

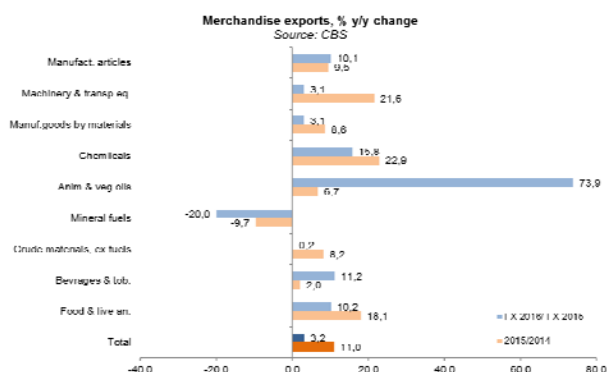
PBZ Weekly Analysis

Number 546, January 16, 2017

- Weekly overview (p. 1)
- Kuna appreciated, dollar weakened (p. 1)
- Interest in fall (p. 2)
- Crobex in the green again (p. 2)
- Statistics (p. 3-4)

Weekly overview

- In October 2016, goods exports recorded a strong, +6.1% yoy growth, while the imports recorded a decrease of 0.6%, which had a positive impact on the foreign trade deficit which was reduced that month by 13.0% yoy and amounted to 3.7 billion kuna. The coverage of import by export was 69.3%, i.e. by 4.4 percentage points

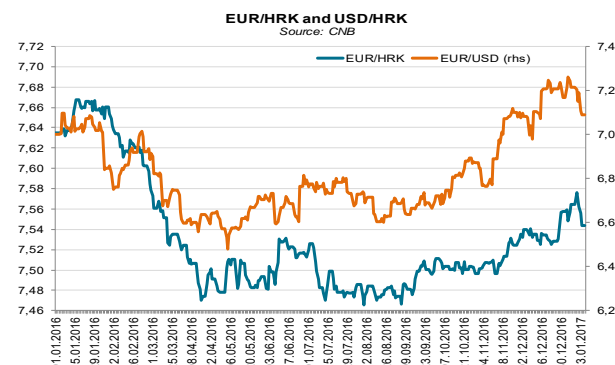
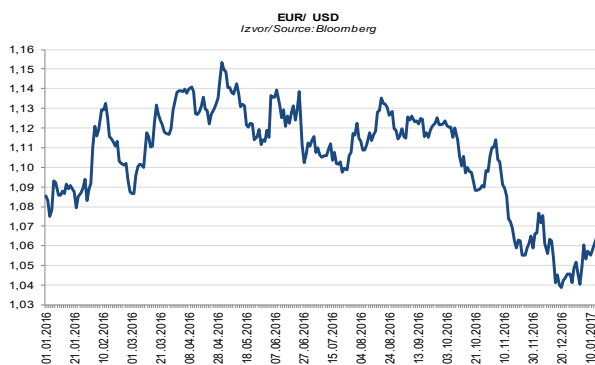


higher than in October 2015. The exports of goods reached in the first ten months 2016 the amount of 74.7 billion kuna (+3.1% yoy), while the imports grew up to 121.4 billion kuna (+3.0%), resulting in the increase in foreign trade deficit up to 46.7 billion kuna (+3.0%). The coverage of import by export thereby remained at the same level (61.5%) as in the first nine months 2015. Considering the components of the Manufacturing industry (which participates with 89% in the total exports of goods), in the first ten months of 2016 the highest growth was in the export of pharmaceutical products and pharmaceutical preparations (by 50.2% yoy or 1.7 billion more), while on the other side the highest fall in exports was recorded in manufacture of coke and refined petroleum products (by 26.2% or 1.4 billion less). Significantly lower export growth rate in 2016, relative to the previous year, can be attributed also to the decreased value of export in the category Other means of transport, specifically ships (by 979 million kuna) and high growth in export in the past year (+11.3% in the first ten months 2015).

