

## NUMBER 867, JULY 1, 2024

### Overview of the week

- A relatively lean statistical week closed on Friday with the release of data on industrial production and retail trade in May. According to the CBS data, industrial production recorded a monthly increase of 2.5%, with an increase in the range of 0.2% (durable consumer goods) to 15.0% (energy) recorded in all industries except the production of intermediate goods (-5.1%). This is the third consecutive month that industrial production recorded a month-to-month growth, after plunging by 4.2% in the December-February period. Manufacturing, on the other hand, with a monthly growth of 1.3%, posted two consecutive months of growth, although year-on-year it was again at -1.9%, after briefly peeking into the black during April (+2%). Total industrial production sank by -3.3% year-on-year in May, with a decline in the supply of electricity/gas of -17.4%, in addition to the already mentioned decline in manufacturing. Looking ahead indicates a rather slow recovery in activity, given that sentiment recorded only a slight recovery in June after two consecutive months of quite strong correction, and even signals from the euro zone do not inspire hope for a significant acceleration.
- On the other hand, retail trade recorded a monthly increase of as much as 0.6% for the eleventh month in a row, with retail trade in food products, after two consecutive months of decline, recording a growth of 2.6% month-on-monthly (the strongest growth in the last three years), while non-food trade recorded a decrease of -0.8% - which, after the decline recorded in March, is the second decline in the last ten months. Year-on-year, retail trade has been growing for fourteen consecutive months, slowing slightly to 8.4% in May (from 8.6% in April), with growth in food trade accelerating to 4.6% (from 3.9% in April) and slowing down from 14.1% to 11.3% in non-food trade. All in all, the slowdown in the inflation rate, low unemployment and double-digit growth in average net wages and growth in credit placements support personal consumption, but the transition to next year is expected to bring a "normalization" of growth rates. Although the consumer confidence indicator in June plunged by as much as -4.2 to the level of -10.6, which is somewhat contradictory to the aforementioned environment, in the end it actually only canceled the growth recorded in May, keeping consumer sentiment at the highest levels in the last three years.

**Industrial production increased by 2.5% month-on-month, still in the red year-on-year**

**Retail trade increased by 0.6% month-on-month and 8.4% year-on-year**

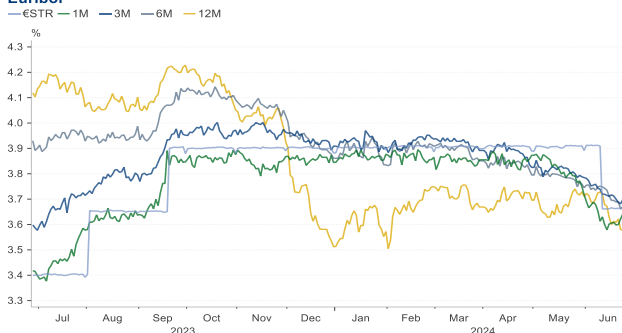
- The euro came under pressure from data on the euro zone economy and anticipation of the elections in France. On Friday, EUR/USD closed at 1.0705, up by 0.2% week-on-week.
- At shorter maturities, Euribor recorded marginal growth in the week behind us, while at longer maturities it maintained a downward trend. 3M and 6M stood at 3.7% at the end of the week, which is almost unchanged week-on-week.
- Crobex maintained a positive trend (+0.4% week-on-week to 2,830 points), while sectoral indices recorded divergent movements (CROBEXindustry -0.7% to 2,031, CROBEXnutris +0.4% to 912, CROBEXtourist -0.4% to 4,397). Crobis achieved a slight increase (+0.1% to 96.6 points).

### EUR/ USD



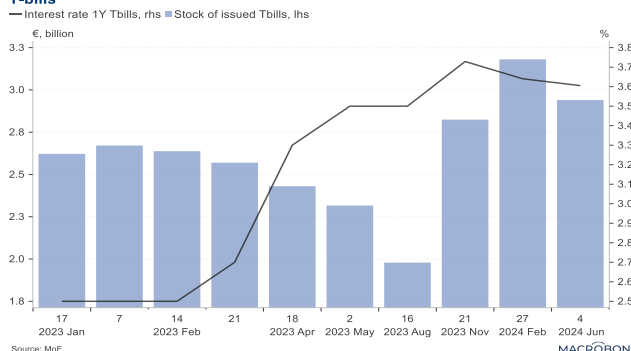
Source: ECB (European Central Bank)

### Euribor



Source: European Money Markets Institute (EMMI), ECB (European Central Bank)

### T-bills



Source: MoF

### Crobex/Crobis



Source: Zagreb Stock Exchange

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