Nordic Alert

18 August 2026

Weaker stock market, higher interest rates and oil prices

Global key stories

Stock prices turned lower yesterday in both Europe and the US (S&P 500 -0.5%), where the weaker retail sales figure from Friday reinforced a gloomier mood. This morning's trading in Asia is also pointing downwards, with the exception of South Korea's KOSPI, which is rising after being closed. Long-term bond yields continue their upward journey and we see levels we have not seen for many, many years, compared to the situation in 2007 (with the exception of a short time in 2023), Germany in 2011 and France in 2009. The rise in yields comes despite the fact that the market has scaled back expectations that the Fed will have to raise interest rates as new signs of a cooler economy emerge. If you look back one to two weeks, the prices of both gold and silver have risen after a weaker period. Oil prices rose yesterday, and continue to rise this morning after more gloomy tones about the situation between the US and Iran (more below). Brent crude is now just below USD 92 per barrel. In Canada, attempts are being made to avoid new 50% tariffs that are supposed to apply from tomorrow.

Today's data calendar contains, in addition to the monthly set of UK labour market statistics, some US data on manufacturing production and housing construction. Rising industrial confidence according to the ISM indicates that production in the US will rise in the near future. It will also be interesting to listen to the ECB's Lane later this afternoon.

New threats and lower hopes for a solution. The fragile ceasefire between the US and Iran ended yesterday, and in addition to threatening Oman with bombing, Trump said yesterday that he saw no reason to extend the ceasefire. At the same time, Iran turned up the tone and is getting ready for new offensives in the absence of new agreements. However, underhand negotiations are reportedly still ongoing.

News from the British labour market. Ahead of the June numbers, the question is whether unemployment will continue to fall after a couple of months of decline. A turnaround is also supported by Indeed's statistics on job postings indicating that the demand for labor is increasing. Of course, we are also focusing on wage growth, which is one of the Bank of England's major headaches, and a continued decline is a prerequisite for the bank to be able to avoid interest rate hikes despite high energy prices.

Nordic key stories

In Sweden , it is a bit of a waiting day for Thursday's Riksbank meeting. In addition, the focus is rather on the last weeks of the election campaigns, including a major party leader debate yesterday on Dagens Industri (Di-TV here) and fresh opinion polls this morning on SVT/Verian (here).

Note from harvest times. Despite drought and El Niño globally, the Swedish Board of Agriculture's new harvest forecast landed higher than those from Lantmännen and Svenska Foder: nine percent above last year's record harvest and ten percent above the average for the past five years.

A more private note from this morning's writer's cottage is that it was half dark and that the sunrise is now **after** the alarm bell and not before as two weeks ago.

Today's key events

For graphs and analysis of the week's most important data, click here

Time	Country	Event	Period	SEB forecast	Consensus	Last
08:00	UK	Average weekly earnings 3m/yoy	Jun		4.0	4.3
08:00	UK	Payrolled employees monthly chg | ILO unemployment 3m	Jul		0k | 4.8	-3.9k | 4.9
11:00	GER	ZEW survey current situation | expectations	Aug		-69 | 30	-77.6 | 26.3
11:00	EA	ZEW survey expectations	Aug		---	23.4
14:15	US	ADP weekly employment change	Aug 1		---	8.30k
14:30	US	New York Fed services business activity	Aug		---	8.7
14:30	US	Import price index | ex petroleum mom | export price index	Jul		0.1/--- | --- | 0.0/---	0.3/7.1 | 0.5| -0.6/10.2
14:30	US	Housing starts | mom	Jul		1350k | -5.7	1427k | 19
15:15	US	Manufacturing production mom | industrial prod mom	Jul		0.2 | 0.3	0.0 | 0.1
15:15	US	Capacity utilization	Jul		76.3	76.1

Auctions: SWE to sell bills (11:00), UK to sell bonds (11:00), US to sell bills (17:30). Speeches: ECB's Lane (13:45).

Market data

Equities	Index	Future	FX		Commodities	
S&P 500	-0.5%	-0.3%	EUR/USD	1.16	Brent fut $/bl	91.4
Nasdaq comp	-0.3%	-0.7%	EUR/SEK	11.02	Gold fut $/oz	4395
Eurostoxx 50	-0.1%	-0.5%	USD/SEK	9.52	**Government bonds yields**	
OMX Stockholm 30	-0.3%		EUR/NOK	10.90	US 10 year	4.74%
OBX Oslo	0.1%		USD/NOK	9.42	US 2 year	4.19%
OMX Copenhagen 25	-0.1%		NOK/SEK	1.01	Germany 10 year	3.22%
OMX Helsinki 25	0.5%		USD/DKK	6.46	Germany 2 year	2.72%
Nikkei225	-1.9%		USD/JPY	160	Sweden 10 year	3.03%
Shanghai Comp	-0.4%		USD/CNY	6.74	Sweden 2 year	2.43%

US and Europe indices indicate change at yesterday's close

Marcus Widén
Economist, Sweden & Euro area
marcus.widen@seb.se
+46706391057