

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)

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Economy

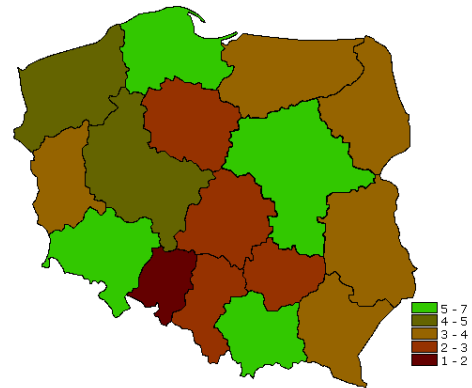
- **Orlen now has an option to charge a car.** At the beginning, the company will provide 23 loaders. The first points will be opened before the end of the year, and the devices will have 50 and 100 kW.
- **Food producers with large debts.** Their sum already exceeds PLN 375 million. The annual turnover of companies from the food industry is about PLN 200 billion.
- **December inflation was 2.1 percent yoy.** Food has gone up by 6 percent. In November, this indicator was 2.5 percent. However, a drop in fuel prices was observed.
- **High coal prices.** One of the reasons for this phenomenon is the growing fight against air pollution, which is supposed to lead to more frequent use of more ecological fuel. Prices on coal warehouses have increased by 15-20 percent.
- **There are more and more money embolism despite the development of the economy.** Over 50 percent enterprises experienced problems with more than two months of late payments in the last six months.
- **LOT has filed a complaint to the Modlin airport.** The case concerns the alleged abuse of a dominant position and the creation of conditions under which Ryanair is in a privileged position.
- **Almost 520,000 firefighters interventions in 2017.** That is 16 percent more intervention than last year. Rises for all firefighters are planned for 2018 and 2019.

Financial institutions

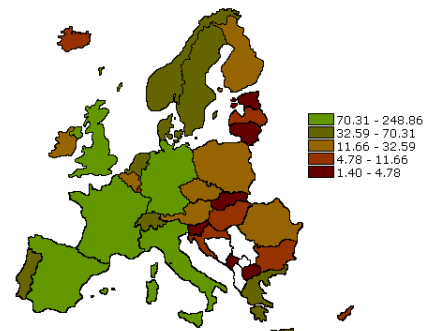
- **PKO BP with an online cantor.** It enables currency exchange in real time. All iPKO users can get access to the exchange office, however, in order to make the transaction, you must have foreign currency accounts.
- **ING tests chargers and electric cars.** At the moment, the bank has 4 Nissan Leaf cars. A new bank was also announced: ING Bank Hipoteczny.
- **It will be more difficult for the bank to sue the debtor.** It will not be possible, as before, to sue the bank only on the basis of documentation from bank accounts. MS is of the opinion that the current solution may lead to fraud.
- **74 percent Poles consider electronic banking as dangerous.** The results of the tests were provided by the Edelman Trust Barometer. Almost half of Poles do not trust banking institutions. Apart from safety, the high quality of service and transparency of the offer play a significant role for Poles.

Economic maps

Dwellings completed in 2016 per 1000 population



Air transport of passengers in 2016 (mln persons)



Financial Markets

- **Tauron with a contract for coal from PGG.** The energy company Tauron signed a contract for the purchase of steam coal for the years 2018-2021 with the Polska Grupa Górnicza. The contract value is PLN 2.15 billion net. Coal prices included in the contract have been fixed only for 2018 - in subsequent years the contract will be indexed by current market prices of coal.
- **Lotos wins two SAs on S8.** The tender concerns the lease of two Service Areas located at S8 on the section Sieradz - Oleśnica. The ILOs are to be opened at the turn of 2019 and 2020. In total, in the years 2018-2020 Lotos plans to open six new SA type fuel stations.
- **Kernel notices drops in sales.** The company recorded a drop in grain sales by 22.9% year-on-year in the second quarter of the financial year 2017/2018. In other sales segments, the company also recorded declines: sales of sunflower oil in bulk decreased by 22.3% y / y, and bottled oil by 25.5% y / y. Only the sale of sunflower meal increased by 0.2% y/y.

