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ENGLISH EDITION: Bartosz Golnik

Economy

New rules on e-invoicing in public procurement.

Employers are to be required to receive structured e-invoices from contractors. Most of the changes will come into force in April 2019.

The Konsorcjum Stali purchased 738 925 own shares.

The value of the transaction totaled PLN 19.2 million. The company will consider conducting another share purchase in 2019 or 2020.

PBKM has a list of entities that it can take over in 12-18 months. The company will set new targets for the number of stored cells in Q1 2019. PBKM plans to issue its shares.

Already 12,500 applications in the Clean Air program.

The beginning of the action took place in September. The initiator is the MoE. The campaign is carried out under the slogan "Take care of your piece of sky".

Poles are increasingly trying to cheat insurers. In 2017 over 11,000 attempts took place for a total amount of PLN 213 million. Most often, crimes concern property insurance, and among them motor insurance.

Acceleration of retail sales. In the year it increased by 10 percent. The same streak was broken because the sales lasted for the previous 3 months. Economists are surprised not so much by the fact of improvement as its scale.

Sejm for maintaining VAT rates of 23 and 8 percent next year. The rates were introduced in 2011. The lump sum tax refunds for farmers and the lump sum rate for taxi drivers will also be maintained.

Financial institutions

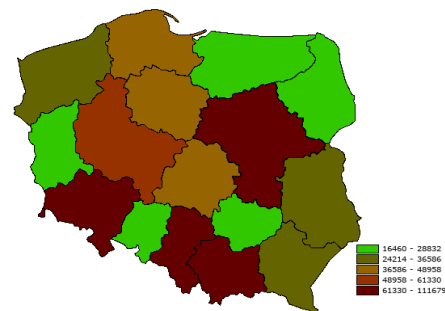
JSW is applying for co-financing. JSW is conducting talks in order to obtain co-financing for the construction of a new mine from a consortium of banks: PKO BP, Pekao, BOŚ Bank, BGK and one Chinese bank. The company's co-financing would amount to PLN 750 million, while the estimated cost of the construction of the new mine is about PLN 3 billion.

Jacek Jastrzębski, the new Head of the KNF. By appointment of Prime Minister Mateusz Morawiecki, Jacek Jastrzębski, the new President of the National Financial Supervision Authority, was formally sworn in. He replaced former chairman of the Polish Financial Supervision Authority

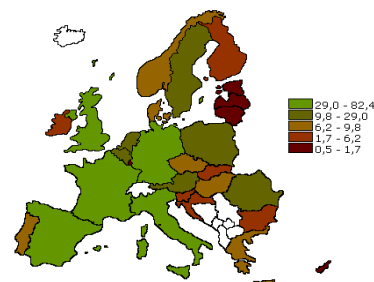
Marek Chrzanowski, who was dismissed in a case concerning Getin Bank.

Economic Maps

Number of committed crimes in 2017



Population projection for 2080 (made in 2015, in mln inhabitants)



Financial Markets

NPKN Orlen is a sponsor of Williams F1 Racing. PKN Orlen signed a sponsorship contract with Williams F1 Racing team in connection with Robert Kubica's return to the Formula 1 circuits. The contract will amount to approximately EUR 10 million.

Boryszew with an electromobility entry plan. Boryszew company plans to start production of parts for electric cars from 2019 - informed the president of the company Piotr Lisiecki. According to the President, one of the company's greatest assets is the materials used by the company for the production of parts (mainly aluminium), which may allow to reduce the weight of vehicles with this kind of propulsion system.

Ursus and PKO BP with an agreement. In connection with the restructuring proceedings, Ursus agreed on a preliminary agreement with one of its creditors, i.e. PKO BP bank. According to the agreement, PKO BP will give up its plans to terminate the loan agreement with Ursus, and now both parties are in the process of negotiating further financing of the loan agreement by Ursus.

- **Fire in the paint shop of Wielton.** Wielton and the district fire brigade have reported a fire in Wielton's paint shop. The fire was brought to production plant number 1, which is also the only damaged building of the company. The company guarantees that it is able to maintain an adequate level of capacity by increasing production at the more modern production plant number 2, and by placing orders with subcontractors. The company also informed that the plant was insured against such events.

- **Oil prices on the stock markets are going down.** On Friday they fell to the lowest level this year. The barrel market in London, ie about 159 liters of raw material, costs \$ 61.60. Only for the last four days, the price was about 8 percent. There have been no such drops on a weekly scale since February. It's the last 7 weeks in a row when quotes go down. It is worth recalling that less than two months ago, oil cost almost \$ 87.

