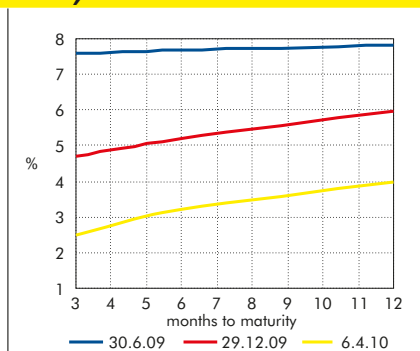


Raiffeisen Weekly Report

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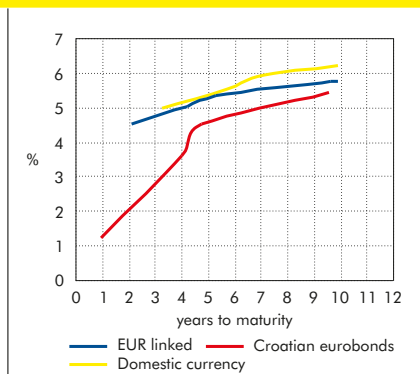
Greece in focus again

Yield curve – short term, kuna



Sources: Ministry of Finance, CNB

Yield curve – bonds



Sources: Raiffeisen Research, Bloomberg

Last Week's Overview

The Hungarian government bonds lost about 10bps in yield terms on the back of the weaker forint that was influenced by latest old/new "Greece topic". In addition to unfavorable news related to Greece, Polish bonds came under the pressure of the internal NBP dispute over the calculation of FX provisions. Seems that only the Czech koruna has not recorded a decline, but rather a slight increase against euro, finding support in trade balance surplus and lower-than-expected drop in retail trade. Furthermore, an auction of the 3Y government bond saw solid demand. The OECD issued its country report on the Czech Republic with quite a positive assessment. On the domestic bond market last week, relatively modest trading volumes were recorded. Government bonds with longest maturity have continued to raise supported with solid investors demand. Croatian Eurobond reported widening of spreads compared to benchmark German bonds.

This Week's Expectations

We expect spillover effects from the developed markets, especially regarding "the Greek problem", to prevail on the CE market. In the same time, fairly wider spreads compared to the German bonds should be supportive for regional bonds market. The Czech koruna could strengthen even further and the Czech bond market to remain supported. The focus on Hungarian market will be the result of the first round of the parliamentary elections. On the domestic market, the interest for 10-year government bonds could be lower but other significant changes are not expected.

Government bonds in domestic market

Indexed to foreign currency (eur/hrk)	Coupon	Maturity date	Price*		Ytm		Change**		Spread BUND	Spread EUROWAP
			Bid	Ask	Bid	Ask	Price-Ask	Yield-Ask		
RHMF-O-125A	6.875	23.5.2012	104.20	104.70	4.76	4.52	-0.10	0.03	377	331
RHMF-O-142A	5.500	14.6.2014	101.20	101.70	5.17	5.04	0.00	0.00	349	308
RHMF-O-157A	4.250	14.7.2015	94.50	95.00	5.47	5.35	0.50	-0.11	325	288
RHMF-O-19BA	5.375	29.11.2019	96.70	97.20	5.83	5.76	0.00	0.00	275	253
RHMF-O-203E	6.500	5.3.2020	105.00	105.50	5.83	5.76	0.60	-0.08	274	259
Domestic currency										
RHMF-O-137A	4.500	11.7.2013.	98.05	98.55	5.16	4.99	0.00	0.00	-	-
RHMF-O-15CA	5.250	15.12.2015.	98.10	98.60	5.64	5.54	-0.40	0.09	-	-
RHMF-O-172A	4.750	8.2.2017.	93.10	93.60	6.00	5.90	0.00	0.00	-	-
RHMF-O-203A	6.750	5.3.2020.	103.30	103.80	6.30	6.23	0.45	-0.06	-	-

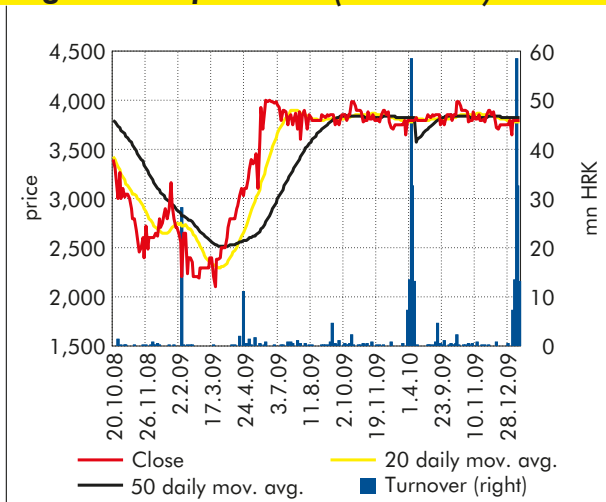
* Raiffeisen Research; ** in comparison with end of last week



