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Monthly Market Outlook: November 2018

Equity Market, Macroeconomics

Equity Market

Macroeconomic and US corporate performance remains strong; recovery expected in Europe and China later this year; politics is a big question mark. After an awful October, we expect stock prices to rise by the year's end.

Sector Outlook

Financials

Polish financial stocks suffered a steep, 11% drop in October, again moving in tandem with their Western European counterparts (-12%). We expect that the sentiment towards financial sector in Europe may improve with the publication of the EBA stress tests results. Meanwhile early 2018 third-quarter reports from rated banks thus far give us no reason to downgrade our views or to alter our bullish trading bias.

Chemicals

Correction in the prices of gas and CO₂ emission allowances may improve the sentiment towards Polish chemical companies and help the ailing stocks of ATT and CIE.

Oil & Gas

Having declined heavily for several weeks, refining margins are finally bouncing back thanks to the decreasing prices of crude oil. The trend may be beneficial to the stocks of PKN and LTS in the short term. In the medium term, we prefer companies exposed to the mining segment (ever growing pressure on refining and petrochemical margins).

Power Utilities

The sentiment towards the sector is improving slowly, mainly because of PGE, which is best exposed to margin hikes in the generation business. Enea's stocks are also noteworthy in this context. Having included higher energy prices in the model, we withdraw our negative recommendation regarding CEZ.

Telecoms, Media, IT

We expect an increase of IT stocks in November. ATD, ASE and CMR are our favourites. WPL's good results should boost sentiment towards the company. Improving sales results of Helios should translate into an increase in AGO's price. In telecommunication sector, PLY has a potential to grow, the outlook for OPL is also positive.

Industrials & Mining

The Q3 results should be good, but there are more and more signs of a possible slowdown (PMI) and a cost pressure (energy+wages) that are likely to materialise in H1'19. Numerous profit warnings have been issued in foreign markets. Automotive companies are losing momentum. In our opinion, AMC, FMF, KER and POZ should do best. We would avoid KTY. Mining companies benefit from possible trade deal between USD-China.

Construction

The dynamic rebound in BDX's stock price may not last long (the company's balance sheet structure in September did not give grounds for optimism). We expect the upward trend in debt to have continued in Q3. Bargain stocks: ERB, UNI and ELB.

Property Developers

The market overestimates the risk of a decrease in the results of the sector, which is currently priced at the median P/BV=0.6x and P/E'18-19=6.5x. We strongly prefer the leaders of the residential market - DOM, 1AT and LCC. ARH, LKD and ECH are also priced attractively.

Retail

Unfavourable weather conditions in October 2018 may reduce the positive influence of the low base on the results of apparel and footwear companies. We expect DNP, EUR and VST to report good results. Our preference in November is for the stocks of CCC, DNP, EUR, LPP, BTM and VST.

Key Ratings

Positive: 1AT, AGO, AMC, ASE, ATD, ATT, BTM, CCC, CIE, CMR, DOM, DNP, ENA, EUR, JSW, FMF, KOMB, KER, LCC, LPP, MOL, OPL, OTP, PEO, PGE, PLY, PGN, POZ, VST

Negative: KTY, LTS, PKN

EU Indices	Value	1M chng	YTD chng
WIG	56,322	-4.3%	-1.2%
ATX	3,191	-5.6%	-5%
BUX	37,155	-0.0%	-6%
PX	1,068	-2.9%	+3%

WSE WIG Ind.	Value	1M	YTD
WIG20	2,198	-3.6%	-9%
mWIG40	3,869	-6.8%	-18%
sWIG80	11,040	-3.5%	-2.2%
Banking	7,441	-4.6%	-1.2%
Basic Materials	1,982	+3.1%	-30%
Chemicals	8,177	-14.2%	-47%
Clothes	2,338	+4.2%	-2.2%
Construction	3,568	+2.1%	-1.9%
Energy	2,093	+1.8%	+3%
Food	4,650	+1.3%	-3%
IT	2,024	-1.0%	-8%
Media	5,921	-1.4%	-2.1%
Oil & Gas	6,943	-4.8%	-3%
Real estate	3,540	+1.2%	-2%
Telecom	568	-5.9%	-2.4%

Top 5 / Worst 5		1M	YTD
Work Service	1.29	+79.2%	-69%
Budimex	124.00	+19.0%	-35%
Comp	64.00	+18.5%	+4%
Asbis	2.87	+17.1%	-4%
XTB	4.75	+14.2%	+6%
TXM	0.46	-30.3%	-81%
Torpol	3.46	-30.5%	-56%
Ursus	1.21	-35.6%	-70%
Forte	25.05	-41.9%	-50%
Braster	1.26	-49.4%	-82%

Rating & 9M TP Changes as of 5 Nov.

Name	Rating	9M TP
AmRest	accumulate ▲	41.20 PLN ▲
CCC	buy ►	272.00 PLN ▼
CEZ	hold ▲	518.72 CZK ▲
Ciech	buy ►	77.05 PLN ▼
Dino	buy ▲	103.50 PLN ►
Grupa Azoty	buy ▲	31.47 PLN ▼
ING BSK	buy ▲	200.00 PLN ►
Kernel	buy ►	60.85 PLN ▲
Millennium	hold ▲	8.40 PLN ►
MOL	accumulate ▼	3296.00 HUF ►
PGNiG	buy ►	7.72 PLN ▼
PKN Orlen	reduce ▲	81.38 PLN ►
PKO BP	buy ▲	47.00 PLN ►
PZU	buy ▲	47.50 PLN ►
Santander BP	buy ▲	400.00 PLN ►
Skarbiec Holding	buy ►	31.02 PLN ▼
Stelmet	hold ▼	7.72 PLN ▼

Investing Outlook

Weakening macroeconomic statistics from Europe and China, disappointing performance of European companies, slow-down on the US real estate market and concerns whether consumption will remain strong (falling car sales), technology stock corrections, escalating trade wars (no agreement between the USA and China), the risks of the Italian budget and growing yields of European bonds, negative perception of the elections in Germany and the approaching Brexit are the key drivers of the falls on the global equity markets in October (DAX -6.5%, S&P500 -6.9%, NASDAQ -9.2%, Nikkei -9.1%, MSIA EM -X%), which was the worst month for stocks in many years (since 2011 for S&P500). Are the bears taking over? In our opinion, not just yet (we expect the indices to bounce back in November). In the USA, the macro and corporate performance has been and will in the coming months remain robust. In Europe, money supply has been growing steadily; combined with the expected recovery of car production, it should improve the macro statistics. The indices and valuations already discount the adverse scenario (DAX'19 P/E is 11.3x). In response to a weaker macro performance, China has taken steps to bolster the economy (expected recovery later this year). Politics remains an unpredictable driver of the markets, including the USA-China trade deal negotiations (G20 at the turn of December could be a breakthrough), the US elections, Brexit, and the EU/Italy agreement (mid-November).

USA: A slowdown?

While the US macroeconomic momentum remains solid, investors are increasingly looking for prospective negative trends in the current results. For example, the 3Q GDP reading of +3.5% modestly exceeded the expectations. However, analysts point to weaker consumption, which remains the key driver of growth (in view of very weak investments) and has probably moved beyond its peak momentum in the cycle. Good performance is likely to continue but the momentum is gone. Investors point to the interdependence between consumption and higher interest rates, as demonstrated by real estate figures. New home sales are at a two-year low; total home sales are falling for a sixth month in a row; the number of new development projects is down 5% MoM; the number of new construction permits is at an 18-month low. The real estate industry is not the only one to suggest that the cycle has entered a downtrend. Car sales dropped 4.7% YoY in September while total retail sales increased only 0.1% MoM.

As a result, the season of very strong corporate results in the USA supports the stock market but cannot fully offset all other bad news, as it did in the past. Corporate earnings are, indeed, very strong. Of 376 S&P500 companies which have already released their numbers, 84% report an increase of revenue and 87% an increase of EPS. The size of the growth is very robust: 8.9% for revenue and 25.5% for EPS. According to Evercore ISI, EPS growth (USD 167) will be 21% YoY in 4Q.

Europe is slowing down, the automotive industry must bounce back

Economic performance in the eurozone continues to decline. The eurozone PMI fell from 53.2 points to 52.1 points, a 26-month low. To make matters worse, the new orders subindex dropped from 51.5 to 49.8 and stays under 50 points for the first time since late 2014. In line with the forward-looking indicators, the eurozone GDP grew only 0.2% QoQ in 3Q, the weakest growth in four years and less than the expected 0.4% QoQ.

The automotive sector is an important part of the European industry, especially in Germany. With new environmental standards, car production in Germany dropped 25% YoY in September (the sector accounts for 20% of total processing). According to estimates of our macroeconomists, had it not been for the drop in the car industry, Germany's GDP would have grown 0.4% QoQ rather than ca. 0% in 3Q. From another perspective, other things being equal, if car manufacturing goes back to normal (historical) figures in 4Q, GDP will grow 0.7-0.8% QoQ. This does not change the fact that other eurozone countries which are less dependent on the automotive industry are also reporting weaker industrial performance (France, Italy), which confirms that the problem is more common and affects demand for other products, as well. Another worry is that the weaker macro momentum coincides with a 7% growth of the M1 monetary base in the eurozone (Germany +6%, France +8%). Investors' expectations are focusing on automotive industry figures for October. Production is expected to recover, raising hopes of better macroeconomic numbers in 4Q, in particular growing new orders across the industry. However, Commerzbank analysts expect the car industry to go back to normal later than October (as corroborated by Automobile Association statistics).

Improved macro would give a break to European stock indices, which have for months discounted weaker corporate earnings and the economic slow-down. With downgraded forecasts, DAX'19 P/E has dropped as low as 11.3x.

Political situation in the EU

Local parliamentary elections in Germany rekindled investors' concerns about political stability in Europe (similar to 2017). In the Bavarian elections, CSU lost 10.5 pps. (winning 37% of the vote) while SPD lost 10.9 pps. (9.7% of the vote). Eroding support for the coalition was confirmed by the elections in Hesse (CDU lost 11.3 pps, SPD lost 10.9 pps). As a result, Chancellor Merkel announced that she will not stand for re-election as party leader and is planning to step down as Chancellor after the end of the current term. The Italian budget remains an open question after the EU rejected the Italian government's plan and requested a new draft within three weeks. Moody's downgraded Italian debt to Baa3, a single rank below junk bonds (outlook stable). S&P reaffirmed the BBB rating but downgraded the outlook to negative. The markets reacted with a further increase of yields of Italian bonds (3.8%, the highest in more than four years) as well as German bonds (the highest in 5.5 years). Another hotspot are the sluggish EU/UK Brexit negotiations.

China bolsters its economy and markets

After M1 money supply dropped to only 4% YoY, PMI to 50.2 points and growth in car sales to 8% QoQ, China is trying to save the day by slashing the mandatory reserves rate and announcing tax cut plans. According to some forecasts, the Chinese economy is likely to rebound later this year, which should bolster the valuations of high-risk assets in general, including emerging market equities. The expectations are corroborated by capital flows to ETFs. Funds dedicated to China have grown USD 13.6 billion net in three months (+18.6% AUM).

Business as usual on GPW

Bad news from mutual funds and the weak global markets have triggered yet another sellout of fund shares. Equity and absolute return funds lost PLN 1.9 billion in September and are down PLN 5.3 billion YTD. The sellout continued in October though on a much smaller scale. Importantly, GPW indices did not underperform most of the global indices. This could be explained by a relatively defensive composition of

WIG20, supported by a stronger sentiment around the energy sector (rising energy prices). We expect that the mutual fund sellout will play a lesser role in the coming weeks ("anyone who wanted to sell fund units has already sold them") and the indices will be driven by global market trends.

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Sector Strategies

Financials

- Polish banks have yet to deliver their best earnings this year in the two final quarters, with the third-quarter figures boosted by fast-paced lending growth and increasing interest margins. Even with persistent pay pressures and increased cost of risk on corporate loans weighing, the Q3 financials reported so far have only reaffirmed our bullish stance on the sector.
- Emerging Europe stocks have underperformed their global and US peers, with the WIG-Banks index down 22% so far this year (in US dollars) compared to a ytd plunge of 32% in MSCI EME Banks and a 27% drop in MSCIE European Banks. The 11% fall in October in Polish banks stocks confirmed their recently-found correlation with Western European peers, down 12% for the month. Market sentiment should turn more upbeat after Italy agrees its budget with the EU and as Brexit talk move forward and Germany's new political landscape takes shape. At the moment, these issues overshadow the solid market fundamentals enjoyed by banks all over the world, represented by expanding economies and rising interest rates.
- As predicted, with local elections in Poland now over, the topic of help for distressed Swiss franc borrowers has faded from the headlines and the political agendas. In case it should resurface again in the coming weeks, as a reminder, the fallout when quantified in terms of extra costs that might have to be knocked off the current FY2019 earnings consensus per our calculations is as much as 34% at worst in case of Bank Millennium, followed by 12% PKO BP and 9% Santander Bank Polska.
- Outside of Poland, the two rated banks OTP Bank and Komercni Banka have delivered stellar earnings this year, supported by extremely low cost of risk underpinned by favorable market conditions.
- **Key ratings:** PEO (buy), KOMB (buy), KRU (buy)

Chemicals

- Chemical stocks are under pressure of rising commodity prices and concerns about the impact of the trade wars on future sales.
- Global and European MSCI Chemicals are well below the 3Y average P/E and EV/EBITDA. BASF results were a scare in October, drawing attention to lower Automotive sales and a weaker momentum in China.
- In our opinion, Ciech and Grupa Azoty stock prices could bounce back in November. For Ciech, the decisive factors could include the Management's positive outlook on soda prices in 2019 (much stronger expectations of price rises after the industry conference in China). For Grupa Azoty, a correction of gas prices, rebounding prices of urea and a correction of CO₂ certificate prices could boost the sentiment.
- **Key ratings:** CIE (buy), ATT (buy)

Oil & Gas

- The sentiment in the oil industry sharply deteriorated in October as demonstrated by a strong reduction of speculative positions in both WTI and Brent. Saudi Arabia's announcement of additional production volumes after the diplomatic crisis with the USA brought Brent oil prices under 80 USD/Bbl. In our opinion, this is only a correction because the shrinking OPEC spare capacity generates future supply risks which will be discounted in prices.

