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ENGLISH EDITION: Bartosz Golnik

Economy

CSO: Inflation at the lowest level since the end of 2016.

In monthly terms its indicator was -0.1 percent and 1.3 percent. on an annual basis. This makes the chances of interest rate hikes smaller.

NBP: More and more banknotes with face value of PLN 500 and PLN 200.

Currently, there are over 8.5 million banknotes in circulation with a nominal value of PLN 500. The total value of banknotes of all denominations in circulation is over PLN 194 billion.

Unemployment is getting lower and lower.

In March its level was only 6.6 percent. In March 2017 it was 8 percent. In comparison with February this year, the number of unemployed has decreased by 33.2 thousand.

Eurostat: hourly labour costs in Poland one of the lowest in the EU.

In Poland, they are currently amounted to EUR 9.4, while the average in the EU economy is EUR 26.8. The highest costs were recorded in Denmark (42.5 euros), and the lowest in Bulgaria (4.9 euros).

PKP with a loan for PLN 700 million.

The money will come from Pekao S.A., PKO Bank Polski and BGK. 250 million of this amount is to be allocated for the construction and modernization of railway stations.

Budimex will build the "Iron Bridge".

It is a KGHM facility for the disposal of mining waste. The investment is worth 578 million euros.

In the first quarter of 2018 airport in Gdańsk served 982 thousand passengers.

It is over 12 percent more than in the same period of the previous year. In the current year it is expected to serve 5 million passengers.

UOKiK in search of collusions.

Penalties for this type of practice can reach up to 10 percent. company turnover. The office will deal with, among others cases of distributors of photographic equipment, compressors, trucks.

Financial institutions

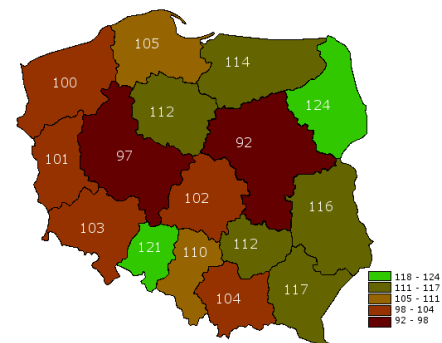
Operational merger of BGŻ BNP with Raiffeisen Bank Polska.

BGŻ BNP intends to purchase a Polish subsidiary bank from Raiffeisen International AG, ie Raiffeisen Polbank Polska for PLN 3.25 billion. The transaction is expected to be completed by the end of 2018, while the merger of both banks is expected to be completed by the end of the first quarter of 2019. The estimated value of the core business of Raiffeisen Polbank includes PLN 19 billion in loans and PLN 34.4 billion in deposits.

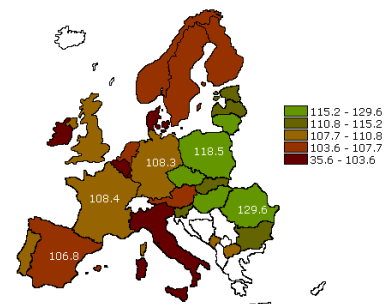
- PKP with a loan from 3 banks.** The company signed a loan agreement for PLN 700 million with the target consortium of PKO BP, Pekao and BGK. Each of the banks will grant the railway carrier an equal part of the total loan. The loan agreement will allow PKP to start the refurbishment of railway stations planned for 2018 throughout Poland.

Economic maps

Population per shop in 2016



Retail trade turnover (index 2015 = 100) in 2016



Financial Markets

- Grupa Azoty with a contract for PLN 350 million.** The 3-year contract signed with the Moroccan mining company Office Cherifien des Phosphates concerns the supply of phosphate rock. The agreement is of a framework nature and prices will be set at the beginning of each year - the estimated value of the contract is PLN 350 million. Zakłady Azoty Police will receive 1 million phosphate rock a year. This is another contract of the Polish company with a company from Morocco. The OCP company is among others long-term sulfur recipient from "Siarkopol" plants
- Ursus expansion to China.** The company signed a 10-year agreement with the Chinese company JML. On its basis, JML will receive permission to assemble and distribute Ursus tractors in China, Hong Kong and Macau. Ursus will also provide JML with the training of production and service staff. In

addition, the Chinese company will be allowed to adapt the tractors to local conditions. Ursus will be able to buy parts produced by JML.

- The development of Forte.** The company has opened a new chipboard production plant in the Suwałki Industrial District. The value of the investment is PLN 700 million. The target production of the plant is about 1500 m³ of chipboard. This is the fifth Forte production plant. Other plants located in Ostrów Mazowiecka, Białystok and Hajnówka. By 2020, Forte intends to start another facility in Suwałki - a furniture assembly plant.

- End of "Thread" tests.** The company CD Projekt announced the completion of beta testing of the main active project - the "Gwint" card game within the next 6 months. By the end of May, however, two significant updates are to be released to optimize the game. Simultaneously with the completion of the beta test, the "Blood War" supplement will be released.