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Zagrebačka pivovara in focus

Zagrebačka pivovara (6 months)



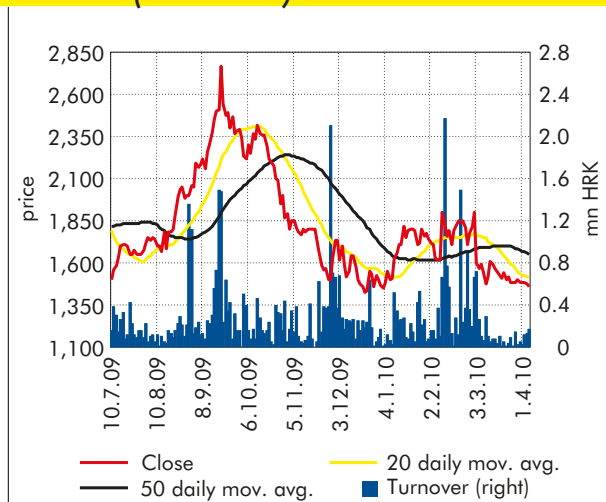
Sources: ZSE, Raiffeisen research

The most traded share on ZSE in a shortened week behind us was **Zagrebačka pivovara** due to announced delisting, which lifted average daily turnover above HRK 70 million. Excluding the Zagrebačka pivovara's shares trading, daily volumes were at usual low levels of HRK 30 million. CROBEX closed the week at 2,174.35 points, which is a weekly increase of 1.3%.

Due to announced takeover of FIMA AMI (the owner of 10.6% stake in **Podravka**) by FIA Group and their intention to make additional investments in Pluris and Validus, those shares recorded growth, but triggered numerous controversies. According to interview published in Večernji list, Podravka's management announced the possibility of put option activation by OTP bank in September, 2010, which would enable Podravka to obtain their 10.6% stake.

Tehnika contracted the construction of business building Jankomir 3 with Zagrebačka banka, which lifted the share more than 4% during the Friday session. However, the trading was closed at +2.7%. The total value of the contract is HRK 14 million with the deadline of 5.5 months.

Tehnika (6 months)



Sources: ZSE, Raiffeisen research

Zagrebačka banka decided to repurchase own shares for the purpose of allocation to bank's employees, which raised the share 3.3% up on Thursday. Treasury shares repurchase was planned till April, 26, up to the total amount of HRK 8.9 million. **INA** sold the 100% stake in its retail chain CROBENZ to the Croatian Petrol Stations, affiliated company of Progress Trading, member of Slavia Capital Group. Value of the transaction is not published and the sale is subject to the approval of Croatian Competition Agency.

Market performance

Index	1 w %	ytd %	Value on 9.4.2010
ATX (AT)	3.59	10.34	2,754
BELEX15 (RS)	3.56	7.47	713
BETI (RO)	0.17	30.25	6,109
BUX (HU)	1.07	18.98	25,256
CROBEX (HR)	1.33	8.50	2,174
PX (CZ)	0.56	10.47	1,234
RTSI (RU)	1.18	13.08	1,634
SBI20 (SI)	1.00	-2.79	3,965
SOFIX (BG)	0.69	-0.92	423
SASX10 (BH)	0.11	-3.92	1,012
NTX (SEE,CE,EE)	1.25	12.91	1,307
WIG20 (PL)	0.23	7.10	2,558.28

Source: Bloomberg

Top/Flop – CROBEX index

Share	1 w %	Price on 9.4.2010	Share	1 w %	Price on 9.4.2010
Podravka	7.56	355	Dalekovod	0.01	360
Adris grupa (P)	4.49	300	Ledo	-0.02	6,449
Končar	2.36	478	JANAF	-0.50	2,955
Ericsson NT	2.30	1,560	Belišće	-1.04	480
Dom holding	1.76	41	Uljanik plovidba	-1.11	620
Tehnika	1.34	1,500	PBZ	-1.15	600
HT	1.23	328	Jadroplov	-1.19	166
Zagrebačka banka	1.18	255	Viadukt	-1.35	314
Ingra	0.97	39	Atlantska plov.	-1.44	956
IGH	0.65	2,567	Luka Ploče	-1.78	1,640
INA	0.51	1,770	Viro TŠ	-2.89	370
Atlantic Grupa	0.40	703	Petrokemija	-2.99	130
Kraš	0.08	354			

Source: ZSE, Raiffeisen research



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Abbreviations

GDP – Gross Domestic Product
 kn, HRK – Kuna
 EUR – Euro
 USD – Dollar
 DZS – Croatian Bureau of Statistics

HNB – Croatian National Bank
 ECB – European Central Bank
 FED – Federal Reserve System
 IMF – International Monetary Fund
 MoF – Ministry of Finance

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