- The oil price falls adversely affected the industry sentiment but we expect that it will quickly recover as oil and gas prices stabilise at lower yet still attractive levels.
- With lower oil prices, refinery margins bounced back in the last two weeks from very low levels, mainly due to HFSO and the still surprisingly strong diesel (probably due to logistic problems in Western Europe). However, the rise may only be temporary.
- In the petrochemical segment, the falling oil price only temporarily stopped adverse trends caused by mounting supply pressures of new installations. Europe is suffering the effect of the USA-China trade wars with growing PE imports.
- **Key recommendations:** LTS (sell), MOL (buy), PGN (buy), PKN (sell)

Power Utilities

- CO₂ prices continued to fall in October and are now around 17 EUR/t. This was in part due to Poland's request for the Commission's intervention but the market also cooled down the aggressive price expectations for the coming years. After a modest correction of coal prices, this brought energy prices contracted on the German exchange down to around 50 EUR/MWh.
- Energy prices in Poland also continued to fall albeit on a smaller scale while model margins of energy producers broadened once again.
- The first power auction scheduled on 15 November may, in our opinion, become a positive driver with likely strong outcomes in terms of prices and the bid reduction ratio.
- The prospects of traders' 2019 performance are still unclear in view of conflicting announcements of the Ministry of Energy concerning next year's tariffs. Energa and Tauron are particularly exposed to this risk.
- **Key recommendations:** ENA (buy), PGE (buy)

Telecoms, Media, IT

- 3.7 GHz and 700 MHz auctions in Italy awarded 80 MHz blocks to Telecom Italia and Vodafone Italia as well as 20 MHz blocks to Iliad and Wind Tre in the 3.7 GHz band. The 3.7 GHz bids totalled close to EUR 4.35bn, which seems enormously high for the band, raising concerns of investors. The 700 MHz band was sold at prices modestly above the ask price.
- Play remains the only non-convergent operator on the Polish market after T-Mobile has signed an Orange Polska FTTH network wholesale access agreement for data transmission while Cyfrowy Polsat has taken over Netia. The new CEO explained the strategy of an exclusively mobile telecom in Poland but did not rule out expansion into the fixed-line segment. In our opinion, its limited potential of building a convergent offer vs. the other three MNOs will soon force Play to modify the strategy.
- Polish cable operators are still consolidating. Vectra's plan to take over Multimedia Polska is being reviewed by the competition authority UOKiK.
- The media agency Zenith upgraded its projection for the Polish advertising market in September 2018 (not for the first time this year) to 6.6% YoY in 2018. The total ad spend will be PLN 7.53bn. The global advertising market will grow 4.5% to USD 581bn in 2018. Given advertisers' growing interest in television commercials and the resulting increase of advertising budgets, Zenith upgraded its forecast of growth in the TV commercial spend to 6.9%. Online advertising spending is growing at the highest rate,

as usual. According to the latest forecast, the online advertising segment will grow 10% in 2018, mainly driven by growing spending on online video commercials.

- WIG Info lost 0.3% in October 2018 and 1.6% YTD, strongly outperforming the broad market index (WIG - 8.1% and -14.3%, respectively). WIG Info outperformed MSCI IT EU by > 11 pps. The gap, which we pointed out last month, has largely shrank (to <6.0 pps. now).
- The median P/E 12M fwd of IT companies is now 14.0x, which is 8.3% below the 3Y average.
- The 3Q'18 results publication season is on. Two out of the seven companies we cover, i.e., ABS and ASE, have already reported results, which seem very strong (EBITDA +23% and +29%, respectively). We expect another four companies to report growing earnings, as well. The improvement of IT companies' performance should support the investor sentiment, which is why we expect WIG Info to continue rising in November, but the potential growth may be limited in view of the good performance reported in October.
- **Key recommendations and positioning:** OPL (buy), AGO (buy), CMR (accumulate), ATD (overweight), ASE (overweight)

Industrials

- Global and European MSCI industrials are under pressure of weak results of 3Q'18. Atlas Copco, Daimler, Goodyear, Superior Industries, VW, Valeo and VoestAlpine have all released profit warnings. The main hurdles identified in the published results include falling car sales in China (negative growth in September-October), problems with EURO6 regulation in Europe (new registrations down in September), and the impact of the USA-China trade wars on sales. MSCI Automotive and OEM were the weakest performers in October.
- The improvement of the performance of Polish industrials initiated in 2Q'18 should continue into 3Q'18. We expect 65% of the tracked companies to improve their results YoY with AMC, COG, FMF, KER, POZ in the lead.
- The key challenges to industrials in 2019 include rising electricity prices, which will have the biggest effect (in the descending order of the adverse impact on EBITDA) on Cognor, PKP Cargo, Pfeleiderer, Mangata, Forte, Tarczyński, Stelmet, KGHM, JSW, Boryszew and Grupa Kęty. Salaries are expected to continue rising for a third consecutive year (expected 5% YoY increase). Given the falling PMI in Europe, industrials may report poor results in 1H'19.
- We strongly believe in the stock of Amica (reversed downtrend in net results in 2Q'18; double-digit discount to other white goods producers; stock trading at a 20-30% discount to its 3Y average PE and EV/EBITDA), Famur (prospects of YoY and QoQ improvement in the coming quarters; ca. 8% DYield in 2018 and 2019; the consensus will have to rise following the 3Q'18 results), and Kernel (clear reversal of the downtrend in subsequent quarters; dynamic improvement of results in 2019).
- As for smaller caps, we definitely favour Pozbud. We are negative about Grupa Kęty in view of expected cost pressures in 2018 and the potential to shift costs to customers as the local competitor is expanding its capacity. We also expect a smaller dividend capacity in the next two years.
- **Key ratings:** AMC (overweight), KTY (Sell), FMF (buy), KER (buy), POZ (overweight)

Mining

- Industrial metals are at a crossroads, in our view. On the one hand, demand for metals is bolstered by a good momentum in Asia (net imports of copper to China have grown for six consecutive months; lending in China has increased; monitored inventories on exchanges are going down; the output of steel products and the imports of coking coal to China have been rising). On the other hand, the risk of escalating trade wars between the USA and China raises concerns about future market conditions in China and undermines the sentiment around industrial metals.
- The most recent PMI reading for China is close to 50 points. A further decrease would suggest that the conditions in the industry are deteriorating. China is a litmus test for industrial metal prices.
- With reduced exports to the USA, China needs to stimulate its economy to ensure continued growth. For this purpose, the local government has announced new infrastructure programmes and cut taxes to promote internal growth.
- A large number of global infrastructure projects and the growing utilisation of the production capacity boost steel prices. However, some negative symptoms emerged in October, including growing inventories of steel in China and a modest decrease of margins of blast-furnace producers (driven by rising prices of iron ore and coking coal).
- Coking coal prices have a good momentum in late 2018. They are driven by problems faced by some of the mines in Australia and Mozambique. In addition, the Australian freight operator Aurizon has suffered above-average scheduled outages in Queensland. According to Reuters, eight miners were killed in an accident at a Shandong mine in late October. As a result, 41 mines in the region were required to put production on hold pending inspections.
- In our opinion, investors should take note of the good performance of coke prices in China since late August. It was driven by reports of planned environmental inspections in Shanxi coking plants. The region accounts for one-fifth of the Chinese coke production. In addition, the government has announced environmental inspections of trucks carrying coal and coke from Shanxi to ports in the north.
- The key challenge to producers in 2019 (similar to 2018) are salary pressures. In addition, in 2019, producers will be under pressure of electricity prices, which account for ca. 5% of production costs. KGHM should release early news of price negotiations at Sierra Gorda in late 2018 (the agreement with the trade unions expires in late 1Q'19).
- **Key ratings:** JSW (buy)

Construction

- WIG-Construction fended off any falls in October 2018, which was the first month since April when construction companies outperformed WIG.
- We expect the covered companies to increase revenues by ca. 15% while their EBITDA will fall ca. 10%. Due to the low reference base, we see an opportunity of improvement in construction service providers (ULM and HRS), as well as railway construction companies (TRK, TOR, ZUE). However, we are concerned that the latter will suffer continued deterioration of the balance sheet mix, which in our opinion will be decisive to the sentiment.
- Erbud was the strongest performer in October 2018. The stock price has rebounded 15% since the profit warning issued in mid-August 2018. In our opinion, the 3Q results will be down YoY and yet they will bolster the stock price. With its stock price once again under PLN 5.00, Unibep is a good opportunity to buy.
- Torpol, Trakcja and ZUE were the weakest performers in October 2018. A series of cancelled railway tenders combined with concerns about further indebtedness do not encourage even speculative investors.
- Budimex made up for part of the price fall experienced in previous months but we believe that Poland's construction leader does not merit more optimism. Europe's biggest construction groups suffered a ca. 14% price fall in October 2018 (see page 6). Strabag and Porr, which are active in Poland, are trading at P/E and EV/EBITDA'19 with an over 30% discount to Budimex. BDX has announced an aggressive strategy of new hires, which suggests a bitter struggle to retain profitability in 2019 while the expected improvement of results by 2020 is not carved in stone.
- **Key recommendations and positioning:** UNI (buy), TRK (underweight)

Property developers

- In our opinion, property developers are a much better investment opportunity than construction stocks. The market overestimates the risk of falling stock prices in this industry, trading at a median P/BV=0.6x and P/E'18-19=6.5x.
- Apartment sales in the six biggest markets dropped 19% YoY in 3Q'18 and 10% YoY in 9M'18. The residential property developers we favour (1AT, ARH, DOM, LCC and LKD) suffered smaller losses (-13% and -6%, respectively) so we do not need to adjust our financial forecast for those stocks in 2018-19, which implies P/E'19=6.0x and DYield=12%. The land bank capacity is sufficiently large to stabilise sales in 2019.
- According to REAS, sold apartment prices were up 6.4% YoY in 3Q'18 while offered prices increased by almost 10% YoY. Home Broker-Open Finance also reports a 9.5% YoY price increase (see page 3). Rising construction costs are still largely shifted to buyers and we expect no margin drop after 2019.
- We see no good reason for the price falls of Archicom and Echo, which are trading at the year's lows. More than three-fourths of Echo's results are generated by the commercial segment, hence one should not overestimate the 54% YoY fall in apartment sales in 3Q.
- **Key ratings:** LCC (buy), DOM (buy), 1AT (buy), ECH (buy), PND (underweight)

mBank Sentiment Watch (next 30 days, by sector)

Sector		Poland	US	Germany
Banks	SENTIMENT	BULLISH	BULLISH	
	Stocks To Own	PKO PW, PEO PW, PZU PW, MIL PW	BAC US; JPM US	
	Stocks To Avoid			
	Key Catalysts	EBA stress test results, positive Q3 results performance, M&A	Slightly hawkish Fed vs market expectations, deregulation	
Construction	SENTIMENT	BEARISH		
	Stocks To Own	ERB, UNI		
	Stocks To Avoid	TRK		
	Key Catalysts	Cost pressure, increase in debt		
Chemicals	SENTIMENT	BULLISH		NEUTRAL
	Stocks To Own	CIE, ATT		EVK GY
	Stocks To Avoid			DSM GY
	Key Catalysts	Purchases due to price falls in anticipation of better '19 results		Price adjustment after correction
Real-Estate Developers	SENTIMENT	NEUTRAL	BEARISH	
	Stocks To Own	1AT, ARH, DOM, ECH, LCC, LKD	OC US	
	Stocks To Avoid	PND, JWC		
	Key Catalysts	Growing home prices vs increase in construction costs	Higher yields, Fed policy normalisation	
Utilities	SENTIMENT	BULLISH	BEARISH	
	Stocks To Own	PGE, ENA	NRG US	
	Stocks To Avoid			
	Key Catalysts	Capacity market auction, 2019 forecasts	Higher profitability level unfavourable to the sector	
Retail, Consumer	SENTIMENT	BULLISH	NEUTRAL	BULLISH
	Stocks To Own	CCC, LPP, DNO, EUR	CVS US, LULU US, WEN US	SAE GY, ADS GY, H9Y GY
	Stocks To Avoid	EAT PW		GWI1 GY
	Key Catalysts	Good earnings momentum	Slower growth in real wages	Strong consumer demand
Oil&Gas, Refining	SENTIMENT	NEUTRAL	BULLISH	
	Stocks To Own	MOL, PGN	MPC US; HAL US	
	Stocks To Avoid	LTS, PKN		
	Key Catalysts	Strong upstream results, decrease in refining and petrochemical margins	Positive outlook for crude oil prices	
Industrials	SENTIMENT	NEUTRAL	BULLISH	BULLISH
	Stocks To Own	AMC, FMF, KER, POZ		AAG GY, TRELB SS, ASL GY, JUN3 GY
	Stocks To Avoid	KTY, STL		GIA GY
	Key Catalysts	Good Q3'18 results	Upward trend in US investment expenditure	Sector experienced strong correction, very good results of TRELB and expectations of very good performance of AAG
Mining	SENTIMENT	NEUTRAL	NEUTRAL	
	Stocks To Own	JSW		
	Stocks To Avoid	KGH		
	Key Catalysts	High prices of coking coal	Situation in China does not help the sector despite global growth in inflationary pressure	
Automotive	SENTIMENT	BEARISH		NEUTRAL
	Stocks To Own		GM US	UG FP, VOW3 GY
	Stocks To Avoid	AML, BRS, MGT, SNK		DAI GY
	Key Catalysts	Problems with EURO6 standard		Sector experienced strong correction, lower potential for falls caused by tariffs and dieselgate
Tech, Media	SENTIMENT	BULLISH	NEUTRAL	BULLISH
	Stocks To Own	ABS, ASE, ATD, CMR	PYPL US, INTC US	WDI GY, SJJ GY, SOW GY, IFX GY
	Stocks To Avoid			
	Key Catalysts	Better IT results in Q3	CF and growth in results in mega caps are less spectacular than they used to be	Sector experienced strong correction
Telecoms	SENTIMENT	NEUTRAL	BULLISH	NEUTRAL
	Stocks To Own	PLY, OPL	TMUS US, T US	O2D GY
	Stocks To Avoid			
	Key Catalysts		Shift towards defensive companies, good Q3 results	



