

July 22, 2009

FX MARKET

EUR / HRK 7.334013

USD / HRK 5.158985

MARKET BREADTH

ADVANCERS: 22

DECLINERS: 28

UNCHANGED: 7

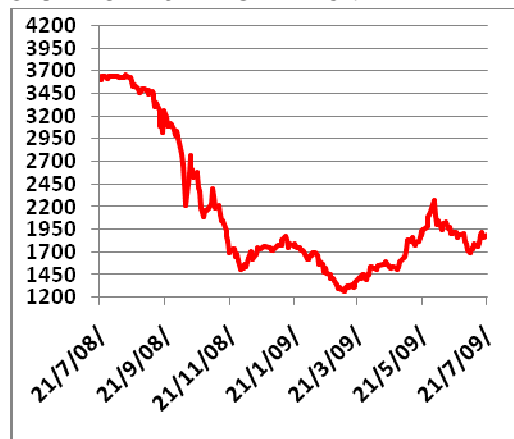
UP VOLUME:

15,914,640.47HRK

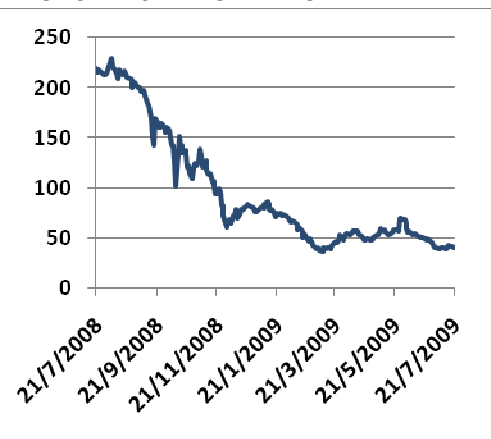
DOWN VOLUME:

4,478,825.31 HRK

CROBEX 52wks PERFORMANCE:



INGR 52 wks PERFORMANCE:



INDICES:	CLOSE	1D	1M	Y-T-D
CROBEX	1,887.95	+0.57%	-1.78%	+9.62%

MARKET STATISTICS:

Total turnover:	Regular turnover:	Reported turnover:	Institutional turnover:	Market Cap:
HRK 29.66 mn	HRK 23.35 mn	HRK 6.30 mn	HRK 00.00 mn	HRK 173.67 bn

COMMENT:

The Crobex closed higher for the second day in a row, but was again underperforming European markets. Trading activity was continued to be focused on shares in HT and Atlantska plovidba, both of which resumed their recent upward trend, but the broad market was again mixed. Total regular turnover rose compared to previous day, but excluding trading with bonds was well below averages from spring.

OUTLOOK:

Very negative reactions to government's fiscal proposal is expected to take Croatian stocks lower today.

POLITICS :

No news today.

MACROECONOMY :

When we thought that after collapse of idea of abolishing the second pillar of the pension reform the government couldn't bring any more negative proposal, the government and PM Kosor came out yesterday with idea of introducing additional 5-6 % tax on salaries, piece work agreements and dividends. In case of 5 % additional tax on salaries, employees in public sector wouldn't be allowed to vacation reimbursement and Christmas bonus, while in case of a 6 % tax, these payments would be made. Although very, very negative reactions by representatives of labour unions and Union of Employers indicate that it will not be adopted, the proposal aimed to collect additional HRK 4-5 bn, which were supposed to replace the planned cuts in state administration and pension system, for which this government obviously lacks both political will and knowledge. On the other side, if accepted, the tax will lead to surge in tax evasion, as many companies will pay part of salaries in cash, as well as to further decrease in consumption and consequently revenues from VAT tax. As situation in state finances seems to be even worse than opposition parties claim of HRK 14-15 bn budget gap, there seems to be rising risks of credit rating downgrade and need for IMF engagement.

TOP PERCENTAGE GAINERS:

HBVD-R-A	+35.71%
MAIS-R-A	+6.87%
PODR-R-A	+6.45%
ADPL-R-A	+6.41%
TISK-R-A	+4.39%

TOP PERCENTAGE LOSERS:

ARNT-R-A	-13.04%
PRFC-R-A	-12.74%
BLSC-R-A	-8.43%
ZAPI-R-A	-4.39%
IPKK-R-A	-4.00%

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IN FOCUS :

Ingra (Construction) – Excluded from Arena centre project

Financial woes of the company forced Trigranit Croatia to exclude Ingra from participation in the planned shopping mall Arena centre. Initially Ingra was supposed to become the owner of 25 % of Arena centre, but faced with illiquidity it decided to withdraw from project. Instead, Trigranit signed yesterday a syndicated loan with 6 domestic and foreign banks.

RISING ON UNUSALLY HIGH TURNOVER:

None

FALLING ON UNUSUALLY HIGH TURNOVER:

Zagrebačka pivovara (Brewing)

20 MOST LIQUID:

STOCK	OPEN	HIGH	LOW	CLOSE	CHANGE %	VOLUME	TURNOVER
HT-R-A	230.00	232.00	228.81	231.00	0.47%	34,672	7,987,250.09
ATPL-R-A	1,160.00	1,177.98	1,150.00	1,174.98	1.29%	3,196	3,740,594.34
ADRS-P-A	221.00	232.98	220.02	230.00	2.24%	9,492	2,162,006.77
ZAPI-R-A	3,700.01	3,700.01	3,700.00	3,700.00	-4.39%	330	1,221,000.10
IGH-R-A	3,400.00	3,400.00	3,323.00	3,400.00	0.00%	357	1,206,597.08
INGR-R-A	41.00	41.15	38.90	39.84	-1.73%	24,737	979,753.83
DLKV-R-A	366.00	366.00	359.88	360.00	-0.22%	2,052	742,576.34
INA-R-A	1,376.00	1,400.00	1,366.00	1,400.00	1.74%	465	641,266.51
JDPL-R-A	189.08	194.38	189.00	192.50	0.79%	2,035	391,048.03
KOEI-R-A	365.10	365.10	350.00	356.00	-2.47%	1,008	360,698.26
ULPL-R-A	699.98	710.00	685.00	707.00	1.00%	514	359,024.11
ADRS-R-A	248.95	250.00	248.95	250.00	0.42%	1,000	249,080.05
PTKM-R-A	118.03	118.03	116.10	117.11	-2.41%	1,656	194,281.80
LEDO-R-A	4,120.00	4,120.00	3,907.06	3,907.06	-2.81%	38	152,713.34
ERNT-R-A	1,288.99	1,288.99	1,250.00	1,254.00	-0.63%	108	135,840.04
ATGR-R-A	525.00	530.00	515.01	529.90	0.93%	251	132,269.41
THNK-R-A	1,650.01	1,705.00	1,650.00	1,699.00	-0.35%	74	123,665.37
KRAS-R-A	295.00	300.00	289.05	300.00	0.00%	346	103,486.69
PODR-R-A	230.00	244.95	230.00	244.95	6.45%	384	88,962.43
INDG-R-A	531.40	531.40	530.00	530.00	-2.76%	163	86,405.64

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