

July 16, 2009

**FX MARKET**

EUR / HRK 7.331082

USD / HRK 5.214883

**MARKET BREADTH**

ADVANCERS: 46

DECLINERS: 5

UNCHANGED: 16

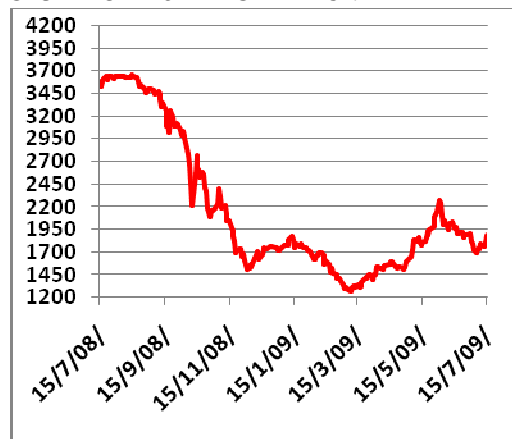
**UP VOLUME:**

50,530,008.53 HRK

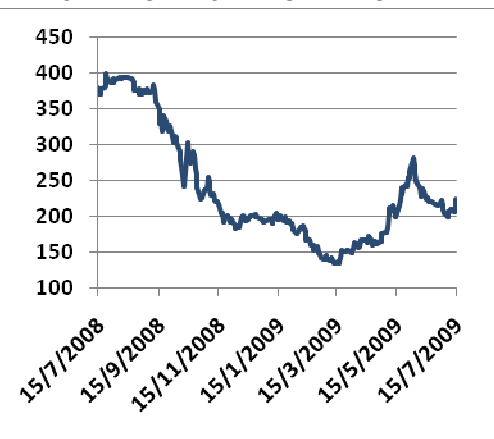
**DOWN VOLUME:**

446,015.04 HRK

**CROBEX 52wks PERFORMANCE:**



**ADRS -P-A 52 wks PERFORMANCE:**



INDICES:	CLOSE	1D	1M	Y-T-D
CROBEX	1,889.14	+4.46%	-3.46%	+9.69%

**MARKET STATISTICS:**

Total turnover:	Regular turnover:	Reported turnover:	Institutional turnover:	Market Cap:
HRK 51.17 mn	HRK 51.09 mn	HRK 0.00 mn	HRK 72.90 mn	HRK 177.16 bn

**COMMENT:**

Despite rising economic woes Croatian equity market recorded another great day. The Crobex closed almost 4.5 % higher, reflecting a broad-based recovery and further increase in trading activity. Unlike previous bull runs, this one was accompanied by shares in HT as well, which gained almost 4 % and generated alone about 40 % of the total daily turnover. Other big winners were again shares in shipping companies, which gained on the back of another recovery of shipping rates.

**OUTLOOK:**

As European markets shows signs of profit-taking, Croatian stocks are poised for correction today.

**POLITICS :**

The leaders of two biggest opposition parties, SDP and HNS, met yesterday the leaders of largest political party in Istria, IDS, in order to discuss the possibility of a pre-election coalition. The three parties were members of the ruling coalition in period 2000-2003, but after defeat in parliamentary election in 2003 decided to go alone and were even engaged in dispute before recent local elections. However, after yesterday's meeting all three parties announced that talks on the pre-election coalition will continue shortly and expressed willingness to assume responsibility for future developments.

**MACROECONOMY :**

About the same time our new PM Jadranka Kosor met with representatives of Employers Union to discuss government's plan to solve the rising illiquidity crises. PM Kosor announced that the government prepared action plan, which would include detailed deadlines for reduction of overdue bills, but PM herself was not willing to disclose how fast the problem might be solved or how big the unpaid liabilities of the state-owned companies are.

**TOP PERCENTAGE GAINERS:**

SM86-R-A	+50.00%
SNBA-R-A	+14.99%
KODT-R-A	+14.20%
LPLH-R-A	+12.96%
RIBA-R-A	+11.11%

**TOP PERCENTAGE LOSERS:**

AUSL-R-A	-75.00%
ZDNK-R-A	-49.50%
SLGA-R-A	-40.00%
ZTNJ-R-A	-19.99%
PIVK-R-A	-14.19%

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## MACROECONOMY 2:

The consumer price inflation recorded a small 0.1 % m/m rise in June, but the annual growth rate slowed from 2.7 % to 2.1 %. The slowdown was predominantly attributed to lower food- (down 0.9 % m/m) and clothing and footwear prices (down 0.4 % m/m), while prices of services (up 1 % m/m) and energy (up 1.3 % m/m) showed rather sharp increases.

