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Economy

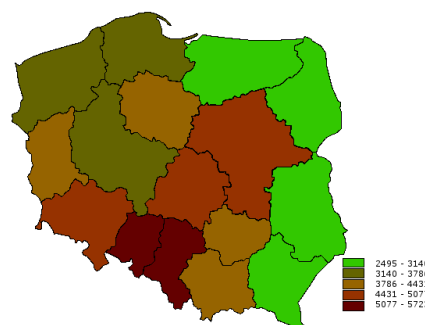
- There are relatively cheap, short loans on market in the first three quarters of 2017. 30 percent increase were recorded in consumer loans in relation to the same period in 2017.
- MF wants to tax the digital economy. Thus, it will try to take into account the recommendations of the UE. A team was set up that is probing the taxation possibilities of this zone.
- The unemployment rate in January was 6.9 percent. This is the second month of growth in a row. The largest unemployment is in the province Warmia and Mazury (12.2%). In Warsaw alone, unemployment is only 2.9 percent.
- Emirates is planning flights to Warsaw by Airbus A380. It is the largest plane in the world. Currently, the company already has over 100 such machines, which makes it their largest user. In addition, the company signed a contract with Airbus to provide another 36 machines of this type.
- The Ministry of Finance is planning new information obligations for companies trading in cryptocurrencies. The regulations are to meet the requirements imposed by the EU. Companies that offer investments in cryptocurrencies are to be seen by UOKiK.
- UOKiK will deal with the issue of prohibiting the shooting of prices in stores. Clients started filing complaints that the shops prohibit price and bar code shooting. This may be considered an unlawful market practice.
- Prices according to HICP in Poland increased in January by 1.6 percent yoy. A month earlier it was 1.7%. The CPI index calculated by the Central Statistical Office amounted to 1.9 percent. yoy.
- 1.7 thousand reports on irregularities in benefits in 2017 reported in the NFZ. Until now, 1.3 thousand have been verified, of which half were considered positive. These relate to services that patients do not believe have been paid for.

Financial institutions

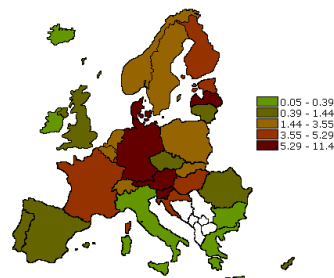
- PLN 6.35 billion of loans granted by banks and credit unions in January. The total number of loans is 548 thousand. In numerical terms, this is 8.4 percent growth, and 15.8 percent in value compared to January last year.
- Credit provisions lower Idea Bank's result for Q3 2017. The bank decided to write down PLN 34.3 million. The quotations of Idea Bank in recent months do not impress, the rate dropped by over 16% for one month.

Economic maps

Consumption of electricity per capita in 2016 (kWh)



Death due to alcoholic abuse per 100 000 inhabitants in 2016



Financial Markets

- Orlen with a quota delivery contract. PKN Orlen signed a contract for supplying fuel for the contingent of the US Army, which is stationed in bases in Żagań, Toruń, Bemowo Pisz and Świątoszów. Orlen is to supply aviation fuel F34, diesel oil ON and its winter version SHE 2.
- Decrease in coal and derivative production in JSW. In 4Q 2017, total coal production amounted to 3.57 million tonnes (down 16.4% y / y), of which coking coal production was 2.57 million tonnes (-14.6% y / y). Total coal sales amounted to 3.57 million tons (-15.8% y / y).
- PZU and AGH establish cooperation. PZU and Akademia Górniczo-Hutnicza signed a letter of intent regarding long-term cooperation. Its goal is to create innovative solutions and projects in the field of telematics. The first project is to create active safety systems based on an individual driver model.
- KGHM's business plans for 2018. The main problem of the company with which it intends to deal with is to improve the situation of the Chilean mine Sierra Gorda. The improvement is to take place thanks to cooperation with the co-owner of the mine - Sumitomo. It is expected that the extraction of the Sierra

Gorda mine is to increase from 110,000 tons of ore in 2017 to 140 thousand in 2019.

- **In the US, crude oil is priced unchanged, while the price of this commodity is approaching the limit of \$ 63 per barrel.** Oil stocks and production are falling, while exports are rising. In deliveries for April, the West Texas Intermediate barrel on the New York Stock Exchange reached \$ 62.74 (down by 3 cents). In turn, Brent on the London fuel exchange in delivery in April reached the value of 66.31 USD per barrel (a decrease by 8 cents).

