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ENGLISH EDITION: Marcin Łukaszewski

We wish you successful exams and sunny holidays!

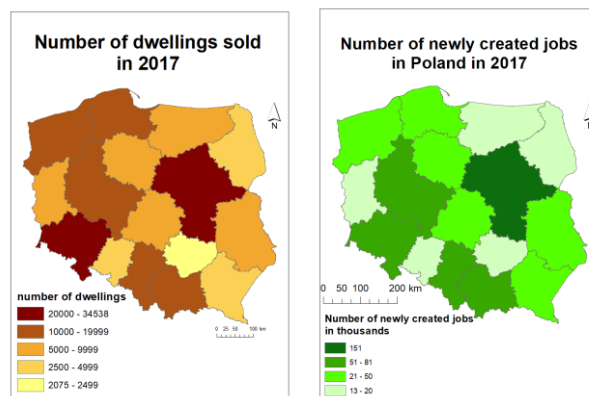
Economy

- **Zero PIT rate for some of young people.** Taxes are not to be paid by taxpayers under 26 years of age and with incomes not exceeding 85.5 thousand. zł. The provisions are to apply to income from August 1, 2019.
- **MoH wants to clarify the sanitary and hygienic requirements.** This is to apply to services provided, among others by hairdressers, beauticians, tattooists. It's about reducing the risk of spreading infections and infectious diseases.
- **Employment growth may slow down.** The Lewiatan Confederation indicates that employers may show lower propensity to raise wage costs, which is influenced, among others, by record increases in the previous year, as well as the introduction of employee capital plans.
- **Some parking fees could have been charged illegally.** The NIK report points to many irregularities in the burden of drivers. They concerned, among others marking SPP areas, and occurred in 16 out of 17 audited cities.
- **MoF: PLN 1,005.3 billion debt at the end of the first quarter of 2019.** This means an increase of 2.1 percent towards the end of 2019. It was caused by increasing the debt of the governmental sub-sector by PLN 21 310.1 million.
- **MoC has developed a White Paper on electromagnetic fields.** It is to help reduce the amount of incorrect information appearing in this topic. The book clearly explains the principles of modern telecommunications.
- **MoE: oil supplies from Russia have been launched.** PERN continues to monitor the quality of deliveries. In mid-April, oil supplies with an increased content of organic chlorides reached Poland.

Financial institutions

- **Getin Noble Bank was informed** that the investment advisor representing the bank in the process of searching for a financial investor received two non-binding offers from selected private equity funds admitted to due diligence of the bank regarding its recapitalisation.

Economic Maps



Financial Markets

- **Turkey's downgrade.** On Friday, Turkey's credit rating by Moody's was downgraded. The reason for the downgrade was the growing risk of a recurrent balance crisis.
- **Payment of dividends by Esotic & Henderson.** The company wants to allocate a part of the net profit for 2018 to pay dividends to shareholders. The total amount allocated is PLN 1.07 million, which will allow a payment of PLN 0.50 per share.
- **Monetary policy of the NBP.** According to the Supreme Audit Office, the monetary policy conducted by the NBP in 2018 was rational, despite the fact that it was burdened with the risk of uninhibited inflation growth in the future.
- **Friday red.** The last session of the week brought declines on the WSE. Lotos and CCC shares lost the most. Overall, WIG20 lost 0.6%.
- **Dividend PLN 1 per share.** According to the company, the shareholders of Sanok Rubber Company decided to pay PLN 1 a dividend per share from a portion of earned profit in 2018. PLN 71.9 million from this profit will go to PLN 26.9 million for this purpose.
- **Fuels: wholesale prices have fallen, and not at retail.** Although in June there was a significant depreciation of fuels in refineries, prices at gas stations have barely budged and are still close to 5-year peaks. Analysts expect that the next week will bring a reduction.

