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## Economy

- **PIH submits a proposal to amend the Law on Agricultural Market Agency.** The current law forces entrepreneurs to conclude and archive purchase contracts for agricultural goods despite the fact that invoices are also issued confirming the agreements.
- **MF: There were not many layoffs in newly created Treasury Administration.** The ministry denied the information about layoff of 10 percent employees. Reduction covered 4 percent of employed.
- **IRG SGH: Economic downturn in Q2.** The overall business climate is still positive and above average for this decade, but it was lower than last year.
- **MR: Growth of export forecasts in new quarterly report.** Initially 5% growth was forecasted, the new value being 7.5%. The forecast is risky because of the financial situation.
- **The MPC not to change interest rates in June.** The reference rate will remain at 1.5%, lombard 2.5%, deposit 0.5%, and rediscount 1.75%. This is the lowest quoted level of interest rates.
- **BMW will invest in Poland.** Next year, the company will open a logistics center in Kostrzyn-Słubice SEZ. It is estimated that the company will employ about 300 people.
- **Record year in terms of car registration number.** So far, each month has been better than the analogous period in previous years. The score is undoubtedly influenced by the news about the likely new excise tax.

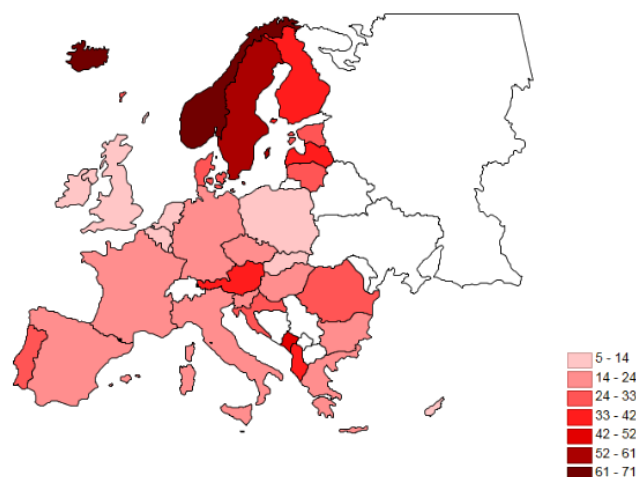
## Financial institutions

- **Decline in net financial results of banks.** From January to March 2017 it amounted to PLN 2.8 billion and decreased by 11.1% compared to the same period of the previous year. The value of loans to the non-financial sector amounted to PLN 1.015 billion (an increase of 4.8%), the value of deposits amounted to PLN 1.007 billion (up by 8%).
- **Agreement between Polish and the Chinese banking supervision.** It specifies the cooperation between the two institutions in the banking sector supervision. The current agreement is an update of the agreement signed in 2005. The main goal of the changes was to take into account the increased activity of Chinese banking institutions on the Polish market.
- **On Wednesday, PZU and Polish Development Fund from Italian UniCredit took over one third of Pekao SA's shares.** The value of the transaction is PLN 10.6 billion. PZU took over about 20% of the shares, and the Polish Development Fund - about 12.8%. Owing to this strategic investment, PZU has become the largest financial group in Poland and Central-Eastern Europe.

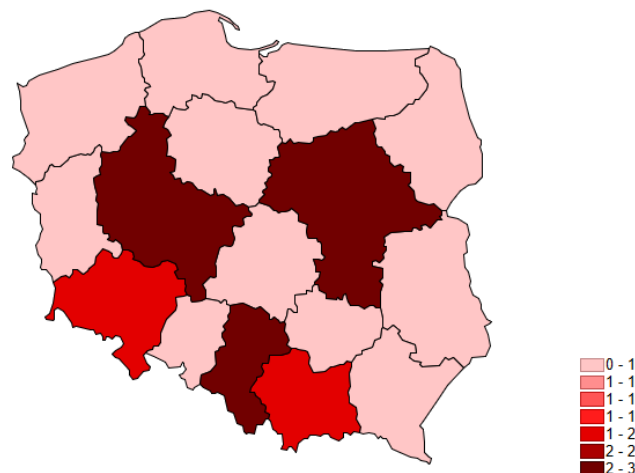
- **Fiscal Freedom Day 2017 was on 161st day of this year.**

## Economic maps

Share of renewable energy in gross final energy consumption in 2015 (%)



Funds for acquisition fixed assets used in environmental protection and water management (2015, PLN bn)



We wish you good luck  
on examination session!

## Financial Markets

■ **In Jaworzno will be the first factory of Daimler A.G. in Poland.** The factory, which is set to run until 2019, is to produce four-cylinder engines for the full range of model manufacturers. When the plant reaches full capacity by 2020, it will produce several hundred thousand engines per year. Approximately 500 people are expected to be employed, 20% of whom are university graduates and engineers. The cost of the investment is estimated at about 500 million Euros.

