

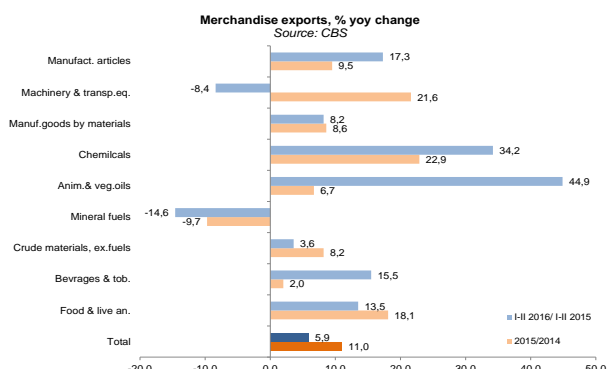
PBZ Weekly Analysis

Number 516, May 16, 2016

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Weekly overview

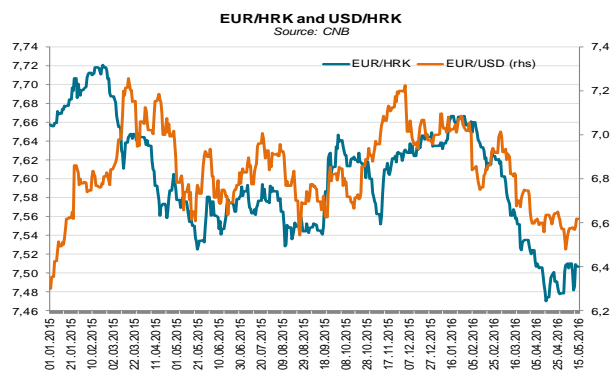
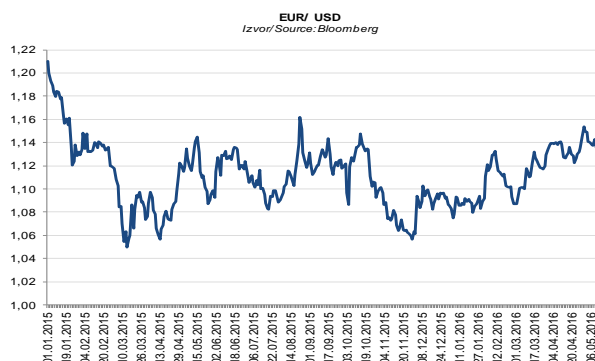
- The total merchandise exports in February 2016 was 7.186 billion HRK, or by 6.4% higher, yoy, respectively, while imports amounted to 11.659 billion HRK or 5.7% more, respectively, annually. The foreign trade deficit grew by 4.4% annually (to 4.473 billion HRK), while the export import coverage ratio was 61.6% (fall by 0.5 p.b. in relation to February 2015). The exports to the EU countries (making 68.3% of total merchandise exports) in the first two months grew by 5.5%, while the exports to the CEFTA countries (with the 14.9% share in total exports) fell by 4.2% in relation to the first two months 2015. The preliminary figures for March show the exports lower by 2.0% and imports by 7.6% annually.
- The Central Bureau of Statistics confirmed the preliminary data under which the retail trade index in March (according to wda indices) grew by 3.5% mom (the nineteenth month in a row), while in relation to February it grew by 0.2% (according to season and calendar adjusted indices). The retail trade in the q1 2016 recorded the growth of 3.2% yoy, owing to good tourist indices (growth in tourist arrivals by 17.3% in q1) and growth in real net wages.



Kuna unchanged

The dollar continued the strengthening trend for the third week in a row due to announced favourable retail trade and US labour market results. At the same time, the figures on the Eurozone GDP trends did not thrill investors, thus the trading on Friday closed at 1.1309 dollar to the euro, down by 0.8% wow.

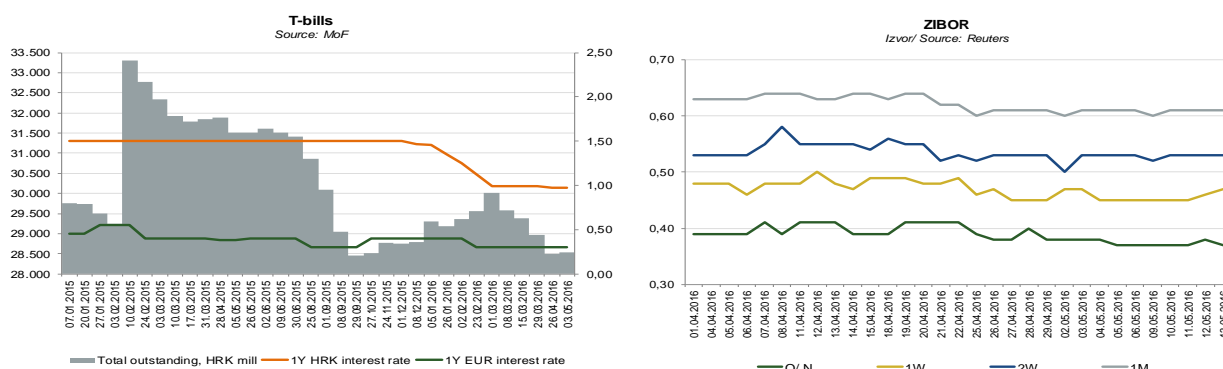
The kuna mid-exchange rate on Friday was 7.5068, slightly down wow. The kuna exchange rate against the dollar at the end of the week was 6.6186, growth by 0.6% wow.



