COMMENTARY

Trend in November 2017

**Month-on-month comparison:**

* **Exports:** export prices declined 0.5% in November (-0.6% in October). The change of the total m-o-m export price index was led mainly by a 0.7% price decrease in ‘machinery and transport equipment’. Biggest price drop was registered in ‘crude materials, inedible, except fuels’   
  (-2.1%), ‘chemicals and related products’ (-1.0%), and ‘miscellaneous manufactured articles’   
  (-0.8%). Prices rose significantly in ‘mineral fuels, lubricants and related materials’ (+3.4%, mainly electricity).
* **Imports:** import prices decreased by 0.3% in November following a 0.5% decline in October.   
  The change of the total m-o-m import price index was driven mainly by a 0.8% price drop   
  in ‘machinery and transport equipment’. Prices in ‘food and live animals’ dropped 2.0%, ‘crude materials, inedible, except fuels’ declined 1.8%, and ‘manufactured goods classified chiefly by material’ fell 0.6%. ‘Mineral fuels, lubricants and related materials’ prices grew 4.8%.
* The **terms of trade** decreased to the value of 99.8% (99.9% in October), nevertheless they were still worsening. Negative values of terms of trade were reached in ‘mineral fuels, lubricants and related materials’ (98.7%), ‘chemicals and related products’ (99.5%), and ‘miscellaneous manufactured articles’ (99.6%). Significant positive values of terms of trade were reached by prices of ‘food and live animals’ (101.5%) and ‘machinery and transport equipment’ (100.1%).

**Year-on-year comparison:**

* **Exports:** mainly due to strengthening of koruna against euro and U.S. dollar export prices fell 2.7% (-1.7% in October). A 4.5% price decline in ‘machinery and transport equipment’ contributed to the decrease in overall y-o-y export price index. ‘Miscellaneous manufactured articles’ prices dropped 4.4%, ‘chemicals and related products’ prices fell 2.4%. Prices were rising in ‘mineral fuels, lubricants, and related products’ (+6.1%; mainly coal) and in ‘crude materials, inedible, except fuels’ (+4.4%; mainly metal scrap).
* **Imports:** import prices decreased by 3.3% after a 2.2% decline in October. The fall of the total annual import price index was primarily driven by a 6.8% drop in ‘machinery and transport equipment’. Prices also fell in ‘miscellaneous manufactured articles’ (-5.2%) and in ‘chemicals and related products’ (-1.7%). Biggest price growth was reported in ‘mineral fuels, lubricants, and related products’ (+4.3%) and ‘manufactured goods classified chiefly by material’ (+2.1%).
* The **terms of trade** figures increased to the value of 100.6% (100.5% in October) staying in the positive values for the second successive month. Among significant groups, positive values were reached by prices of ‘crude materials, inedible, except fuels’ (106.0%), ‘machinery and transport equipment‘(102.5%), and ‘food and live animals’ (102.2%). ‘Manufactured goods classified chiefly by material’ and ‘chemicals and related products’ reached negative values of terms of trade – 98.3% and 99.3%, respectively.