

PBZ Weekly Analysis

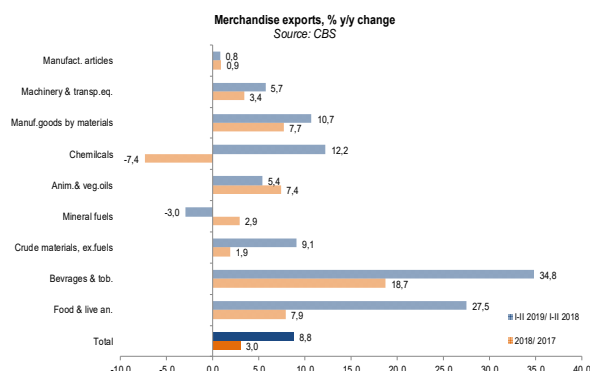
Number 649, May 13, 2019

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Weekly overview

The total exports of goods in February 2019 rose by 12.8% yoy, while the imports of goods simultaneously rose by 14.0%, due to which the foreign trade deficit increased by 15.8%, whereas the coverage rate decreased to 60.9% (from 61.6% in February 2018). Over the first two months this year, the total exports of goods advanced by 8.8% yoy (to HRK 17.1 billion), mostly owing to an increase in the exports in

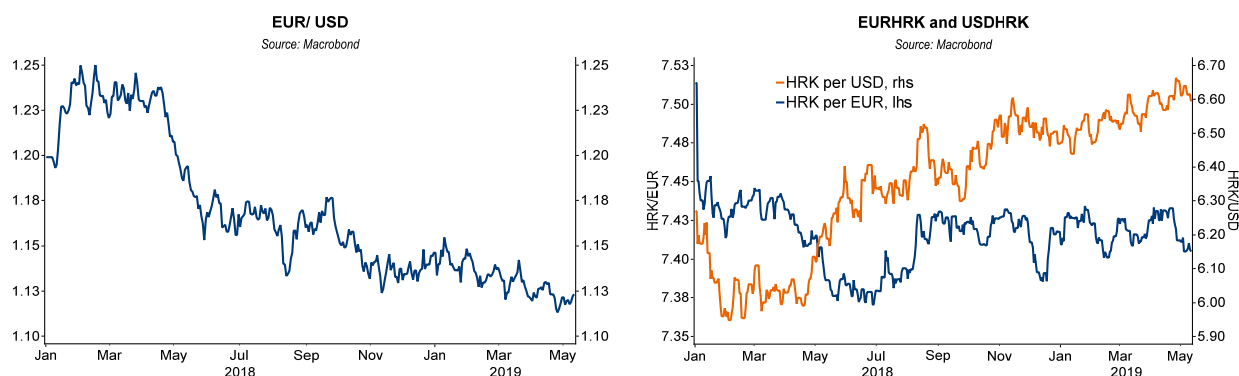
Manufacturing (+6.2%, of which the most substantial in Manufacture of motor vehicles, trailers and semi-trailers, +37.4%) and in Agriculture, Forestry and Fishing (+81.1%). Thereby, the imports of goods increased by 10.3% over the mentioned period (to HRK 28.3 billion, of which the most significant in Manufacture of coke and refined petroleum products, +64.2%), partly owing to an increase in domestic demand. Over the first two months of 2019, the foreign trade deficit climbed by 12.6% yoy (to a total of HRK 11.2 billion), while the coverage of the imports of goods by the exports of goods was reduced by 0.8 percentage points (to 60.5%). The first data for March show a yoy increase in the exports of goods of 7.1% and a decrease in imports of 3.2%, while exports grew by 8.2% in the first this year's quarter (of which to EU countries +6.8%, to other countries +11.3%) and imports by 5.0% (EU: +8.2%, other countries: -7.5%).



