

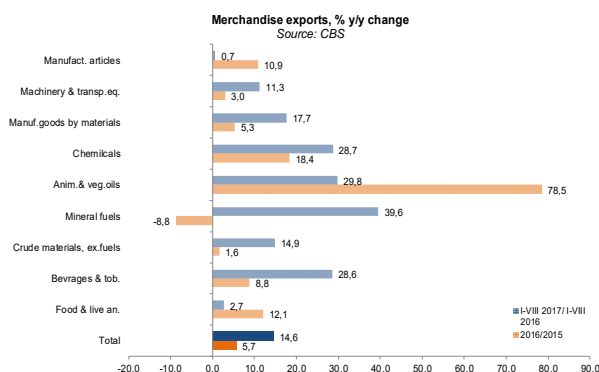
PBZ Weekly Analysis

Number 584, November 13, 2017

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Weekly overview

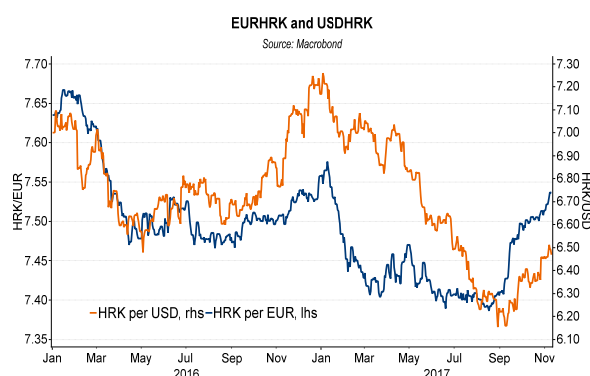
- The total exports of goods in August rose by 15.8% yoy, significantly more than the imports of goods (+5.9%), resulting in a 8.3% lower foreign trade deficit (4.5 billion kuna), while the coverage of imports by exports increased by 5.5 p.p. yoy (to 64.2%). The total exports of goods from January to August 2017, advanced 14.6% (to 66.7 billion kuna) versus the same period last year, while the imports of goods increased by 11.3% (to 107.7 billion kuna). Analysing the largest components of Manufacturing (which participates with 89% in the total exports of goods), the largest absolute increase in the exports over the first eight months of 2017 was recorded by Manufacture of basic pharmaceutical products and pharmaceutical preparations (by 1.74 billion kuna), Manufacture of coke and refined petroleum products (by 1.67 billion kuna) and Manufacture of basic metals (by 0.66 billion kuna). Over the mentioned period, the export of basic pharmaceutical products and pharmaceutical preparations (5.5 billion kuna) exceeded the export of Food products (5.2 billion kuna), which decreased by 0.4% yoy. The foreign trade deficit over the first eight months of 2017 rose by 6.3% yoy (to 41.0 billion kuna), while the coverage of imports by exports rose by 1.8 p.p. (to 61.9%). The exports into the EU member states increased by 9.9% yoy (imports: +10.3%), whereas into the CEFTA member countries by 19.8% (imports: +20.0%). The preliminary data for September show further positive trends in the foreign trade in goods, where the exports (+4.8%) recorded a larger yoy growth than the imports (+2.6%), although the growth was more moderate versus the previous months.



Dollar weaker, domestic market calm

The uncertainty around the beginning of the implementation and scope of fiscal stimulus in the USA had a negative impact on the dollar, thus trading on Friday closed at 1.1665 dollar to the euro, up by 0.5% wow.

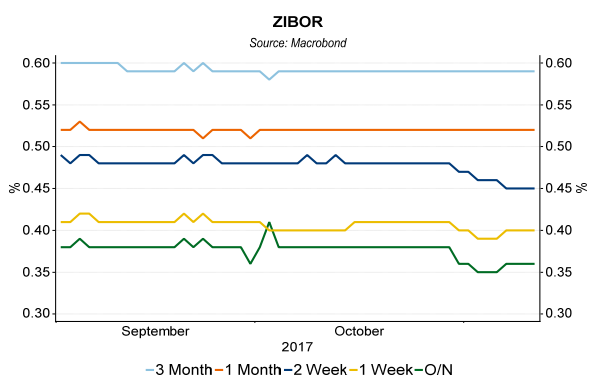
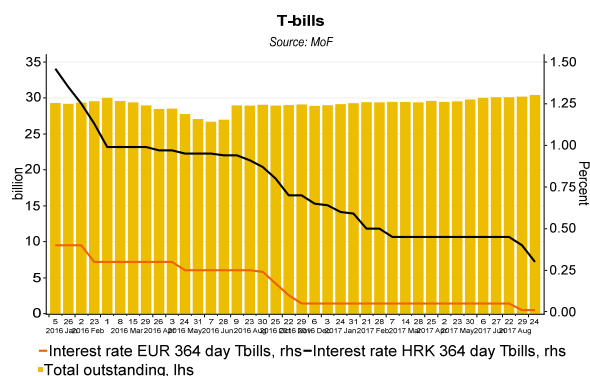
The domestic market saw a calm week and the exchange rate continued its moderate growth, as expected, reaching 7.5368 kuna to the euro on Friday, up by 0.2% wow. The kuna against the dollar weakened by 0.1% to 6.4694 kuna to the dollar. This week, we expect trading in the range 7.53-7.56 kuna to the euro.