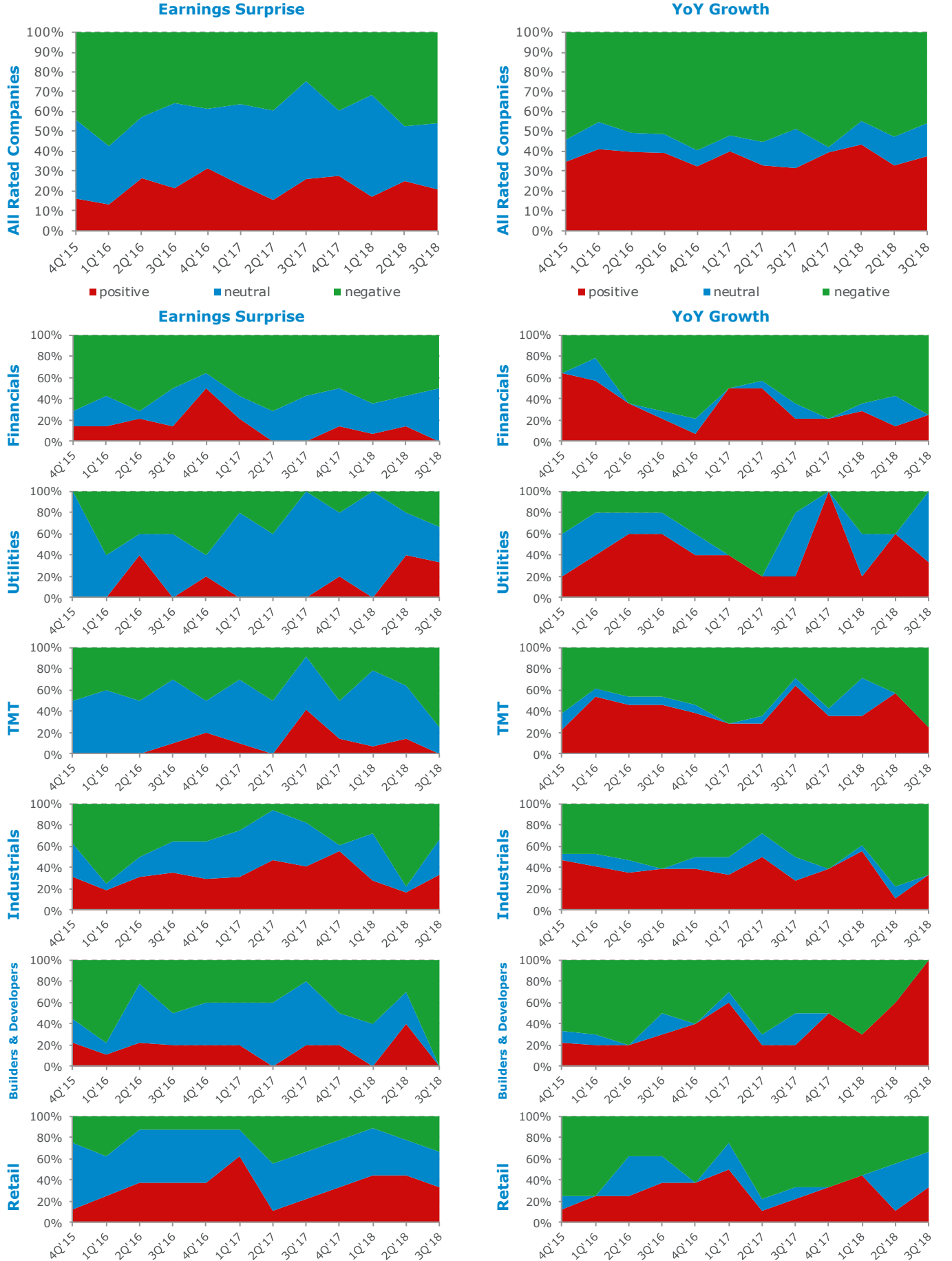
Quarterly Earnings Surprises and YoY Growth Reported By Rated Companies

Table with columns: vs. consensus, 2016 (4Q, 1Q, 2Q, 3Q, 4Q), 2017 (1Q, 2Q, 3Q, 4Q), 2018 (1Q, 2Q, 3Q, 4Q), +/=. Rows include Financials, Chemicals, Oil & Gas, Utilities, TMT, Industrials, Construction, Real-Estate Developers, and Retail.

Table with columns: vs. last year, 2016 (4Q, 1Q, 2Q, 3Q, 4Q), 2017 (1Q, 2Q, 3Q, 4Q), 2018 (1Q, 2Q, 3Q, 4Q), **, +/=. Rows include Financials, Chemicals, Oil & Gas, Utilities, TMT, Industrials, Construction, Real-Estate Developers, and Retail.

'+' = positive surprise, '-' = negative surprise, '=' = in-line results; *The column shows the sum of 'in-line' or 'beat quarters' in the last three years as a percentage of all quarters in the period; ** Our expectations versus the actual year-ago figures; Source: Companies, Bloomberg, PAP, Dom Maklerski mBanku

Quarterly Surprise Charts For Our Coverage Universe (Aggregate and Selected Sector Statistics)



Source: Companies, Bloomberg, PAP, Dom Maklerski mBanku

Macroeconomic Update

Industrial Production

Industrial production grew 2.8% in September, a slower pace than forecast by us and the market consensus (ca. 4%), and a deceleration from August, albeit led mostly by an unfavorable arrangement of working days (down from 0 to -1 y/y). A detailed view reveals slower expansion in industrial production than implied by the overall trend, which was boosted by a 10.4% y/y jump in energy generation driven by base effects after an 0.7% decline in August. Manufacturing growth in September was close to stagnation at just 2%, which was below our expectations. Adjusted for seasonal and calendar effects, the momentum showed 0.7% m/m contraction and 5.4% y/y expansion.

In short, industrial production in Poland continues to exhibit a shrinking pattern stemming from weak foreign demand and the economic slowdown in the Euro Zone and worldwide. In the months ahead, we expect at least one episode of acceleration (due to a positive working day difference in October), but a high year-ago comparable base will make the pace of the recovery slow-going in the final part of the year. By the end of December, the trend in industrial production should slow down to 3% y/y.

Construction output slowed to an annual pace of 16.4% in September, due mostly to the working-day effect and a relatively high year-ago comparable base. The expansion rate proved weaker than both the consensus (18.0%) and our forecast (17.2%). Monthly construction growth, adjusted for the seasonal effects, was a meagre 0.9%.

By sector, the highest yearly recovery was recorded in infrastructure-related construction activity, which can be attributed to investments finished before the local elections. On a month-on-month basis the biggest growth was recorded in housing construction.

The disappointing September print can also be blamed on supply barriers (represented mostly by a workforce shortage and public tenders getting canceled due to unrealistic pricing) which might also affect future readings.

Based on the manufacturing and construction trends thus far, we are prompted to downgrade our Q3 GDP nowcast from 4.8% to 4.6% y/y. There is still considerable uncertainty regarding composition. This is due to a front-loading of car purchases by dealers in Europe ahead of the new EU-wide emission restrictions. In theory, the bulk of the resulting boost to inventories should be matched by higher imports, making the whole operation neutral GDP-wise. In actuality, however, if there are temporal shifts in the way these are recorded, this might temporarily affect GDP (with presumably an upward bias).

PPI

Producer prices eased a bit in September, rising 2.9%, i.e. slightly less than we had forecast, but this time rounding was a decisive factor. We still see no new momentum in core manufacturing prices (+1.3% y/y). Energy prices are slowly drifting upwards, but the drift is very gentle (at this pace 6% annual growth is achievable within a year). However, it is not the direct effect that matters, but the transmission to core manufacturing prices. Historical evidence does not support a meaningful pass-through. We continue to monitor the matter closely. October is set to bring a slight uptick in PPI on the back of higher oil prices. The mid-term view boils down to core manufacturing; unless it accelerates, the PPI outlook stays benign.

Jobs

Employment growth decelerated further to an annual rate of 3.2% in September, missing overall market expectations and our 3.4% forecast. In nominal terms, September saw the second consecutive drop in job additions which now accumulates to 6,000. Given the slow-changing momentum in the historical series of employment growth, it is unlikely that we will see any meaningful acceleration ahead. The question is how rapid the pace of the deceleration will be.

We have stressed the significance of supply constraints for the labor market for several months now, arguing that with tight workforce supply the pace of filling vacancies slows down, putting downside pressure on the overall pace of job creation. This seemed a valid explanation while the Polish economy showed signs of healthy growth, and vacancies were on the rise. At this juncture, however, the incoming evidence is more and more mixed. The October job print could be a turning point; October is usually a strong month for employment, and if it brings another disappointment this will be a clear sign of rapidly-slowing economic momentum, with implications for domestic demand in 2019.

The average salary rose by 6.7% y/y in September, less than market expectations (7.1%) but close to our forecast (6.6%) which was based on the assumption that unfavorable calendar effects would push the working-day-sensitive salaries in manufacturing and construction lower, without being offset by any pay rises in services. Taking a broader look, it is important to note the flat pace of salary growth seen for many months, with the overall momentum waning. As of September, the momentum consistent with an annual pace of 5-6% rather than 7-8% as was the case early this year.

Curiously, the behavior of wages is consistent with signs of lower wage pressure seen in NBP's enterprise surveys and with stable inflation and household inflation expectations. In these circumstances one has to reevaluate the factors that influence wage growth in the near term. First, the labor supply-demand imbalance might have declined as labor demand decelerated in the wake of weaker external environment. Second, productivity growth has not kept up with wage growth for many quarters now, especially if one adjusts it for the impact of immigration. Third, perhaps private companies have reached the limit of their capacity to raise wages in an increasingly unfavorable environment (lower external demand, troubles with public investment, sharp increase in energy costs in the pipeline). Finally, overall wage growth continues to be anchored by low public sector wage growth which serves as an anchor and prevents competitive wage hikes in many regions.

Slower growth in jobs and pay equals slower growth in the wage bill, which rose 10.1% y/y in September in nominal terms (down from 10.4% y/y in August and the cyclical high of 12.2% y/y), and was up 8.2% y/y in constant prices (down from 8.4% y/y in August and the cyclical high of 10.2% y/y). This underpins our forecast of a gentle slowdown in household consumption. We believe that the less rapid growth in disposable income will be compensated with higher leverage.

CPI

According to the flash estimate, consumer prices decelerated from 1.9 to 1.7% y/y. We believe that rounding again was the decisive factor and consensus (1.8% y/y) might well have been right. It is irrelevant from the macroeconomic standpoint.

Known details of the release suggest modest increases in food prices (+0.4% m/m), residential energy (+0.3% m/m) and liquid fuels (1.1% m/m) – neither surprised. This means that core categories rose less than anticipated and we partially blame high variability for the forecast error. We estimate that core inflation rose from 0.8 to 0.9% y/y, but rounding issues might also be at play here.

In the next two months headline inflation is set to decline further, while core inflation will likely pick up steam a bit. With these forecasts coming into fruition, status quo in Polish monetary policy will be maintained. Conversely, expectations of earlier monetary tightening will be kept in check by benign inflation environment. Current market pricing is not justified by the macroeconomic environment and the overarching uncertainty regarding the path of the global economy.

Retail Sales

September retail sales grew 5.6% nominally and 3.6% in real terms, falling short of consensus (7.6%) and our forecast (7.3%). The deceleration was mostly a result of low car sales (it was definitely the worst September in history), which accounted for 2pp of the deviation from our forecast. Auto sales were down 7% on the year in September after rising 7% in August. Sales in the category of "Furniture, radio, TV, and household appliances" also posted a noticeable slowdown in September, but their weight in overall sales is low. Excluding cars, retail sales were up 7%, but this does not change the fact that inflection point has been achieved, as seen also in other demand aggregates.

The weak auto sales in September, dragging down the whole print for the month, do not look like a macroeconomic adjustment caused by a change of consumers' or firms' expectations, or a difference in financing conditions. It also goes against the huge increase in new car registrations in August, which should be reflected in the sales numbers for subsequent months. This provided dealers introduce stronger price incentives (the difference between nominal and real car sales in August suggests only a 3% discount). Moreover there are problems with the availability of some of the new models which meet the new emission requirements (in most cases it is not the amount of emissions that matters, but the method of calculating them). Once this improves dealers will be able to push the overstock out faster in the coming months. Toward the end of the year, we might see another variance in new car sales resulting from upcoming changes in company car taxation: new D&A limits support buying expensive cars this year and postponing the buying of cheaper cars to next year. Taking into account the disproportions in car demand depending on the price point, this will probably affect overall sales in the final months of 2018.

As retail sales increase at a slowing pace, this indicates downward risk for consumer spending (and maybe also investment) in the final quarter of 2018. However this does not mean that we should extrapolate the current pace of the slowdown to 2019. The broad macroeconomic conditions, with a strong labor market and wages, support only a marginal slowdown in consumption in 2019, especially given that consumer credit plays an increasingly important role in smoothing the spending cycle.

mBank Research

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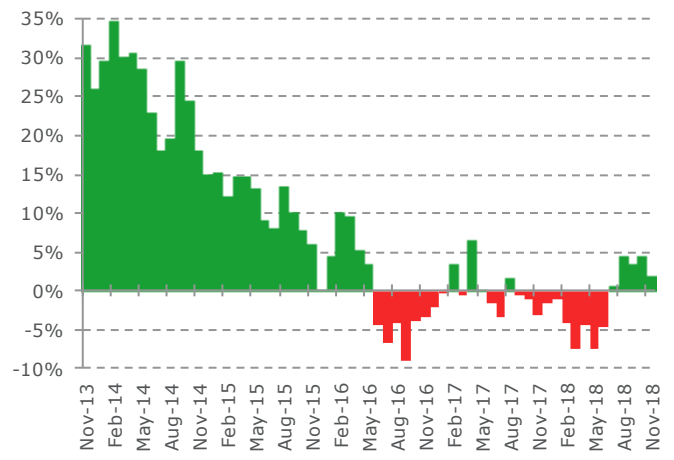
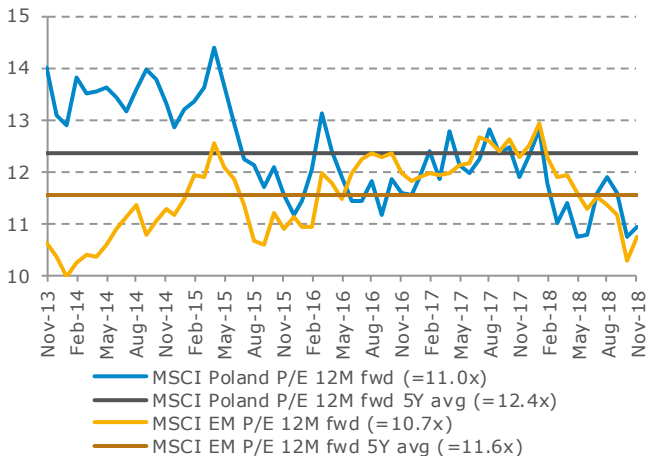


Revisions To FY2018 Earnings Forecasts For WIG30 Companies

Oct-17=0	WIG30		Financials		Oil & Gas		Utilities		Retail		TMT		Chemicals		Commodities	
	Con.	mDM	Con.	mDM	Con.	mDM	Con.	mDM	Con.	mDM	Con.	mDM	Con.	mDM	Con.	mDM
Nov-17	-1%	-4%	-0%	-2%	-0%	-3%	-0%	-2%	+3%	-9%	-4%	+0%	+3%	-0%	+1%	-26%
Dec-17	-2%	-3%	+1%	-2%	-1%	-3%	-3%	-2%	+2%	+4%	-4%	+8%	-7%	-8%	-4%	-17%
Jan-18	-2%	+7%	+1%	-3%	+0%	-1%	-4%	-8%	+3%	-4%	-5%	+63%	-17%	-18%	-2%	+108%
Feb-18	-0%	+5%	+0%	-3%	-0%	+0%	-2%	-12%	+1%	-9%	-4%	+63%	-21%	-18%	+11%	+108%
Mar-18	-0%	+3%	+0%	-3%	+2%	-1%	-4%	-8%	+0%	-18%	-4%	+66%	-21%	-18%	+8%	+68%
Apr-18	-1%	+3%	-0%	-3%	-1%	-1%	-4%	-8%	+0%	-18%	-5%	+66%	-22%	-18%	+11%	+69%
May-18	-1%	+3%	-0%	-3%	+0%	-1%	-5%	-6%	-2%	-18%	-7%	+66%	-30%	-42%	+5%	+72%
Jun-18	-2%	+4%	-1%	-3%	-0%	+9%	-5%	-6%	-6%	-17%	-6%	+49%	-30%	-42%	+4%	+69%
Jul-18	-3%	+3%	-1%	-5%	-0%	+9%	-3%	-6%	-8%	-17%	-13%	+49%	-47%	-40%	-0%	+59%
Aug-18	-5%	+6%	-1%	-5%	+0%	+30%	-4%	-12%	-8%	-17%	-18%	+50%	-43%	-56%	-8%	+57%
Sep-18	-3%	+6%	-1%	-5%	+5%	+30%	-5%	-12%	-9%	-20%	-19%	+53%	-46%	-56%	-9%	+57%
Oct-18	-4%	-2%	-2%	-6%	+9%	+26%	-8%	-12%	-12%	-30%	-19%	+51%	-55%	-80%	+13%	-21%

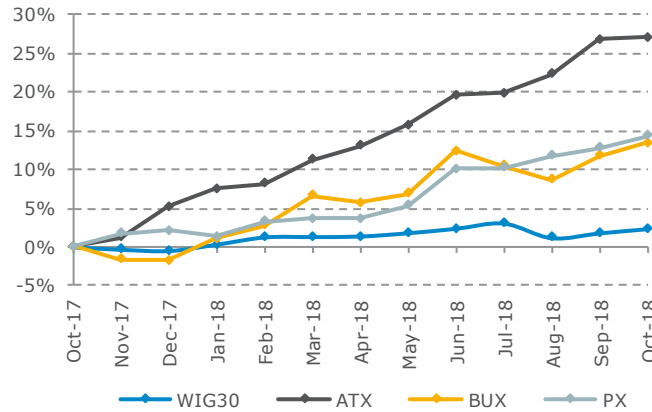
Source: "Con" - Bloomberg consensus forecasts, "mDM" - estimates by Dom Maklerski mBanku, provided ex. mBank, and PKP Cargo. The percentages indicate changes between the dates of this Monthly Outlook and the previous Monthly Outlook. The surge in the estimates vs. consensus gap for Commodities/TMT stems from the inclusion of JSW/Play, initiated in January 2018.