Dollar weaker, kuna unchanged

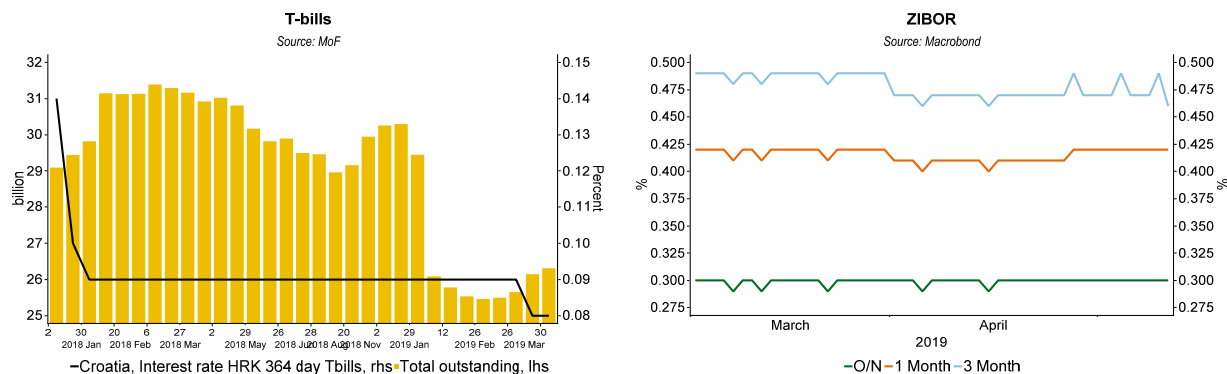
Last week, the dollar exchange rate fluctuated due to the negotiations related to the trade deal between the USA and China. Thus, the dollar weakened against the euro by 0.3% wow, closing above 1.12 dollar to the euro on Friday.

The EURHRK exchange rate remained unchanged, finishing at 7.4048 kuna to the euro at the end of week, whereas the kuna strengthened against the dollar by 0.7% and the exchange rate dropped to 6.5938 kuna to the dollar. This week, we expect stable trends to continue.



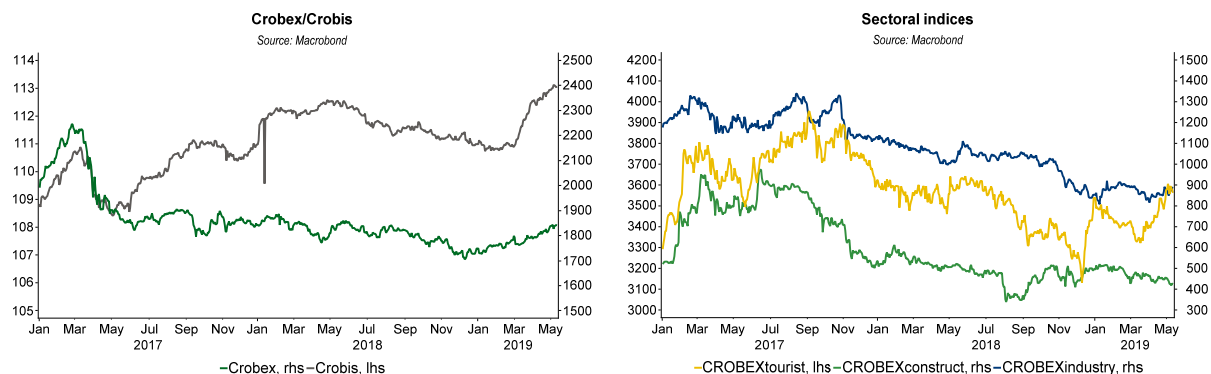
Money market calm

Excess liquidity remained around 30 billion kuna and interest rate stagnated wow (overnight Zibor at 0.30%, 1M at 0.42%), or mildly decreased (3M by 3 b.p. to 0.46%). There was no activity at the repo auction of CNB, while ZMM turnover leapt to 0.9 billion kuna. There was no maturity or auction.



