

Stock Exchange	Slovenian Economic Mirror	IMAD
	No. 4/2004	p. 11

Turnover and market capitalisation on the Ljubljana Stock Exchange	Turnover, Jan-March 2004		Market capitalisation, 31 March 2004	
	SIT billion	Growth rates (%), Jan-March 2004/Jan-March 2003	SIT billion	Growth rates (%), 31 March 04/31 March 03
Total	97.3	4.9	2,668.5	35.8
Official market				
Total	62.9	2.0	1,853.5	37.6
Shares	41.7	49.5	1,101.0	36.5
Bonds	21.2	-37.1	752.5	39.3
Free market				
Total	18.3	21.3	590.5	54.1
Shares	13.3	47.1	429.1	84.2
Bonds	5.1	-16.8	161.4	7.3
Short-term securities	0.0	n/a	–	–
Closed-end funds	16.1	2.5	224.5	-4.3

Source of data: Ljubljana Stock Exchange, author's calculations. Notes: n/a – not applicable.

Ljubljana Stock Exchange indices continued to rise in the first quarter of this year when the **SBI20**, the official market index, climbed by 11.3% compared to the fall of 4.7% seen in the same period last year. The main lever of growth was the high inflows into mutual funds and the expectations of possible take-overs of some important enterprises listed on the stock exchange.

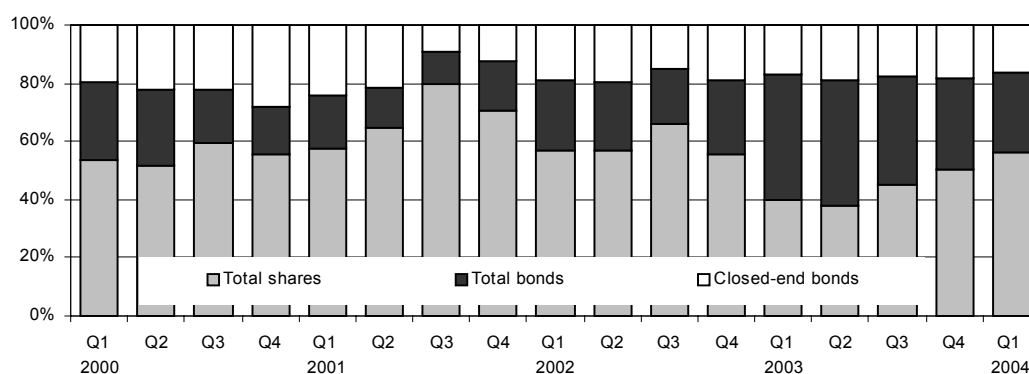
The **market capitalisation** of securities, excluding the shares of investment funds, climbed by 10.3% in nominal terms in the first quarter and totalled SIT 2,444 billion at the end of March. Unlike in 2003 when bonds recorded the biggest rise in market capitalisation, the market capitalisation of shares increased by a significant 14.2% in the first quarter. This increase continued to be underpinned by both rises in share prices and the issue of new shares arising from the transformation of authorised closed-end funds. The market capitalisation of shares (excluding the shares of investment funds) represented 23.4% of GDP at the end of 2003, according to the SORS' latest official GDP estimate.

Growth rates of **industrial sector indices** were broadly in line with the SBI20, with the exception of the food and beverages index, which climbed by just 4.3%. The **Bond Index** (BIO) practically stagnated in the first quarter after having risen at above-average rates in 2003. The biggest rise was seen in the **PIX Index** (Investment Funds Index), leaping by 19.3%, which was its strongest quarterly growth after the first quarter of 2002.

Total turnover on the Ljubljana Stock Exchange resumed growth after 2003. It climbed by 4.9% year on year in the first quarter thanks to a leap of 48.9% in turnover in shares, which became a more attractive investment than bonds after the indices rose, while turnover in bonds dropped by as much as 34% and represented just over a quarter of total turnover compared to over 40% in the same period last year. **Non-residents' turnover** also rose in the first quarter and totalled SIT 3.8 billion, almost twice as much as in the same period last year. This share in total market capitalisation continued to decline and equalled 5.3% at the end of March, two percentage points less than a year ago.

Developments on the Ljubljana Stock Exchange and **world capital markets** do not seem inter-related: the main indices of some of the most important stock exchanges were mainly on a downturn in the first quarter primarily due to falls recorded in March, probably reflecting the increased threat to global security. The exception was the index on the Tokyo Stock Exchange (up 9.7%).

Graph: **Structure of quarterly turnover on the Ljubljana Stock Exchange**



Source of data: LSE.