

FINANSE No. 64

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# Economy

- **PKP Intercity is negotiating Pendolino repair.** The train was damaged at Ozimek in the previous year. The estimated value of the repair is 5.9 million euros. The train collided with the truck.
- In 2017 Polish e-sport market was worth USD 10 million. It is estimated that in 2018 it will increase by 22%. Currently, 924 thousand are involved in e-sport. Poles. The thematic report was developed by PayPal and SuperData.
- Matras online bookshops are coming back. The brand was taken over by EComGroup. However, it does not plan to return stationary stores, which could have been seen disappearing from the market a few months ago.
- LOT's white and red planes for the 100th anniversary of regaining independence. The colours of Poland will be placed on new planes: Boeing 787-9 Dreamliner and Boeing 737 MAX 8. Airplanes will be painted in this way permanently, which is a way to increase the Polish promotion by the LOT brand.
- The government has adopted changes in the matter of limitation of debts. The basic change is the period of limitation: it will now be 6, not 10 years old. The changes are aimed at strengthening consumer rights.

#### Financial institutions

- **Higher ammount of claims in 2017.** Insurance companies paid compensation for damage caused by natural disasters for PLN 1.69 bn (30% more than in 2016). The amount of benefits and compensation under motor insurance amounted to PLN 8.55bn (+ 7.6% YoY).
- Bank Pekao with a penalty from the OCCP. The penalty is imposed for non-fulfillment of the conditions for providing information on personal accounts, as well as for incomplete information on changes in the terms of the contract. As part of the fine, Bank Pekao is required to publish UOKiK's decisions on its website for the next 10 months, and to release aggrieved clients for 3 months from fees collected in bank branches related to standing orders, payment orders and transfers.
- Crow with receivables at PLN 394 million. Prokora NS FIZ a subsidiary of the KRUK group, won a tender for the purchase of a portfolio of secured and unsecured corporate receivables of BGŻ BNP Paribas bank, worth approximately PLN 394 million. This is one of Raven's largest investments recently. In 2017, the company spent PLN 977 million on debt portfolios.

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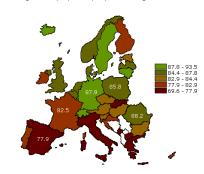
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## **Economic maps**



Percentage of employed of people with higher education in 2016 (%)



### **Financial Markets**

- Comarch with a new branch in France. Comarch has opened a new data center near Lille in France. The project was worth EUR 8 million. The center in France is part of the strategy of expanding the company's operations on the European market. Thanks to the center, the company will be able to provide more comprehensive project hosting services on the French market. The center will employ up to 30 employees.
- CD Projekt will release a new addition. The company's president announced the ending of the beta phase of the game "Gwint" in 2018, which is the flagship, active project of the company this year. In addition, this year, a feature supplement for this game called "Blood Wars" is to be released. The company is continuing work on the next major project, i.e. "Cyberpunk 2077".
- **PKN Orlen extends the car sharing offer.** It will be possible to rent cars for minutes at rental points at 10 additional service stations, including in the Tri-City and Warsaw. The car sharing project has been carried out since 2017 by Traficar. Orlen stations will provide a place for cars for rent, provide fuel and car wash services Traficar fleet. Renting cars for minutes is part of a company's long-term strategy to increase revenues from non-fuel services.

