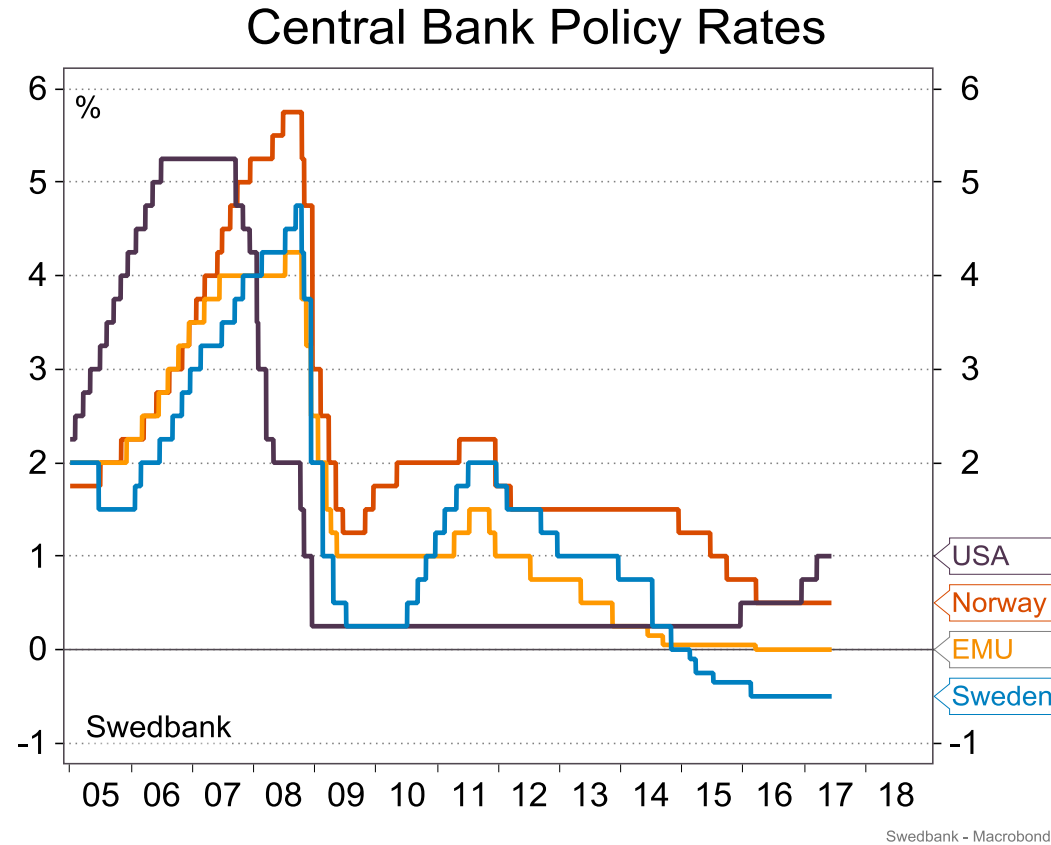
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USA Fed Funds Rate vs. Unemployment



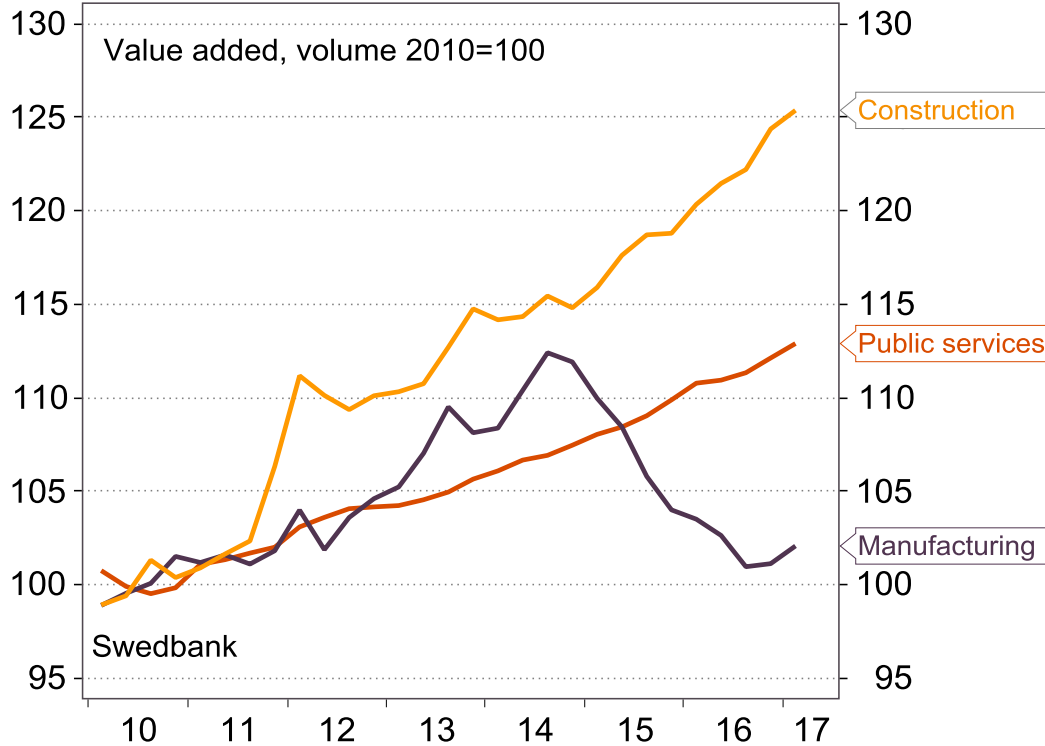
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Fed will hike tonight ...but the ECB is not done with stimulus (yet)



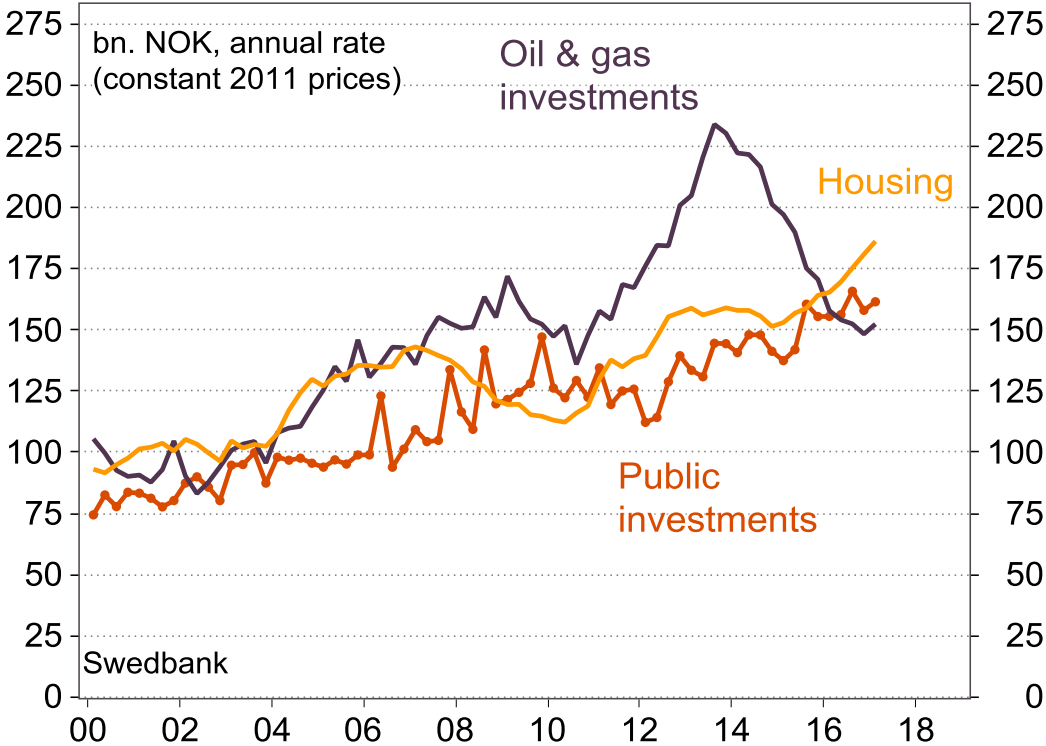
Norway: Oil has been a drag while construction boomed. Public spending steadily rising

Norway Mainland GDP, sectors



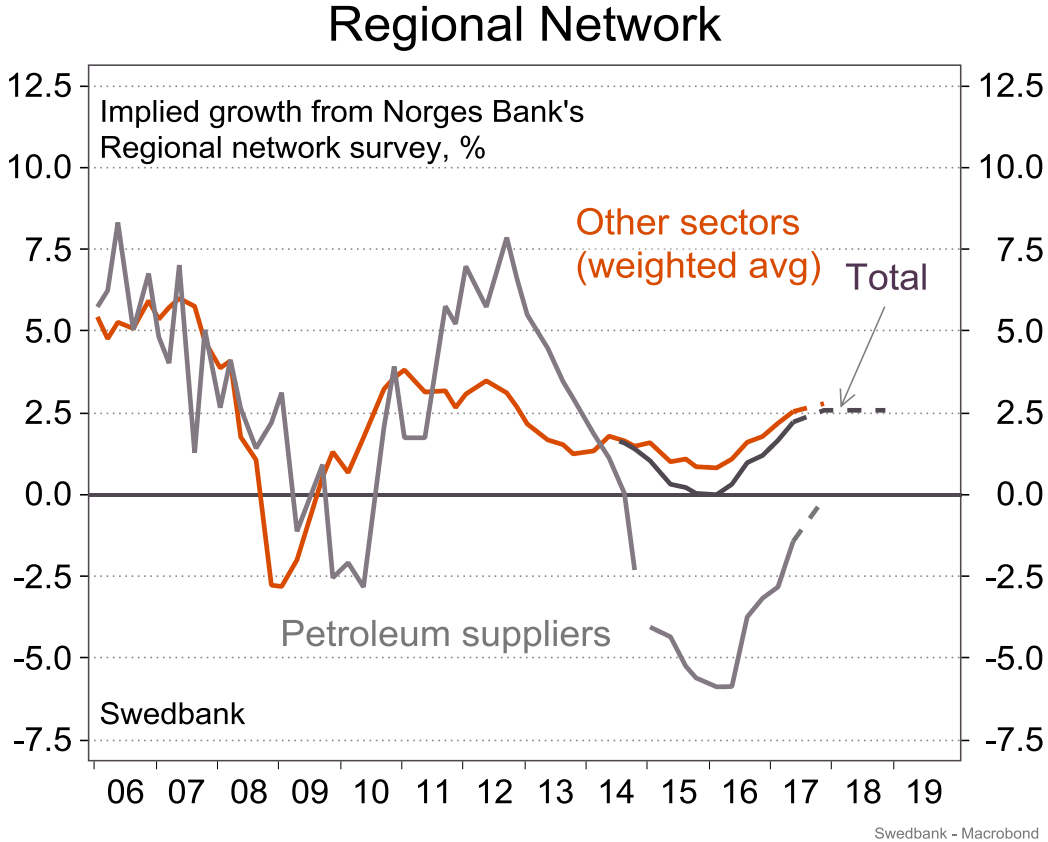
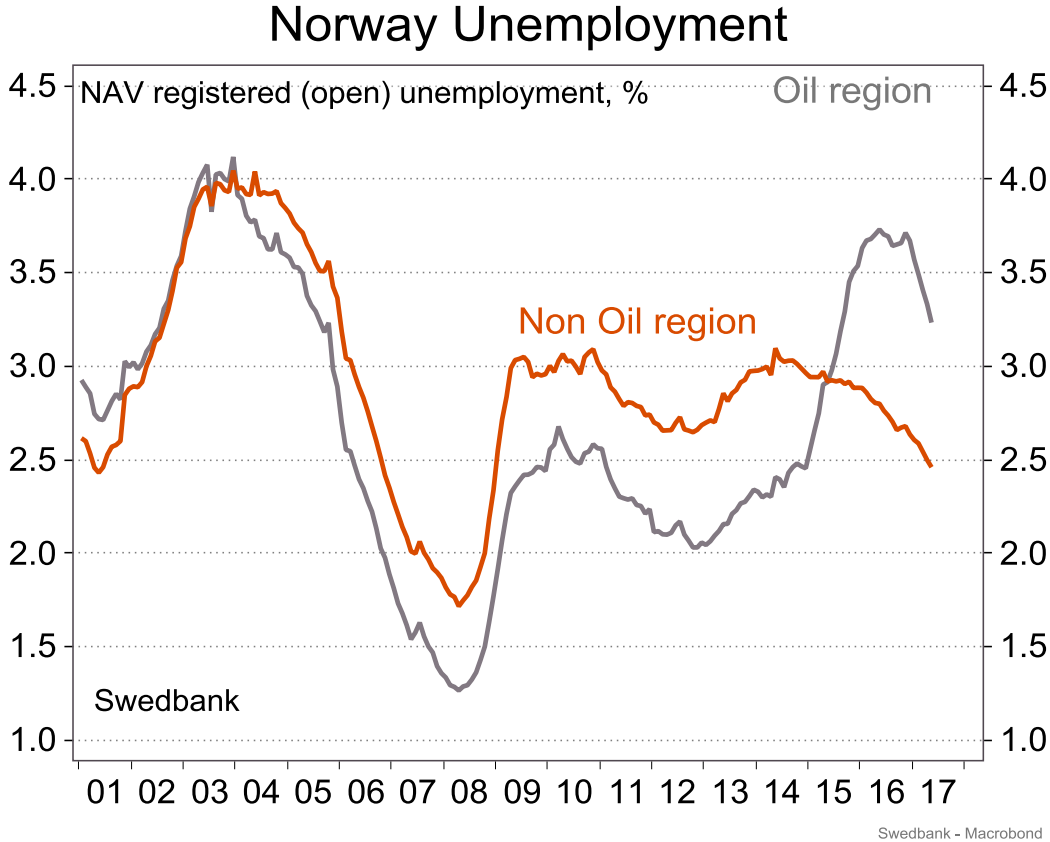
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Norway fixed investments

