

# PBZ Weekly Analysis

## **Number 487, September 21, 2015**

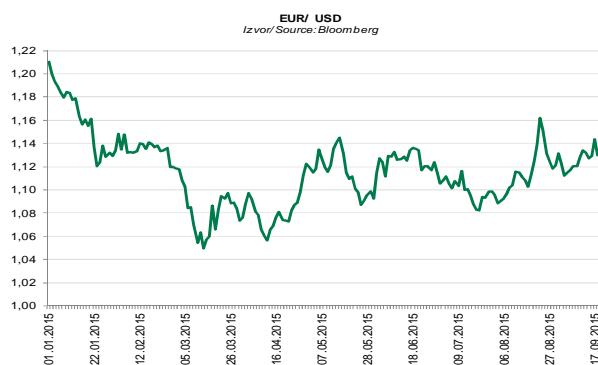
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## Weekly overview

- The consumer price index in August decreased by 0.2% mom and 0.6% yoy, whereas the 12-month average recorded a decrease of 0.2%. The largest drop mom was recorded by the prices of *Transport* (-2.4%, due to 4.4% lower prices of fuels for personal transport equipment), prices of *Clothing and footwear* which decreased by 2.3% as a result of seasonal sales, and the prices of *Housing, water, electricity, gas and other fuels* as well as *Education*, which both dropped by 0.1%. The decline in the total index mom was less pronounced, among other, due to higher prices of *Health* (+0.8%, as a result of higher prices of hospital services), the prices of *Food and non-alcoholic beverages*, which increased by an average of 0.5% and the prices of *Recreation and culture* and *Miscellaneous goods and services* which both rose by 0.4%. Almost the same categories recorded both a decrease and increase in the prices yoy, therefore the prices of *Transport* dropped by 7.5%; both *Clothing and footwear* and *Housing, water, electricity, gas and other fuels* by 0.9%; *Education* by 0.8%, while the prices of *Health* increased by 2.4%; *Food and non-alcoholic beverages* by 1.0%; *Alcoholic beverages and tobacco* by 2.0% and *Communication* by 1.4%.

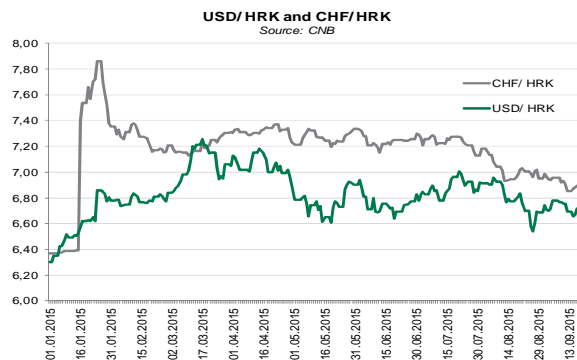
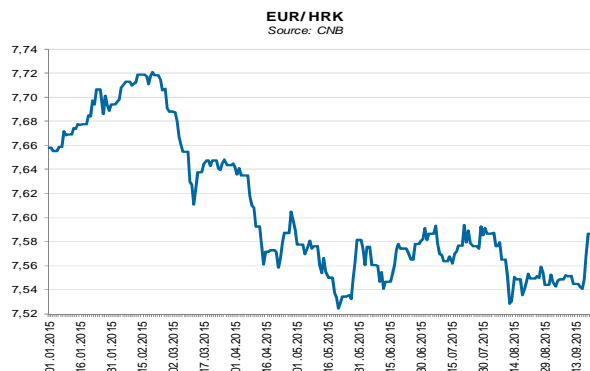
## FOMC: interest rates unchanged

Although, following the FOMC decision to keep the reference rates at the current levels, the euro briefly climbed to the level above 1.14 dollar to the euro, the trading on Friday closed at 1.1298 dollar to the euro, down by 0.4% wow. The Swiss franc closed the week at 1.0945 franc to the euro, down by 0.4% wow.



