

## COMMENTARY

### Trend in December 2017

#### Month-on-month comparison:

- **Exports:** export prices rose 0.4% in December (-0.5% in November). The change of the total m-o-m export price index was led mainly by a 0.2% price increase in 'machinery and transport equipment'. Biggest price growth was registered in 'crude materials, inedible, except fuels' (+1.8%), 'chemicals and related products' (+1.6%), and 'manufactured goods classified chiefly by material' (+0.5%). 'Mineral fuels, lubricants and related materials' prices significantly dropped 1.1%.
- **Imports:** import prices increased by 0.4% in December following a 0.3% decline in November. The change of the total m-o-m import price index was driven mainly by a 1.7% price growth in 'mineral fuels, lubricants and related materials'. Prices in 'food and live animals' ticked up 1.0%, 'chemicals and related products' grew 0.8% and 'machinery and transport equipment' prices increased by 0.1%. Prices in 'crude materials, inedible, except fuels' declined 0.8%, 'miscellaneous manufactured articles' edged down 0.5%.
- The **terms of trade** increased to the value of 100.0% (99.8% in November). Significant positive values of terms of trade were reached by prices of 'miscellaneous manufactured articles' (100.8%), 'chemicals and related products' (100.8%), 'manufactured goods classified chiefly by material' (100.2%), and 'machinery and transport equipment' (100.1%). Negative values of terms of trade were reached in 'mineral fuels, lubricants and related materials' (97.2%) and 'food and live animals' (98.8%).

#### Year-on-year comparison:

- **Exports:** mainly due to strengthening of koruna against euro and U.S. dollar export prices fell 2.8% (-2.7% in November). A 4.9% price decline in 'machinery and transport equipment' contributed to the decrease in overall y-o-y export price index. 'Miscellaneous manufactured articles' prices dropped 4.2% and 'chemicals and related products' prices fell 1.3%. Prices were rising in 'crude materials, inedible, except fuels' (+4.6%), 'mineral fuels, lubricants, and related products' (+1.7%), and in 'manufactured goods classified chiefly by material' (+0.4%).
- **Imports:** import prices decreased by 4.2% after a 3.3% decline in November. The fall of the total annual import price index was primarily driven by a 7.3% drop in 'machinery and transport equipment'. Prices also fell in 'miscellaneous manufactured articles' (-6.0%) and in 'chemicals and related products' (-1.1%). 'Manufactured goods classified chiefly by material' prices ticked up 0.7%.
- The **terms of trade** figures increased to the value of 101.5% (100.6% in November) staying in the positive values for the third successive month. Among significant groups, positive values were reached by prices of 'crude materials, inedible, except fuels' (111.2%), 'machinery and transport equipment' (102.6%), and 'miscellaneous manufactured articles' (101.9%). 'Manufactured goods classified chiefly by material' and 'chemicals and related products' reached negative values of terms of trade – 99.7% and 99.8%, respectively.