

## Economy

▪ **Higher value of consumer and housing loans.** The value of consumer loans granted in October increased by 11.2 percent y/y, and housing by 16.3 percent. – data obtained from BIK information.

▪ **Eurostat: Electricity prices in Poland are very high compared to the EU.** In the first half of 2017. The average price in Poland was PLN 62.2 for 100 kWh, while in the EU - EUR 20.4. The key factor is, however, the reference to purchasing power, which amounted to 25.9 units - one of the highest in Europe.

▪ **The fastest price increase in 5 years.** CPI inflation in November amounted to 2.5 percent in. In monthly terms, an increase of 0.5% was recorded.

▪ **GDP higher by 4.9 percent y / y in the third quarter.** Consumption contributed the most to this situation, although exports were also of great importance.

▪ **RES with 11.3 percent share in final gross energy consumption in 2016.** It was lower than in 2013-2015. The EU target set for Poland for 2020 is 15 percent.

▪ **The prices of steam and coking coal increased.** Data presented by the Industrial Development Agency and the Polish Power Exchange concern October 2017. The prices of coal for the power industry increased by 1.25 percent, to PLN 208.75 / tonne. The standard coal prices on the domestic market amounted to PLN 253.53 / t.

▪ **The Polish central budget is positive in October.** The surplus at the end of this month is PLN 2.7 billion. At the end of the year, the deficit is planned for PLN 30 billion.

▪ **According to analysts, there will be no significant changes in fuel prices in the near future.** Gasoline may be slightly cheaper, but OPEC's decision to continue its mining limitations means that there is no chance for lower fuel prices before Christmas.

## Financial institutions

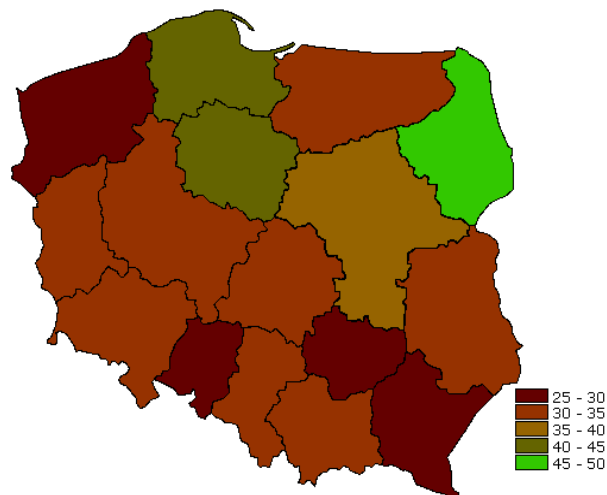
▪ **BNP Paribas plans to take over Raiffeisen Bank Polska.** In the further period, a merger with BGŻ is also possible. Such mergers would enable to be better than ING Bank in the largest financial institutions in Poland.

▪ **Alior Bank with the "Bank of the Year in Poland" award.** The award is granted by the magazine "The Banker". Alior Bank received the award for the second time, the first time that the bank managed was in 2013.

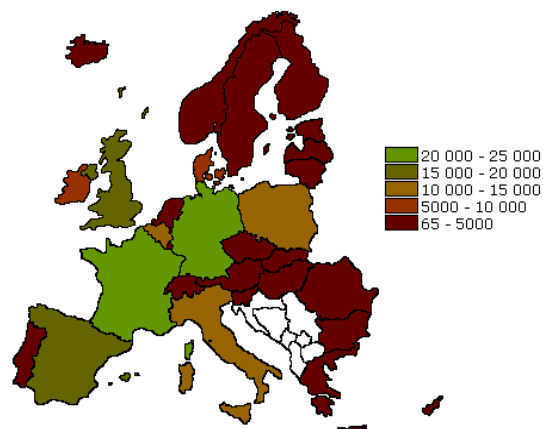
▪ **ING does not rule out entering the online banking sector in Poland.** A special group would be called ING Direct. The introduction of services is to depend on the universality of access to the Internet.

## Economic maps

Expenditure on culture and national heritage per capita in 2016 (zlotys)



Animal output in 2016 (million Euros)



## Financial Markets

▪ **Profits of PKP Cargo.** The company published results for the third quarter of 2017. Consolidated revenues in the quarter: PLN 1,192.9 million (+9.4 y / y), net profit PLN 32.4 million (vs. PLN 5.99 million loss in the third quarter of 2016). Within 9 months, PKP Cargo transported 9% more goods than in the corresponding period of 2016.

▪ **Ursus buses in Szczecinek.** Ursus Bus won a tender to supply by the end of 2018 10 new electric buses and equipment for their charging and operation for Szczecinek. The contract amount is PLN 23.3 million. Buses from Ursus are already running in Lublin, and from 2018 they will also be included in the Warsaw public transportation.

- **Cooperation between JSW and India.** During the Indo-Polish economic forum in New Delhi, the company signed an agreement with two Indian companies from the metallurgy and mining sector: Essar Steel and Jindal Steel and Power Limited. Companies from India will gain experience from the Polish company, while JSW will increase the share of services provided to the mining industry.