- **EUR / PLN returned to 4.29 after a week of impact of speculation around the KNF scandal.** In the following days,

trade should anchor closer to 4.30. Over the week (as at 16.15), the zloty strengthened against the euro, weakened against the Swiss franc, and in comparison with the US dollar and pound sterling, despite the five-mile fluctuation range, did not make any significant changes. The EUR / PLN pair moved in the range of 4.29-4.336, and the scale of weekly appreciation of the zloty is approximately PLN 0.20. The USD / PLN pair moved in the range of 3.757-3.796, while the GBP / PLN exchange rate fluctuated between 4.818 and 4.868.

- **Copper at the LME metal exchange in London is cheaper.** Metal in three-month supplies costs USD 6,240 per ton - they are given by brokers. During the previous session at LME in London, copper went up by USD 20, or 0.3 percent, to US \$ 6.255.00 per ton. From the beginning of this week, the metal gained 0.6 percent. Last week, copper at LME increased by 2.5 percent.

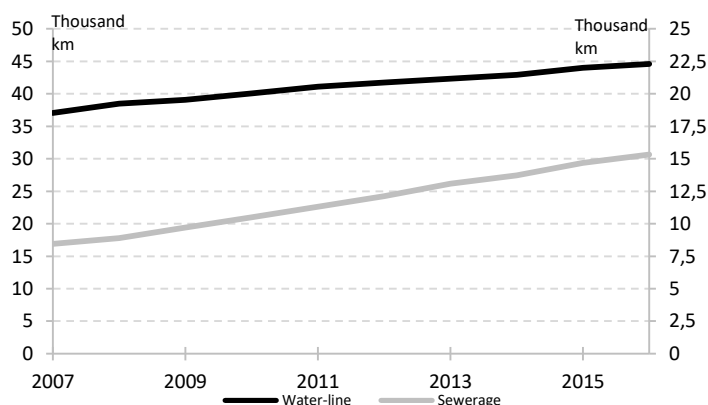
Company of the week

CCC S.A. is one of the biggest shoe retail companies in CEE region and also one of the biggest shoe producers in Europe. The firm sells its products in 16 countries. The products are sold through the own retail's network in Poland, Czech Republic, Hungary, Germany, Slovakia, Austria, Croatia, Slovenia, Russia, Bulgaria, Serbia and in through the franchise network in Romania, Latvia, Lithuania, Estonia, Ukraine. The

company debuted on Warsaw Stock Exchange in 2004. Currently it belongs to the top 20 companies included in the WIG20 Index. In 2017 CCC S.A. achieved: sales PLN 3.2 bn, EBIT PLN 373.4 mn and net profit PLN 315.5 mn. The ratios: price/book value (P/BV) 7.79, price/sales (P/S) 3.02, price/earnings (P/E) 25.78, the return of assets ROA 15.73%, the return of equity ROE 28.21%.

Water supply and sewage infrastructure in Mazowieckie voivodship

Sewage and water installations are an important element of technical infrastructure. It significantly affects the condition of the regional environment, the economic development of the region, but also the quality of life of the inhabitants. From 2007 to 2016, approximately 7.5 thousand km of water supply infrastructure and approx. 6.9 thousand km of sewage was built. In 2007, the water supply infrastructure in the Mazowieckie Voivodship was almost 4.5 times larger than the sewage system, until 2017 this proportion improved and was already 3 times larger. Comparing the years 2017 with 2007, the dynamics of the water supply network was 20%, and the sewage network was 81%.



Source: own study based on the Local Data Bank.

Statistical data

| Macroeconomic indicators | | Date |
|--------------------------|-----------------|---------|
| GDP y/y | 5,1% | 07.2018 |
| CPI | 1,74% | 09.2018 |
| Unemployment rate | 5,8% | 08.2018 |
| Salary av. enterprises | 4 848 zł | 06.2018 |
| Industrial production | 2,80% | 09.2018 |
| NBP reference rate | 1,5% | 07.2018 |

| Rates (%) | | 1W Δ bps |
|--------------|----------------|----------|
| WIBOR 3M | 1,72 | 0,00 |
| EURIBOR 3M | -0,316 | 0,00 |
| LIBOR CHF 3M | -0,7473 | 0,19 |
| EUR/PLN | 4,284 | -0,17 |
| USD/PLN | 3,78 | 0,46 |
| CHF/PLN | 3,79 | 0,11 |
| EUR/USD | 1,13 | -0,59 |

| Markets (points) | | 1W Δ % |
|------------------|----------------|--------|
| WIG | 56 788 | -0,25 |
| WIG 20 | 2 225,4 | -0,49 |
| DAX | 11 193 | 0,49 |
| FTSE | 6 953 | -0,11 |
| DJI | 24 286 | -0,73 |
| SP500 | 2 633 | -0,66 |