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Economy

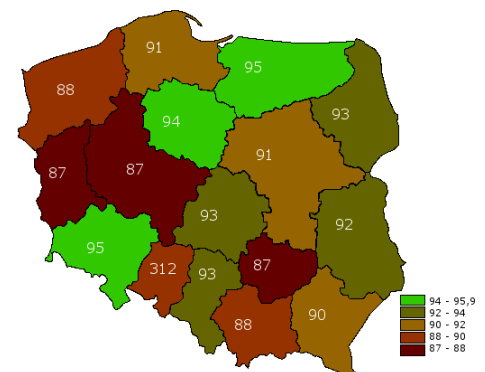
- WB: Polish GDP dynamics in 2018 may amount to 4.2 percent.** The budget deficit is amount to 2%. The next year GDP is to slow down, projected pace for 2019 it's about 3.7 percent.
- Restrictions on truck traffic on a long weekend.** The ban on moving vehicles over 12 tons, with the exception of buses, will apply on April 30 and May 2, between 18 and 22 and on May 1 and 3, between 8 and 20. The ban will not apply among cars transporting food or newspapers.
- Orlen wants to install 150 car chargers.** The plan is to be implemented in 2018-19. Orlen has already started pilot works, ordering in January 23 loaders in January.
- 130 billion US investments in Poland in the first quarter of 2018.** It is the largest result among the countries of Central and Eastern Europe. American companies employ 220,000 people in Poland.
- In 2027 Poland will become the EU neto payer.** On May 2, the European Commission will present a draft budget for 201-2027. Funds for Poland can be even tens of billions of euros lower than before.
- CSO: The unemployment rate in March at 6.6 percent.** In March there were 1092 thousand unemployed, while in February 1127 thousand. Earlier estimates by PAP Biznes reported a rate of 6.5%.
- UOKiK has analyzed farmers' agreements with dairies.** The Office created recommendations for new contracts, deciding not to punish the current irregularities resulting from the new regulations, thus giving the entities time to adapt to the changes.

Financial institutions

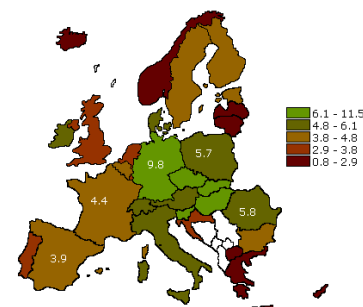
- The official position of GetBack.** The company declared that the total value of currently unpurchased bonds amounted to PLN 88.26 million, and the total value of unpaid interest - PLN 3.32 million (as at April 25, 2018). GetBack has to buy bonds worth PLN 2.6 billion. Over 9,000 bought them private individuals and 178 financial institutions.
- BGK takes over the Margueriete I fund.** Banks PKO BP and BGK have signed a contract according to which Bank Gospodarstwa Krajowego will buy shares in the PKO BP company in the Margueriete I fund, which is a pan-European fund investing in infrastructure projects. Thanks to the current involvement of PKO BP, the fund financed infrastructure investments in Poland worth PLN 2 billion. Thanks to this agreement, BGK's shares in the fund will amount to a total of 14%.

Economic maps

Usage of information technology in companies in 2016 (%)



Employment in high-tech manufacturing sectors in 2016 (%)



Financial Markets

- The success of 11Bit Studios.** The company announced that the newest game "Frostpunk" in 3 days from the premiere of the game was purchased over 250,000 times. The game also gained the critics' favor - on 29 reviews collected by the Metacritic website, as many as 28 were positive. This has strengthened the company's position on the market. Many investors were afraid that the company would not be able to meet market expectations after the previous game "This War of Mine".
- Agreement between JSW and Famur.** JSW signed a cooperation agreement on foreign investments with FAMUR. The goal is to create a joint product and service offer on the markets of Southeast Asia, Australia and North and South America. The companies expect synergies from the combination of JSW's position and know-how with technological know-how on FAMUR mining machinery.
- Retail plans of PKN ORLEN.** The company intends to open 200 new branches. Shop, functioning under the Stop Cafe points. These will be convenience stores that offer basic products at service stations. In the first quarter, Orlen opened

55 Stop Cafe points. Orlen has 1864 branches in three countries, including 209 O! Shop points.

- **The expansion of the CCC network.** The company implemented two major investments extending its domestic and foreign network. The first one is the takeover of Adler International with its network of 41 stores in Poland and Ukraine. The contract value - PLN 68.5 million. The second purchase of the Romanian Shoe Express company for EUR 33 million.

- **The words of the French president, who said that the nuclear agreement with Iran is not ideal, however, until the replacement is still in force, they have contributed to the rise in oil prices.** In deliveries for June, the West Texas Intermediate barrel on the New York Stock Exchange reached a price of 68.43 USD per barrel (an increase of 38 cents). At the ICE Futures Europe fuel exchange in London, Brent supplies by 41 cents in June reaching USD 74.41 per barrel.