- Ursus-Bus with a bus contract. The company won a tender to provide 6 new, fully electric, low-floor buses for MZK Ostrów Wielkopolski. The company won the tender with the offer of the Solaris consortium. The initial value of the contract is PLN 155,000. Buses are to be delivered in two tranches: 3 buses to 22 February and another 3 to 26 April 2019.
- The price of oil in the United States increased significantly as a result of speculation regarding the appointment of a new National Security Advisor by the President of the United States, which would affect the growth of geopolitical tension. In deliveries for May, West Taxas crude oil barrel for sale in the state reached the price of USD 65.42 per barrel (increase by 1.7%). At the ICE Futures Europa fuel exchange in London, Brent in deliveries for May and reached the value of USD 69.57 per barrel.
- Copper prices on the market are around 1% and 0.4% increase. In 3-month deliveries, LME is valued at USD 6,718,50 per ton (an increase of 0.4%). The President of the United States signed a memorandum that started commercial sanctions.
- Strengthening of the zloty, the dollar is weakening, the euro is stable. The Polish currency benefited from the weakening of the dollar and was forced to face a higher risk aversion. The dollar exchange rate depreciated as a result of the statement in which Jerome Powell was quite cautious and did not exacerbate expectations regarding the bank's tougher policy. The euro exchange rate remained stable, although the index of the German ZEW institute was disappointing.

# Company of the week

TAURON Polska Energia S.A. (Tauron) - a Polish company grouping companies from the energy sector, the second largest in Poland after the Polish Energy Group. The Tauron Group is one of the largest economic entities in Poland and belongs to the largest energy holding companies in Central and Eastern Europe. It operates in all areas of the energy market - from coal mining, through generation, distribution and sale of electricity and heat, and customer service. On a smaller scale, the holding also runs wholesale of fuels and derivative products (trade in coal and biomass). In 2014, Tauron also entered the market for

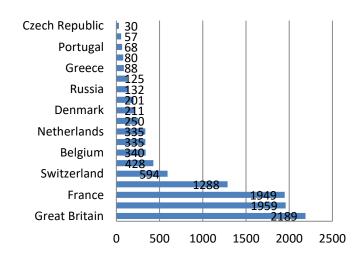
trading in gaseous fuel. The Tauron Group employs over 25,000 people. The company debuted on the Warsaw Stock Exchange on June 30 2010, and is currently among the companies included in WIG20. The company made its debut at PLN 5.13. The results for 2017 are: sales revenues: 17 bln zl, EBITDA 3.4 bln zl, net profit 1.3 bln zl. Indicators: price / book value (P / BV) 0.24; price / sales revenues (P / S) 0.25; price / operating profit (P / E) 3.12; return on assets ROA 3.86%, return on equity ROE 7.64%.

## HNWI number in selected European countries ('000, 2017)

Global Wealth Databook 2017 report, developed by Credit Suisse, who counts people in the HNWI category. There are 57,000 people in Poland whose property exceeds USD 1 million. Comparing Poland's result from 2016, this number grew by 16,000 people.

Poland's result compared to other countries is not quite impressive. For comparison, there are almost 2.2 million people in the UK living in the HNWI category, 2 million in France and Germany and 1.3 million in Italy. Poland, the Czech Republic, Finland and Portugal occupy the gray end in the HNWI category. It should also be remembered that the Polish population is definitely larger than other countries mentioned.

The structure of Polish HNWI is dominated by people with assets worth between 1 and 5 million dollars. The number of people with assets over USD 100 million exceeds 200, of which 12 have assets worth more than USD 1 billion.



Source: Rynek dóbr luksusowych w Polsce

#### Statistical data

Macroeconomic ind	Date	
GDP y/y	5,1%	Q4 2017
CPI	1,4%	2018.02
Unemployment rate	6,8%	2018.02
Salary av. enterpises	4 973 zł	2017.12
Industrial production	8,60%	2018.01
NBP reference rate 1,5%	1 5%	Since
	1,5 /0	2015.03

Rates (%)		1W ∆ bps	Marke
WIBOR 3M	1,71	-0,01	WIG
EURIBOR 3M	-0,327	0,00	WIG 2
LIBOR CHF 3M	-0,7446	0,00	DAX
EUR/PLN	4,22	0,07	FTSE
USD/PLN	3,42	-0,28	DJI
CHF/PLN	3,61	-0,22	SP500
EUR/USD	1.24	0.36	

Markets (points)		1W Δ %
WIG	59 436	-0,71
WIG 20	2 257	-0,74
DAX	11 886	1,77
FTSE	6 922	0,44
DJI	23 954	0,02
SP500	2 626	0,65