Kuna appreciated, dollar weakened

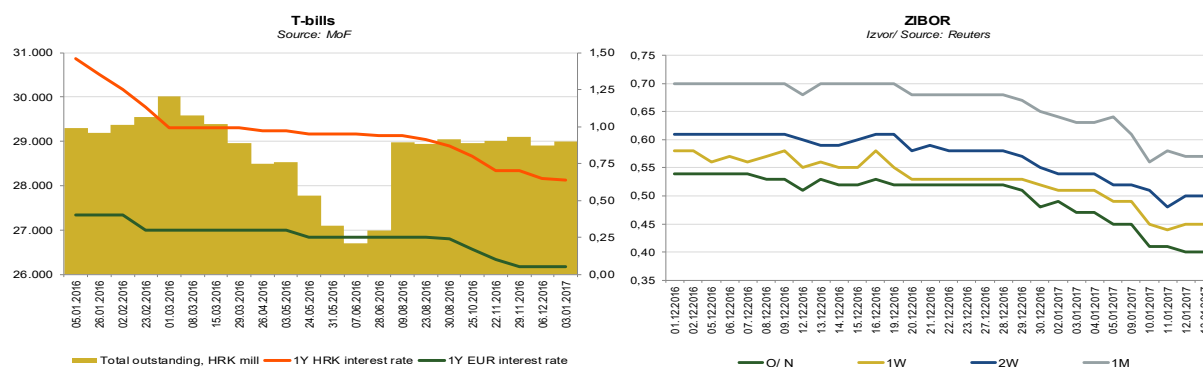
The week was closed on Friday on 1.0643 dollar to the euro, which is the 1.1% growth wow, by which the dollar recorded the fall the second week in a row.

At the close of the week on Friday the mid-exchange rate EUR/HRK was 7.5560 kuna for the euro, -0.1 wow, while the kuna strengthened against the dollar by 1.5%, up to 7.1055 kuna for the dollar. This week we expect the trade ranging within 7.52 and 7.56 kuna for the euro.



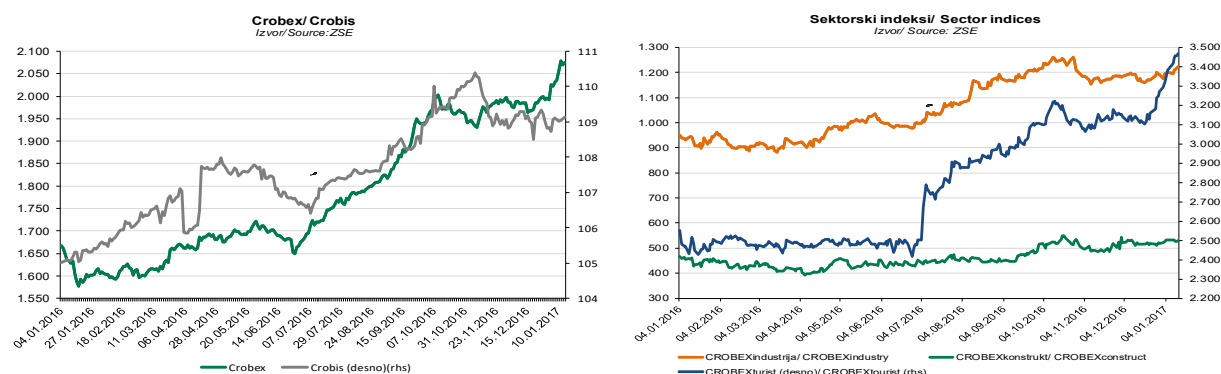
Interest in fall

Within the environment of record levels of liquidity, interest rates continue recording fall, thus the past week the overnight Zibor fell down to low 0.40% (-5 b.b. wow), 1M to 0.57% (-7 b.b.) and 3M to 0.75% (-4 b.b.). At regular reverse repo auction CNB placed 110 million kuna at the fixed 0.3% repo rate, while there was no demand on ZMM, under the average daily offer of 336 million kuna. The balance of subscribed T-bills was 29 billion kuna, and this week there will be no maturity or auction.

