

Economy

■ The median wage in Poland is about 2500 PLN net.

According to the CSO report, the median remuneration amounted to PLN 3511 gross. The report describes the situation for October 2016, so it does not include the last year.

■ **DoH plans to ban beer advertisement between 6 and 23.** According to the ministry, it will not affect the revenues of television broadcasters, and other adverts will be played between 20-23.

■ **PKP expects 300 million passengers this year.** It would be the best result for 10 years. During the first half of the year PKP's services were used by more than 150 million passengers, so the result seems to be realistic.

■ **Probable decrease in fuel prices by the end of November.** This week the lowest prices were observed in the Lower Silesia. E-petrol experts see the importance of Thursday meeting of OPEC cartel representatives, which will be important in shaping future fuel prices.

■ **Local governments will be able to limit nightly alcohol sales in stores.** This is due to the adoption by the Sejm of an amendment to the Act on limiting the sale of alcohol. 246 deputies voted for the amendment of the law.

■ **Trade ban on Sunday will take place from March 2018.** At first trade will be possible on the first and last Sunday of the month, from 2019 the last one, and from 2020 there will be a total ban on trade on Sunday.

■ **CSO: unemployment rate in October the lowest in 26 years.** It is amounted to 6.8% (in September it was 6.6%). This is the lowest October result since 1990.

■ **October with a big increase in retail sales.** What the job is an increase slightly lower than the expectations of economists, but the difference is small. Growth was 8 percent. in annual terms.

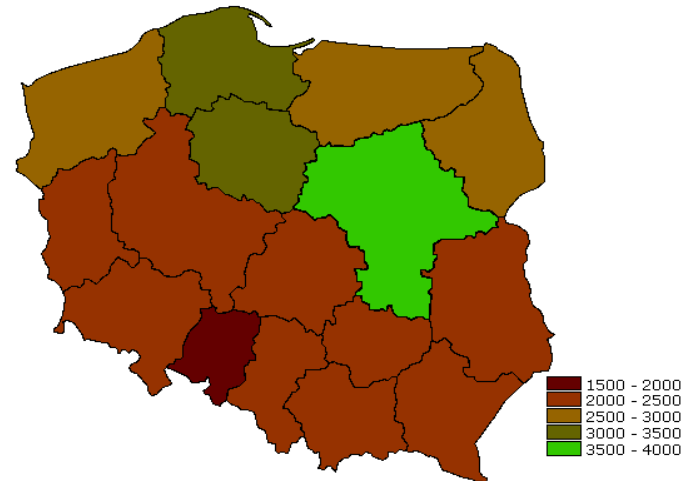
Financial institutions

■ **The NBP does not support cryptocurrencies.** This is due to the fact that it is responsible for the value of Polish money, and these are not. Cryptocurrencies are a phenomenon that develops very dynamically. Poles already have about 300 million PLN.

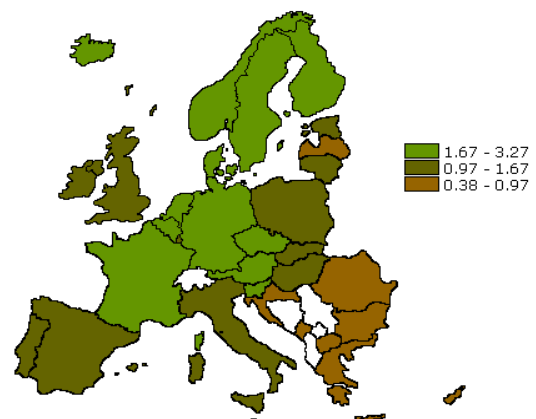
■ **BNP Paribas is cut off the tobacco industry.** The bank is not going to invest in companies in this industry as well as their finances. The cause is the very high impact of the industry on the number of deaths.

Economic maps

Public investment per capita in 2015 (zlotys)



Research and development expenditure (% of GDP)



Financial Markets

■ **CD Projekt-computer game producer-below expectations.** In the third quarter of 2017 revenues amounted to PLN 84.9 million (-15.8% y/y), EBITDA of PLN 44.5 million (-3.3 y/y), and net profit of PLN 35.7 million (-2.5% y/y). The results were lower than the market consensus, which led to a 5% fall in stock prices.

■ **Investments of the chemical producer-Ciech.** The company plans to begin construction of a new brewing plant in Germany. Production capacity is 450 tons of salt per year. Construction of the plant is expected to last up to 3 years and costs about EUR 100 million.

