

## COMMENTARY

### Trend in October 2010

#### Month-on-month comparison:

- **Exports:** export prices decreased by 0.7% in October (-0.3% in September). The fall of the total m-o-m export price index came mainly from a 1.2% price drop in 'machinery and transport equipment'. Among important sections, the price drops were recorded in 'chemicals and related products', 'manufactured goods classified chiefly by material' and 'miscellaneous manufactured articles', all of them by 0.4%. On the contrary, the price growths were registered only in 'beverages and tobacco' (0.8%) and 'food and live animals' (0.1%).
- **Imports:** import prices went down by 0.9% (-0.4% in September). Drop of the total m-o-m import price index was driven mainly by 0.9% price drop in 'machinery and transport equipment'. The most significant price drops were registered in 'mineral fuels, lubricants and related materials' (-2.1%), 'miscellaneous manufactured articles' (-1.5%) and 'chemicals and related products' (-0.6%). The prices in 'manufactured goods, classified chiefly by material' did not change. Among important sections, the prices in 'crude materials, inedible, except fuels' rose by 0.6%.
- The **terms of trade** figures increased to 100,2% (100.1% in September) and remained in positive values for the second successive month. The prices in 'mineral fuels, lubricants and related materials', 'miscellaneous manufactured articles' and 'food and live animals' reached the highest values of the terms of trade figures, 101.4%, 101.1% and 100.3%, respectively. The most significant negative values of the terms of trade figures were registered in 'crude materials, inedible, except fuels' (97.8%), 'manufactured goods classified chiefly by material' (99.6%) and 'machinery and transport equipment' (99.7%).

#### Year-on-year comparison:

- **Exports:** export prices did not change (growth by 2.3% in September). Among sections important in terms of weight, the price growths were recorded in 'crude materials, inedible, except fuels' (21.6%), 'mineral fuels, lubricants and related materials' (7.6%), 'chemicals and related products' (4.8%) and 'manufactured goods classified chiefly by material' (2.6%). The prices in 'machinery and transport equipment' and 'miscellaneous manufactured articles' fell by 3.4% and 2.6%, respectively.
- **Imports:** import prices increased by 3.8% (6.2% in September). This increase was supported also by weakening of the koruna against dollar. The growth of the total y-o-y import price index came mainly from a 19.7% price increase in 'mineral fuels, lubricants and related materials'. Price growths were also recorded in 'crude materials, inedible, except fuels' (37.6%), 'manufactured goods classified chiefly by material' (4.9%), 'food and live animals' (3.2%) and 'chemicals and related products' (0.4%). Prices dropped, among important sections, in 'miscellaneous manufactured articles' (-1.9%) and 'machinery and transport equipment' (-0.6%).
- The **terms of trade** figures stopped at 96.3% (96.3% in September) and for the eleventh month remained in negative values. The lowest values of the terms of trade figures recorded 'crude materials, inedible, except fuels' (88.4%), 'mineral fuels, lubricants and related materials' (89.9%), 'machinery and transport equipment' (97.2%), 'manufactured goods classified chiefly by material' (97.8%) and 'miscellaneous manufactured articles' (99.3%). On the contrary, significant positive values of the terms of trade figures were recorded in 'chemicals and related products' (104.4%) and 'food and live animals' (103.2%).