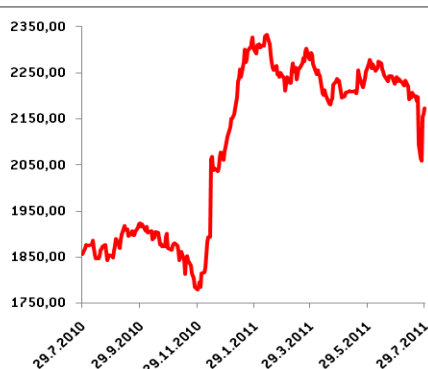




CROBEX 52wks PERFORMANCE:



INDICES:	CLOSE	1D	1M	Y-T-D
CROBEX	2,173.73	+0.60%	-2.97%	+2.97%
CROBEX10	1,166.55	+0.90%	-3.91%	+1.06%

COMMENT:

Investors extended bottom-fishing Friday, pushing the Crobex up 0.6 % for the day and enlarging weekly gain to 3.8 %. However, with poor economic data and mixed bag of corporate results last week's action could be described as brief upside correction, especially taking into account weak volumes. Regarding this week's action we reiterate the view that the market is likely to remain range bound for a while.

OUTLOOK:

Strong opening on European bourses indicates higher prices on the ZSE today.

TURNOVER- HRK	MN
Total turnover:	11.36
Regular turnover:	11.36
OTC turnover:	214.55
Reported turnover:	0.00

Market Cap: HRK 143.27 bn

FX MARKET

EUR/HRK	7.452071
USD/HRK	5.215980

MARKET BREADTH	
ADVANCERS	21
DECLINERS	20
UNCHANGED	12

UP VOLUME  
7,755,725.59 HRK

DOWN VOLUME  
3,825,230.62 HRK

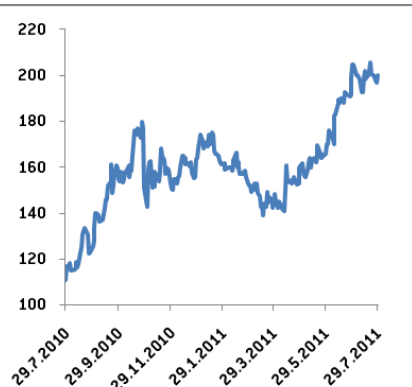
TOP PERCENTAGE GAINERS:

VERN-R-A	+12.91%
TNPL-R-A	+9.18%
ISTT-R-A	+7.69%
DIOK-R-A	+5.77%
AUHR-R-A	+4.22%

TOP PERCENTAGE LOSERS:

VLDS-R-A	-6.53%
TUHO-R-A	-4.76%
FRNK-R-A	-4.76%
VLHO-R-A	-3.83%
IGH-R-A	-3.50%

PTKM 52wks PERFORMANCE:



RISING ON UNUSUALLY HIGH TURNOVER:  
Petrokemija (Specialty chemicals)

FALLING ON UNUSUALLY HIGH TURNOVER:  
Dalekovod (Construction)

POLITICS :

No news today

MACROECONOMY :

Croatia's **seasonally** adjusted industrial production fell in June by 0.3 % m/m, but due to lower base for comparison its annual growth rate rose to 1.8 %, reported the Bureau of Statistics. Taking into account that the cumulative growth rate in the first half of the year was still 1.7 % y/y lower, the latest data provided only few reasons for optimism. These can be found in the fact that four out of five industrial groupings reported growth in June, led by production of capital goods (up 2.9 % m/m) and energy (up 2.8 % m/m), which outpaced the growth rate of production of consumer durables (up 1.4 % m/m) and intermediate goods (up 0.2 % m/m). Lower reading was posted only by producers of consumer non-durables (minus 1.8 % m/m), but on cumulative level as many as three groupings continue to show weakness, with production of consumer durables (down 8.8 % y/y) topping the list.

Croatia's **trade deficit continued to narrow in June, driven by another** sharp decline of import. According to latest data by the Bureau of Statistics, Croatia's **export** fell in June by 3.8 % y/y to EUR 723 mn, which along a 10.7 % y/y drop of import to EUR 1.17 bn resulted in contraction of trade deficit to EUR 446 mn (down 20 % y/y). The cumulative picture is more balanced as total trade gap in the first six months of 2011 fell by only 1.6 % y/y.

