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Monthly Market Outlook: May 2019

Equity Market, Macroeconomics

Equity Market

In US-China trade talks an agreement is a likely scenario. The final decision should be announced in the coming days.

Sector Outlook

Financials

The turbulent end of April put the banking sector once again under pressure. The key factors were Q4 results of Idea Bank, where the write-offs caused a significant drop in the capital position, as well as a rumor about the introduction of a banking tax in the Czech Republic. In May, the sentiment towards the sector will continue to be created by the Idea Bank situation, which is waiting for a new institutional investor or other system solution. The European banking sector may be negatively affected by the revision of the GDP forecasts of the European Union. Quarterly results of the banking sector should be decent in most of the other banks. Our best bet of the quarterly results are regional and Czech banks, where we can expect increases in consensus.

Chemicals

Good results of Q1 2019 and diversification of the company's share in the PDH project may positively affect the sentiment towards Azoty Group shares. The market is not satisfied with stable Q1 2019 results y/y of the Ciech Group. The sentiment towards the company may improve after the publication, as we expect the Company to soften its approach to this year's investment expenditures.

Oil & Gas

The results of the refineries in Q1 2019 turned out to be in line with expectations, but real challenges in the context of market consensus may appear in the following quarters (more demanding base, scenario of worse margins in downstream, consequences of interruption of supplies via the Druzha pipeline). We maintain a negative attitude towards PKN and LTS.

Power Utilities

WIG-Energia remains on the hook, which is well illustrated by the lack of market reaction to recent positive messages (TPE, LWB, CDS rebound). It seems that with such attitude it will be difficult to rebuild the sentiment towards the sector, although the final decision in the matter of compensations for freezing prices may potentially help.

Telecoms, Media, IT

We are hoping for increases of quotations in May 2019 in CMR and ASE due to high Q1 2018 earnings (we estimate that both companies will report >25% growth on the EBITDA line with no impact of consolidation of acquisitions and IFRS16). After drops in results in H2 2018, PLY will return to the growth of results, we expect further increases (since the release of the October 2018 report, PLY has already increased by >45%).

Industrials & Mining

Q1 2019 is going to be the worst quarter since Q2 2017 in terms of improving results. In our view, only 32% of companies will improve their results y/y in Q1 2019. Our best bets for positive surprises include EGS, FMF and TIM. On the other hand, AML, IPX and PFL will probably disappoint. We expect a good quarter in KGHM and a weak one in JSW. After a clear drop in the share price, we close our negative rating for JSW.

Property Developers

We believe that the outlook for stable results in 2019-21 and the relatively high dividends of DOM and 1AT are included in the current valuations of these companies. We keep a neutral view on DOM and 1AT.

Retail

Weak earnings in Q1 2019 should be delivered by EUR, VST and MON. For DNP, Q1' 2019 will be the last quarter with a high comparative base. EAT published solid results in Q1 2019.

Key Ratings

Positive: ALR, ASE, CIE, CMR, EBS, EGS, ENG, ENA, FMF, KER, KRU, PGE, PGN, PLY, POZ, TIM, TPE

Negative: IPX, LTS, PKN, TAR

EU Indices	Value	1M chng	YTD chng
WIG	57,522	-5.6%	-0%
ATX	3,089	-0.2%	+13%
BUX	41,350	-1.1%	+6%
PX	1,064	-0.0%	+10%
WSE WIG Ind.	Value	1M	YTD
WIG20	2,222	-5.8%	-2%
mWIG40	3,977	-6.1%	+2%
sWIG80	11,802	-3.0%	+12%
Banking	7,401	-4.6%	-1%
Basic Materials	2,050	-7.6%	+7%
Chemicals	10,188	-11.3%	+9%
Clothes	2,034	-9.9%	-16%
Construction	3,394	-14.9%	-1%
Energy	2,275	-3.2%	+14%
Food	4,954	-2.2%	+10%
IT	2,107	-5.1%	+10%
Media	6,107	-11.6%	+1%
Oil & Gas	6,771	-8.5%	-15%
Real estate	3,425	-5.4%	+1%
Telecom	693	+0.5%	+12%
Top 5 / Worst 5		1M	YTD
Tim	8.72	+32.5%	+41%
Polenergia	27.50	+15.1%	+34%
Work Service	2.26	+13.1%	+51%
AC Auto	55.00	+12.2%	+28%
Play	24.42	+10.5%	+25%
Ursus	1.09	-37.4%	-27%
Idea Bank	3.02	-37.4%	+24%
Braster	1.61	-38.3%	-20%
TXM	0.12	-40.0%	-54%
Elbudowa	16.35	-42.4%	-36%

Rating & 9M TP Changes as of 9 May

Name	Rating	9M TP
CD Projekt	accumulate ►	237.50 PLN ▲
Ciech	buy ►	68.11 PLN ▼
Cognor	neutral ▲	-
Eurocash	reduce ▲	18.90 PLN ►
Famur	buy ►	6.90 PLN ▲
Grupa Azoty	buy ▲	45.39 PLN ▲
Handlowy	buy ▲	65.50 PLN ►
Jeronimo Martins	hold ▼	14.30 EUR ▲
JSW	hold ▲	54.80 PLN ►
Komercni Banka	buy ▲	1000.00 CZK ►
Mangata	neutral ►	-
PBKM	suspended -	-
PGE	buy ►	13.38 PLN ▼
PKO BP	accumulate ▲	40.92 PLN ►
Play	accumulate ►	25.25 PLN ▼

Investing Outlook

On the main stock markets, April ended with a growth (S&P500 +3.9%, DAX +7.1%, Nikkei +5.0%, MSCI EM +2.0%), which was the result of hopes for a positive outcome of the USA-China trade talks, good Q1 results of American companies as well as a momentum improvement of the global macro (with the continuing slowdown in global industry). This part of our scenario has been executed. Unfortunately, the WSE once again performed relatively weak, which partly resulted from the decline in emerging markets at the end of the month, but also from internal factors (Idea Bank restructuring and risk for the entire banking sector, further redemptions in TFI, investors' skeptical approach to changes in OFE).

