

COUNSELLOR: Dr hab. Sylwester Kozak, prof. SGGW

EDITOR: Bartosz Golnik

WRITERS: Łukasz Brynczak (FX market) • Bartosz Golnik (Economy, Financial institutions) • Łukasz Grzęda (Economic sector) • Konrad Hornowski (Financial markets) • Izabela Kruszewska (Company of the week) • Bartłomiej Zegadło (Economic maps)

ENGLISH EDITION: Bartosz Golnik

Economy

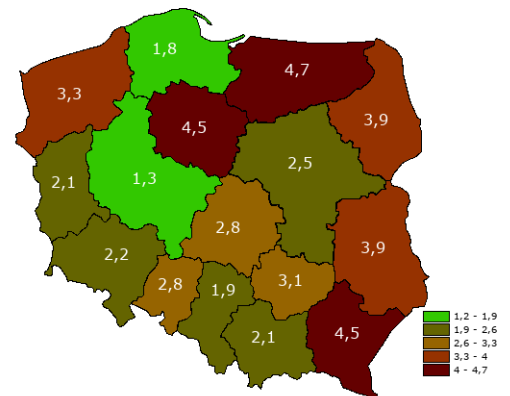
- **Eight people detained on extortion in ARiMR.** The affair concerns the use of so-called "Poles", meaning people who saved part of large plots on each other, which allowed them to receive a larger subsidy than on an undivided plot.
- **The unemployment rate at 6.3 percent in April.** This is a decrease of 0.3 percentage point. compared to March. The number of registered unemployed is 1,042.5 thousand.
- **The final of the Europa League 2020 in Gdansk.** Information was provided by UEFA on May 24 in Kiev. The stadium's rival was located in Porto Estadio do Dragao. The candidacy was submitted in autumn 2017.
- **Drops on sales caused by the ban on trade and Easter.** This is the only situation with four non-commercial Sundays this year. Retail sales were 5.3 percent lower than in March.
- **Rises for LOT pilots.** They will range from 5 to 12 percent. The dreamliner's captain will receive at least 13,000. PLN to hands, and captains of smaller units at least 11.7 thousand. to hand.
- **Volkswagen wants to expand Poznań fabric.** The project, implemented over two years, will cost 500 million euros. The investment includes, among other things, the construction of a new welding facility.
- **The new growth of Polish industry.** In April, there was a 9.3 per cent increase higher value of domestic production sold. In March a slowdown in dynamics was observed, which resulted, however, from a relatively small number of working days.
- **Podkarpackie and Wielkopolskie with the largest number of cars per household.** Over 73 percent of them had at least one car. In Poland, the car has 65 percent households.

Financial institutions

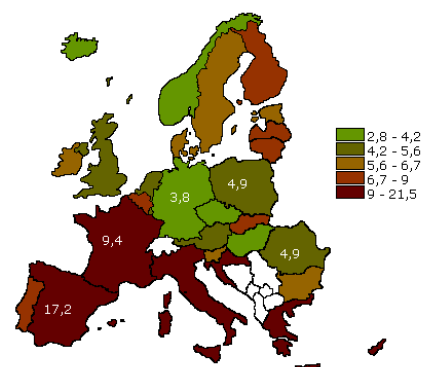
- **GetBack translates the release date of the report.** GetBack for the third time has not fulfilled its promise to publish the report for 2017. The new date of publication of the report is 29 May 2018. The company also provided preliminary estimates - according to them, the company's loss for 2017 amounted to PLN 1.2 billion.
- **Most accounts at PKO BP.** The bank had 7.1 million of them after the first quarter of 2018. Pekao SA (3.9 million) was the second and the third - by mBank (3.4 million). PKO BP is on the first place for many years.

Economic maps

Total unemployment rate in 2017 (%)



Total unemployment rate in 2017 (%)



Financial Markets

- **Cyfrowy Polsat will buy 11 Sports Network.** Cyfrowy Polsat has signed a contract for the acquisition of a majority stake (50% shares plus one share) of the Eleven Sports Network company involved in the broadcast of sports programs. The value of the contract is estimated at EUR 38 million - according to the contract, payments are to be made in two installments.
- **AmRest with a contract for 15 restaurants.** AmRest signed a preliminary agreement as part of the acquisition of 15 KFC restaurants in France. The form of cooperation between AmRest and new restaurants will be a franchise agreement. The initial costs of the contract are unknown - they depend on the results of the due diligence study.
- **KGHM intends to depart from the dividends.** KGHM's management recommended to the General Meeting of Shareholders the resignation from dividend payment to shareholders and the allocation of company profits to share capital. If the AGM decides to give up the dividend, it would be the first year without dividing profits since 2005.