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#### IN FOCUS :

T-HT (Telecom) – **H1'11** sales down 2.6 % /y, net profit higher by 0.4 % /y

In its unaudited consolidated statement the company showed a 2.6 % /y decline of sales to HRK 4.01 bn, which was accompanied by a 1.9 % /y decrease in operating expenses to HRK 3.01 bn. However, due to a sharp 62 % /y drop in financial expenses the company managed to increase net profit by 0.7 % /y to HRK 828 mn. The results were significantly affected by acquisition of Combis, which accounted for HRK 161 mn of revenues and excluding these revenues T-HT would be reporting a 6.7 % /y decline in sales. Profitability measured by EBITDA was also on decline (down 3.1 % /y to HRK 1.67 bn).

Petrokemija (Specialty chemicals) – Higher demand for fertilizers pushed the net profit up to HRK 81.3 mn

The company reported a strong 57 % /y jump in sales to HRK 1.43 bn, while operating expenses rose by only 42 % /y to HRK 1.33 bn. The company explained these data by savings in purchase of raw materials and strong increase of demand for fertilizers. The company managed to raise production by 13.6 % /y to 610,000 tones, while sales of fertilizers surged 21.5 % /y to 606,000 tones. Moreover, the bottom line showed an impressive HRK 81.3 mn net profit, which compares with a HRK 47 mn loss in the same period last year.

Podravka (Food/Pharma) – H1'11 sales higher by 4 % /y, net profit soared by 78 % /y

The interim H1'11 report by the company showed a 4 % /y rise of sales to HRK 1.72 bn, mostly driven by its Food segment, where sales increased 4 % /y to HRK 1.37 bn. Podravka's Pharma unit showed a more modest 2 % /y growth of sales to HRK 355 mn. The company generated operating profit of HRK 102.2 mn (up 37 % /y), with EBIT margin climbing to 5.9 %, while net profit for the period reached HRK 55.6 mn, representing a 78 % gain compared to previous year.

#### 20 MOST LIQUID:

STOCK	OPEN	HIGH	LOW	CLOSE	CHANGE %	VOLUME	TURNOVER
HT-R-A	253.00	253.10	252.00	252.00	0.01%	12,177	3,074,953.59
PTKM-R-A	204.99	204.99	197.25	200.00	1.53%	6,947	1,396,697.17
DLKV-R-A	199.21	199.90	190.00	199.75	-2.04%	6,897	1,319,228.59
ADRS-P-A	239.99	246.20	239.99	246.19	2.79%	4,291	1,035,839.54
ERNT-R-A	1,299.00	1,317.00	1,295.99	1,315.00	3.54%	532	692,760.65
ATPL-R-A	615.00	640.00	615.00	640.00	4.07%	999	627,133.05
ADPL-R-A	121.01	121.01	119.00	119.00	-2.46%	3,220	386,227.01
INGR-R-A	13.80	14.15	13.55	13.89	-0.07%	23,210	317,984.84
LKRI-R-A	160.00	160.00	150.00	151.10	1.72%	2,049	311,023.50
LKPC-R-A	880.00	890.00	880.00	880.01	-1.01%	341	302,924.45
BLJE-R-A	91.00	91.50	90.00	91.00	-0.11%	2,676	242,199.58
IGH-R-A	1,420.00	1,449.90	1,370.00	1,375.00	-3.50%	153	211,979.48
ATGR-R-A	697.88	699.00	685.16	695.00	-0.42%	286	199,523.76
PBZ-R-A	578.99	581.90	565.02	580.00	3.57%	251	145,308.58
VPIK-R-A	66.54	70.00	66.53	68.13	0.37%	1,947	134,794.87
KOEI-R-A	602.00	605.67	595.00	605.67	0.11%	172	103,152.60
DDJH-R-A	66.99	67.90	66.99	67.00	0.00%	1,507	101,084.39
MGMA-R-A	6.30	6.87	6.18	6.81	2.10%	13,607	88,807.21
PODR-R-A	322.59	322.59	314.50	314.50	-1.10%	196	62,692.94
KORF-R-A	75.30	76.99	75.30	76.79	-0.36%	706	53,629.84

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