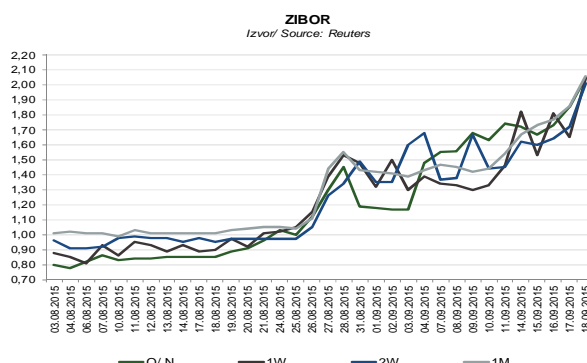
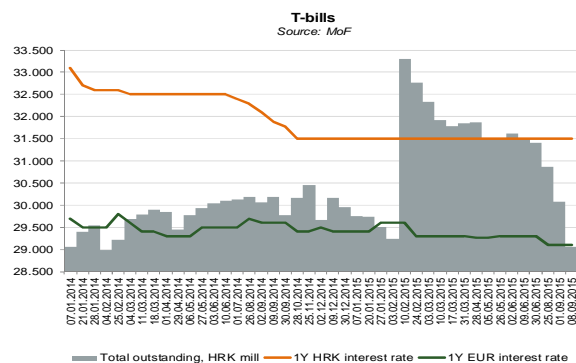
At the end of the week, the EUR/HRK exchange rate amounted to 7.5865 kuna to the euro, i.e. up by 0.6% wow. The kuna strengthened against the dollar and weakened against the Swiss franc, so the mid-exchange rate on Friday amounted to 6.6264 kuna to the dollar (-1.0% wow) and 6.9391 kuna to the franc, i.e. up by 1.2% wow.

As the interbank market is exposed to the uncertainty of resolving the issue of loans denominated in CHF, until the Croatian National Bank becomes involved, as we anticipate, we expect a further exchange rate increase with higher spreads and the domestic market nervousness.



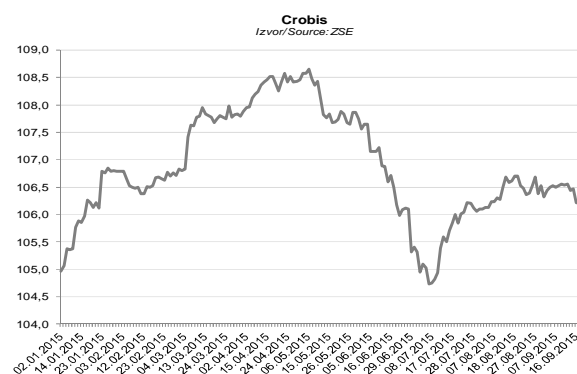
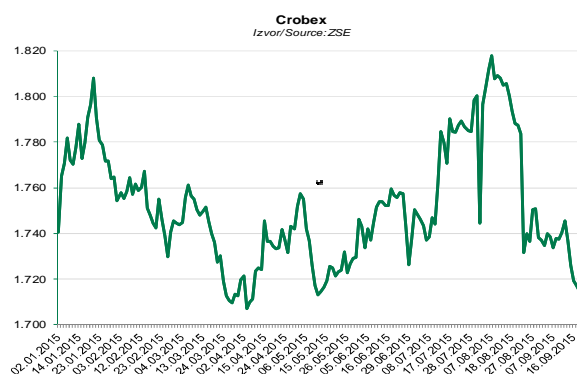
## Interest rates above 2%

Last week, the interest rate rise continued and the Zibor on overnight loans closed the week at 2.05% (vs 1.74%), while 1M and 3M at 2.06% (vs 1.54%), or 2.04% (vs 1.55% the previous week), respectively. The turnover in the ZMM amounted to 255.7 million kuna, whereas the average daily supply exceeding demand was 78 million kuna.

