

PBZ Weekly Analysis

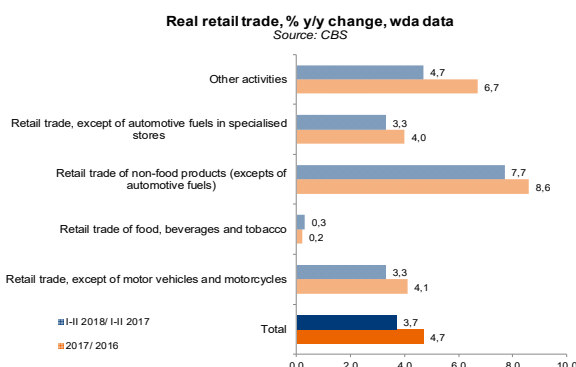
Number 602, April 9, 2018

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Weekly overview

In February, the total retail trade turnover was in real terms lower by 2.2% in relation to January (seasonally and calendar adjusted), while on an annual level (calendar adjusted) the real term growth in retail trade turnover slightly slowed down to +1.2% (vs +6.1% in January), by which a positive sequence of annual growth in real term retail trade turnover continued also for the 42nd month in a row. Considering the main activity of

business entities, in February the Retail trade in non-food products (except from trade in automotive fuels) had the highest growth yoy (+3.6%), and was partially supported by a high rate of sold new cars (+46.8% yoy, at the same time the highest rate in the entire EU28), while the Retail trade in food, beverages and tobacco in real terms grew by modest 0.1%. The real term growth in retail trade in the first two months this year was +3.6% yoy (+4.2% nominally), partially owing to an increased consumers' optimism, growth in wages (in January the net wage grew by 3.9% yoy in real terms), positive trends on the labour market (2.5% yoy more employed persons in the first two months, according to the Croatian Pension Insurance Institute) and excellent results in tourism (double-digit growth in number of arrivals and nights yoy realised in January). Thereby the real term retail trade in non-food products grew by 7.7%, and the real term retail trade of predominantly food products by 0.3% versus the first two months past year.



Dollar recovered, kuna stood still

In the past two weeks the dollar slightly recovered a part of losses against the euro and the trading on Friday closed at 1.2281 dollar to the euro, down by 0.3% wow.

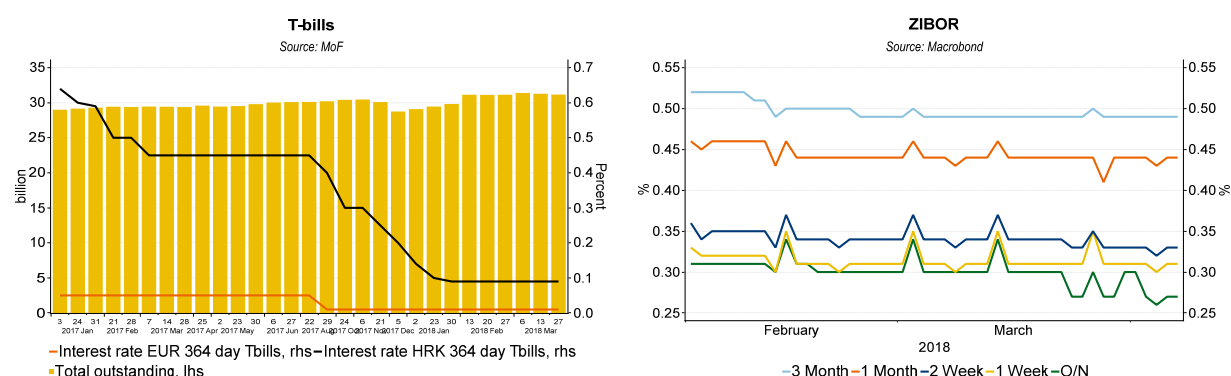
The past week the trading closed at the level of 7.4250 kuna to the euro, representing a negligible strengthening of the kuna in relation to the beginning of the week owing to the forthcoming summer season. The kuna mid-exchange rate was on Friday 7.4288 kuna to the euro, which was almost unchanged wow. The kuna wakened to the dollar by 0.7% wow and on Friday the mid-exchange rate reached 6.0688 kuna to the dollar. This week we expect the trading in the range 7.40-7.45 kuna to the euro.