## IN FOCUS :

### Adris (Tobacco/Tourism) – Renewed talks on purchase a stake in HPB

Business daily „Poslovni dnevnik“ reported today the government and Adris might resume talks on Adris' purchase of stake in Hrvatska Poštanska banka, the only state-owned commercial bank. Adris already expressed interest for diversifying into banking about two years, but at that time the state was not particularly willing to negotiate the deal. According to some estimates, HPB needs HRK 1.5 bn of fresh money. As HPB dived into red in Q1'09 and its capital adequacy ratio is close to low end of the stated limit, the state is trying to bring a new investor. Beside Adris the interest was shown by EBRD as well, whose representatives said on Wednesday that the bank is ready to invest should the government expressed willingness for co-operation.

### Ingra (Construction) – AGM to propose HRK 0.50 dividend per share

The company announced yesterday that the management of the company will propose to AGM, scheduled for August 31st, 2009 to approve a payment of HRK 0.5 per share dividend for 2008. Last year the company generated HRK 11.88 mn net profit, out of which HRK 3.7 mn is planned to be distributed to shareholders.

### Tehnika (Construction) – Proposed dividend HRK 80 per share

The Supervisory board of the company sent a proposal to AGM, scheduled for August 25th, to pay out HRK 13.6 mn out of HRK 74.2 mn net profit from 2008 in the form of dividend. Each shareholder should receive HRK 80 per share. Based on yesterday's closing price the dividend yield is 4.9 %.

### RISING ON UNUSUALLY HIGH TURNOVER: HT (Telecom)

### FALLING ON UNUSUALLY HIGH TURNOVER: None

## 20 MOST LIQUID:

STOCK	OPEN	HIGH	LOW	CLOSE	CHANGE %	VOLUME	TURNOVER
HT-R-A	221.00	235.00	221.00	230.73	3.93%	93,559	21,407,191.45
ATPL-R-A	1,120.00	1,155.00	1,115.00	1,155.00	5.96%	8,756	9,929,533.08
INGR-R-A	40.20	41.00	39.32	41.00	4.03%	62,949	2,527,743.26
JDPL-R-A	187.00	194.50	186.00	194.50	8.36%	11,914	2,262,283.23
DLKV-R-A	342.05	354.40	340.00	354.40	4.34%	6,406	2,228,097.28
KOEI-R-A	344.00	364.98	344.00	360.00	7.14%	4,556	1,632,964.32
ULPL-R-A	660.00	696.00	655.00	696.00	9.78%	1,912	1,286,478.66
IGH-R-A	3,390.00	3,425.00	3,320.00	3,425.00	3.91%	378	1,284,443.94
ADRS-P-A	214.00	224.67	214.00	224.67	6.35%	5,591	1,235,927.82
HUPZ-R-A	1,655.21	1,826.00	1,650.01	1,800.00	0.61%	605	1,082,188.89
PTKM-R-A	123.21	127.00	119.07	126.70	7.31%	6,921	864,593.03
ZAPI-R-A	3,700.00	3,850.00	3,699.00	3,850.00	0.55%	219	824,849.00
ERNT-R-A	1,230.00	1,275.00	1,230.00	1,275.00	4.94%	463	579,659.92
INA-R-A	1,382.01	1,435.00	1,379.00	1,425.00	3.22%	380	535,779.01
LKPC-R-A	1,219.00	1,268.10	1,210.01	1,268.10	4.37%	288	358,503.35
VDKT-R-A	306.00	321.00	305.17	321.00	2.27%	1,095	341,964.12
VIRO-R-A	292.98	309.00	292.98	309.00	6.55%	993	300,129.27
ATGR-R-A	520.00	522.00	520.00	522.00	0.38%	424	221,191.20
DDJH-R-A	48.87	50.01	48.87	50.00	7.76%	4,021	199,865.71
KRAS-R-A	296.05	300.00	295.10	300.00	-0.66%	532	158,132.85

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