

Monthly Information– January 2007

Prices

Following the trend of feeble increase prices of goods and services for personal consumption, measured by consumer price index, have slightly increased in January 2007 by 0.4% as compared to December 2006, and increased by 0.8 % as compared to January 2006. The growth of consumer prices was driven by inflation of housing services 1.8 % (as a result of increased prices of heating services 20.8 %) and recreation and culture. On the other side in direction course of partly offset of inflation on monthly basis, acted prices in category transport. Retail prices increased on monthly basis.

Producer price indices of industrial products

Beside increment in previous month that was perceptibly in series of reduction in antecedent period in January once more prices decreased. Prices of industrial products in January 2007 in comparison with the previous month decreased by 0.2% and in comparison with the same month from the previous year increased by 1.3%. Analyzing the separate groups on monthly bases, the biggest negative contribution had prices of producers on refined petroleum products that had perceptible decrease of 6.6%. Also the main contribution in deduction of producer prices was decrease of prices in group of Energy by 3.2 %. On annual basis increased was driven of raised in prices in energy sector by 74.8%.

Monetary indicators

In January the increase of broad monetary indicators was limited. As a result of higher level of demand deposits broad monetary aggregates M2 and M4 increased by 0.2% and 0.1%, respectively compared with previous month. On annual basis, broad monetary aggregates M2 and M4 went up by 24.7% and 24.9%, respectively.

The National Bank interest rates remained unchanged. The banking sector average interest rates on deposits in domestic currency decreased slightly (4.5%) and remained unchanged on foreign currency deposits (1.8%). For credits in domestic currency the average interest rate continued to fall in January and adds up to 10.7%, whereas the price of credits in foreign currency decreased. As a result the banking sector spread in denars dropped to 6.2%.