- **Gold excels at a long-term maximum.** Dollar gold quotes reached the highest level since April 2018 and are a step away from leveling the three-year record.
- **The euro exchange rate is close to PLN 4.25, the franc is still getting more expensive.** The Friday morning brought

back the June strength of the zloty. The euro exchange rate remained close to the 10-month low at PLN 4.25. For the second day in a row, Swiss franc quotations go up.

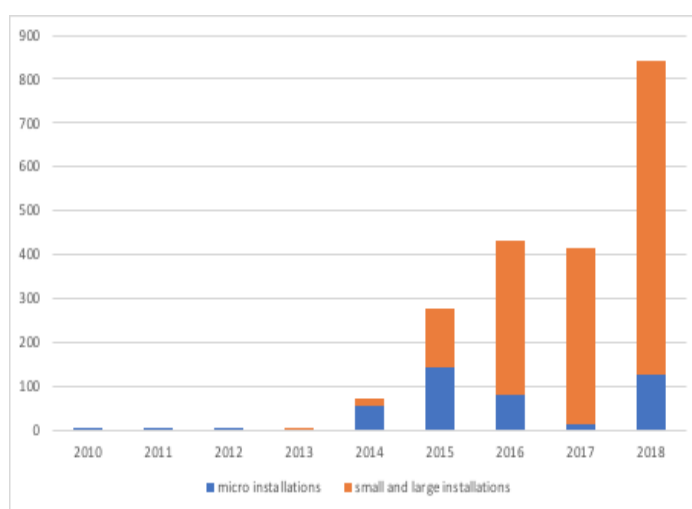
Company of the week

PEKAO SA is the second largest bank in Poland. It is also one of the largest financial institutions in Central and Eastern Europe. PEKAO SA is a commercial bank which offers services to individual and institutional customers, while controlling approximately 10% of the domestic loan and deposit market. It includes the largest investment fund

company in Poland, two leading brokerage houses, a pension fund and factoring and leasing companies. Sales revenues 2q 2018 1.515 billion, net profit 2q 2018 539 million. Price / book value ratios 2q 2018 (P / BV): 0.16, price / sales revenues 2q 2018 (P / S): 5.00, price / operating profit 4q 2018 (P / E): 11.63, return on equity ROE 9,57%.

Value of the market for micro- and small and large PV installations (in PLN million)

Photovoltaic Industry Association Poland PV estimates the value of the photovoltaic microelectronics market at PLN 718 million (compared to PLN 401 million in 2017, increase by 79% y / y). This is almost 6 times more than the value of the small and large installations market (PLN 125 million in 2018). The drop in the value of the market for installations with a capacity above 50 kW in relation to 2015 was the result of turmoil around the support system for such power plants. In 2018, the estimated average construction cost of 1 kW solar thermal insulation was 4350 PLN net (a decrease of approx. 460 PLN y / y). The cost reduction stems from the constant development of technology, the abolition in autumn 18 by the European Commission of anti-dumping duties on Chinese photovoltaic cells and panels, the wider availability and competitiveness of equipment and contractors. More and more micro-installations are financed by investors with own funds or a bank loan.



Source: Photovoltaic industry in Poland 2019.

Statistical data

Macroeconomic indicators			Rates (%)			Markets (points)		
		Date			1W Δ bps			1W Δ %
GDP y/y	4,9%	12.2018	WIBOR 3M	1,72	0,00	WIG	59 092	-0,48
CPI	1,75%	02.2019	EURIBOR 3M	-0,318	0,00	WIG 20	2 286	-0,60
Unemployment rate	6,2%	01.2019	LIBOR CHF 3M	-0,71	0,00	DAX	12 096	-0,60
Salary av. enterprises	4 580 zł	09.2018	EUR/PLN	4,26	0,00	FTSE	7 346	-0,31
Industrial production	6,10%	01.2019	USD/PLN	3,79	0,53	DJI	26 089	-0,07
NBP reference rate	1,5%	12.2018	CHF/PLN	3,80	0,04	SP500	2 887	-0,16
			EUR/USD	1,12	-0,63			