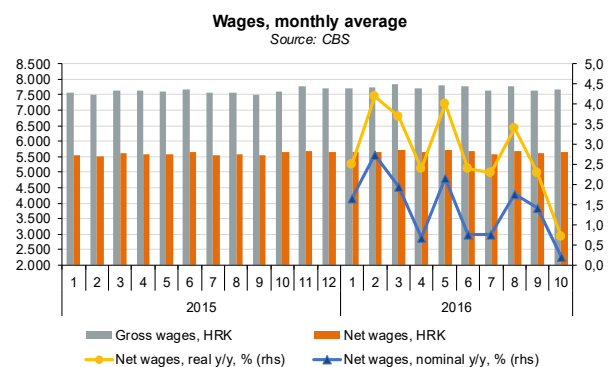
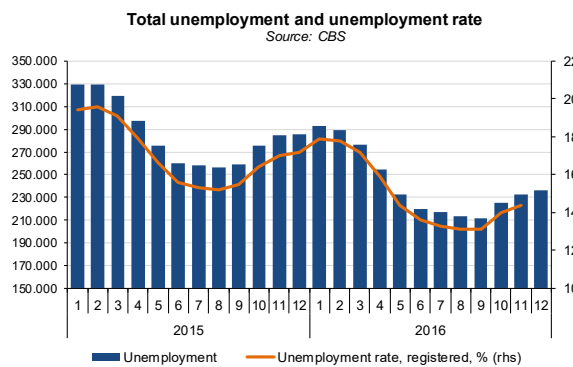
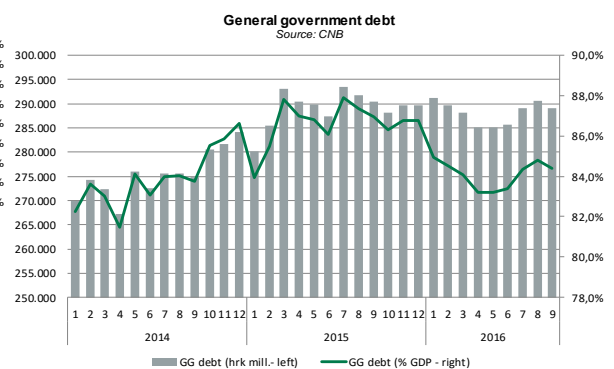
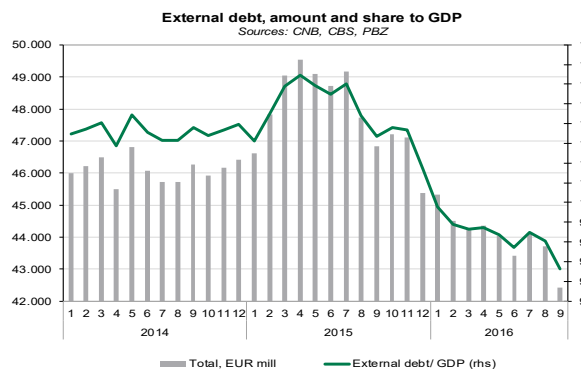
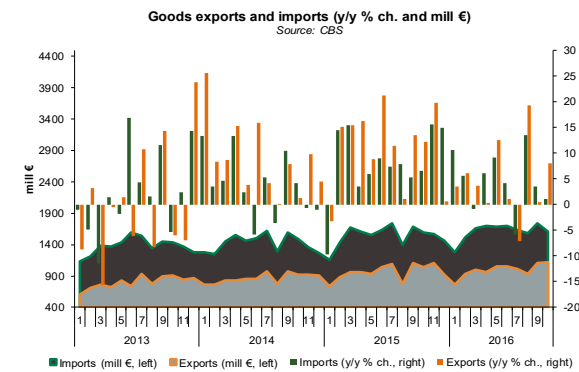
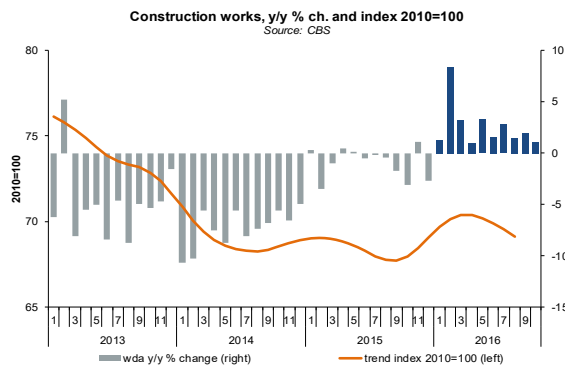
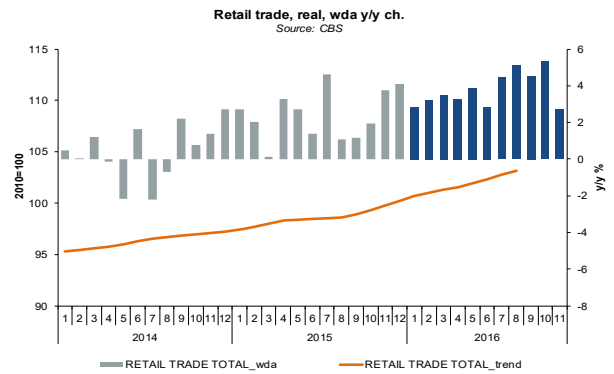
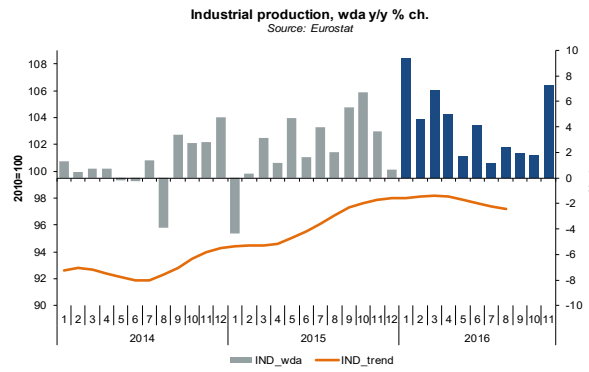