Crobex down wow

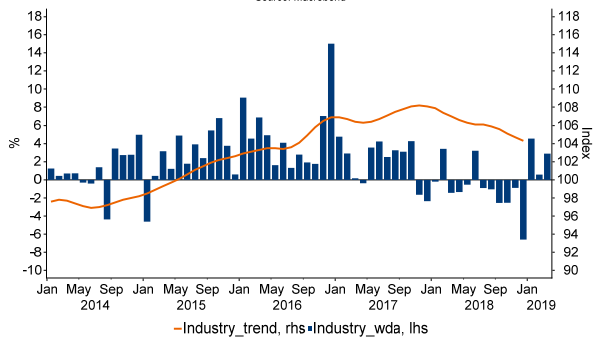
Last week, the total ZSE turnover amounted to 185.4 million kuna., i.e. 2.8 times higher versus the week before, due to a 5.2 times higher turnover in bonds (reaching 130.3 million kuna), while the turnover in shares simultaneously increased by 34.9% (to 55.1 million kuna). Last Friday, the Crobex Index closed at 1,840.78 points, which is a decrease of 0.1% wow, while Crobis simultaneously rose by 0.1% (to 113.07 points). As regards sector indices, CROBEXindustry increased by 4.8% wow (to 890.60 points), while CROBEXtourist (3,563.53 points) and CROBEXconstruct (425.08 points) decreased by 0.8% and 3.2%, respectively.



Statistics

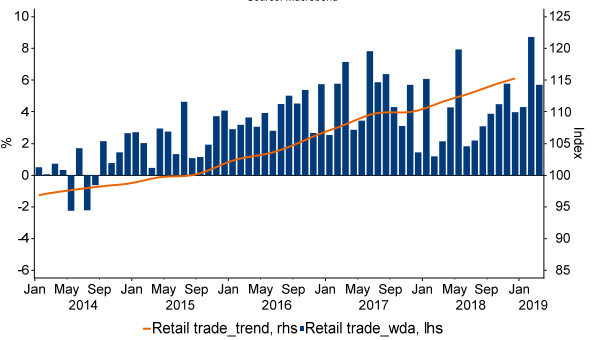
Industrial production, wda % ch. y/y and index (2015=100)

Source: Macrobond



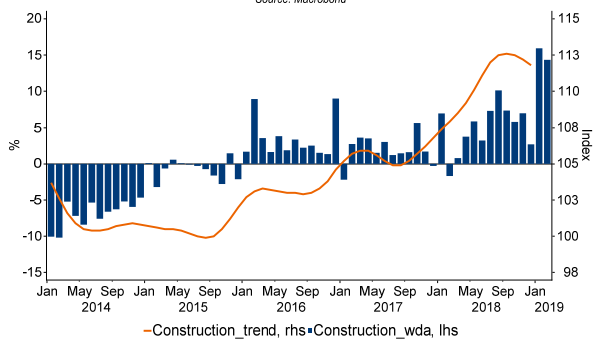
Retail trade, real, wda % ch. y/y and index (2015=100)

Source: Macrobond



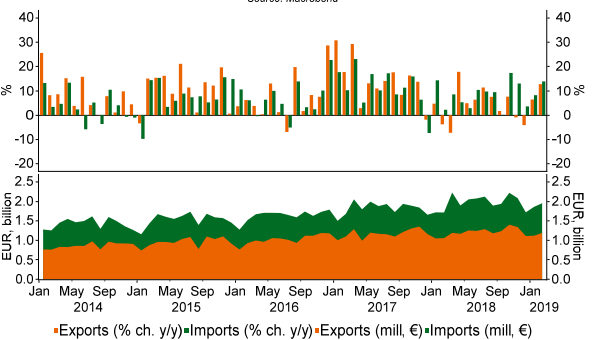
Construction works, wda % ch. y/y and index (2015=100)