- **Famur received support and green light from PFR.** Famur and the Polish Development Fund have signed a contract for the joint establishment of a special purpose vehicle, Miner Equipment Finance. It is to lease mining equipment to contractors on a lease basis. The joint fund for the implementation of this project is PLN 300 million.

- **The results of the household appliances giant.** Amica published results for the third quarter of 2017. Consolidated revenues PLN 705.2 million (+ 8.5 y / y), net profit PLN 22.2 million (-36.2% y / y), and EBITDA PLN 41.9 million (-27.6% y / y). A significant drop in profits from, among others, from the acquisition costs of the French company Sideme.

- **The oil price on the New York Stock Exchange is up 2.8%.** Inventories of this raw material in the US have decreased by over 3 million barrels. Oil producers at the Thursday meeting in Vienna decided to extend the policy of limiting the extraction of this commodity until the end of 2018.

- **The price of copper for the London Metal Exchange remains constant.** It's USD 6760 per ton (in 3-month deliveries). The declines were recorded on the Shanghai stock exchange, including a 0.7% decline.

- **Gold prices approached \$ 1,300 per ounce, the highest level since mid-October.** If this situation persists, gold will get the best result from 2010.

- **Strengthening of the zloty, the dollar remains weak, the euro does not change much.** This week for the zloty can be considered as successful, because the currency reached a high of EUR 4.1 / pair in the EUR / PLN pair. The dollar is still struggling with uncertainty related to the fate of tax reform.

## Company of the week

**CCC S.A.** - is one of the biggest shoe retail companies in CEE region and also one of the biggest shoe producers in Europe. The firm sells its products in 16 countries.

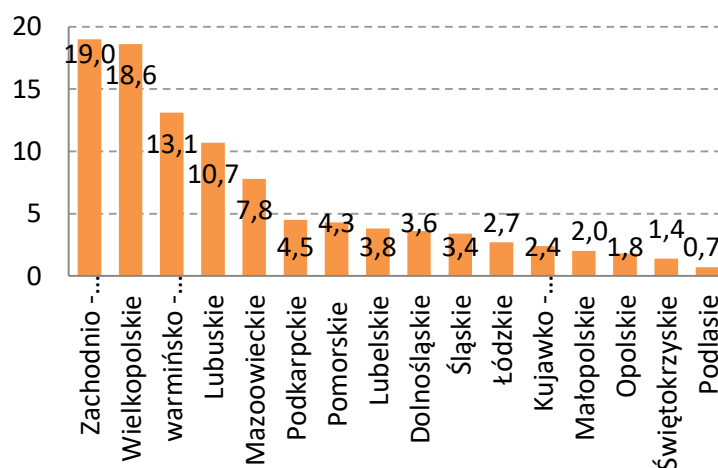
The products are sold through the own retail's network in Poland, Czech Republic, Hungary, Germany, Slovakia, Austria, Croatia, Slovenia, Russia, Bulgaria, Serbia and in through the franchise network in Romania, Latvia, Lithuania, Estonia, Ukraine.

The company debuted on Warsaw Stock Exchange in 2004. Currently it belongs to the top 20 companies included in the WIG20 Index.

In 2016 CCC S.A. achieved: sales PLN 3.2 bn, EBIT PLN 373.4 mn and net profit PLN 315.5 mn. The ratios: price/book value (P/BV) 7.79, price/sales (P/S) 3.02, price/earnings (P/E) 25.78, the return of assets ROA 15.73%, the return of equity ROE 28.21%.

## Sales structure of chipboard by voivodships in 2016 (in %)

- The largest producers of veneer sheets and boards made of wood in Poland are: Swiss Krono, Kronospan Mielec, Pflaederer Group. The total net profits of the companies mentioned before amount to PLN 633.2 million and the total net profit of the 50 largest companies is PLN 9.99 billion, an increase by 5.15% to the previous year. The highest sales of chipboards are: in the West Pomeranian voivodship 19% and in the Wielkopolskie voivodship 18.6%.



## Statistical data

Macroeconomic indicators		Date	Rates (%)		1W Δ bps	Markets (points)		1W Δ %
GDP y/y	4.9%	Q3 2017	WIBOR 3M	1.73	0.00	WIG	62 031	-0.66
CPI	2.1%	2017.10	EURIBOR 3M	-0.33	0.00	WIG 20	2 4389	-0.78
Unemployment rate	6.6%	2017.10	LIBOR CHF 3M	-0.73	0.00	DAX	12 910	-0.95
Average monthly salary	4 574 PLN	2017.10	EUR/PLN	4.21	0.26	FTSE	7 316	-0.07
Industrial production	12,30%	2017.10	USD/PLN	3.53	-0.14	DJI	24 067	-0.84
NBP reference rate	1.5%	Since 03.2015	CHF/PLN	3.62	-0.74	SP500	2 612	-1.36
			EUR/USD	1.19	0.30			