

## Commentary

### Trend in February 2018

#### Month-on-month comparison

- **Exports:** export prices decreased by 0.2% in February (-0.1% in January). The change of the total m-o-m export price index was led mainly by a 0.3% price drop in 'machinery and transport equipment'. Prices were falling in 'crude materials, inedible, except fuels' (-1.8%), 'chemicals and related products' (-1.0%) and 'miscellaneous manufactured articles' (-0.6%). Biggest price growth was registered in 'mineral fuels, lubricants and related materials' (+1.1%).
- **Imports:** import prices dropped 0.3% in February following a 0.6% decline in January. The change of the total m-o-m import price index was driven mainly by a 0.9% price drop in 'machinery and transport equipment'. 'Mineral fuels, lubricants and related materials' prices declined 0.8% and 'miscellaneous manufactured articles' prices edged down 0.5%. Highest price advance was reported in 'beverages and tobacco' (+1.7%) and 'crude materials, inedible, except fuels' (+0.6%).
- The **terms of trade** decreased to the value of 100.1% (100.5% in January) although keeping their positive values. Positive values of terms of trade were reached by prices of 'mineral fuels, lubricants and related materials' (101.9%) and 'machinery and transport equipment' (100.6%). Terms of trade of 'manufactured goods classified chiefly by material' reached 100%. Negative values were reached among significant groups in and 'crude materials, inedible, except fuels' (97.6%) and 'chemicals and related products' (98.8%).

#### Year-on-year comparison

- **Exports:** mainly due to strengthening of koruna against euro and U.S. dollar export prices fell 4.7% (-4.1% in January). A 5.6% price decline in 'machinery and transport equipment' contributed to the decrease in overall y-o-y export price index. 'Miscellaneous manufactured articles' prices dropped 6.0% and 'mineral fuels, lubricants, and related products' fell 12.7% (mainly electricity). Prices increased only in 'beverages and tobacco' (+1.2%).
- **Imports:** import prices decreased by 6.5% after a 5.8% decline in January. The fall of the total annual import price index was primarily driven by a 9.0% drop in 'machinery and transport equipment'. Prices also fell in 'food and live animals' (-8.9%) and 'miscellaneous manufactured articles' (-7.0%). Only price growth was registered in 'beverages and tobacco' (+4.2%).
- The **terms of trade** figures increased to the value of 101.9% (101.8% in January) staying in the positive values for the fifth successive month. Among significant groups, positive values were reached by prices of 'food and live animals' (105.0%), 'machinery and transport equipment' (103.7%), and 'manufactured goods classified chiefly by material' (101.5%). 'Mineral fuels, lubricants, and related products' reached negative values of terms of trade (91.1%).