FWD 12M P/E Ratios For MSCI Poland & Emerging Markets (left), PL-EM Premium/Discount (right)



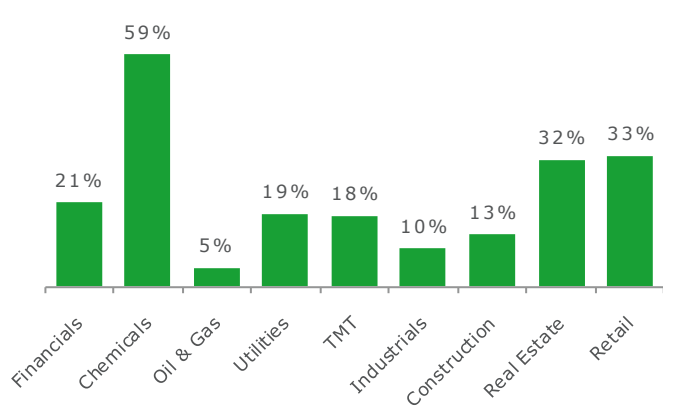
Source: Bloomberg, Dom Maklerski mBanku

FWD 12M EPS Growth (WIG30 vs. ATX, BUX, PX)



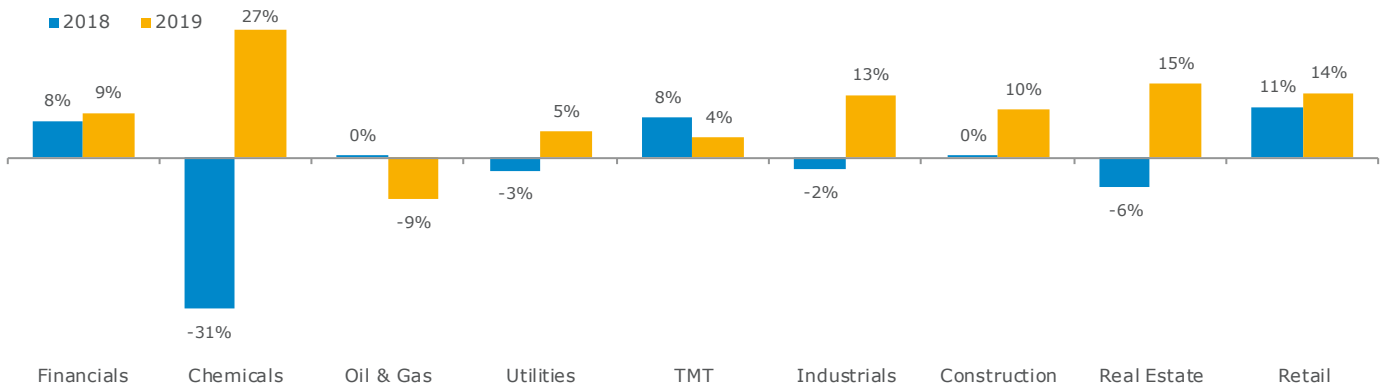
Source: Bloomberg, Dom Maklerski mBanku

Estimated Sector Upside Potential*



Source: Dom Maklerski mBanku; *To mDM price targets

Expected YoY Change in FY2018-2019E Sector Earnings*



Source: Dom Maklerski mBanku; *Net Income for Financials, EBITDA for the remaining sectors

Divergence of Dom Maklerski mBanku Estimates From Consensus Estimates

Sector/Name	mDM Rating	mDM TP ¹	BBG Ratings ²			BBG TP ³	mDM v. BBG TP	mDM v. BBG Earnings			mDM v. BBG EBITDA			Analyst Count ⁴
			▲	▶	▼			2018E	2019E	2020E	2018E	2019E	2020E	
Financials														
Alior Bank	buy	96.00	15	1	1	87.79	+9.3%	+4%	+7%	+10%				14/-
Getin Noble Bank	hold	1.00	2	5	3	1.08	-7.6%	-	-13%	+11%				7/-
Handlowy	buy	90.00	7	5	0	79.28	+13.5%	+3%	+2%	+11%				12/-
ING BSK	buy	200.00	5	5	4	200.19	-0.1%	-4%	-7%	+3%				6/-
Millennium	hold	8.40	3	6	5	8.98	-6.4%	-3%	-5%	-5%				10/-
Pekao	buy	138.70	19	1	0	137.48	+0.9%	-5%	+1%	+5%				14/-
PKO BP	buy	47.00	4	13	4	41.69	+12.7%	+3%	+1%	+9%				15/-
Santander Bank Polska	buy	400.00	11	4	1	400.10	-0.0%	-2%	-5%	+3%				12/-
Komercni Banka	buy	1,111.0	10	5	1	1,023.8	+8.5%	+5%	+24%	-				10/-
Erste Bank	buy	43.00	18	4	1	42.93	+0.2%	+3%	-1%	-1%				15/-
OTP Bank	buy	12,090	11	2	3	11,217	+7.8%	-10%	-3%	-				12/-
PZU	buy	47.50	9	2	0	48.93	-2.9%	+0%	+4%	+3%				7/-
Kruk	buy	292.77	6	1	0	270.15	+8.4%	+2%	+4%	+6%				4/-
Prime Car Management	suspended	-	0	1	0	33.00	-	-	-	-				1/-
Chemicals														
Ciech	buy	77.05	9	1	1	63.52	+21.3%	-12%	+15%	+22%	-4%	+9%	+11%	8/7
Grupa Azoty	buy	31.47	2	5	2	37.68	-16.5%	-79%	-49%	-47%	-30%	-15%	-12%	6/6
Oil & Gas														
Lotos	sell	57.21	7	6	2	74.95	-23.7%	-8%	-33%	-38%	+3%	-14%	-10%	11/12
MOL	accumulate	3,296.0	10	3	0	3,426.3	-3.8%	-1%	-28%	-28%	+6%	-7%	-6%	12/13
PGNiG	buy	7.72	9	2	1	6.95	+11.1%	-0%	+23%	+34%	+3%	+14%	+17%	9/8
PKN Orlen	reduce	81.38	3	10	7	100.82	-19.3%	-3%	-40%	-37%	+2%	-25%	-20%	16/16
Utilities														
CEZ	hold	518.72	6	5	6	577.91	-10.2%	+6%	+2%	-3%	-0%	-2%	-1%	12/13
Enea	buy	12.62	9	1	1	10.61	+18.9%	+4%	+7%	-18%	+6%	+6%	-6%	8/8
Energa	buy	15.27	6	4	0	11.21	+36.2%	+6%	+4%	-5%	+1%	+2%	-1%	8/8
PGE	buy	13.60	9	3	1	11.48	+18.4%	+19%	+13%	-2%	+5%	+5%	-1%	9/9
Tauron	buy	2.77	5	8	0	2.19	+26.6%	-18%	+4%	-6%	-0%	+2%	-1%	10/10
TMT														
Netia	hold	4.30	3	3	2	5.04	-14.7%	-4%	-15%	-27%	-1%	-4%	-5%	7/8
Orange Polska	buy	7.60	10	3	3	5.59	+36.1%	-	-	+277%	+9%	+9%	+9%	9/11
Play	buy	21.50	8	6	0	25.05	-14.2%	+6%	-11%	-17%	-0%	-4%	-5%	13/13
Agora	buy	15.40	3	2	0	13.20	+16.7%	-	-20%	+43%	-2%	-4%	+4%	4/4
Cyfrowy Polsat	accumulate	24.90	7	6	0	26.57	-6.3%	-4%	+0%	+4%	-2%	-2%	-3%	9/8
Wirtualna Polska	accumulate	60.00	7	0	0	59.38	+1.0%	+5%	+2%	-1%	-2%	+2%	+1%	5/4
Asseco Poland	accumulate	49.00	3	6	0	49.48	-1.0%	-5%	-7%	-10%	+1%	+3%	+4%	5/5
Asseco BS	neutral	-	1	2	0	28.90	-	-0%	+1%	+0%	-0%	+1%	+0%	2/2
Asseco SEE	overweight	-	3	0	0	16.80	-	+1%	+1%	-3%	-0%	-2%	-6%	4/4
Wasko	neutral	-	0	1	0	-	-	+0%	+0%	-0%	+0%	+0%	-0%	1/1
CD Projekt	reduce	136.60	6	5	2	183.66	-25.6%	+20%	-71%	-17%	+4%	-77%	-38%	7/7
Comarch	accumulate	180.50	3	2	1	171.87	+5.0%	-2%	-5%	+1%	+0%	-4%	-2%	3/3
Industrials														
Alumetal	neutral	-	2	3	0	56.60	-	-6%	-6%	-	-1%	-4%	-	4/4
Amica	overweight	-	3	1	0	126.00	-	+5%	+9%	-	-0%	+3%	-	3/3
Apator	neutral	-	1	2	1	-	-	+8%	+2%	-	+3%	-1%	-	2/2
Elemental	neutral	-	1	1	0	2.04	-	+0%	-0%	-	+0%	-0%	-	1/1
Famur	buy	6.56	5	0	0	6.57	-0.1%	-1%	-3%	+7%	-1%	-9%	-8%	5/5
Forte	neutral	-	2	4	2	46.90	-	-52%	-25%	-	-15%	-7%	-	5/4
Kemel	buy	60.85	8	1	0	68.64	-11.4%	-18%	+6%	+6%	-11%	+12%	+9%	4/5
Grupa Kęty	sell	309.30	4	6	2	388.80	-20.4%	+1%	-11%	-11%	-2%	-10%	-9%	8/7
Pfleiderer Group	neutral	-	6	1	1	40.97	-	+14%	-10%	-	-2%	-5%	-	7/7
JSW	buy	98.00	7	4	3	85.45	+14.7%	+3%	+5%	-5%	+3%	+3%	+6%	11/10
KGHM	hold	87.99	3	6	9	86.70	+1.5%	+5%	-3%	-4%	-7%	-5%	-2%	12/12
Construction														
Budimex	hold	125.00	2	2	5	124.86	+0.1%	+9%	+12%	+26%	+3%	+9%	+21%	6/5
Elektrobudowa	buy	45.00	2	3	1	60.15	-25.2%	-	-15%	-17%	-	-6%	-8%	1/1
Erbud	buy	14.40	3	1	1	21.63	-33.4%	-	-36%	+7%	-	-12%	-0%	3/3
Unibep	buy	10.10	3	1	0	10.51	-3.9%	-4%	+31%	+27%	+0%	+1%	+0%	3/2
Torpol	neutral	-	1	1	1	16.04	-	-86%	-60%	-60%	-35%	-35%	-37%	3/3
Trakcja	underweight	-	2	2	3	4.76	-	+9%	-37%	-25%	+6%	-6%	-6%	2/2
Real Estate														
Atal	buy	42.86	4	1	0	42.49	+0.9%	+1%	+4%	+0%	+1%	+3%	-0%	4/4
Capital Park	buy	8.35	1	0	0	8.35	+0.0%	-0%	+0%	+0%	+0%	-0%	+0%	1/1
Dom Development	buy	87.80	5	3	0	87.12	+0.8%	+4%	+3%	+12%	+4%	+5%	+4%	5/3
Echo	buy	5.63	6	1	0	5.62	+0.2%	+31%	+45%	+41%	+95%	+74%	+31%	4/4
GTC	hold	9.60	7	4	0	9.94	-3.4%	+21%	+32%	+131%	-1%	+7%	+6%	4/5
LC Corp	buy	3.58	4	0	0	3.43	+4.4%	-11%	-8%	-9%	-0%	-0%	-0%	2/1
Polnord	underweight	-	0	1	1	9.50	-	-81%	-	-41%	-	-92%	-28%	2/2
Ronson	neutral	-	1	1	1	1.44	-	-29%	-12%	+4%	-21%	-13%	+3%	2/2
Retail														
AmRest	accumulate	41.20	6	3	1	46.80	-12.0%	-14%	-19%	-22%	-6%	-5%	-8%	7/7
CCC	buy	272.00	8	7	1	271.10	+0.3%	-43%	-2%	-8%	-15%	-2%	-8%	14/12
Dino	buy	103.50	7	8	1	104.08	-0.6%	+5%	+6%	+5%	+1%	+1%	+1%	8/7
Eurocash	buy	26.40	12	8	1	25.46	+3.7%	-9%	-15%	-4%	+0%	-6%	-5%	9/9
Jeronimo Martins	buy	15.20	11	12	2	14.34	+6.0%	-3%	+6%	+3%	-2%	+5%	+4%	17/17
LPP	buy	10,200	2	6	9	8,727.8	+16.9%	+10%	+15%	+22%	+5%	+9%	+12%	15/15
Bytom	overweight	-	3	1	0	3.20	-	+10%	+13%	+12%	+9%	+11%	+11%	3/3
Monnari	neutral	-	4	1	0	9.50	-	+6%	+6%	+12%	+3%	+2%	+8%	3/3
Vistula	overweight	-	4	1	1	4.91	-	+10%	+17%	+3%	+7%	+11%	+6%	5/5