Calm week on money market

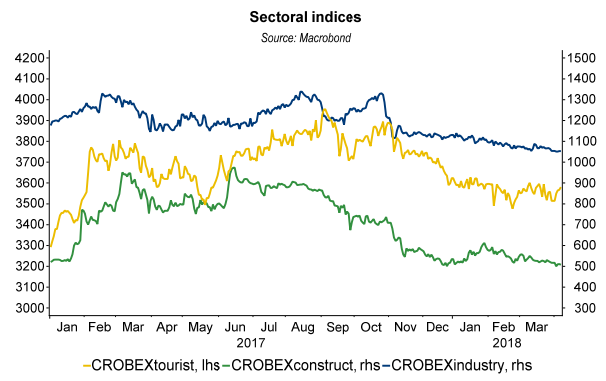
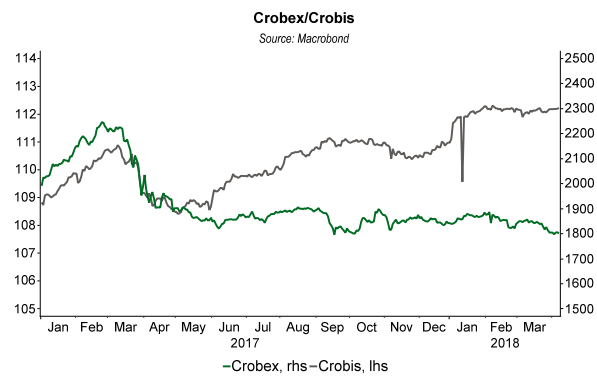
A calm week on money market passed, when the excess liquidity fell to 27 billion kuna. The overnight Zibor fell by 3 b.p. wow to 0.27%, 1M stood still at 0.44%, and 3M at 0.49%. There was no interest at the reverse repo auction, while on Friday the ZMM realised the turnover of 1.4 billion kuna.

The past week there was no T-bill maturity or auction, thus the T-bill government debt stood at 31.2 billion kuna. This week there is no maturity either and there is no auction, accordingly.



Crobex fell wow

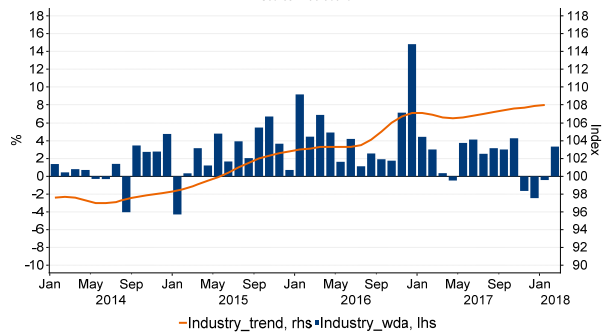
The Crobex Index closed the week at 1,801.44 points, making the fall by 0.2% versus the week before, while Crobis closed the week at 112.23 points, i.e. stood still wow. At sector indices, CROBEXtourist closed the week at 3,580.58 points, representing the growth by 1.9% wow, while CROBEXconstruct (508.65 points) and CROBEXindustry (1,053.47 points) closed the week by a fall of 1.7% or 0.1%, respectively. The total ZSE turnover past week was 123.6 million kuna, down by 47.2% versus the week before, while the turnover in bonds fell by 49.3% (to 98.6 million kuna), and the turnover in shares by 37.3% (to 25.0 million kuna).



Statistics

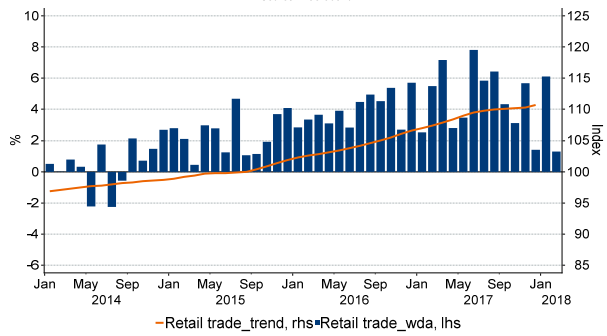
Industrial production, wda % ch. y/y and index (2015=100)