Structural repo operation held

Last week in the money market was calm, therefore the overnight Zibor rose barely by 1 b.p. to 0.36%, while 1M and 3M Zibor remained at 0.52% and 0.59%. There was no demand at the CNB's regular reverse repo auction, whereas 530 million kuna at the fixed interest rate of 1.2% and a five-year period was injected in the system at this year's first structural repo operation. There was no turnover on ZMM.

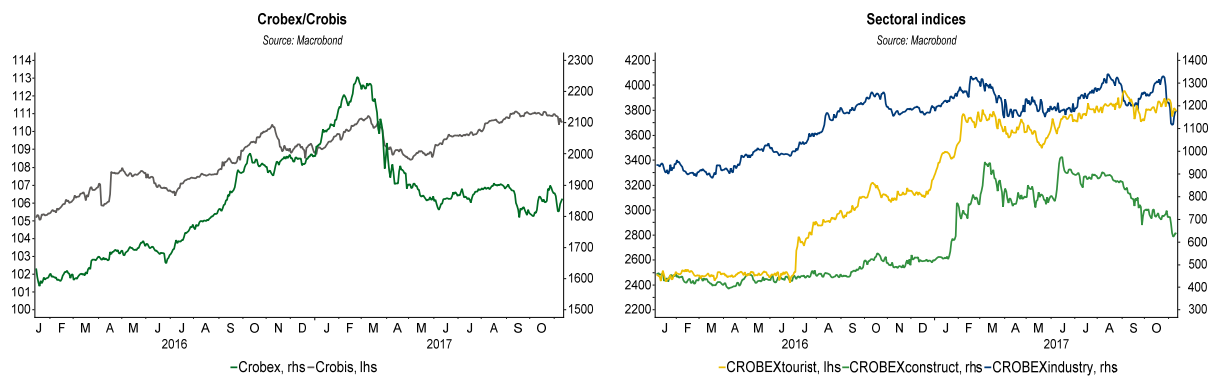
Last week, 1.5 billion euro in T-bills were issued at the 455-day period and the same amount of T-bills matured at the interest rate of 0.1%, 60 b.p. lower from the previous issue, due to which the government debt under T-bills remained at 30.4 billion kuna. There will be no maturity this week and no auction.



