

PBZ Weekly Analysis

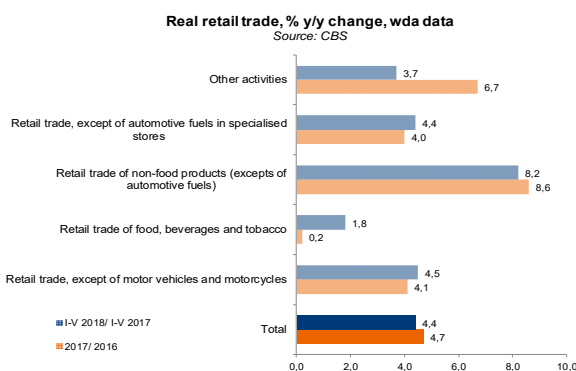
Number 613, July 9, 2018

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Weekly overview

In May, the real retail trade turnover increased by 4.8% mom, (seasonally and working-day adjusted), of which the turnover in Retail trade of food, beverages and tobacco by +6.2%. Compared with May 2017 (wda), the real retail trade turnover increased by 7.9%, reaching the highest level since August 2007, when the increase was +10.5%. Over the first five months, the total real retail trade turnover rose by 4.4%

yoy, supported by favourable labour market indicators, in terms of an increase in the number of employed persons, a significant decline in the number of unemployed persons and growth in wages, but also an increase in tourist arrivals. The real retail trade turnover of non-food products (except of automotive fuels) thus rose by 8.2% yoy, partly owing to a growth in new vehicles sale (+17.9% according to the European Automobile Manufacturers' Association), whereas the retail trade turnover of mainly food products recorded a significantly lower increase of +1.8%.



Dollar weaker, kuna stable

The dollar weakened last week, as new customs tariffs on Chinese imports to the United States took effect. At the end of the week, trading closed at 1.1746 dollar to the euro, up by 0.5% wow.

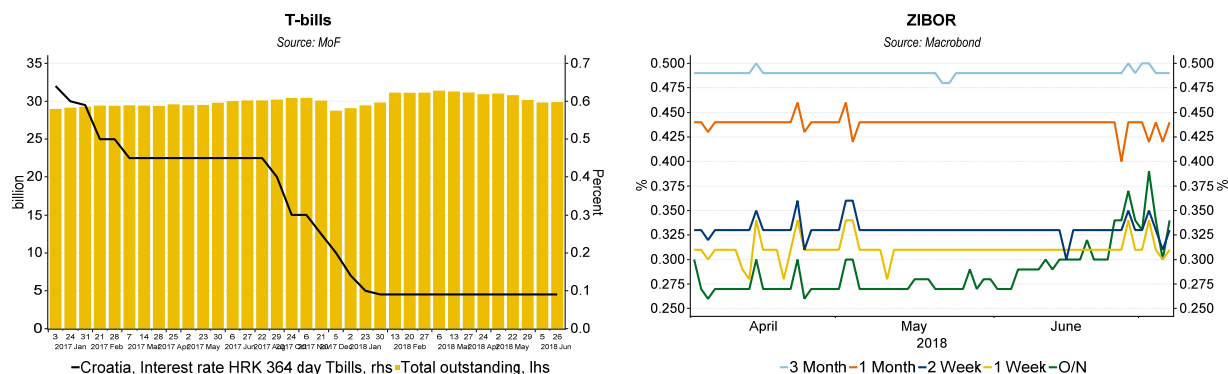
The kuna slightly weakened against the euro, by 0.1% wow, therefore the exchange rate advanced to 7.3882 kuna to the euro, while the kuna against the dollar continued to strengthen and the dollar decreased to 6.3115 kuna to the dollar, -0.4% versus the previous Friday.



