

Have a successful exam session and sunny holidays! See you in October!

Economy

- **The government wants to raise the minimum wage to PLN 2220.** The hourly rate would amount to PLN 14.50. At present, the minimum salary is PLN 2,100 per month and PLN 13.70 per hour.

- **Workers, PIP, work in hot weather.** The inspection received 40 complaints of this type. Special amenities must be provided when the temperature exceeds 25°C, including additional break and unlimited access to drinking water.

- **Registration certificate on your smartphone by the end of the year.** The functionality is to be related to the development of the smartphone application mDokumenty. In a short time, you will also have access to school and student ID.

- **Digital industry against the so-called "Tax on the Internet".** Entrepreneurs from Poland, the Czech Republic, Slovakia and Hungary appealed to the EP. In their opinion, the new regulations will harm the development of the digital economy. The priority should be innovation and the development of digital services.

- **The gap in income in the VAT tax for the gray zone of fuels dropped from 26 to 14 percent.** The new regulations have the biggest influence. For the previous 3.5 years, gangs could have injected diesel oil into Poland for EUR 5 billion.

- **The Uber drivers will have to have a license.** For this purpose drivers will receive from the company PLN 3,500. The lack of a license obligation by Uber was highly controversial.

- **The CKE gives the results of junior high school exams.** The students scored an average of 68% from Polish and 52% in mathematics. The average result of the basic English exam is 68%.

Financial institutions

- **MF: consolidation of banks.** Further consolidation of the banking sector in Poland is possible. According to the ministry, the market is currently competitive, but consolidation allows reducing the operation costs and the potential expansion of the European market.

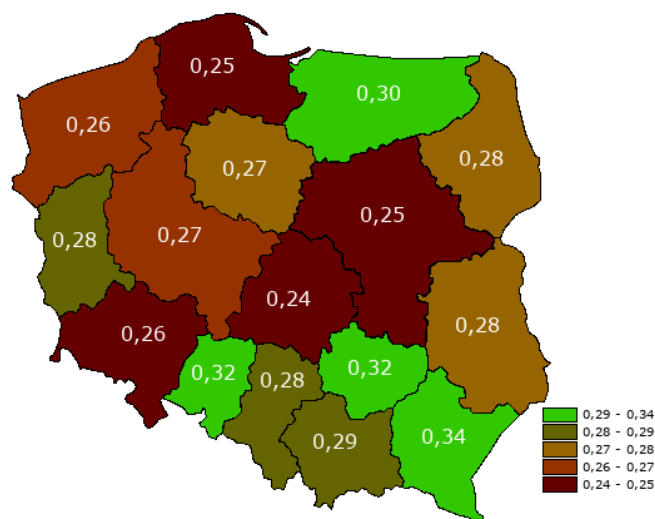
- **PKO BP with warnings primarily against malicious software.** The warning applies to installing applications from unknown sources on the mobile phone. A malicious program intercepts login details for banking websites.

- **Insurers' profits in Q1 2018.** The Polish Chamber of Insurers of PIU informed that insurers' profits in 1Q 2018 increased by 1.9% y / y reaching PLN 1.06 billion. The growth rate of insurance premiums in the entire sector fluctuated from 6% to 12% y / y, while the value of life insurance premiums was lower by 7%.

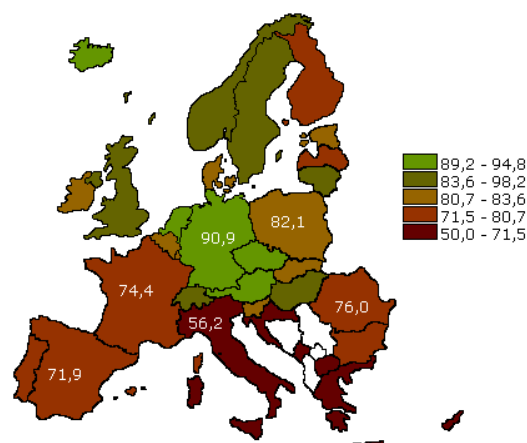
The value of benefits paid increased at a slower pace, i.e. from 3% to 9% y / y.

Economic maps

Share of alumni in students in 2016



Employment rate of recent alumni in 2017 (%)



Financial Markets

- **Innovative project of PKP Cargo and JSW.** At IMPACT'18, the companies signed a letter of intent regarding cooperation in research on the use of hydrogen fuel in freight carrier locomotives.

- **Ambitious plans of PKN Orlen.** The PKN Orlen company has approved the Petrochemistry Development Project. It assumes investments with a total value of approx. PLN 8.3 billion until 2023. As part of the project, the company intends to construction of a complex of Derivative Aromatics,

extension of the Olefin complex and increasing the production capacity of Phenol. The investment is expected to bring an increase in EBITDA operating profit by PLN 1.5 billion a year.

- **CD Projekt with a herald of a new title.** During the Electronic Entertainment E3 fair in California, the company published a trailer for the long-awaited title "Cyberpunk 2077". This trailer was based on the graphics of the current game and showed an outline of the game's climate. The company has not published the date of issue of the title.

