

## COMMENTARY

### Trend in February 2010

#### Month-on-month comparison:

- **Exports:** export prices increased by 0.2% in February (0.5% in January). The growth of the total m-o-m export price index came mainly from a 3.9% price increase in 'crude materials, inedible, except fuels'. The increases were recorded also for prices of 'chemicals and related products' by 1.4% and 'manufactured goods, classified chiefly by materials' by 0.4%. The price drops were registered in 'miscellaneous manufactured articles' by 0.6% and 'machinery and transport equipment' by 0.2%.
- **Imports:** import prices went up by 0.3% (0.8% in January). Increase of the total m-o-m import price index was driven mainly by a 1.8% growth in prices of 'mineral fuels, lubricants and related materials'. Prices of 'food and live animals' went up by 1.8%, prices of 'machinery and transport equipment' by 0.3% and prices of 'chemicals and related products' increased by 0.2%. The most significant price drops were registered in 'crude materials, inedible, except fuels' by 2.3%, prices of 'manufactured goods, classified chiefly by materials' and 'miscellaneous manufactured articles' decreased identically by 0.2%.
- The **terms of trade** figures remained in negative values for the fourth successive month, when they slightly increased at 99.9% in February (99.7% in January). Negative values of the terms of trade were recorded for 'food and live animals' (98.5%), 'mineral fuels, lubricants and related materials' and 'machinery and transport equipment' both identically (99.5%) and 'miscellaneous manufactured articles' (99.6%). Among important section positive values of the terms of trade were registered in 'crude materials, inedible, except fuels', (106.3%), 'chemicals and related products' (101.2%) and 'manufactured goods classified chiefly by materials' (100.6%).

#### Year-on-year comparison:

- **Exports:** export prices were decreasing for the seventh month, this time by 8.7 % (5.5% in January), especially due to strengthening of the koruna against euro and dollar. The drop of the total y-o-y export price index was mainly affected by a 8.1% price decrease in 'machinery and transport equipment'. More marked price drops were recorded in 'mineral fuels, lubricants and related materials' by 18.4%, 'manufactured goods classified chiefly by material' by 13.5% and 'miscellaneous manufactured articles' by 7.8%. Price growth was reported only for 'crude materials, inedible, except fuels' by 17.3%.
- **Imports:** import prices decreased by 6.7% (3.9% in January). The decrease of the total y-o-y import price index came mainly from a 8.1% price drop in 'machinery and transport equipment'. Among important sections price drops were recorded in 'crude materials, inedible, except fuels' by 19.8%, 'miscellaneous manufactured articles' by 8.4%, 'food and live animals' by 7.4% and 'manufactured goods classified chiefly by material' by 7.0%. Price increase was observed only in 'mineral fuels, lubricants and related materials' by 5.2%.
- The **terms of trade** figures dropped at 97.9% in February (98.3% in January) and for the third month they remained in negative values. However, negative values of the terms of trade figures recorded only 'mineral fuels, lubricants and related materials' (77.6%) and 'manufactured goods classified chiefly by material' (93.0%). Among sections important in terms of weight, positive values of the terms of trade figures reached 'crude materials, inedible, except fuels' (146.3%), 'chemicals and related products' (105.1%) and 'miscellaneous manufactured articles' (100.7%). The terms of trade figures for 'machinery and transport equipment' were 100.0%.