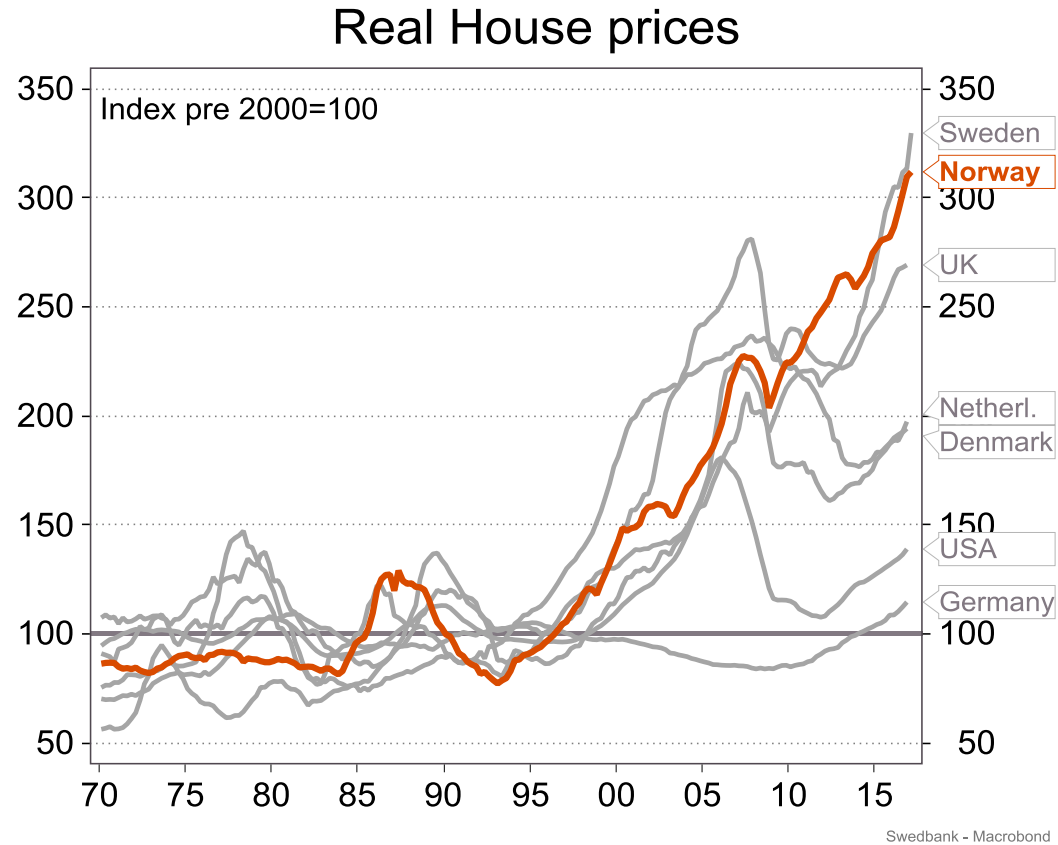


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The downturn in oil is over. Growth is back to normal

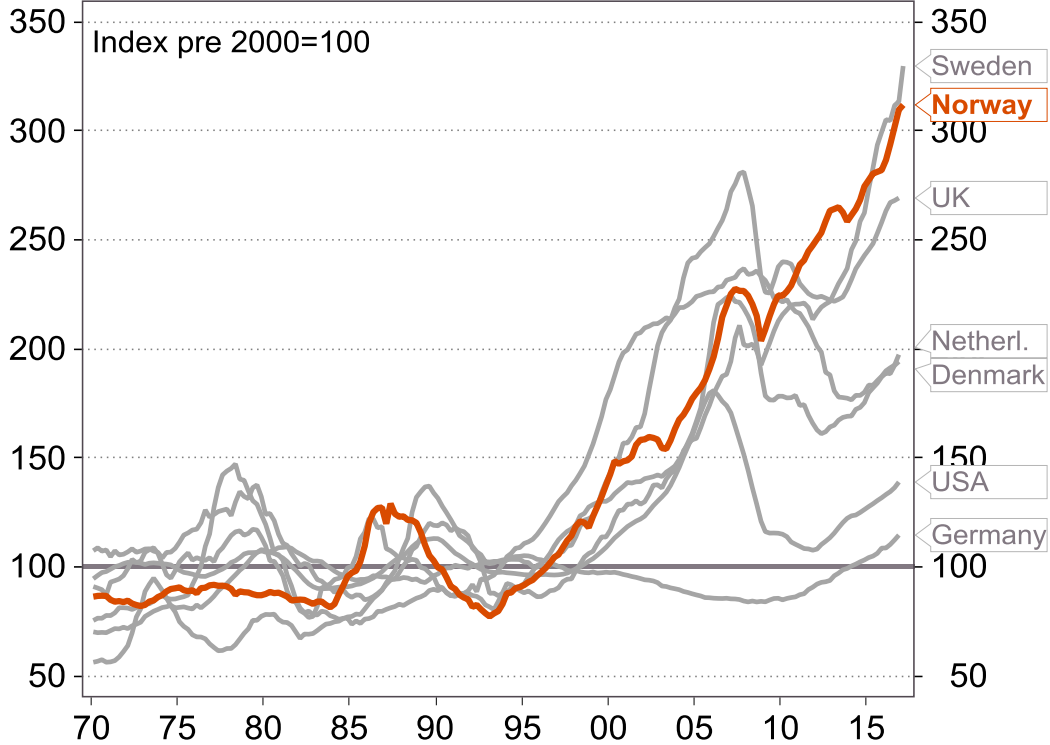


Not a cloud in the sky? ...well, where shall this end?

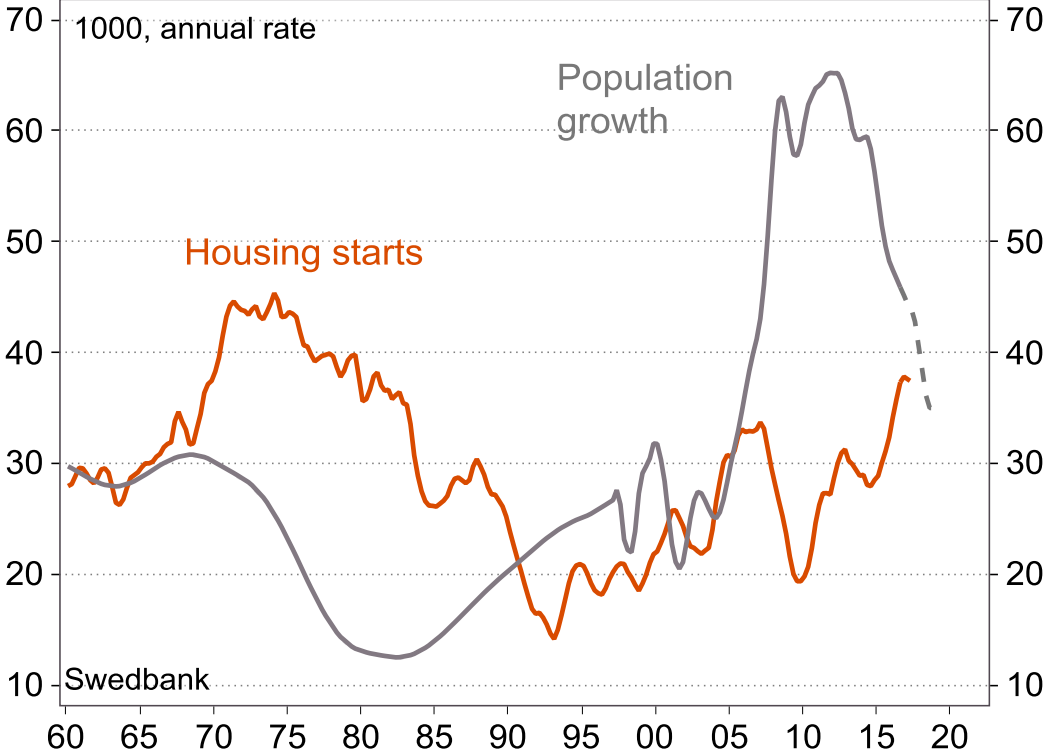


And why do we need to construct so many new homes right now?

