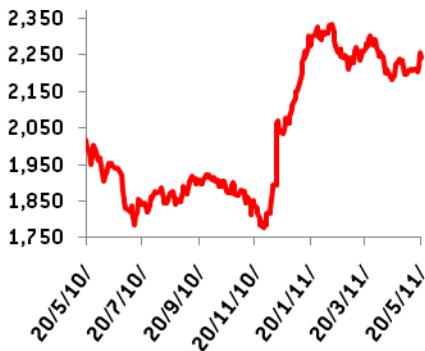




CROBEX 52wks PERFORMANCE:



INDICES:	CLOSE	1D	1M	Y-T-D
CROBEX	2,243.47	-0.59%	+2.43%	+6.28%
CROBEX10	1,235.60	-1.26%	+1.55%	+7.04%

COMMENT:

The Crobex shed 0.6 % Friday, but expectations of possible completion of EU talks in summer pushed it up 1.5 % for the week. Fresh wave of investors' optimism was also reflected in higher market liquidity, which surged during the week above HRK 25 mn. However, weak economic performance and deteriorated sentiment on global markets should limit gains this week.

OUTLOOK:

Following sharply lower opening on European bourses Croatian stocks are expected to move lower today.

TURNOVER- HRK	MN
Total turnover:	58.42
Regular turnover:	17.96
OTC turnover:	40.45
Reported turnover:	0.00

Market Cap: HRK 204.54 bn

FX MARKET

EUR/HRK	7.407263
USD/HRK	5.178818

MARKET BREADTH	
ADVANCERS	48
DECLINERS	22
UNCHANGED	11

UP VOLUME  
9,924,567.37 HRK

DOWN VOLUME  
7,374,513.35 HRK

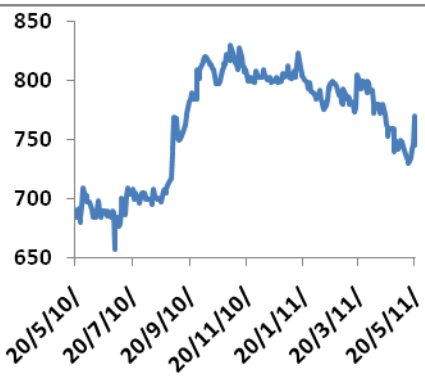
TOP PERCENTAGE GAINERS:

KSST-R-A	+13.56%
ZVCV-R-A	+12.16%
BZJK-R-A	+10.93%
RVP-R-A	+10.65%
MAIS-R-A	+10.54%

TOP PERCENTAGE LOSERS:

SLDM-R-A	-24.96%
KABA-R-A	-18.71%
ERNT-R-A	-11.00%
BRIN-R-A	-4.72%
PSMR-R-A	-4.23%

ATGR 52wks PERFORMANCE:



POLITICS :

The EU ministers should informally discuss today the process of Croatia's EU accession, but are not expected to reach any decision. According to Croatia press EU members still await the report by European Commission (EC), which should state whether the country met all requirements set under chapter 23 on Justice. The conclusion on that issue should be released by EU's „peer mission“, which should present its report to EC this week. As it seems, the „peer mission“ is likely to give positive opinion on Croatia's efforts, but also reiterate demands for correction in several documents. This should pave the way for closing of several remaining EU chapters on the next intergovernmental conference on June 21st, although it is still unclear whether the chapter on Justice will be closed in June or July. However, on that conference the European Commission could propose EU ministers the date of Croatia's EU membership, with July 1st, 2013 currently seen as the likeliest date.

RIISING ON UNUSUALLY HIGH TURNOVER:

FALLING ON UNUSUALLY HIGH TURNOVER:

MACROECONOMY :

The IMF mission ended its 2-week visit to Croatia by releasing a strong warning on country's economic policy. The mission concluded that Croatia should reduce wages, change the Labour law, and speed up privatisation process and complete reforms related to expenditures for pensions, health care and social aid or face further decline in its international competitiveness. For the first time the IMF criticized the central bank, claiming that foreign reserves (which at HRK 11.4 bn cover 7-months value of import) are too low and urged the central bank to change its policy of FX interventions by intervening of the market every day. The IMF reiterated that in 2011 Croatia's GDP should grow by only 1 % and reach the desired 3 % growth rate only in 2015.

In its brief statement central bank said it agrees with the IMF on all issues except foreign reserves and warned that proposed change in FX interventions could be risky. Domestic economists see the warning on FX interventions as IMF's plan to urge the country either reduction of wages and costs or devaluation of the currency, which central bank opposes for years. It remains to be seen for how long as domestic press increasingly speculates that any new government will be forced to call the IMF as soon as it comes on power.

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IN FOCUS :

Podravka (Food/Pharma) – Expressed interest in two Serbian food companies

The „Večernji list“ daily reported on Saturday that Podravka's officials visited Serbia and initiated talks with spice producer Aleva and confectionery company Bambi, which might result in merger or acquisition. The article claims that Bambi might be the first target for which Podravka should pay around EUR 80 mn. The **CEO of the company Miroslav Vitković claims that financing** of the transaction should not be a problem as the company recently raised EUR 100 mn through syndicated loan and expects additional interest from banks in case that it opts for regional acquisition.

20 MOST LIQUID:

STOCK	OPEN	HIGH	LOW	CLOSE	CHANGE %	VOLUME	TURNOVER
ATGR-R-A	762.00	762.00	742.01	745.00	-3.25%	3,877	2,898,580.08
HT-R-A	260.01	261.00	260.01	260.71	0.06%	8,665	2,257,585.74
ERNT-R-A	1,451.00	1,480.00	1,451.00	1,455.12	-11.00%	1,223	1,794,792.28
ARNT-R-A	69.99	77.69	69.99	73.00	4.30%	20,091	1,496,253.42
INGR-R-A	12.47	13.10	12.33	12.95	3.85%	67,019	859,003.08
KORF-R-A	84.81	84.89	81.85	83.20	-0.36%	9,899	822,289.71
PTKM-R-A	166.90	169.40	165.00	169.40	2.85%	4,582	771,483.45
KOEI-R-A	625.00	625.00	601.01	602.00	-3.53%	1,186	730,925.88
BLJE-R-A	93.15	94.05	93.00	93.00	-0.53%	6,433	602,810.63
PODR-R-A	327.77	330.00	323.05	329.99	0.76%	1,671	548,776.30
ADRS-P-A	272.00	273.98	271.11	273.98	0.36%	1,976	537,750.20
LKRI-R-A	188.98	195.00	186.05	193.00	3.21%	2,395	454,675.20
KRAS-R-A	459.97	460.50	448.03	460.50	0.11%	774	354,832.50
DLKV-R-A	240.75	244.99	240.75	244.90	0.37%	1,354	327,682.59
VIRO-R-A	429.00	437.99	429.00	437.80	2.29%	737	320,562.60
ADPL-R-A	136.62	138.80	136.62	138.00	1.09%	2,306	318,337.72
ATPL-R-A	697.01	703.00	695.00	703.00	0.00%	435	304,753.51
TISK-R-A	184.97	192.00	182.00	188.00	2.68%	1,303	243,745.51
MAIS-R-A	63.00	69.64	63.00	69.64	10.54%	2,567	165,606.54
VPIK-R-A	67.35	69.65	67.20	69.01	1.63%	2,444	165,602.51

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