We maintain our positive scenario, assuming that the US-China negotiations will end with reaching a consensus – we treat Trump's recent declarations as part of hard negotiations (high stock prices in the US do not create additional pressure). This will allow the global economy to accelerate GDP growth in H2, and thus increase in purchases of risky assets. Considering the ultimatum posed by Trump (introduction of increased customs rates from May 10th), a question in which direction the markets will go should be answered in the following days. If we are wrong and the negotiations stop, the stock market will be expected to be discounted by at least 10%. In the absence of local capital and the risk for the banking sector associated with Idea Bank (foreign investors' perspective), the WSE will continue to perform worse than the base indices (additionally, rebalancing of MSCI EM takes place at the end of May - potential supply of shares worth PLN 1.5-3 billion).

US & China deal

Another deadlines in which the agreement between the parties was supposed to be signed are overdue. There is alternate information that all conditions have already been set (a new date appears) or that the talks have been terminated, do not lead to decisions, or as yesterday's news from President Trump that China broke off the talks. Further negotiations will take place on Thursday and Friday (Deputy Prime Minister Liu He arrived in Washington). At this stage, Trump's position has been tightened up (if China does not agree to the conditions set, on Friday at noon, previously announced elevated tariffs will be introduced – 25% for Chinese goods worth USD 200 billion). It is difficult to assess whether: 1) this is a form of pressure in the last phase of negotiations; 2) showing the power to the public before signing a weak, from the American interests' point of view contract; 3) a real failure of talks. We maintain our previous position, assuming a higher probability to the first two scenarios.

Good results of US companies, in a fairly weak quarter at the macro level

The Q1 earnings of US companies had a positive impact on the S&P500 performance, but also on the global sentiment towards risky assets. With low expectations, as many as 75% of companies surprised positively with the results at the level of the reported EPS (+1.8% EPS increase; the largest in the health care and new technologies sectors), with a 4.5% increase in revenues. This, in turn, allowed to raise the expectations of Q2 results. However, the Q1 GDP figures turned out to be a disappointment for investors. Although growth dynamics accelerated to 3.2% (previously 2.2%), public expenditure (+2.4%) turned out to be the main driving factor of growth, with a simultaneous decrease in consumption growth (1.2% vs. 2%) and investments (1.5% vs. 3.1%). Concerning the drop of ISM in industry from 55.3

points in March to 52.3 points in April, concerns about future data in the event of a negative outcome of negotiations with China are justified (the economy is not as strong as S&P500 level indicates).

Changes in OFE – neutral for the stock market

Assets of 15.8 million Poles (PLN 162 billion) accumulated in Open Pension Funds [pl. OFE] will be transferred to Individual Pension Accounts [pl. IKE]. After submitting relevant declarations, it is possible to transfer funds to Social Security Institution [pl. ZUS] (cash, other assets on the Demographic Reserve Fund [pl. FRD] account). Withdrawal of funds from IKE will be possible after reaching the retirement age – similarly as ZUS, but in the form of a monthly pension. The possibility of funds transfer from ZUS to OFE disappears (the entire ZUS contribution). A fee of 15% of the value will be paid from funds transferred to IKE (7.5% in 2020, 7.5% in 2021). OFE after transformation in TFI will manage IKE, they will be able to actively encourage clients to invest their savings under the 3rd pillar (the deposit limit for IKE has been kept). There will be a minimum threshold for involvement in Polish shares (no details in the first phase of the project), reduced every year by 2.5%.

It would be best if the changes in OFE never took place (with particular emphasis on 2011 and 2014). However, one month ago the base scenario was the transfer of 25% of OFE assets (PLN 40 billion) to Polish Development Fund [pl. PFR], which (as we mentioned in the April monthly outlook) generated the risk of stock supply (PLN 5.7 billion) before the transfer of funds and then the need to diversify the portfolio. In the proposed solution transfer of PLN 24 billion occurs – spread over two years. Considering the lack of a slider [pl. suwak] and small outflows (pension transfers) in the next few years, the funds will not be under much pressure to liquidate the portfolio.

In addition, there is a scheme that should limit the supply of Polish shares. A properly set threshold for minimum exposure to shares (we do not know the details) should 'induce' funds to pay tax from funds other than Polish shares. At the end of March, OFE had PLN 10 billion in deposits, PLN 11 billion in foreign shares and PLN 14 billion in bonds. In addition, by the end of 2021, the funds should raise about PLN 10 billion from dividends. We believe that in connection with the proposed changes, OFE will not have to sell Polish shares. In the case of bonds, the transfer of commercial securities meeting the conditions set by the Gov't is a possible scenario.

OFE should care about the best rate of return from the portfolio, which will revive the stock market. OFE has a base of 15.8 million clients, which they will try to convince to save in IKE. We are aware of the limitations resulting from the limits of IKE, but it is still a positive change. If 1% of people decide to start saving in IKE (maximum limit – PLN 14.3 ths. per year), it means an inflow of funds at the level PLN 2.25 billion.

Will the clients transfer funds to ZUS? They have a choice. When entering the retirement age, will they get the entire amount of savings immediately (withdrawal from IKE) or will it be paid by ZUS in the form of a monthly retirement pension. In both cases the insured person will not receive any payoff until the retirement age. Unlike the changes of 2014, the funds will be automatically transferred to IKE, i.e. those who choose ZUS will have to fill in the relevant documents. This prompts us to believe that the willingness to transfer funds to ZUS will not be high. It is also a better solution for the government to raise funds from the tax than the transfer of assets.

We assess changes in OFE in a broader view. According to our estimates, the launch of the employee capital plan [pl. PPK] should top up the stock market with PLN 3.7 billion in 2020 and PLN 5.1 billion in 2021 (71% participation, 1/3 of funds invested in shares, 80% of these amounts for Polish shares). The Ministry of Finance has prepared a strategy for capital market development, which may not be ideal (we expect changes as a result of environmental talks), but it raises important problems of the stock market. In our opinion, its implementation is an element of the Government's broader strategy aimed at persuading Poles to remain in the PPK (image-wise it will be one of the main reforms of Prime Minister Morawiecki, low participation will be a big defeat of the Prime Minister).