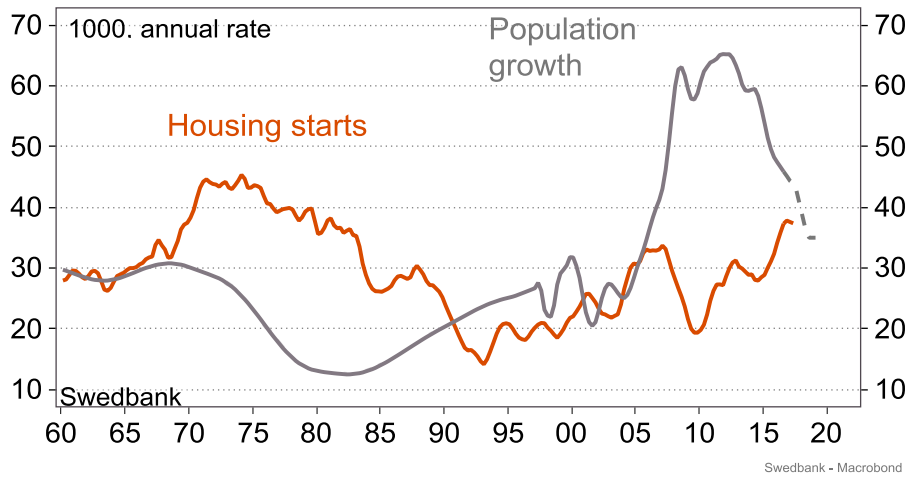
Real House prices



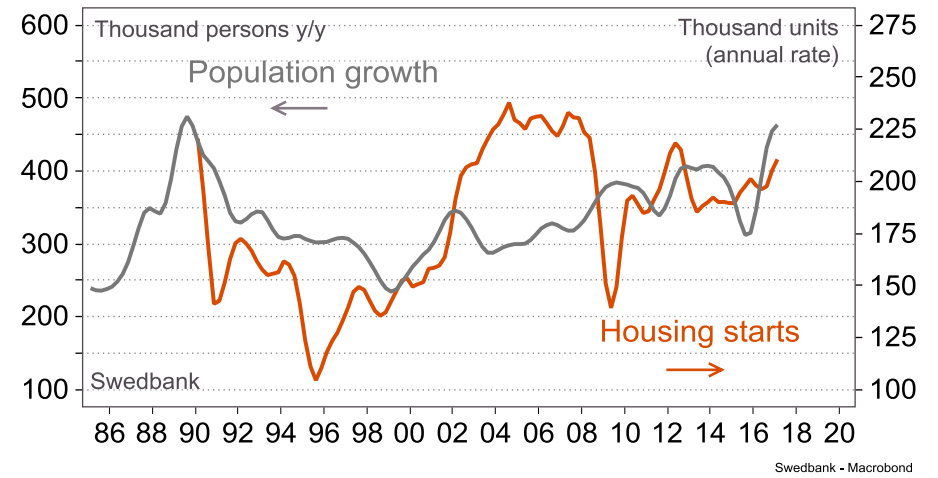
Norway Population vs. Housing starts



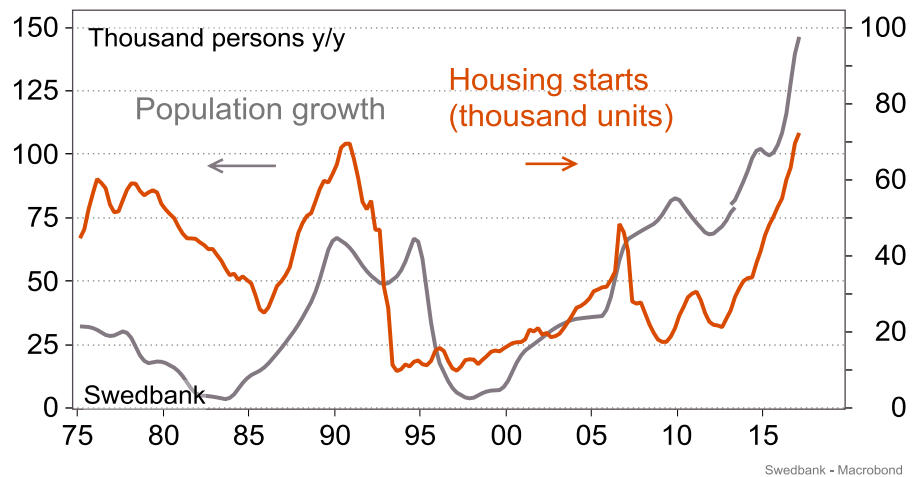
Norway Population vs. Housing starts



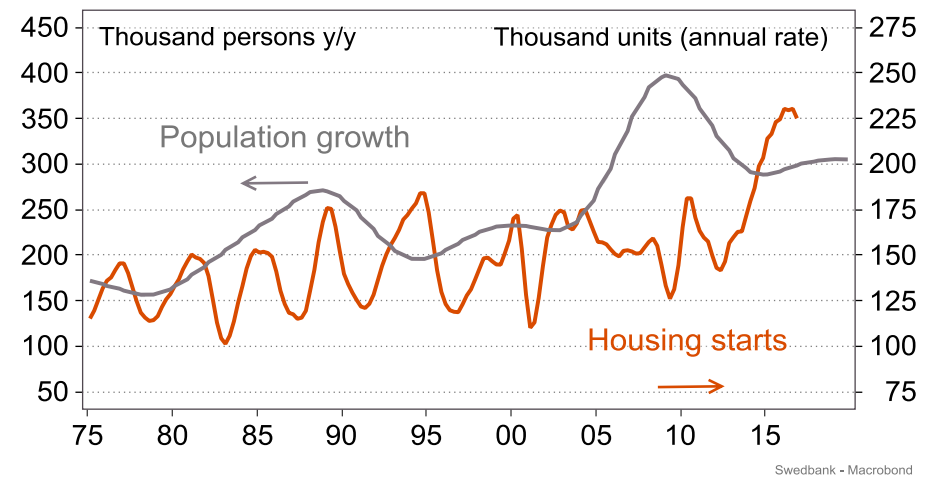
Canada Population growth and Housing starts



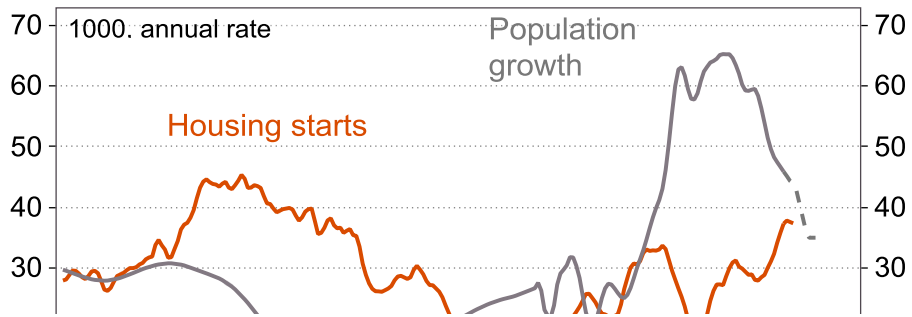
Sweden Population growth vs home building



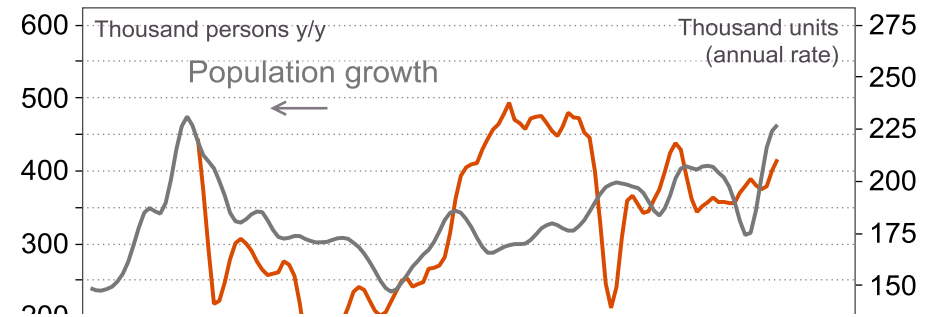
Australia Population and Housing starts



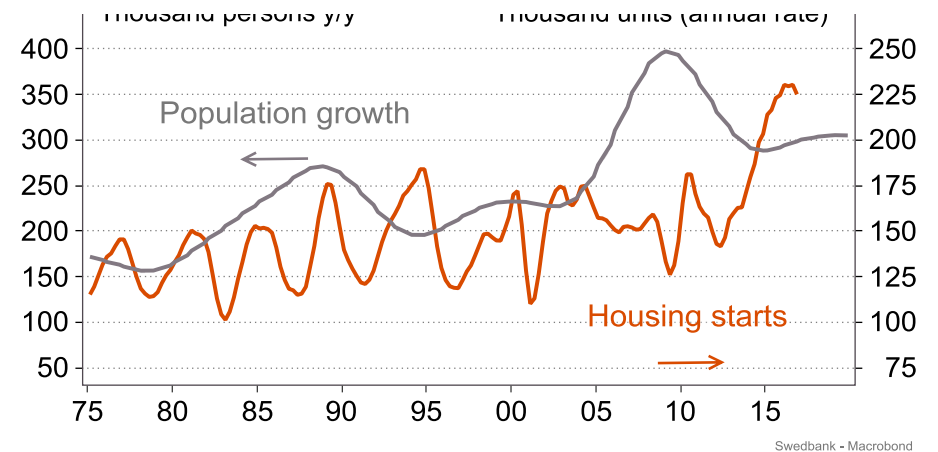
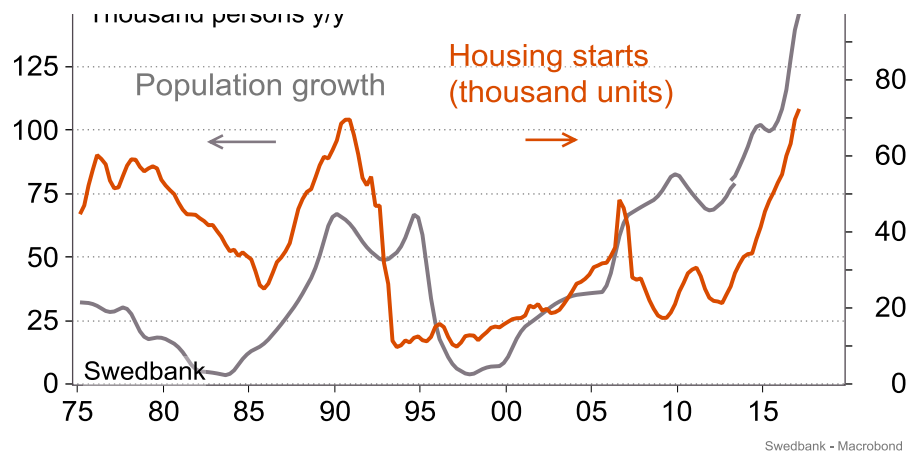
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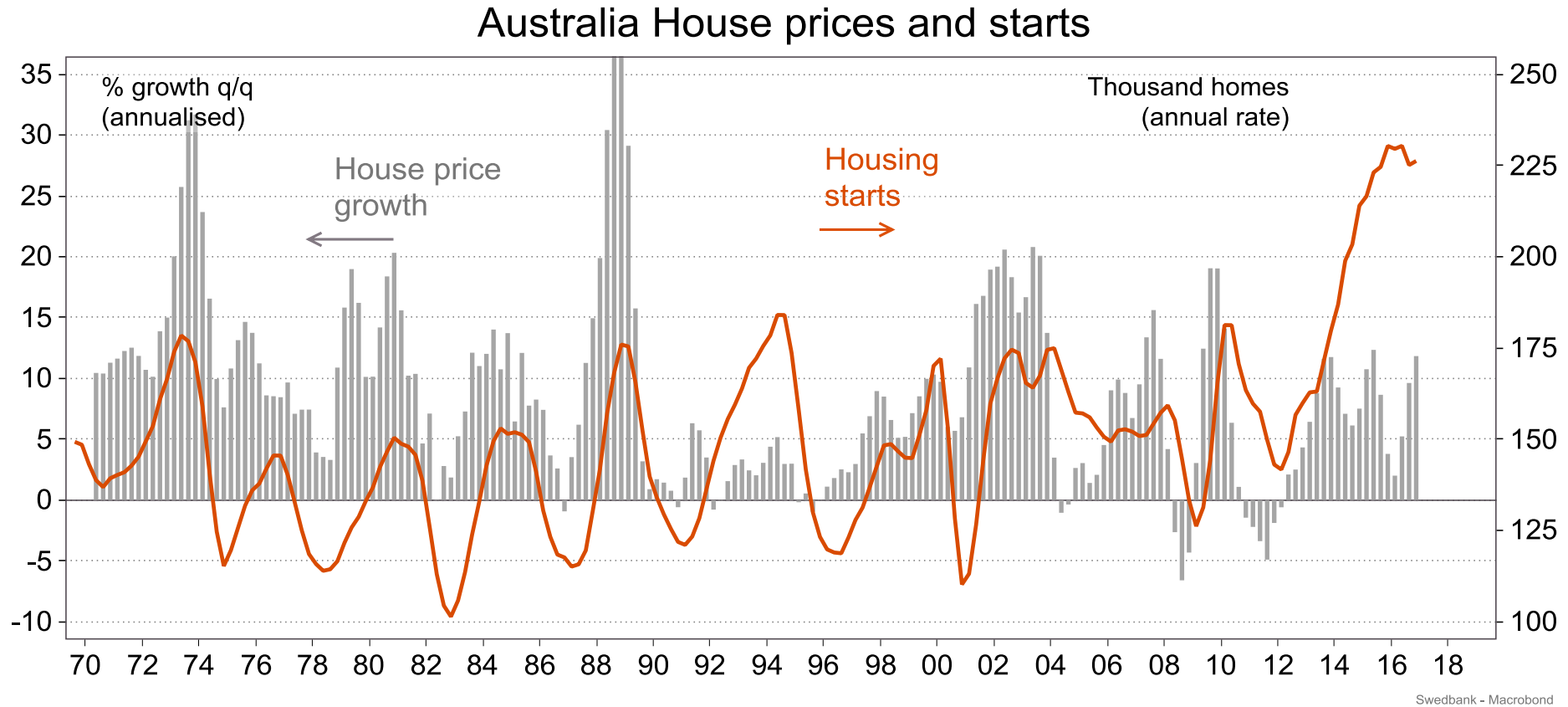
Canada Population growth and Housing starts