- **Copper prices on the London metal exchange are falling.** Investors' attention is focused on the demand for these

metals in China, as the New Year's break lasting for several days ended there. In three-month supplies at LME, copper was valued at USD 7 166 per ton.

- **The weakening of the zloty is strengthening, the euro is stable.** The exchange rate of the zloty weakened, which was conditioned, as experts say, by technical factors. The level of 4.13 on the EUR / PLN pair is difficult to overcome, which after each attempt to break through this level results in the pair returning to a higher level. The dollar exchange rate strengthened after the minutes presented at the FOMC meeting, which was received as "hawkish" and confirmed its opinion on the interest rate increase in March. The euro exchange rate remained stable .

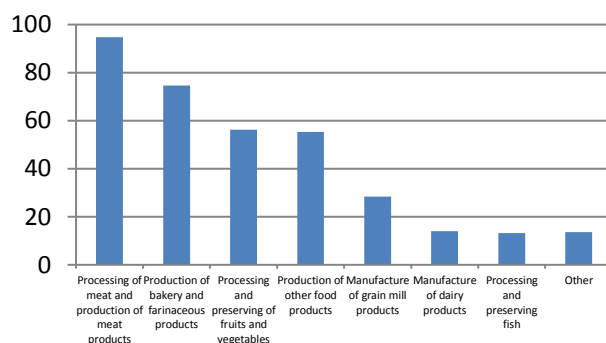
Company of the week

Sygnity SA - a Polish capital group of companies from the IT industry, was established as a result of the merger of ComputerLand SA and Emax SA. The company deals with: IT consulting, production and implementation of software, integration of solutions, auditing and software testing, providing IT infrastructure and IT outsourcing. It focuses on six sectors of the economy: banking and finance, industrial, telecommunications, public utilities, healthcare and public administration. The group employs approx. 1000 people. The Sygnity Group includes: Sygnity Business Solutions, Geomar and Baltijos kompiuterių centras (Lithuania). The company debuted

on the WSE in 1995, and is currently one of the fastest growing companies, as the 19.22% increase in quotes convinces.. In 2016, the company generated 423 million zł in sales revenue, including a gross profit of 262 million zł. Despite high revenues, financial ratios remain negative, due to one-off accounting operations, which were made at the beginning of 2016, in the amount of approx. 95.9 mln zł. The largest item is a write-off of approx. 76.2 million zł. related to the valuation of a long-term project in the field of public administration. Indicators: ROA - 2.4%, ROE -4.81%, price/book value (P/BV) 0.18; price/sales (P/S) 0.10; price/earnings (P/E) -3.5.

Indebtedness of producers of food products by sub-branch

The total debt of food producers amounts to PLN 350 335 769.43. The largest debt is in the meat industry and it amounts to PLN 94.8 million. Entrepreneurs involved in the processing of meat products and production are responsible for one quarter of the debt. The next places are occupied by producers of bakery and flour products (PLN 74.7 million) and fruit and vegetable producers (PLN 56.3 million). The fish and dairy sectors occupy the lowest places. The reasons for the indebtedness of the processing and production sector are low profitability and the fact that Poles like meat but not every kind. The most often chosen meat is pork and poultry.



Source: CO GRYZIE PRODUCENTÓW ŻYWNOŚCI CZYLI SYTUACJA FINANSOWA W BRANŻY SPOŻYWCZEJ.

Statistical data

Macroeconomic indicators			Rates (%)		Markets (points)			
		Date		1W Δ bps			1W Δ %	
GDP y/y	5,1%	Q4 2017	WIBOR 3M	1,72	0,00	WIG	62 665	-0,08
CPI	1,9%	2018.01	EURIBOR 3M	-0,328	0,00	WIG 20	2 406	-0,19
Unemployment rate	6,6%	2017.10	LIBOR CHF 3M	-0,7474	0,00	DAX	12 479	0,14
Salary av. enterprises	4 973 zł	2017.12	EUR/PLN	4,17	-0,16	FTSE	7 247	-0,07
Industrial production	8,60%	2018.01	USD/PLN	3,39	0,12	DJI	25 115	0,61
NBP reference rate	1,5%	Since 2015.03	CHF/PLN	3,63	-0,15	SP500	2 723	0,71
			EUR/USD	1,22	-0,28			