

# EMEA Daily

## Review

- On Friday, the Polish government's spokesman, Pawel Gras, said in an interview in Brussels that Poland will consider changing its 2012 target date for joining the euro area.
- The Polish central bank (NBP) governor, Slawomir Skrzypek, said on Friday that the NBP is maintaining its easing bias because inflation is under control, and it is unlikely to raise interest rates even if commodities push inflation up.
- On Friday, Polish industrial production in May surprised positively when it dropped less than expected by -5.2% y/y compared to the consensus expectation of -6.1% y/y. This was a big improvement on the 12.4% y/y fall in April.
- On Friday, Turkey's Minister of the Economy, Ali Babacan, said that Turkey will continue to remain in contact with the IMF over the coming weeks.
- On Friday we published *New Europe Weekly, Week 26*.

## Preview

- Key event of the day will be the monetary policy setting meeting in Hungary. We expect the Hungarian central bank (MNB) to continue its wait-and-see stance in monetary policy for some time and to keep its key policy rate unchanged at 9.50%.
- Lithuanian industrial production is due for release today. Lithuania's industrial confidence indicator rose to minus 25 in May from minus 33 in April, which could indicate that the decline in industrial production in May was slightly slower than previously.

## Trading update

- The crisis in Iran has escalated further over the weekend. Until now the markets have not been much affected, but if the crisis start to push up oil prices and increase risk aversion it could begin to weigh on the EMEA markets – we see especially risk to the Turkish lira.

## Calendar

| Monday, June 22, 2009 |       |                                      |        |             |           |          |
|-----------------------|-------|--------------------------------------|--------|-------------|-----------|----------|
|                       |       |                                      | Period | Danske Bank | Consensus | Previous |
| EEK                   | 8:00  | Producer prices                      | y/y    | May         |           | 0.0%     |
| LTL                   | 10:00 | Industrial production                | y/y    | May         | -20.0%    | -25.5%   |
| PLN                   | 14:00 | Net core inflation                   | y/y    | May         |           | 2.7%     |
| HUF                   | 14:00 | Central Bank meeting (rate decision) |        |             | 9.50%     | 9.50%    |

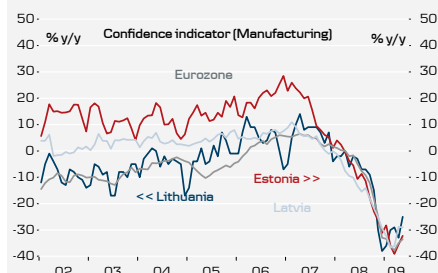
Source: Danske Markets

## Better-than-expected IP in Poland



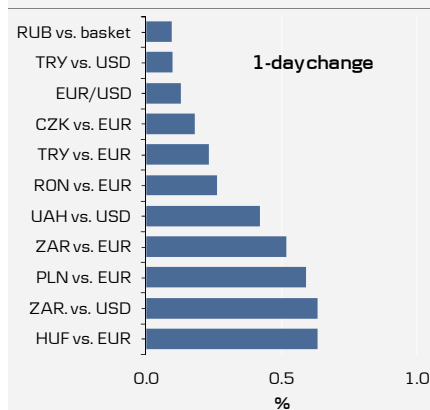
Source: Reuters EcoWin

## Confidence indicators are ticking up



Source: Reuters EcoWin

## Pretty calm markets



Data updated: 19/06 - CET: 15:01

Source: Reuters EcoWin and Danske Markets

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All EM research is available on Bloomberg DDEM

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