

---

18 March 2025

---

## First vote on German stimulus packages

### Global key stories

US stock markets recovered slightly yesterday after the decline in recent weeks (S&P 500 +0.6%, and Nasdaq 0.3%). The US dollar remains under pressure from growth concerns, the fact that EUR/USD is now close to 1.09 means that we are back at pre-US levels, which was the beginning of a sharp strengthening of the dollar that culminated in mid-January. Growth concerns intensified yesterday when the OECD presented new forecasts in which the outlook for the United States and its two closest neighbors was revised downwards (more below). Asia has followed the US development during the night; Japan's Nikkei rises by 1.3%, the Hong Kong index Hang Seng by 2.0%. Oil prices are rising slightly on heightened tensions in the Middle East. Canada's new Prime Minister, Mark Carney, continues his first foreign trip to strengthen the alliance with Europe, today in the UK. The ceasefire in the Middle East seems to have ended as Israel this morning again attacked Gaza with greater military means while negotiations for a more lasting ceasefire continue to stall.

**Today's highlights.** A number of interesting statistics are presented today, and we continue to look for signs that the trade conflict is starting to show in hard data. Perhaps at least as important as today's data is that Trump and Putin will be talking today and the German vote on fiscal policy investments (more below).

**Tariffs are dampens the world economy, according to the OECD.** In yesterday's OECD update, tariffs and trade barriers were no longer a risk, but a reason for downward revisions to GDP growth this year and more next year (read more [here](#)). But the OECD mainly includes what has been decided. The OECD thus lowers the outlook for Mexico (most affected), Canada and the United States (-0.5p.p. next year). For the euro area, however, this is a positive revision direction, as the customs focus has not yet been directed towards Europe. Fast forward a couple of weeks, however, we think we are in a different situation...

**Confidence begins to be affected.** We are entering a period where confidence polls may have been affected to a greater extent by all the mess and turmoil from the US administration. The continued high tone on tariffs will probably first be visible in manufacturing confidence indicators, but consumer confidence should also be affected by general concern before any higher prices make an impact. Yesterday we saw a clear decline in the US Empire State (New York) for the manufacturing industry, today we get a measurement for the service sector from the same district. In Europe, on the other hand, it is a question of whether the fiscal policy investments of recent weeks will instead lift confidence, today we get the ZEW index for Germany and the euro area.

**Germany's outgoing parliament votes on new subsidies.** Today, the Bundestag will vote through the proposal for an infrastructure fund of 500 billion euros over 10 years and an adjustment of the debt brake that, among other things, enables rapidly increased defense appropriations. After the Greens last week got their demands through on how the money should be spent, the vote should go through with the necessary 2/3 majority. But the issue has not been formally decided as the Bundesrat (second

chamber), where the states are represented, must also approve the proposals with a 2/3 majority (21 March).

## Nordic key stories

There are few important events in the Nordics next to the external economic environment, but for this weeks topics please have a look in the weekly markets review's for [Sweden](#) and [Norway](#).

## Today's key events

For graphs and analysis of the week's most important data, click [here](#)

Time	Country	Event	Period	SEB	Consensus	Last
11:00	GER	ZEW survey expectations   current situation	Mar		36.0   ---	26.0   -88.5
11:00	EA	ZEW survey expectations	Mar		---	24.2
11:00	EA	Trade balance SA	Jan		---	EUR 14.6bn
13:30	CAN	CPI	Feb		0.6/2.2	0.1/1.9
13:30	US	Housing starts   change mom	Feb		1380k   1.0	1366k   -9.8
13:30	CAN	CPI core-median   core-trim (yoy)	Feb		---	2.7   2.7
13:30	US	Import price index   ex petroleum mom	Feb		-0.1/---   ---	0.3/1.9   0.1
13:30	US	Export price index	Feb		-0.1/---	1.3/2.7
13:30	US	New York Fed services business activity	Mar		---	-10.5
14:15	US	Industrial production   mfg (SIC) production	Feb		0.2   0.1	0.5   -0.1
14:15	US	Capacity utilization	Feb		77.8	77.8

**Auctions:** UK to sell bonds (11:00), ESM to sell bills (12:30), US to sell bills/bonds reopening (16:30/18:00). **Speeches:** RBA's Hunter (00:20), ECB's Rehn (10:00). **Other:** SNB publishes annual report (07:15), SSB publishes Economic trends 2025-2028 (08:00), SECO Spring Economic Forecasts (09:00). German parliament vote about easing of the debt brake for defence spending and on the investment fund.

## Market data

Equities	Index	Future	FX	Commodities
S&P 500	+0.64%	-0.32%	EUR/SEK 11.03	Brent fut \$/bl 71.26
NASDAQ	+0.31%	-0.43%	USD/SEK 10.10	Gold fut \$/oz 3014
Estoxx 50	+0.78%	+0.40%	NOK/SEK 0.9564	
OMX 30	+0.10%		EUR/NOK 11.51	
Nikkei	+1.30%		EUR/USD 1.0910	
Shanghai	+0.07%		USD/CNY 7.23	

*US and Europe indices are change at yesterday's close*

### Marcus Widén

Economist, Sweden & Euro area

marcus.widen@seb.se

+46706391057