Interest rates unchanged

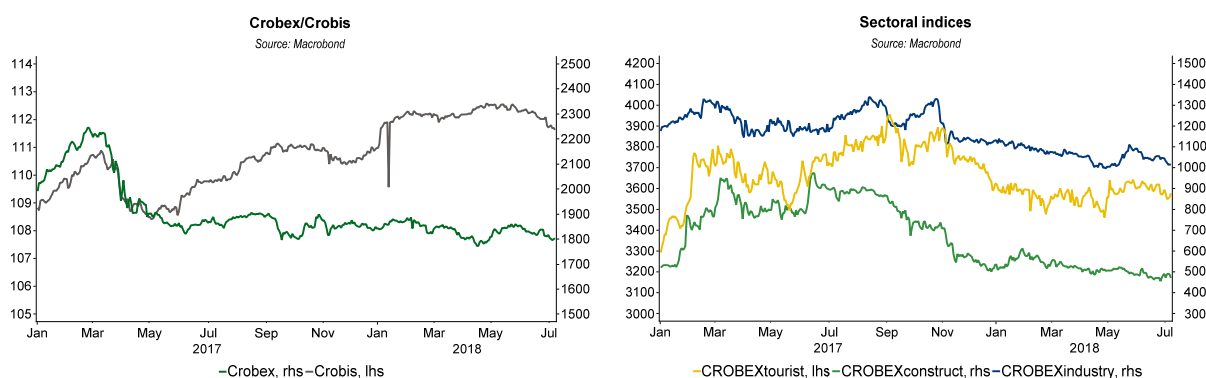
Excess liquidity continued to decline, falling below 25 billion kuna, while interest rates remained unchanged – the overnight Zibor at 0.34%, 1M and 3M at 0.44% and 0.49%, respectively. There was

no turnover at the CNB's regular reverse repo auction, or on ZMM. Last week, there was no T-bill maturity or auction, therefore the government debt remained at 29.9 billion kuna. The next T-bill maturity is planned for 23 August.



Crobex down wow

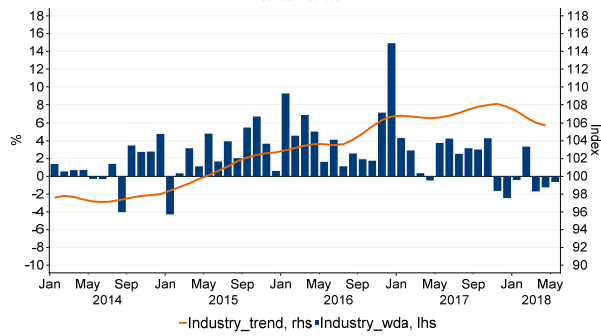
The Crobex Index closed last Friday at 1,803.60 points, or down by 0.7% wow, while Crobis closed the week at 111.63 points (-0.1%). Sector indices closed the week in negative territory, where CROBEXconstruct (471.69 points) fell by 4.1%, CROBEXindustry (1,014.55 points) declined by 2.9% and CROBEXtourist (3,576.88 points) by 0.5% wow. The total ZSE turnover amounted to 551.9 million kuna last week, which is down by 8.4% wow, due to a 56.6% lower turnover in shares (reaching 25.3 million kuna) and a 3.3% lower turnover in bonds (526,6 million kuna).



Statistics

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

Source: Macrobond



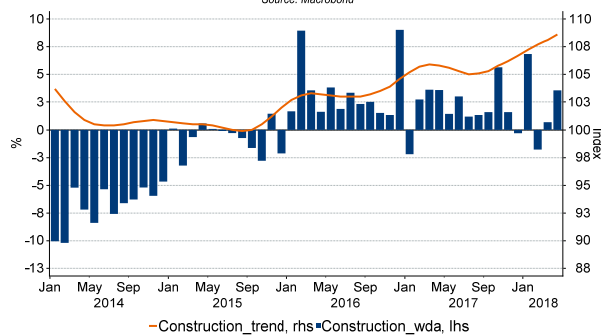
Retail trade, real, wda % ch. y/y and index (2015=100)

