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Economy

- IPiGA: GDP in 2017 will increase by 3.2% and unemployment will fall to 7.9%.** The Institute reports that the first quarter ended with an economic growth of 3.1% YoY. The Institute also predicts that inflation will reach 1.8% in 2017.
- Reduction of unemployment was greater than expected.** The unemployment rate in March was 8.1%, not 8.2%, as originally assumed. This is the lowest unemployment rate since August 1991.
- The goals for which the Poles spend their money borrowed.** 1/3 of Poles take a loan to repair the apartment. External financing is also used for unexpected expenses and car purchases. 10% of Poles borrow money to repay their earlier commitment.
- The ground frosts caused big losses in orchards.** The biggest losses brought cherries. Owners of orchards want help from the Ministry of Agriculture Last year was recorded record high cherries - 54 thousand. tone.
- ME plans to implement the Electromobility Act from 2018.** On Thursday, the assumptions of the law are introduced, thanks to which the development of this market is to take place in Poland. In Poland they are popular among others. Electric vehicles and alternative fuels.
- PAP: The apartment plus soon will firing on all cylinders.** The agency says that some developers may soon start investing in the program. The average rent for rent, excluding operating costs and the media, will be from PLN 10 to 20 per sq m. In the variant with the target buy-out of the apartment, the rate is about PLN 12-24 per sq m.

Financial institutions

- Poles better assess the activity of banks.** The survey results show that half of respondents rated banks well (up 2pps y / y), 42% have a neutral opinion, and 8% are critical (down 2pp y / y). The Polish Bank Association has also established that in the last few years the "gambling" of the Polish society has grown considerably.
- Idea Bank launched a new project - Idea Hub Express.** Within the framework of the project, selected train PKP Intercity will run the wagon, the first railway station on the tracks and the first traveling coworker. The wagon will drive from Warsaw to other cities, ie Poznan, Krakow and Wroclaw and back. The space in the train has been adapted for office work, it is equipped with a table, chairs, display screen and office equipment.

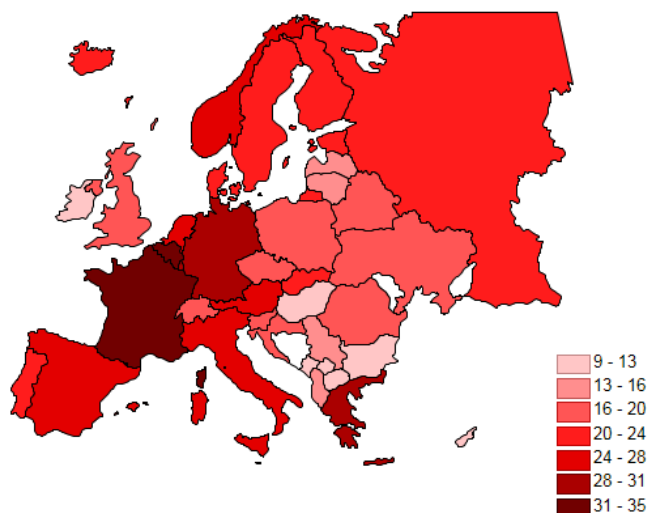
PKO BP is considering opening a representation in Asia.

The most likely place of business is Dubai. The final decision is to be made in the second half of 2017. The bank already has its branches in Prague and in Frankfurt am Main.

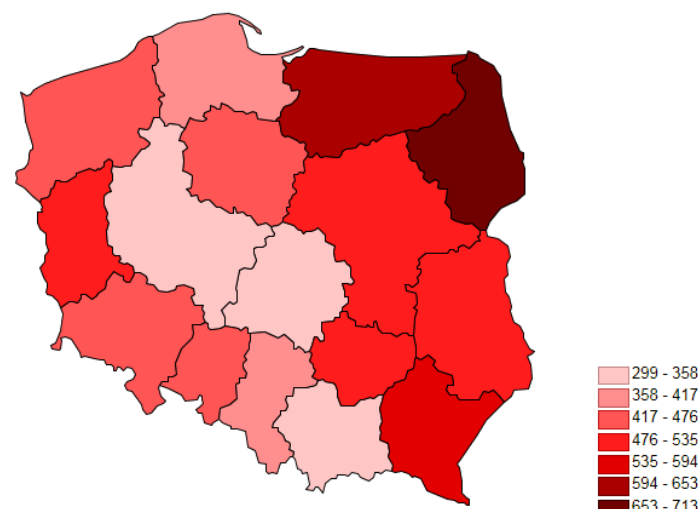
- The results mBank worst since 6 years. In January-March 2017.** The bank earned less than PLN 219 million (down 40% from the same period in 2016). This is the weakest result since 2010. The impact on this had a heavy burden on the BGF contribution and a high effective tax rate.