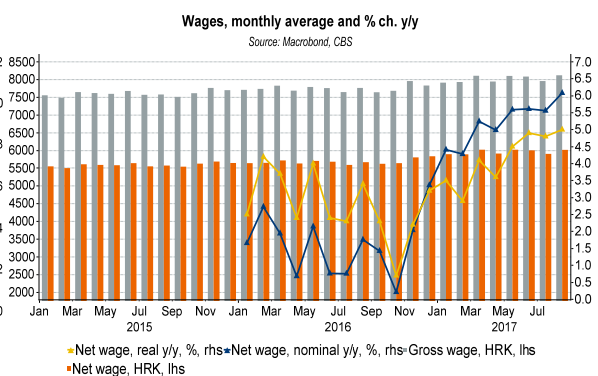
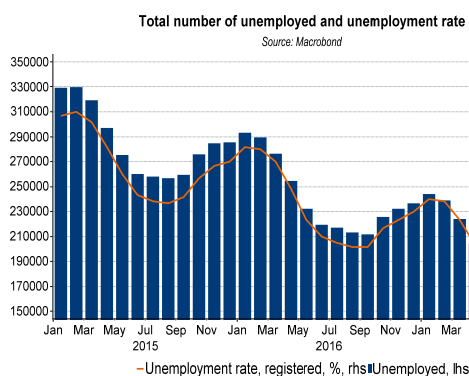
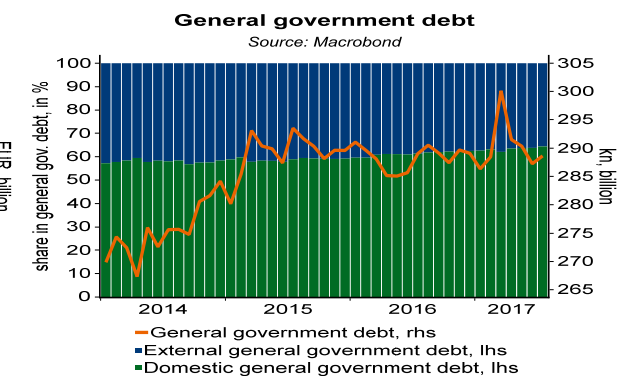
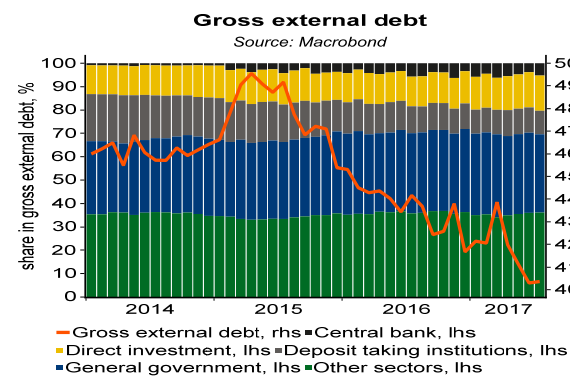
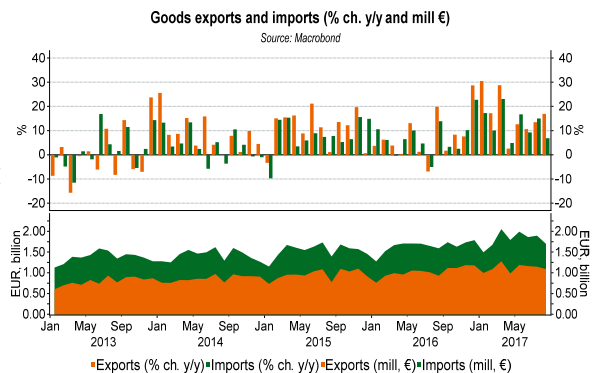
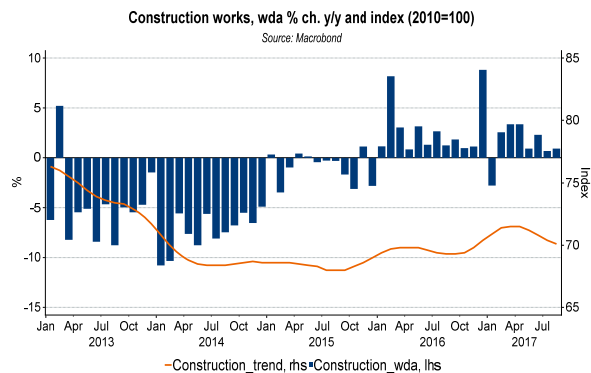
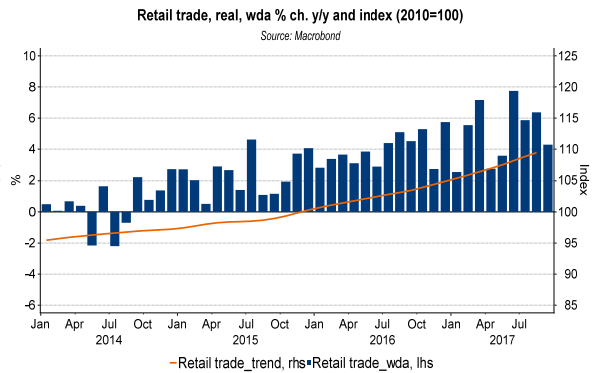
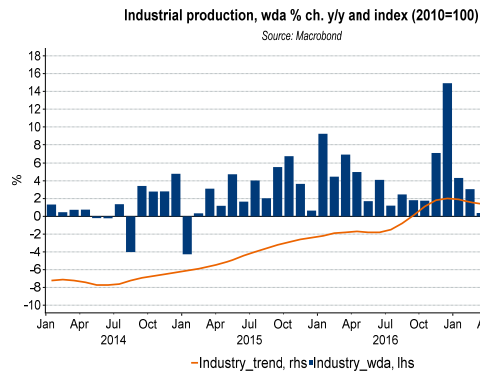
Crobex up wow