- **Electricity Producer-Enea publishes data.** In the third quarter, revenues amounted to PLN 2.8 billion (+ 4.7% y / y), operating profit of PLN 288.2 million, and EBITDA of PLN 588.3 million (-5.3% y / y). These data confirmed the company's initial estimates, which led to a 3.2% rise in stock prices.
- **Good AmRest holding data.** In Poland, it serves many fast food chains (eg KFC, Burger King). Results for the third quarter: revenues of PLN 1.36 billion (+ 17.1% y / y), net profit of PLN 85.3 million (+ 36.4% y / y) and EBITDA of PLN 200 million (+24.5 / y).
- **The court declared bankrupt and sold Alma Market. The sale price is PLN 94 million.** They have failed to save the company. The company's liabilities amount to PLN 227 million, which means that the shareholders are unlikely to recover anything, because in bankruptcy the company's assets are used primarily to pay off debts, and only afterwards it reaches the shareholders.

- **Oil is rising.** The New York Mercantile Exchange is up 0.35 percent to \$ 63.64 a barrel as a result of a leaking Keystone oil refinery in South Dakota. This reduced the November delivery of oil from Canada to the US by operator TransCanada Corp by 85%.
- **Copper prices are rising.** At the London Metal Exchange at the end of the week increased by 0.56% to \$ 7,010.75 per ton. Armed operations in Indonesia can contribute to the rise of copper prices on global metal exchanges.
- **Gold ounces rise by 0.9% to \$ 292.18.** This is due to a weaker dollar and a deeper vision of the normalization of US monetary policy.
- **The strengthening of the zloty and the euro, the dollar is still weak.** The zloty strengthens because of good data from the Polish economy and the external environment (favorable reading of the euro area PMIs). Despite the favorable environment, the risk of rebounding the upward trend against the euro is rising.

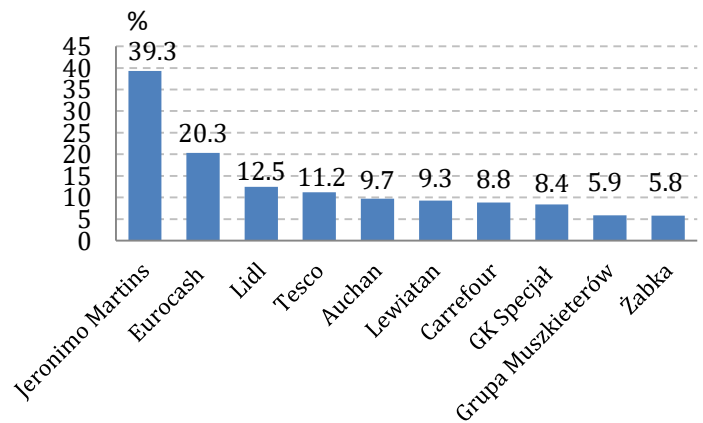
Company of the week

City Service SE - is a holding company which manages one of the largest corporate groups engaged in facility management and integrated utility services in Europe. The Group companies engage in facility management process administration, engineering systems maintenance and repairs, energy resources management and renovation, buildings' technical and energetic auditing, territory maintenance and cleaning and provides security services. At present the Group companies perform their activities in

Lithuania, Poland, Russia, Spain and Latvia. In 2016 the company achieved more than EUR 181mn of revenue, including EUR 6mn of net profit. The operating profitability of assets in 2016 equals 3.88%, while the profitability of the core business is 2%. The company is among one of the most growing companies listed on Warsaw Stock Exchange. The current (Nov. 24, 2017) share price is PLN 11.30 and the indexes: the price/profit (P/E) is 57.53, the price/sales (P/S) 0.48, the price to book value (P/BV) 1.21.

Retail market in Poland in 2016

▪ The retail market in Poland remains fragmented. The dominant retail chains are: Toupco, Lidl, Carrefour and Auchan/Real. They constitute up 25% of the merchandise trade. According to PMR, discount stores take the largest market share of 27%, small shops 22.8%, supermarkets 19.4%, hypermarkets 15.6% and grocery and convenience stores 13.5% (they grow really quickly). The online sale dynamically grows what significantly influences the development of retail chains.



Statistical data

Macroeconomic indicators		Date	Rates (%)		1W Δ bps	Markets (points)		1W Δ %
GDP y/y	4.7%	Q3 2017	WIBOR 3M	1.73	0.00	WIG	63 888	-0.50
CPI	2.1%	2017.10	EURIBOR 3M	-0.33	0.00	WIG 20	2 479	-0.99
Unemployment rate	6.6%	2017.10	LIBOR CHF 3M	-0.73	0.00	DAX	13 061	0.40
Average monthly salary	4 574 PLN	2017.10	EUR/PLN	4.21	0.15	FTSE	7 413	0.09
Industrial production	12.3%	2017.10	USD/PLN	3.53	-0.56	DJI	23 580	0.23
NBP reference rate	1.5%	Since 03.2015	CHF/PLN	3.60	-0.44	SP500	2 603	0.23
			EUR/USD	1.19	0.76			