COMMENTARY

Trend in September 2017

**Month-on-month comparison:**

* **Exports:** export prices rose 0.1% in September (-0.1% in August). The change of the total   
  m-o-m export price index was led mainly by a 0.6% price increase in ‘manufactured goods classified chiefly by material’. Prices increased in ‘crude materials, inedible, except fuels’ (+2.4%), ‘mineral fuels, lubricants and related materials’ (+2.0%) and in ‘chemicals and related products’ (+0.4%). ‘Machinery and transport equipment’ prices did not change. Prices of ‘miscellaneous manufactured articles’ declined 0.5%.
* **Imports:** import prices increased by 0.3% in September following a 0.4% decline in August.   
  The change of the total m-o-m import price index was driven mainly by a 3.1% price growth   
  in ‘mineral fuels, lubricants and related materials’. Prices in ‘manufactured goods classified chiefly by material’ advanced 0.5%, ‘chemicals and related products’ prices grew 0.4% and those of ‘miscellaneous manufactured articles’ rose 0.2%. ‘Machinery and transport equipment’ prices did not change. Biggest price drop was recorded in ‘crude materials, inedible, except fuels’ (-1.3%) and ‘food and live animals’ (-1.1%).
* The **terms of trade** decreased to the value of 99.8% (100.3% in August). Negative values of terms of trade were reached in ‘mineral fuels, lubricants and related materials’ (98.9%) and ‘miscellaneous manufactured articles’ (99.3%). Terms of trade of ‘machinery and transport equipment’ price indices did not change. Significant positive values of terms of trade were reached by prices of ‘crude materials, inedible, except fuels’ (103.7%) and ‘food and live animals’ (100.7%).

**Year-on-year comparison:**

* **Exports:** mainly due to strengthening of koruna against euro and U.S. dollar export prices fell 0.9% (-1.2% in August). A 2.8% price decline in ‘machinery and transport equipment’ contributed to the decrease in overall y-o-y export price index. ‘Miscellaneous manufactured articles’ prices dropped 2.4% while ‘chemicals and related products’ prices decreased by 0.6%. Prices were rising in ‘crude materials, inedible, except fuels’ (+11.4%) and ‘mineral fuels, lubricants, and related products’ (+10.0%; mainly coal).
* **Imports:** import prices decreased by 0.8% after a 1.1% decline in August. The fall of the total annual import price index was primarily driven by a 4.3% drop in ‘machinery and transport equipment’. Prices also fell in ‘miscellaneous manufactured articles’ (-3.6%) and in ‘chemicals and related products’ (-0.3%). Biggest price growth was reported in ‘mineral fuels, lubricants, and related products’ (+6.9%), ‘manufactured goods classified chiefly by material’ (+4.2%),   
  and ‘crude materials, inedible, except fuels’ (+2.8%).
* The **terms of trade** figures stayed at the same value of 99.9% as in August keeping negative values for the twelfth consecutive month. Only ‘manufactured goods classified chiefly by material’ and ‘chemicals and related products’ reached negative values of terms of trade – 97.4% and 99.7%, respectively. Among significant groups, positive values were reached by prices of ‘mineral fuels, lubricants, and related products’ (102.9%), ‘machinery and transport equipment‘ (101.6%), and ‘miscellaneous manufactured articles’ (101.2%).