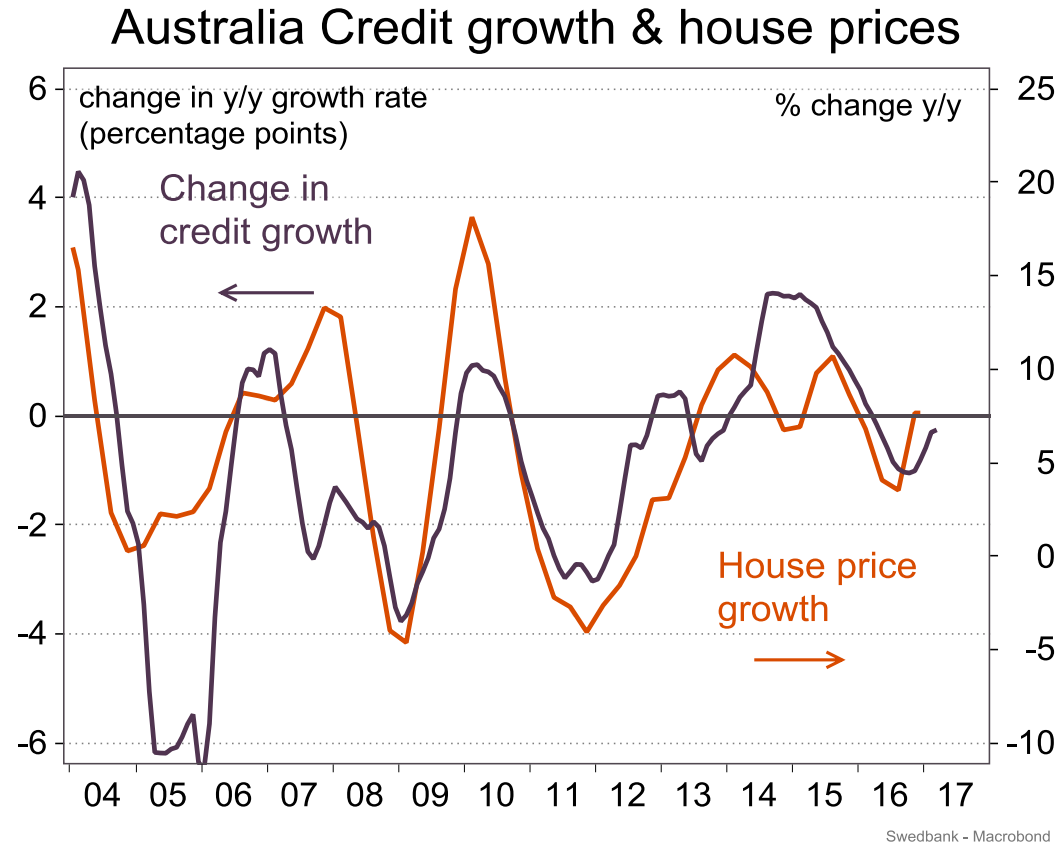
Population growth is not driving the construction cycle



Price growth spurs housing starts, of course

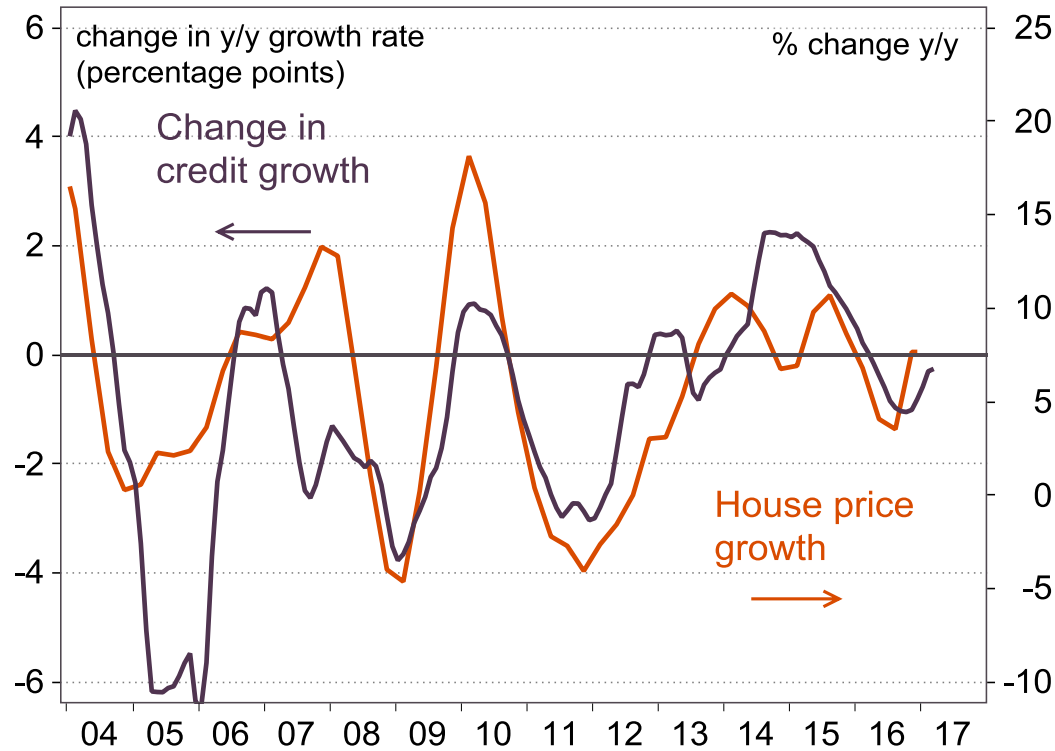


...and house prices are fuelled by credit



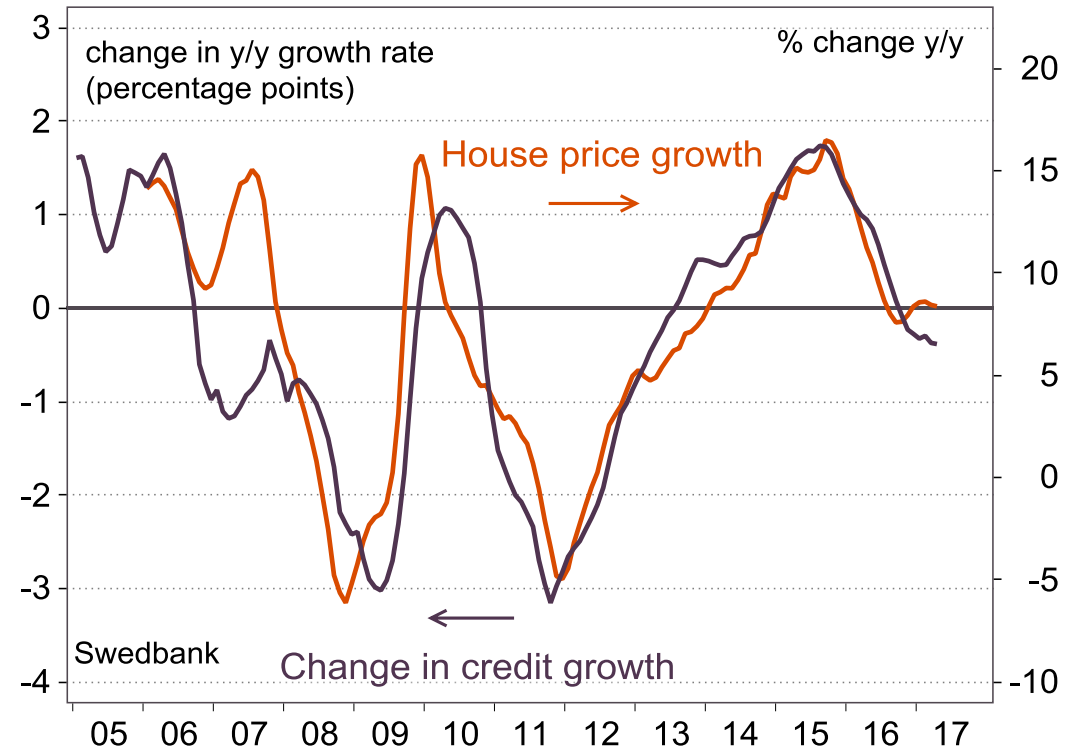
...and house prices are fuelled by credit

Australia Credit growth & house prices



Swedbank - Macrobond

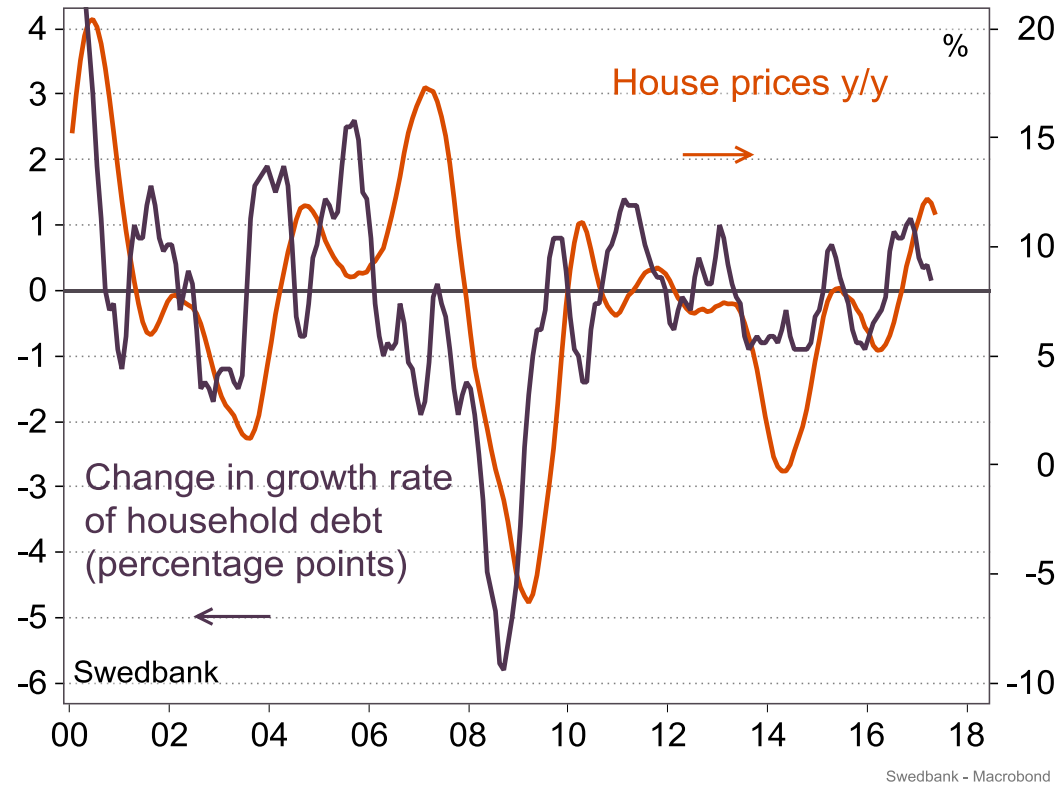
Sweden Credit growth & house prices



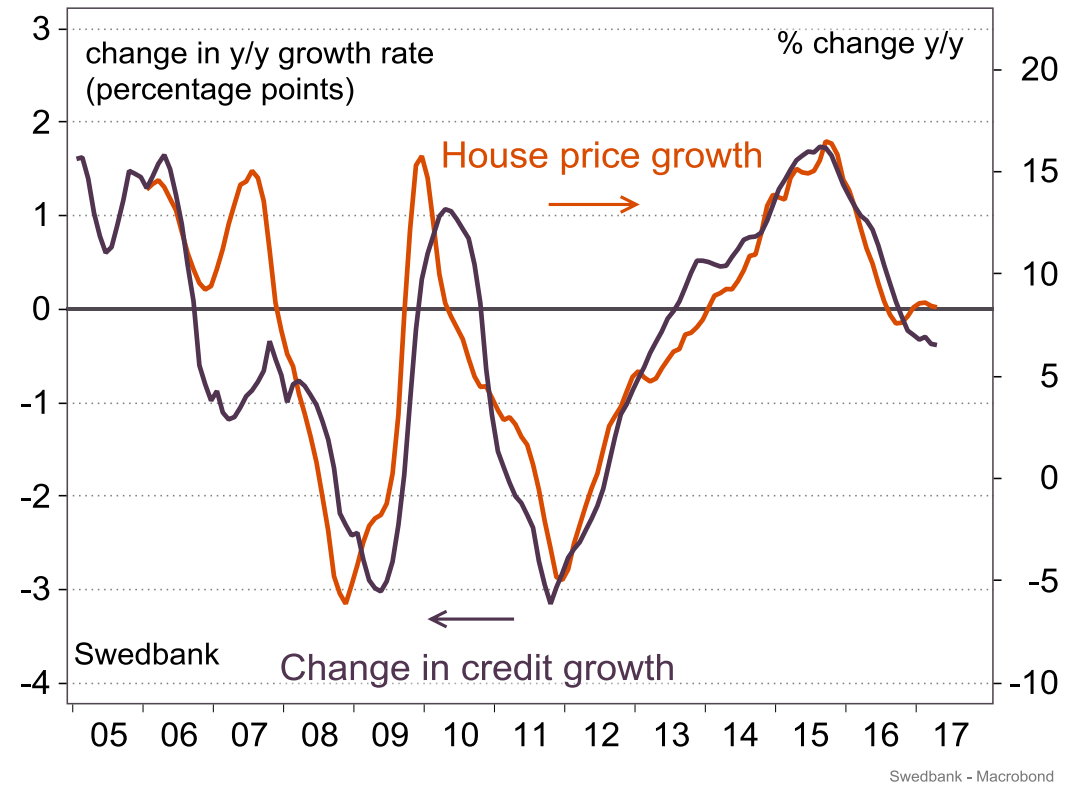
Swedbank - Macrobond

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Norway Credit growth & house prices