Source: Bloomberg (BBG), Dom Maklerski mBanku (mDM); ¹Target Price issued by Dom Maklerski mBanku; ²Positive/Neutral/Negative ratings count comprising the Bloomberg Consensus; ³Average of all analyst target prices; ⁴Number of analysts participating in the consensus (of EPS/EBITDA)

Current Recommendations By Dom Maklerski mBanku

Company	Recommendation	Issued On	Price At Reco.	Target Price	Current Price	Upside/Downside	P/E		EV/EBITDA	
							2018	2019	2018	2019
Financial Sector						+21.5%	11.4	10.2		
Alior Bank	buy	2018-10-04	62.90	96.00	59.80	+60.5%	9.6	7.8		
Getin Noble Bank	hold	2018-10-04	0.53	1.00	0.54	+85.2%	-	3.6		
Handlowy	buy	2018-10-04	76.90	90.00	70.70	+27.3%	13.9	13.4		
ING BSK	buy	2018-11-05	166.00	200.00	166.00	+20.5%	14.2	13.0		
Millennium	hold	2018-11-05	8.85	8.40	8.85	-5.1%	14.6	13.2		
Pekao	buy	2018-10-04	107.20	138.70	106.30	+30.5%	13.4	11.1		
PKO BP	buy	2018-11-05	40.39	47.00	40.39	+16.4%	13.5	12.6		
Santander Bank Polska	buy	2018-11-05	353.80	400.00	353.80	+13.1%	15.7	13.9		
Komercni Banka	buy	2017-12-01	899.00	1,111 CZK	870.00	+27.7%	11.1	9.5		
Erste Bank	buy	2018-08-02	37.14	43.00 EUR	35.71	+20.4%	10.2	10.2		
OTP Bank	buy	2018-06-06	10,210	12,090 HUF	10,300	+17.4%	10.4	9.6		
PZU	buy	2018-11-05	40.60	47.50	40.60	+17.0%	11.4	10.3		
Kruk	buy	2018-09-17	187.80	292.77	185.30	+58.0%	9.9	8.4		
Prime Car Management	suspended	2018-08-23	7.96	-	9.60	-	-	-		
Skarbiec Holding	buy	2018-11-05	21.70	31.02	21.70	+42.9%	6.7	6.4		
Chemicals						+59.3%	26.8	10.7	5.4	5.3
Ciech	buy	2018-11-05	42.58	77.05	42.58	+81.0%	7.8	6.5	5.2	4.5
Grupa Azoty	buy	2018-11-05	24.00	31.47	24.00	+31.1%	45.9	14.9	5.5	6.1
Polwax	suspended	2018-09-14	7.70	-	6.80	-	-	-	-	-
Oil & Gas						+5.1%	9.1	12.2	4.9	5.5
Lotos	sell	2018-09-03	69.90	57.21	70.40	-18.7%	9.8	13.9	5.4	6.7
MOL	accumulate	2018-11-05	3,006	3,296 HUF	3,006	+9.6%	8.6	10.6	3.8	4.3
PGNiG	buy	2018-11-05	6.35	7.72	6.35	+21.6%	9.6	7.7	4.4	3.6
PKN Orlen	reduce	2018-11-05	93.50	81.38	93.50	-13.0%	8.4	13.9	5.3	7.4
Power Utilities						+18.4%	3.9	4.0	3.8	3.7
CEZ	hold	2018-11-05	549.00	518.72 CZK	549.00	-5.5%	21.2	18.9	8.4	8.2
Enea	buy	2018-05-29	9.57	12.62	8.09	+56.0%	3.9	3.0	3.8	3.3
Energa	buy	2018-09-03	8.40	15.27	7.85	+94.5%	3.9	4.0	3.3	3.2
PGE	buy	2018-05-29	9.28	13.60	10.63	+27.9%	6.5	6.4	3.9	3.7
Tauron	buy	2018-09-03	2.00	2.77	1.79	+54.7%	3.4	2.9	3.7	4.1
Telecoms, Media, IT						+18.2%	20.8	17.8	6.8	6.0
Netia	hold	2018-10-01	4.50	4.30	4.69	-8.3%	42.7	51.5	5.5	5.9
Orange Polska	buy	2018-04-06	5.83	7.60	4.40	+72.7%	19.3	10.6	4.1	3.7
Play	buy	2018-10-17	17.14	21.50	16.28	+32.1%	5.3	5.9	5.0	5.0
Agora	buy	2018-09-14	8.48	15.40	9.46	+62.8%	47.5	59.3	5.7	4.9
Cyfrowy Polsat	accumulate	2018-06-15	22.76	24.90	21.74	+14.5%	12.7	10.8	6.8	6.0
Wirtualna Polska	accumulate	2018-09-03	57.00	60.00	53.00	+13.2%	20.8	17.8	11.3	9.5
Asseco Poland	accumulate	2018-09-03	45.90	49.00	49.00	+0.0%	14.4	15.8	8.3	8.1
CD Projekt	reduce	2018-10-16	158.60	136.60	164.30	-16.9%	87.3	95.5	70.0	80.8
Comarch	accumulate	2018-10-01	167.00	180.50	169.50	+6.5%	25.5	19.0	8.5	7.7
Industrials, Mining						+9.8%	13.7	10.5	6.8	6.2
Famur	buy	2018-08-02	5.20	6.56	5.64	+16.3%	17.7	14.0	7.7	6.9
Grupa Kęty	sell	2018-10-29	365.50	309.30	350.00	-11.6%	12.8	14.2	8.9	9.5
JSW	buy	2018-09-03	77.00	98.00	76.02	+28.9%	4.6	6.0	2.4	2.6
Kemel	buy	2018-11-05	52.10	60.85	52.10	+16.8%	21.8	7.0	7.9	5.7
KGHM	hold	2018-10-15	85.40	87.99	90.26	-2.5%	8.5	7.1	4.9	3.8
Stelmet	hold	2018-11-05	7.50	7.72	7.50	+2.9%	14.6	25.2	5.8	6.7
Construction						+13.3%	9.2	10.4	4.2	4.6
Budimex	hold	2018-08-02	122.60	125.00	124.00	+0.8%	12.8	14.5	4.7	5.8
Elektrobudowa	buy	2018-09-26	32.80	45.00	35.80	+25.7%	-	9.5	-	4.5
Erbud	buy	2018-09-03	9.60	14.40	10.45	+37.8%	-	11.4	-	4.7
Unibep	buy	2018-04-06	7.50	10.10	4.91	+105.7%	5.6	4.8	3.7	2.8
Property Developers						+32.5%	6.7	6.9	7.4	7.3
Atal	buy	2018-07-04	36.40	42.86	30.20	+41.9%	6.2	6.5	5.7	6.1
Capital Park	buy	2018-04-06	5.95	8.35	4.96	+68.3%	9.9	8.3	17.2	16.6
Dom Development	buy	2018-08-02	72.80	87.80	66.60	+31.8%	6.9	7.3	5.7	6.2
Echo	buy	2018-04-06	5.23	5.63	3.89	+44.7%	5.3	4.9	6.5	6.7
GTC	hold	2018-04-06	9.39	9.60	8.26	+16.2%	9.9	8.6	14.4	13.6
LC Corp	buy	2018-06-22	2.39	3.58	2.73	+31.1%	6.6	6.0	8.3	7.8
Retail						+33.5%	27.0	19.0	13.4	10.3
AmRest	accumulate	2018-11-05	40.00	41.20	40.00	+3.0%	43.6	34.2	14.5	11.6
CCC	buy	2018-11-05	173.60	272.00	173.60	+56.7%	41.3	16.6	17.2	10.4
Dino	buy	2018-11-05	84.70	103.50	84.70	+22.2%	26.0	19.5	16.3	12.5
Eurocash	buy	2018-10-01	18.08	26.40	20.75	+27.2%	28.1	20.9	8.7	7.2
Jeronimo Martins	buy	2018-08-02	12.65	15.20 EUR	10.83	+40.4%	17.1	14.2	7.3	6.3
LPP	buy	2018-10-01	8,625	10,200	8,055	+26.6%	22.7	18.6	12.3	10.2
TXM	suspended	2018-10-16	0.59	-	0.46	-	-	-	-	-
Other						+23.0%	10.5	10.0	7.8	7.0
PBKM	buy	2018-10-01	57.80	66.40	54.00	+23.0%	10.5	10.0	7.8	7.0

Weighting Recommendations by Dom Maklerski mBanku

Company	Relative Positioning	Rated On	Price At Rating	Current Price	Change	P/E		EV/EBITDA	
						2018	2019	2018	2019
IT						12.5	9.9	4.8	4.6
Ailleron	neutral	2018-03-28	16.20	11.50	-29.0%	13.7	11.9	6.0	4.8
Asseco BS	neutral	2018-03-28	28.00	24.40	-12.9%	14.1	12.9	9.5	8.7
Asseco SEE	overweight	2018-04-26	11.70	11.35	-3.0%	10.4	9.9	4.6	4.2
Atende	overweight	2018-03-28	4.25	3.25	-23.5%	7.6	6.8	4.8	4.6
Wasko	neutral	2018-05-30	1.68	1.48	-11.9%	12.5	8.2	4.7	4.0
Industrials						8.6	8.3	6.1	5.6
Alumetal	neutral	2018-08-23	51.00	44.50	-12.7%	7.9	8.7	6.4	6.8
Amica	overweight	2018-09-13	112.80	106.20	-5.9%	7.4	7.0	5.2	4.7
Apator	neutral	2018-02-28	24.00	24.00	+0.0%	13.2	13.8	7.6	7.8
Boryszew	neutral	2018-09-05	6.25	4.79	-23.4%	8.4	6.8	6.3	5.6
Elemental	neutral	2018-04-27	1.09	1.46	+33.9%	5.9	5.1	5.4	4.8
Ergis	neutral	2018-04-27	4.06	3.40	-16.3%	7.6	7.2	5.8	5.4
Forte	neutral	2018-10-31	40.60	25.05	-38.3%	21.5	8.1	9.8	7.3
Kruszwica	neutral	2018-10-16	43.90	41.60	-5.2%	15.2	18.1	8.3	9.0
Mangata	neutral	2018-10-01	65.40	68.80	+5.2%	8.7	10.5	6.4	6.8
Pfleiderer Group	neutral	2018-09-28	36.45	28.10	-22.9%	12.2	14.1	5.5	5.5
Pozbud	overweight	2018-09-04	3.57	2.52	-29.4%	4.7	2.6	4.5	1.6
Tarczyński	neutral	2018-05-30	14.50	15.95	+10.0%	9.0	8.6	6.0	5.6
Construction Sector						24.8	8.3	5.1	4.3
Elektrotim	neutral	2018-09-27	4.20	3.86	-8.1%	41.3	11.1	5.4	4.7
Herkules	neutral	2018-01-25	3.67	2.70	-26.4%	8.5	5.9	4.8	3.9
Torpol	neutral	2018-09-27	5.18	3.46	-33.2%	37.6	7.6	4.4	3.8
Trakcja	underweight	2018-09-27	3.47	3.07	-11.5%	69.1	32.8	6.6	6.9
Ulma	neutral	2018-05-28	73.00	66.50	-8.9%	8.2	8.0	3.3	3.1
ZUE	neutral	2018-09-27	5.56	5.00	-10.1%	11.9	8.6	5.7	5.2
Property Developers						5.8	6.1	8.4	5.5
Archicom	overweight	2018-06-22	15.00	11.50	-23.3%	5.4	3.7	5.4	4.4
BBI Development	neutral	2018-04-26	0.66	0.58	-12.1%	13.4	6.4	13.6	6.0
i2 Development	neutral	2018-06-22	15.40	11.30	-26.6%	3.4	3.9	6.7	5.5
JWC	neutral	2018-06-22	3.48	2.70	-22.4%	7.3	2.9	8.4	3.7
Lokum Deweloper	overweight	2018-06-22	18.80	17.00	-9.6%	5.7	6.5	4.3	5.0
PA Nova	neutral	2018-03-29	22.30	17.70	-20.6%	5.8	6.7	9.8	10.9
Polnord	underweight	2018-06-22	9.04	9.41	+4.1%	-	-	-	-
Ronson	neutral	2018-06-22	1.09	0.85	-22.0%	9.2	6.1	11.1	9.8
Retail						11.3	9.2	7.6	6.3
Bytom	overweight	2018-05-23	2.92	2.65	-9.2%	11.8	10.8	7.6	6.7
Monnari	neutral	2018-07-13	6.60	4.49	-32.0%	6.8	6.4	2.1	1.7
Vistula	overweight	2018-05-23	4.79	3.96	-17.3%	11.3	9.2	7.8	6.3

Recommendations Issued in the Past Month

Company	Rating	Previous Rating	Target Price	Issued on
Alior Bank	buy	buy	96.00 PLN	2018-10-04
CD Projekt	reduce	sell	136.60 PLN	2018-10-16
Comarch	accumulate	accumulate	180.50 PLN	2018-10-01
Eurocash	buy	buy	26.40 PLN	2018-10-01
Forte	neutral	overweight	- -	2018-10-31
Getin Noble Bank	hold	hold	1.00 PLN	2018-10-04
Grupa Kęty	sell	hold	309.30 PLN	2018-10-29
Handlowy	buy	buy	90.00 PLN	2018-10-04
ING BSK	accumulate	accumulate	200.00 PLN	2018-10-04
KGHM	hold	buy	87.99 PLN	2018-10-15
Kruszwica	neutral	underweight	- -	2018-10-16
LPP	buy	accumulate	10200.00 PLN	2018-10-01
Mangata	neutral	underweight	- -	2018-10-01
Millennium	reduce	sell	8.40 PLN	2018-10-04
Netia	hold	reduce	4.30 PLN	2018-10-01
PBKM	buy	hold	66.40 PLN	2018-10-01
Pekao	buy	buy	138.70 PLN	2018-10-04
PKO BP	accumulate	hold	47.00 PLN	2018-10-04
Play	buy	hold	21.50 PLN	2018-10-17
Santander Bank Polska	accumulate	accumulate	400.00 PLN	2018-10-04
TXM	suspended	buy	- -	2018-10-16

Ratings and Valuations Changed as of 5th November 2018

Company	Rating	Previous Rating	Target Price	Issued on
AmRest	accumulate	hold	41.20 PLN	2018-11-02
CCC	buy	buy	272.00 PLN	2018-11-02
CEZ	hold	sell	518.72 CZK	2018-11-02
Ciech	buy	buy	77.05 PLN	2018-11-02
Dino	buy	hold	103.50 PLN	2018-11-02
Grupa Azoty	buy	hold	31.47 PLN	2018-11-02
ING BSK	buy	accumulate	200.00 PLN	2018-11-02
Kernel	buy	buy	60.85 PLN	2018-11-02
Millennium	hold	reduce	8.40 PLN	2018-11-02
MOL	accumulate	buy	3,296.00 HUF	2018-11-02
PGNiG	buy	buy	7.72 PLN	2018-11-02
PKN Orlen	reduce	sell	81.38 PLN	2018-11-02
PKO BP	buy	accumulate	47.00 PLN	2018-11-02
PZU	buy	accumulate	47.50 PLN	2018-11-02
Santander Bank Polska	buy	accumulate	400.00 PLN	2018-11-02
Skarbiec Holding	buy	buy	31.02 PLN	2018-11-02
Stelmet	hold	buy	7.72 PLN	2018-11-02

