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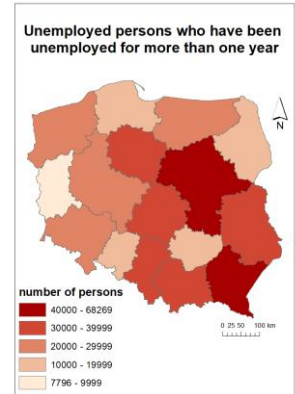
Economy

- **Demand for coal in the coming years will outstrip domestic production.** One of the reasons will be the temporary simultaneous functioning of older and new power units. Insufficient resources will be replenished by import.
- **The government will propose changes in the law in the field of plastic bags.** Some stores are refusing to pay a recycling fee by offering plastic bags thicker than the assumed threshold for having to pay for it.
- **MRPiPS wants to increase the minimum wage.** This is to be used, among others, to maintain the relationship between the minimum and the average wages. It would mean an increase of about 9 percent.
- **In Żmigród, a test track for the "magnetic railway" will be financed.** The facility will be approximately 500 meters long and will be used by Hyper Poland. The company has developed a way to adapt existing tracks to the needs of modern trains.
- **Self-governments are earnestly striving for speed cameras.** Over 2,500 vehicles received the Road Transport Inspection. The number of applications, in turn, will be only 111. The change in regulations in 2016 affected the exclusion of over 400 speed cameras.
- **The debt to telecommunications companies has increased.** Currently, it already exceeds PLN 1.3 billion. The largest debt of a private person is PLN 189 thousand.
- **More new companies in Poland.** One of the incentives for establishing companies is the so-called relief to start. Its idea is to release social security contributions for the first six months of operation.
- **MC encourages to use mLegitimacja.** Already 233 schools have introduced it. ID card is a mobile version of a traditional paper document. It also entitles to the same privileges.

Financial institutions

- **Banks present their financial results.** Double-digit drop in profit comparing quarter to quarter. To a large extent, this effect is not a problem of sales or management shortcomings, but rather a regulatory burden. For workers in the sector, it means cost savings.

Economic Maps



Financial Markets

- **Uncertain end of session in the US.** Throughout Friday the day there was moderate growth in the stock market. Unofficial reports of problems in US-China talks meant that the day ended on the downsides.
- **Comarch's EBITDA in the first quarter.** As the report shows, the result is higher than consensus and better in results year to year. The company's sales revenues amounted to over PLN 338 million and were up by 24.5% more than in the first quarter of the previous year.
- **Triple takeover by R22.** The information provided by the company shows that it takes over three entities operating on the hosting and Internet domains market for a total amount of EUR 4.2 million. After the acquisition, the estimated share of the company on the Romanian market will amount to almost 25%.
- **Excessive JSW shares.** Friday's session ended with a drop in all major indices. Only JSW shares were more expensive this day and at the end of the session they rose by 7.8%.
- **Payment of the dividend by K2 Internet.** In the statement, the company announced that it plans to pay a dividend of PLN 0.5 per share. In previous years, the dividend was paid in the amount of PLN 1 per share. The board's motion was positively evaluated by the supervisory board.
- **Friday brings another increase in the dollar, euro and Swiss franc rates.** Nowadays, the pound is not cheaper today. On Friday after 14.15 the USD exchange rate amounted to PLN 3.855 and approached levels from the end of April. In a broader perspective, it should be emphasized that the

American currency currently costs as much as two years ago when we were in the process of a strong correction of the dollar's price.

- Oil in the US is more expensive, and since the beginning of this week it has gained 2.3 percent. It is a reaction to increasing tension in the Middle East. Saudis

accuse Iran of having attacked their oil pumping stations. In turn, the US wants to avoid the Gulf War.

- Copper at LME in London can not beat the bad streak and may end the 5th consecutive week with falling prices. Metal in 3-month supplies cheaper by 0.3 percent. up to USD 6,080.00 per ton.

