

Commentary

Trend in January 2018

Month-on-month comparison

- **Exports:** export prices decreased by 0.1% in January (+0.4% in December). The change of the total m-o-m export price index was led mainly by a 0.5% price drop in 'miscellaneous manufactured articles'. Prices were falling in 'food and live animals' (-0.7%), 'chemicals and related products' (-0.2%), and in 'machinery and transport equipment' (-0.1%). Biggest price growth was registered in 'crude materials, inedible, except fuels' (+1.4%) and 'mineral fuels, lubricants and related materials' (+1.1%).
- **Imports:** import prices dropped 0.6% in January following a 0.4% advance in December. The change of the total m-o-m import price index was driven mainly by a 1.2% price decline in 'machinery and transport equipment'. Prices in 'miscellaneous manufactured articles' edged down 1.3%, 'food and live animals' prices decreased by 1.6%. 'Mineral fuels, lubricants and related materials' advanced significantly 2.3% while 'crude materials, inedible, except fuels' grew 1.7%.
- The **terms of trade** increased to the value of 100.5% (100.0% in December). Significant positive values of terms of trade were reached by prices of 'machinery and transport equipment' (101.1%), 'miscellaneous manufactured articles' (100.8%), and 'manufactured goods classified chiefly by material' (100.5%). Negative values of terms of trade were reached in 'mineral fuels, lubricants and related materials' (98.8%) and 'crude materials, inedible, except fuels' (99.7%).

Year-on-year comparison

- **Exports:** mainly due to strengthening of koruna against euro and U.S. dollar export prices fell 4.1% (-2.8% in December). A 5.1% price decline in 'machinery and transport equipment' contributed to the decrease in overall y-o-y export price index. 'Miscellaneous manufactured articles' prices dropped 5.2% and 'mineral fuels, lubricants, and related products' fell 12.9% (mainly electricity). Prices were rising in 'beverages and tobacco' (+1.8%) and 'crude materials, inedible, except fuels' (+0.9%),
- **Imports:** import prices decreased by 5.8% after a 4.2% decline in December. The fall of the total annual import price index was primarily driven by a 8.3% drop in 'machinery and transport equipment'. Prices also fell in 'food and live animals' (-7.9%) and 'miscellaneous manufactured articles' (-6.9%). Only price growth was registered in 'beverages and tobacco' (+2.7%).
- The **terms of trade** figures increased to the value of 101.8% (101.5% in December) staying in the positive values for the fourth successive month. Among significant groups, positive values were reached by prices of 'food and live animals' (104.8%), 'machinery and transport equipment' (103.5%), and 'miscellaneous manufactured articles' (101.8). 'Mineral fuels, lubricants, and related products' reached negative values of terms of trade – 90.7%.