



CROBEX 52wks PERFORMANCE:



| INDICES: | CLOSE | 1D | 1M | Y-T-D |
|----------|----------|--------|--------|--------|
| CROBEX | 1,860.94 | -0.84% | +0.94% | -6.82% |
| CROBEX10 | 995.01 | -0.91% | +2.23% | -6.23% |

COMMENT:

The Crobex slid again Tuesday, pulled lower by another round of sell-off on European markets and disappointing news on budget revision. At the end of the day the Crobex stood 0.8 % below the closing level from previous day, with total turnover with equities just slightly exceeding HRK 10 mn. Both most active stocks, Croatian Telecom and Adris, recorded gains, but only managed to cushion the price decline of the broad market.

OUTLOOK:

Higher-than-expected budget deficit could take the equity market down today again.

| TURNOVER- HRK | MN |
|--------------------|-------|
| Total turnover: | 79.05 |
| Regular turnover: | 13.24 |
| OTC turnover: | 60.71 |
| Reported turnover: | 5.09 |

Market Cap: HRK 173.38 bn

FX MARKET

| | |
|---------|----------|
| EUR/HRK | 7.268126 |
| USD/HRK | 5.753286 |

MARKET BREADTH

| | |
|-----------|----|
| ADVANCERS | 17 |
| DECLINERS | 41 |
| UNCHANGED | 6 |

UP VOLUME

6,265,336.47 HRK

DOWN VOLUME

4,145,347.22 HRK

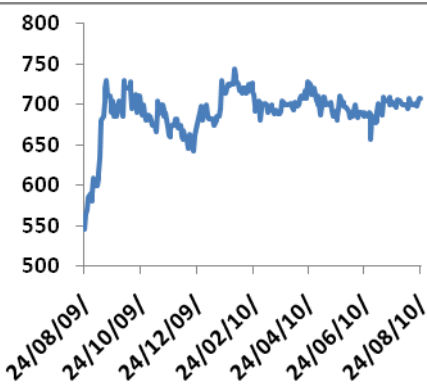
TOP PERCENTAGE GAINERS:

| | |
|----------|--------|
| RVP-R-A | +8.39% |
| ZTNJ-R-A | +4.52% |
| CKML-R-A | +3.03% |
| BD62-R-A | +2.07% |
| TUHO-R-A | +1.56% |

TOP PERCENTAGE LOSERS:

| | |
|----------|---------|
| BZJK-R-A | -11.02% |
| ATLN-R-A | -7.94% |
| DIOK-R-A | -7.13% |
| OPTE-R-A | -6.28% |
| HIMR-R-A | -5.54% |

ATGR 52wks PERFORMANCE:



RISING ON UNUSUALLY HIGH TURNOVER:

Adris preference (Tobacco/Tourism)

FALLING ON UNUSUALLY HIGH TURNOVER:

None

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POLITICS :

No news today

MACROECONOMY :

The government presented the revised budget to public yesterday, confirming most of speculations regarding higher expenditures and significant increase in deficit. The new budget envisages a HRK 4.5 bn decline of revenues to HRK 108.3 bn and a HRK 898 mn increase in expenditures to HRK 122.3 bn, which in total should boost budget deficit by HRK 5.4 bn to HRK 14 bn. This accounts for 4.2 % of the GDP vs. the initial plan of 2.6 % of the GDP. As we mentioned yesterday, the only savings in the revised budget are HRK 1.5 bn-worth reductions of material type of expenditures by ministries, whose size looks highly unrealistic, meaning that the actual budget deficit even could exceed the latest forecast. Regarding winners, they could be found in agriculture, where subsidies were raised by HRK 600 mn and farmers will be awarded additional HRK 300 mn for natural disaster damages, as well as in social sphere, with additional HRK 356 mn allocated for pensions, HRK 386 mn for jobless people and HRK 170 mn for childbirth allowances. At the same time the planned revenues were boosted by increase of excise duty on tobacco from 30 % to 33 % and excise duty on lead-free gas from HRK 1.65 to HRK 1.90 per litre. Current estimates of the new borrowing are HRK 6 bn, although due to fears of lower-than-expected revenues from excise duties, many expect that the real borrowing will be closer to HRK 7 bn.



IN FOCUS :

Atlantic Group (Trade/Pharma) – Shareholders of Istrabenz approved sale of Droga Kolinska

The AGM of Istrabenz, which is majority owner of food company Droga Kolinska, approved the agreement between the company and Atlantic Group on sale of Droga Kolinska. The contract was signed on June 30th this year and based on it Atlantic Group should pay Istrabenz a total of EUR 235 mn.

20 MOST LIQUID:

| STOCK | OPEN | HIGH | LOW | CLOSE | CHANGE % | VOLUME | TURNOVER |
|----------|----------|----------|----------|----------|----------|--------|--------------|
| HT-R-A | 258.00 | 258.50 | 257.09 | 258.00 | 0.15% | 10,926 | 2,814,747.14 |
| ADRS-P-A | 254.97 | 255.27 | 254.97 | 255.27 | 0.11% | 6,691 | 1,706,337.01 |
| ATPL-R-A | 837.02 | 837.02 | 825.00 | 831.99 | -2.12% | 982 | 815,029.82 |
| ULPL-R-A | 567.00 | 580.00 | 567.00 | 570.05 | 0.01% | 1,188 | 684,950.59 |
| INGR-R-A | 21.50 | 21.50 | 20.76 | 20.99 | -2.24% | 28,511 | 600,760.54 |
| KOEI-R-A | 490.00 | 492.00 | 489.00 | 489.00 | -0.20% | 1,055 | 517,026.00 |
| CKML-R-A | 3,300.00 | 3,400.00 | 3,300.00 | 3,400.00 | 3.03% | 140 | 466,000.00 |
| INA-R-A | 1,652.50 | 1,652.50 | 1,650.00 | 1,650.00 | -0.15% | 218 | 359,884.71 |
| JNAF-R-A | 2,630.02 | 2,630.02 | 2,600.00 | 2,630.00 | -0.01% | 106 | 278,660.02 |
| ATGR-R-A | 705.00 | 708.46 | 700.00 | 707.90 | 0.13% | 305 | 214,917.89 |
| DLKV-R-A | 282.14 | 285.00 | 282.14 | 284.16 | -0.34% | 641 | 182,143.05 |
| ZVZD-R-A | 3,700.00 | 3,700.00 | 3,620.00 | 3,620.00 | -2.16% | 46 | 167,440.01 |
| KRAS-R-A | 421.00 | 435.00 | 421.00 | 435.00 | 0.11% | 355 | 153,571.32 |
| IPKK-R-A | 232.00 | 232.10 | 232.00 | 232.10 | -0.39% | 508 | 117,859.31 |
| LKPC-R-A | 1,615.00 | 1,615.00 | 1,593.31 | 1,594.00 | -4.26% | 73 | 116,832.09 |
| KNZM-R-A | 180.00 | 182.00 | 178.02 | 178.02 | -1.64% | 633 | 114,526.55 |
| ISTT-R-A | 359.99 | 360.00 | 346.12 | 360.00 | 0.00% | 280 | 99,467.30 |
| JDPL-R-A | 139.30 | 139.30 | 137.60 | 137.60 | -1.32% | 636 | 88,030.63 |
| IGH-R-A | 1,701.02 | 1,701.02 | 1,700.01 | 1,700.01 | -2.46% | 45 | 76,542.42 |
| VLDS-R-A | 12.92 | 13.00 | 12.86 | 12.88 | -0.92% | 5,867 | 75,949.37 |

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