

January 22, 2010

**FX MARKET**

EUR / HRK 7.292650

USD / HRK 5.194935

**MARKET BREADTH**

ADVANCERS: 24

DECLINERS: 35

UNCHANGED: 6

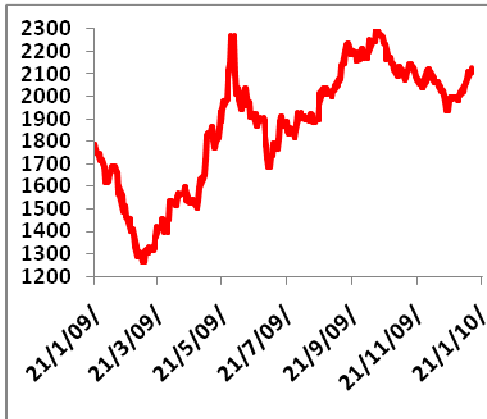
**UP VOLUME:**

6,770,012.25 HRK

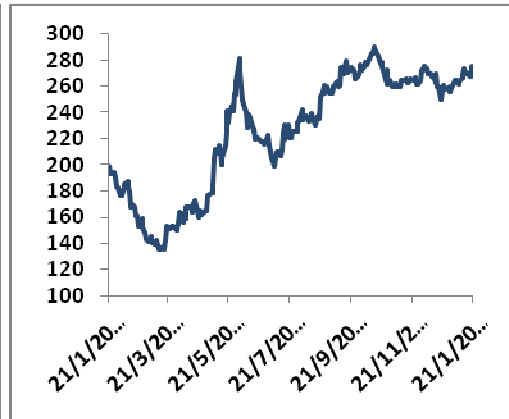
**DOWN VOLUME:**

7,909,050.59 HRK

**CROBEX 52wks PERFORMANCE:**



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



**INDICES:**

	CLOSE	1D	1M	Y-T-D
CROBEX	2,171.53	+0.13%	+12.14%	+8.36%
CROBEX10	1,138.27	-0.06%	+11.38%	+7.95%

**MARKET STATISTICS:**

Total turnover:	Regular turnover:	OTC turnover:	Reported turnover:	Market Cap:
HRK 38.04 mn	HRK 15.49 mn	HRK 22.55 mn	HRK 0.00 mn	HRK 180.61 bn

**COMMENT:**

Croatian stocks showed again surprising resilience to equity market correction on foreign bourses, erasing almost a 3 % initial loss in the second half of the trading day. Finally, the Crobex closed with a gain of 0.1 %, which was accompanied by very low regular turnover of around HRK 15 mn. Investors' focus was again on Podravka, which rose for the 10th straight day and reached highest level since July of 2008. Still, the performance of the broad market was mixed, with gains in Adris and INA being offset by losses in HT, Atlantic group and Ingra.

**OUTLOOK:**

Downward trend is expected at the opening on ZSE today.

**POLITICS :**

After the meeting between the government and the opposition parties, during which the two sides agreed that they can't agree on the proposed institutional changes, PM Kosor met Zoran Milanović, the head of the largest opposition party SDP. Their meeting, which some expected to bring two parties closer and maybe even result in preliminary agreement on grand coalition, in reality brought no major surprise. Both PM Kosor and Mr.Milanović stressed that talks were focused on economic issues and fight against corruption, for which, Mr.Milanović said, the PM will have the full support from his party. According to press Mrs.Kosor and Mr.Milanović rejected to schedule the new meeting and local journalists now think that chances for grand coalition look very slim.

**MACROECONOMY:**

The pace of decline of Croatia's industrial production continues to slow. The most recent CNB data showed that in December industrial production fell by „only“ 5.8 % y/y and the cumulative rate of decline slowed from 9.5 % y/y to 9.2 % y/y. However, all five industrial groupings showed negative reading in December, although the rate of decline was more balanced than in previous months. The biggest decline was recorded by production of consumer non-durables, which dropped 7.6 % y/y, followed by a 6.1 % y/y decrease in production of capital goods and a 5.4 % y/y decline in production of intermediate goods.

**TOP PERCENTAGE GAINERS:**

ZTNJ-R-A	+14.67%
ISTT-R-A	+9.85%
JDOS-R-A	+8.70%
PODR-R-A	+4.32%
VERN-R-A	+3.39%

**TOP PERCENTAGE LOSERS:**

DKVS-R-A	-25.00%
HMAM-R-A	-15.29%
SLPF-R-A	-11.99%
RIVP-R-A	-6.51%
LKRI-R-A	-5.11%

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## MACROECONOMY 2:

The credit rating agency Standard and Poor's affirmed yesterday Croatia's BBB long-term and A-3 short-term sovereign credit rating, leaving negative outlook. The agency justified its decision by claims that the weaknesses were related to the large indebtedness of the private sector, the slow pace of structural reforms, which could increase the competitiveness of the country and help it to cope with structural fiscal challenges. In addition, the agency mentioned country's high reliance on the performance of tourist sector. Regarding the GDP outlook, the agency expects a 6 % y/y drop in 2009 and another contraction in 2010.

## IN FOCUS :

No news today.

## RISING ON UNUSUALLY HIGH TURNOVER:

Podravka (Food/Pharma)

## FALLING ON UNUSUALLY HIGH TURNOVER:

None

## 20 MOST LIQUID:

STOCK	OPEN	HIGH	LOW	CLOSE	CHANGE %	VOLUME	TURNOVER
HT-R-A	295.58	295.99	294.60	295.00	-0.34%	8,731	2,575,592.43
PODR-R-A	390.00	400.00	365.11	374.50	4.32%	6,361	2,409,432.45
ADRS-P-A	270.02	275.00	270.02	275.00	1.85%	6,073	1,656,693.60
INGR-R-A	42.73	42.88	42.15	42.50	-0.51%	21,378	907,880.46
ATGR-R-A	735.00	735.00	711.01	714.05	-2.18%	1,099	795,005.53
CKML-R-A	3,005.00	3,005.00	3,000.00	3,000.00	1.35%	240	720,176.53
IGH-R-A	2,841.00	2,841.00	2,782.11	2,782.11	-2.28%	241	673,364.88
ATPL-R-A	1,048.96	1,048.96	1,034.00	1,038.02	-1.03%	564	585,120.12
ERNT-R-A	1,433.07	1,450.00	1,400.00	1,420.01	-0.91%	400	570,615.60
INA-R-A	1,800.04	1,817.75	1,783.00	1,817.75	0.43%	305	549,560.01
KOEI-R-A	479.47	485.96	470.00	481.49	0.42%	926	443,774.68
JDPL-R-A	180.01	181.00	179.05	179.05	-3.11%	2,383	429,016.69
VIRO-R-A	414.00	414.00	406.00	406.00	-1.93%	839	341,011.52
DLKV-R-A	352.50	352.99	346.52	349.49	-0.68%	645	224,239.98
PTKM-R-A	143.08	147.00	142.01	147.00	1.38%	1,260	181,956.24
LEDO-R-A	6,671.00	6,850.00	6,671.00	6,850.00	0.09%	24	163,235.00
THNK-R-A	1,725.09	1,800.00	1,721.21	1,800.00	0.00%	86	153,119.74
KORF-R-A	43.01	43.02	43.00	43.02	1.22%	3,337	143,515.98
TNSA-R-A	2,806.01	2,880.00	2,805.05	2,880.00	1.05%	36	101,750.33
ISTT-R-A	355.00	389.95	355.00	389.95	9.85%	247	92,281.34

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