

## Economy

- **IERiGŻ: About 2.2 percent less beer produced in Poland in 2017.** The total production will amount to 40.5 million hl. In 2016, revenues from excise tax on alcoholic beverages constituted 17.6 percent of full income from this tax to the state budget.
- **PZM and KPMG: Probable stabilization on the automotive market in 2018.** This situation is expected by 58 percent producers and 55 percent distributors. In the previous study, the first group was 10 percent bigger and the second one by 1 percent smaller.
- **A record high price for Wyspiański's painting.** It was sold for PLN 4.366 million, which made it the most expensive Polish painting. The previous highest result was Matejko's "Zabicie Wapowskiego", for which PLN 3.7 million was paid.
- **At least 5 oil loads from the USA will arrive in 2018 to Gdańsk.** The contract was signed by Lotos. This is the first oil term agreement in the history of Poland.
- **Polish GDP in 2016 accounted for 68 percent EU average.** This is the best indicator in history, but unmounted in relation to 2015. Eurostat notes that individual consumption per capita is a much better indicator.
- **POLREGIO introduces the most modern trains in Poland.** With the introduction of the new schedule, the rolling stock exchange started, mostly provided by Nowag company from Nowy Sącz.
- **Over 15 years, up to PLN 40 billion subsidies for renewable energy sources.** On December 12, the European Commission approved the Polish subsidy mechanism. Investors will seek funds for special auctions.

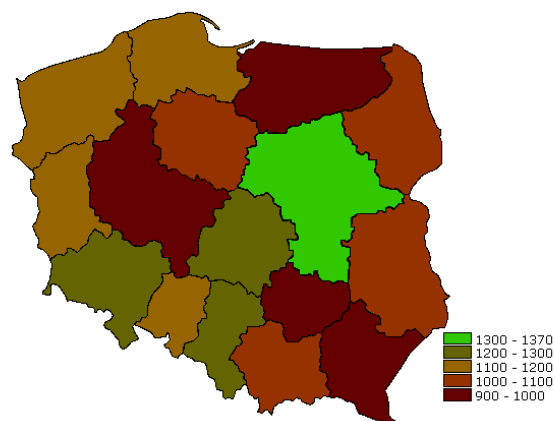
## Financial institutions

- **Raiffeisen Polbank opens to the Ukrainians.** In the bank, the citizens of Ukraine will be able to count on the return of the fee for one in the month a foreign transfer in PLN to a bank account from Ukraine.
- **Banks are better prepared to protect personal data.** The new EU regulation on the regulation of this aspect will be in force in May. 57 percent representatives of the financial sector in Poland assess the state of preparation as good, and 17 percent as very good.
- **BZ WBK acquires part of Deutsche Bank Poland.** BZ WBK Bank signed a contract to take over a separated part of Deutsche Bank's assets for PLN 1.29 billion. The package will include retail banking, corporate banking and the DB Securites brokerage house, i.e. PLN 18.2bn gross loans, PLN 10.4bn deposits and PLN 6.3bn assets. The payment for the transaction

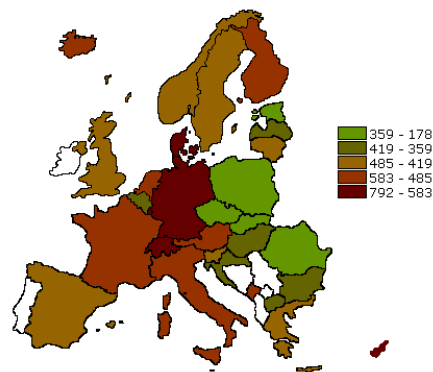
is PLN 1.3bn and will be made in 20% cash and in 80% of the newly issued shares of Bank WBK.

## Economic maps

Average monthly expenditures per capita in 2016 (in zlotwys)



Waste generation per capita in 2016 (kg)



## Financial Markets

- **Orlen announces the acquisition of Unipetrol shares.** PKN Orlen has begun the procedure of calling for the acquisition of shares in the Czech fuel company Unipetrol. At present, Orlen holds 63% of shares, and after purchasing it wants to increase to 90%. In the tender offer, Orlen offers a price of CZK 380. The cost of taking over 90% of shares may amount about PLN 3.05bn.
- **A company from the PGNiG group with a request to take over the Norwegian resources.** AkerBP - a subsidiary of PGNiG submitted an application to plan the commencement of the investment on two Norwegian fields - Aerfugl and Skogul. The estimated resources of these deposits amount to over 200 million m<sup>3</sup> of natural gas and almost 9 million barrels of oil. If approved by the Norwegian Government, operational work may commence at the beginning of 2019.