- **Emperia wants to withdraw from the WSE.** The General Meeting of Emperia Holding adopted a resolution to withdraw shares from public trading on the WSE. This decision must be approved by the PFSA.

- **The price of crude oil is stable.** In deliveries for July, the West Texas Intermediate (WTI) oil barrel on the New York

Stock Exchange reached 66.9 USD. At the ICE Futures Europe fuel exchange in London, Brent crude oil supply in August was 0.7% to USD 75.9 a barrel.

- **Copper on the London Stock Exchange cheaper the sixth session in a row.** In 3-month deliveries, LME is valued at USD 7,150 per ton (a decrease of 0.4%).

- **Zloty and the euro weakened and the dollar stable.** This week brought a weakening of the zloty in pairs with the euro and with the dollar, which value increased by PLN 0.7. The euro weakened due to the Thursday's decision of the European Central Bank about the planned closure, although with the possible possibility of prolonging the QE transaction. Increase by 0.25 pp. interest rates by the Federal Reserve, despite expectations, notably strengthened the dollar, which this week remains stable.

Company of the week

Żywiec Group S.A. - a public company dealing in beer production. It includes five breweries: in Cieszyn, Elbląg, Leżajsk, Warka and Żywiec. Earlier, the group also included breweries in Bielsko-Biała, Braniewo, Bydgoszcz, Gdańsk, Łańcut and Warsaw. The company belongs to the Heineken Group. Grupa Żywiec S.A. was established in December 1998 as a result of the merger of Zakłady Piwowarskie in Żywiec S.A. (main shareholder: Heineken International BV) with Brewpole BV (breweries in Elbląg, Leżajsk, Warka, Gdańsk and Radom). At that time, the Grupa Kapitałowa Żywiec SA was established called Grupa Żywiec. In 2004, the group took over two breweries from the Brau Union Polska brewing

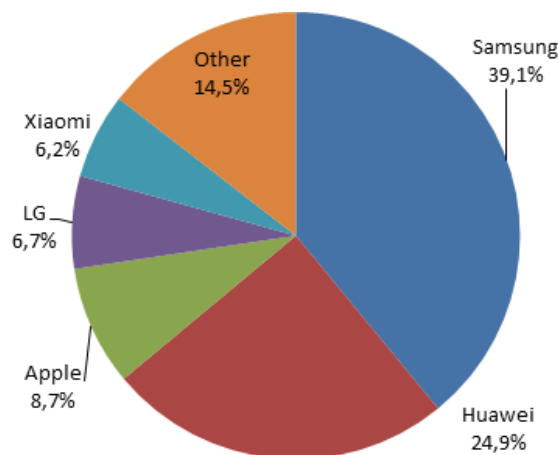
group: Kujawiak from Bydgoszcz, liquidated two years later, and Warsaw Royal Breweries, where the production of beer has already been stopped by the Brau Union. For Grupa Żywiec, beer is also produced by the Castle Brewery in Cieszyn, which is however a separate company. In 2006, annual beer sales exceeded 11 million hectoliters. Over 100,000 hectoliters of beer produced by the company is exported abroad each year. In 2017, the company obtained 2.2 billion zł in sales revenue and a gross profit of 321 million zł. Financial ratios: ROA 14.02%; ROE 172.95%; price / book value (P / BV) 31.19; price / profit (P / E) 18.04; price / sale (P / S) 2.09.

The five largest smartphone manufacturers in Poland in Q4 2017

- The devices with the operating system accounted for 91.5% last year and were the vast majority of smartphones sold, followed by phones with the IOS system.

- Compared to last year, the number of telephones sold in the price range of PLN 500-1100 increased. According to IDC, smartphones accounted for over half of all devices sold in 2017.

- Samsung sold the most phones, and it accounts for 39.1% of the entire market. Then Apple (8.7%), LG (6.7%) and Xiaomi (6.2%). In Poland, it increased by 7 pp. number of devices sold with LTE support.



Source: Wirutalne media: <https://www.wirtualnemediapl/artykul/sprzedaz-smartfonow-w-polsce-w-2017-roku-dominacja-samsunga-i-androida>.

Statistical data

Macroeconomic indicators			Rates (%)		1W Δ bps	Markets (points)		1W Δ %
		Date						
GDP y/y	5,2%	Q3 2017	WIBOR 3M	1.70	0,00	WIG	58 180	-0,72
CPI	1,7%	2017.10	EURIBOR 3M	-0.3280	0,00	WIG 20	2 218	-0,87
Unemployment rate	6,3%	2017.10	LIBOR CHF 3M	-0.7354	0,00	DAX	13 040	-0,51
Average monthly salary	4 840 PLN	2017.10	EUR/PLN	4.28	-0,06	FTSE	7 690	-0,97
Industrial production	9,3%	2017.10	USD/PLN	3.70	-0,18	DJI	25 175	-0,10
NBP reference rate	1,5%	Since 03.2015	CHF/PLN	3.70	-0,30	SP500	2 782	0,25
			EUR/USD	1.16	0,14			