

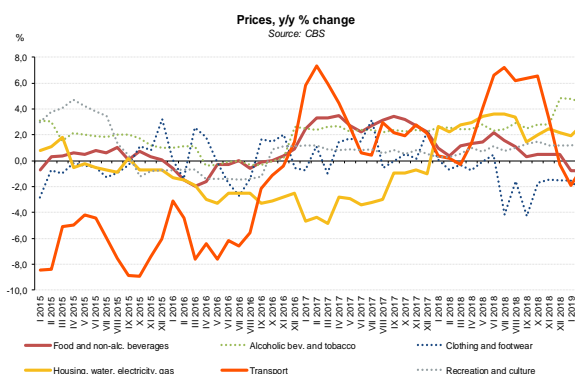
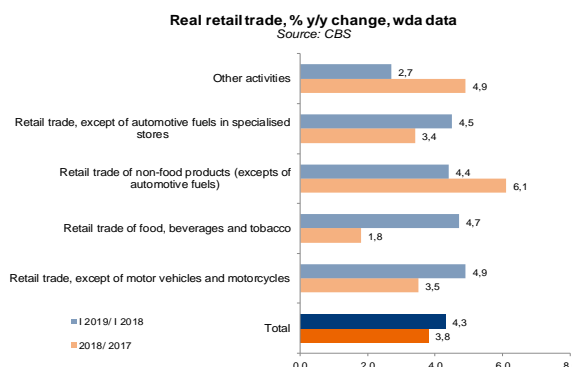
# PBZ Weekly Analysis

## Number 642, March 18, 2019

- Weekly overview (p. 1)
- Euro recovers, kuna remains unchanged (p. 1)
- Excess liquidity rises (p. 2)
- Crobex up wow (p. 2)
- Statistics (pp. 4-5)

## Weekly overview

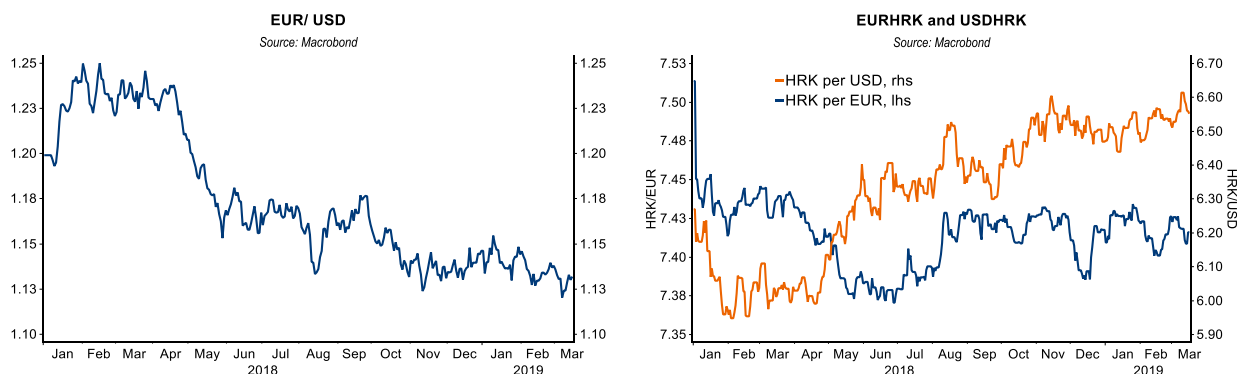
- The retail trade turnover in January rose yoy (wda) by 4.0% in nominal terms and 4.3% in real terms, whereas the comparison with the last month of 2018 (both seasonally and working-day adjusted) shows that the retail trade turnover stagnated in nominal terms, however, it increased in real terms by 1.0%. The increase in the yoy real retail trade turnover in January was partly affected by positive developments in the labour market (2.1% more employed persons yoy) and a higher level of consumer optimism. The real retail trade turnover of food, beverages and tobacco rose in January by 4.7% yoy and of non-food products by 4.4%.
- The consumer price index in February climbed by 0.5% yoy (+0.2% in January) and 0.2% mom (-0.9% in January). The largest positive contribution to the yoy increase in consumer prices in February came from higher prices in the category Housing, water, electricity, gas and other fuels (by 0.5 p.p. or +2.9%, of which solid fuels by +11.3%). The prices in the category Alcoholic beverages and tobacco rose by 4.6% yoy, which is a contribution of 0.2 p.p., while 2.7% and 1.3% higher prices in the categories Restaurants and hotels and Recreation and culture contributed by 0.1 p.p. each. A negative contribution (each by -0.1 p.p.) thereby came from the categories Food (-1.0%, partly owing to a reduced VAT rate on some food items), Clothing and footwear (-2.4%) and Transport (-0.5%), whereas no contribution was recorded in the remaining categories. The twelve-month average and the core inflation in February remained at their January levels of +1.4% and +0.6%, respectively, yoy.



