

INDICES:	CLOSE	1D	1M	Y-T-D
CROBEX	1,856.55	-0.35%	+0.07%	-7.04%
CROBEX10	988.98	-0.37%	-0.24%	-6.21%

**COMMENT:**

Despite very few better-than-expected H1'10 results, the Crobex recorded a 0.7 % gain last week on increased turnover. The gain was purely related to positive trend on foreign equity markets, which Croatian investors tried to catch even limited number of positive macroeconomic or corporate news. As new week is unlikely to bring any improvement, direction of the CRO market will depend again on external factors.

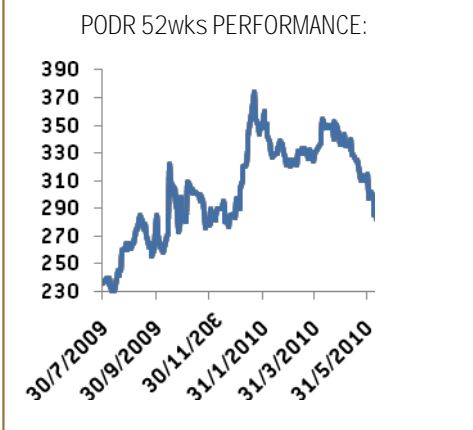
**OUTLOOK:**

The market is expected to open the new week in mixed sentiment.

TURNOVER- HRK	MN
Total turnover:	19.06
Regular turnover:	9.78
OTC turnover:	9.27
Reported turnover:	0.00
Market Cap:	HRK 173.83 bn
FX MARKET	
EUR/HRK	7.248517
USD/HRK	5.576640

MARKET BREADTH	
ADVANCERS	28
DECLINERS	25
UNCHANGED	14
UP VOLUME	3,264,816.25 HRK
DOWN VOLUME	4,169,884.22 HRK

TOP PERCENTAGE GAINERS:	
DKVS-R-A	+21.02%
NVBA-R-A	+12.86%
HTPK-R-A	+10.36%
TNPL-R-A	+8.61%
ZVCV-R-A	+7.43%
TOP PERCENTAGE LOSERS:	
HPDG-R-A	-36.13%
KOKA-R-A	-11.54%
DIOK-R-A	-9.08%
VDKT-R-A	-6.02%
VIRO-R-A	-5.15%


**POLITICS :**

No news today

**MACROECONOMY :**

**Croatia's trade deficit continues to contract. According to Bureau of Statistics' data, in June export jumped 19.8 % y/y to EUR 692.4 mn, which along a 2.5 % m/m decrease in import to EUR 1.3 bn resulted in a 19.5 % y/y decrease in trade deficit to EUR 608.3 mn. On cumulative level country's export in the first six months of 2010 reached EUR 4.2 bn (up 12 % y/y) and due to 6.2 % y/y decrease in total import to EUR 7.2 bn, country's trade gap for H1'10 amounted to EUR 3 bn, which was 23.7 % less than in the same period last year.**

RISING ON UNUSALLY HIGH TURNOVER:  
None

FALLING ON UNUSALLY HIGH TURNOVER:  
None

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**IN FOCUS :**
**T-HT (Telecom) – Revenues down 3.9 %, net profit plunged 24.7 % in H1'10**

The decline of purchasing power and surcharges on telecom services were blamed by CEO of Croatian Telecom for the big decline in net profit in the first six months of 2010. In its unaudited consolidated statement the company revealed that total revenues fell 3.9 % y/y to HRK 4.04 bn, EBITDA dropped 24.7 % y/y to HRK 1.72 bn and net profit plunged 24.7 % y/y to HRK 802 mn. Regarding outlook, the CEO Ivica **Mudrinić said that recession, rising unemployment and a 6 % surcharge on mobile telephony** services still negatively affect business results, due to which Croatian Telecom expects modest decrease in full year revenues.

**Podravka (Food/Pharma) – H1'10 sales down, net profit surged 80 %**

The company reported Friday a 4 % y/y decline in consolidated sales to HRK 1.66 bn, as sales of its Food segment decreased 4 % y/y to HRK 1.32 bn and sales of the Pharma unit dropped 6 % y/y to HRK 347 mn. However, the company made a significant step in cost reduction, with operating costs decreasing 4.9 % y/y to HRK 1.65 bn. Net profit for the period jumped 80 % y/y to HRK 31.2 mn, but excl. one-off items it was higher by 61 % y/y and amounted HRK 57 mn.

**Adris (Tobacco/Tourism) – Total revenues in H1'10 dropped 9.8 % y/y, pre-tax profit plunged 40 % y/y**

In a brief statement the group reported a 8.9 % y/y decline in consolidated sales to HRK 1.17 bn and a 9.8 % y/y decrease in total revenues to HRK 1.3 bn. Company's tobacco unit was hit by lower purchasing power on main markets (Croatia, region) and higher taxes, due to which consumers switched to lower-priced cigarettes and the company decided to share part of the price increase of cigarettes. At the same time, its tourist unit recorded a 3 % y/y rise in overnights, with booking in July still being higher than in the same period last year. However, profitability of the group is still descending, with operating profit falling to HRK 158 mn and pre-tax profit plunging to 204 mn, which was 40 less than in the same period last year.

**20 MOST LIQUID:**

STOCK	OPEN	HIGH	LOW	CLOSE	CHANGE %	VOLUME	TURNOVER
ADRS-R-A	300.00	300.00	300.00	300.00	0.00%	5,467	1,640,100.00
HT-R-A	258.00	259.99	257.50	258.84	-0.45%	5,586	1,444,547.38
ADRS-P-A	259.00	260.59	254.12	254.12	-2.45%	3,701	956,424.30
ATGR-R-A	700.00	705.25	700.00	705.25	0.61%	996	699,890.56
ATPL-R-A	847.97	858.00	830.03	840.01	-0.71%	793	666,786.91
ERNT-R-A	1,270.00	1,280.00	1,270.00	1,280.00	1.39%	377	479,041.72
PODR-R-A	287.80	294.99	287.80	290.00	0.76%	1,093	317,232.10
IGH-R-A	1,660.01	1,689.83	1,660.00	1,669.00	-0.06%	173	288,609.83
KOEI-R-A	472.50	479.00	470.05	479.00	1.68%	602	285,719.63
INA-R-A	1,660.00	1,669.98	1,655.01	1,660.00	0.00%	147	243,960.15
SNBA-R-A	110.00	110.00	109.99	109.99	-0.91%	2,012	221,300.00
ULPL-R-A	559.00	570.00	559.00	560.00	0.18%	376	211,125.82
VLDS-R-A	12.90	13.80	12.90	13.69	5.23%	15,066	202,840.35
JDPL-R-A	143.00	143.00	139.61	140.00	-2.30%	1,087	153,428.73
FMPS-R-A	22.00	22.50	22.00	22.50	4.65%	6,560	145,620.00
DLKV-R-A	280.00	283.30	278.55	283.30	0.46%	488	136,910.30
INGR-R-A	22.80	23.00	22.58	22.98	-1.88%	5,895	134,145.57
LKPC-R-A	1,600.02	1,623.99	1,590.04	1,603.00	0.44%	80	128,052.19
KORF-R-A	34.51	37.39	34.51	37.39	2.24%	3,130	115,914.04
LRH-R-A	2,272.99	2,298.93	2,272.99	2,298.91	1.14%	49	112,461.68

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