- **Orlen wants 100% of Unipetrol shares.** PKN ORLEN applied to the Czech National Bank for permission to buy back the missing 6% shares in Unipetrol. In this way, Orlen wants to be the owner of 100% shares in a Czech oil company. According to Czech law, the central bank of the Czech Republic must approve a compulsory buyout, and then the purchase price of Unipetrol shares will be determined.

- **The prices of crude oil in the US in the next session are falling due to a strong increase in US stocks of this oil by almost 5.8 million barrels.** In deliveries for July, the West Texas Intermediate barrel on the New York Stock Exchange reached a price of USD 71.59 per barrel (down 0.4%). At the ICE Futures Europe fuel exchange in London, Brent supplies 34 cents in deliveries for July, reaching a value of 79.46 USD per barrel.

- **On Wednesday, the largest copper price drop by 1.6% was recorded.** This decline was caused by the deterioration of moods in global markets, which was dominated by pessimism associated with Turkey and North Korea. In 3-month deliveries, LME is valued at USD 6,866.00 per ton.

- **The zloty is weakening, the dollar is stable, the euro is weakening.** The zloty exchange rate is so weakening that it is the lowest exchange rate of this currency this year. This is caused by the investors' concern about the situation in Italy, which also contributed to the decline in the European currency. The dollar this week remains stable. In addition, the interest rate hike by the Fed and the tense geopolitical atmosphere have a positive effect on this currency.

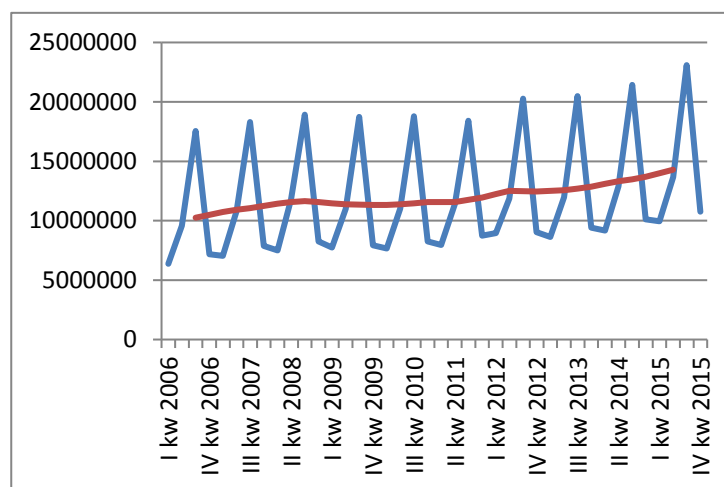
Company of the week

KSG Agro - The group is one of the leading energy concerns in Poland, covering 18% of its activity. area of the country. It is the largest distributor and the second seller and producer of electricity. The main areas of the group's activity that constitute the energy value chain are: hard coal mining, generation, distribution and sale of electricity and heat. The group includes Tauron Wytwarzanie, Tauron Dystrybucja, Tauron Sprzedaż, Tauron Customer Service, Tauron Wydobycie, Tauron

Ekoenergia and Tauron Ciepło. Tauron's debut on the stock exchange on June 30, 2010. It was the 11th debut on the stock exchange in 2010. The company made its debut at PLN 5.13. The public offer included 821 033 422 shares of the company (approximately 52% of the share capital). The shares became the property of over 200,000 individual investors. Financial ratios: ROA 4.15%, price / book value (P / BV) 0.24; price / profit (P / E) 3.10.

The number of tourists using hotel services in Poland

The graph shows the time series from which seasonal fluctuations have been eliminated. It shows the prevailing development trend for hotel industries, you can notice quite a significant increase in the number of tourists, and interest in these services. Tourism is a still growing industry in Poland. Every year you can see an increasing interest in leisure and relaxation not necessarily in the cheapest motels or hostels. More and more often, Polish tourists are guided by the quality of services provided, putting their comfort first. If the increase in wages and savings is maintained, then the popularity of tourist services will increase. Most often, Poles decide to travel with family and in a small circle of friends.



Source: Own study based on the Central Statistical Office

Statistical data

Macroeconomic indicators		Date
GDP y/y	5,1%	Q1 2018
CPI	1,3%	2018.03
Unemployment rate	6,8%	2018.02
Salary av. enterprises	4 599 zł	2018.12
Industrial production	2,90%	2018.03
NBP reference rate	1,5%	2018.03

Rates (%)		1W Δ bps
WIBOR 3M	1,70	-0,00
EURIBOR 3M	-0,328	0,00
LIBOR CHF 3M	-0,7352	0,00
EUR/PLN	4,31	0,04
USD/PLN	3,70	0,57
CHF/PLN	3,72	0,50
EUR/USD	1,16	-0,55

Markets (points)		1W Δ %
WIG	58 233	0,08
WIG 20	2 213	0,00
DAX	12 933	0,61
FTSE	7 737	0,26
DJI	24 740	-0,29
SP500	2 719	-0,31