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Sector Strategies

Financials

- We believe that the sentiment towards the Polish banking sector will be affected by the situation of Idea Bank. At the end of 2018, the bank's Tier1 solvency ratio was at the level of 1.34%, well below the CRR requirement at 6%. The bank is currently awaiting the closure of due-diligence process and initial offers. In the absence of satisfactory offers, Idea will face the challenge of raising capital by current shareholders, reducing RWA or the forced restructuring procedure in which the bridge bank seems the most likely (state-owned banks are not interested in taking over assets).
- Quarterly results of Polish banks fail to impress investors. Two out of three banks delivered results in line with expectations (ALR and SPL), and the third one below (BHW). We believe that apart from Pekao, the remaining banks should present a solid quarter that will confirm or allow to think about a 2019 consensus increase. On the other hand, we believe that the results of Erste Bank should positively affect the sentiment towards the company.
- Relatively lots of information came from Czech Republic recently. Media reports about supposed introduction of a bank tax were reflected in falling share prices. The relatively fast denials of the Czech prime minister helped to stop the declines and allowed partial recovery, but this does not mean that the issue of the banking tax will not return due to one of the government coalition partners (CSSD). According to FT, the Government is considering introducing a 20% tax on dividends, which in turn would reduce the attractiveness of investments in KB.
- **Key Ratings:** ALR (buy), KRU (buy), EBS.AV (buy)

Chemicals

- MSCI Chemicals indexes slightly increased in April. Polish chemical companies showed some of the increases recorded since the beginning of the year; the factors affecting these increases were: overcoming of the downward price trend on gas (Azoty Group) and weaker than expected by the market outlook for Q1 2019 (Ciech Group).
- In our opinion, the Polish chemical sector is likely to continue to perform better vs. the market due to the expected increase in results in the subsequent quarters. Our recommendation remains unchanged - overweight.
- Ciech remains our top-pick due to the expected increase in results in the following quarters. Moreover, in Q1 2019, the Group may deliver low investment expenditures, and the Management Board may cool down its announcements of big investments throughout 2019.
- After a clear adjustment of prices, Azoty Group looks more interesting. We expect high dynamics of improvement in results in H1 2019. Additionally, after the recent Lotos and Hyundai declarations, the share of Azoty Group in the PDH project drops to 85% (diversification of the risky project).
- **Key Ratings:** CIE (buy), ATT (buy)

Oil & Gas

- The US Declaration not to extend waivers for Iranian oil consumers (Iran still exports about 1.3-1.5 million BOE/D) has raised Brent prices above \$70/bbl. The sentiment on the raw material market remains very positive (next local peaks on speculative positions on WTI and Brent), despite growing oil stocks in the USA. Investors focus on the perspective of balancing the global

market and falling global inventories due to the decline in production in OPEC and associated countries (escalating chaos in Venezuela is an additional problem).

- Gas prices in Europe dynamically rebounded at the beginning of the month, both in annual and monthly contracts, however, in the last week we observed an adjustment of this rebound primarily on spot quotations. We still maintain our positive scenario for European gas prices, especially in the context of the recent increase in CO₂.
- Refining margins are performing worse in the more expensive oil environment, especially when it comes to HSFO cracks. On Diesel, we observe an increase in ARA inventories as well as increased export activity of China and India, which negatively affects the planned launch of new capacity in H2 2019. Profitability of petrol has returned to the levels from before the last breakdown due to better readings in the USA.
- The worse quality of Russian oil in the Druzhba pipeline and the blocking of imports by the countries of the region were the last week's headlines. This probably won't affect the continuation of production in refineries (operating stocks, mandatory and alternative supply chains), but may affect the profitability in Q2 due to the visible decline of the Ural/Brent differential (current readings show USD -0.9/bbl).
- According to POPIHN data, retail margins on the Polish market fell in March below last year levels both on petrol and diesel, which confirms our theory that the strong Q1 2019 is mainly the effect of record-high results in January related to slower transfer of lower oil prices to the quotations of petrol stations (preparation of the buffer for the environmental fee introduced in January). Also the land premium on diesel has been declining in April and is already similar to last year's figures.
- In the case of petrochemicals, we observe the continuation of negative trends (adjustment also on PTA), which in our opinion will increase due to the launch of new installations.
- **Key Ratings:** LTS (sell), PGN (accumulate), PKN (sell)

Power Utilities

- German electricity prices fluctuate around EUR 50/MWh, and the April increase is primarily the effect of more expensive CO₂ emission allowances, which already cost EUR 27/t. Certificates reached new local peaks due to assurances of possible Brexit not bringing increased supply from British installations. Under these circumstances, the prices of coal and gas perform quite strangely. The effect of warm winter should no longer distort the oil & gas market, and yet the arbitration is not working effectively and the model gas margin is higher than the CDS.
- Prices in Poland have risen above PLN 270/MWh in an annual contract, reflecting higher CO₂ costs. The model CDS for vertically integrated coal power plant has already begun to rebound after declines in Q1, which is in line with our theory that the beginning of the year was affected by weather conditions (high temperatures lowering demand & record wind shifting the merit order) as well as coal & gas discount).
- The issue of freezing energy prices and sellers' compensations remains unresolved. Recent statements of the Minister of Energy and the Minister of Digital Affairs indicate that a significant amendment to the Act will be necessary as the EC does not agree to such public help for business clients. It looks like the lower prices will be provided only to households and energy-intensive industries (separate act). Such a scenario would

significantly reduce the costs and simplify the compensation system, and as a result would not be so destructive for the energy market and would also reduce the risk to the profitability of trading companies. At the moment, companies do not lower prices for commercial customers, and the lack of a G tariff increase will be 'financed' in Q1 from provisions established in Q4 2018.

