*Commentary*

*Trend in May 2020*

***Month-on-month comparison***

* ***Export prices*** *decreased by 0.1%, month-on-month (m-o-m) in May 2020. The fall in the monthly export price index was essentially affected by a decrease in prices of ‘chemicals and related products’ by 1.8%. Price decline was recorded in ‘mineral fuels, lubricants and related materials’, especially gas, and ‘food and live animals’ by 1.0% and 0.8%, respectively. The prices of ‘crude materials, inedible, except fuels’ and ‘manufactured goods classified chiefly by material’ increased the most by 1.1% and 0.2%, respectively.*
* ***Import prices*** *decreased by 1.1%, m-o-m, in May 2020. The greatest effect on an overall fall in the monthly import price index was brought mainly by a decrease in ‘mineral fuels, lubricants and related materials’ by 14.8%, especially petroleum. Prices declined in ‘food and live animals’, ‘chemicals and related products’ and in ‘manufactured goods classified chiefly by material’ by 1.4%, 1.0% and 0.2%, respectively. Prices didn’t increased in any of the monitored section of SITC classification.*
* *The* ***terms of trade*** *reached the value of 101.0%. The most positive values of the terms of trade were reached in ‘mineral fuels, lubricants and related materials’ (116.2%), ‘crude materials, inedible, except fuels’ (101.6%) and ‘food and live animals’ (100.6%). On the contrary, the negative values of the terms of trade were reached in ‘chemicals and related products’ (99.2%) and in ‘miscellaneous manufactured articles’ (99.9%).*

***Year-on-year comparison***

* ***Export prices****, mainly due to the weakening of the CZK to EUR and USD, increased by 2.8%, year-on-year (y-o-y) (in April 2020 by 3.1%). The growth in the export price index was essentially affected by an increase in prices of ‘machinery and transport equipment’ by 5.2%. Prices increased the most in ‘beverages and tobacco’, ‘miscellaneous manufactured articles’ and in ‘food and live animals’ by 7.7%, 5.8% and 5.5%, respectively. Prices decreased in ‘mineral fuels, lubricants and related materials’, especially petroleum products, and in ‘crude materials, inedible, except fuels’, especially crude rubber and metal scrap, by 30.1% and 7.0%, respectively.*
* ***Import prices*** *decreased by 0.7%, y-o-y (in April 2020 increased by 0.7%). The fall in prices of ‘mineral fuels, lubricants and related materials’ by 44.9%, especially petroleum and petroleum products, had the strongest effect on the decrease of the annual import price index. Prices declined in ‘chemicals and related products’ and in ‘crude materials, inedible, except fuels’ by 2.0% and 1.2%, respectively. On the contrary, price growth was recorded the most in ‘food and live animals’, ‘machinery and transport equipment’ and in ‘miscellaneous manufactured articles’ by 6.9%, 5.4% and 4.2%, respectively.*
* *The* ***terms of trade*** *increased to the value of 103.5% (they reached 102.4% in April 2020) and for the third month they remained in positive values. The highest positive values of the terms of trade were reached in ‘mineral fuels, lubricants and related materials’ (126.9%), ‘beverages and tobacco’ (109.1%) and in ‘manufactured goods classified chiefly by material’ (101.8%). On the contrary, negative values of the terms of trade were recorded in ‘crude materials, inedible, except fuels’ (94.1%), ‘food and live animals’ (98.7%) and ‘machinery and transport equipment’ (99.8%).*