Source: Macrobond



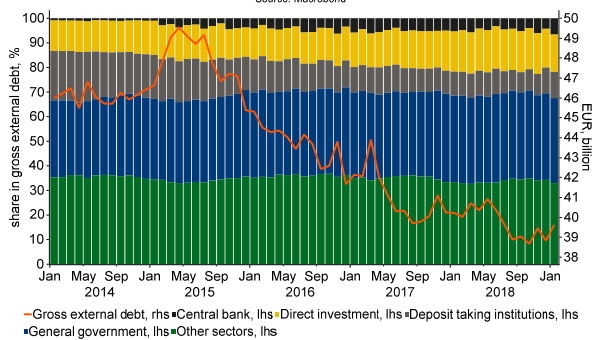
Goods exports and imports (% ch. y/y and mill €)

Source: Macrobond



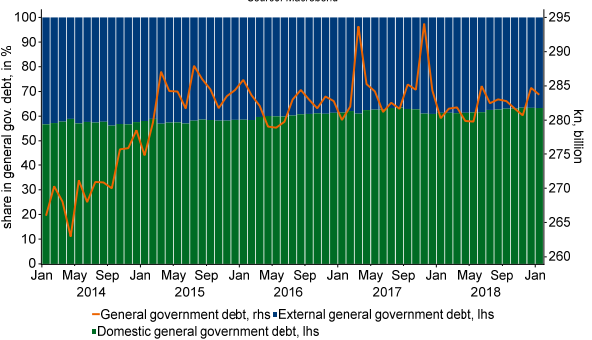
Gross external debt

Source: Macrobond



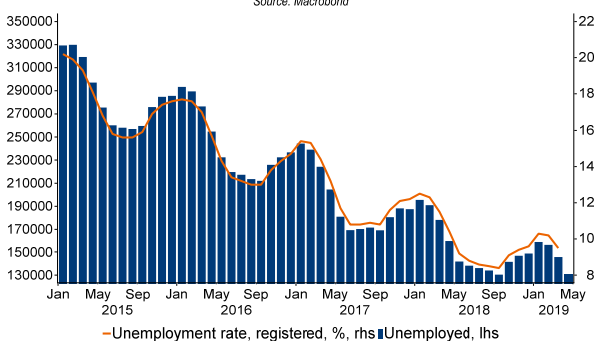
General government debt

Source: Macrobond



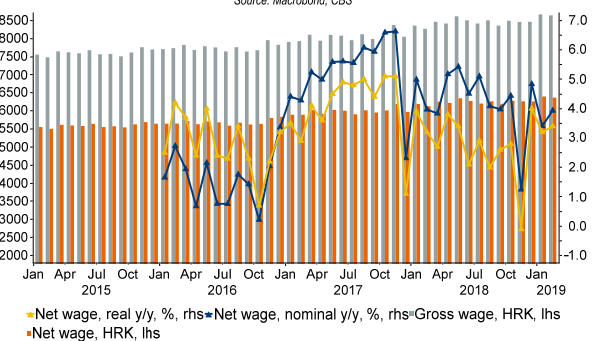
Total number of unemployed and unemployment rate

