

July 13, 2009

FX MARKET

EUR / HRK 7.344478

USD / HRK 5.289124

MARKET BREADTH

ADVANCERS: 21

DECLINERS: 32

UNCHANGED: 12

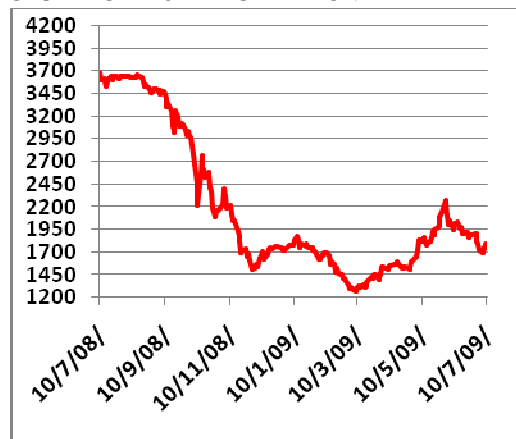
UP VOLUME:

1,195,166.61 HRK

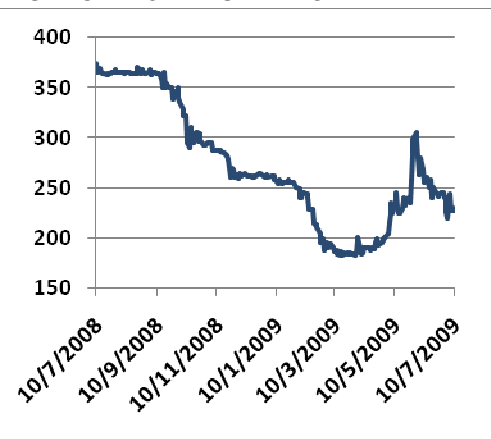
DOWN VOLUME:

11,553,479.26 HRK

CROBEX 52wks PERFORMANCE:



PODR 52 wks PERFORMANCE:



INDICES:	CLOSE	1D	1M	Y-T-D
CROBEX	1,777.10	-0.86%	-11.81%	+3.18%

MARKET STATISTICS:

Total turnover:	Regular turnover:	Reported turnover:	Institutional turnover:	Market Cap:
HRK 17.92 mn	HRK 17.92 mn	HRK 0.00 mn	HRK 0.00 mn	HRK 172.84 bn

COMMENT:

The Crobex ended the three-day winning streak closing lower on Friday, but still managed to record a 3 % gain on weekly level. Reduced political uncertainty after the Parliament approved the new PM Kosor was seen as the main trigger of last year's rally, which was still accompanied by extremely low trading activity and volumes. As economic problems continue to mount last year's recovery seems to represent only a technical bounce, which in absence of positive news is likely to wane this week.

OUTLOOK:

Weak performance of foreign markets today indicate lower opening of Croatian stocks today.

POLITICS :

Members of the largest opposition party SDP chose yesterday Mr. Ivo Josipović for party's presidential candidate. According to preliminary data, Mr. Josipović, a prominent professor on Law University of Zagreb, won support of 64.78 % of SDP members vs. 35.22 % support for his opponent Ljubo Jurčić. The turnout was surprisingly low 50 %, which shows rather muted enthusiasm among members.

MACROECONOMY :

The government surprised again with proposed budget revision, as real cuts in budget expenditures reached only HRK 780 mn. According to latest version, which is expected to be approved today in the Parliament, total reduction of budget expenditures of HRK 3 bn include also HRK 2.2 bn reshuffle of expenditures between ministries or about HRK 200 mn than promised last week. The new budget is based on assumption of 4.5 % y/y GDP decline in 2009 and inflation rate of 2.7 % and this plan sees budget revenues of HRK 109 bn and budget expenditures of HRK 120 bn. Regarding the latest reshuffle local press reports that it is related to subsidies to shipbuilding and HRK 180 mn expenditures from purchase of medicines for swine flu.

The good news is that the third budget revision should follow by the end of month and should include changes not only on expenditure-, but also on revenue side of the budget. Most likely the government will introduce higher VAT rate, as well as excise duties on telecom services. Regarding expenditures it seems that majority of measures will be related to decrease in salaries and other rights of employees in public sector and reduction of pensions.