Recommendation Statistics

Recommendation	All		For Issuers Who Are Clients of Dom Maklerski mBanku	
	Count	As pct. of total	Count	As pct. of total
sell	2	2.2%	1	2.2%
reduce	2	2.2%	2	4.4%
underweight	2	2.2%	1	2.2%
hold	8	8.8%	5	11.1%
neutral	24	26.4%	8	17.8%
accumulate	6	6.6%	1	2.2%
buy	39	42.9%	26	57.8%
overweight	8	8.8%	1	2.2%

Corporate Events Calendar For November

Date	Time	Company	Event
6-Nov	11:15	Cognor	Q3'18 earnings conference (Westin Hotel, Warsaw)
6-Nov	14:00	PKO BP	Q3'18 earnings conference (T:+44 1296 480 104; PIN: 605 648 61)
6-Nov		PKO BP	Q3'18 earnings announcement
6-Nov		Tauron	Q3'18 earnings announcement
7-Nov		Moneta Money Bank	Q3'18 earnings announcement
7-Nov		PCM	Investor meetings (CC Group, Warsaw) - registration required
7-Nov		Pekao SA	Q3'18 earnings announcement
7-Nov	11:30	Ronson	Q3'18 earnings conference (Sheraton Hotel, Warsaw)
8-Nov	10:00	Alior Bank	Videoconference with Management (http://infostrefa.tv/alior/en)
8-Nov		Alior Bank	Q3'18 earnings announcement
8-Nov		CEZ	Q3'18 earnings announcement
8-Nov	10:00	Cyfrowy Polsat	Q3'18 earnings conference (Radisson Blu Centrum Hotel, Warsaw)
8-Nov		Cyfrowy Polsat	Q3'18 earnings announcement
8-Nov		Energa	Q3'18 earnings announcement
8-Nov	14:00	Ergis	Teleconference with Management
8-Nov		Grupa Azoty	Q3'18 earnings announcement
8-Nov		Impexmetal	Q3'18 earnings announcement
9-Nov		Agora	Q3'18 earnings announcement
9-Nov	10:30	Capital Park	Q3'18 earnings conference (Jerozolimskie 134, building BETA, Warsaw)
9-Nov		CCC	Q3'18 earnings announcement
9-Nov		Eurocash	Q3'18 earnings announcement
9-Nov		Gino Rossi	Q3'18 earnings announcement
9-Nov	15:00	OTP Bank	Q3'18 earnings conference (T: +44 20 3936 2999, PIN: 245161)
9-Nov		OTP Bank	Q3'18 earnings announcement
9-Nov		Pozbud	Q3'18 earnings announcement
12-Nov		Play	Q3'18 earnings announcement
13-Nov		Dino	Q3'18 earnings announcement
13-Nov		Emperia	Q3'18 earnings announcement
13-Nov		PGE	Q3'18 earnings announcement
13-Nov		Play	Investor Day (Konstruktorska 11, Warsaw)
13-Nov		Wirtualna Polska	Q3'18 earnings announcement
14-Nov		11 bit studios	Q3'18 earnings announcement
14-Nov		Atende	Q3'18 earnings announcement
14-Nov		Citi Handlowy	Q3'18 earnings announcement
14-Nov		Erbud	Q3'18 earnings announcement
14-Nov		GTC	Q3'18 earnings announcement
14-Nov		KGHM	Q3'18 earnings announcement
14-Nov		Lokum	Q3'18 earnings announcement
14-Nov		Pfleiderer Group	Q3'18 earnings announcement
14-Nov		RBI	Q3'18 earnings announcement
14-Nov		Vistula	Q3'18 earnings announcement
15-Nov		AmRest	Q3'18 earnings announcement
15-Nov		Apator	Q3'18 earnings announcement
15-Nov		BGŻ BNP Paribas	Q3'18 earnings announcement
15-Nov		BOŚ Bank	Q3'18 earnings announcement
15-Nov		Elektrobudowa	Q3'18 earnings announcement
15-Nov		i2 Development	Q3'18 earnings announcement
15-Nov		Idea Bank	Q3'18 earnings announcement
15-Nov		Kruszwica	Q3'18 earnings announcement
15-Nov		LC Corp	Q3'18 earnings announcement
15-Nov		P.A. Nova	Q3'18 earnings announcement
15-Nov		Trakcja	Q3'18 earnings announcement
15-Nov		Ulma	Q3'18 earnings announcement
15-Nov		Unibep	Q3'18 earnings announcement
16-Nov		Comarch	Q3'18 earnings announcement
16-Nov	11:00	Elektrobudowa	Q3'18 earnings conference (Sheraton Hotel, Warsaw)
16-Nov		Polwax	Q3'18 earnings announcement
16-Nov		Wasko	Q3'18 earnings announcement
18-Nov		ING BSK	Q3'18 earnings announcement
19-Nov		PBKM	Q3'18 earnings announcement

Corporate Events Calendar For November

Date	Time	Company	Event
20-Nov		Asseco Poland	Q3'18 earnings announcement
20-Nov		Atal	Q3'18 earnings announcement
20-Nov	11:00	Bank Pekao	Investor Day (Hotel Andaz, 40 Liverpool Str. London)
20-Nov		LPP	Q3'18 earnings announcement
20-Nov		Wojas	Q3'18 earnings announcement
21-Nov		JWC	Q3'18 earnings announcement
21-Nov		Monnari	Q3'18 earnings announcement
21-Nov		PGNiG	Q3'18 earnings announcement
21-Nov		Torpol	Q3'18 earnings announcement
22-Nov		Boryszew	Q3'18 earnings announcement
22-Nov		CD Projekt	Q3'18 earnings announcement
22-Nov		Elektrotim	Q3'18 earnings announcement
22-Nov		JSW	Q3'18 earnings announcement
22-Nov		PKP Cargo	Q3'18 earnings announcement
22-Nov		TXM	Q3'18 earnings announcement
23-Nov		BBI Dev.	Q3'18 earnings announcement
23-Nov		CI Games	Q3'18 earnings announcement
23-Nov		Enea/LWB	Q3'18 earnings announcement
23-Nov		Tarczyński	Q3'18 earnings announcement
26-Nov		Ciech	Q3'18 earnings announcement
27-Nov	11:00	Atal	Q3'18 earnings conference (InterContinental Hotel, Warsaw)
27-Nov		Echo Investment	Q3'18 earnings announcement
27-Nov		Elemental	Q3'18 earnings announcement
27-Nov		Redan	Q3'18 earnings announcement
27-Nov		ZUE	Q3'18 earnings announcement
28-Nov		Famur	Q3'18 earnings announcement
28-29 Nov		PKP Cargo	Investor Day (Bydgoszcz, Toruń)
29-Nov		Ailleron	Q3'18 earnings announcement
29-Nov		Amica	Q3'18 earnings announcement
29-Nov		Archicom	Q3'18 earnings announcement
29-Nov		Bytom	Q3'18 earnings announcement
29-Nov		Forte	Q3'18 earnings announcement
29-Nov		Getin Noble	Q3'18 earnings announcement
29-Nov		Herkules	Q3'18 earnings announcement
29-Nov		Polnord	Q3'18 earnings announcement

List of abbreviations and ratios contained in the report:

EV – net debt + market value (EV – economic value)
EBIT – Earnings Before Interest and Taxes
EBITDA – EBIT + Depreciation and Amortisation
PBA – Profit on Banking Activity
P/CE – price to earnings with amortisation
MC/S – market capitalisation to sales
EBIT/EV – operating profit to economic value
P/E – (Price/Earnings) – price divided by annual net profit per share
ROE – (Return on Equity) – annual net profit divided by average equity
P/BV – (Price/Book Value) – price divided by book value per share
Net debt – credits + debt papers + interest bearing loans – cash and cash equivalents
EBITDA margin – EBITDA/Sales

OVERWEIGHT (OW) – a rating which indicates that we expect a stock to outperform the broad market
NEUTRAL (N) – a rating which indicates that we expect the stock to perform in line with the broad market
UNDERWEIGHT (UW) – a rating which indicates that we expect the stock to underperform the broad market

Recommendations of Dom Maklerski mBanku :

A recommendation is valid for a period of 6-9 months, unless a subsequent recommendation is issued within this period. Expected returns from individual recommendations are as follows:

BUY – we expect that the rate of return from an investment will be at least 15%
ACCUMULATE – we expect that the rate of return from an investment will range from 5% to 15%
HOLD – we expect that the rate of return from an investment will range from -5% to +5%
REDUCE – we expect that the rate of return from an investment will range from -5% to -15%
SELL – we expect that an investment will bear a loss greater than 15%
 Recommendations are updated at least once every nine months.

mBank S.A. with its registered office in Warsaw at Senatorska 18 renders brokerage services in the form of derived organisational unit – Brokerage Office which uses name Dom Maklerski mBanku.

The present report expresses the knowledge as well as opinions of the authors on day the report was prepared. The present report was prepared with due care and attention, observing principles of methodological correctness and objectivity, on the basis of sources available to the public, which Dom Maklerski mBanku considers reliable, including information published by issuers, shares of which are subject to recommendations. However, Dom Maklerski mBanku, in no case, guarantees the accuracy and completeness of the report, in particular should sources on the basis of which the report was prepared prove to be inaccurate, incomplete or not fully consistent with the facts.

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Economic profits – discounting of future economic profits; the weak point is high sensitivity to changes in the assumptions made in the valuation model.

Discounted Dividends (DDM) – discounting of future dividends; the weak point is high sensitivity to changes in the assumptions as to future dividends made in the valuation model.

Comparable Companies Used In Relative Valuation Models

Agora	Axel Springer, Cinemark Holdings, Cineworld, Daily Mail&General, IMAX Corp, JC Decaux, Lagardere, Sanoma, Schibsted, Stroeer Media,
AmRest	Alsea, Autogrill, Chipotle Mexican, Collins Foods, Jack In The Box, McDonalds, Mitchells & Butlers, Panera Bread, Starbucks, Texas Roadhouse, Wendy's, Yum! Brands
Asseco Poland	Atos, CAP Gemini, Comarch, Computacenter, Fiserv, Indra Sistemas, Oracle, Sage Group, SAP, Software AG
Atal, Dom Development	Archicom, Atal, Dom Development, i2 Development, JWC, LC Corp, Lokum Deweloper, Polnord, Ronson
Budimex, Erbud, Unibep	Budimex, Elektrobudowa, Elektrotim, Erbud, Herkules, Torpol, Trakcja, Ulma, Unibep, ZUE, Strabag, Porr, Hochtief, Bouygues, Salini, Astaldi, Mota Engil, Skanska, PEAB, NCC
Capital Park, GTC	BBi Development, Capital Park, Echo Investment, GTC, P.A. Nova, PHN, Alstria Office, Atrium European RE, CA Immobilien, Deutsche Euroshop, DIC Asset, Immofinanz, Klepierre, Unibail-Rodamco, S Immo
CCC	Adidas, Asos, Boohoo.com, Caleries, Crocs, Foot Locker, Geox, Nike, Steven Madden, Tod's, Voox Net-a-Porter, Zalando
CD Projekt	Activision, Blizzard, CAPCOM, Take Two Interactive, Ubisoft Entertainment, Electronic Arts
CEZ, Enea, Energa, PGE, Tauron	CEZ, EDF, EDP, Endesa, Enea, Enel, Energa, EON, Innogy, PGE, RWE, Tauron
Ciech	Akzo Nobel, BASF, Bayer, Ciner Resources, Dow Chemical, Huntsman, Soda Samayii, Solvay, Synthos, Tata Chemicals, Tessenderlo Chemie, Tronox, Wacker Chemie
Comarch	Asseco Poland, Atos, CAP Gemini, Computacenter, Fiserv INC, Indra Sistemas, Oracle Corp, Sage Group, SAP, Software AG, Tieto
Cyfrowy Polsat	BT Group, Comcast, Deutsche Telekom, Hellenic Telecom, Iliad, Koninklijke KPN, Magyar Telekom, Netia, O2 Czech, Orange, Orange Polska, Shaw Communications, Talktalk Telecom, Tele2, Telecom Italia, Telefonica, Telekom Austria, Telenor, Turk Telekomunikasyon, Turkcell Iletisim Hizmet, Vodafone Group
Dino	Carrefour, Dixy Group, Eurocash, Jeronimo Martins, Magnit, Metro, O'Key Group, Tesco, X5
Echo Investment	Archicom, Atal, Capital Park, Dom Development, GTC, JWC, LC Corp, Lokum Deweloper, P.A. Nova, PHN, Polnord, Ronson
Elektrobudowa	Budimex, Elektrobudowa, Elektrotim, Erbud, Herkules, Torpol, Trakcja, Ulma, Unibep, ZUE, Strabag, Porr, Hochtief, Bouygues, Salini, Astaldi, Mota Engil, Skanska, PEAB, NCC, Siemens, Alstom, ABB, Schneider Electric
Eurocash	Carrefour, Dixy Group, Jeronimo Martins, Magnit, Metro, O'Key Group, Tesco, X5
Famur	Epiroc, Caterpillar, Duro Felguera, Komatsu, Sandvik, Shanghai Chuangli, Tian Di
Grupa Azoty	Acron, Agrium, CF Industries, Israel Chemicals, K+S, Mosaic, Phosagro, Potash, Yara
Jeronimo Martins	Carrefour, Eurocash, Magnit, Tesco, X5
JSW	Alliance Resource Partners, Peabody Energy, Arch Coal, Semirara Mining and Power, Bukin Asam, Henan Shenhua, Yanzhou Coal Mining, Banpu Public, LW Bogdanka, Shaanxi Heimao, China Coal, Shougang Fushan Resources, Cokal, Teck Resources
Kernel	Astarta, Andersnons, ADM, Avangard, Bunge, China Agri Industries, Felda Global, Golden Agri Resources, GrainCorp, IMC, MHP, Milkiland, Nisshin Oil Group, Ovostar, Wilmar
Kęty	Alcoa, Amag, Amcor, Bemis, Century Aluminium, China Hongoiao, Constelium, Impexmetal, Kaiser Aluminium, Mercor, Midas Holdings, Nippon Light Metal, Norsk Hydro, UACJ, United CO Rusal
KGHM	Anglo American, Antofagasta, BHP Billiton, Boliden, First Quantum Minerals, Freeport-Mcmoran, Grupo Mexico, Hudbay, Lundin, MMC Norilsk Nickel, OZ Minerals, Rio Tinto, Sandfire Resources, Southern Copper, Vedanta Resources
LC Corp	Archicom, Atal, Dom Development, Echo Investment, GTC, i2 Development, JWC, Lokum Deweloper, Polnord, Ronson
Lotos, MOL	Aker BP, Bashneft, BP, ENI, Galp, Gazpromneft, Hellenic, Lotos, Lukoil, MOL, Motor Oil, Neste, OMV, OMV Petrom, PKN, Repsol, Rosneft, Saras, Shell, Statoil, Total, Tullow Oil, Tupras, Unipetrol
LPP	CCC, Gerry Weber, H&M, Hugo Boss, IC Companys, Inditex, Kappahl, Marks & Spencer, Next, Tom Tailor
Netia	BT Group, Cyfrowy Polsat, Deutsche Telekom, Hellenic Telecom, Koninklijke KPN, Magyar Telekom, Mobile Telesystems, O2 Czech, Orange, Orange Polska, Rostelecom, Telecom Italia, Telefonica, Telekom Austria, Telenor, Turk Telekomunikasyon, Turkcell Iletisim Hizmet, Vodafone Group
Orange Polska	BT Group, Cyfrowy Polsat, Deutsche Telekom, Hellenic Telecom, Koninklijke KPN, Magyar Telekom, Mobile Telesystems, Netia, O2 Czech, Orange, Rostelecom, Telecom Italia, Telefonica, Telekom Austria, Telenor, Turk Telekomunikasyon, Turkcell Iletisim Hizmet, Vodafone Group
PGNiG	AZA, BP, Centrica, Enagas, Endesa, Enea, Energa, Engie, ENI, EON, Galp Energia, Gas Natural, Gazprom, Hera, MOL, Novatek, OMV, Red Electrica, Romgaz, RWE, Shell, Snam, SSE, Statoil, Total
PKN Orlen	Braskem, Dow Chemical, Eastman, Galp, Hellenic, Huntsman, Indorama, Lotos, Lotte, Lyondellbasell, Mitsubishi, Mitsui, MOL, Motor Oil, Neste, OMV, OMV Petrom, Petronas, Saras, Tupras, Unipetrol, Westlake
Play	BT Group, Cyfrowy Polsat, Deutsche Telekom, Hellenic Telecom, Koninklijke KPN, Magyar Telekom, Netia, O2 Czech, Orange, Orange Belgium, Orange Polska, Telecom Italia, TalkTalk, Tele2, Telefonica, Telekom Austria, Telenor, Turk Telekomunikasyon, Turkcell Iletisim Hizmet, Vimpel, Vodafone Group
Skarbiec Holding	Affiliated Managers, AllianceBernstein, Ashmore Group, Blackrock, Brewin Dolphin, Eaton Vance Mgmt, Franklin Resources, GAM Holding, Invesco, Investec, Janus Henderson, Jupiter AM, Legg Mason, Liontrust AM, Och-Ziff Capital Mgmt., Schroders, Standard Life, T Rowe Price
Stelmet	AFG Arbonia, Canfor, Century Plyboards, Deceuninck, Duratex, Forte, Greenply Industries, Interfor, Inwido, Louisiana Pacific, Nobia, Pflaiderer, Rayonier, Uzin UTZ, Vanachai Group, Vilmorin, West Fraser
Wirtualna Polska	eBay, Facebook, Google, Mail.ru, Sina, Yahoo Japan, Yandex

