

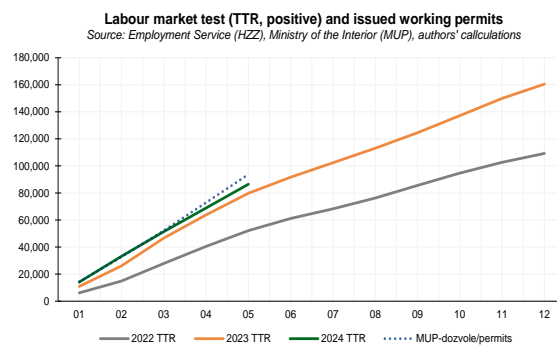
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### Survey unemployment rate in 1Q24 was 5.5%

- Per data from the Labour Force Survey, it is estimated that in 1Q 2024 there were 1,643K employed persons in Croatia, an increase of 61K, i.e., by 3.8% vs 1Q 2023. In the same observed period, the number of unemployed persons in the Republic of Croatia was 96K, which is a decrease of 29K, i.e., by 23.4% vs 1Q 2023. Thus, in the observed period, the employment rate for persons aged 15 - 64 was 68.0%, an increase of 3.4 p.p. vs 1Q 2023. The survey unemployment rate for persons aged 15 - 64 was 5.5%, down by 1.9 p.p. than the last year's same observed period. Considering the methodology change, comparison with the data for pre-2023 periods is not possible until the revised data are published.

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- Per the Croatian Pension Insurance Institute data, the total number of insured people in May was 1,721K or 1.8% more than the previous month, i.e., 3.4% more than the last year's same month, mostly due to increased seasonal employment in business activities such as tourism,



Unemployment in May the lowest since the 80s

trade, transport, and construction. Simultaneously, per the Croatian Employment Service data, the number of unemployed persons in May was cut to 88,327, down by 10.6% than in April of this year, i.e., down by 9.6% than in May last year. So, per available data, the adjusted administrative unemployment rate in May was 4.9%, while by comparison, it was 5.5% in the same month last year. On average, in this year's first five months, the number of employed persons increased by 2.9% or almost 48K, while the number of unemployed persons decreased by 4.6K, i.e., 4.1%. The labour market test data show that 86K positive opinions were issued for employment of aliens, while the MoI statistics shows a total of slightly more than 94K work permits issued, out of which 63K refer to new employment, 22K to the extension of permits and 8K to seasonal employment. By comparison, a total of 172K work permits were issued last year, out of which 113K referred to new employment.

In the first five months, 94K work and stay permits for aliens

- At the last week's meeting, the Fed kept the fed funds rate in the existing target range, also presenting revised projections according to which a slightly higher level of inflation is expected in this and the next year and, consequently, a lower number of interest rate cuts in 2024, and a higher one in 2025 compared to the projections in March. Now, instead of three, only one cut of 25 bps is forecast by the end of 2024, most probably in December, and four instead of three cuts in the upcoming year.
- The dollar appreciated against the euro after the Fed's meeting and finished the week at 1.0686 dollars to the euro, down by 1.9% w-o-w.
- Euribor continued to decline last week, with the strongest decline in 1M tenor. At the end of the week, 3M and 6M were 3.7%, slightly lower w-o-w.
- Crobex experienced marginal recovery (+0.2% w-o-w to 2,808 points), whereas sectoral indices recorded divergent trends (CROBEXindustry +0.5% to 2,051, CROBEXnutris -1.3% to 899, CROBEXtourist +1.1% to 4,410). Crobis stagnated at 96.6 points.



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