TOP PERCENTAGE GAINERS:

FMPS-R-A	+33.33%
LVCV-R-A	+20.47%
PUNT-R-A	+16.44%
DIOK-R-A	+10.14%
MAIS-R-A	+9.17%

TOP PERCENTAGE LOSERS:

KOSN-R-A	-22.22%
ADRS-R-A	-13.85%
RIBA-R-A	-12.38%
MGMA-R-A	-8.14%
VLHO-R-A	-6.62%

Niko Delić
niko.delic@momentum-brokeri.hr
 Tel: + 385 (0)1 63 96 678

Željka Lapić
zeljka.lapic@momentum-brokeri.hr
 Tel: + 385 (0)1 63 96 672

Vilim Klemen
vilim.klemen@momentum-brokeri.hr
 Tel: + 385 (0)1 63 96 679



IN FOCUS :

Podravka (Food/Pharma) – New line for processing of vegetables

The company put into operation a new line for processing of pepper, which should increase capacities of processing by 50 %. Podravka's factory would this year process 10,000 tones of vegetables, which is 35 % more than in the same period last year. The value of investment is HRK 4 mn.

Agrokor (Food/Retail) – Withdrawal from the race for Getro

Business daily „Poslovni dnevnik“ announced today that Agrokor withdrew from race for purchase of the local discount chain Getro due to high demanded price. Allegedly, owners of Getro demanded EUR 100 mn for the company, which beside 40 discount stores has also valuable land. Agrokor expressed interest only for operations of Getro and offered significantly lower amount for Getro, which might now turn to Kaufland, as the only remaining potential buyer.

As it seems, Agrokor is also feeling the crises, as the same daily speculates that it might put for sale its drugstore chain Kozmo.

RISING ON UNUSUALLY HIGH TURNOVER:

None

FALLING ON UNUSUALLY HIGH TURNOVER:

Jadroplov (Shipping)

20 MOST LIQUID:

STOCK	OPEN	HIGH	LOW	CLOSE	CHANGE %	VOLUME	TURNOVER
HT-R-A	218.00	218.00	216.51	217.10	-0.41%	20,957	4,555,658.94
ATPL-R-A	1,039.00	1,052.00	1,015.00	1,040.00	0.00%	4,132	4,267,617.57
INA-R-A	1,420.01	1,450.00	1,412.00	1,412.00	-0.77%	1,132	1,608,494.81
JDPL-R-A	171.01	176.50	166.50	168.20	-3.85%	7,810	1,329,548.20
IGH-R-A	3,251.00	3,347.00	3,200.00	3,220.00	-1.53%	286	925,628.27
ERNT-R-A	1,199.99	1,220.00	1,199.99	1,200.00	-1.15%	642	771,585.85
DLKV-R-A	338.00	339.96	326.00	328.29	-3.44%	1,557	521,543.93
PODR-R-A	229.98	230.00	229.98	230.00	1.09%	2,001	460,221.66
INGR-R-A	40.00	41.19	38.78	39.84	-1.53%	9,143	361,737.29
ULPL-R-A	598.00	609.00	576.77	580.00	-3.01%	511	302,077.89
ZABA-R-A	176.01	181.99	175.00	181.00	-2.10%	1,158	203,276.37
LRH-R-A	1,666.00	1,666.00	1,665.00	1,666.00	0.06%	120	199,870.00
VDKT-R-A	299.00	313.99	295.52	305.00	1.84%	645	195,729.93
LKPC-R-A	1,130.33	1,182.00	1,120.01	1,152.00	-2.12%	146	167,355.65
THNK-R-A	1,505.02	1,511.00	1,500.01	1,500.01	0.00%	109	164,001.03
ZAPI-R-A	3,889.50	3,889.50	3,889.50	3,889.50	-0.22%	30	116,685.00
LEDO-R-A	4,000.00	4,000.00	3,880.00	3,880.00	-3.00%	28	110,640.00
AUHR-R-A	364.00	364.00	350.00	350.00	-3.05%	285	101,724.40
BLJE-R-A	77.77	78.83	75.00	75.00	-5.03%	1,102	82,929.33
LVCV-R-A	249.00	299.98	212.00	299.98	20.47%	276	75,458.82

Momentum brokers Ltd. has issued this report for information purposes only. All the information contained in this report is based upon information available to the public and has been obtained from sources believed to be reliable, but Momentum brokers Ltd. does not guarantee its accuracy or completeness. The opinions expressed herein are our present opinions only, and are subject to change without prior notice. Investors should understand that financial projections, fair value estimates and statements regarding future prospects may not be realized. Momentum brokers Ltd. recommends to all investors to do additional investment analysis. Momentum brokers Ltd. is not under any obligation to update or keep current the information and the opinions expressed herein. This report is not, and should not be construed as, an offer or a solicitation to buy or sell any securities or related financial instruments. The investment discussed or recommended in this report may be unsuitable for investors depending on their specific investment objectives and financial position. Where an investment is denominated in a currency other than the investor's currency, changes in rates of exchange may have an adverse effect on the value, price of, or income derived from the investment. Past performance is not necessarily a guide to future performance.