Recommendations Issued In the 12 Months Prior To This Publication

Agora

Rating	buy	buy	buy	buy
Rating date	2018-09-14	2018-04-06	2018-01-26	2017-11-23
Target price (PLN)	15.40	18.40	18.90	18.00
Price on rating day	8.48	14.50	13.15	15.20

Alleron

Rating	neutral	neutral	neutral
Rating date	2018-03-28	2018-01-30	2017-11-28
Target price (PLN)	-	-	-
Price on rating day	16.20	17.60	18.73

Alior Bank

Rating	buy	buy	accumulate
Rating date	2018-10-04	2018-02-01	2018-01-05
Target price (PLN)	96.00	109.00	90.00
Price on rating day	62.90	85.50	78.10

Alumetal

Rating	neutral
Rating date	2018-08-23
Target price (PLN)	-
Price on rating day	51.00

Amica

Rating	overweight	overweight	overweight
Rating date	2018-09-13	2018-06-06	2018-01-05
Target price (PLN)	-	-	-
Price on rating day	112.80	121.00	130.00

AmRest

Rating	accumulate	hold	reduce	hold	hold
Rating date	2018-11-05	2018-09-03	2018-04-06	2018-02-02	2018-01-05
Target price (PLN)	41.20	42.60	426.00	407.00	422.00
Price on rating day	40.00	40.60	449.50	425.00	403.00

Aparator

Rating	neutral
Rating date	2018-02-28
Target price (PLN)	-
Price on rating day	24.00

Archicom

Rating	overweight	overweight	overweight
Rating date	2018-06-22	2018-04-26	2018-01-25
Target price (PLN)	-	-	-
Price on rating day	15.00	15.30	15.75

Asseco BS

Rating	neutral	neutral	neutral
Rating date	2018-03-28	2018-01-30	2017-11-28
Target price (PLN)	-	-	-
Price on rating day	28.00	28.90	26.29

Asseco Poland

Rating	accumulate	hold	reduce	reduce	hold	reduce
Rating date	2018-09-03	2018-06-06	2018-03-27	2018-02-02	2017-12-01	2017-11-03
Target price (PLN)	49.00	41.20	41.20	44.00	44.80	44.80
Price on rating day	45.90	44.00	45.20	45.62	44.47	47.00

Asseco SEE

Rating	overweight	overweight	overweight	overweight
Rating date	2018-04-26	2018-03-28	2018-01-30	2017-11-28
Target price (PLN)	-	-	-	-
Price on rating day	11.70	12.95	13.25	11.45

Atal

Rating	buy	accumulate	accumulate	accumulate
Rating date	2018-07-04	2018-06-22	2018-04-06	2018-02-02
Target price (PLN)	42.86	42.86	47.00	49.20
Price on rating day	36.40	37.30	43.40	42.40

Atende

Rating	overweight	overweight	overweight
Rating date	2018-03-28	2018-01-30	2017-11-28
Target price (PLN)	-	-	-
Price on rating day	4.25	4.85	4.46

BBI Development

Rating	neutral	neutral
Rating date	2018-04-26	2018-02-02
Target price (PLN)	-	-
Price on rating day	0.66	0.70

Boryszew

Rating	neutral	neutral
Rating date	2018-09-05	2017-11-30
Target price (PLN)	-	-
Price on rating day	6.25	9.85

Budimex

Rating	hold	hold	accumulate	buy
Rating date	2018-08-02	2018-06-06	2018-04-06	2018-02-02
Target price (PLN)	125.00	163.00	216.39	246.00
Price on rating day	122.60	153.00	215.00	197.80



Bytom

Rating	overweight	overweight
Rating date	2018-05-23	2017-11-28
Target price (PLN)	-	-
Price on rating day	2.92	2.50

Capital Park

Rating	buy	buy
Rating date	2018-04-06	2018-02-02
Target price (PLN)	8.35	8.42
Price on rating day	5.95	5.95

CCC

Rating	buy	buy	accumulate	buy	buy	hold	hold	buy
Rating date	2018-11-05	2018-06-06	2018-05-09	2018-04-06	2018-03-05	2018-02-02	2018-01-05	2017-12-01
Target price (PLN)	272.00	295.00	295.00	295.00	286.00	295.00	292.00	292.00
Price on rating day	173.60	242.80	255.60	257.40	243.00	281.00	293.00	239.85

CD Projekt

Rating	reduce	sell	sell
Rating date	2018-10-16	2018-04-06	2018-02-02
Target price (PLN)	136.60	90.80	90.00
Price on rating day	158.60	114.90	115.00

CEZ

Rating	hold	sell	sell	sell	reduce	hold	hold	accumulate	accumulate
Rating date	2018-11-05	2018-07-04	2018-05-29	2018-05-09	2018-04-06	2018-03-05	2018-02-02	2017-12-01	2017-11-03
Target price (CZK)	518.72	440.96	458.38	449.51	449.51	506.40	532.50	548.60	512.33
Price on rating day	549.00	550.00	551.00	567.00	519.50	495.00	530.00	490.70	481.30

Ciech

Rating	buy	buy	buy	buy	buy	buy	buy	buy
Rating date	2018-11-05	2018-08-02	2018-07-04	2018-06-06	2018-05-09	2018-04-06	2018-03-05	2018-02-02
Target price (PLN)	77.05	82.52	81.14	88.64	89.71	85.40	85.87	90.13
Price on rating day	42.58	56.95	53.05	60.20	55.00	57.00	55.90	61.25

Comarch

Rating	accumulate	accumulate	buy	hold	hold	buy	accumulate
Rating date	2018-10-01	2018-05-09	2018-04-06	2018-03-05	2018-02-02	2017-11-27	2017-11-03
Target price (PLN)	180.50	166.50	166.50	166.50	180.00	205.00	185.00
Price on rating day	167.00	145.00	131.50	155.00	177.00	178.30	163.50

Cyfrowy Polsat

Rating	accumulate	hold	accumulate	hold	hold
Rating date	2018-06-15	2018-04-06	2018-03-05	2018-01-31	2017-11-03
Target price (PLN)	24.90	25.30	24.90	25.70	24.40
Price on rating day	22.76	24.84	22.80	24.70	24.58

Dino

Rating	buy	hold	accumulate	buy	buy	buy
Rating date	2018-11-05	2018-06-06	2018-05-09	2018-04-04	2018-02-02	2018-01-18
Target price (PLN)	103.50	103.50	103.50	103.50	95.40	95.40
Price on rating day	84.70	107.40	96.65	85.10	85.00	80.00

Dom Development

Rating	buy	accumulate	buy	buy
Rating date	2018-08-02	2018-06-22	2018-03-20	2018-02-02
Target price (PLN)	87.80	87.80	103.10	103.00
Price on rating day	72.80	85.80	85.80	82.00

Echo

Rating	buy	buy
Rating date	2018-04-06	2018-02-02
Target price (PLN)	5.63	6.31
Price on rating day	5.23	5.05

Elektrobudowa

Rating	buy	hold	buy	buy
Rating date	2018-09-26	2018-06-06	2018-04-06	2018-02-02
Target price (PLN)	45.00	71.00	116.00	113.00
Price on rating day	32.80	69.00	96.40	81.20

Elektrotim

Rating	neutral	neutral	overweight
Rating date	2018-09-27	2018-05-28	2017-11-16
Target price (PLN)	-	-	-
Price on rating day	4.20	5.80	7.61

Elemental

Rating	neutral
Rating date	2018-04-27
Target price (PLN)	-
Price on rating day	1.09

Enea

Rating	buy	buy	buy	accumulate	accumulate	hold
Rating date	2018-05-29	2018-04-06	2018-03-05	2018-02-02	2018-01-05	2017-12-01
Target price (PLN)	12.62	11.78	12.11	12.98	12.82	12.82
Price on rating day	9.57	9.10	10.36	11.07	12.19	11.89

Energia

Rating	buy	buy	buy	buy	buy	buy	buy
Rating date	2018-09-03	2018-05-29	2018-04-06	2018-03-05	2018-02-02	2018-01-05	2017-12-01
Target price (PLN)	15.27	15.58	14.91	14.71	15.20	14.97	14.81
Price on rating day	8.40	9.00	9.96	10.11	12.21	12.60	12.09

Erbud

Rating	buy	buy	accumulate	buy	buy	buy	buy
Rating date	2018-09-03	2018-06-06	2018-05-09	2018-04-06	2018-03-05	2017-12-15	2017-11-03
Target price (PLN)	14.40	22.00	23.10	29.60	29.40	28.70	29.80
Price on rating day	9.60	14.90	19.40	21.60	21.30	20.60	24.70

Ergis

Rating	neutral	neutral
Rating date	2018-04-27	2018-01-29
Target price (PLN)	-	-
Price on rating day	4.06	4.77

Erste Bank

Rating	buy	accumulate	hold
Rating date	2018-08-02	2018-06-06	2018-02-02
Target price (EUR)	43.00	40.00	40.00
Price on rating day	37.14	34.78	40.64

Eurocash

Rating	buy	buy	buy	buy	buy
Rating date	2018-10-01	2018-04-06	2018-03-05	2018-02-02	2017-12-01
Target price (PLN)	26.40	30.70	31.10	32.30	38.30
Price on rating day	18.08	24.41	21.99	26.04	27.48

Famur

Rating	buy	buy	buy	buy	buy	buy
Rating date	2018-08-02	2018-05-09	2018-04-06	2018-03-05	2018-02-02	2018-01-05
Target price (PLN)	6.56	6.95	7.06	7.28	7.29	7.24
Price on rating day	5.20	5.94	6.04	6.10	6.20	6.18

Forte

Rating	neutral	overweight	neutral	neutral	neutral
Rating date	2018-10-31	2018-07-27	2018-04-27	2018-02-02	2018-01-29
Target price (PLN)	-	-	-	-	-
Price on rating day	40.60	40.60	50.70	43.00	49.10

GetBack

Rating	suspended	buy
Rating date	2018-04-16	2017-11-30
Target price (PLN)	-	33.38
Price on rating day	4.52	23.00

Getin Noble Bank

Rating	hold	hold	hold	sell	sell
Rating date	2018-10-04	2018-05-09	2018-03-05	2018-02-01	2017-11-03
Target price (PLN)	1.00	1.40	1.50	1.50	1.27
Price on rating day	0.53	1.17	1.45	1.83	1.61

Gino Rossi

Rating	suspended	neutral
Rating date	2018-05-23	2017-11-28
Target price (PLN)	-	-
Price on rating day	0.63	1.29

Grupa Azoty

Rating	buy	hold	hold	hold	hold	hold	hold	hold	hold
Rating date	2018-11-05	2018-09-03	2018-08-02	2018-05-25	2018-05-09	2018-03-05	2018-02-02	2018-01-05	2017-12-01
Target price (PLN)	31.47	41.13	42.13	44.40	60.99	67.13	73.42	73.64	78.52
Price on rating day	24.00	38.00	42.20	42.60	51.10	56.55	72.00	74.40	71.30

GTC

Rating	hold	accumulate	hold	hold
Rating date	2018-04-06	2018-03-05	2018-02-02	2018-01-05
Target price (PLN)	9.60	9.70	9.70	10.00
Price on rating day	9.39	8.64	9.67	9.90

Handlowy

Rating	buy	buy	accumulate	hold
Rating date	2018-10-04	2018-04-06	2018-02-01	2018-01-05
Target price (PLN)	90.00	94.00	94.00	85.00
Price on rating day	76.90	77.50	84.70	83.70

Herkules

Rating	neutral
Rating date	2018-01-25
Target price (PLN)	-
Price on rating day	3.67

i2 Development

Rating	neutral	neutral	overweight
Rating date	2018-06-22	2018-05-28	2018-01-12
Target price (PLN)	-	-	-
Price on rating day	15.40	17.30	14.90

ING BSK

Rating	buy	accumulate	accumulate	buy	accumulate	hold	sell
Rating date	2018-11-05	2018-10-04	2018-08-02	2018-07-04	2018-03-05	2018-02-01	2017-12-01
Target price (PLN)	200.00	200.00	212.00	212.00	212.00	212.00	152.39
Price on rating day	166.00	181.00	190.00	178.40	198.00	220.00	203.00