- Friday's oil prices show a decline, however, in the perspective of the whole week, oil gained 7.7%, which means an increase of over 8 months.** The main reason is the

increase in tension in the Middle East and lower supplies of this raw material by OPEC countries. In deliveries for May, the West Texas Intermediate barrel on the New York Stock Exchange reached \$ 66.86 per barrel (an increase of 21 cents). At the ICE Futures Europe fuel exchange in London, Brent receives 25 cents in deliveries for May, reaching USD 71.77 per barrel.

- Copper prices on the London Stock Exchange are falling, however on Friday data will be published in China, which may contribute to the price increase of this metal.** In 3-month deliveries, LME is valued at USD 6,805.00 per ton (decrease by 0.2%).

- Zloty is stable, the dollar is weakening, the euro is stable.** Zloty exchange rate this week remained stable in the face of growing unrest, maintaining a strong position in line with the euro. The dollar weakens despite the presentation of the minutes from the last Federal Reserve meeting, which was received as "hawkish". In Euroland, the minutes from the ECB meeting generated the most interest. This message turned out to be cautious and balanced and did not significantly affect the euro exchange rate.

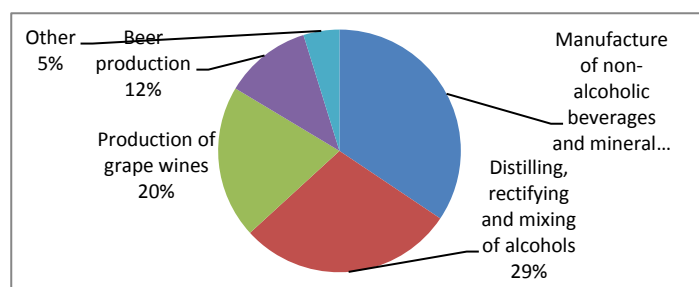
Company of the week

Inpro SA - A Polish real estate company founded in 1987 in Kartuzy and one of the largest developers operating on the Tri-City real estate market owned by the Polish Union of Developers. Inpro offers primarily apartments and apartments with a higher standard and single-family houses. The company also carries out commercial projects, such as apartment hotels and office buildings, and provides construction services that also include the production of prefabricated units implemented by the subsidiary inBet and the assembly of internal sanitary installations by the subsidiary ISA. From the beginning of the company's existence to today, the company has completed over

40 investments and put into operation over 4 thousand premises. Form made its debut on the Warsaw Stock Exchange on February 17, 2011, and is currently among the most-growing companies. The capital group includes: Inpro S.A, inBet Sp. z o.o., Dom Zdrowy Sp. z o.o., Przedsiębiorstwo Budowlane DOMESTA Sp. z o.o., Hotel Mikołajki Sp. z o.o., Przedsiębiorstwo Instalacyjne ISA Sp. z o.o., SML Sp. z o.o. In 2016, the company generated 204 million zł in sales revenue and a gross profit of 36.8 million zł. Indicators: ROA 6.61%, ROE 10.60%, price / book value (P / BV) 1.08, price / profit (P / E) 9.54; price / sale (P / S) 1.32.

Indebtedness of beverage producers divided into sub-branches

Beverage producers, whose total debt amounts to PLN 25,013,741.51, are better than the food industry. The producers of low-alcohol alcohols have the smallest problems and their debt amounts to PLN 2.9 million, while the largest ones are the producers of non-alcoholic beverages and mineral waters with PLN 8.6 million of debt. Poor condition of the sector of production of non-alcoholic beverages and mineral waters results to a large extent from the quality of thugs of fruit or vegetables to juices, fruit and vegetable nectars. If the harvest is poor, you can expect to increase prices on store shelves.



Source: CO GRYZIE PRODUCENTÓW ŻYWNOŚCI CZYLI SYTUACJA FINANSOWA W BRANŻY SPOŻYWCZEJ

Statistical data

Macroeconomic indicators	Date
GDP y/y	5,1% Q4 2017
CPI	1,3% 2018.03
Unemployment rate	6,8% 2018.02
Salary av. enterprises	4 599 zł 2018.12
Industrial production	7,40% 2018.02
NBP reference rate	1,5% 2018.03

Rates (%)	1W Δ bps
WIBOR 3M	1,70 -0,00
EURIBOR 3M	-0,328 0,00
LIBOR CHF 3M	-0,7354 0,00
EUR/PLN	4,17 -0,24
USD/PLN	3,38 -0,23
CHF/PLN	3,51 -0,19
EUR/USD	1,23 0,01

Markets (points)	1W Δ %
WIG	60 478 0,10
WIG 20	2 310 0,17
DAX	12 445 0,24
FTSE	7 265 0,11
DJI	24 421 -0,25
SP500	2 662 -0,08