- Sentiment to energy companies in Europe slightly deteriorated and we observed the earnings drop (-2.5% m/m) after a strong Q1 (+10%). WIG-Energia invariably down (-5% in April), despite positive information for the sector and individual companies in recent weeks: very good results of LWB, free allowances for PGE (the flexible approach of the Ministry of the Environment in this case should remind potential free allocations after 2020), amendment of the Act on energy prices.
- **Key Ratings:** ENA (buy), ENG (buy), PGE (buy), TPE (buy)

Telecoms, Media, IT

- A long-term financial plan has been published on the website of the Ministry of Finance. The Ministry expects revenue from sales of 3.7 GHz (200 MHz from this range), 26 GHz and 800 MHz for PLN 3.5-5 billion 2020. After deducting ca. 1.5 billion per one 800 MHz and 26 GHz block together, the implied revenue from the 3.7 GHz offer is approx. PLN 0.5-0.9 billion for the operator. These numbers correspond to current and previous auctions in Europe. Currently, our assumption is PLN 590 million for the operator. We also emphasize that no plans to offer bandwidth 700 MHz is a plus.
- Marcin Cichy, the President of the Office of Electronic Communications (UKE), announced that the 3.7 GHz band will be distributed in 50 MHz blocks for each operator, so that all four infrastructure operators have the chance to participate in the tender and simultaneously start 5G services. The distribution will take place in the form of a tender. This is a positive news for all Polish MVNOs (an alternative is a less predictable auction).
- The President signed an amendment to the telecommunications law, which aims to facilitate the implementation of 5G technology in Poland. Amendments entitle the Minister of Digitization to determine the frequency distribution schedule. The amendment also allows the President of UKE to announce a tender for frequency reservations on their own initiative, not only if they have knowledge of the interest in particular frequencies. Tenders may also be announced for resources that will be available in the future (in use at the current time), provided that these frequencies can be used after being made available.
- The state telecom company Exatel wants operators to cooperate in one 5G network. According to Exatel's estimates, building a 5G network from scratch in Poland would cost as much as PLN 3.9-5.8 billion, but using the existing infrastructure of cell towers, costs could amount to PLN 2-3 billion. The only supporter of one network in Poland among MVOs is currently Polkomtel, Orange Polska is a bit skeptical, and Play considers the plan to be unrealistic.
- TVP and Polskie Radio will receive PLN 1.26 billion as compensation for lost subscriptions in 2018 & 2019. The amendment to the Act was signed by the President Andrzej Duda.
- According to the Zenith media research, the value of the Polish advertising market will increase by 4.2% in 2019 and will reach PLN 7.9 billion net. The positive consumer sentiment persists despite the anticipated decline in the growth dynamics of the Polish economy in 2019 and the slowdown of households' expenditures. The rate of growth of TV advertising budgets will fall from the current

4.2% to 3.1% y/y in 2019. Television will remain the largest advertising medium in Poland, with a share exceeding 50%. The online advertising market is expected to increase by 8.4% y/y. The increases will be visible especially in the programmatic area, the video category is also growing dynamically. Radio advertising will increase by 2.7% y/y in 2019, outdoor + 2.1%, and cinema advertising by 3.2%. Magazines and dailies will register y/y net losses of 4.5% and 6.8% y/y, respectively.

- The WIG-Info increased by 4.7% in April, slightly better than the broad index (vs. +1.9% WIG). Polish IT stocks also ran 5.1pp behind of the MSCI IT EU benchmark. The median 12M P/E for IT companies at 14.2x is currently 6.3% below the historical average for the last three years.
- The 2019 Q1 reporting season is approaching. EBITDA growth at a median annual rate for rated companies should amount to ca. 21% (partly the effect of IFRS16). We believe that five of the six companies will report an increase in EBITDA. Only ALL will record a decline in results (the increase of costs in the Fintech segment). Nevertheless, we keep a neutral attitude towards the sector and we recommend a selective approach to IT companies. The main risk for companies remains, as in previous months, pay pressure. Some firms are unable to grow revenues at a fast-enough rate to maintain an upward momentum in profits. This is partly due to the constant downtime in public sector IT orders as well as the pressure on prices in the private sector.
- **Key ratings and positioning:** OPL (buy), PLY (accumulate), AGO (buy), WPL (accumulate), ASE (overweight), CMR (buy)

Industrials

- Industrial stocks as tracked by MSCI Europe and World indices increased in April, closing discount to the average P/E and EV/EBITDA ratios for the last three years.
- Q1 2019 is going to be the worst quarter since Q2 2017 in terms of improving results. In our view, only 32% of companies will improve their results y/y in Q1 2019. Our best bets for positive surprises include EGS, FMF and TIM. On the other hand, AML, IPX and PFL will probably disappoint.
- Due to the expected decline in earnings in Q1 2019 in the last publication of 'Industrials update for April 2019': <https://tinyurl.com/y2adpzyz> we have reduced the positioning of the sector from neutral to underweight.
- Currently, our top picks are: Famur (potential improvement in y/y results in the following quarters, successful Q1 2019) and Kernel (dynamic improvement in results in 2019, possible sale of shares of port of Taman).
- The top picks among smaller caps remain Ergis, Pozbud and TIM. On the other hand, we would stay away from investing in Impexmetal (drop in results in 2019, no dividend, weak FCF) and Tarczyński (inflation of payroll costs, clear increase in meat prices in Q3 and Q4 2019).
- In this publication, we update the forecasts of results for Cognor (new EBITDA forecast PLN 115m, -20% vs. previous estimates, net profit PLN 39m, 38% vs. previously) and Mangata (new EBITDA forecast PLN 98.6m, + 7% vs. previously, net profit of PLN 49.7 million, + 11% versus previously). After the fall in Cognor quotations, we increase positioning from underweight to equal weight.
- **Key ratings and positioning:** Impexmetal (underweight), Ergis (overweight), Famur (buy), Kernel (buy), Pozbud (overweight), Tarczyński (underweight), TIM (overweight).

Mining

- Our careful approach to metals at the beginning of last month paid off. At the end of April, mining companies were under pressure of adjustment for metal, gold and silver prices. There is more and more speculation that the current prices of iron ore are impossible to maintain, especially since Vale re-opened its mine in Brazil (closed in II'19 as a result of a disaster).
- The current reporting season in mining is rather disappointing. Poor production volumes for this period was reported by BHP, Glencore and Rio Tinto. The results of FreePort McMoRan also disappointed - an increase in production costs.
- In the case of KGHM, in our opinion, the market has already discounted information on possible changes in the mining tax formula. In the near future, the Management Board is likely to decide to pay an additional employee bonus. The results of Q1 2019 may be an opportunity for the company - we expect them to increase y/y, which will stand out positively vs. peers in this period.
- In the context of the steel market, in our opinion, it is worth paying attention to the rebound of PMI ratios for the steel industry in China. PMI in May increased by 7.2 points to 52.1 points, while the subindex of new orders increased by 5.4 points m/m to 51.7 points. The data suggest a drop in inventories and a slight rebound of demand, which allows for increased production. On the other hand, the companies still point to high prices of iron ore and coking coal, which cannot be transferred to end customers due to the weaker economic situation.
- Prices of high quality coking coal vary around \$200/t. Coke producers in China in IV attempted to raise coke prices on the market, but these were not enthusiastically accepted by the market (miserable effect of increases). Coke prices in Europe in IV 2019 fell by 13% m/m and Arcelor decided to exclude 3 million tons of steel production, including the blast furnace in Kraków.
- When it comes to JSW, the market has discounted the weak expected results for Q1 2019, a drop in production volumes in H1 2019 and the expected increase in mining costs. The potential change of the members of the company's Management Board still remains a risk (the term expires in June 2019). Nevertheless, with this price level we are upgrading our rating from reduce to hold.