Liquidity rose

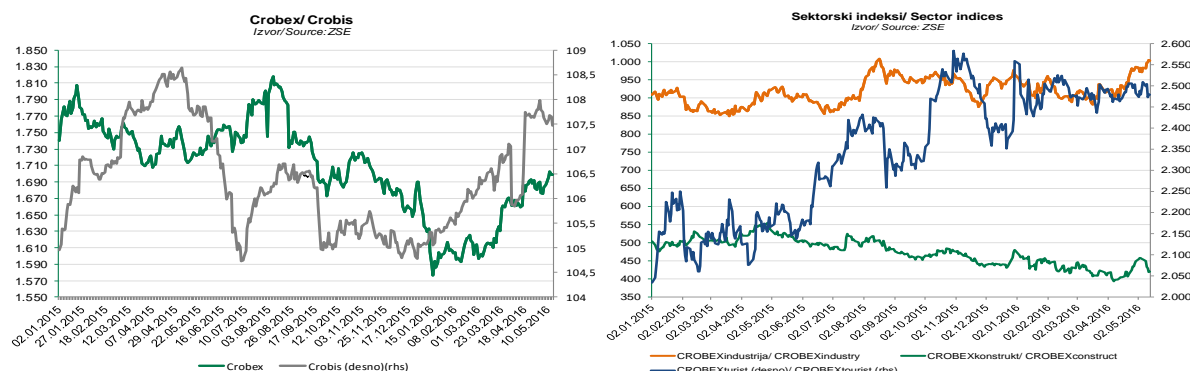
The start of the new cycle of obligatory reserve maintenance did not produce any changes in the money market situation because the liquidity of the system improved upon pensions payment. At the regular reverse repo auction the Croatian National Bank injected 100 million kuna at the fixed repo rate of 0.5%, and the total ZMM turnover amounted to low 18 million kuna, where supply exceeded demand by an average of some 300 million kuna per day. Interest rates stayed unchanged thus the overnight Zibor closed the week at 0.23%, 1M and 3M at 0.61%, or 0.80%, respectively.

The past week the auction did not take place, and as there was no maturity the government debt under T-bills remained at 28.5 billion kuna. This week there is no maturity or auction.



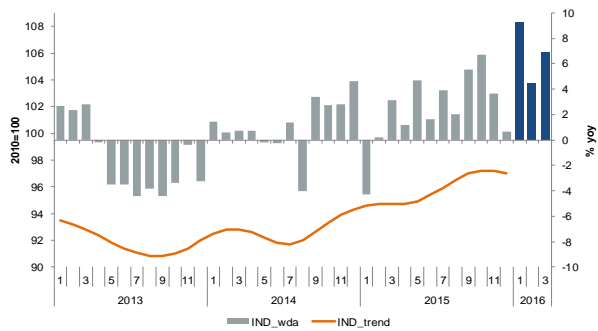
Crobex rose wow

The Crobex rose wow by 0.7% and closed the week at 1,698.76 points, while Crobis fell by 0.1% wow and closed the week at 107.48 points. With regard to sector indices, CROBEXindustrija closed the week at 1,002.74 points (+2.0% wow), CROBEXturst at 2,478.88 points (-1.2%), while CROBEXkonstrukt fell by 7.4% wow and closed the week at 420.38 points. The total ZSE turnover increased up 47.5% wow and amounted to 265.4 million kuna, owing to growth in bond turnover of 88.1% wow (to 239.9 million kuna), while the share turnover fell by 53.2% wow (to 24.1 million kuna).