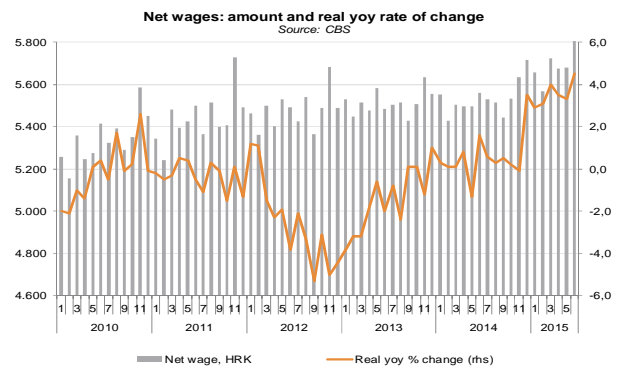
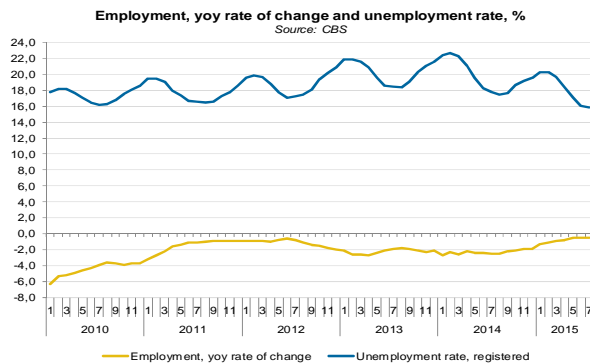
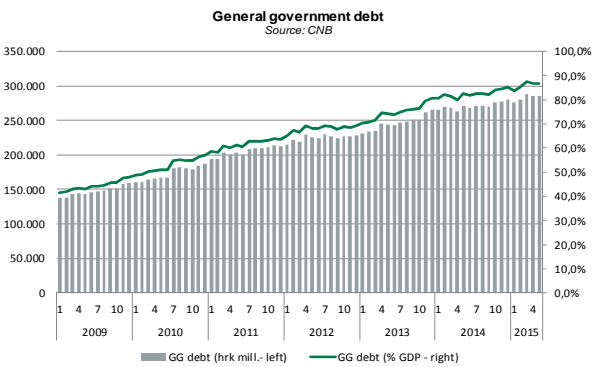
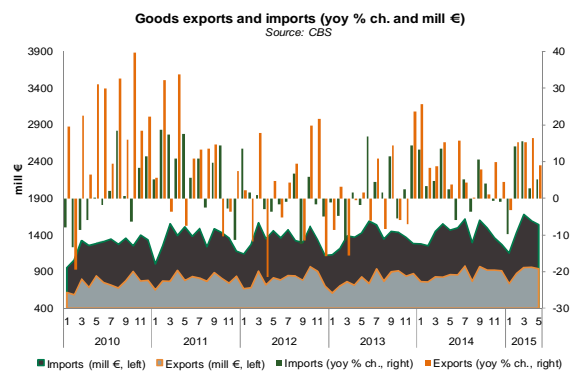
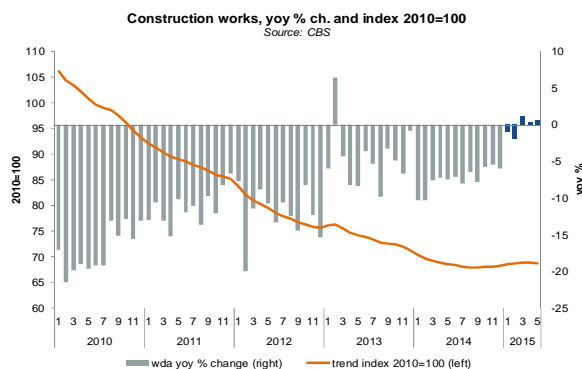
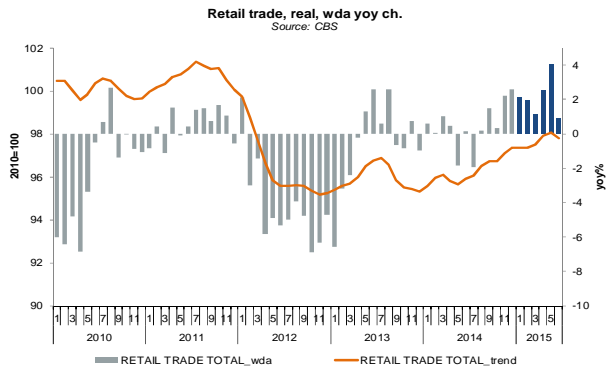
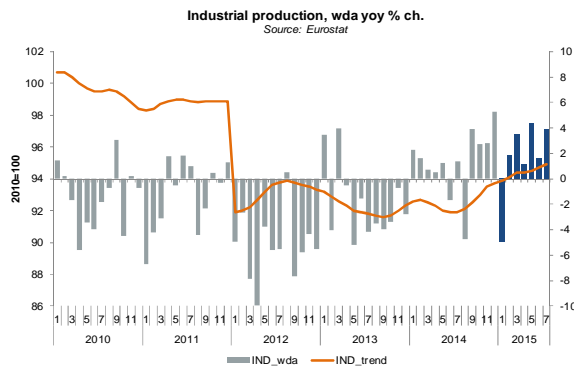