Property Developers

- WSE-real-estate index noted a drop by 3% in April, similar to the whole market. The valuation of residential leaders (DOM and 1AT) remained stable, which was supported by dividend expectations (DY = 11-12%).

- Q1 2019 delivered stabilization of sales volumes in relation to the previous quarter, -0.6% q/q in 6 biggest cities (*Reas*) and -1.4% among 14 residential developers listed on the WSE and Catalyst. At the same time, this figures mean 10% lower sales y/y (high base effect and lower sales as a result of housing price increase) and 20% y/y for GPW developers. It is worth to note that the real estate markets in Poznań and Łódź are doing well, with record-high sales volumes.
- In Q1, the level of the offer remained stable (+ 0.6% q/q) and high (51k flats). At the same time, the offer was higher by 14.3% compared to the relatively low offer in Q1 2018. Sales-to-inventory ratio dropped to 32% (-6 p.p. y/y and 3 p.p. q/q), still remaining at a relatively high level. As in the previous quarters, the efficiency of sales among listed developers was lower than in 6 biggest cities (-9 p.p.).
- Property prices have not changed significantly compared to Q4'18 (transaction prices: -0.7% q/q offer: + 1.6% q/q), but they remain at a high level. Year-to-year prices are higher by around 9-11%.
- Key ratings and positioning:** DOM (hold), 1AT (hold)

Retail

- The high base effect may exert pressure on the results delivered by clothing and footwear retailers (significant impact on CCC).
- AmRest** maintained a high rate of EBITDA improvement in Q1 2019 (+25% y/y). In the following quarters, the y/y growth rate should be supported by the base effect. Considering the very good prospects of AmRest in the medium term, we would use a temporary price correction to buy shares of the company.
- The **CCC** valuation reacted negatively after the release of the first quarter results and the sales figures in April 2019. Good prospects for sales improvement in May-June as well as the potential for significant improvement in EBITDA y/y should support the company's stock performance.
- After a positive reaction of the **EUR** share rate for positive comparable sales in Q4 2018, we expect the sentiment to cool down after Q1 2019 results publication. Throughout 2019, we expect a flat EBITDA y/y, which will be affected by the costs of business integration and rising payroll costs.
- Key ratings and positioning:** EAT (buy), CCC (buy), EUR (reduce), DNP (reduce), VRG (overweight)

Quarterly Earnings Surprises and YoY Growth Reported By Rated Companies

Beat /Miss	2016			2017			2018			1Q	+ / =		
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q			3Q	4Q
miss	15	12	19	14	11	18	18	10	12	15	25	3	172
in-line	16	26	19	24	25	29	23	35	19	24	22	13	275
beat	27	22	22	21	25	16	24	21	35	27	19	6	265
Σ companies	58	60	60	59	61	63	65	66	66	66	66	22	712
miss	26%	20%	32%	24%	18%	29%	28%	15%	18%	23%	38%	14%	24%
beat	47%	37%	37%	36%	41%	25%	37%	32%	53%	41%	29%	27%	37%

YoY	2016			2017			2018			1Q	+ / =		
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q			3Q	4Q
miss	25	24	21	23	22	19	23	27	17	20	23	8	252
in-line	7	5	6	5	9	13	2	9	11	12	8	6	93
beat	31	35	37	37	35	34	41	30	38	34	35	8	395
Σ companies	63	64	64	65	66	66	66	66	66	66	66	22	740
miss	40%	38%	33%	35%	33%	29%	35%	41%	26%	30%	35%	36%	34%
beat	49%	55%	58%	57%	53%	52%	62%	45%	58%	52%	53%	36%	53%

*[+/-] - The column shows the sum of 'in-line' or 'beat quarters' in the last three years as a percentage of all quarters
 Source: Companies, Bloomberg, PAP, Dom Maklerski mBanku



mBank Sentiment Watch (next 30 days, by sector)

Sector	Poland	US	Germany
Banks	SENTIMENT	BEARISH	NEUTRAL
	Stocks To Own	PKO, MIL, OTP	BAC US, JPM US
	Stocks To Avoid	PEO	PBB GY, WUW GY
	Key Catalysts		Yields upside
Chemicals	SENTIMENT	BULLISH	NEUTRAL
	Stocks To Own	ATT, CIE	EVK GY
	Stocks To Avoid		1COV GY, LXS GY
	Key Catalysts	Increase in results	Rebound in China PMIs
Real-Estate Developers	SENTIMENT	NEUTRAL	NEUTRAL
	Stocks To Own		
	Stocks To Avoid		
	Key Catalysts	Relatively high dividend, home sales stabilization, higher building costs (selective approach)	
Utilities	SENTIMENT	BULLISH	NEUTRAL
	Stocks To Own	PGE, ENA, TPE	RWE GY
	Stocks To Avoid		UN01 GY
	Key Catalysts	Final draft of price freeze regulations	Deffensive sector
Retail, Consumer	SENTIMENT	BULLISH	BULLISH
	Stocks To Own	CCC, EAT	HBI US, WEN US
	Stocks To Avoid	EUR	DHERR GY, ADS GY, BOSS GY, ZAL GY, SAE GY
	Key Catalysts	Increase in results	High consumer sentiment, wages growth
Oil&Gas, Refining	SENTIMENT	BEARISH	NEUTRAL
	Stocks To Own	PGNiG	MPC US
	Stocks To Avoid	LTS, PKN	
	Key Catalysts	Further downstream margins deterioration, the Druzhba pipeline problems, natgas prices rebound	
Industrials	SENTIMENT	BEARISH	NEUTRAL
	Stocks To Own	EGS, FMF, KER, POZ, TIM	SIE GY, AIR FP, MTU GY, VAR1 GY
	Stocks To Avoid	COG, IPX, TAR	DUE GY, JUN3GR
	Key Catalysts	Week quarterly results	Low IFO, we prefer market leaders
Mining	SENTIMENT	NEUTRAL	NEUTRAL
	Stocks To Own		
	Stocks To Avoid		
	Key Catalysts	Mining cost rise	Metal prices decrease
Automotive	SENTIMENT	BEARISH	BULLISH
	Stocks To Own		APT US, GM US
	Stocks To Avoid	BRS, AML	ZIL2GY
	Key Catalysts	Week quarterly results	Strong consumer/low multiples
Tech, Media	SENTIMENT	BULLISH	NEUTRAL
	Stocks To Own	ASE, CMR, AGO, WPL, CDR	DISCA US, LRCX US
	Stocks To Avoid		NFLX US
	Key Catalysts		Good quarterly results, positive outlook
Telecoms	SENTIMENT	NEUTRAL	BEARISH
	Stocks To Own	OPL, PLY	DTE GY, DRI GY
	Stocks To Avoid		TC1 GY
	Key Catalysts		Tech qualities/reasonable price
			Deffensive sector, Q1 results lower than expected