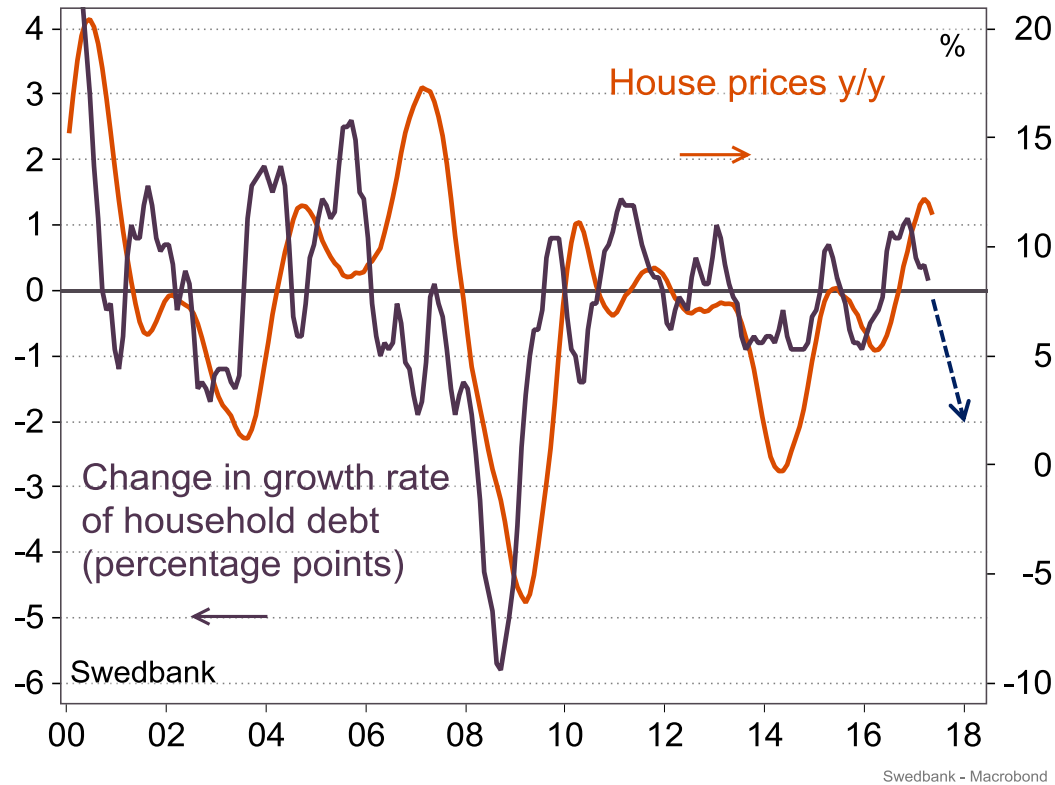


Sweden Credit growth & house prices

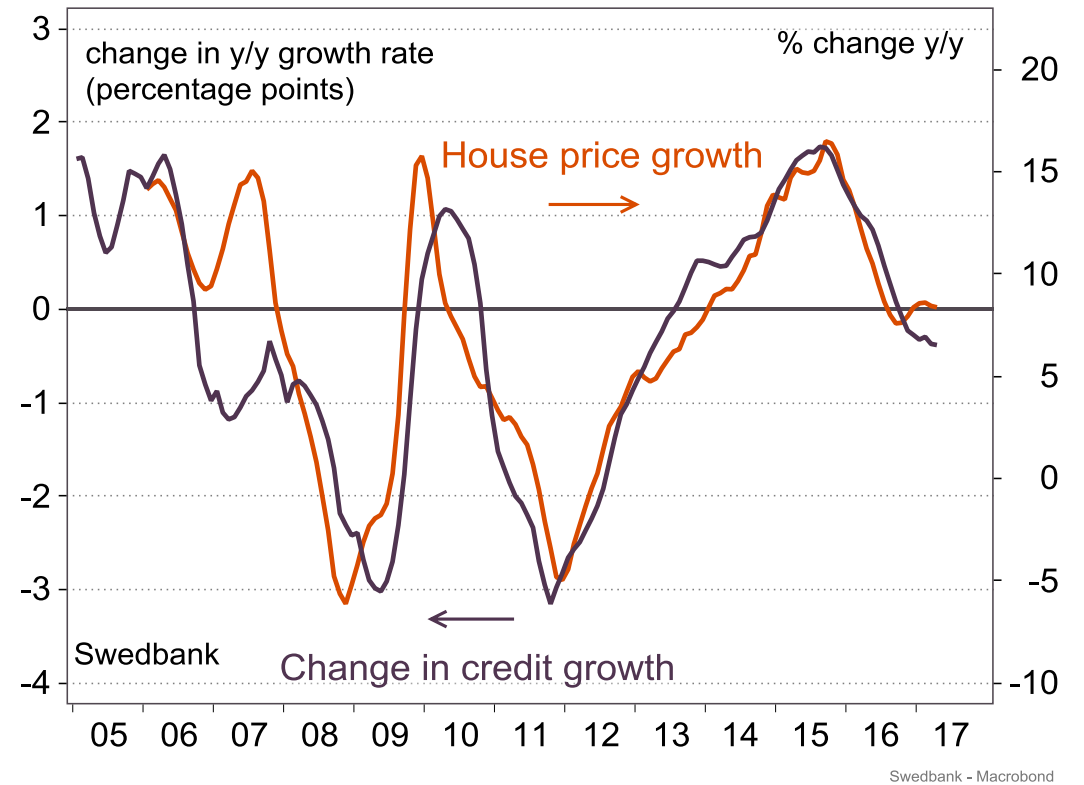


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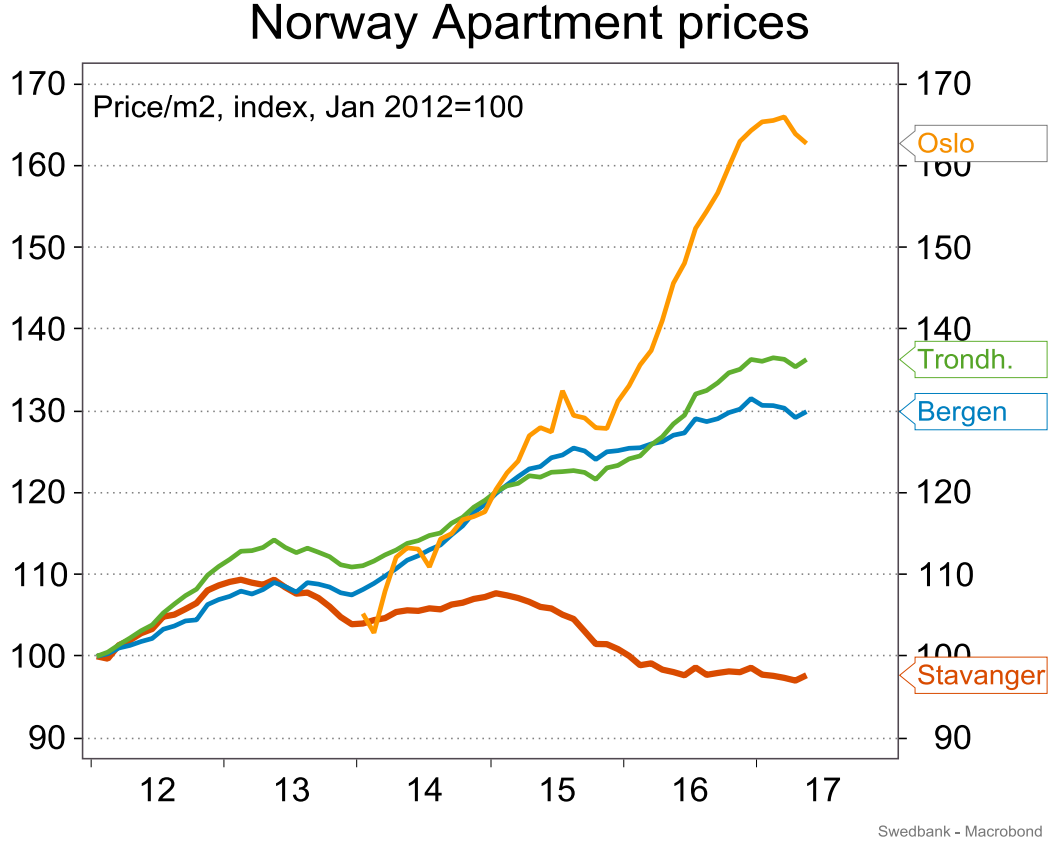
Norway Credit growth & house prices



Sweden Credit growth & house prices

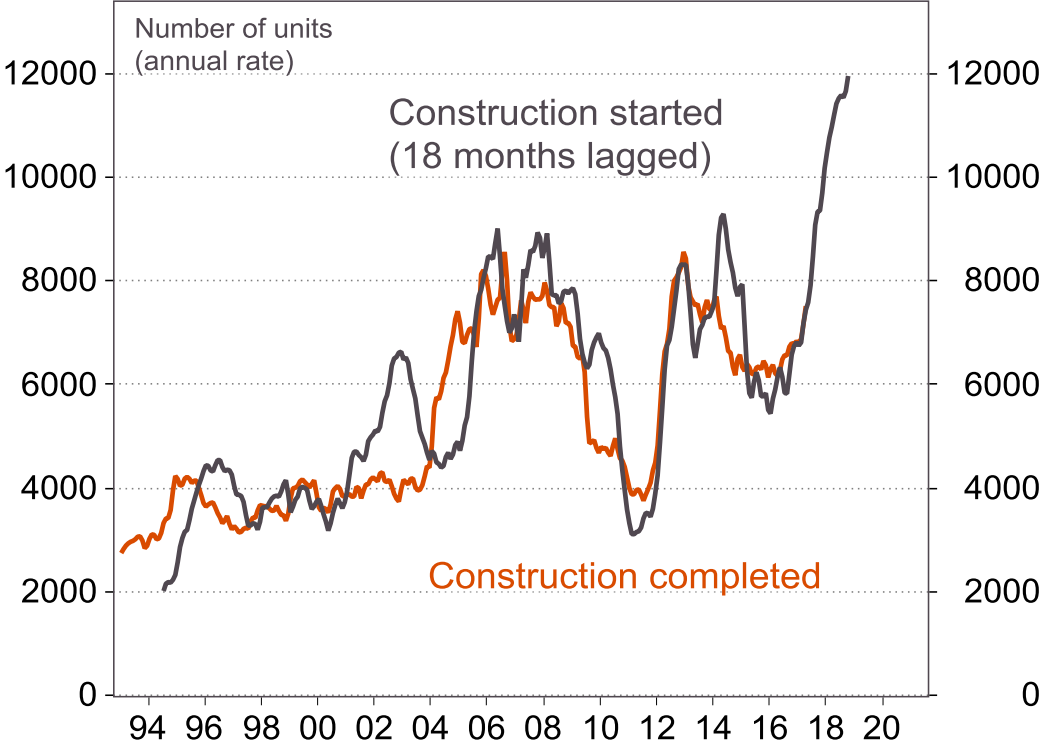


House prices are falling (at least in Oslo)



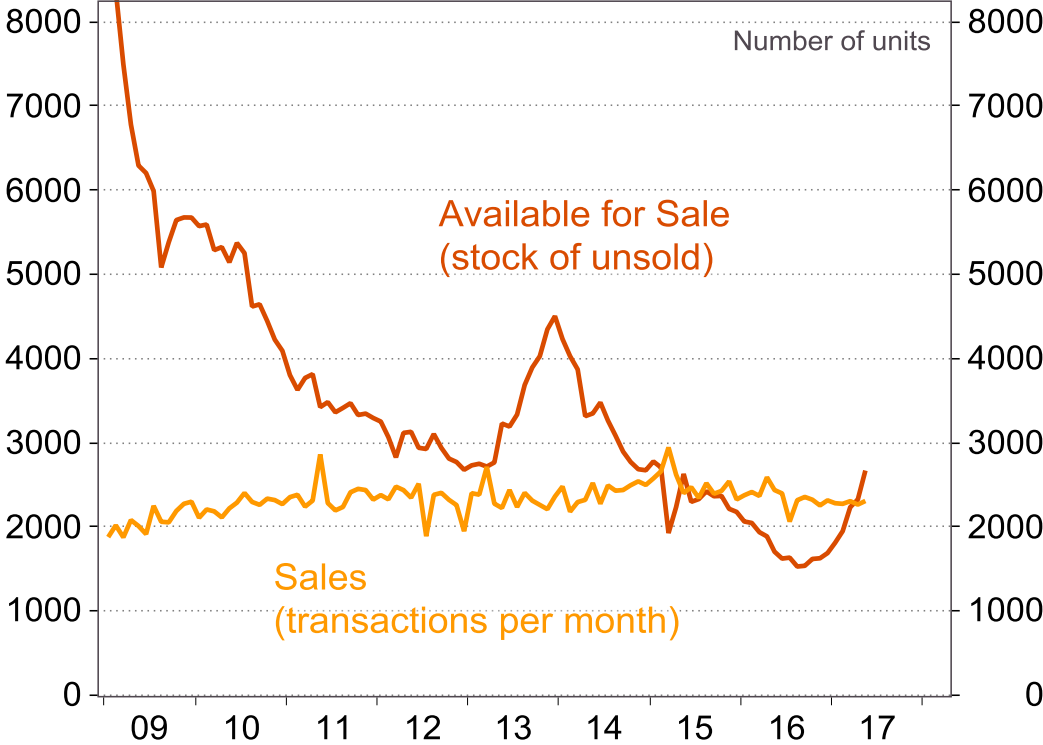
Oslo looks set for a significant turnaround

