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ENGLISH EDITION: Bartosz Golnik

Economy

- NBP: core inflation increased to 0.9 percent yoy in October.** For comparison, in September it was at the level of 0.8 percent. The CPI index administered by the Central Statistical Office in October was 1.8 percent yoy in October.
- Poles have to pay 73 billion PLN of overdue bills, maintenance and credits.** The average amount of debt increased from June to September from 26 to 26.6 thousand PLN. The percentage of people with arrears over 10,000 PLN is increasing.
- The Act establishing among others 9 percent CIT for small businesses signed by the president.** The amendment is the result of the new policy announced by the Ministry of Finance, which is based on transparency, simplicity and friendliness. It aims to rationalize the tax system.
- UTK: punctuality of passenger trains decreases.** In the third quarter of this year it fell to 87.42%. For comparison, in the first quarter it was 90.14%. The average time of delays longer than 5 minutes was 17 minutes and 48 seconds.
- Border controls will be temporarily restored due to the Climate Conference.** It will take place inside the Schengen Zone, in the case of Poland with the Czech Republic, Germany, Lithuania and Slovakia, and will take place between November 22 and December 16.
- PANSA: In 2030, Polish airports will serve 68 million passengers.** The agency also states that under the impact of improving air traffic, 65 thousand will be created in Poland. new jobs. In 2017, 40 million passengers used airlines in Poland.
- The economy needs 55+ employees.** OECD reports that the ratio of people over 65 to people aged 20-64 in Poland will increase by 2050 to 63 percent. Adecco experts say that it is first of all necessary to counteract the digital exclusion of this population group.

Financial institutions

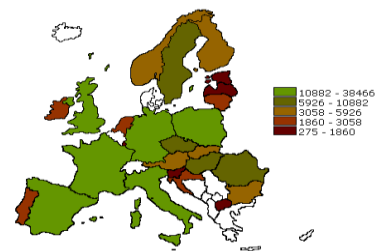
- Marek Chrzanowski resigned.** After the affair related to the publication by Leszek Czarnecki of recordings related to the proposals for protection of Getin Noble Bank in exchange for employment of certain persons.
- Idea Bank on the list of KNF warnings.** Polish Financial Supervision Authority has included Idea Bank on the list of

public warnings. KNF explains, however, that the entity was entered there not due to banking activity, but due to trading in financial instruments related to GetBack bonds.

Economic Maps

 Average useful floor area of dwelling in 2017 (m²)


Total length of railway lines in 2016 (km)



Financial Markets

- New trains for Lubuskie voivodship from Newag -** Newag has signed a contract with the Marshal's Office of Lubuskie Voivodship for delivery of 3, 3-part Diesel Multiple Units. The gross value of the contract is to amount to PLN 43 million. As part of the contract, the trains are to be delivered by the end of 2020, they are to be able to carry 400 passengers, and the maximum speed of the trainsets is to be 130km/h.
- Cegielski and JSW will create a new train - FPS Cegielski** has entered into an agreement between JSW and PKP Cargo, aimed at creating a hydrogen-powered locomotive. Under this agreement, JSW will be responsible for supplying sufficient amounts of hydrogen, which will be recovered from coke-oven gas. FPS Cegielski will be responsible for the design and construction of a locomotive powered by this gas, while PKP Cargo will be responsible for testing and implementing the locomotive in its fleet.
- Tauron tests the bus charging system -** Tauron, in agreement with the Public Transport Administration in Jaworzno, has launched the first fast charging station for electric buses in Poland. The innovation of this station is based

on the application of an innovative method, previously tested by Tauron in Jaworzno. This method consists in replacing discharged batteries with new ones, instead of charging them with chargers or pantographs.

- **Mostostal Warszawa with the contract for the construction of S19** - the consortium of Mostostal Warszawa and Acciona Construcción won the contract for the construction of a section of the S19 expressway from the "Nisko Południe" junction to the "Podgórze" junction. The value of the contract is to amount to PLN 272.5 million. The investment is to be completed in 34 months.

- **The external environment is not conducive to the Polish currency.** Last week the zloty weakened against the

euro by just under 2 inferior. During the mentioned period, the EUR / PLN pair moved in the range of 4.285 - 4.318. The Polish currency strengthened slightly to the US dollar. On a weekly scale, the USD / PLN pair moved in a quite wide range between 3.771 and 3.835. Very high volatility accompanied the quotations of the GBP / PLN pair, which was between 4.823 and 4.955. On a weekly scale, the zloty strengthened in relation to the pound by approximately PLN 0.01.

