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ENGLISH EDITION: Bartosz Golnik

Economy

■ **There will be no more tax on inheritance and donations.** If a person purchases a property, a car or an object in accordance with the donor's order, the tax office will not receive any money from such transaction. MoF tried to prevent such an interpretation, but The Supreme Administrative Court remained adamant.

■ **Sejm with the amendment to the Road Transport Act.** The amendment assumes improvement of supervision over the market of transport services in Poland. It also has the task of eliminating unfair competition. The changes are to adapt Polish law to EU requirements.

■ **Unemployment fell to 6.1 percent in May.** In April it was 6.3 percent. In turn, in the corresponding months a year earlier, this index was by 1.2 percentage points higher. The number of unemployed has decreased in all voivodships.

■ **A Polish anti-cancer vaccine appreciated abroad.** The discovery of scientists at the University of Warsaw was used in it. The vaccine is a personalized drug and is at the stage of clinical trials. She was one of the candidates for. European Inventors Awards 2018.

■ **Poles want to work more remotely.** However, superiors have concerns about this mode. More than half of the respondents who do not have the opportunity to do this work, expressed their willingness to go on such a full-time job, and 33 percent for 10 days a month.

■ **MoE with a proposal of new solutions for waste.** They would include, among others round-the-clock inspections, higher penalties for non-compliance or more inspectors. The share of the shadow economy in waste management is estimated at 30-50%.

■ **Fuels stood for the first time since March.** The price recorded on June 7 is PLN 5.12, that is 2 gr / l less than a week earlier. Diesel oil costs PLN 5.07.

■ **MRPiPS proposes to increase the minimum wage.** The resort wants it to be amounted to PLN 2,250 in 2019. The hourly rate would in turn increase to PLN 14.7. Currently, the minimum wage is PLN 2,100.

Financial institutions

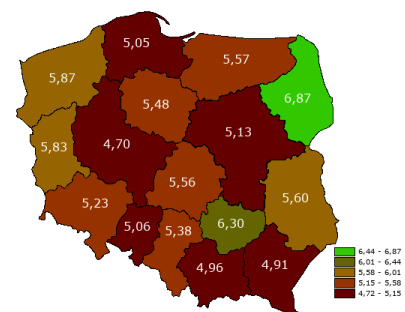
■ **PKO BP is closing down the boxes in Wrocław.** There are over 1700 of them. The building of the bank, which was built in 1899 is waiting for renovation. They are to be found in it, among others, restaurants, conference rooms, rooms for children.

■ **The prosecutor's office and the KNF with complaints about Profi Credit Polska.** Customers received calls for

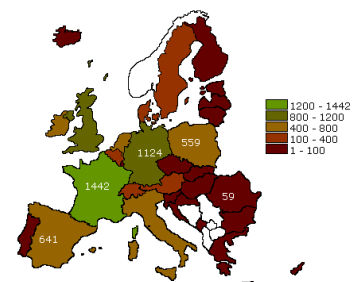
significant fees, e.g. for insurance. The President of UOKiK decided to initiate proceedings.

Economic maps

Average monthly consumption of meat in 2016 (kg per capita)



Production of cattle meat in 2016 (1000 tons)



Financial Markets

■ **Ursus Bus with a contract for trolleybuses.** The Ursus Bus consortium owned by Ursus won a tender for the supply of 10 new trolleybuses, organized by ZTM Lublin. Value of the contract is PLN 21.7 million, completion date is set to September 2, 2019.

■ **The investment in Azoty Puławy.** Zakłady Azotowe Puławy (Grupa Azoty) signed a joint contract with three companies: Erbud Industry, Erbud and Sefako for the construction of the Denitrification Plant SCR and comprehensive modernization of the boiler at the Puławska CHP plant. The value of the contract is PLN 83.5 million in total, and the duration of the contract is 21 months.

■ **Budimex with a contract from GDDKiA.** The contract concerns the construction of a part of the A1 Motorway from 335 km to 400 km. The value of the project is PLN 389.3 million, and the implementation period is 32 months (not including winter periods). The motorway guarantee period is 10 years.

■ **PGE wants to take over Polenergia.** PGE submitted an application to UOKiK for the takeover of Polenergia from Kulczyk Investment, which holds 50.2% of the company's shares.