Source: Macrobond



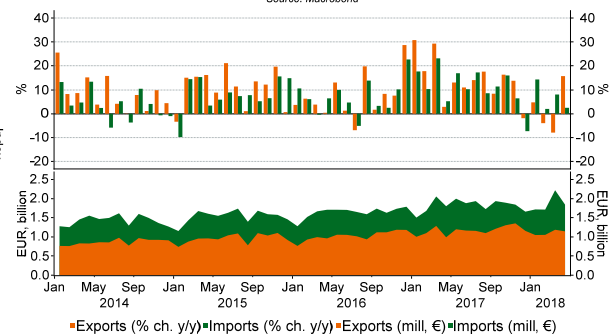
Construction works, wda % ch. y/y and index (2015=100)

Source: Macrobond



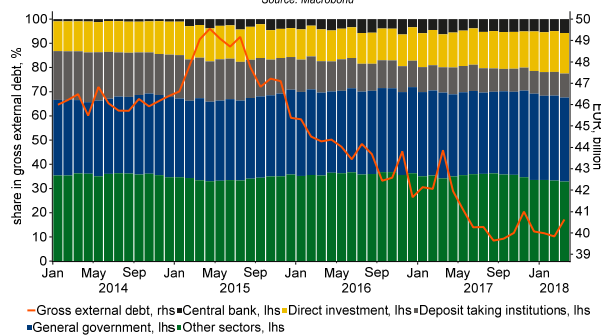
Goods exports and imports (% ch. y/y and mill €)

Source: Macrobond



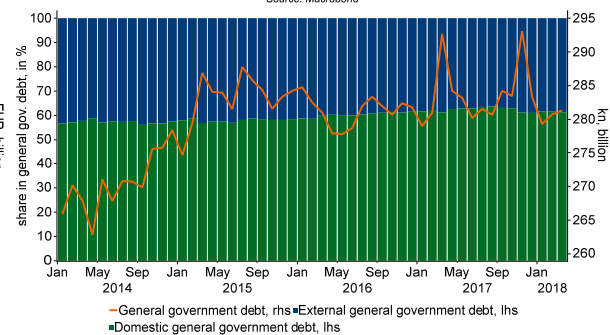
Gross external debt

Source: Macrobond



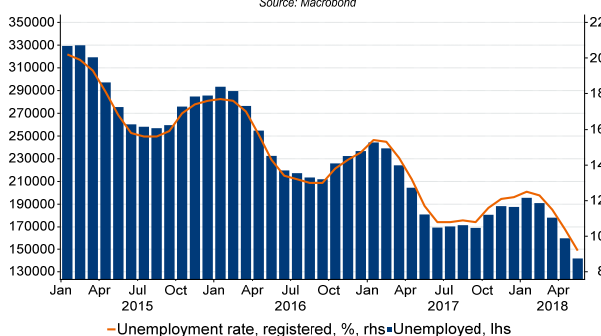
General government debt

Source: Macrobond



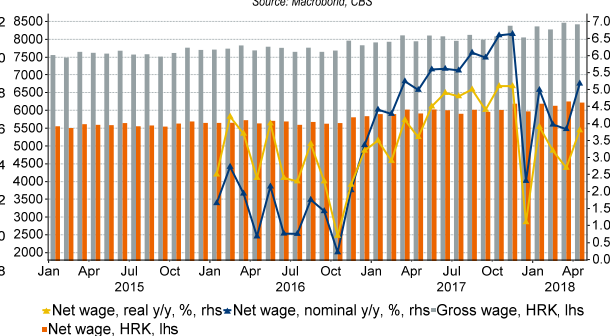
Total number of unemployed and unemployment rate

