

# EMEA Daily

## Review

- **South African NAAMSA new vehicle sales dropped by 23.7% y/y**, but improved compared to -34.7% y/y in May, suggesting that the worst might be over and some stabilisation has been reached.
- **Yesterday, the European Commission set a deadline for Latvia to bring its budget deficit below 3% of GDP by 2012.** Furthermore the Commission said that the second instalment of EU aid to Latvia would be disbursed in July.

## Preview

- **Inflation in Turkey is due for release today. We expect inflation to rise a bit to 5.5% y/y in June from 5.2% y/y in May.** This is primarily due to base effects, but we nonetheless expect inflation to hover around 5½-6% in the coming months. This is likely to make it harder for the Turkish central bank (TCMB) to continue its monetary easing cycle, so although we still expect further monetary easing from the TCMB, we expect the easing to be less aggressive than in recent months.
- **Czech Minutes from the latest monetary policy setting meeting will be published today.** Taking into account the comment made by the CNB Governor Tuma after the rate decision at the end of June, we expect the Minutes to be fairly balanced. The Minutes will probably indicate that the recession will be much deeper than anticipated in the Inflation report published in May. Furthermore, the Minutes are likely to indicate a rather balanced inflation outlook, stating some pro- and anti inflationary risks to the inflation forecast.

## Trading update

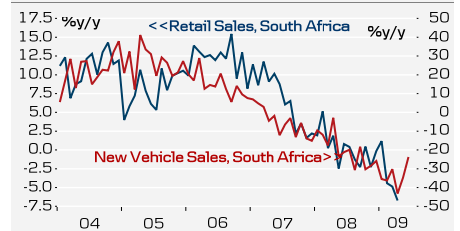
- Yesterday, due to favourable market sentiment, Hungary's government bond auction drew strong support. Total bids for the HUF 24bn offer topped 110bn forints.
- **There is a large amount of TRY Eurobonds maturing during July, and Danske therefore launched a new 3 year bond for maturing funds to roll into.** The new bond is the KFW 11.25 16 July 2012 which settles on 16 July. At TRY 400m, the bond is large for a TRY deal and could be tapped soon, potentially making it a 500m Jumbo deal. See Bloomberg DDEM6 for pricing.

## Calendar

Friday, July 3, 2009						
	Period	Danske Bank	Consensus	Previous		
CZK	9:00	Czech central bank to release Minutes from monetary policy setting meeting				
TRY	16:00	CPI	y/y	Jun	5.5%	5.7% 5.2%
TRY	16:00	PPI	y/y	Jun	-2.1%	-2.7% -2.5%

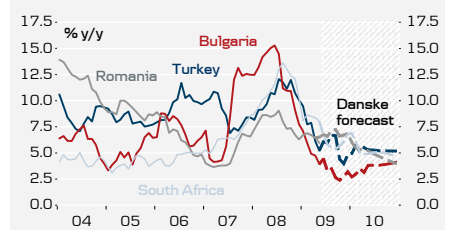
Source: Danske Markets

## New vehicle sales rebound in SA but still in the red



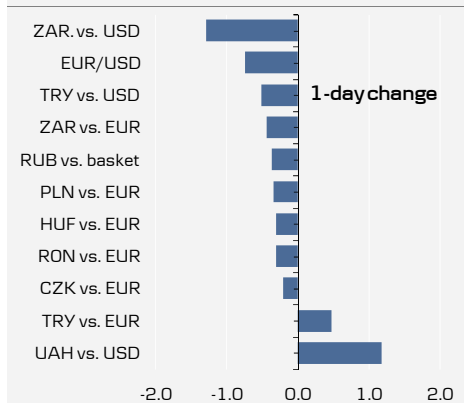
Source: EcoWin Reuters

## Turkish inflation at record low



Source: EcoWin Reuters and Danske Markets

## TRY outperforms other EMEA peers



Data updated: 02/07 - CET: 15:27

Source: EcoWin Reuters and Danske Markets

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All EM research is available on Bloomberg DDEM

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