

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)

ENGLISH EDITION: Bartosz Golnik

Economy

- **Driving licenses without address are possible.** The Ministry of Infrastructure will consider this type of solution. A similar idea was used in new identity cards. Currently, the exchange of driving licenses costs PLN 100.50.
- **UKE agrees to roaming subsidies.** 12 operators submitted their applications in the previous year, including Plus, Play and Orange. The operators were not satisfied with the fact that the "Roam Like At Home" principle works.
- **Changes in bailiff's fees.** MEPs adopted a total of 48 amendments, mainly editorial and legislative ones. They are to enter into force in July.
- **The new section of Zakopianka is probably not going to be delivered on time.** The contractor is Salini Impregilo from Italy. One of the main difficulties is the construction of the power grid.
- **MP plans to expand the definition of the unemployed.** An unemployed farmer will be able to register, for example, a farmer holding a farm up to 5 ha. Persons registered as unemployed can count on assistance from the Labor Fund.
- **PLN 550 per border of extreme poverty in Poland for a single-person household.** The range of the phenomenon is regularly decreasing. In the case of a four-person household, it is PLN 1,486.
- **18 percent less-produced Opel in Gliwice compared to 2016.** However, it was a record-breaking one, and according to the representatives, the reduction results from the market demand. In 2017, more than 165 thousand units were produced in the Gliwice factory. cars.
- **People with a loan from the so-called old wallet will get help.** Assistance is to be directed to both citizens and housing cooperatives and will relate to partial amortizations.

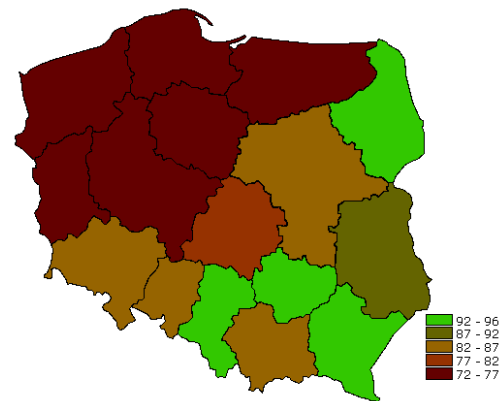
Financial institutions

- **Pekao S.A. active in Davos.** The bank's activities concerned, among others promotion of the Polish economy. For example, a Polish discussion panel was organized. Representatives of the bank also met with Andrzej Duda.
- **Banks with high loans for housing.** A family of three with income of 6,500 net amount can count on about 521 thousand. PLN 25 for 25 years.
- **PKO BP allows the company to be set up electronically.** The completion of the formalities is ultimately to take several

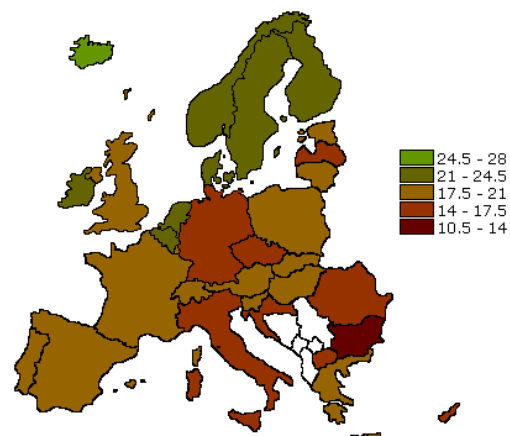
minutes, and the Trusted Profile is required to complete the formalities.

Economic maps

Nurses and midwives per 10 000 population in 2016



Percentage of pupils and student in all society in 2012



Financial Markets

- **Orlen presents quarterly results.** Orlen presented the company's results for the fourth quarter of 2017. The company's fourth quarter revenues amounted to PLN 24.734 billion (+ 8% y / y). EBITDA amounted to PLN 2.65 billion (- 16.70% y / y), while the net profit amounted to PLN 1.52 billion (-11.1% y / y). Despite slight deviations from analysts' forecasts, on the day the quarterly results were announced, the price of the fuel company's shares was overestimated by 1.17%.
 - **New Strategy of the Ciach Company.** The Ciech company informed in a press release about the new strategy for 2018. The company announces the extension of the offer

of plant protection products with 6 new products. In addition, it plans to expand its international operations - in 2018-2021, it plans to register more than 20 products in the Central and Southern Europe zone and expand the range of active substances from 2 held in 2017 to 10 types in 2020.

