

October 22, 2009

FX MARKET

EUR / HRK 7.219538

USD / HRK 4.834296

MARKET BREADTH

ADVANCERS: 21

DECLINERS: 50

UNCHANGED: 8

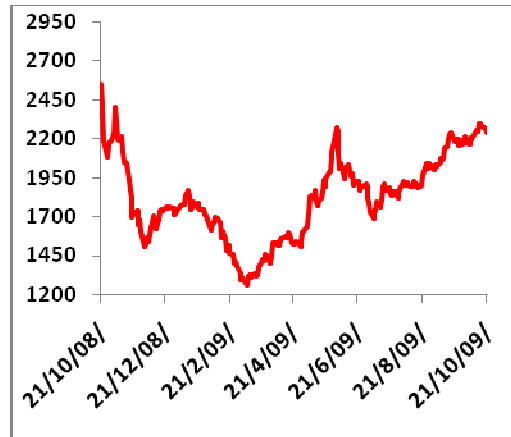
UP VOLUME:

5,333,759.22 HRK

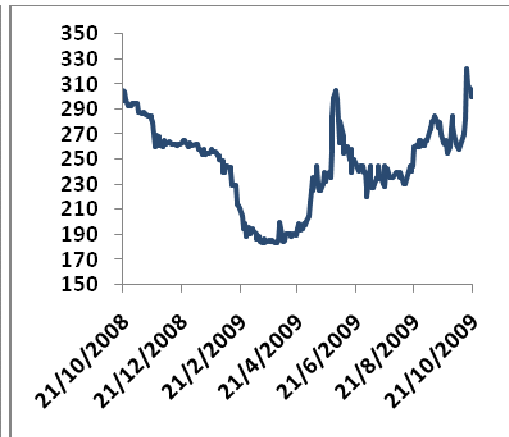
DOWN VOLUME:

24,735,742.34 HRK

CROBEX 52wks PERFORMANCE:



PODR 52 wks PERFORMANCE:



INDICES:	CLOSE	1D	1M	Y-T-D
CROBEX	2,237.58	-1.22%	+2.42%	+29.92%
CROBEX10	1,169.45	-1.26%	+1.15%	

MARKET STATISTICS:

Total turnover:	Regular turnover:	OTC turnover:	Reported turnover:	Market Cap:
HRK 30.49 mn	HRK 30.49 mn	HRK 0.00 mn	HRK 0.00 mn	HRK 189.39 bn

COMMENT:

Last week's optimism about economic- and equity market recovery continued to evaporate yesterday as the Crobex recorded a 1.2 % decline. With exception of two companies in Agrokor group and shares in JANAF, all most liquid stocks closed the day in negative territory, with biggest contribution coming from shares in HT, Ingra and Petrokemija. However, trading activity was stronger than on Tuesday and total regular turnover with shares exceeded HRK 30 mn.

OUTLOOK:

Croatian market is expected to continue its losing streak today.

POLITICS :

The affair „Spice“, in which Podravka's management tried to takeover the company using its money, is likely to lead to replacement of Vice President of the government Damir Polančec, but might also deteriorate further internal relations within the ruling HDZ party. According to media's report, yesterday's arrest of four former and current managers in Podravka and their two business partners, provided indications of a strong involvement of Mr.Polančec in the whole case. Although Mr.Polančec' replacement is not imminent at the time when the government is trying to sell the news USD-denominated bond issue and ahead of presentation of the new budget, chances that Mr.Polančec will remain Vice President of the government after this year look slim. The main question now is what impact might his replacement have on internal relations within the ruling HDZ party as according to „Jutarnji list“ daily, Mr.Polančec accused Finance minister Ivan Šuker and member of the HDZ Presidency Vladimir Šeks of allowing investigation on the case. Mr.Polančec was not seen as a member with higher support within the party, but his possible departure might cause further division in affairs-loaded HDZ.