Greater Oslo Housing Construction



Swedbank - Macrobond

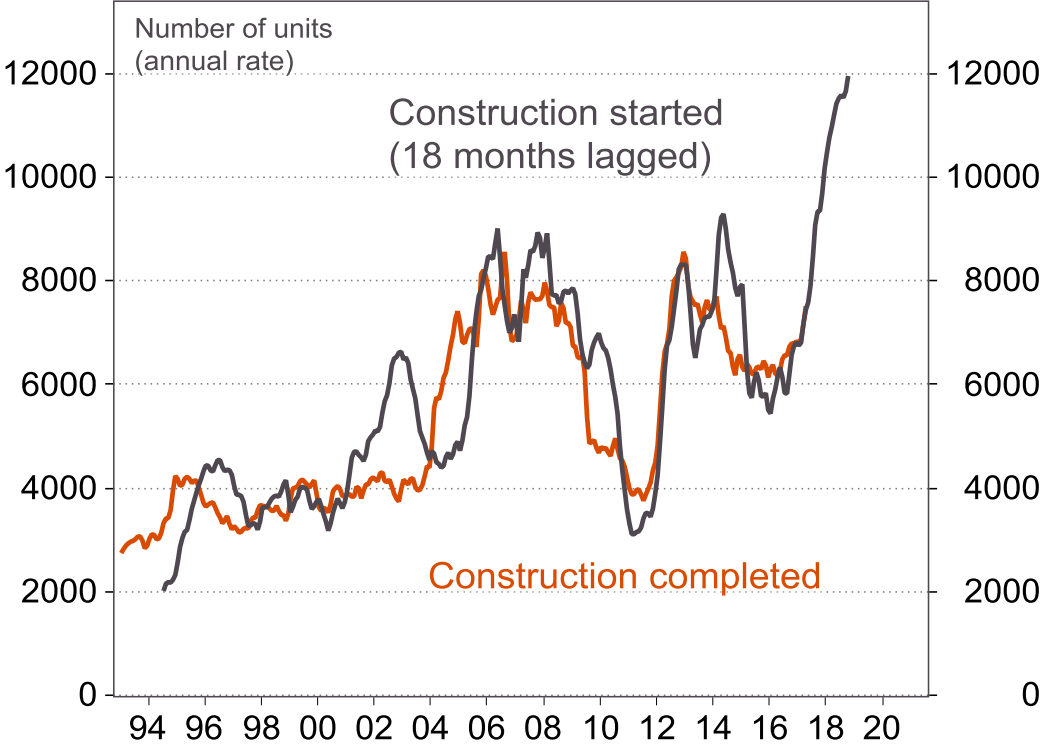
Greater Oslo Housing market



Swedbank - Macrobond

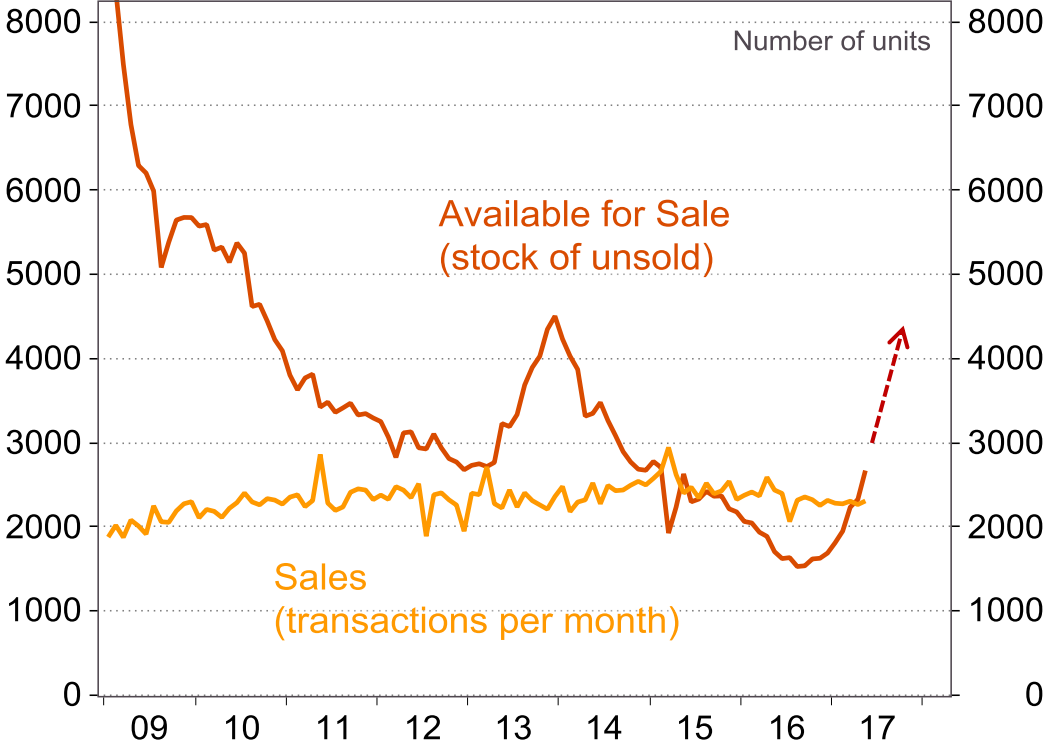
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Swedbank - Macrobond