Quarterly Earnings Surprises and YoY Growth Reported By Rated Companies

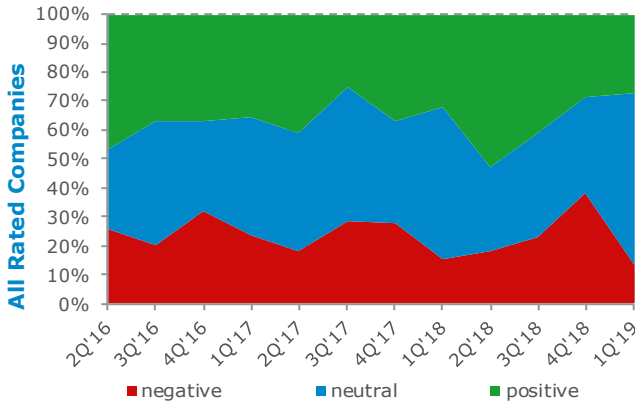
Beat / Miss	2016			2017			2018			1Q	+ / =	
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q			3Q
Financials												
Alior Bank	+	+	+	-	+	+	=	+	=	=	92%	
Handlowy	+	-	=	-	+	+	+	+	-	-	58%	
ING BSK	+	+	-	+	=	=	=	-	=	+	83%	
Millennium	+	=	+	+	=	+	+	+	=	+	100%	
Pekao	+	+	+	+	=	+	=	=	+	+	100%	
PKO BP	+	+	-	+	+	+	+	=	=	=	91%	
Santander BP	+	=	+	+	+	+	=	+	=	-	92%	
Komercni	+	+	=	+	+	+	+	+	+	+	100%	
Erste Bank	=	+	-	=	+	+	+	+	+	+	92%	
OTP Bank	+	+	-	+	+	+	+	+	+	=	91%	
PZU	-	=	+	+	=	=	+	+	=	=	91%	
Kruk	-	+	-	+	+	=	-	+	+	+	67%	
Skarbiec	+	=	-	=	+	+	+	=	+	-	82%	
Chemicals												
Ciech	+	=	+	=	=	+	=	+	=	-	91%	
Grupa Azoty	-	=	-	+	-	=	-	=	-	+	45%	
Oil & Gas												
Lotos	=	+	=	+	+	+	=	-	+	=	83%	
MOL	=	=	-	+	+	-	=	=	+	+	83%	
PGNiG	-	-	+	+	-	-	=	-	+	-	42%	
PKN Orlen	-	=	+	=	=	=	=	=	=	+	75%	
Utilities												
CEZ	-	=	+	=	=	+	=	-	+	=	82%	
Enea	+	+	+	=	+	=	=	-	=	=	91%	
Energia	-	=	=	=	=	=	=	=	-	-	64%	
PGE	=	+	-	=	=	=	=	=	-	=	75%	
Tauron	+	=	+	+	+	=	=	+	+	+	100%	
TMT												
Netia	+	=	+	=	+	+	=	=	=	=	100%	
Orange PL	=	=	=	=	+	=	=	+	+	+	100%	
Play	na	na	na	na	na	=	=	+	=	=	100%	
Agora	=	=	+	=	+	+	=	+	+	=	100%	
Cyfrowy	=	+	+	+	=	=	=	+	=	=	100%	
Wirtualna	=	-	-	+	=	=	=	=	=	=	82%	
Ailleron	na	na	na	na	na	-	+	=	-	-	50%	
Asseco BS	+	=	=	=	=	+	=	+	+	+	100%	
Asseco PL	+	+	-	=	=	-	+	+	+	+	73%	
Asseco SEE	=	=	+	=	+	-	=	=	+	=	91%	
Atende	na	na	na	na	na	na	+	-	+	+	60%	
Comarch	+	=	+	+	+	-	-	+	+	+	73%	
CD Projekt	+	+	+	+	+	-	+	=	-	-	73%	
Industrials												
Alumetal	+	-	=	-	=	+	=	+	=	-	73%	
Amica	=	=	-	=	=	-	+	-	+	+	73%	
Apator	+	-	=	=	=	-	=	=	=	+	73%	
Boryszew	+	+	-	+	+	-	+	-	=	-	45%	
Cognor	na	na	na	na	na	na	na	+	+	=	-	60%
Ergis	-	+	+	+	=	-	-	-	-	-	36%	
Famur	+	=	+	na	-	-	+	+	+	+	90%	
Forte	+	=	=	=	=	-	=	+	-	-	64%	
Grupa Kęty	+	=	=	=	=	-	=	+	=	=	91%	
Impexmetal	+	+	-	+	+	-	+	+	+	-	55%	
JSW	=	-	-	+	+	-	=	+	=	-	55%	
Kernel	-	+	-	-	-	-	+	=	-	+	45%	
KGHM	-	+	+	+	=	+	=	+	-	=	73%	
Kruszwica	-	+	+	-	=	-	=	+	+	+	64%	
Mangata	+	-	+	=	-	-	=	+	+	-	58%	
Pfleiderer	=	+	-	=	=	-	+	+	-	-	45%	
Pozbud	na	na	na	na	na	na	+	+	-	=	80%	
Stelmet	na	-	=	=	=	+	-	+	+	=	60%	
Tarczyński	-	-	+	=	=	+	+	+	=	+	82%	
Real-Estate												
Atal	na	+	=	+	+	-	=	+	=	+	80%	
Dom Dev.	=	=	=	=	+	+	=	+	=	=	100%	
Retail												
AmRest	=	=	+	-	+	+	+	-	-	=	73%	
CCC	+	+	=	-	+	-	-	-	-	-	33%	
Dino	na	na	na	na	+	+	+	=	=	=	100%	
Eurocash	-	-	-	-	=	-	=	=	-	-	27%	
Jerónimo	=	=	=	=	=	=	=	=	=	=	100%	
LPP	=	=	=	=	+	=	=	+	+	=	92%	
Monnari	-	-	-	+	=	=	=	+	-	=	45%	
VRG	-	-	-	-	=	=	=	-	=	-	45%	
YoY												
