

INDICES:	CLOSE	1D	1M	Y-T-D
CROBEX	1,960.20	-0.58%	-9.10%	-1.85%
CROBEX10	1,054.92	-0.60%	-9.28%	+0.04%

**COMMENT:**

The approach of public holiday on Thursday additionally reduced interest for stocks Wednesday, pushing the Crobex down 0.6 % for the day. The fact that regular turnover amounted only HRK 10.6 mn speaks enough about investors' willingness to buy Croatian stocks, which provided another mixed session with only small movements in either way. In focus were shares in Croatian Telecom and Adris, as only two representatives with turnover in excess of HRK 1 mn.

**OUTLOOK:**

Positive opening of European markets might give a boost to Croatian stocks in early trading.

TURNOVER- HRK	MN
Total turnover:	12.69
Regular turnover:	10.69
OTC turnover:	2.00
Reported turnover:	0.00

Market Cap: HRK 174.70 bn

**FX MARKET**

EUR/HRK	7,254425
USD/HRK	5,920530

MARKET BREADTH	
ADVANCERS	18
DECLINERS	39
UNCHANGED	10

**UP VOLUME**

1,875,324.88 HRK

**DOWN VOLUME**

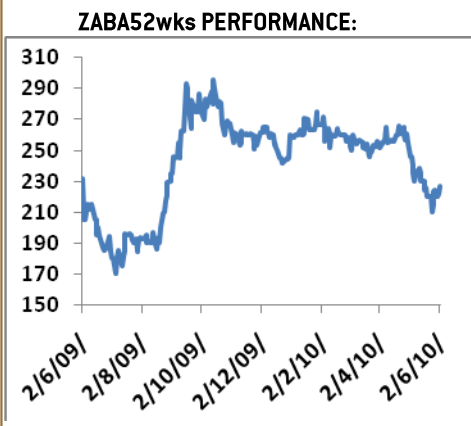
7,385,423.19 HRK

**TOP PERCENTAGE GAINERS:**

ELPR-R-A	+15.36%
DKVS-R-A	+11.91%
LVCV-R-A	+6.87%
ADRS-R-A	+6.23%
ZABA-R-A	+2.25%

**TOP PERCENTAGE LOSERS:**

VZIO-R-A	0.00%
SLPF-R-A	-49.21%
PVIK-R-A	-13.03%
ZVCV-R-A	-6.39%
PTKM-R-A	-5.20%


**POLITICS :**

The report on co-operation by ICTY chief prosecutor Serge Brammertz is allegedly only partly positive for Croatia, but Croatian diplomatic sources claim that it will provide enough elements for opening of the most difficult EU chapter on Justice. The "Večernji list" daily stated today that Mr. Brammertz' statement, which will be presented to UN Security Council on June 18<sup>th</sup>, will mention improvement in quality of Croatia's investigation on missing military documents from 1995, but will also warn that it failed provide a full insight into where documents could be find. According to author, who cites diplomatic sources, by the end of June Croatia should open all three remaining EU chapters and probably close another four to five chapters.

**MACROECONOMY :**

The cumulative budget deficit for the first five months of 2010 climbed to HRK 6.9 mn, reflecting a 1.2 % y/y decrease in budget revenues to HRK 43.5 bn and a 2.2 % y/y rise of budget expenditures to HRK 50.4 bn, reported the Ministry of Finance. Relatively moderate decline of revenues comes on the back of a 2.4 % y/y increase in VAT revenues to HRK 14.3 bn, following INA's repayment of debt in total amount of HRK 1 bn, and to a smaller extent, to a 44.2 % y/y jump in revenues from excise duties to HRK 3.8 bn. Within expenditures, salaries fell 2.5 % y/y to HRK 9.2 bn and expenditures on pensions shrank 2.9 % y/y to HRK 14.6 bn.

**RIISING ON UNUSALLY HIGH TURNOVER:**  
None

**FALLING ON UNUSALLY HIGH TURNOVER:**  
None

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**IN FOCUS :**
**Banking sector – Profitability continues to decline**

Profitability of the Croatian banking sector continues to decline. The most recent data by the central bank showed that in the first four months of 2010 the cumulative net profit of all domestic commercial banks plunged 14.4 % y/y to HRK 1.39 bn, which is the result of reduced lending activity and mounting bad loans. Namely, the total amount of loans fell 1.9 % y/y to HRK 255.1 bn, driven by a 4 % y/y drop of loans to households and loans to corporate sector remaining virtually on the same level of HRK 88.5 bn.

**20 MOST LIQUID:**

STOCK	OPEN	HIGH	LOW	CLOSE	CHANGE %	VOLUME	TURNOVER
HT-R-A	267.00	267.90	265.02	265.07	-1.06%	17,599	4,682,146.72
ADRS-P-A	260.20	264.00	260.00	260.26	0.06%	4,050	1,053,704.77
ATPL-R-A	947.69	956.44	940.00	951.00	0.00%	1,006	952,667.01
ERNT-R-A	1,450.00	1,452.00	1,440.01	1,440.01	-0.35%	295	427,797.18
JNAF-R-A	2,563.50	2,563.50	2,550.00	2,550.00	-2.07%	138	351,978.29
ULPL-R-A	600.00	606.00	595.00	598.01	-1.16%	449	269,024.82
KODT-P-A	2,130.01	2,130.01	2,130.01	2,130.01	-0.28%	120	255,601.20
INGR-R-A	31.02	31.52	30.86	31.20	-1.48%	7,731	239,776.66
RIBA-R-A	440.05	445.00	440.00	445.00	1.10%	512	227,514.62
DLKV-R-A	331.10	332.22	330.00	330.64	-0.43%	562	185,890.37
VZIO-R-A	69.99	69.99	69.99	69.99	0.00%	2,150	150,478.50
JDPL-R-A	159.97	160.17	157.13	160.17	0.11%	908	143,944.33
INA-R-A	1,700.06	1,720.00	1,700.00	1,700.12	-1.22%	76	129,286.92
ZABA-R-A	220.33	227.00	220.33	227.00	2.25%	462	103,808.27
IGH-R-A	2,341.03	2,383.00	2,330.01	2,376.98	1.06%	43	101,172.56
CROS-R-A	4,900.00	5,000.00	4,900.00	5,000.00	0.00%	19	94,890.00
THNK-R-A	1,196.99	1,200.00	1,182.00	1,200.00	0.00%	78	93,333.12
SLPF-R-A	29.01	29.02	15.15	15.15	-49.21%	3,260	93,218.81
KRAS-R-A	360.00	362.00	357.00	362.00	1.80%	257	92,698.00
TISK-R-A	214.00	216.98	202.02	208.98	-2.68%	449	91,703.71

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