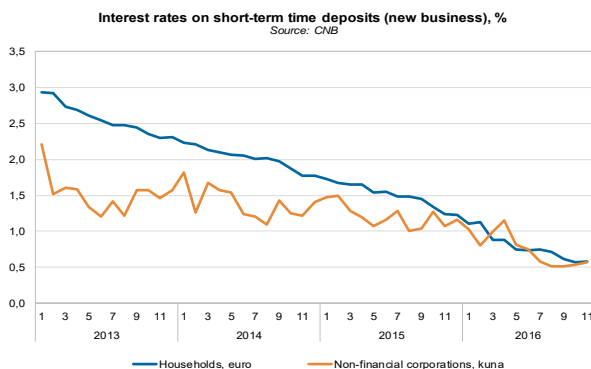
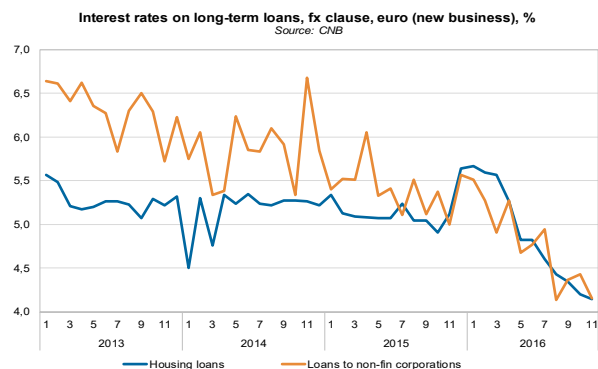
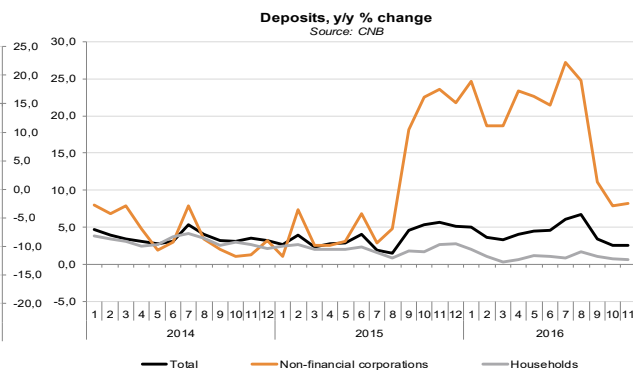
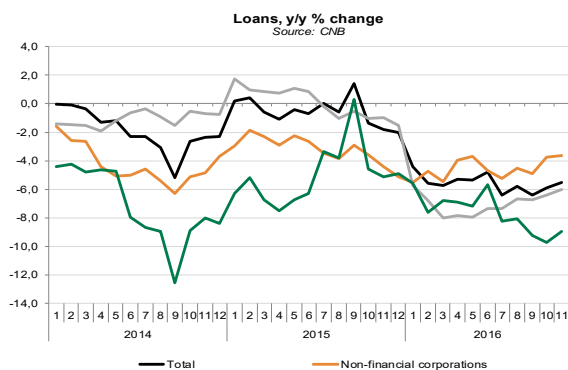
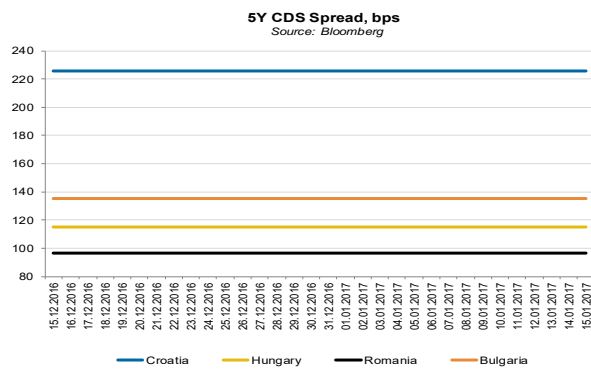
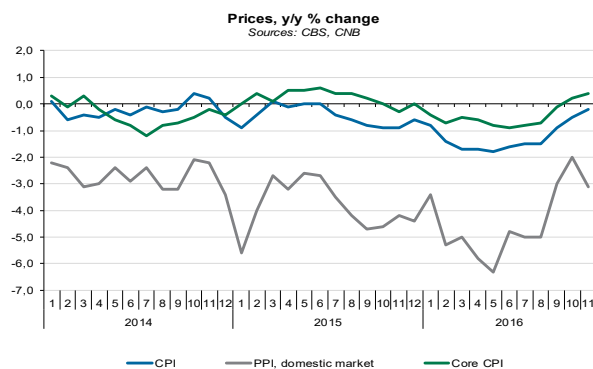
Crobex in the green again