Financials												
Alior Bank	-	=	+	-	+	+	-	+	+	-	58%	
Handlowy	+	+	+	-	-	+	+	+	-	-	58%	
ING BSK	+	+	+	+	-	+	+	=	=	=	92%	
Millennium	+	+	+	+	-	+	+	+	+	+	92%	
Pekao	+	-	+	-	=	+	+	=	+	-	64%	
PKO BP	+	-	+	-	=	+	+	+	+	+	82%	
Santander BP	+	+	+	-	-	+	+	=	=	+	67%	
Komercni	+	+	+	+	-	+	-	+	+	+	75%	
Erste Bank	+	+	-	-	+	+	+	+	+	+	75%	
OTP Bank	+	+	=	+	+	+	+	+	+	+	100%	
PZU	-	+	+	+	+	+	+	-	+	=	82%	
Kruk	-	+	+	+	+	=	-	-	+	+	75%	
Skarbiec	-	+	=	+	+	-	+	-	-	-	45%	
Chemicals												
Ciech	+	+	+	+	-	-	+	-	=	-	55%	
Grupa Azoty	-	-	-	-	+	+	+	-	-	-	27%	
Oil & Gas												
Lotos	-	+	+	+	+	+	-	-	+	+	75%	
MOL	-	-	-	+	+	-	=	-	+	+	42%	
PGNiG	-	-	+	+	=	=	=	+	+	-	58%	
PKN Orlen	-	-	+	+	+	+	-	-	-	+	50%	
Utilities												
CEZ	-	-	-	-	-	-	-	-	+	=	18%	
Enea	+	+	+	+	+	=	-	=	-	-	73%	
Energia	=	=	=	-	+	+	-	+	+	-	64%	
PGE	-	-	-	+	+	-	-	+	=	-	50%	
Tauron	-	-	+	+	+	=	=	-	-	+	50%	
TMT												
Netia	=	-	=	-	-	-	=	-	-	-	27%	
Orange PL	-	-	-	-	=	-	+	-	+	+	50%	
Play	na	na	na	+	+	+	=	-	-	-	50%	
Agora	-	-	-	+	+	=	+	-	-	+	55%	
Cyfrowy	-	+	+	+	+	-	-	=	-	=	64%	
Wirtualna	+	+	+	+	+	+	+	+	+	+	100%	
Ailleron	-	+	+	+	+	-	+	=	+	-	64%	
Asseco BS	+	+	+	+	+	+	+	+	+	+	100%	
Asseco PL	+	+	-	-	-	-	+	+	+	+	45%	
Asseco SEE	+	=	+	+	+	+	+	+	+	+	100%	
Atende	+	+	-	+	-	+	-	+	+	-	36%	
Comarch	+	+	+	-	-	-	=	+	+	+	64%	
CD Projekt	-	+	+	+	+	-	-	-	-	-	36%	
Industrials												
Alumetal	+	-	-	-	-	-	+	+	+	-	45%	
Amica	+	+	=	-	=	-	-	-	+	+	64%	
Apator	+	-	+	+	+	-	-	+	=	+	64%	
Boryszew	+	+	-	+	+	+	+	-	-	-	55%	
Cognor	+	+	+	+	=	+	+	+	+	-	83%	
Ergis	-	+	+	+	=	-	-	=	-	-	55%	
Famur	+	+	+	+	=	+	+	+	+	+	100%	
Forte	+	+	+	+	-	-	-	+	+	+	45%	
Grupa Kęty	+	+	+	+	+	+	+	+	+	+	100%	
Impexmetal	+	+	-	+	+	+	+	+	=	+	91%	
JSW	-	-	+	+	+	+	+	=	=	-	64%	
Kernel	-	+	-	-	-	-	-	-	+	+	36%	
KGHM	-	+	+	+	+	+	-	+	+	=	64%	
Kruszwica	=	-	+	=	=	=	+	+	+	+	91%	
Mangata	+	+	-	=	-	-	+	+	+	=	83%	
Pfleiderer	=	+	-	+	-	+	+	+	-	-	73%	
Pozbud	-	-	-	-	-	-	+	-	+	+	45%	
Stelmet	na	-	=	=	=	+	+	+	+	=	60%	
Tarczyński	-	-	-	=	+	+	+	+	+	+	73%	
Real-Estate												
Atal	+	+	-	+	+	=	+	+	=	-	82%	
Dom Dev.	+	+	+	-	+	+	+	+	-	+	83%	
Retail												
AmRest	+	+	+	=	+	+	-	+	=	+	91%	
CCC	+	=	+	+	+	+	-	-	-	-	50%	
Dino	na	na	na	na	+	+	+	+	+	+	100%	
Eurocash	=	=	=	=	=	-	-	+	=	+	55%	
Jerónimo	=	+	+	=	+	+	+	=	=	=	100%	
LPP	-	-	-	+	+	+	+	-	+	+	67%	
Monnari	-	-	-	-	-	-	+	+	-	+	27%	
VRG	=	=	+	-	+	+	+	+	=	+	91%	

'+' = positive surprise, '-' = negative surprise, '=' = in-line results vis-à-vis consensus expectations; *The column shows the sum of 'in-line' or 'beat quarters' in the last three years as a percentage of all quarters. Source: Companies, Bloomberg, PAP, Dom Maklerski mBanku

