

Stock Exchange

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Ljubljana Stock Exchange	Turnover, Jan-June 2004		Market capitalisation, 31 June 2004	
	SIT billion	Growth rates (%), Jan-June 2004/Jan-June 2003	SIT billion	Growth rates (%), 30 June 04/30 June 03
Total	203.3	30.1	2,727.2	33.2
Official market				
Total	140.4	41.5	1,917.4	35.3
Shares	84.6	96.2	1,110.1	40.2
Bonds	55.8	-0.5	807.3	29.2
Free market				
Total	33.1	13.9	588.2	45.3
Shares	24.0	36.0	413.1	63.4
Bonds	9.1	-20.4	175.1	15.2
Closed-end funds	29.8	7.8	221.6	-1.6

Source of data: Ljubljana Stock Exchange, author's calculations.

The rise in the **SBI20** index slowed down in the second quarter. The index rose by just 1.6% over the first quarter, the least since the second quarter of 2003 when it fell by 3.2%. This low quarterly increase was mainly due to the 5.4% fall seen in May. The SBI20 rose by 13.1% in the first six months. Its year-on-year rise stayed at a high level; it gained another 4.9 percentage points compared to the preceding quarter and came in at 44.4%.

The **market capitalisation** of securities listed on the Ljubljana Stock Exchange, excluding the shares of investment funds, edged up by 2.5% in nominal terms in the second over the first quarter (SIT 2,505.6 billion). This was the lowest rise since the first quarter of 2003 when the shares of a pharmaceuticals company were withdrawn from the market and the market capitalisation dropped by as much as 10.4%. In the second quarter of this year growth was solely due to a rise in the market capitalisation of bonds (up 7.5%), resulting from new and expanded issues of bonds. The market capitalisation of shares dropped by 0.5% as a result of the 3.7% fall in the market capitalisation of shares listed on the free market. The share of non-residents in total market capitalisation continued to shrink and equalled 4.7% at the end of June, 0.6 of a percentage point less than at the end of the first quarter.

The value of **industrial sector indexes** dropped slightly, with the exception of the transport index, which climbed by 12.7% in the second over the first quarter. The oil and gas index recorded the biggest fall of 5.4%. The **Bond Index** (BIO) rose by 0.6% after recording above-average growth rates in 2003 and stagnating in the first quarter. The rise in the **PIX Index** (Investment Funds Index) eased off in the second quarter to 1.8%.

Total turnover on the Ljubljana Stock Exchange amounted to SIT 106.1 billion in the second quarter, rising by 9% from the first quarter and by as much as 67% from the same period last year. Both share and bond turnover strengthened; the former more than doubled compared to the same period last year (after slumping by 60.7% in the same period last year) and therefore represented over half of total turnover, while the latter surged by 39.6%. Even though these growth rates were relatively high compared to 2003, the nominal value of turnover was still lower than in 2002. The **share turnover ratio**, measured as a ratio of a double six-month turnover to market capitalisation, was 0.14 (0.11 at the end of 2002). The **bond turnover ratio** was 0.13 (0.15 at the end of 2002). These low values suggest that Slovenia's capital market still suffers from a low level of liquidity.

The values of indexes of some of the world's most **important capital markets** recovered slightly after falling in the first quarter. The DAX30, the main index of the Frankfurt stock exchange, recorded the biggest rise of 5.1%. The value of the MSCI World Index (measured in euros), which monitors capital market trends in 23 advanced industrialised countries, climbed by 1.3% in the same period.

Graph: Year-on-year rises in the SBI20 and selected world indexes