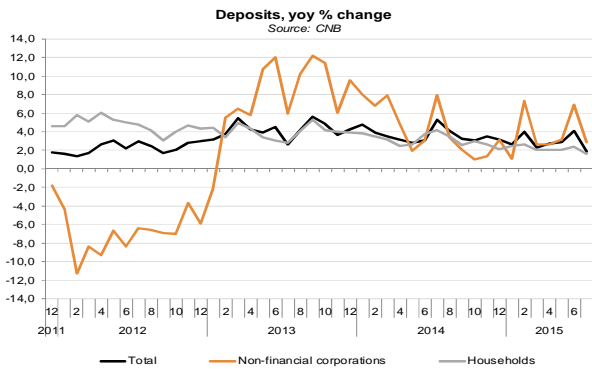
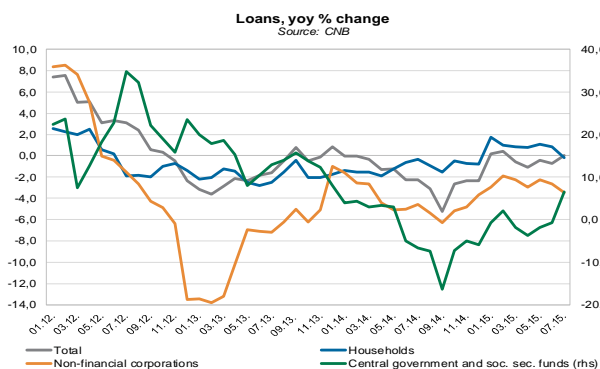
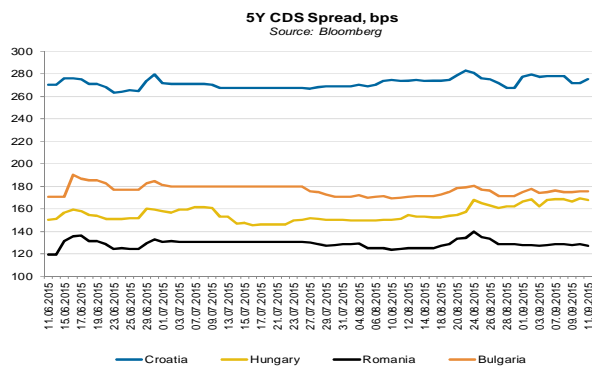
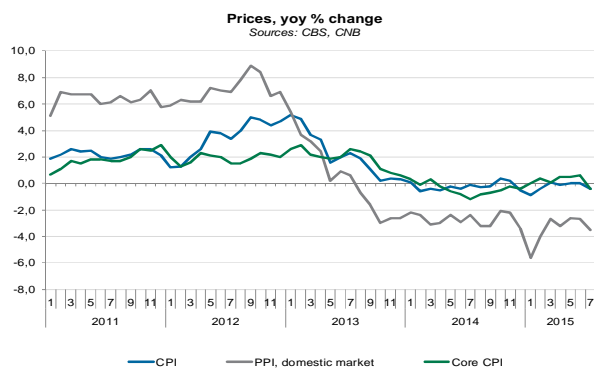
## Crobex declines

The Crobex closed last week at 1,714.83 or losing 1.8% wow, whereas the Crobis closed the week at a 0.3% lower level, i.e. at 106.22. The total turnover in the ZSE was 3.5% lower wow, amounting to 550 million kuna, where the turnover in bonds fell by 12.6% to 464 million kuna. The turnover in shares rose to 85 million kuna from 38 million kuna recorded the week before.



# Statistics and macroeconomic forecasts





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**TREASURY**

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