Source: Macrobond



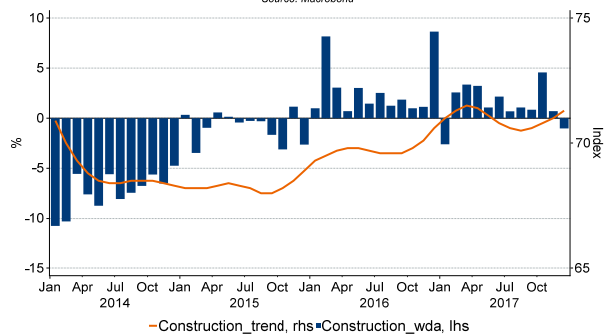
Retail trade, real, wda % ch. y/y and index (2015=100)

Source: Macrobond



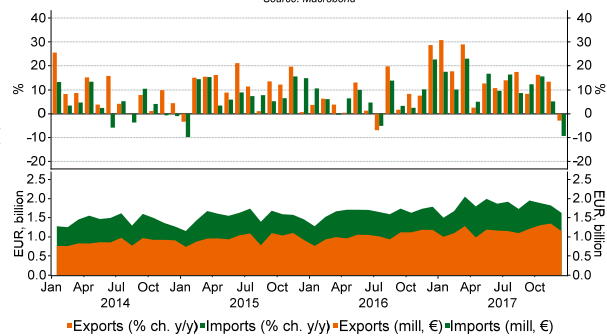
Construction works, wda % ch. y/y and index (2010=100)

Source: Macrobond



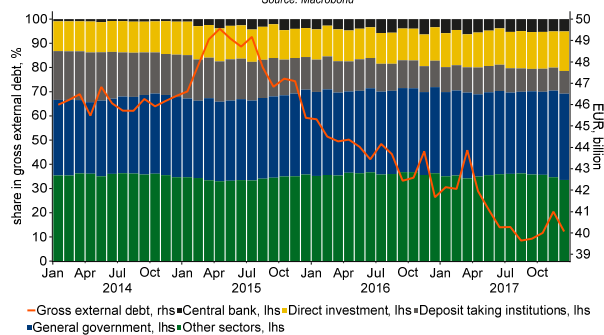
Goods exports and imports (% ch. y/y and mill €)

Source: Macrobond



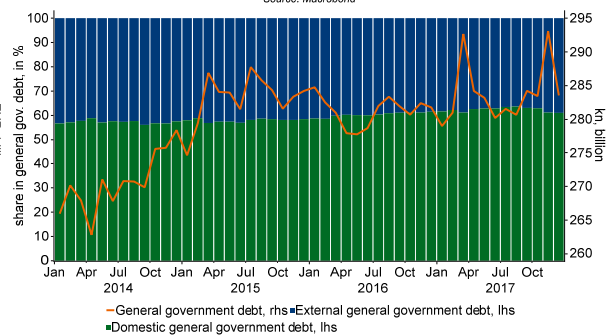
Gross external debt

Source: Macrobond



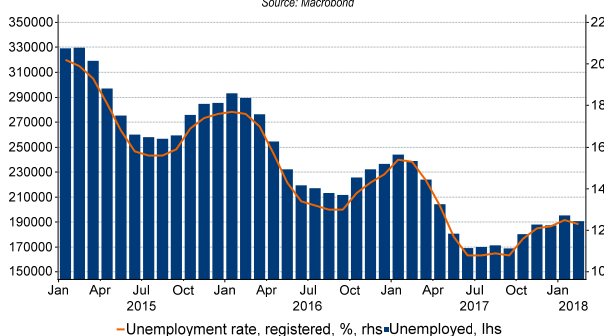
General government debt

Source: Macrobond



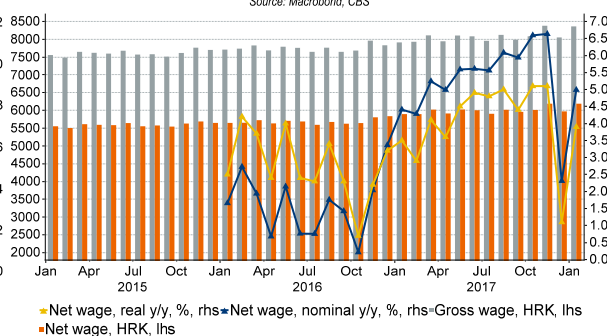
Total number of unemployed and unemployment rate