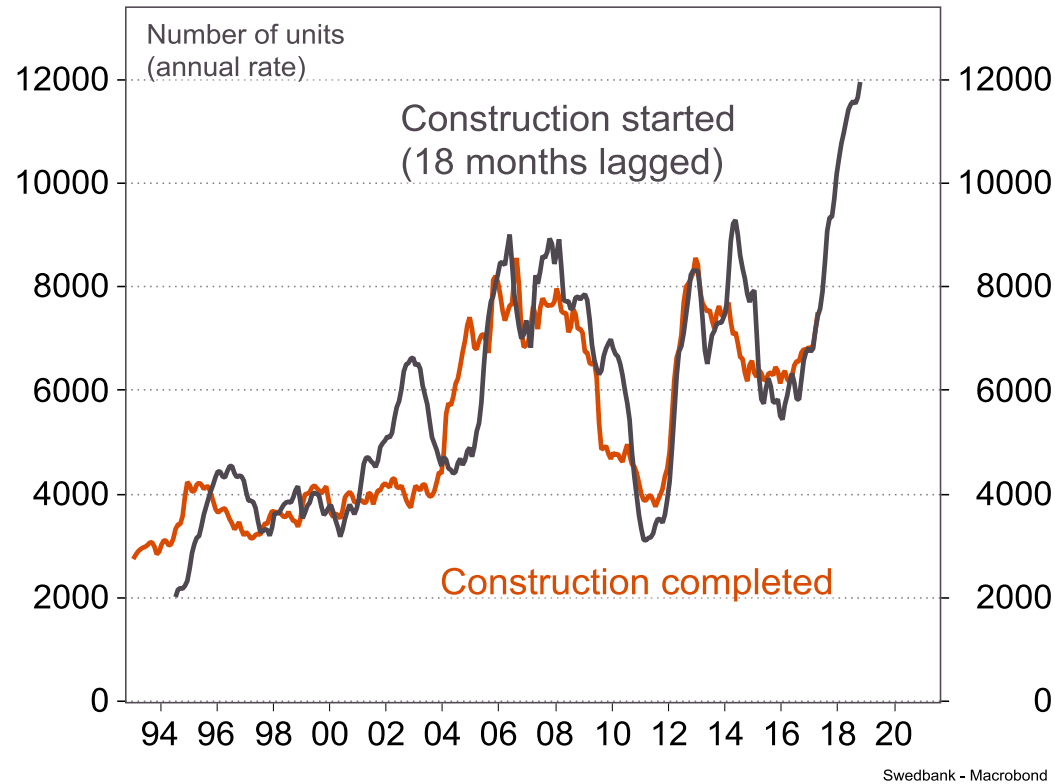
Greater Oslo Housing market



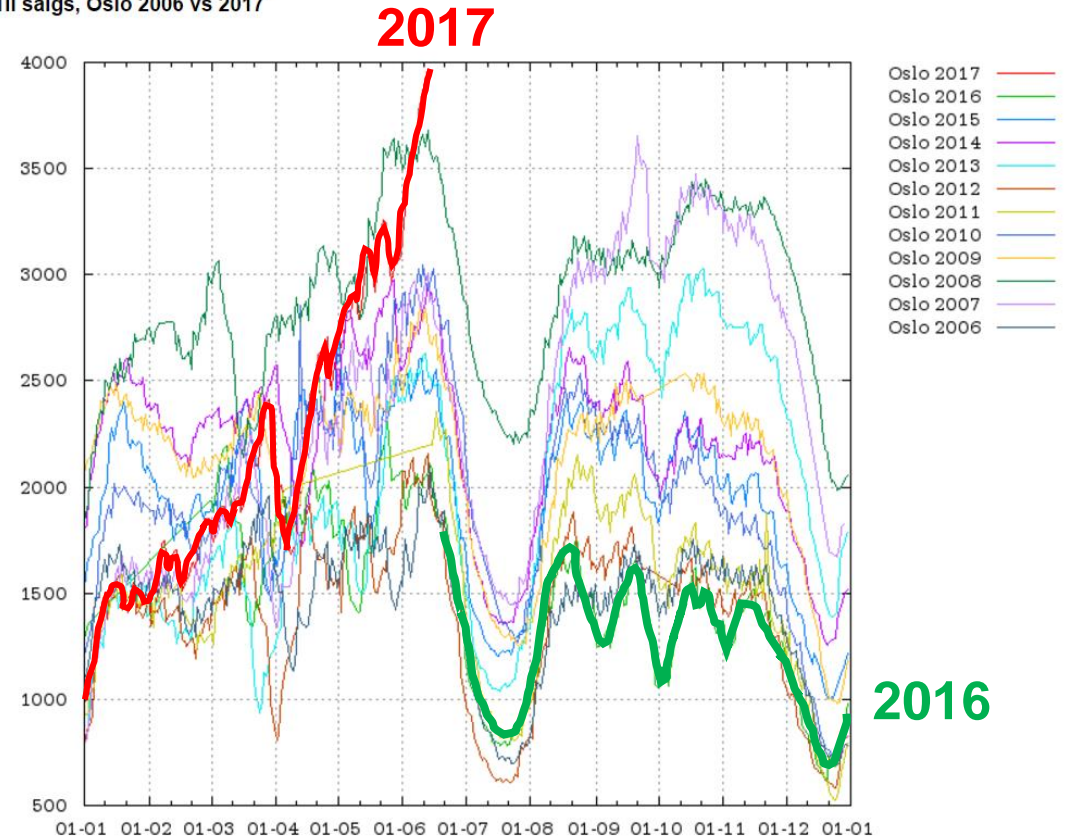
Swedbank - Macrobond

It is becoming more a buyer's market now

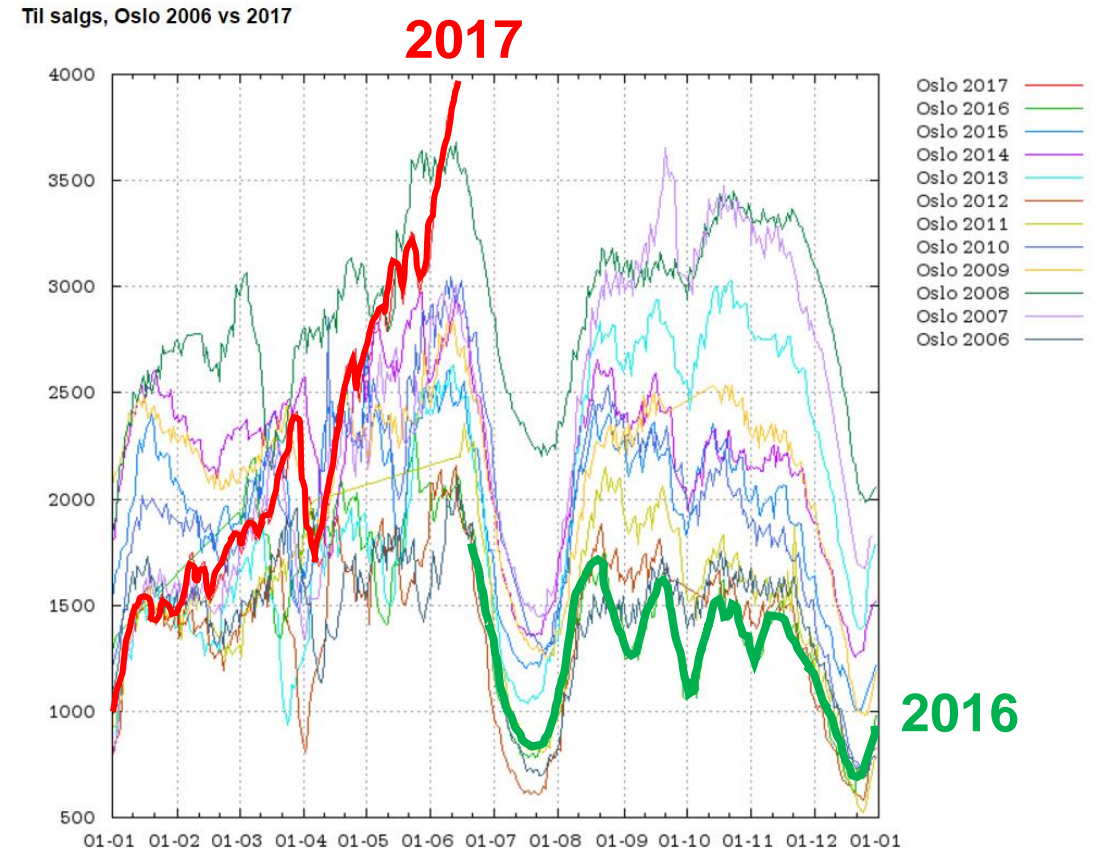
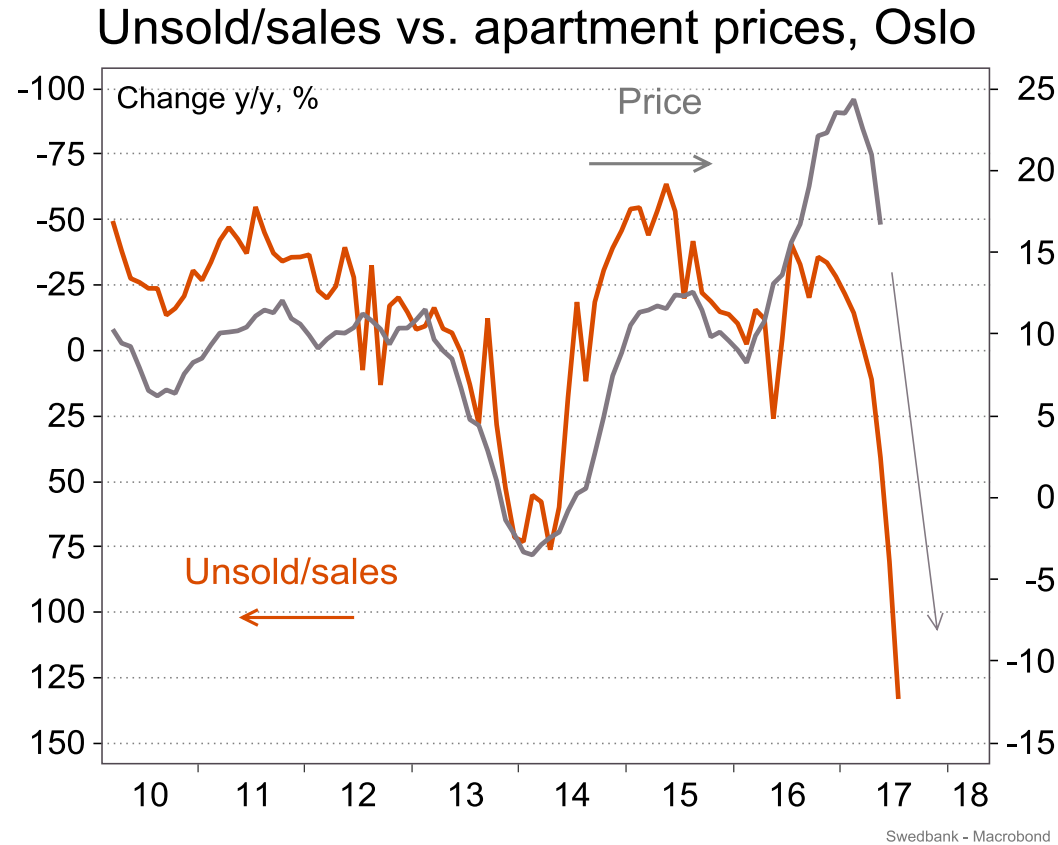
Greater Oslo Housing Construction



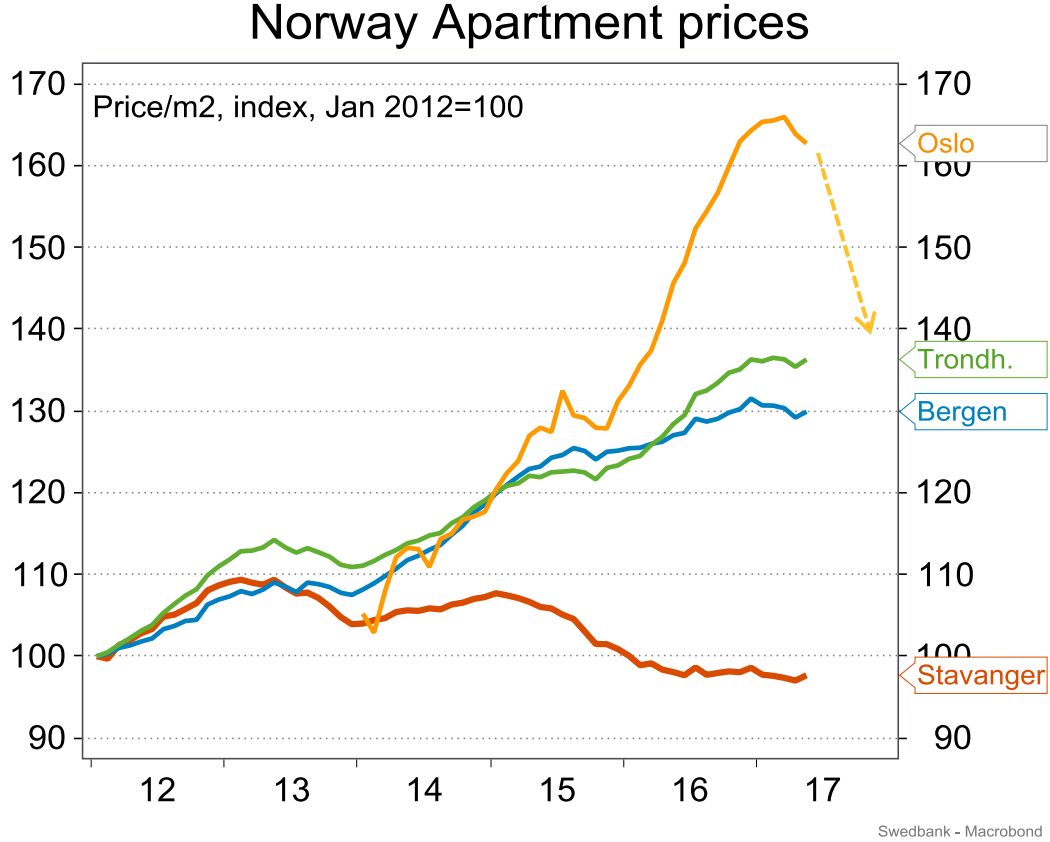
Til salgs, Oslo 2006 vs 2017



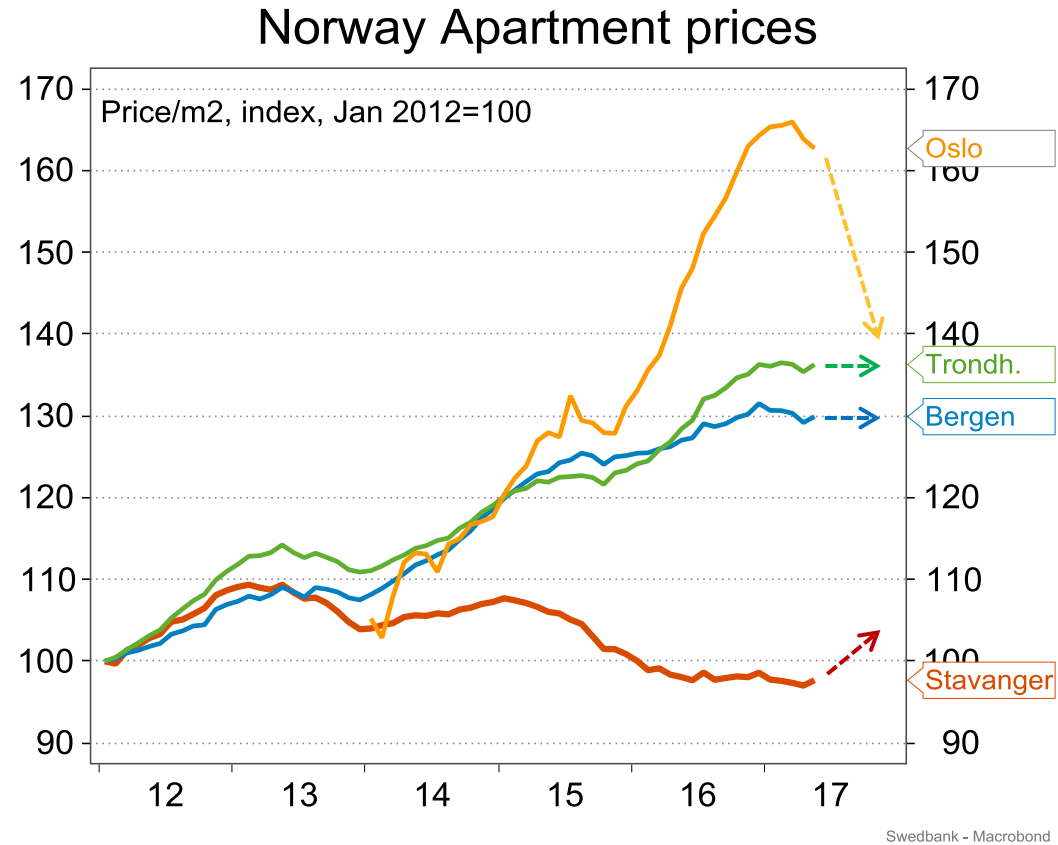
It is becoming more a buyer's market now



