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Economy

- Polish GDP growth rate nearly as slow as in the countries of the "old EU".** The leader of economic growth is still Romania. This is the only country with a growth rate of over 4%. GDP growth in the EU in Q3 2016, according to Eurostat amounted to 1.9%.
- NBP: Polish Reserve assets in November amounted to EUR 104.2 billion.** It is about 1 billion more than at the end of October. The institution ensures that the priority of its activities is the safety of assets and maintaining the necessary level of liquidity.
- In November, the unemployment rate was at its lowest in 25 years.** According to Ministry of Family, Labour and Social Policy unemployment rate amounted to 8.2% (the same as in October). In November, such a low result was last recorded in 1991. Year-over-year, unemployment is lower by 1.4%.
- Deteriorating economic situation in Polish industry.** This means that the situation in the industry is deteriorating. The overall business climate indicator in industry fell to -10.7 points. Larger falls were recorded in the public sector.
- The contribution paid by Poland to ESA increased by EUR 9 million.** The sum of contributions paid by Poland optional programs for the European Space Agency for the period 2017-2020 is EUR 45 million. According to MR, higher premium and further investments in selected optional programs strengthen the position of Polish companies in the activities of ESA.
- In 2060 for one pensioner there will be two workers.** According to experts for, the pension system to be sustainable, the retirement age must be absolutely increased as a result of lengthening life expectancy. After 2020 retirement funds are to be secured by Demographic Reserve Fund, but currently collected funds are insufficient.
- MIB will allocate PLN 336 million for financing road and river projects.** Funds will come from the reserve of the general subsidy. Applications for funding must be submitted until 10.02.2017. The level of funding is up to 50% of the project.

Financial institutions

- Banks have fewer and fewer customers.** In this year's study, an average of 2.1 people were waiting in line for a financial advisor. In 2015 it was 3.3. The number of banks in the last four years was reduced by a third (from the end of 2012 by 7.5%). Yearly approximately 2% of more than 14 thousand bank branches is being closed.
- IKO payment system to gain more users.** PKO Polish Bank estimates that over 1.5 years it is going to convince another million clients and PKO BP Inteligo to use the payment system IKO. In the first half of 2017 the bank will introduce a number of new functions to the system, including choice of financing sources, temporary blocking of cards, international transfers, or payments to Social Security and tax offices.
- FinTech is not dangerous for Polish banks.** Due to the high technological level of the Polish banking sector it is immune to the threat of fintech. However, it will work with it. Up to 33% of the global market for financial services will be taken over by

modern technology companies, so-called. fintech. Polish banking sector is one of the most technologically advanced in the world, and the Poles are characterized by a very rapid pace of adoption of new technologies.

- SMS passwords are a big expense for banks.** Shipping costs of SMS costs institutions approx. PLN 70 million per year. MBank introduces a new way of mobile transaction authorization. The user will get a push notification from the mobile application instead of the SMS code. The phone will display information about the transfer and prepare two options "reject" or "confirm".
- Not all bank branches will let you withdraw the money.** Selected branches will need to advise withdraws of high amounts of cash, and will also be imposed with daily limits for cash.

Financial markets

- Enea Production signed a contract with GE Power Polish.** It concerns the upgrade of turbine 9 and 10 in Koźlenice Power Plant. The contract is Worth PLN 65.5 million net. The aim of the investment is to extend the life of turbine and increase their efficiency.

	WIG20		mWIG40
WINER OF THE WEEK			
PEKAO	+2.33	PFLEIDER	+4.23
LOSER OF THE WEEK			
CCC	-3.57	SANOK	-3.11

- Enea Operator has launched four completely rebuilt Main Power Points.** The total value of the modernized facilities: Załom, Niemierzyn, Tanowska and Stargard East is approx. PLN 32 million. All stations are located in Western Pomerania.
- The Management Board of KGHM Polish Copper is not currently considering the divestment of the Sierra Gorda mine in Chile.** The Company assumes that the Sierra Gorda mining assets are having the prospect of operating in several coming decades. The mine, which was the largest investment in the history of Polish economy in the first three quarters of this year, earned PLN 1.5 billion.
- A slight strengthening of zloty against the major currencies.** The interest of investors for risky assets increased. On Thursday, the ECB decided to extend the QE program until December 2017, also declined from April's its monthly value from 80 to 60 billion and left interest rates at current levels. After these informations euro, and zloty weakened. In the longer term it is expected that ECB's (perceived as monetary easing) can positively influence the Polish currency.
- Brent oil remained stable in the band of 53-55 USD per barrel.** It is the result of the decision made by OPEC to reduce production quotas starting from January 1, 2017. Brake on further growth are due to concern of the return of US manufacturers to the game. Copper goes up to approx. USD 5,824 per ton. Citigroup estimates that copper can bounce above USD 6,000 per tonne because of a higher demand for it in countries such as \ United States or United Kingdom. Gold remains in the band of 1,160-1,180 USD per ounce. The noble metal is trading at the lowest since February of this year, which is due to the strong appreciation of the dollar.

