

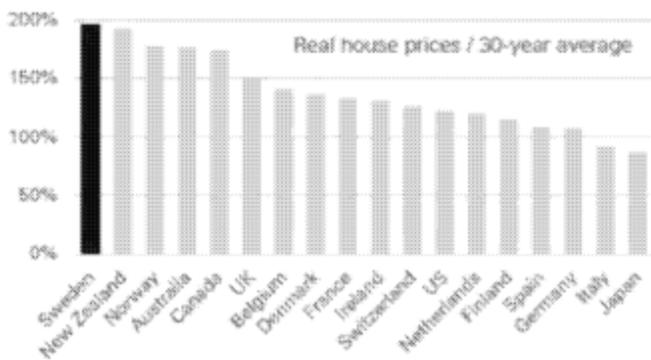
softer prices for package holidays (Figure 4). This suggests that the recent increase in services inflation is broad, durable and driven by strong domestic growth. Importantly, a day after Ingves' comment, the services PMI for September came in exceptionally strong at 63.8. We thus expect strong details in this week's inflation print for September to justify a re-assessment of services inflation as being persistently stronger than previously forecast.

To sum up, we remain long SEK against EUR and CHF in anticipation of a hawkish Riksbank turn by year-end. While hardly contrarian, our impression from recent client marketing is that SEK longs are far less extended than in the summer.

FX daily by Robin Winkler : http://pull.db-gmresearch.com/cgi-bin/pull/DocPull/1272-6DA8/7165222/DB_FXDaily_2017-10-10_2157d05d-ec69-43bc-acef-227c25d3f353_604.pdf

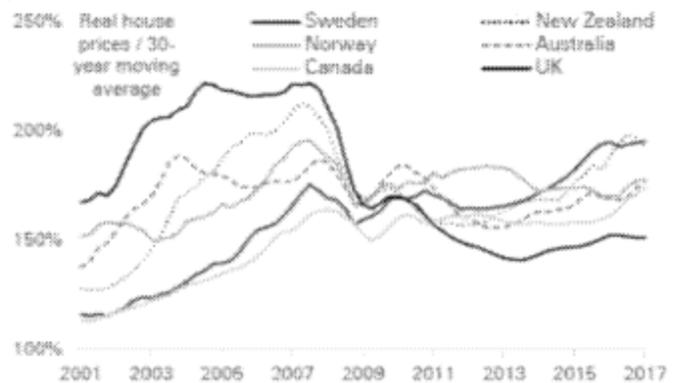
Theme #4 in our FX Blueprint by Robin Winkler: http://pull.db-gmresearch.com/cgi-bin/pull/DocPull/13519-C6ED/96421186/DB_FXBlueprint_2017-09-24_GDPBD00000314565.pdf

Figure 1: Sweden now has the most expensive property market...



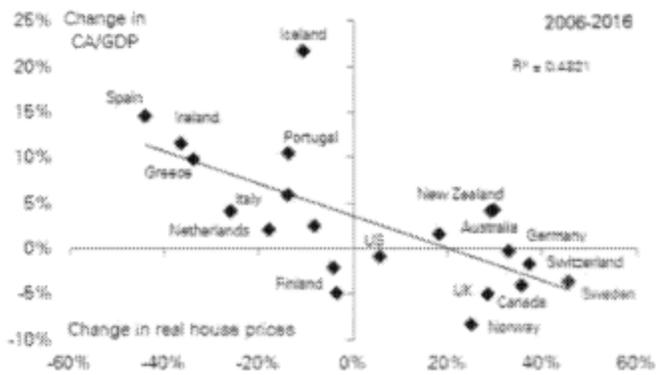
Source: Deutsche Bank, Bloomberg Finance LP

Figure 2: ...especially in comparison with pre-crisis peaks



Source: Deutsche Bank, Bloomberg Finance LP

Figure 3: House price inflation has contributed to the deteriorating current account



Source: Deutsche Bank, Bloomberg Finance LP

Figure 4: Strong services inflation ex-package holidays to drive hawkish Riksbank re-assessment



Source: Deutsche Bank, Bloomberg Finance LP