House prices are set to fall

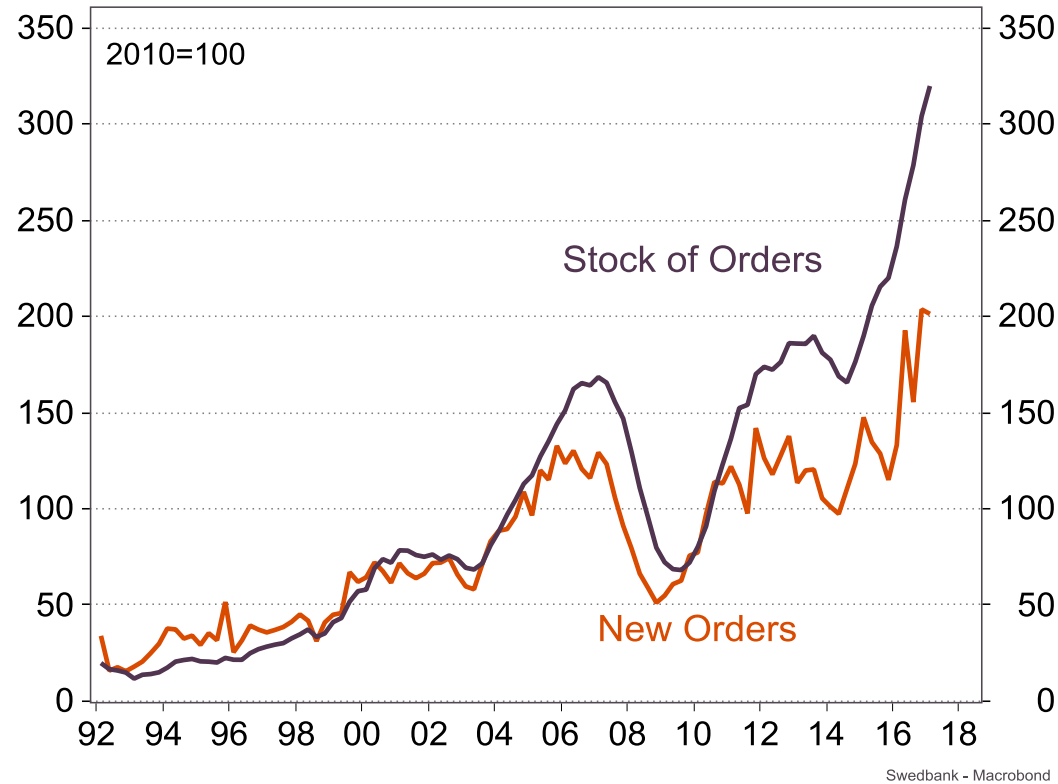


House prices are set to fall ...but perhaps only in Oslo

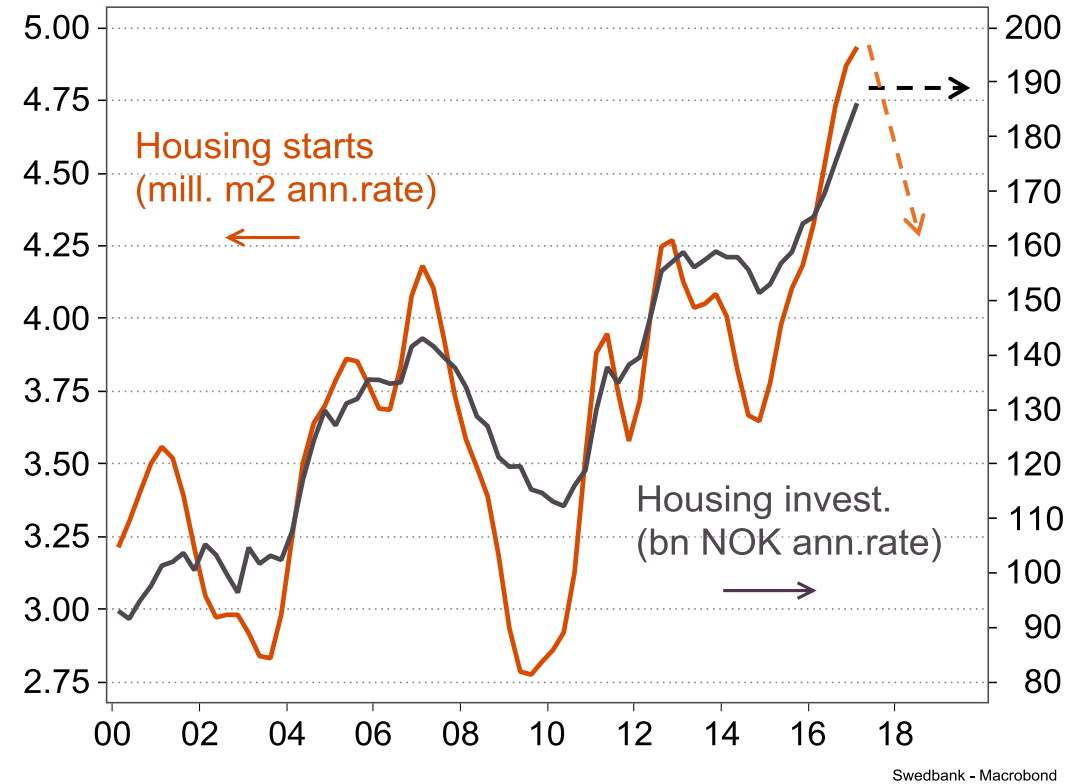


Home builders have plenty to do ...this time looks like a minor downturn

Norway, Residential building orders

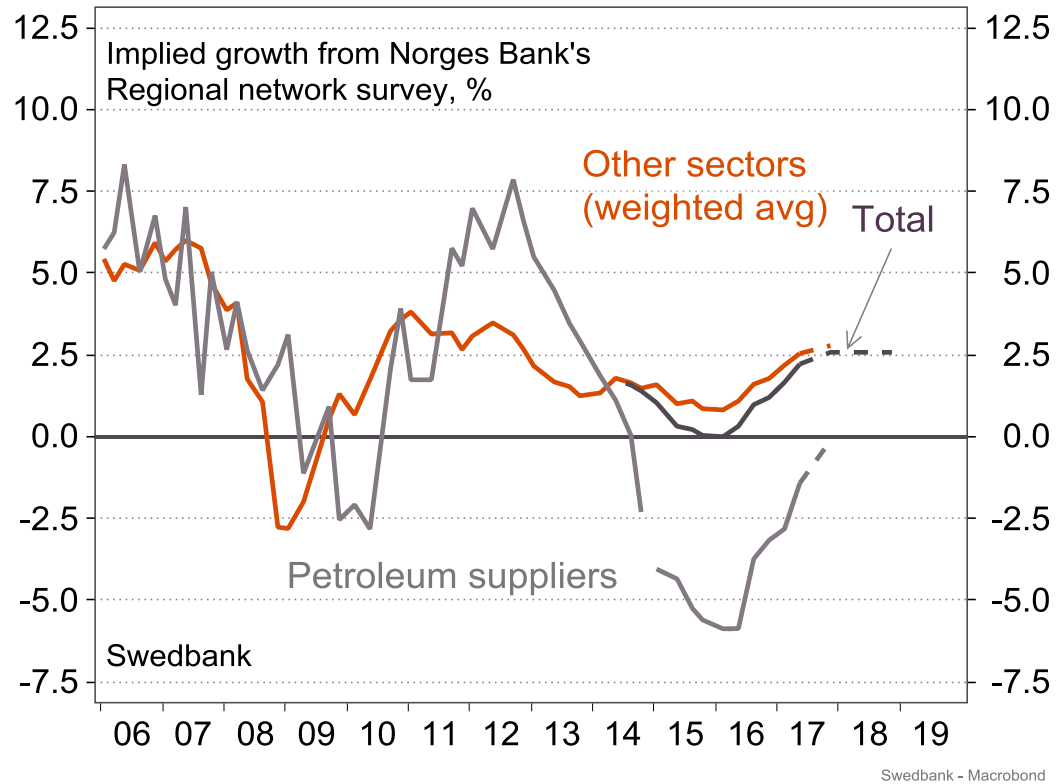


Norway Housing starts & investments

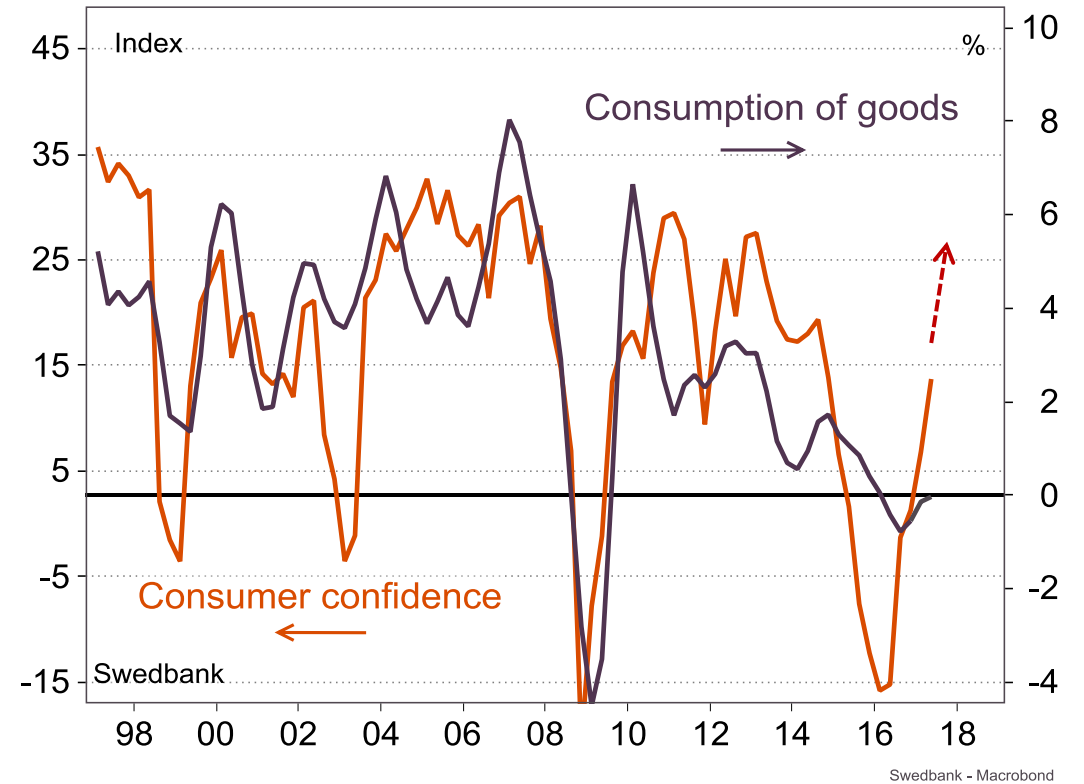


Will people lose their heads now? The starting point is quite good

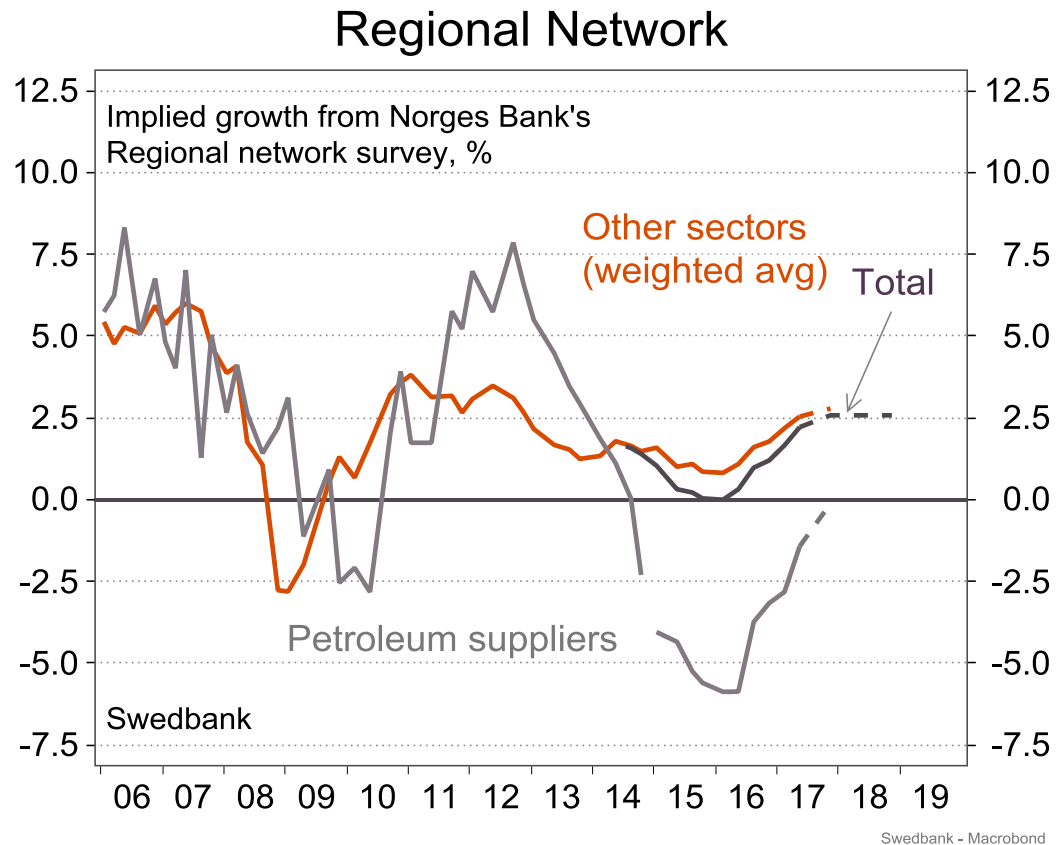
Regional Network



Norway Confidence vs. Goods consumption



Norwegian economy: We expect a correction in Oslo house prices but no crisis



- Credit contraction and construction will bring a correction to Oslo house prices
- But this looks like a “minor” downturn
 - Builders have large reserves, are committed to deliveries through 2018
 - Decline may be limited to greater Oslo area
 - Growth picks up elsewhere, confidence rising
- Growth may not pick up further, but that is not required. Unemployment will fall
- The Norwegian economy is robust against downturns

Norsk sommer

(for det meste pent vær, men også noen regnbygger)

Juni 2017

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