

## COMMENTARY

### Trend in July 2017

#### Month-on-month comparison:

- **Exports:** export prices fell 0.8% in July (-1.3% in June). The change of the total m-o-m export price index was led mainly by a 0.8% price decrease in 'machinery and transport equipment'. Prices were falling in 'crude materials, inedible, except fuels' (-2.9%), 'chemicals and related products' (-1.1%) and 'miscellaneous manufactured articles' (-0.6%). There was no price growth reported in any of the observed groups.
- **Imports:** import prices decreased by 1.1% in July following a 1.9% decline in June. The change of the total m-o-m import price index was driven mainly by a 1.2% price drop in 'machinery and transport equipment'. Prices in 'crude materials, inedible, except fuels' declined 5.1%, 'mineral fuels, lubricants and related materials' prices dropped 1.5% and another decrease was recorded in 'chemicals and related products' (-1.4%). Prices did not increase in any of the surveyed groups.
- The **terms of trade** decreased to the value of 100.3% (100.6% in June). Among important sections, positive values of terms of trade were reached by prices of 'crude materials, inedible, except fuels' (102.3%), 'mineral fuels, lubricants and related materials' (101.0%), 'manufactured goods classified chiefly by material' (100.5%), and 'machinery and transport equipment' (100.4%). Negative values of terms of trade were reached only in 'food and live animals' (99.7%).

#### Year-on-year comparison:

- **Exports:** mainly due to strengthening of koruna against euro and U.S. dollar export prices fell 1.2% (-0.4% in June). A 3.1% price decline in 'machinery and transport equipment' contributed to the decrease in overall y-o-y export price index. 'Miscellaneous manufactured articles' prices dropped 1.5% while 'chemicals and related products' prices decreased by 0.5%. Prices were rising in 'mineral fuels, lubricants, and related products' (+9.1%; mainly coal) and in 'crude materials, inedible, except fuels' (+6.8%).
- **Imports:** import prices decreased by 0.8% after a 0.5% advance in June. The fall of the total annual import price index was primarily driven by a 4.2% decline in 'machinery and transport equipment'. Prices dropped in 'miscellaneous manufactured articles' (-3.6%) and in 'chemicals and related products' (-0.3%). Biggest price growth was reported in 'crude materials, inedible, except fuels' (+8.8%), 'mineral fuels, lubricants, and related products' (+4.4%), 'food and live animals' (+4.1), and 'manufactured goods classified chiefly by material' (+3.3%).
- The **terms of trade** figures increased to the value of 99.6% (99.1% in June) staying in negative values for the tenth consecutive month. 'Manufactured goods classified chiefly by material' (97.7%), 'crude materials, inedible, except fuels' (98.2%), and 'food and live animals' (98.7%) reached negative values of terms of trade. Among important sections, positive values of the terms of trade were reached by prices of 'mineral fuels, lubricants, and related products' (104.5%), 'miscellaneous manufactured articles' (102.2%), and 'machinery and transport equipment' (101.1%).