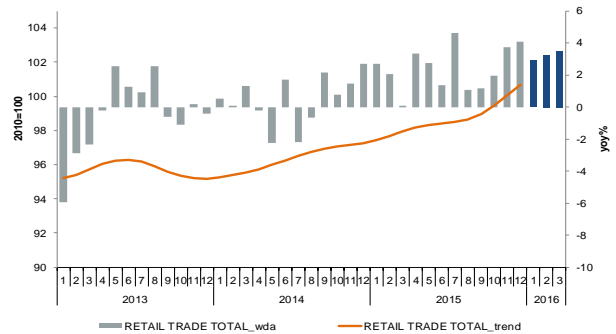


Statistics

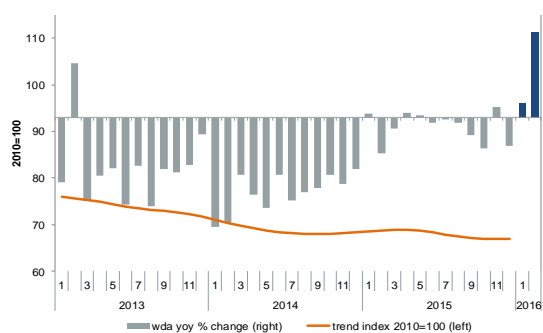
Industrial production, wda yoy % ch.
Source: Eurostat



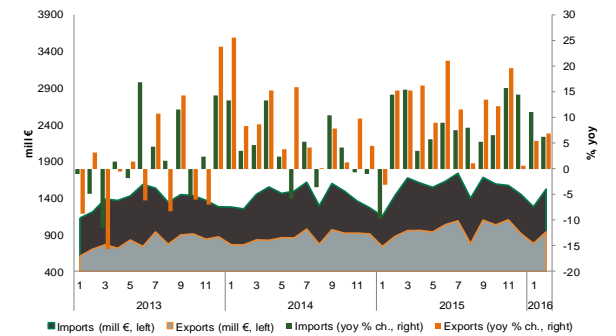
Retail trade, real, wda yoy ch.
Source: CBS



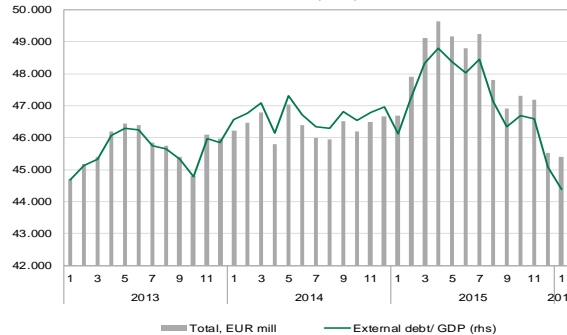
Construction works, yoy % ch. and index 2010=100
Source: CBS



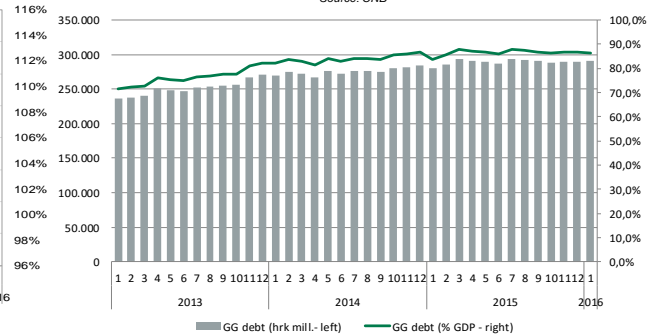
Goods exports and imports (yoy % ch. and mill €)
Source: CBS



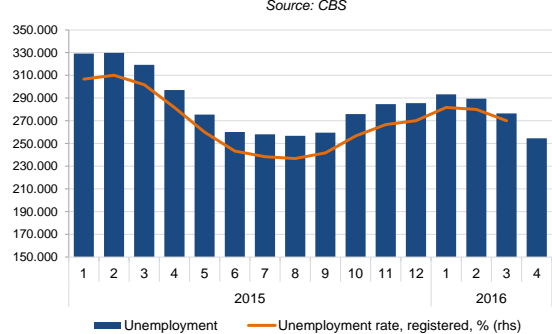
External debt, amount and share to GDP
Sources: CNB, CBS, PBZ