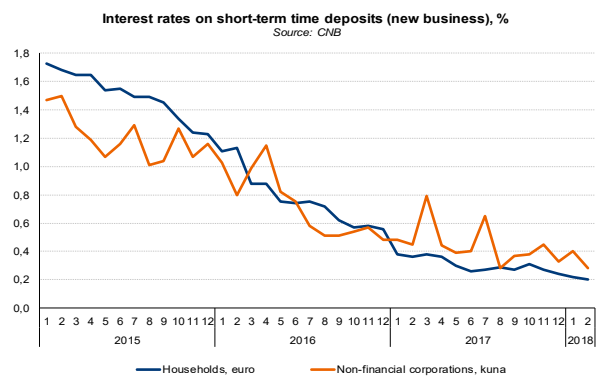
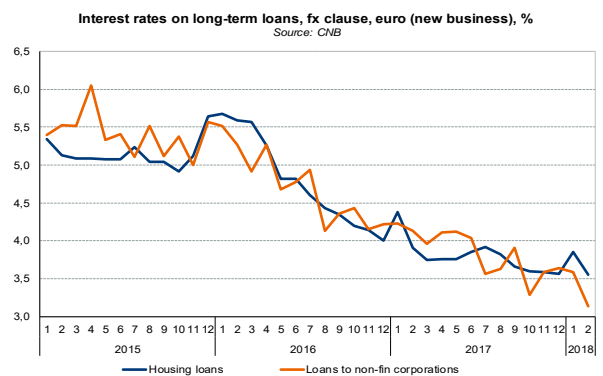
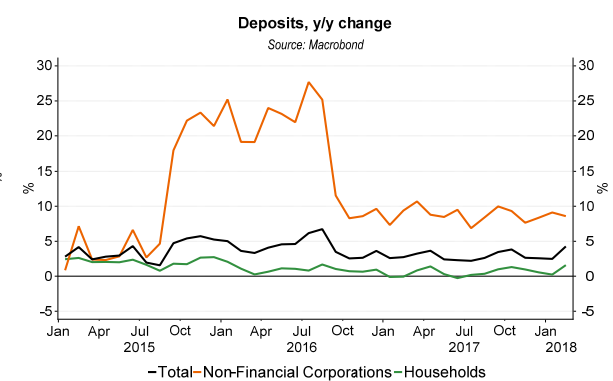
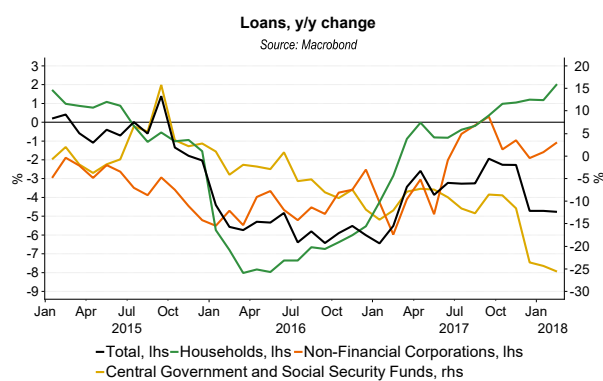
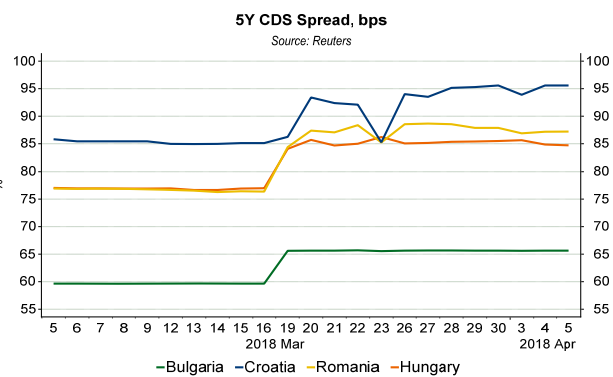
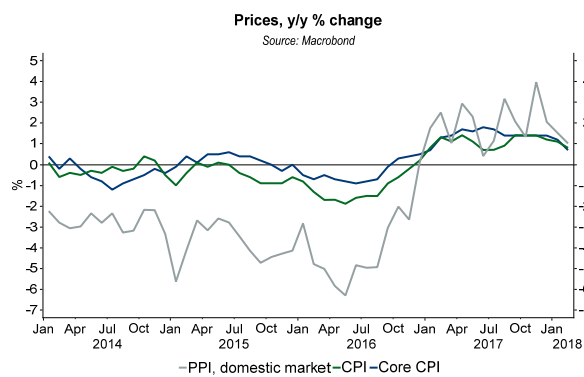
Source: Macrobond



Wages, monthly average and % ch. y/y

Source: Macrobond, CBS





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