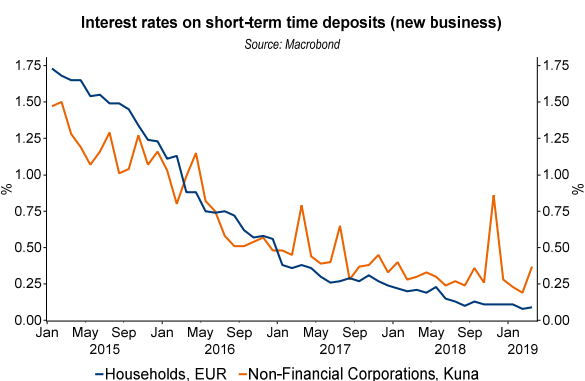
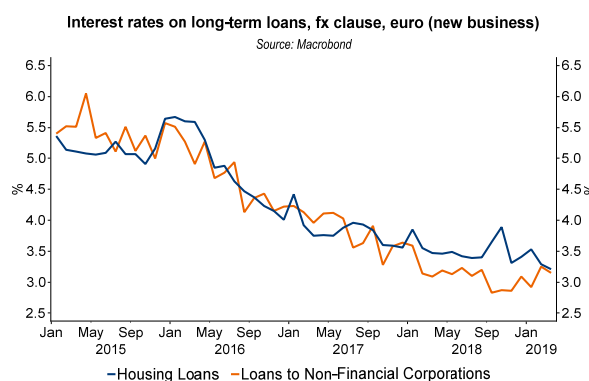
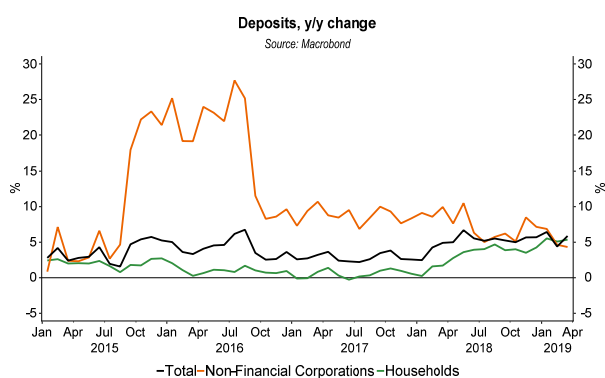
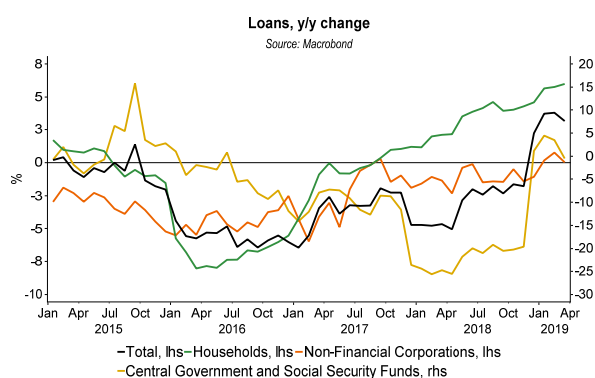
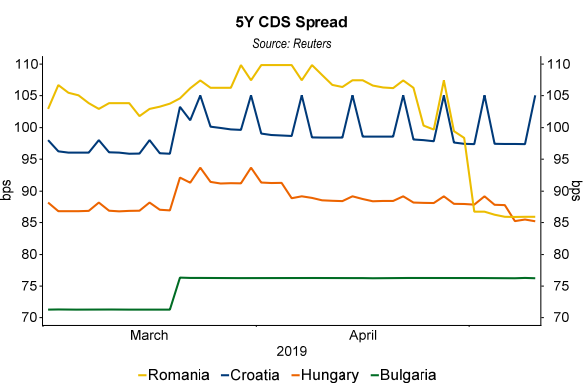
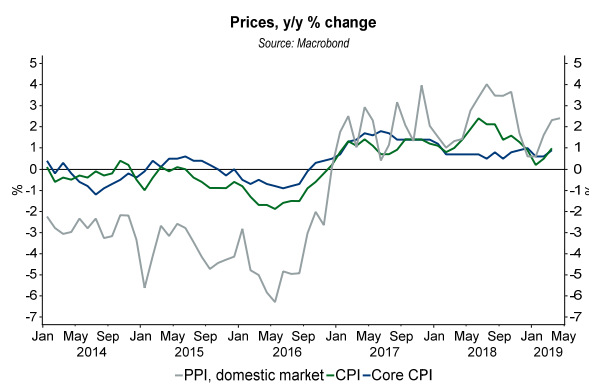
Source: Macrobond



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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