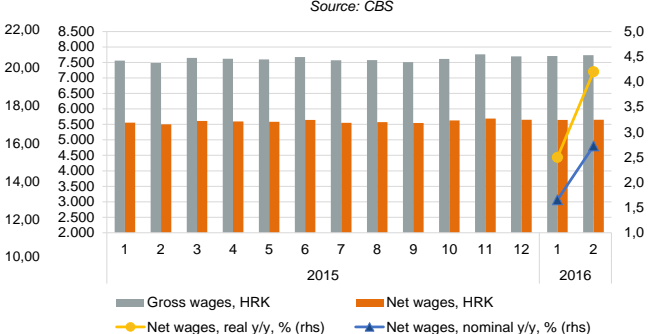
General government debt
Source: CNB

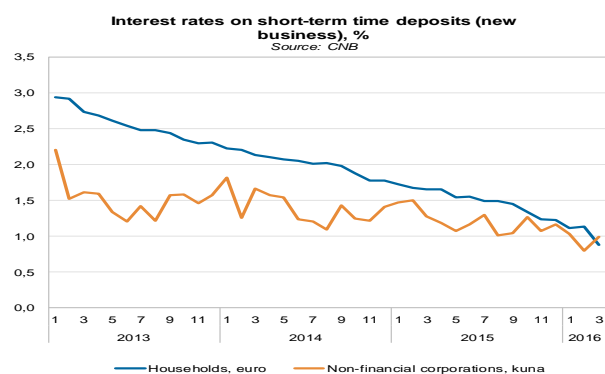
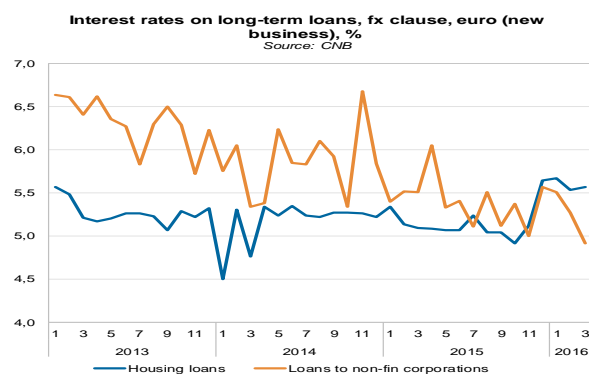
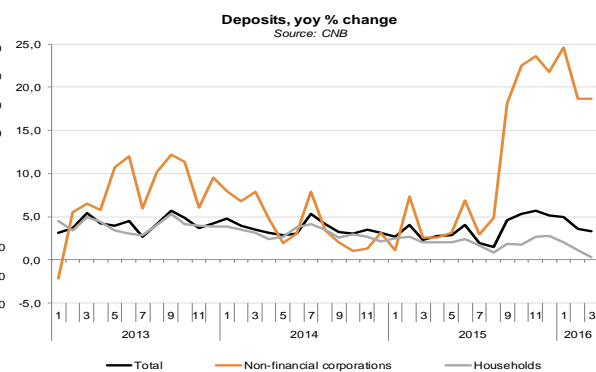
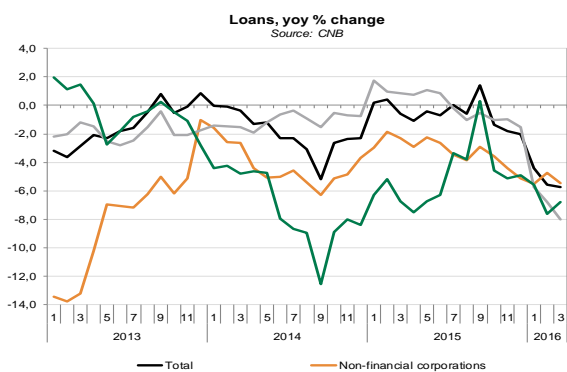
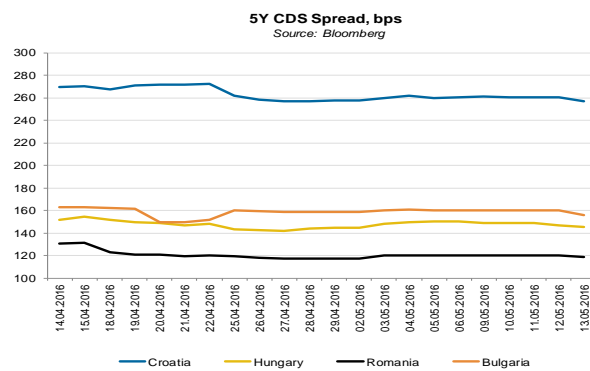
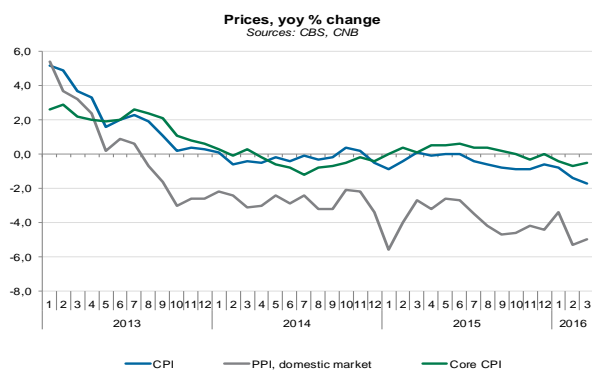


Total unemployment and unemployment rate
Source: CBS



Wages, monthly average
Source: CBS





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