- **Lotos buys American oil. Grupa Lotos has signed a futures contract for the supply of crude oil from the USA.** In 2018, Americans will provide at least 5 oil loads. The contract is intended to diversify oil supplies to Grupa Lotos refineries and optimize production costs.
- **Amica wants to enter the Spanish market.** Amica has submitted an offer to buy a bankrupt Edesa Industrial, a Spanish company dealing in the sale of household appliances under the Fagor brand. The transaction amounts to EUR 5mn and the offer is valid until February 28, 2018. This transaction will allow Amica to enter the markets of Spain and Portugal and increase its share in the household appliances market, among others in Germany and Ukraine.
- **The price of crude oil on the US stock exchange reached the value of USD 63.38 per barrel, which in the**

**perspective of the weekend means a 0.4% discount.** Experts believe that balancing the fuel market may lead to the end of 2018, due to the growing growth of this fuel in the USA.

- **The price of copper take-out in the company was USD 6,877.50 per ton.** On Thursday, copper gained \$ 64 due to the published PMI-e macro points of the United States of America and North America.

- **Zloty and the euro remain stable, weakening the dollar. This week for the zloty can be summed up as maintaining a slight supply pressure.** The meeting of the two central banks (the Fed and the ECB) did not affect the zloty exchange rate. The dollar's exchange rate weakened to the basket of currencies due to the Fed's decision, but according to the experts, the coming months may bring its strengthening.

## Company of the week

**Synthos S.A.** - is a producer of chemical raw materials in Poland. The company's own products are chemicals used in pharmacy, construction and the food industry. The company achieved the first place in the production industry of emulsion rubbers (used for i.a. for the production of tires) and also the title of one of the world's largest producers of EPS (expandable polystyrene), which strengthened the position of the Synthos SA Capital Group on the European market.

In May 2017, the company became one of the winners of the "Investor without borders" awards, for an important and bold acquisition in European chemistry, which took place last year. Synthos S.A. has seven production plants, two of which are

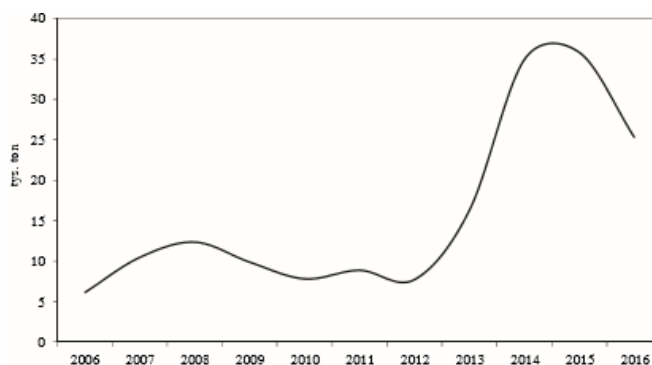
located in France, one in the Netherlands and the rest in Poland and the Czech Republic.

The last acquisition of Synthos, carried out in 2016, concerned the purchase of IneosStyrenics from the Ineos group, which specializes in the production of EPS for the construction and packaging industries. Currently it belongs to the top 30 companies included in the WIG30 Index.

In 2016 Synthos achieved: sales 1 436 mln zł, profit from operating activities 145 mln zł and net profit 67 mln zł. The ratios: the return of assets ROA 5,34%, the return of equity ROE 11,1%, price/ earnings 15,90, price/ book value 4,14.

## Tobacco production for smoking in Poland in 2006-2016

- In 2016, tobacco production was lower by 29% compared to last year and amounted to 25.8 thousand. tone. but it is 4 times higher than in 2006. Smoking tobacco is covered by a lower excise duty, which is why its popularity among smokers is growing Poland for two decades is a net importer of raw tobacco and a net exporter of ready-made tobacco products.



Source: TOBACCO PRODUCT MARKET state and perspectives

## Statistical data

Macroeconomic indicators			Rates (%)			Markets (points)		
		Date			1W Δ bps			1W Δ %
GDP y/y	4,9%	Q3 2017	WIBOR 3M	1,72	+0,01	WIG	62 430	-0,47
CPI	2,5%	2017.11	EURIBOR 3M	-0,331	-0,002	WIG 20	2 409	-0,73
Unemployment rate	6,6%	2017.10	LIBOR CHF 3M	-0,759	-0,0008	DAX	13 099	0,22
Average monthly salary	4 574 zł	2017.10	EUR/PLN	4,21	-0,28	FTSE	7 487	0,49
Industrial production	12,3%	2017.10	USD/PLN	3,58	-0,23	DJI	24 655	0,60
NBP reference rate	1,5%	Since 03.2015	CHF/PLN	3,61	-0,40	SP500	2 673	0,79
			EUR/USD	1,18	0,03			