## Euro recovers, kuna remains unchanged

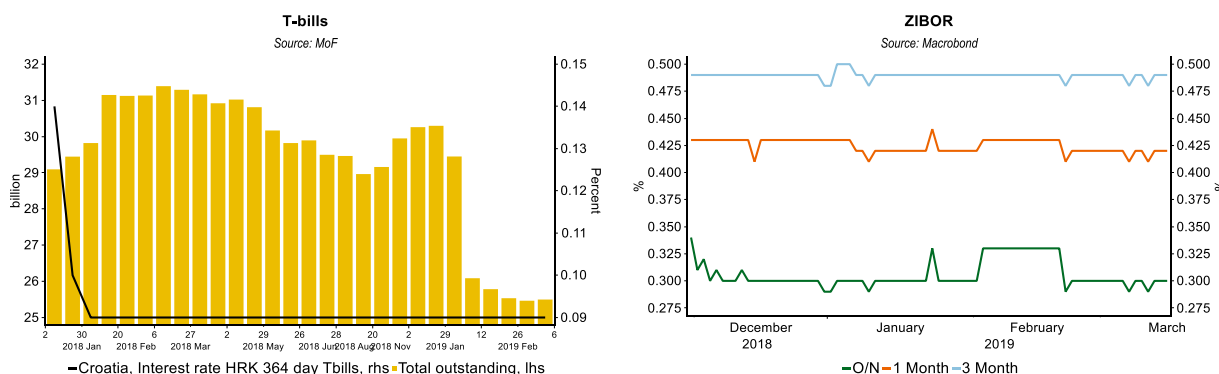
In anticipation of this week's FOMC meeting, the euro recovered last week, following a strong fall during the week before last. Trading on Friday closed at 1.13 dollar to the euro, up by 0.7% wow.

The kuna continued to fluctuate against the euro, so the exchange rate was 7.4159 at the end of the week, unchanged wow, while the kuna against the dollar increased to 6.5517 kuna to the dollar, down by 0.9% versus the previous Friday.



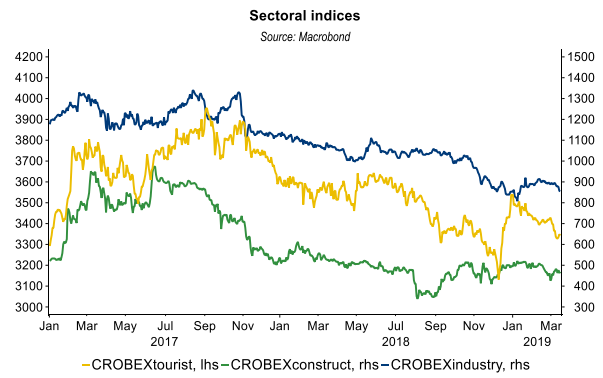
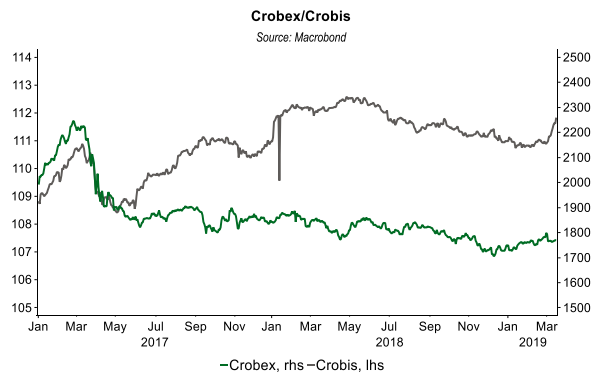
## Excess liquidity rises

Excess liquidity rose towards 34 billion kuna, whereas short-term interest rates remained unchanged (the overnight Zibor at 0.30%, 1M at 0.42%, 3M at 0.49%). There was no interest shown at the repo auction, while the ZMM turnover reached 20 million kuna. Last week, 0.2 billion kuna in T-bills matured and there was no auction, therefore the government debt under T-bills decreased to 25.3 billion kuna. There will be no maturity or auction this week.



