

COUNSELLOR: Dr hab. Sylwester Kozak, prof. SGGW

EDITOR: Bartosz Golnik

WRITERS: Bartosz Golnik (Economy), Piotr Grudzień (FX market) • Łukasz Grzęda (Economic sector) • Konrad Hornowski (Financial markets, Financial Institutions) • Izabela Kruszewska (Company of the week) • Bartłomiej Zegadło (Economic maps)

ENGLISH EDITION: Bartosz Golnik

Economy

▪ **Taxi drivers protest in Warsaw.** A group of several hundred people on Thursday rode from Bielany to Ursynów, the second part of the protesters gathered in front of the Ministry of Justice. The ride was directed against, according to taxi drivers, illegal carriers.

▪ **Some schools in Warsaw may also be open at weekends.** The Warsaw City Hall is of the opinion that extending the week of study to six days and introducing for some classes Tuesday-Saturday courses would help relieve the institutions that will face the accumulation of pupils due to the reform of education.

▪ **Nearly 360 million PLN because of droughts from ARiMR.** The agency received over 212 thousand applications for the amount of PLN 2.3 billion. ARiMR also deals with the payment of compensation for damage caused by drought in fish farming in freshwater ponds.

▪ **MoE: 2 GW with real solar photovoltaics by 2020.** The resort also informs that next year's renewable energy auctions will probably take place in the middle of the year. Many investors, if they do not win the auction, are ready to build commercially.

▪ **The entire S8 has been put into use.** On Friday, October 19, the last part between Wyszaków and Poręba became available for use. In connection with the end of works on access roads, a limit of 100km / h will apply by the end of November.

▪ **Retail sales in September at a surprisingly low level.** Sales in current prices yoy increased by 5.6 percent, but economists expected an increase of 7.6 percent yoy. The drop in sales was recorded, among others companies trading in cars or parts of cars and food, beverages and tobacco products.

Financial institutions

▪ **Four entities on the KNF's list of warnings.** International Payments 5000, WTG.SA, ESTI Group and Consulting Services Artur Swendak - these entities have been entered by the KNF into the list of public warnings. International Payments 5000 accused of conducting brokerage activities without the consent of the KNF, ESTI Group - for not entering the company in the National Court Register and in the CEIDG system, Consulting Services Artur Swendak -

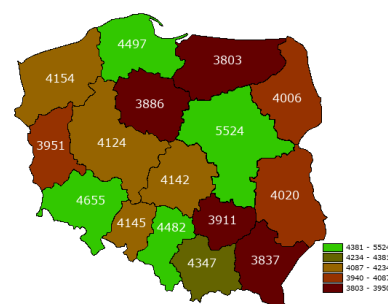
criminal proceedings initiated by the prosecutor's office in Warsaw. WTG SA - is once again on the list of public warnings.

▪ **The NBP confirms the increase in gold reserves to 116.669 tonnes.** This is an increase of 4.35 tonnes in the last month and 13.7 tonnes in the summer months.

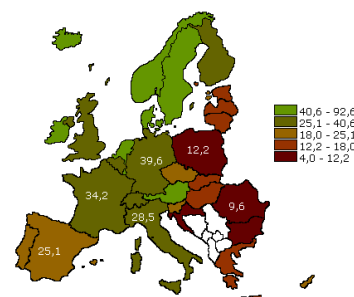
▪ **Bank Millenium takes over SKOK Piast.** The KNF informed that the request for consent for the acquisition of SKOK was submitted by its receiver due to insolvency. At the end of June 2018, the current loss of SKOK amounted to PLN 65.1 million.

Economic maps

Average monthly gross income in Poland in 2017 (in zlotys)



Gross domestic product at market prices per capita (1000 EUR)



Financial Markets

▪ **KGHM and Tauron will start cooperation for electromobility.** During the 4th Economic Summit in Siedlce, KGHM and Tauron signed a letter of intent regarding cooperation on the market of electromobility and carsharing. This cooperation is to be part of a government strategy for the development of electromobility. The companies will build 20 charging stations for electric cars in strategic locations.

▪ **PKN Orlen with a new investment for PLN 200 million.** PKN Orlen plans to build a propylene glycol installation, allowing further use of the produced glycerine. The planned cost is PLN 200 million, and the production capacity of this

installation is to amount to PLN 30,000. tons per year. It covers up to 75% of the demand for this product in Poland. Deadline for implementation - 2021.