- **Copper at the LME metals exchange in London slightly increases.** Metal in three-month supplies costs USD 6,106.00 per tonne, after a 0.3 percent increase. - give brokers. On metal markets a better sentiment is visible due to a possible resolution of the trade dispute between the US and China.

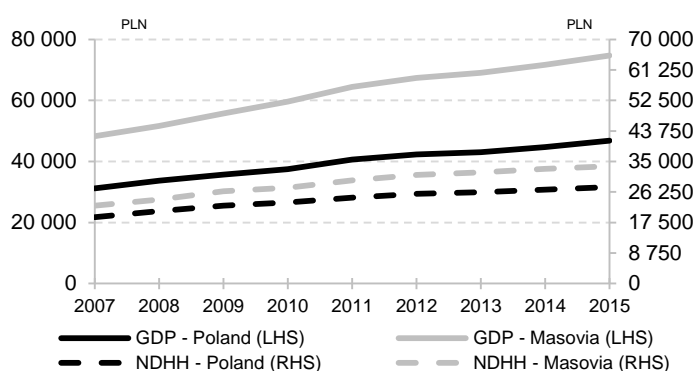
Company of the week

KS Agro an Ukrainian agricultural company operating in almost all segments of the agricultural market, including in the sector of production, storage, processing and sale of agricultural products. The group specializes mainly in cultivation, focusing on cereals, such as sunflower, wheat, barley, rapeseed, soybean, etc. The Group also dynamically develops vegetables and horticulture. The group consists of 8 agricultural enterprises, located mainly in the Dnipropetrovsk region, characterized by high-quality chernozem soil, offering large yields without excessive fertilization. In the business region, KSG Agro occupies a leading position among producers of agricultural products due to the bank of land

controlled by it, advanced technology of plant management and high productivity. The company has been listed on the Warsaw Stock Exchange since 1997, and currently (15/11/2018) its rate is PLN 0.92. The main shareholder of the company is Olbis Investments LTD SA, holding approximately 64% of shares. In 2017, the company generated 32 million euro in sales revenues (4% more than in 2016 and 29% more than in 2015) and 837 thousand euro in gross profit (77% less compared to 2016 and 131% more compared to 2015). Financial ratios: ROA 4.15%; price/book value (P/BV) 2.96; price/profit (P/E) 0.88; price/sales (P/S) 0.32./ sale (P / S) 1.8.

GDP per capita in Poland and in the Mazowieckie voivodship in the years 2007-2015 (in PLN)

The capital city of Warsaw is the main economic center of the Masovia Province. 59% of the GDP of the entire Masovian region is produced in its area. The product manufactured in Warsaw, however, is not the sole effect of the activity of the city's residents. To a large extent, it arises thanks to the employment of residents of neighboring administrative units. Such interdependence has a positive character and allows maintaining an economic bond between many sub-regions of the Masovia Province. The region of Mazovia also led the country in terms of the dynamics of the increase in gross value added, expressing the newly created value as a result of the production activity of domestic institutional units.



Note: GDP – gross domestic product, NDHH – nominal disposable income of households.

Source: own estimations based on CSO data.

Statistical data

Macroeconomic indicators			Rates (%)			Markets (points)		
		Date		1W Δ bps			1W Δ %	
GDP y/y	5,1%	07.2018	WIBOR 3M	1,72	0,00	WIG	55 442	-1,57
CPI	1,74%	09.2018	EURIBOR 3M	-0,316	0,00	WIG 20	2165,46	-1,70
Unemployment rate	5,8%	08.2018	LIBOR CHF 3M	-0,7478	-0,02	DAX	11 341	-0,11
Salary av. enterprises	4 848 zł	06.2018	EUR/PLN	4,295	-0,05	FTSE	7 014	-0,34
Industrial production	2,80%	09.2018	USD/PLN	3,79	-0,52	DJI	25 413	0,49
NBP reference rate	1,5%	07.2018	CHF/PLN	3,76	-0,54	SP500	2 736	0,22
			EUR/USD	1,14	0,82			