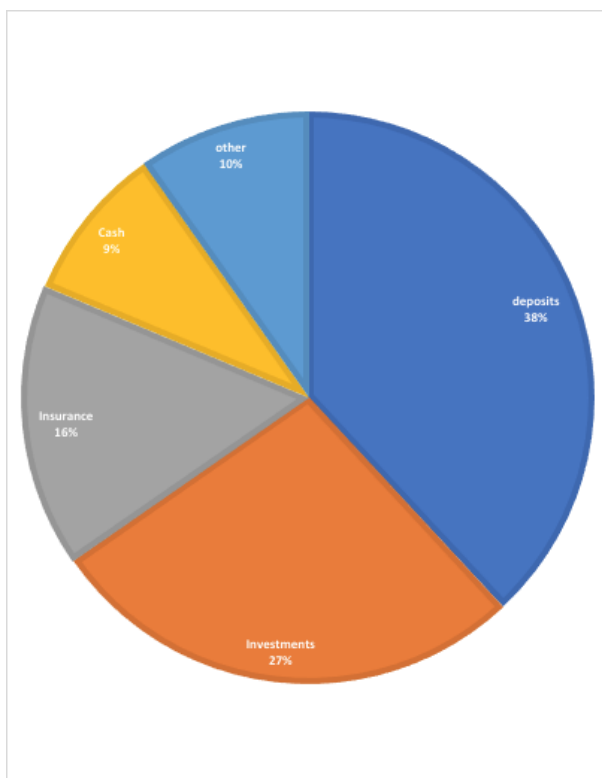
Company of the week

KGHM is one of the leading producers of copper and refined silver. The company operates the largest copper ore deposit in Europe. The company also operates in Chile, USA and Canada. KGHM is the second producer of silver in the world and the sixth of electrolytic copper. KGHM employs near 34.000 people and is

one of the main polish exporters. Sales revenues 3q 2018 5.364 billion, EBIT 525 million, net profit 3q 2018 365 million. Price / book value ratios 3q 2018 (P / BV): 0.96, price / sales revenues 3q 2018 (P / S): 0.86, price / operating profit 3q 2018 (P / E): 10.55, return on assets ROA 2.45%, return on equity ROE 4.78%.

Polish assets in 2017.

The assets collected by domestic households in Poland in the second quarter of 2017 amounted to PLN 1,938 billion. There was an increase in relation to the same period of 2016. The largest part of households' assets in Poland are invariably deposits, whose value grew by 5.4% y / y, reaching the level of PLN 738 billion in the second quarter of 2017. In the investment category, Poles collected assets worth PLN 528 billion, of which the largest part were shares, equity interests and participation units in investment funds. Poles still keep a relatively large portion of their savings in cash. Over the last year, its value increased by 8.3% to PLN 172 billion.



Source: KPMG in Poland. Luxury goods market

Statistical data

| Macroeconomic indicators | | Date |
|--------------------------|----------|---------|
| GDP y/y | 4,9% | 12.2018 |
| CPI | 1,75% | 02.2019 |
| Unemployment rate | 6,2% | 01.2019 |
| Salary av. enterprises | 4 580 zł | 09.2018 |
| Industrial production | 6,10% | 01.2019 |
| NBP reference rate | 1,5% | 12.2018 |

| Rates (%) | | 1W Δ bps |
|--------------|-------|----------|
| WIBOR 3M | 1,72 | 0,00 |
| EURIBOR 3M | -0,31 | 0,00 |
| LIBOR CHF 3M | -0,79 | 0,00 |
| EUR/PLN | 4,31 | 0,17 |
| USD/PLN | 3,85 | 0,09 |
| CHF/PLN | 3,82 | 0,14 |
| EUR/USD | 1,12 | -0,04 |

| Markets (points) | | 1W Δ % |
|------------------|----------|--------|
| WIG | 56 561 | -0,18 |
| WIG 20 | 2 184,35 | -0,19 |
| DAX | 12 238 | -0,58 |
| FTSE | 7 348 | 0,07 |
| DJI | 25 842 | 0,08 |
| SP500 | 2 871 | -0,17 |