Company of the week

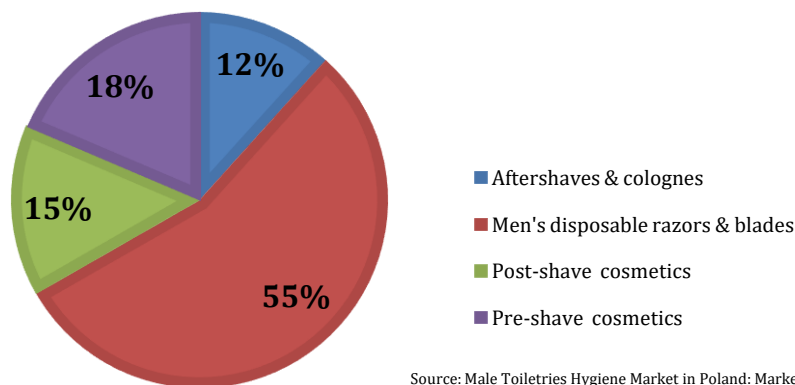
OEX SA is engaged in strategic and financial management of the portfolio of subsidiaries and developing new business initiatives. The company is carrying out 630 thousand transactions annually, and manages approx. 300 sale points of the main mobile operators in Poland. Additionally it manages logistics center with an area of 30 thousand. sq. m., which is

being used by companies such as Nescafé Dolce Gusto, Unilever, Tchibo and Samsung. OEX pursues a strategy of corporate social responsibility based on three pillars: a responsible employer, employee volunteering and education and ecology. The company is listed on the Stock Exchange since November 2005, and its current market value is PLN 105 million.

Male toiletries hygiene market in Poland in 2015

According to Canadean, sales of male toiletries hygiene market in Poland in 2015 amounted to PLN 970.6 million (an increase of 2.9% y/y). The market is on its uptrend and the total value of sales is expected to increase by approx. 4.9% by 2017. Men's disposable razors & blades are the most popular (e.g. Gillette, BiC) and they account for 55.1% of total sales. The sector of pre-shave cosmetics (e.g. shaving gels) and post-shave cosmetics (i.a. balms and lotions) note a growing trend. Their forecasted compound annual growth rate (CAGR) amount to 3.7% (2015-2020).

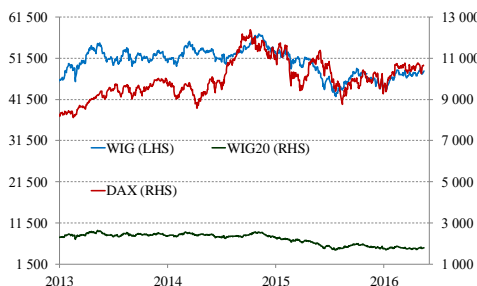
MALE TOILETRIES HYGIENE MARKET, POLAND, 2015



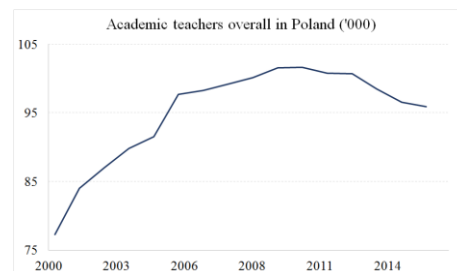
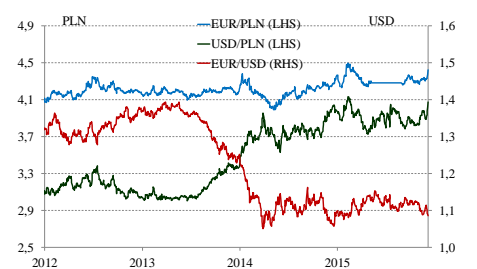
Source: Male Toiletries Hygiene Market in Poland: Market Snapshot to 2020.

Statistical data

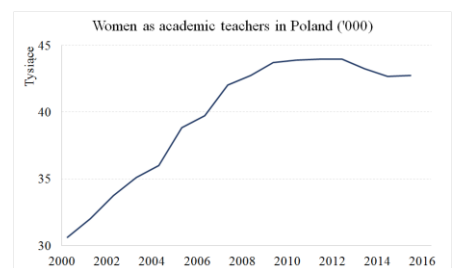
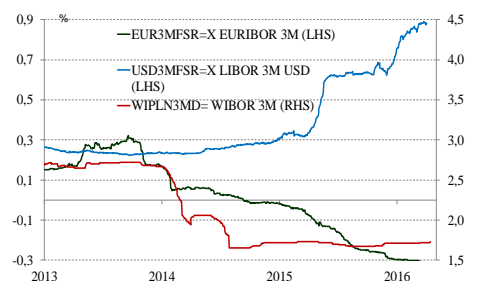
Macroeconomic indicators		Date
GDP y/y	3.1%	Q2 2016
CPI	-0.2%	2016.10
Unemployment rate	8.2%	2016.10
Average monthly salary	4 218 PLN	2016.09
Industrial production	10.4%	2016.09
NBP reference rate	1.5%	2016.02



FX exchange rates		1W Δ %
EUR/PLN	4.45	-0.67
USD/PLN	4.21	0.24
CHF/PLN	4.16	0.00
EUR/USD	1.06	-0.93



Rates (%)		1W Δ bps
WIBOR 3M	1.73	0.00
EURIBOR 3M	-0.32	-0.60
LIBOR CHF 3M	-0.74	0.34



Stock markets (points)		1W Δ %
WIG	50 694	4.58
WIG 20	1 900	6.56
DAX	11 204	6.57
FTSE	6 954	3.62
DJI	19 757	3.06
SP500	2 260	3.20