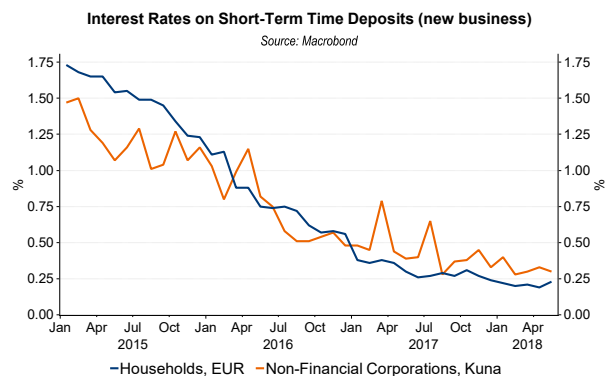
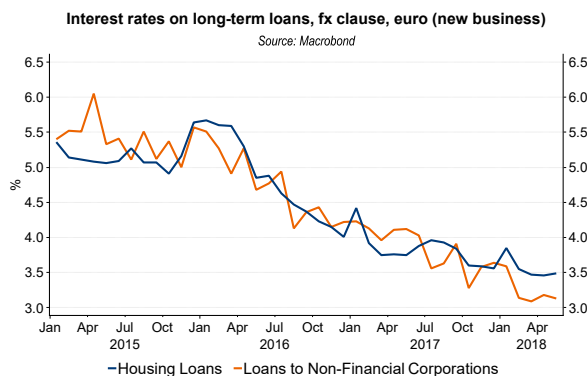
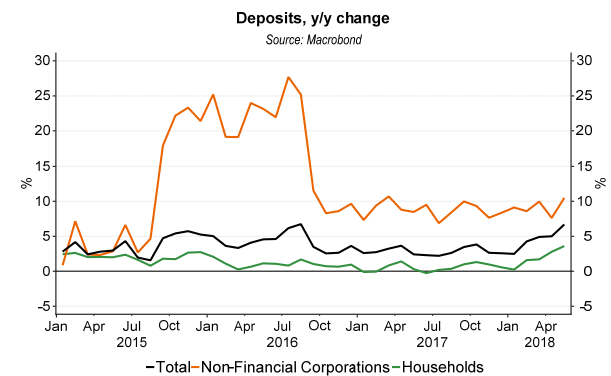
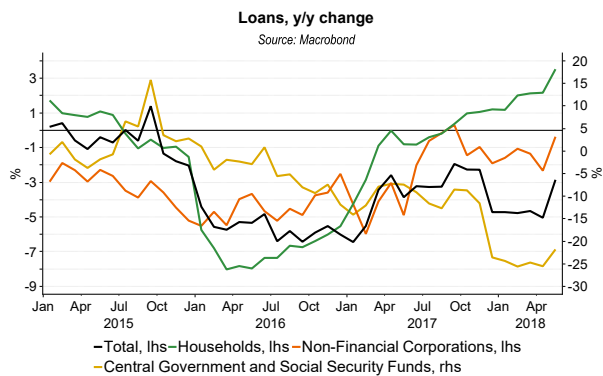
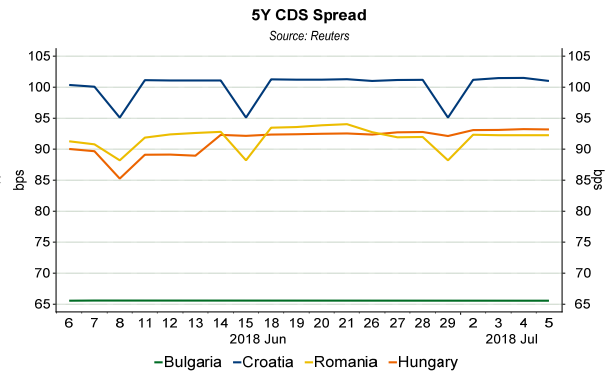
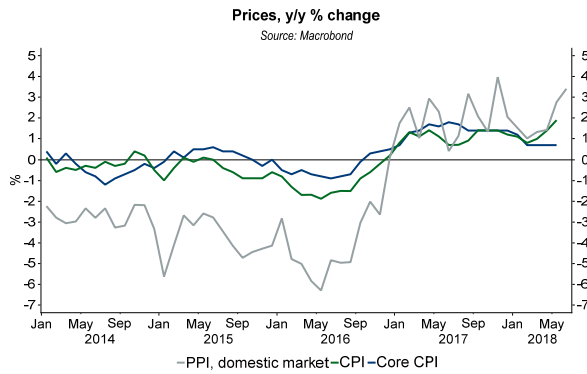
Source: Macrobond



Wages, monthly average and % ch. y/y

Source: Macrobond, CBS





RESEARCH OFFICE

Ivana Jović

Ana Lokin

Ivan Odrčić

TREASURY

Eugen Bulat

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