

Stock Exchange

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Turnover on the Ljubljana Stock Exchange, SIT million	January-December		Growth rates, in % Jan-Dec 03/Jan-Dec 02
	2002	2003	
Total turnover	481,041	340,237	-29.3
Turnover of long-term securities in official A and B markets			
Total	322,660	214,849	-33.4
Shares	237,888	107,679	-54.7
Bonds	84,772	107,170	26.4
Turnover of long-term securities in the free market			
Total	66,748	64,200	-3.8
Shares	40,949	41,651	1.7
Bonds	25,798	22,549	-12.6
Turnover of short-term securities	661	348	N/R
Turnover of shares of authorised investment companies	85,740	51,943	-39.4

Source of data: LSE, author's calculations. Note: N/R – not reasonable.

Movements in the Ljubljana Stock Exchange indices seen in the first six months of 2003 had already suggested much weaker growth than in 2002, as the **SBI20** dropped by 7.8%, while it surged by 55.2% in 2002. The SBI20, the main index of the Ljubljana Stock Exchange, climbed by 17.7% in **2003** as a whole thanks to the 27.7% jump seen in the second half of the year (the last quarter saw a rise of 8.8%).

In 2003, the **market capitalisation** of securities traded on the Ljubljana Stock Exchange, excluding the shares of investment funds, rose by 14.7% (up 11.1% in the last quarter) and totalled SIT 2,215 billion at the end of the year. The **market capitalisation of bonds** climbed the most, going up by 26.7%, mainly due to new issues of government bonds. The **market capitalisation of shares** increased by 8.6% even though some important shares were withdrawn from the market and totalled SIT 1,339.7 billion at the end of the year. It equalled 23.5% of the estimated GDP, 0.1 of a percentage point more than in 2002. In the last quarter alone, the market capitalisation of shares rose by 14.1% as a result of both higher share prices and new share issues emerging from the transformation of authorised investment funds.

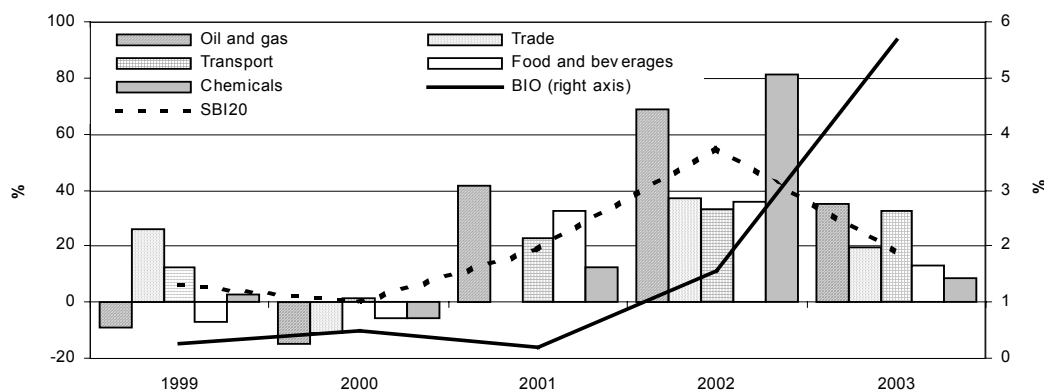
As far as **industrial sector indices** are concerned, the oil and gas index rose the most, going up 35.1% from the end of 2002, or 19.7% in the last quarter alone, while the chemicals index rose the least, rising by 8.3%. Investment in bonds became more attractive than in previous years, so the **BIO index** climbed by 5.7% to total 117.3 points at the end of the year.

Total turnover on the Ljubljana Stock Exchange was SIT 340.2 billion in 2003, the lowest in the last three years. It dropped by 29.3% from 2002, mainly due to the 46.4% fall in turnover in shares, which represented 43.9% of the total turnover (58% in 2002), while turnover in bonds climbed by 17.3% and represented 38.1% of the total turnover. **Non-residents** traded much less than in 2002 and they generated a turnover of just SIT 11.9 billion, 69.8% lower than in 2002, while their share in market capitalisation shrank by 13.8 percentage points to 5.9%.

The **share turnover ratio**, measured as a ratio of annual turnover to market capitalisation, was 0.11 (0.23 in 2002). The **bond turnover ratio** was 0.15, 0.01 of a percentage point lower than in 2002. These low values suggest the extremely poor liquidity of the Slovenian capital market.

Some of the main **world capital markets** saw a rise in their indices for the first time since 1999; the MSCI World Index (measured in euros), which monitors capital market trends in 23 advanced industrialised countries, climbed by 8.8% in 2003 after having fallen by 33% the year before.

Graph: Year-on-year growth in selected main indices of the Ljubljana Stock Exchange



Source of data: Ljubljana Stock Exchange.