

EMEA Daily

Review

- Yesterday Ukrainian Deputy Prime Minister, Sergey Tigipko, said that the government expects to receive the first \$1.89 billion disbursement under Ukraine's new IMF programme within a few days. This is certainly good news and should further help to stabilise the fragile recovery in the Ukrainian economy.
- We have published our new Macro Monitor on the Lithuanian economy. See the Macro Monitor [here](#). Last week we published a Macro Monitor on [Estonia](#).

Preview

- There is quite a bit of EMEA macroeconomic data on the agenda today, but none is likely to bring big market-moving news. Most interesting will probably be Estonian industrial production for June. It will be interesting to see whether the Estonian manufacturing sector has continued to recover or if there are any signs of a soft-spot, similar to what we have seen in Estonian confidence indicators recently.

Scorecard-based trade of the week: Buy CZK/ZAR

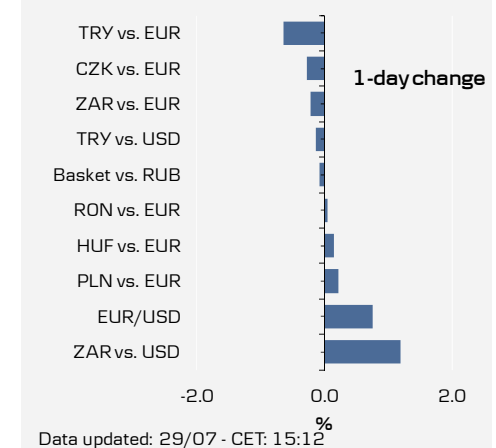
- For a third week in a row, our Scorecard-based trade of the week is CZK/ZAR. The Czech koruna is still the highest-scoring currency on our EMEA FX Scorecard, with the rand at the bottom. Over the last couple of weeks this cross has been remarkably stable, but the trend remains upwards, with CZK continuing to outperform ZAR slightly over the past week.
- Overall, even though this recommendation is short-term (weekly), we also think that this cross could perform quite well in the longer run as the Czech koruna is fundamentally the most undervalued currency among the seven currencies covered by the Scorecard, while the opposite is the case for the South African rand, which we regard as the most overvalued EMEA currency.

EMEA swap rates

2Y IRS	Mid level	1D chg - bp
CZK	1.63	-4
HUF	6.20	-2
PLN	4.59	1
RUB	5.45	5
TRY	7.50	9
ZAR	6.52	1
5Y IRS	Mid level	1D chg - bp
CZK	2.25	-2
HUF	6.55	-2
PLN	5.14	1
RUB	6.68	-2
TRY	7.94	12
ZAR	7.29	4

Source: Reuters Ecowin

EMEA FX markets



Source: Reuters Ecowin

Calendar

Friday, July 30, 2010				Period	Danske Bank	Consensus	Previous
EEK	7:00	Industrial production	y/y	Jun	13.0%		17.1%
EEK	7:00	Retail Trade	y/y	Jun	-5.2%		-5.0%
HUF	9:00	Trade balance, final	m. EUR	May			428.8
TRY	9:00	Trade balance	m.l. USD	Jun		-6.1	-4.8
LVL	12:00	Retail trade	y/y	Jun	-5.0%		-8.4%
ZAR	14:00	Trade balance	B. ZAR	Jun		-2.2	-0.3

Source: Danske Markets

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All EM research is available on Bloomberg DMEM

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