## Crobex up wow

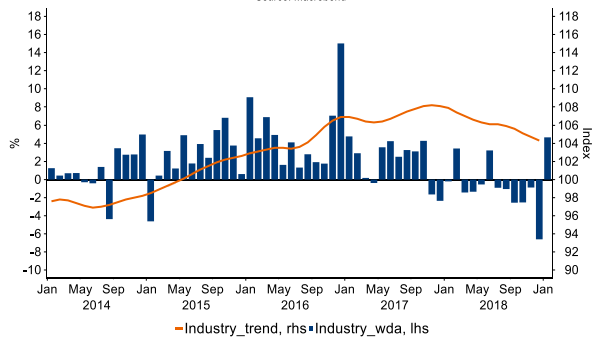
The Crobex Index closed up by 0.4% wow last Friday (to 1,769.50 points), while Crobis simultaneously rose by 0.5% (to 111.83 points). As regards sector indices, CROBEXtourist rose by 0.2% wow (to 3,343.48 points), whereas CROBEXindustry (856.03 points) and CROBEXconstruct (469.63 points) fell by 3.5% and 2.7%, respectively. The total ZSE turnover last week amounted to 290.9 million kuna, which is an increase of 46.7% versus the week before, due to a 50.6% higher turnover in bonds (reaching 244.9 million kuna) and a 28.7% higher turnover in shares (46.0 million kuna). At its meeting held on 11 March 2019, the Index Committee considered the latest information concerning the company ULJANIK PLOVIDBA D.D. (ULPL), adopting a decision not to include the shares of the indicated company in the composition of the CROBEX Index.



# Statistics

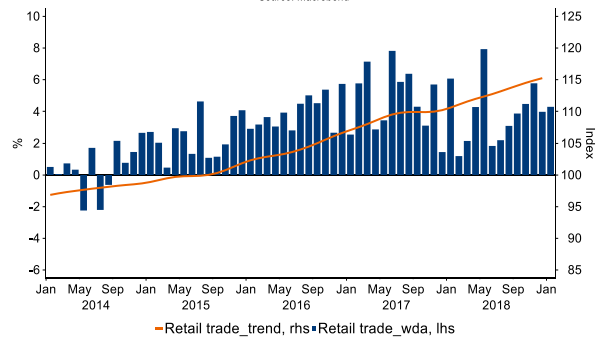
Industrial production, wda % ch. y/y and index (2015=100)

Source: Macrobond



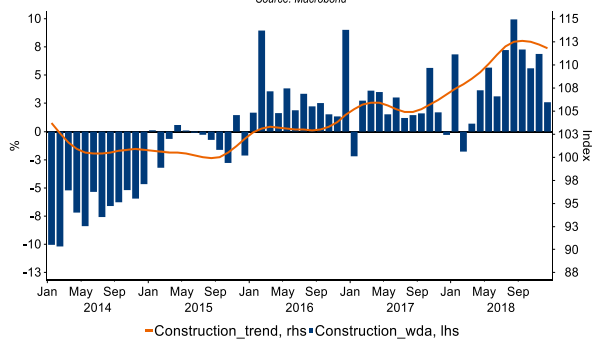
Retail trade, real, wda % ch. y/y and index (2015=100)

Source: Macrobond



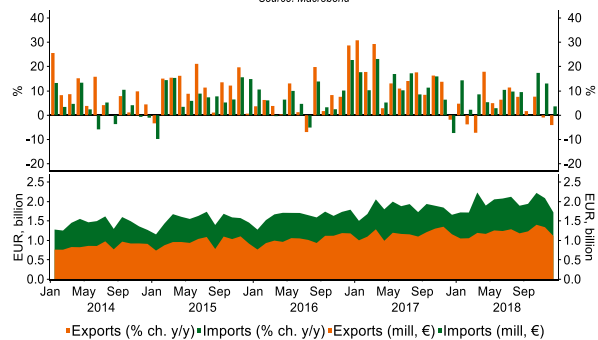
Construction works, wda % ch. y/y and index (2015=100)

