

COMMENTARY

Trend in October 2017

Month-on-month comparison:

- **Exports:** export prices declined 0.6% in October (+0.1% in September). The change of the total m-o-m export price index was led mainly by a 0.8% price decrease in 'machinery and transport equipment'. Biggest price drop was registered in 'food and live animals' (-1.2%), 'miscellaneous manufactured articles' (-1.1%), and 'manufactured goods classified chiefly by material' (-1.0%). Prices rose only in 'mineral fuels, lubricants and related materials' (+1.9%, mainly coal).
- **Imports:** import prices decreased by 0.5% in October following a 0.3% advance in September. The change of the total m-o-m import price index was driven mainly by a 0.7% price drop in 'machinery and transport equipment'. Prices in 'crude materials, inedible, except fuels' declined 1.4%, 'food and live animals' dropped 1.2%, and 'manufactured goods classified chiefly by material' prices fell 0.5%. Only price growth was recorded in 'mineral fuels, lubricants and related materials' (+0.9%).
- The **terms of trade** increased to the value of 99.9% (99.8% in September), nevertheless they were still worsening. Negative values of terms of trade were reached in 'miscellaneous manufactured articles' (99.3%), 'manufactured goods classified chiefly by material' (99.5%), and 'machinery and transport equipment' (99.9%). Significant positive values of terms of trade were reached by prices of 'crude materials, inedible, except fuels' and 'mineral fuels, lubricants and related materials' (101.0% for both of them).

Year-on-year comparison:

- **Exports:** mainly due to strengthening of koruna against euro and U.S. dollar export prices fell 1.7% (-0.9% in September). A 3.7% price decline in 'machinery and transport equipment' contributed to the decrease in overall y-o-y export price index. 'Miscellaneous manufactured articles' prices dropped 3.6%, 'chemicals and related products' prices fell 1.2%. Prices were rising in 'crude materials, inedible, except fuels' (+10.2%; mainly metal scrap) and 'mineral fuels, lubricants, and related products' (+5.9%; mainly coal).
- **Imports:** import prices decreased by 2.2% after a 0.8% decline in September. The fall of the total annual import price index was primarily driven by a 5.4% drop in 'machinery and transport equipment'. Prices also fell in 'miscellaneous manufactured articles' (-4.2%) and in 'chemicals and related products' (-1.0%). Biggest price growth was reported in 'manufactured goods classified chiefly by material' (+3.5%), 'mineral fuels, lubricants, and related products' (+1.6%), and 'crude materials, inedible, except fuels' (+1.3%).
- The **terms of trade** figures increased to the value of 100.5% (99.9% in September) switching to the positive values for the first time in twelve months. Among significant groups, positive values were reached by prices of 'mineral fuels, lubricants, and related products' (104.2%), 'machinery and transport equipment' (101.8%), and 'miscellaneous manufactured articles' (100.6%). Only 'manufactured goods classified chiefly by material' and 'chemicals and related products' reached negative values of terms of trade – 97.7% and 99.8%, respectively.