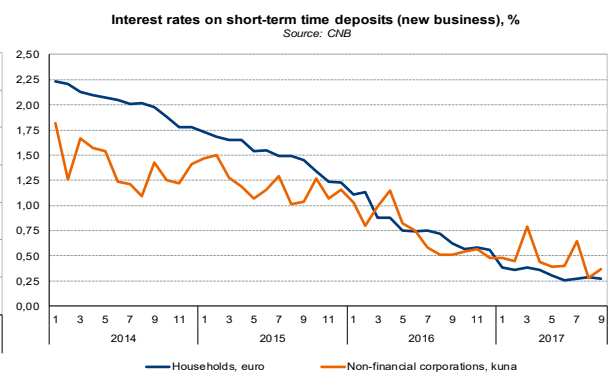
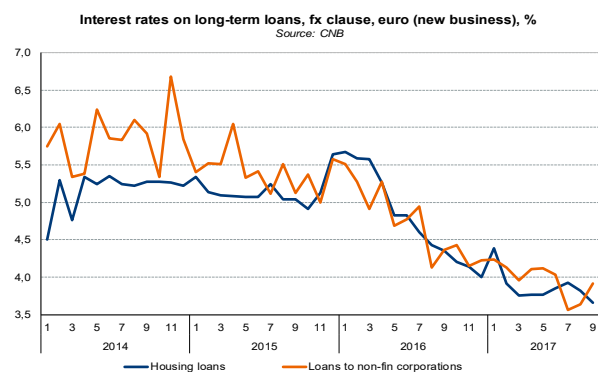
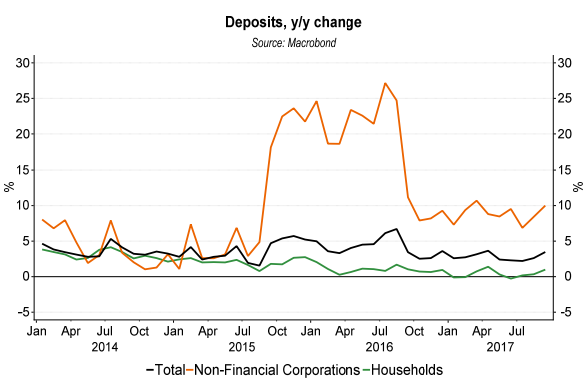
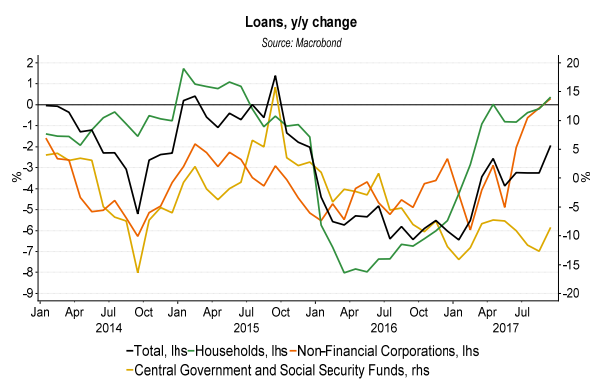
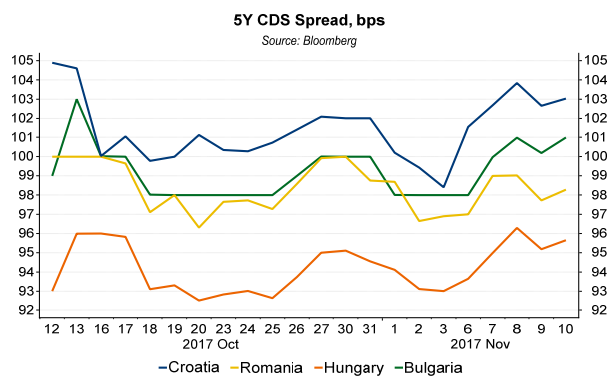
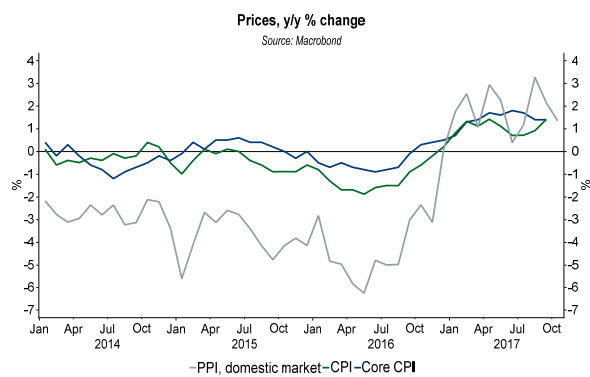
Last week, the total ZSE turnover was 313.4 million kuna, even 4.3 times higher versus the week before, where the turnover in shares rose 2.6 times (to 108.3 million kuna), and the turnover in bonds 6.6 times wow (to 205.1 million kuna). The Crobex index closed the week at 1,857.02 points or up by 0.9%, while Crobis closed at 110.52 points on Friday or down by 0.3% wow. As regards sector indices, CROBEXindustry closed last Friday at a 4.5% higher level wow, reaching 1,172.80 points,

while CROBEXconstruct (635.55 points) and CROBEXtourist (3,792.33 points) closed the week down by 6.8%, or 1.6%, respectively. In accordance with the rules of the Zagreb Stock Exchange, the shares of the companies Belje d.d. and Jamnica d.d. have met the criteria for a faster shift to the continuous trade mode, where the shares will begin to trade as of Monday, 13 November 2017.



Statistics





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