Source: Macrobond



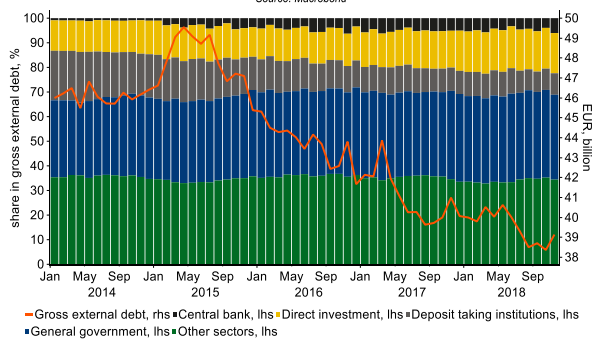
Goods exports and imports (% ch. y/y and mill €)

Source: Macrobond



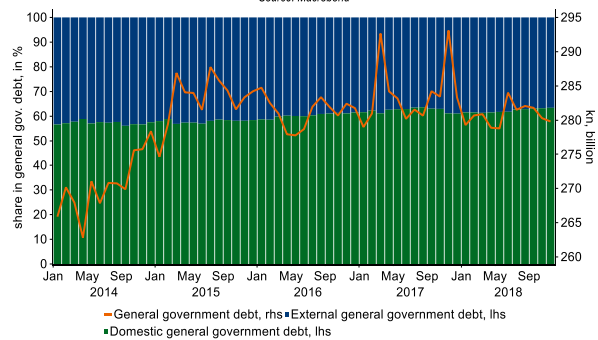
Gross external debt

Source: Macrobond



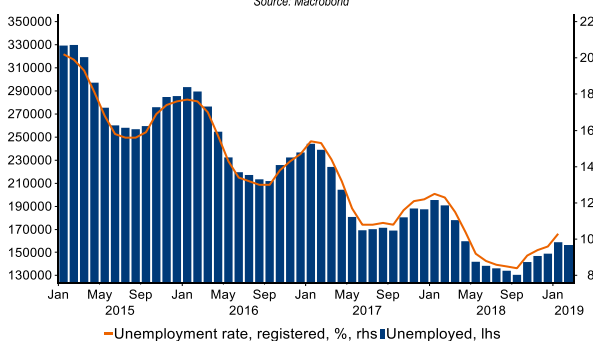
General government debt

Source: Macrobond



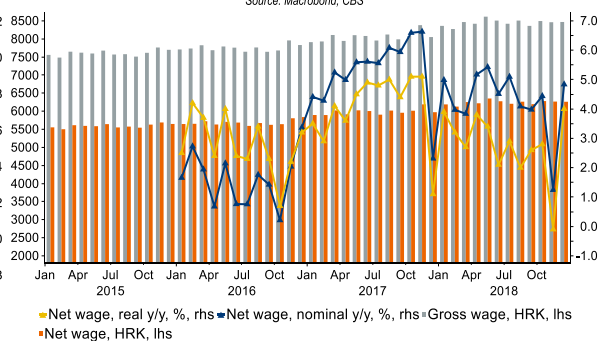
Total number of unemployed and unemployment rate