The total turnover on the ZSE was 369 million kuna, i.e. 40% lower wow, owing to 46% fall in turnover of bonds (to 294.1 million kuna), while the turnover in shares grew by 7.3% wow (to 74.9 million kuna). Crobex closed the week at 2,075.95 points, i.e. at 2.2% higher level wow, while Crobis remained unchanged (109.13 points). As far as sector indices are concerned, CROBEXtourist closed the week with the 2.6% growth wow (to 3,469.06 points), CROBEXindustry grew by 1.9% (to 1,222.22 points), while CROBEXconstruct fell by 0.5% and closed the week at 530.82 points.



Statistics





RESEARCH OFFICE

Ivana Jović

Ana Lokin

Ivan Odrčić

TREASURY

Eugen Bulat

LEGAL DISCLAIMER

This publication is issued by PRIVREDNA BANKA ZAGREB-DIONIČKO DRUŠTVO, Zagreb, Radnička 50 (hereinafter: PBZ) and aimed at clients of the PBZ Group. This publication is intended for information purposes only and may not in any way be considered an offer or invitation to purchase any property or rights mentioned in it. The informative nature of this publication means that it may not serve as a substitute for the personal judgment and assessment of any reader or anyone who receives this publication. The information, opinions, analyses, conclusions, forecasts and projections given here are founded on publicly available data whose accuracy PBZ relies on, but cannot guarantee. Accordingly, all the opinions, attitudes, conclusions, forecasts and projections given in this publication are subject to changes, which depend on changes to the data as published by the source used. PBZ allows further utilization of the data given in this publication on the condition that the publication is indicated as the source. All the property mentioned in this publication and whose movement is the subject of comment may from time to time be the subject of trade or positions taken by PBZ.