WIG20	+1.83	mWIG40	-0.22
<b>WINER OF THE WEEK</b>			
EUROCASH	<b>+3.42</b>	GRUPAAZOTY	<b>+3.70</b>
<b>LOSER OF THE WEEK</b>			
PGNIG	<b>-2.29</b>	CIECH	<b>-4.19</b>

■ **It is to be the largest of its kind in Poland.** It speaks of the largest hybrid battery powerhouse with a power of about 6 MW and a capacity of about 27 MWh. Energa, Hitachi and the Polish Power Grid will undertake this task. The purpose of the Joint Undertaking is to build a demonstration grid system that will allow for the proper management of a large number of wind farms and increase the country's energy security.

■ **The CCC shareholders decided to pay dividends.** It will be PLN 2.59 per share. The total amount to be allocated to dividends is PLN 101 434 760, which covers the entire net profit of the company generated in 2016 in the amount of PLN

58,483,445.46, increased by PLN 42,951,314.54, transferred from reserve capital. Number of shares of CCC S.A. Entitled to a dividend of PLN 39 164 000.

■ **DM BOŚ lowered the recommendation for Alior Bank.** However, despite the change from "buy" to "hold", the valuation was raised by 27% to PLN 73.4. The change in recommendation is explained by the fact that, according to DM BOŚ, the bank's share price potential has been exhausted, which approached its 12-month valuation in the current PLN 73.4 per share.

■ **Brent drops to \$ 48.24 per barrel due to increased inventories in the United States.** Investors ignored data on Qatar blockade by nearby states. The gold falls to \$ 1,770 an ounce. The US liquidates recent gold assets. Copper is rising to \$ 5,831 per ton due to supply disruptions of this metal, resulting from strikes in ore mines.

■ **The moderate decline of EUR was triggered by a statement from the ECB, which was released after the meeting this Thursday.** Statement concerned withdrawal from the prospect of further rate cuts as well as statement about a better assessment of the risk balance in the euro area economy was made. PLN ends the week with gains, which are attributed to improvement of attitude to risky markets after the election results in the UK. Indexes of the US stock exchange, which set new records on Friday, contribute to strengthening of USD.

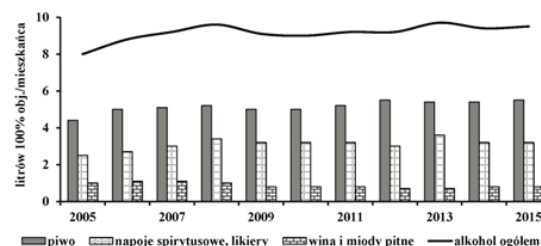
## Company of the week

**WISTIL SA** is involved in developing strategies for the development of his managed textile and ceramic companies. The company was founded in 1912 as a textile company, and today it brings together entities such as Lubiana Porcelain Tableware (which produces about 15,000 tons of porcelain annually sold in

43 countries worldwide), Polish Ceramics Factory "Ćmielów" and "Chodzież" (in the years 1790 and 1852 respectively), or the Firkin and Lace Factory (whose products are available in nearly 600 stores). The company entered the Warsaw Stock Exchange in March 1998 and its current value amounts to PLN 75 million.

## Alcohol drinks in Poland

In 2016, beer consumption was 99.4 liters per capita, that is 0.3% more than in 2015. Consumption of spirit drinks last year amounted to 3.3 liters of 100% alcohol per capita and compared with 2015 increased by 0.1 l. A slight increase is also expected in the consumption of wines and mead to approx. 6.4 l, which will foster the growing consumption of grape wines. A slight decrease in consumption can be expected for fruit wines and vermouths.



## Statistical data

Macroeconomic indicators	Date
GDP y/y	4% Q1 2017
CPI	2% 2017.03
Unemployment rate	8,% 2017.03
Average monthly salary	4 578 PLN 2017.03
Industrial production	11.1% 2017.03
NBP reference rate	1.5% 2016.02

FX exchange rates	1W Δ %
EUR/PLN	4.19 0.24
USD/PLN	3.74 0.54
CHF/PLN	3.86 0.78
EUR/USD	1.12 0.00

Rates (%)	1W Δ bps
WIBOR 3M	1.73 0.00
EURIBOR 3M	-0.33 0.00
LIBOR CHF 3M	-0.73 0.00

Stock markets (points)	1W Δ %
WIG	60 812 1.52
WIG 20	2 324 1.26
DAX	12 642 0.41
FTSE	7 500 0.70
DJI	21 012 1.69
SP500	2 402 1.63