Jeronimo Martins

Rating	buy	buy	accumulate	accumulate	hold	hold	accumulate
Rating date	2018-08-02	2018-06-06	2018-04-06	2018-03-05	2018-02-02	2017-12-01	2017-11-03
Target price (EUR)	15.20	16.40	16.40	16.90	16.90	17.10	17.10
Price on rating day	12.65	13.52	14.90	15.17	17.12	16.50	15.85



JSW

Rating	buy	buy	buy	buy	buy	buy	buy	buy
Rating date	2018-09-03	2018-08-02	2018-07-04	2018-06-06	2018-05-09	2018-04-06	2018-03-05	2018-01-30
Target price (PLN)	98.00	108.69	107.00	115.23	109.12	108.14	120.71	122.30
Price on rating day	77.00	79.50	77.50	86.66	79.32	86.78	92.80	101.00

JWC

Rating	neutral	underweight	neutral
Rating date	2018-06-22	2018-03-29	2018-01-25
Target price (PLN)	-	-	-
Price on rating day	3.48	4.16	4.41

Kernel

Rating	buy	buy	hold	hold	hold	accumulate	accumulate
Rating date	2018-11-05	2018-07-23	2018-05-09	2018-03-05	2018-02-02	2017-12-01	2017-11-03
Target price (PLN)	60.85	59.18	53.04	53.46	53.47	57.20	58.70
Price on rating day	52.10	50.50	50.80	48.80	50.90	47.51	48.25

Grupa Kęty

Rating	sell	hold	hold	hold	hold	hold	hold	hold	hold
Rating date	2018-10-29	2018-09-03	2018-08-02	2018-06-06	2018-05-09	2018-04-06	2018-03-05	2018-02-02	2018-01-05
Target price (PLN)	309.30	367.45	355.61	371.08	363.01	357.21	379.66	391.41	390.72
Price on rating day	365.50	387.50	321.50	360.50	353.00	346.00	352.50	385.00	408.00

KGHM

Rating	hold	buy	buy	buy	buy	buy	accumulate	accumulate	hold	hold	reduce
Rating date	2018-10-15	2018-09-03	2018-08-02	2018-06-06	2018-05-09	2018-04-04	2018-03-05	2018-02-02	2018-01-05	2017-12-08	2017-11-23
Target price (PLN)	87.99	104.21	111.08	112.92	118.98	115.43	122.81	128.62	114.71	103.08	103.08
Price on rating day	85.40	90.80	96.00	96.52	92.50	88.00	102.50	111.50	113.10	100.00	114.25

Komercni Banka

Rating	buy
Rating date	2017-12-01
Target price (CZK)	1111.00
Price on rating day	899.00

Kruk

Rating	buy	buy
Rating date	2018-09-17	2018-02-02
Target price (PLN)	292.77	300.94
Price on rating day	187.80	222.20

Kruszwica

Rating	neutral	underweight
Rating date	2018-10-16	2018-08-02
Target price (PLN)	-	-
Price on rating day	43.90	65.40

LC Corp

Rating	buy	buy	buy
Rating date	2018-06-22	2018-04-06	2018-02-02
Target price (PLN)	3.58	3.50	3.74
Price on rating day	2.39	2.70	3.10

Lokum Deweloper

Rating	overweight	overweight	overweight
Rating date	2018-06-22	2018-03-29	2018-01-25
Target price (PLN)	-	-	-
Price on rating day	18.80	17.80	18.00

Lotos

Rating	sell	sell	hold	hold	hold	reduce	reduce	reduce	sell	sell
Rating date	2018-09-03	2018-08-02	2018-06-29	2018-05-09	2018-04-06	2018-03-05	2018-02-02	2018-01-05	2017-11-29	2017-11-03
Target price (PLN)	57.21	52.51	52.51	52.81	51.73	51.08	52.67	51.53	51.53	51.61
Price on rating day	69.90	65.86	54.50	55.62	54.60	56.30	57.78	58.48	61.66	66.37

LPP

Rating	buy	accumulate	hold	accumulate	accumulate	hold	hold	hold
Rating date	2018-10-01	2018-06-18	2018-05-09	2018-04-06	2018-03-05	2018-02-02	2018-01-05	2017-12-01
Target price (PLN)	10200.00	10200.00	9500.00	9500.00	9500.00	9400.00	9900.00	8200.00
Price on rating day	8,625.00	9,025.00	9,260.00	8,900.00	8,620.00	9,790.00	9,990.00	8,173.95

Mangata

Rating	neutral	underweight	neutral	underweight
Rating date	2018-10-01	2018-09-13	2018-06-22	2018-03-29
Target price (PLN)	-	-	-	-
Price on rating day	65.40	91.20	90.00	95.60

Millennium

Rating	hold	reduce	sell	reduce	sell
Rating date	2018-11-05	2018-10-04	2018-08-02	2018-04-06	2018-02-01
Target price (PLN)	8.40	8.40	7.00	7.00	7.00
Price on rating day	8.85	9.27	9.12	8.35	9.59

MOL

Rating	accumulate	buy	accumulate	hold	hold	hold	hold	hold
Rating date	2018-11-05	2018-09-03	2018-06-29	2018-05-09	2018-04-06	2018-03-05	2018-02-02	2017-11-29
Target price (HUF)	3296.00	3296.00	2995.00	2954.00	2898.00	3027.00	3152.00	3104.00
Price on rating day	3,006.00	2,870.00	2,654.00	2,790.00	2,864.00	2,718.00	3,080.00	3,121.00

Monnari

Rating	neutral	overweight	overweight
Rating date	2018-07-13	2018-05-23	2017-11-28
Target price (PLN)	-	-	-
Price on rating day	6.60	7.19	8.21

Netia

Rating	hold	reduce	sell	reduce
Rating date	2018-10-01	2018-06-06	2018-04-06	2018-02-02
Target price (PLN)	4.30	4.30	4.30	4.60
Price on rating day	4.50	5.00	5.27	5.30

Orange Polska

Rating	buy	buy
Rating date	2018-04-06	2017-12-12
Target price (PLN)	7.60	7.30
Price on rating day	5.83	5.39

OTP Bank

Rating	buy	accumulate	hold	accumulate	hold
Rating date	2018-06-06	2018-02-02	2018-01-05	2017-12-01	2017-11-03
Target price (HUF)	12090.00	12090.00	10901.00	10901.00	10901.00
Price on rating day	10,210.00	11,560.00	10,960.00	10,055.00	10,715.00

PA Nova

Rating	neutral	neutral	neutral
Rating date	2018-03-29	2018-02-28	2017-11-27
Target price (PLN)	-	-	-
Price on rating day	22.30	23.30	24.00

PBKM

Rating	buy	hold	hold	hold	hold	accumulate
Rating date	2018-10-01	2018-06-06	2018-04-06	2018-02-02	2018-01-05	2017-12-01
Target price (PLN)	66.40	76.26	76.83	76.00	71.00	71.00
Price on rating day	57.80	73.00	77.00	73.00	69.60	63.00

Prime Car Management

Rating	suspended	buy	buy	buy
Rating date	2018-08-23	2018-06-06	2018-04-06	2018-02-02
Target price (PLN)	-	15.54	33.00	35.30
Price on rating day	7.96	12.70	23.60	28.80

Pekao

Rating	buy	buy
Rating date	2018-10-04	2018-02-01
Target price (PLN)	138.70	157.00
Price on rating day	107.20	135.90

Pfleiderer Group

Rating	neutral	overweight	overweight	overweight
Rating date	2018-09-28	2018-08-08	2018-04-27	2017-11-08
Target price (PLN)	-	-	-	-
Price on rating day	36.45	37.30	37.30	36.65

PGE

Rating	buy	buy	buy	accumulate	accumulate
Rating date	2018-05-29	2018-04-06	2018-03-05	2018-02-02	2017-12-01
Target price (PLN)	13.60	12.89	12.61	13.30	13.20
Price on rating day	9.28	9.81	10.28	11.87	11.93

PGNiG

Rating	buy	buy	buy	buy	buy	buy	buy	buy	buy
Rating date	2018-11-05	2018-09-03	2018-06-29	2018-05-09	2018-04-06	2018-03-05	2018-02-02	2017-12-01	2017-11-03
Target price (PLN)	7.72	7.86	8.28	8.17	7.96	7.51	7.65	7.73	7.73
Price on rating day	6.35	5.82	5.53	6.20	5.71	5.98	6.58	6.03	6.63

PKN Orlen

Rating	reduce	sell	sell	reduce	reduce	reduce	sell	sell	sell
Rating date	2018-11-05	2018-09-03	2018-08-02	2018-06-29	2018-05-09	2018-04-06	2018-03-05	2018-02-02	2017-11-29
Target price (PLN)	81.38	81.38	76.84	76.84	76.73	76.89	80.55	82.84	81.80
Price on rating day	93.50	98.24	93.06	82.50	82.30	89.52	95.20	107.90	121.60

PKO BP

Rating	buy	accumulate	hold	reduce	sell	sell
Rating date	2018-11-05	2018-10-04	2018-04-06	2018-03-05	2018-02-01	2017-12-01
Target price (PLN)	47.00	47.00	38.00	38.00	38.00	31.20
Price on rating day	40.39	42.55	39.74	42.20	45.66	42.30

Play

Rating	buy	hold	reduce	hold	hold
Rating date	2018-10-17	2018-08-30	2018-07-03	2018-04-06	2018-01-25
Target price (PLN)	21.50	22.60	23.50	30.93	34.70
Price on rating day	17.14	21.90	24.88	32.70	33.20

Polnord

Rating	underweight	neutral	neutral
Rating date	2018-06-22	2018-02-02	2017-12-27
Target price (PLN)	-	-	-
Price on rating day	9.04	10.50	8.70

Polwax

Rating	suspended	buy	buy	buy
Rating date	2018-09-14	2018-05-09	2018-02-02	2018-01-05
Target price (PLN)	-	16.69	18.80	20.56
Price on rating day	7.70	7.80	11.05	11.95

Pozbud

Rating	overweight	overweight
Rating date	2018-09-04	2017-11-13
Target price (PLN)	-	-
Price on rating day	3.57	2.98



PZU

Rating	buy	accumulate	buy	accumulate	buy
Rating date	2018-11-05	2018-08-02	2018-03-05	2018-02-02	2018-01-05
Target price (PLN)	47.50	47.50	50.58	50.58	51.83
Price on rating day	40.60	42.00	41.55	44.17	45.00

Ronson

Rating	neutral	neutral	underweight	underweight
Rating date	2018-06-22	2018-04-03	2018-03-29	2018-02-02
Target price (PLN)	-	-	-	-
Price on rating day	1.09	1.32	1.32	1.45

Santander Bank Polska

Rating	buy	accumulate	accumulate	buy	hold	hold	accumulate
Rating date	2018-11-05	2018-10-04	2018-09-03	2018-03-05	2018-02-01	2017-12-01	2017-11-03
Target price (PLN)	400.00	400.00	430.00	430.00	430.00	377.87	377.87
Price on rating day	353.80	367.00	376.00	357.80	420.00	370.00	358.50

Skarbiec Holding

Rating	buy	buy	buy
Rating date	2018-11-05	2018-08-31	2018-02-02
Target price (PLN)	31.02	36.86	56.30
Price on rating day	21.70	25.30	30.60

Stelmet

Rating	hold	buy	buy	buy	buy	buy
Rating date	2018-11-05	2018-09-03	2018-07-04	2018-05-09	2018-03-05	2018-02-02
Target price (PLN)	7.72	20.45	20.24	26.48	27.72	28.37
Price on rating day	7.50	11.35	10.70	14.75	17.15	19.20

Tarczyński

Rating	neutral	neutral	overweight
Rating date	2018-05-30	2018-01-29	2017-11-20
Target price (PLN)	-	-	-
Price on rating day	14.50	13.05	11.00

Tauron

Rating	buy	buy	hold	hold	hold	hold
Rating date	2018-09-03	2018-05-29	2018-04-06	2018-03-05	2018-02-02	2017-12-01
Target price (PLN)	2.77	2.76	2.73	2.98	3.38	3.23
Price on rating day	2.00	2.01	2.38	2.69	3.08	3.10

Torpol

Rating	neutral	neutral	neutral	neutral	neutral	neutral
Rating date	2018-09-27	2018-05-28	2018-03-29	2018-02-02	2018-01-25	2017-11-27
Target price (PLN)	-	-	-	-	-	-
Price on rating day	5.18	6.40	7.50	7.98	8.16	8.55

Trakcja

Rating	underweight	underweight	neutral	neutral	neutral	underweight
Rating date	2018-09-27	2018-05-18	2018-03-29	2018-02-02	2018-01-25	2017-11-27
Target price (PLN)	-	-	-	-	-	-
Price on rating day	3.47	3.65	6.75	7.24	7.56	7.69

TXM

Rating	suspended	buy	buy	buy	buy	buy
Rating date	2018-10-16	2018-02-04	2018-05-09	2018-02-02	2017-12-01	2017-11-03
Target price (PLN)	-	3.48	5.44	5.41	5.74	5.77
Price on rating day	0.59	1.28	2.10	2.36	2.02	1.99

Ulma

Rating	neutral	neutral	neutral
Rating date	2018-05-28	2018-03-29	2017-11-27
Target price (PLN)	-	-	-
Price on rating day	73.00	66.50	73.90

Unibep

Rating	buy	buy	accumulate	buy
Rating date	2018-04-06	2018-02-02	2018-01-05	2017-11-03
Target price (PLN)	10.10	10.80	10.80	14.00
Price on rating day	7.50	8.60	9.76	9.90

Vistula

Rating	overweight	neutral	overweight	neutral	overweight
Rating date	2018-05-23	2018-02-02	2018-01-19	2017-12-13	2017-11-28
Target price (PLN)	-	-	-	-	-
Price on rating day	4.79	5.16	4.34	4.36	3.88

Wasko

Rating	neutral	overweight	overweight	overweight
Rating date	2018-05-30	2018-03-28	2018-01-30	2017-11-28
Target price (PLN)	-	-	-	-
Price on rating day	1.68	2.25	2.24	1.98

Wirtualna Polska

Rating	accumulate	buy	accumulate	accumulate	accumulate	accumulate	buy
Rating date	2018-09-03	2018-08-02	2018-04-24	2018-04-06	2018-02-02	2018-01-05	2017-11-03
Target price (PLN)	60.00	60.00	60.00	56.40	56.10	53.00	53.00
Price on rating day	57.00	49.00	54.00	52.20	51.80	48.20	43.00

ZUE

Rating	neutral	neutral	neutral	neutral	neutral	underweight
Rating date	2018-09-27	2018-05-28	2018-03-29	2018-02-02	2018-01-25	2017-11-27
Target price (PLN)	-	-	-	-	-	-
Price on rating day	5.56	5.86	6.12	6.18	6.44	6.89

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