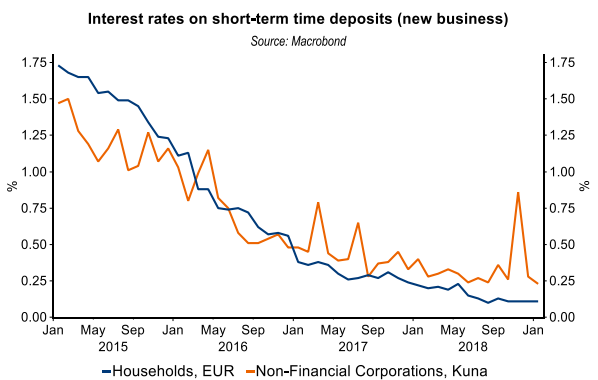
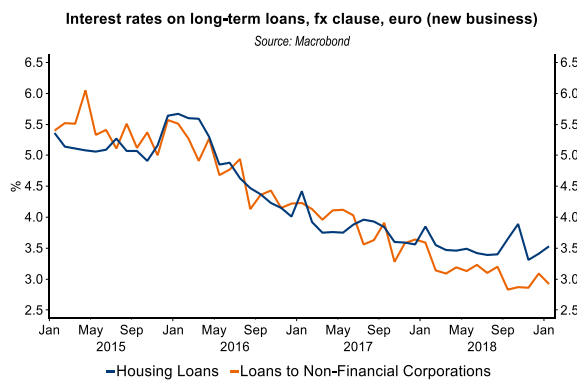
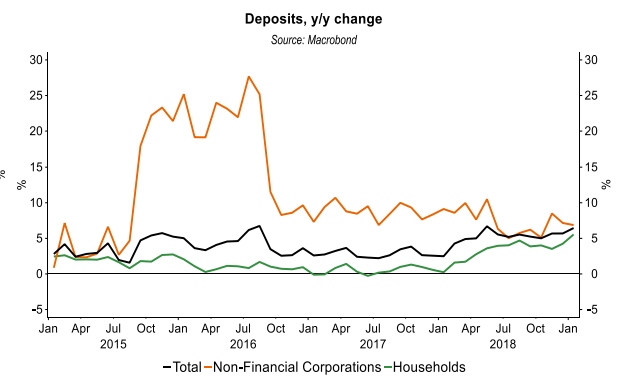
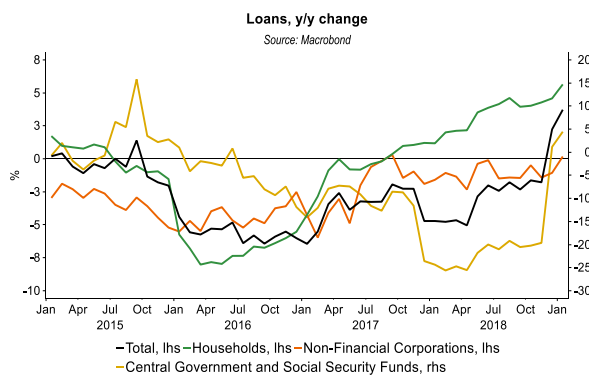
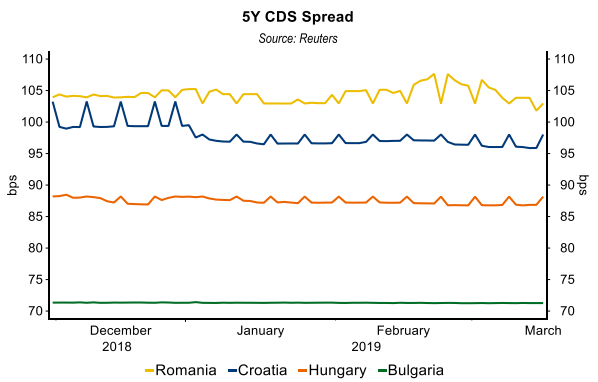
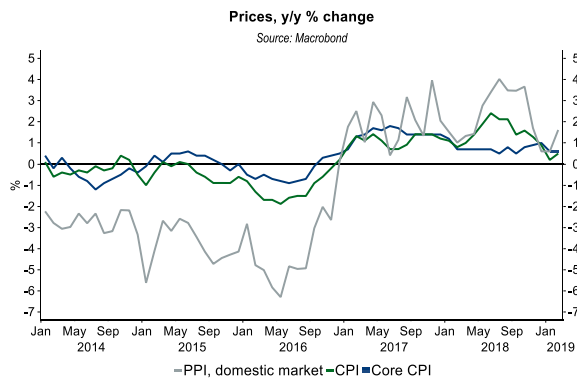
Source: Macrobond



Wages, monthly average and % ch. y/y

Source: Macrobond, CBS





#### **RESEARCH OFFICE**

Ivana Jović

Ana Lokin

Ivan Odrčić

#### **TREASURY**

Eugen Bulat

#### **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.