Company of the week

REDAN SA - an enterprise based in Łódź, involved in the design, marketing and distribution of clothing being the management company of the Redan Capital Group. Redan S.A is the owner of such clothing brands as: Top Secret, Troll, Textilmarket. The dominant part of the activity of the Redan Capital Group is the retail sale of clothing carried out through two basic retail chains included in the group. These are the fashion chain Top Secret stores and discounted Textilmarket network. In total, two networks at the end of 2014 had over 500 stores and employed over 3,000 employees. The main market for Redan Polska is Poland, but the company also operates in

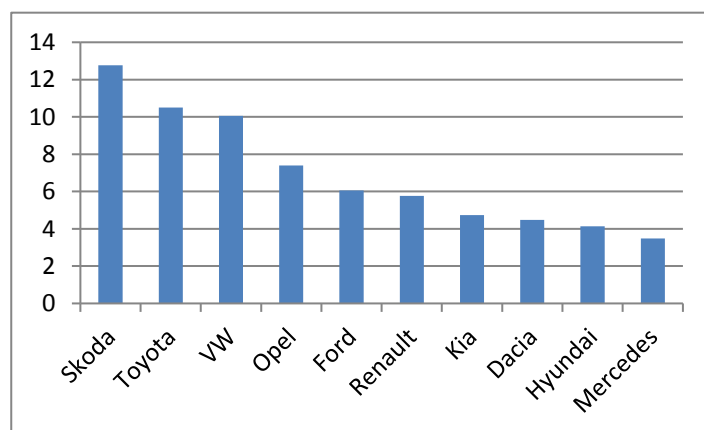
- **Copper prices on the London stock market are falling, however, analysts predict an increase to \$ 7,300 per ton if the risks associated with politics and a possible trade war disappear.** In 3-month deliveries, LME is valued at USD 6,981.50 per ton (a decrease of 0.4%).

- **The zloty weakens, the dollar strengthens, the euro weakens.** The zloty exchange rate is weakening despite the data in the form of a solid reading of retail sales. The dollar exchange rate was strengthened due to the mute of geopolitical tensions, which acted to the disadvantage of the dollar. The factor that also contributed to the strengthening of this currency was the increase in the yield on US bonds. The euro weakened as a result of Mario Draghi's cautious statements and the lack of precise deadlines on policy change.

Russia, Ukraine, Belarus, the Czech Republic, Slovakia, Lithuania, Germany and Norway, Bulgaria, Moldova, Romania and Greece. The company is a completely Polish owned business entity that was registered as a joint stock company in 1995. The majority shareholder of the company is Radosław Wiśniewski, who is also its historical creator. Since 2003, the company has been listed on the Warsaw Stock Exchange. In 2016, the company achieved PLN 628 mn sales revenue (12% more than in 2015) and PLN 10.6 mn gross profit. Indicators: ROA 1.92%, ROE 4.71%, price/book value (P / BV) 0.29, price/profit (P/E) 2.99, price/sales (P/S) 0.06.

Top ten most popular brands on the Polish market in 2017

Skoda is the market leader, in the first place is the Czech brand which has been occupying this place for several years. In 2017, Skoda sold approx. 61.7 thousand passenger cars. Toyota occupies second place with sales at 50.7 thousand., and the last place on the podium occupies Volkswagen which sold about 48.6 thousand. In the first 10 there is only one Premium company which is a Mercedes. BMW sold 15.6 thousand cars and took 11th place. Audi was classified on site 15 and sold 13 thousand. Volvo is in 20th place with sales of 9,000. Individual customers account for approx. 30% and companies for 70%. In 2017, individual customers bought 147 thousand. cars, and the company - 336 thousand.



Source: Auto Świat [http://www.auto-swiat.pl/wiadomosci/sprzedaz-nowych-aut-483-tys-w-2017-roku/sflzf1]

Statistical data

Macroeconomic indicators		Date
GDP y/y	4,9%	Q4 2017
CPI	1,3%	2018.03
Unemployment rate	6,8%	2018.02
Salary av. enterprises	4 599 zł	2018.12
Industrial production	2,90%	2018.03
NBP reference rate	1,5%	2018.03

Rates (%)		1W Δ bps
WIBOR 3M	1,70	-0,00
EURIBOR 3M	-0,328	0,00
LIBOR CHF 3M	-0,7352	0,00
EUR/PLN	4,22	-0,24
USD/PLN	3,48	-0,26
CHF/PLN	3,52	-0,13
EUR/USD	1,21	0,03

Markets (points)		1W Δ %
WIG	59 567	-0,10
WIG 20	2 276	-0,30
DAX	12 583	0,66
FTSE	7 504	1,12
DJI	24 250	-0,30
SP500	2 666	-0,03