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Economy

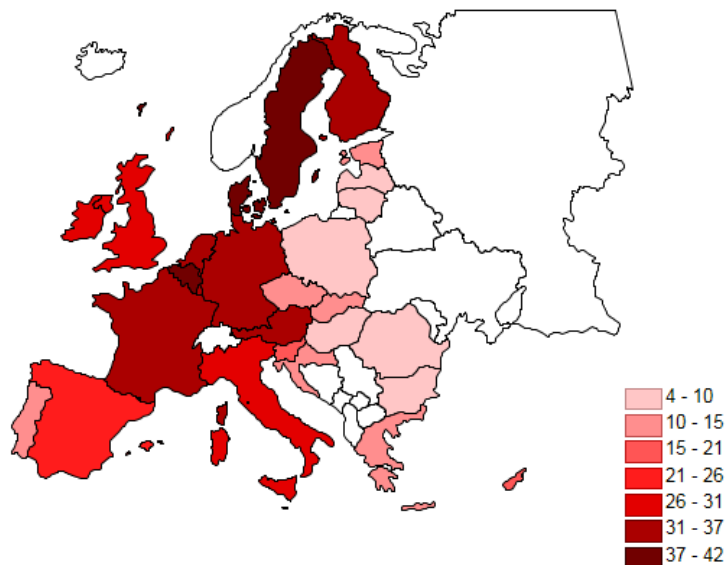
- BIEC: The third month of growth of the economic situation leading indicator.** The advance on economic trends rose by 1.7 points in March compared with the previous month. In February this index was at 167.4 points.
- Ministry of Labor: The projected unemployment rate at the end of 2017 will be 7 percent.** In March there was a decrease of 0.3 percentage points compared to the previous month and the unemployment rate was 8.2 percent. In the same period last year unemployment was at the level of 9.9 percent.
- PwC: By 2020 it is estimated that the digitization of industrial companies will cost PLN 100 billion annually.** Estimated growth is 7.7 percent higher than compared to the current situation. 83% of respondents believe that the investment costs will be returned within 5 years.
- Ministry of Infrastructure: Under construction there are 2142 km of roads for the amount of PLN 81.1 billion.** The investments come from the National Road Construction Program 2014-2023. In 2017 it is planned to conclude agreements for the construction of 580 km of roads worth PLN 24 billion.
- The KNF is about to block the domains of fraudulent investment firms.** The amendment of the Act, prepared by the PFSA, also provides for fines of PLN 10 million. Currently the maximum penalty is PLN 5 million.
- Decline in unit labor costs in Poland.** In 2016 the decrease was 0.2 percent compared to last year and unit labor costs reached EUR 8.6 per hour. In 2008-16 the cost of working hours in Poland increased by 1 euro.

Financial institutions

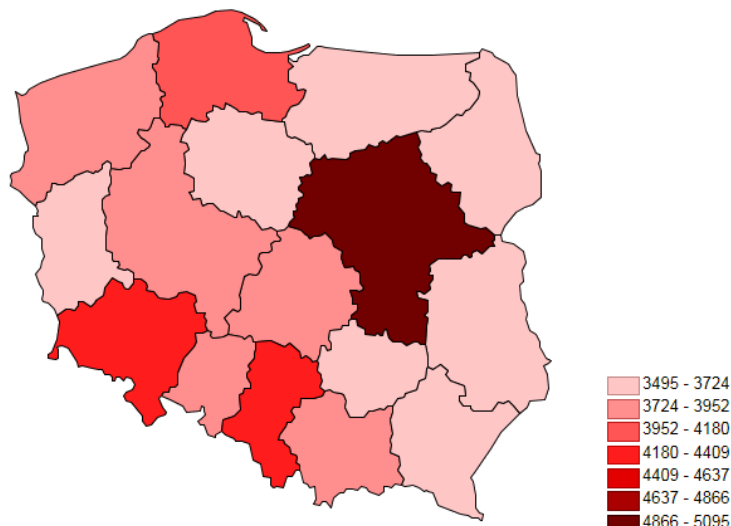
- NBP profit in 2016 amounted to over PLN 9 billion.** This is the highest result ever. 95% of the funds were provided to the state budget. Until now the highest result was recorded in 2011 and amounted to PLN 8.6 billion.
- The sale of policies in banks is falling.** The decline of life insurance premiums sold by banks amounted to of PLN 2.5 billion (from PLN 10.6 billion to PLN 8.1 billion), during the year. In 2016, only 34% of life insurance policies premiums were worked out in co-operation of banks and insurers.
- PKO BP opened a new branch in the Czech Republic.** The newly established branch is called PKO BP Czech Branch and will focus on serving both Polish and Czech clients. It is supposed to be the first choice bank for Polish entrepreneurs in the Czech Republic and a gateway for Czech companies entering the Polish market.