TOP PERCENTAGE GAINERS:

FMPS-R-A	+15.07%
RVTR-R-A	+10.00%
ZDNK-R-A	+6.60%
BLJE-R-A	+6.25%
HDBK-R-A	+5.85%

TOP PERCENTAGE LOSERS:

HMST-R-A	-70.00%
HOMS-R-A	-33.33%
LLRB-R-A	-32.99%
JDOS-R-A	-12.50%
HTPK-R-A	-9.38%

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

Venesa Ferić
venesa.feric@momentum-brokeri.hr
 Tel: + 385 (0)1 63 96 671

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 :

MACROECONOMY :

After temporary recovery in August, Croatia's industrial production resumed its downward trend in September. The data by the Bureau of Statistics show that in September industrial production fell 9.6 % y/y (vs. 8.3 % y/y in August), although the cumulative rate of decline slowed from 9.8 % y/y to 9.7 % y/y. As expected, the main driver behind decline was production of capital goods (down 19.4 % y/y) and production of consumer durables (down 11.5 % y/y). Due to moderately successful tourist season the decline in production of non-durables (down 7.6 % y/y) and energy (down 3.6 % y/y) was rather small, but their influence on the overall index is likely to diminish in October. As private consumption remains low after introduction of solidarity tax in August and investment activity subdued because of slow recovery of the main export markets, there are small chances that industrial production could recover by the end of the year.

IN FOCUS :

Podravka (Food/Pharma) – Supervisory board approved two remaining board members to run the company

The arrest of three acting board members of Podravka and former head of the company raised fears of operational problems in the company. On its extraordinary meeting the Supervisory board of Podravka granted yesterday its approval to remaining two board members, Miroslav Vitković and Marin Pucar, to run the company for the next two days. From his side Mr.Vitković, who is rumoured to become the new CEO, said that the company continues with normal operations and that so far it hasn't felt any negative consequence from the crises. However, there are growing fears in Koprivnica-based company that due to negative image some of creditors might demand payment of guarantees or other debt securities, which might financially hit the company.

RISING ON UNUSUALLY HIGH TURNOVER:

Belje (Food)

FALLING ON UNUSUALLY HIGH TURNOVER:

Ingra (Construction)

20 MOST LIQUID:

STOCK	OPEN	HIGH	LOW	CLOSE	CHANGE %	VOLUME	TURNOVER
HT-R-A	272.90	273.00	271.52	271.61	-0.48%	22.262	6.058.990.86
INGR-R-A	56.97	57.16	55.65	56.00	-2.49%	39.234	2.204.487.55
ATPL-R-A	1.140.00	1.145.00	1.122.00	1.123.70	-1.34%	1.900	2.146.006.56
LEDO-R-A	7.325.01	7.599.00	7.105.00	7.240.00	-1.03%	258	1.883.061.51
DLKV-R-A	422.27	422.27	410.00	414.00	-0.27%	3.854	1.592.334.51
BLJE-R-A	95.20	102.77	95.11	102.00	6.25%	13.700	1.358.157.71
IGH-R-A	4.050.00	4.060.00	4.015.00	4.059.00	-0.95%	304	1.226.735.48
PTKM-R-A	182.02	183.00	177.31	179.01	-1.72%	6.783	1.220.124.43
JNAF-R-A	3.397.00	3.400.00	3.170.00	3.392.27	4.02%	319	1.045.451.84
TISK-R-A	367.87	369.00	340.11	356.50	0.75%	2.318	826.963.14
ERNT-R-A	1.440.00	1.440.00	1.393.00	1.395.26	-3.37%	562	789.887.12
ZVZD-R-A	5.650.00	5.898.00	5.450.05	5.550.00	-2.63%	139	774.059.49
INA-R-A	1.767.00	1.767.00	1.725.00	1.750.00	-2.07%	392	682.499.56
JDPL-R-A	202.00	202.01	197.10	199.97	-1.00%	3.218	641.617.63
KOEI-R-A	479.99	480.96	470.00	479.22	-0.16%	1.290	612.611.42
PODR-R-A	300.00	305.00	291.33	305.00	1.66%	1.692	503.490.98
KNZM-R-A	159.00	165.00	153.03	153.50	-0.97%	3.150	503.024.50
VIRO-R-A	472.10	475.00	466.00	471.00	-0.84%	1.030	482.817.19
ULPL-R-A	707.01	707.01	697.00	700.00	-1.96%	634	444.716.33
TNPL-R-A	1.790.01	1.790.01	1.710.00	1.735.00	-3.07%	252	439.171.58

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.