Economic maps

Rate of the corporate income tax (CIT) in 2016 (www.tradingeconomics.com)



Budget revenue per capita in 2015 (PLN)



Financial Markets

- Integer and inPost disappear from the stock market.** A successful call for all the shares announced by the CEO and AI Prime was a prerequisite to protect Integer from bankruptcy. In order for this to happen, subscriptions on the call must have included at least 60.01% of Integer shares. Purchase prices, at the end of the call period, amounted to PLN 49 and PLN 11 respectively for Integer and InPost.

WIG20		mWIG40	
WINER OF THE WEEK			
JSW	+6.39	KRUK	+3.45
LOSER OF THE WEEK			
BZWBK	-2.70	POLIMEXMS	-2.98

- Production of the new VW e-Crafter in Poland.** Volkswagen plans to produce an electric car in September. Currently the vehicle is being developed and developed in Hannover, however, in subsequent phases of the project, its production is to be moved to Września, near Poznan.
- Lajkonik Snack will invest over PLN 34 million.** This money will be used to expand the production plant in Skawina in the Cracow SEZ. New production hall and warehouse will be built. The company also committed to employing at least 30 new employees.

- Sivantos hearing aid manufacturer moves production to Poznan.** The capital of Wielkopolska will go through the whole European production of these devices. Currently, about 320 people are employed at the European Center for Production and Distribution (EMDC) in Poznan. Relocation of production will increase employment by about 40 people.
- Strengthening the PLN and euro, depreciation of the dollar.** The increase in PLN was mainly attributable to the results of the first round of presidential elections in France, which for the markets were favorable. The euro strengthened as a result of preliminary eurozone inflation readings in April, which were higher than expected. The weakening of the dollar resulted in poor performance of durable goods orders combined with the prospect of tax cuts in the US economy.
- Brent remains at \$ 52.5 a barrel.** Crude stocks fell last week by 3.64m bbl, or 0.7%, to 528.7m bbl. If OPEC prolongs the agreement for a smaller supply of oil for a further 6 months, fuel prices may rise. Copper is up to \$ 5,714 per tonne because workers in the Indonesian copper mine Grasberg plan to start a protest in May. Gold falls to \$ 1 267 an ounce, due to Emmanuel Macron's win in the first round of the election, which caused a drop in risk aversion.

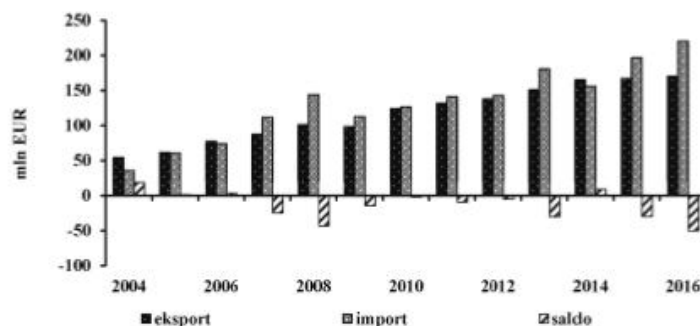
Company of the week

DELKO SA deals with the distribution of household chemicals, cosmetics and personal hygiene articles. It was established in 1995, and its founders were the owners of several wholesale chemicals and cosmetics from all over Poland. Its main objectives are to strengthen its leading position in the market,

expand the range of its own brand products and develop its sales network. For his activities Delko has been awarded with prizes such as "Business Gazelles" up to six times. The Company entered the Warsaw Stock Exchange in December 2009 and its current value amounts to PLN 64 million.

Polish international trade in spirit drinks 2004-2016

Compared to 2016, the import of spirits increased by as much as 21% to 13.2 million l. The average price of imported spirits was EUR 8.94 / l and was 6% lower than last year. The most frequently imported vodka originated from Finland (43%, EUR 6.5 / l), Lithuania (26%, EUR 4.7 / l) and Sweden (14%, EUR 5.7 / l). Exports of spirits sales in 2016 decreased by 4% compared to 2015. Its value amounted to EUR 113.7 million. The average export price was EUR 8.9 / l and was 4% higher than last year.



Statistical data

Macroeconomic indicators		Date
GDP y/y	2.7%	Q3 2016
CPI	2%	2017.03
Unemployment rate	8.0%	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	4.23	-0.99
USD/PLN	3.88	-2.75
CHF/PLN	3.90	-2.51
EUR/USD	1.09	1.80

Rates (%)		1W Δ bps
WIBOR 3M	1.73	0.00
EURIBOR 3M	-0.33	0.00
LIBOR CHF 3M	-0.73	-0.60

Stock markets (points)		1W Δ %
WIG	61 645	3.98
WIG 20	2 377	4.98
DAX	12 438	3.23
FTSE	7 145	1.06
DJI	20 941	1.91
SP500	2 381	1.35