- **New sectors of the Energa Group.** The Energa Group announces active action in new market segments: in the segment of electro-mobility and street lighting. The power company announces, among others, the extension of the electric vehicle charging point network on the coast with 10 stations currently owned by up to 50 in 2020. Energa also announces cooperation with local governments regarding the assembly of chargers for public transport.

- **Grupa Azoty with an investment loan.** Grupa Azoty has signed a 10-year investment loan agreement for the amount of EUR 145 million. The company intends to allocate the funds raised for the modernization of production centers and for the construction of, inter alia, nitric acid installations and plastic

compounding plants. The repayment of the financing will begin 3 years after the start of financing.

- **Stocks in the continuous state are counted from the lowest to the lowest.** The American company WTI has reached the level of over USD 66 per barrel, while the European Brent oil has reached the price of USD 70, which is the highest price since November 2014. Copper stocks that are monitored in a solid state. 8.3 percent and amounted to 299 600 tonnes, which is a shade. Due to the depreciation of the dollar, gold prices have reached the maximum in September. In euro, francs or gold metal ten months cheaper than 9 months ago.

- **The zloty was following global sentiment, which did not significantly affect the Polish currency.** The American currency is losing its value even though the Fed has decided to enter the path of hikes. In addition, say the secretary of the treasury, which states the natural weakness of the currency for a good situation has not been helpful for the dollar. The euro remains stable after the meeting of the European Central Bank and the Mario Draghi conference.

Company of the week

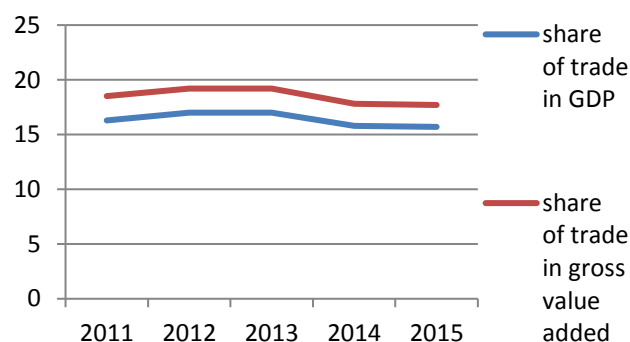
Wittchen - a company from Łomianki dealing in the sale of textiles, clothing, fur products, leather goods and footwear. Wittchen was founded in 1990 and is still managed by its creator - Jędrzej Wittchen. The company's operations are conducted in over 100 stores located in Poland, Russia, Ukraine and Belarus, and through an online store. Collections available in individual countries differ in patterns dedicated to specific markets. In 2015, the company had approximately 321 employees. According to the KPMG report, Wittchen is mentioned as one of the most

recognizable brands in the segment of luxury brands in Poland. A significant shareholder of the company is SIMEI Investments Ltd, which has over 13 million shares. The company made its debut on the Warsaw Stock Exchange in 2015, and currently (January 26, 2018) the price of the shares is 22.20 zł. In 2016, the company generated 170 million zł in sales revenue, including a gross profit of 24.9 million zł. Indicators: ROA 9.73%, ROE 16.01%, price / book value (P/BV) 3.99, price / earnings (P/E) 24.30.

The share of trade in generating GDP and value added

In 2015, the share of trade in generating GDP amounted to 15.7% and there was a drop from 15.7%. The highest level noted 17% in 2012 - 2013. The share of gross value added is 17.7% in 2015, and it was a decrease by 0.01. The highest level was recorded in 2012-2013 and amounted to 19.2%.

The development of the trade sector is supported by the increase in the incomes of the population (the effect of a very good situation on the labor market) and deflation lasting until November 2016 (additionally increasing the purchasing power of the population).



Source : Raport HANDEL DETALICZNY I HURTOWY W POLSCE

Statistical data

Macroeconomic indicators	Date
GDP y/y	4,9% Q3 2017
CPI	2,1% 2017.12
Unemployment rate	6,6% 2017.10
Salary av. enterprises	4 973 zł 2017.12
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	-0,328 0,00
LIBOR CHF 3M	-0,7356 0,00
EUR/PLN	4,13 -0,21
USD/PLN	3,33 -0,53
CHF/PLN	3,56 -0,45
EUR/USD	1,24 0,34

Markets (points)	1W Δ %
WIG	65 861 0,45
WIG 20	2 600 0,43
DAX	13 336 0,28
FTSE	7 667 0,68
DJI	26 481 0,34
SP500	2 853 0,52