


CROBEX 52wks PERFORMANCE:


INDICES:	CLOSE	1D	1M	Y-T-D
CROBEX	1,819.70	-0.30%	-5.48%	-8.88%
CROBEX10	974.17	-0.50%	-6.15%	-7.62%

COMMENT:

The Crobex surged in the last hour of trading yesterday, but still ended the day with a loss of 0.3 %. The decline marked the eighth consecutive downward move, which brought the index to the lowest level in almost a year. Downward trend was bucked only by shares in INA and Dalekovod, but the sentiment remained predominantly negative as 13 out of 20 most active stocks closed the day lower. Total regular turnover increased to HRK 15 mn.

OUTLOOK:

Strong rebound of European markets could push prices on the ZSE higher today.

TURNOVER- HRK	MN
Total turnover:	22.24
Regular turnover:	14.97
OTC turnover:	7.27
Reported turnover:	0.00

Market Cap: HRK 166.01 bn

FX MARKET

EUR/HRK	7.190652
USD/HRK	5.721852

MARKET BREADTH

ADVANCERS	13
DECLINERS	41
UNCHANGED	14

UP VOLUME

3,074,503.06 HRK

DOWN VOLUME

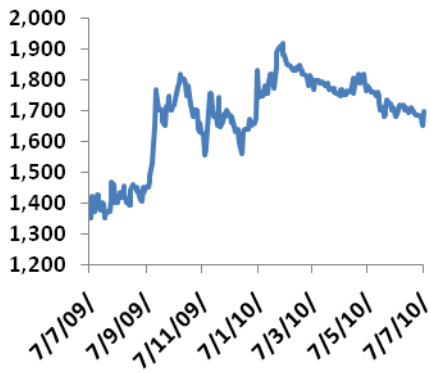
10,986,100.10 HRK

TOP PERCENTAGE GAINERS:

KSST-R-A	+32.00%
INA-R-A	+2.82%
LRH-R-A	+2.43%
KOEL-R-A	+1.81%
LURA-R-A	+1.61%

TOP PERCENTAGE LOSERS:

VPIK-R-A	-15.79%
ZTNJ-R-A	-9.58%
DIOK-R-A	-8.74%
ATLN-R-A	-6.49%
VLDS-R-A	-6.09%

INA 52wks PERFORMANCE:

RIISING ON UNUSALLY HIGH TURNOVER:

None

FALLING ON UNUSALLY HIGH TURNOVER:

Ericsson Tesla (IT)

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POLITICS :

Speculations that ruling coalition member HSLs is considering leaving the coalition were confirmed yesterday by local press, which reported that party's main body was expected to announce its withdrawal Saturday. If this would really be the case, ruling party HDZ' tiny majority in Parliament would be reduced by additional two votes, leaving the party with support of only 80 deputies or three more than the necessary 77 for reaching decisions. Unfavourable economic trends and expected departure of HSLs might additionally heat up the relations within ruling coalition, where Serbian party SDSS was already engaged in several disputes with HDZ and indicated that it (also) might leave the coalition.

MACROECONOMY :

In his speech in Parliament CNB Governor Željko Rohatinski stressed that urgent fiscal adjustment is necessary and warned that defending the stability of the local currency could be futile without economic reforms. His rather dramatic warning was accompanied with downward revision of the GDP forecast for 2010, which instead of 0.5 % could fall by 1.5 %, driven predominantly by expected 9 % y/y decline of investments and a 2.5 % y/y drop of private consumption. Due to falling economic activity there are rising risks that without serious cuts in public spending, fiscal deficit might surge this year to as high as 6.4 % of the GDP. Namely, at current level of spending, the consolidated budget deficit could advance to HRK 20 bn or 6 % of the GDP (in 2009 it stood at 4.4 % of the GDP), but adding to that deficit of the state-owned HAC (Croatian Motorways) the deficit climbs to HRK 21.5 bn or 6.4 % of the GDP. Thus, the government currently needs HRK 26 bn for repayment of existing debt, which could endanger stability of the local currency.

Croatian government sold yesterday a 10-yr 6.75 % coupon USD 1.25 bonds on foreign markets, with JP Morgan, Citigroup and Barclays acting as advisors. Although sale of bonds will be hailed by the government as a sign of investors' confidence in Croatia's economy, the truth is that proceeds will be used only for covering the existing budget gap and that environment of falling- or very sluggish GDP growth creates mounting burden for the country to repay its debt.


IN FOCUS :

No news today

20 MOST LIQUID:

STOCK	OPEN	HIGH	LOW	CLOSE	CHANGE %	VOLUME	TURNOVER
HT-R-A	258.50	259.40	254.01	257.90	-0.39%	14,828	3,811,557.24
ERNT-R-A	1,299.00	1,327.00	1,238.00	1,289.86	-1.61%	2,117	2,666,739.02
INA-R-A	1,650.02	1,699.89	1,650.02	1,699.89	2.82%	1,114	1,847,389.50
ATPL-R-A	799.00	799.00	750.00	777.00	-2.88%	1,900	1,452,248.57
DLKV-R-A	283.97	283.97	274.00	282.99	0.35%	1,787	498,311.75
INGR-R-A	25.05	25.05	23.57	24.65	-4.46%	17,084	412,055.86
RIBA-R-A	440.00	440.00	440.00	440.00	0.00%	898	395,120.00
KOEI-R-A	442.00	449.99	432.03	449.99	1.81%	846	372,683.45
LEDO-R-A	5,870.00	5,870.00	5,705.00	5,799.00	-1.71%	56	327,040.00
JDPL-R-A	131.12	131.95	127.05	129.00	-1.62%	2,491	323,643.80
CKML-R-A	3,050.00	3,050.00	3,015.00	3,015.00	-1.15%	102	311,030.00
ULPL-R-A	550.00	550.00	533.13	545.97	-1.63%	470	255,301.94
KORF-R-A	30.72	31.01	29.50	31.01	-2.30%	5,174	156,105.83
KRAS-R-A	379.98	380.00	373.66	380.00	0.00%	386	146,456.70
PODR-R-A	247.00	249.99	240.00	249.99	-2.73%	516	126,315.54
IGH-R-A	1,900.00	1,925.00	1,850.00	1,887.00	-1.92%	64	121,659.96
VIRO-R-A	304.00	304.00	297.00	300.00	0.00%	384	114,396.50
THNK-R-A	1,010.00	1,010.00	949.03	980.00	-2.97%	115	111,186.07
JNAF-R-A	2,430.00	2,430.00	2,332.01	2,400.00	-1.23%	43	103,608.05
ADRS-P-A	250.01	253.96	247.11	253.96	1.58%	396	99,523.42

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