- **New gas deposits discovered by PGNiG.** The first boreholes in the districts of: Dębicki and Ropczyce-Sędziszów (Podkarpackie Province) showed the existence of natural gas deposits. After connecting the mining infrastructure, the flow from the first well will be 68 thousand m3 per day, and from the second - 22 thousand m3 per day.
- **It has not been able to maintain the highest level in 3 years and the price of oil on the New York's fuel market is falling.** Analysts expect a fall in US oil reserves of 2.9 million barrels. This week, we could see an increase in copper prices at the London metal stock exchange due to the increase in forecasts of metal prices in 2018.

- **Zloty is stable, the euro appreciates.** Zloty remains stable this week without reacting to Friday's CSO data on production and retail sales in December. In the middle of the week, the euro with the dollar weakened as a result of news about problems that are associated with the formation of a coalition in Germany. In the second half, the euro gained in value.
- **The current dollar exchange rate does not encourage investors to this currency.** Data from the US and the Fed's bankers' statements did not improve this situation. In addition, the uncertainty around the dollar has built the risk of so-called "Government shutdown".

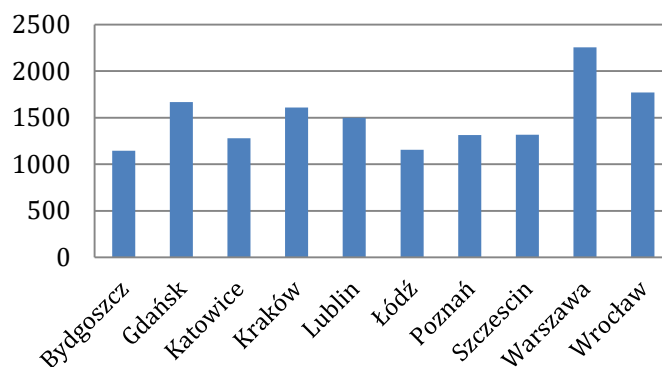
Company of the week

Play Communications (Play) a domestic operator of a mobile telephony network offering a wide range of telecommunications services: voice services, data transmission services, text messages, video services, as well as value-added services and sales of mobile phones and other devices. The company has been operating on the Polish market since 2007 and in one year it has gained one million, and in the next two 3.5 million customers. In 2017 Play became the second largest mobile operator in terms of the number of customers. Currently, the company focuses on expanding its own network to become independent from other operators. In 2017, it planned to allocate approximately PLN 700 million for investments, and

approximately PLN 600 million per year for 2018-2020, i.e. about 8% above the average level of annual operating revenues. Play has been listed on the Warsaw Stock Exchange since 2017 and is included in the mWIG40 index. Currently (Jan. 19, 2018) the main shareholders of the company are: Tollerton Investments Ltd. and Telco Holdings SA. The price of the shares is PLN 33.52. In 2016, the company generated over 6 million euros in sales revenue and almost 1 million euros in gross profit. The financial ratios for 2016 are: ROA 8.14%, ROE 53.03%, price/earnings (P/E) 21.70, price/book value (P/BV) 1.25, price/sales (P/S) 1.31.

The average price of flat rental, November 2017

- The cheapest apartments with a size of 38 meters in November could be rented in Bydgoszcz and you had to pay for them an average of PLN 1144 per month and in Łódź PLN 1156. The most expensive apartments can be found in Wrocław and their average price is 1770 PLN and in Warsaw 2254 PLN. A slight increase in house prices has been observed for several months. In Warsaw, an increase of PLN 70 per month was noted, and in Poznań PLN 75 per month. In Gdańsk, the average rental price has fallen by PLN 55.



Source: Own elaboration based on data from: www.bankier.pl.

Statistical data

Macroeconomic indicators	Date
GDP y/y	4,9% Q3 2017
CPI	2,1% 2017.12
Unemployment rate	6,6% 2017.10
Average monthly salary	4 443 zł 2018
Industrial production	2,70% 2017.12
NBP reference rate	1,5% Since 2015.03

Rates (%)	1W Δ bps
WIBOR 3M	1,72 0,00
EURIBOR 3M	-0,33 0,00
LIBOR CHF 3M	-0,74 0,00
EUR/PLN	4,17 0,16
USD/PLN	3,41 0,41
CHF/PLN	3,55 0,10
EUR/USD	1,22 -0,11

Markets (points)	1W Δ %
WIG	66 858 0,22
WIG 20	2 601 0,41
DAX	13 415 1,01
FTSE	7 719 0,24
DJI	25 972 -0,17
SP500	2 800 0,09