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Economy

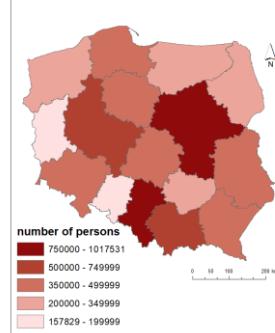
- MoE&T: environmental protection law adopted by TCoM.** The goal of the amendment is to improve air quality in Poland, specifically to supplement the system of requirements for solid fuel boilers.
- MoH wants to prohibit school trips to fast food.** The resort asked for an intervention to the MoE. As argumentation, it is stated that children should not be rewarded by unhealthy food.
- OECD increases the forecast of GDP growth in Poland.** In 2019, the growth is expected to reach 4.2% compared to the previously assumed 4.0%, and in 2020 – 3,5% compared to the assumed 3.3%. At the same time, the OECD recommends tightening fiscal policy.
- The SME sector anticipates smaller investments in the next three months.** In particular, trading companies show negative forecasts. The KERNA indicator is currently minus 64.17 points.
- Decrease in the average value of unpaid invoices.** The Entrepreneurship Indices Index (INP) is currently 87 points, which is the lowest value since 2013. However, the waiting time for payment has been prolonged.
- Increase in wages in the enterprise sector.** In April it was amounted to 7.1 percent yoy. At present, the average remuneration in this sector is PLN 5,186.
- Przewozy Regionalne will launch commercial connections under the superREGIO name from June.** They are to characterize, among others, high-standard rolling stock, attractive travel times and ticket prices. They will connect important city and tourist centers.
- Retail chains reduce the consumption of plastic.** So far, however, they have not activated the bail system for plastic packaging. The MoE in 2017 estimated the cost of introducing such a system in Poland at PLN 19-24 billion.

Financial institutions

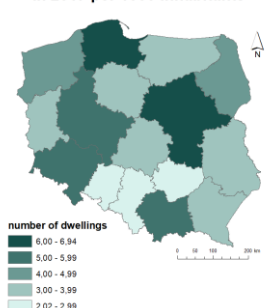
- At the end of March 2019, 32 commercial banks, 547 cooperative banks and 31 branches of credit institutions were operating.** The net financial result of the banking sector at the end of March 2019 reached PLN 2.9 billion and was lower by PLN 0.43 billion (by 12.8%) than at the end of March 2018.

Economic Maps

Population in the pre-working age in 2017



Number of dwellings completed in 2017 per 1000 inhabitants



Financial Markets

- Selvita's target price raised.** This price was raised by Vestor DM from the target price of PLN 85 / share to PLN 87 / share. In addition, the innovation valuation was also increased from PLN 50 / share to PLN 55 / share.
- The German economy is still not improving.** The latest data from the German economy overthrew the hopes of optimists who did not show long-awaited growth. Visible to her deepening regress, because the "industrial" PMI for Germany fell from 44.4 points to 44.3 points.
- Construction and assembly production is constantly increasing.** This production in April 2019 increased by over 17% year-on-year, compared to March growth was 7.1%. The expected increase by analysts was 17.3% and was lower than the one achieved.
- Calesco raises the recommended dividend.** According to the communication, the company wants to withdraw from the previously proposed dividend PLN 0.07 per share, up to PLN 0.11 per share. The company's net profit in 2018 amounted to PLN 801.57 thousand. zł.
- The target price of PKO BP shares is increasing.** Trigon DM raised the target price of PKP BP shares to PLN 49, which gives a 7% increase. The reason for this decision was to be good results for the first quarter.
- Gasoline the most expensive for almost 5 years.** The past week brought further increases in fuel prices. As a result, the average retail price of gasoline has reached the highest level since October 2014. The average price of unleaded petrol 95 increased this week by PLN 0.04 per liter, reaching the level of PLN 5.27 / l.

■ **The price of copper at LME is below 5.9 thousand dollars.** Copper at LME in London cheaper and costs less than 5.9 thousand dollars per ton. The continuing tensions in the US-China trade and the strong dollar limit investors' interest in metal markets. Copper in three-month supplies cheaper by 0.5 percent. up to \$ 5,897 per ton.

■ **The euro exchange rate on Friday stable.** Note on pound. EUR / PLN on Friday will move around the level of 4.30. Pay attention to the pound rate. After yesterday's weak data from the US industry, the dollar's exchange rate stabilizes at PLN 3.84. Swiss Franc exchange rate unchanged at PLN 3.83.

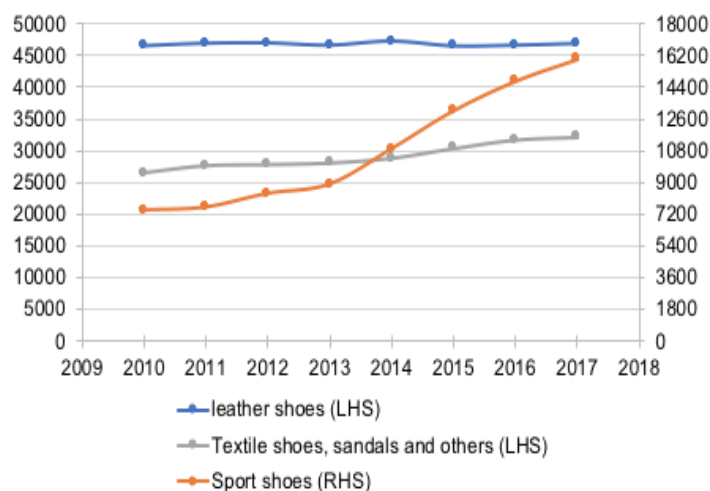
Company of the week

ENEA SA is an energy company. The group operates in five main areas of the energy market: electricity and heat production, electricity trading, electricity distribution, heat distribution and mining. The distribution network covers 20% of the country's area and supplies energy to 2.5 million

customers. Sales revenues 4q 2018 3.288 billion, net profit 4q 2018 102 million. Price / book value ratios 4q 2018 (P / BV): 0.26, price / sales revenues 4q 2018 (P / S): 0.30, price / operating profit 4q 2018 (P / E): 3.91, return on assets ROA 3.04%, return on equity ROE 6.36%.

Footwear market in Europe - value of revenues (EUR million)

In Europe, the footwear market generated revenues of over EUR 95bn in 2017. This means that footwear is the second most important fashion segment in the European retail sector right behind clothing. The forecasts for 2018 have been set, which inform that the value of revenues should increase to EUR 97.5 billion. Also, a further market growth is predicted by an average of 2.8%. According to the Statista portal, Russia is the largest footwear market in Europe. In 2017, footwear sales in this market reached EUR 14.0 billion. The segment of leather footwear has the largest market share, with sales in 2017 in Europe amounting to EUR 46.8 billion. Nearly 80% of footwear sales in Europe were made through stationary stores. It is expected that by 2021 this share will decrease to 75%, and 25% will be sold through online stores. In 2017, the average European bought on average 4 pairs of shoes, spending an average of EUR 140.85 on them. An increase of EUR 157.1 is expected in 2021.



Source: The Footwear Industry. The growing importance of Polish producers in the world. Department of Strategy and international analyzes.

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	-0,71	0,00
EUR/PLN	4,29	-0,22
USD/PLN	3,83	-0,47
CHF/PLN	3,82	-0,23
EUR/USD	1,12	0,23

Markets (points)		1W Δ %
WIG	56 753	0,71
WIG 20	2 188,20	0,70
DAX	12 011	0,49
FTSE	7 277	0,65
DJI	25 562	0,83
SP500	2 831	0,32