- **Data leak from mBank.** Data of 1000 clients were stolen from databases and published on the Internet. The person who did this also sent information on the possession of 100,000 customers of this bank. The bank calms down that the data leakage does not threaten the money deposited in the bank.
- **Oil This week we could see a slight increase in US oil prices.** In deliveries for July, the West Texas Intermediate barrel on the New York Stock Exchange reached a price of USD 66.02 per barrel (an increase of 7 cents). At the ICE Futures Europe fuel exchange in London, Brent in August supplies is cheaper by 8 cents reaching USD 77.24 per barrel.
- **Copper on the London Stock Exchange is cheaper by 1.2%.** In 3-month deliveries, LME is valued at USD 7 243.50

per ton. Copper in London has gained in the last 6 sessions due to concerns over the supply of metal in the largest copper mine in the world, which is located in Chile.

- **The zloty strengthens, the euro gains, the dollar weakens.** This week brought a strengthening of the zloty and recovery of losses from the second half of May, due to improved sentiment in the financial markets. This factor also strengthened the European currency against the dollar, reaching its highest level since May 11. In recent days, many macroeconomic and political news from the United States appeared, however, did not significantly affect the dollar, which weakened.

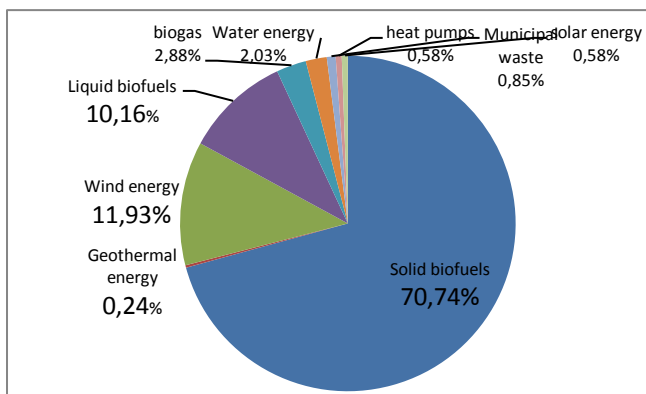
Company of the week

Comarch SA - one of the largest Polish IT companies based in Krakow, founded in 1993 by professor of the AGH University of Science and Technology Janusz Filipiak and his twelve students. Janusz Filipiak together with his wife Elżbieta Filipiak (chairman of the supervisory board) are the main shareholders of the company (2/3 of votes at the AGM). Comarch employs over 5,400 experts in 89 offices in 30 countries. It focuses on operations in seven sectors, including: software for public administration, software for the health sector, systems for the banking and insurance sector. The

Comarch capital group includes foreign branches, including Comarch Software AG (Germany), Comarch Inc. (USA) and MKS Cracovia SSA. The company develops organically and opens branches in the countries where it starts its activity. In 2014, Comarch opened offices in Chile and Spain, in 2015 in Malaysia, Sweden and Italy, in 2016 in Argentina, Colombia and Peru and in 2017 in Saudi Arabia. In 2017, the company generated PLN 1.1 billion in sales revenue and PLN 64 million in gross profit. Financial ratios: ROA 2.80%; ROE 4.78%; price/book value (P/BV) 1.41; price/profit (P/E) 1.03; price/sale (P/S) 1.06.

The structure of obtaining energy from natural resources in 2016

The growing demand for energy, along with the development of civilization, with the depletion of its traditional resources - mainly fossil fuels (coal, oil, natural gas) and the accompanying increase in environmental pollution, increase interest in the use of energy from renewable sources. In the domestic acquisition (and use) of energy from renewable sources, solid biofuels are the dominant item. Their share in obtaining energy from renewable sources in 2016 constituted 70.74% of energy obtained from RES. In the discussed period (2012 - 2016), the share of wind energy increased from 4.79% to 11.93%, liquid biofuels from 7.96% to 10.16%, biogas from 1.97% to 2.88%, solar energy from 0.17% to 0.58%, while the share of water energy decreased from 2.06% to 2.03%



Source: Berent - Kowalska G., Kacprowska J., Moskal I., Piwko D., Jurguś A., Energia ze źródeł odnawialnych w 2016 r., Zakład Wydawnictw Statystycznych, Warszawa 2017, s. 33.

Statistical data

Macroeconomic indicators		Date
GDP y/y	5,2%	Q1 2018
CPI	1,7%	2018.05
Unemployment rate	6,3%	2018.04
Salary av. enterprises	4 840 zł	2018.04
Industrial production	9,30%	2018.04
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	4,28	0,04
USD/PLN	3,63	0,24
CHF/PLN	3,69	-0,22
EUR/USD	1,18	-0,25

Markets (points)		1W Δ %
WIG	59 015	-0,67
WIG 20	2 250	-0,91
DAX	12 766	-0,35
FTSE	7 681	-0,30
DJI	25 317	0,30
SP500	2 799	0,31