- **PGNiG with gas supply contracts (LNG) from the USA.** PGNiG signed agreements with American companies: Venture Global Calcasieu and Venture Global Palquemes. Each of the agreements obliges American companies to deliver 1 million tons of LNG for 20 years. The purchase costs will be updated annually in relation to LNG prices on the American Henry Hub.
- **Newag without a contract in Lower Silesia, but with a contract in Lubuskie.** The company "Koleje Dolnośląskie" canceled the tender for new electric and diesel traction units. The reason was the too high price put by Newag for 11 trains - PLN 256.5 million, against the carrier's plans - PLN 220 million.
- **Crude oil is the cheapest in a month. US stocks were**

Company of the week

Asseco Poland SA - The Group creates technologically advanced software for companies from the financial sector, public institutions and industry, trade and services. The company has a broad portfolio of its own products, i.e. a platform combining online and mobile banking or systems centralizing customer payments, as well as unique experience in the implementation of complex IT projects, including construction a comprehensive Information System for ZUS related to lowering the retirement age. The company is constantly expanding and acquiring new IT

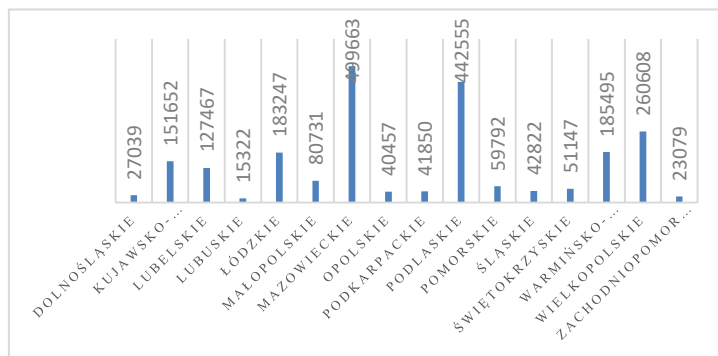
losing almost 6.5 million barrels. The West Texas Intermediate barrel (WTI), delivered for November at the NYMEX fuel market in New York, is valued at \$ 69.83 a barrel, up 8 cents.

- **The price of natural gas is still unstable.** The value should be updated last week. Once again, they reached the area of USD 3.30 per million BTU, but again this level of breakthrough was not achieved, and even this barrier was used for admission to inheritance.
- **The price of gold in consolidation.** In the past week, gold prices have moved around the USD 1220-1230 USD per ounce. Thus, the price of the bull market slowed the bullish up, but over it showed strength, because it did not drop completely in the calculations of the rising values of the US dollar. On the silver market of the previous version, in the case of this metal, prices remained around USD 14.50-14,70 per ounce.

companies. In 2015, the well-known Infovide-Matrix company joined Asseco Group. The main shareholders of the company are: OFE Aviva BZ WBK, Nationale-Nederlanden OFE and OFE PZU Żłota Jesień. Currently Asseco is included in the WIG20 index. The 2017 results are: sales revenue: PLN 7 830 million, operating profit: PLN 584 million, net profit: PLN 466 million. Indicators: ROA 5.49%, ROE 7.64%, P/E (price/profit) 11.89, EPS (earnings per share) PLN 3.63.

Stock of dairy cows in voivodships VI 2018

The number of dairy cows in June 2018 was 2233 thousand. pcs. In the structure of the cattle herd, the share of individual age groups: calves less than 1 year old (27.2%), young cattle for breeding and slaughter at the age of 1-2 years (28%), cows (39.2%), other cattle adult breeding and slaughter at the age of 2 years and more (5.6%). The number of cattle young to 2 years increased by approx. 2% compared to last year. The cow population increased by approx. 2.5% compared to June 2017.



Source: Rynek Mleka IX / 2018

Statistical data

Macroeconomic indicators		Date
GDP y/y	5,2%	I. 2018
CPI	2%	2018.08
Unemployment rate	5,8%	2018.08
Salary av. enterprises	4 848 zł	2018.06
Industrial production	2,80%	2018.09
NBP reference rate	1,5%	2018.07

Rates (%)		1W Δ bps
WIBOR 3M	1,72	-0,00
EURIBOR 3M	-0,317	0,31
LIBOR CHF 3M	-0,7424	0,00
EUR/PLN	4,29	-0,24
USD/PLN	3,73	-0,69
CHF/PLN	3,74	-0,87
EUR/USD	1,15	0,45

Markets (points)		1W Δ %
WIG	56 643	0,14
WIG 20	2 197	0,41
DAX	11 554	-0,31
FTSE	7 050	0,32
DJI	25 444	0,26
SP500	2 768	-
		0,33