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Economy

• Trade inspection questioned 2.34 percent liquid fuel samples in 2017. The tests were carried out at 939 stations. A year earlier, irregularities were detected in 2.36% samples.

• **IMF with a new forecast of the general government deficit.** Currently, it is estimated that it will amount to 1.9 percent GDP. The public debt path is expected to reach 50.8 percent of GDP.

• **From May, a new list of reimbursed medicines.** A lot of changes will include seniors. Their list will now also include medicines used for neuropathic pain and rheumatoid arthritis.

• Non-trade Sunday increases turnover in e-commerce. In the Comarch poll, 44 percent entrepreneurs indicated this regularity. The survey was conducted on April 12. Thus, a predicted scenario of increasing e-commerce offers is being made.

• **ITS: the fastest growing group of drivers over 50**. Its representatives, however, travel very safely. There are currently 8 million people from this age group on Polish roads. The general aging trend of the population has a large impact on such shaping of the age structure of drivers. Younger drivers can be less and less.

• Hotels and office buildings will be built by PKP. The cooperation with Polski Holding Nieruchomości, Xcity Investment and Chopin Airport Development will be used in their establishment. PKP is to provide land.

47% of entrepreneurs do not see a connection between better business conditions and increased financial discipline of companies. Problems related to it in the fourth quarter of 2017 reported 53 percent representatives of SMEs.

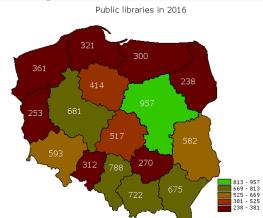
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• The debt due to promised pensions is PLN 4.96 trillion. It is an element of the so-called hidden debt. This is up to 275 percent GDP. Until now, these data have not been thoroughly analyzed, but recently the Central Statistical Office has started to consider them, thus meeting the expectations set by EU authorities.

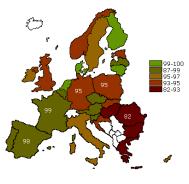
Financial institutions

• **GetBack's problems.** The company did not buy bonds worth PLN 5.5 million from FI Quercus. In addition, WSE and Catalyst suspended trade in GetBack instruments after PFR and PKO BP denied information that GetBack signed an investment and loan agreement for the amount of PLN 250 million. The KNF will verify whether the company has committed an economic crime.

Economic maps



Enterprises with broadband internet access in 2017 (%)



Financial Markets

• **Diversification of Grupa Azoty's operations.** The Group wants to reduce the share of fertilizers in company revenues due to the increasing prices of gas and raw materials. In 2017, the production of agricultural fertilizers accounted for 52% of the company's revenues. Grupa Azoty is planning to build a plastics plant Polimery-Police for PLN 5 billion by 2023.

• The increase of AmRest group's revenues. According to the preliminary report for 2017, revenues amounted to EUR 348 million (+ 31.1% y / y). The increase in revenues thanks to newly purchased entities in 2017, i.e. a total of 74 restaurants: KFC in Germany, France and Russia, Pizza Hut Delivery France, Pizza Hut Germany and Restaurant Partner Polska. These entities generated a total of about 50 billion euros in revenues.

• **PKN Orlen researches Lotos.** The company ordered a due diligence analysis of Lotos prior to its possible taking. According to the letter of intent between the company PKN

Orlen and the State Treasury of February this year. Orlen, after obtaining appropriate approvals and authorizations, would have acquired a 53% stake in Lotos.

• **Kruk's foreign investments.** The company has signed a contract to acquire 51% of shares in the Italian company Agecredit. Ultimately, Kruk intends to take over the company completely. Agecredit deals with the protection of receivables on commission. Its revenues in 2017 amounted to EUR 3.1 million. Thanks to this acquisition, Kruk will enter the Italian debt market.

• **Crow with permission from KNF.** The company Kruk received permission from the Polish Financial Supervision Authority to issue bonds of an open company of PLN 500 million. The company has received permission to issue bonds in its currencies: Euro and PLN.

Brent oil prices are rising, approaching \$ 75 a barrel, which is the highest level in more than three years. Rumors have been circulating around the market about Saudis who want the price of oil to reach \$ 100 a barrel. In deliveries for June, the West Taxas Intermediate barrel on the New York Stock Exchange reached \$ 66.94 per barrel (an increase of 42 cents). At the ICE Futures Europe fuel exchange in London, Brent receives a 36 cents supply in May, reaching USD 71.94 per barrel.

• Copper prices on the London Stock Exchange are falling because there is no factor that would change the prices of this metal. In 3-month deliveries, LME is priced at 6,876.50 USD per ton (50 cents decrease).

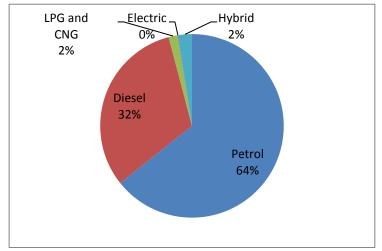
• The zloty is stable, the dollar is strengthening, the euro is stronger. The zloty exchange rate this week remains stable due to the situation in the broad market and low confidence in the dollar. The dollar strengthens and returns to the value that could be observed at the end of last week. The initial weakness was caused by events in Syria. The euro exchange rate in the main currency pair has strengthened. After silencing concerns about the escalation of the armed conflict, the interest of investors was caught by the data and the words of the bankers.

Company of the week

PZU SA - is one of the most important financial institutions in Poland and throughout Central and Eastern Europe. Her traditions date back to 1803. At that time, the first insurance company was founded in Poland. PZU has been providing comprehensive insurance coverage for many years in all major areas of private, public and economic life. In addition to the insurance business, the PZU Group also provides services in the field of managing an open pension fund, investment funds and savings programs. In 2017, for the first time in history, PZU achieved a net result of PLN 4.2 billion. Sales exceeded PLN 22.8 billion and are thus the highest ever achieved by the Group. Ratios: ROA 1.12%, ROE 20.93%, book value PLN 14 622 price / profit (P / E) 12.77; price / income 1.74

The structure of passenger car registration by type of drive [%] in 2016

The largest share in registered cars is those with a gasoline engine. The share of vehicles with gasoline engines in registrations increased to 64.3%. The number of registrations in relation to 2015 increased by 19.2 percent. up to 267,600 The demand for hybrid cars is increasing, the number of registrations of these cars reaches 10.1 thousand. There is also interest in cars with a factory installed LPG installation and their number of registrations has reached 6.5 thousand. In the engine capacity compartment, the largest share has 1400 to 1600 cm3 engines and is 26.8%, the next 21.3% have engines from 1800-200cm3.



Source: Automotive Industry Report 2017/2018

Statistical data

Macroeconomic indicators		Date	Rates (%) 1W Δ bp		1WΔbps	Markets (points)		
GDP y/y	5,1%	Q4 2017	WIBOR 3M	1,70	-0,00	WIG	60 144	
СРІ	1,3%	2018.03	EURIBOR 3M	-0,328	0,00	WIG 20	2 298	
Unemployment rate	6,8%	2018.02	LIBOR CHF 3M	-0,7352	0,00	DAX	12 525	
Salary av. enterpises	4 599 zł	2018.12	EUR/PLN	4,17	0,12	FTSE	7 355	
Industrial production	7,40%	2018.02	USD/PLN	3,40	0,69	DJI	24 430	
NBP reference rate	1,5%	2018.03	CHF/PLN	,	0,39	SP500	2 672	
			,	3,49	,	51555		
			EUR/USD	1,23	-0,59			