Economic maps

Labour costs per hour in 2016 (euro)



Gross monthly salary in 2015 (PLN)



Happy Easter!



Financial Markets

■ **The shares of Dino Polska are of great interest.** It is so large that institutional investors will have to pay for a share one extra zloty more than the maximum price of the prospectus for individual investors (PLN 34.5 and PLN 33.5 respectively). The volume of shares is 48.04 million and it represents 49% of all shares of the company.

WIG20		mWIG40	
WINER OF THE WEEK			
TAURONPE	+3.09	WAWEL	+4.99
LOSER OF THE WEEK			
ENERGA	-2.53	SYNTHOS	-4.84

■ **Regional transports have been profitable for the first time in 15 years.** According to the CEO, the net profit for 2016 amounted to PLN 51.2 million. He added that this result included, among others, the popularity of the carrier, whose services last year benefited 79.5 million passengers. The earned profit is to be spent on the purchase of a new rolling stock and the modernization of the existing one.

- **Mlepol is building a new factory.** The cooperative is about to spend about PLN 400 million on building a new factory in Mragowo. It will employ 160 new employees. Once built the plant will produce 3 million liters of milk and whey per day. Production is due to start at the turn of 2018 and 2019.
- **Brent rebounds to \$ 55.23 per barrel, gold to \$ 1,253 per ounce.** The reason for the upsets was the attack of Americans on military bases in Syria. Copper slightly fell to \$ 5,845 per tonne, despite recent gains after falling of metal inventories.
- **PLN unchanged, USD and EUR depreciate.** Friday morning trading on the currency market did not bring about any major changes in the PLN exchange rate. The events in Syria caused a slight rise in risk aversion, but they did not affect the valuation of the PLN. The Friday's weak data from the US labor market has had a significant impact on the weakening of the dollar. The impact on the decline of the euro was reported by ECB head Mario Draghi on keeping interest rates until the quantitative loosening program was terminated.

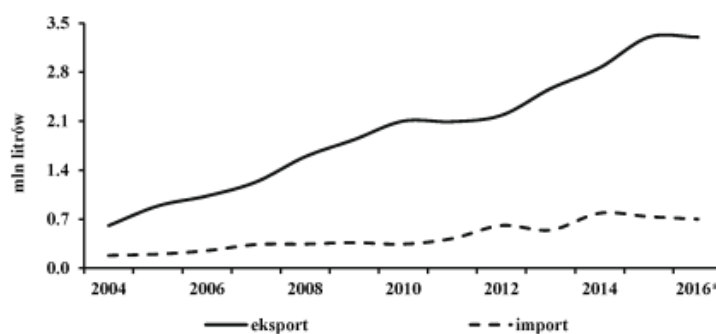
Company of the week

APATOR SA specializes in the development of switchgear, measuring and surge arrester. Together with 13 other companies, it creates a capital group dealing with modern energy management technologies. For over sixty years, it has been distributing its products in more than 60 countries (mainly

Russia, Denmark and Germany). Apator pursues a corporate social responsibility strategy through actions such as promoting culture and the arts, promoting sport or protecting the environment. The Company entered the Warsaw Stock Exchange in April 1997 and its current value amounts to PLN 1138 million.

Alcoholic drinks market

Between January and August 2016, compared to the same period, beer exports fell by 6% to 227.1 million liters and their value decreased by 10% to EUR 112.0 million. Dynamics were the result of lower transaction prices. In 2015 the average export price was 0.52 EUR / l, and this year it was already 0.49 EUR / l. Beer imports also decreased by 8% January-August 2016. In general, 50.3 million l of beer was imported. The transaction price increased by 1% to 0.62EUR / l.



Statistical data

Macroeconomic indicators		Date
GDP y/y	2.7%	Q3 2016
CPI	1.9%	2017.01
Unemployment rate	8.6%	2017.01
Average monthly salary	4 277 PLN	2017.01
Industrial production	9%	2017.01
NBP reference rate	1.5%	2016.02

FX exchange rates		1W Δ %
EUR/PLN	4.23	-0.11
USD/PLN	3.99	0.57
CHF/PLN	3.95	-0.14
EUR/USD	1.06	-0.68

Rates (%)		1W Δ bps
WIBOR 3M	1.73	0.00
EURIBOR 3M	-0.33	0.00
LIBOR CHF 3M	-0.73	0.00

Stock markets (points)		1W Δ %
WIG	59 288	2.38
WIG 20	2 248	3.33
DAX	12 225	-0.71
FTSE	7 294	-0.39
DJI	20 656	-0.03
SP500	2 353	-0.39