

# EMEA Daily

## Review

- Quote of the day: "Representatives sitting in Washington and educated at Yale do not fully understand what is going on in Latvia", Latvian Economics Minister Kampars yesterday on the Latvian TV programme *900 sekundes*.
- While Mr. Kampars might be right on his assessment of the IMF staff, it is certainly unhelpful for further negotiations (if there are to be any) to bad mouth the institution that is supposed to give Latvia a loan. In our view it increasingly looks like the IMF will not pay out the next instalment on Latvia's loan. This not only has ramifications for Latvia, but should also be a reminder to investors that the IMF is not just a "money machine" that automatically bails out all countries with funding needs.

## Preview

- Limited data out today, but keep an eye on the news flow out of Latvia.

## Trading update

- This week's trading got off to a good start. Supported by higher risk appetite, the currencies we track saw a positive performance in yesterday's trading. Especially the South African rand and the Russian rouble outperformed. ZAR was supported by the appointment of the SARB governor, Mr Mboweni's successor (see [comment](#)). RUB was supported by higher oil prices, which is by far the most important driver for the Russian currency.
- EMEA Swap rates were in general trending downwards yesterday. Especially Turkish and South African were lower – mainly in the two-year segment.
- With no local data out, EMEA markets are likely to track global sentiment and market volumes are likely to continue to be very low.

## Calendar

Tuesday, July 21, 2009		Period	Danske Bank	Consensus	Previous
LVL	12:00 Producer prices	y/y	Jun		-4.8%

Source: Danske Markets

## Limited movements in rates markets

2Y IRS	Mid level	1D chg - bp
CZK	2.58	3
HUF	8.10	-6
PLN	4.72	-2
RUB	12.40	55
TRY	10.70	-10
ZAR	7.78	-7

Data updated: 20/07 - CET: 16:12

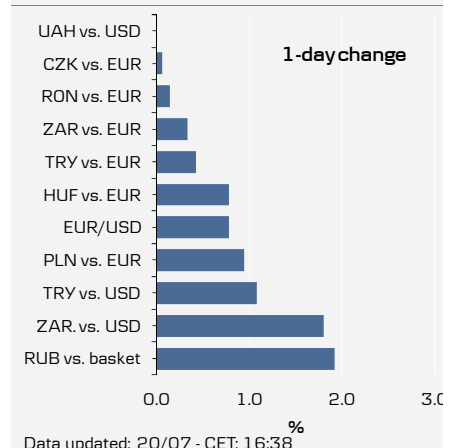
5Y IRS	Mid level	1D chg - bp
CZK	3.45	3
HUF	7.89	-6
PLN	5.31	0
RUB	12.50	45
TRY	11.80	-8
ZAR	8.65	-3

Data updated: 20/07 - CET: 16:12

Source: EcoWin Reuters and Danske Markets.

Note: XCCY is used for Turkey

## Positive sentiment in FX markets



Source: EcoWin Reuters and Danske Markets

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All EM research is available on Bloomberg DDEM

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