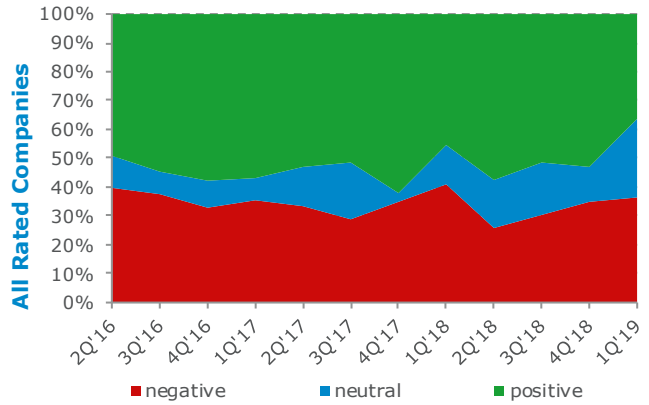


Quarterly Surprise Charts For Our Coverage Universe (Aggregate and Selected Sector Statistics)

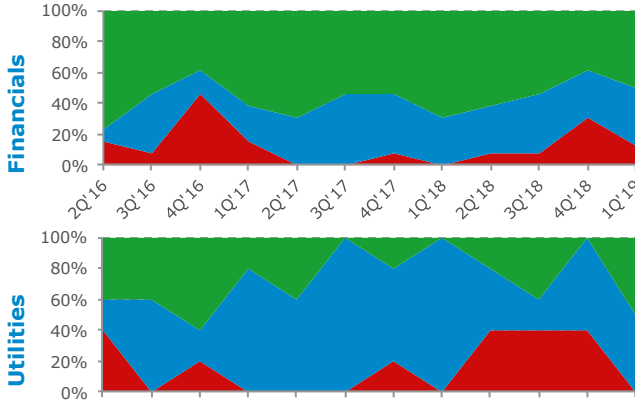
Earnings Surprise



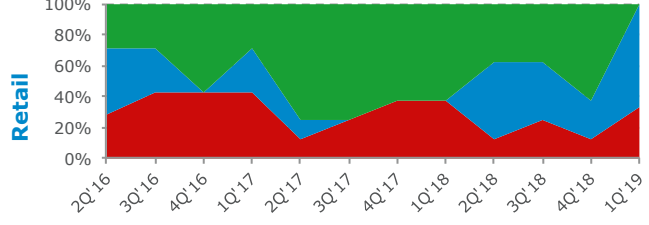
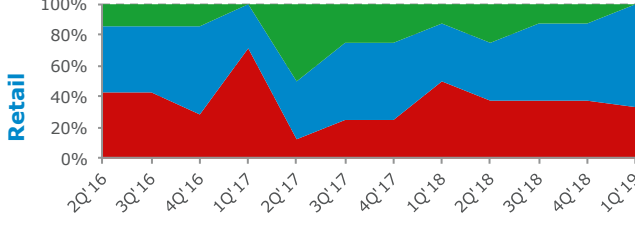
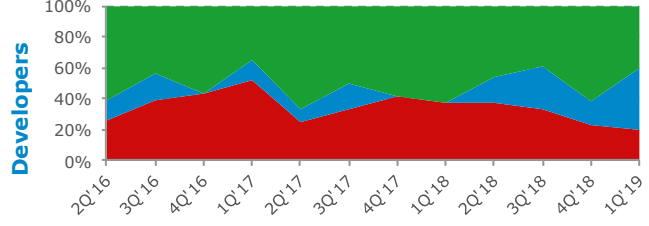
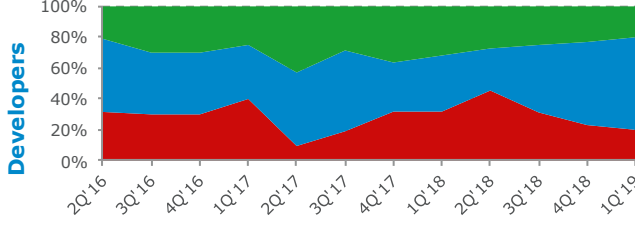
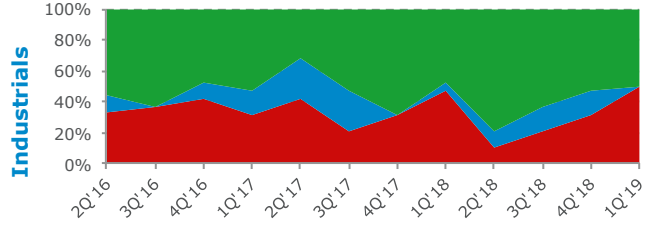
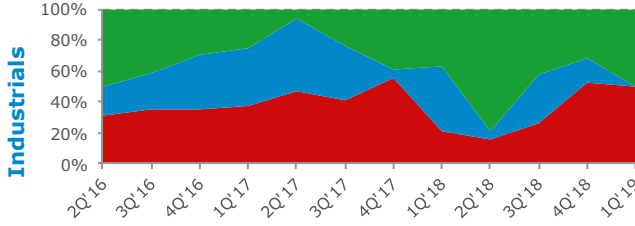
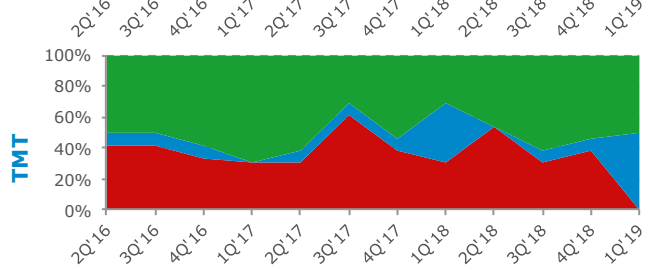
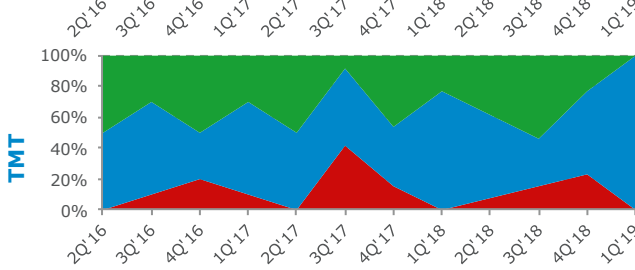
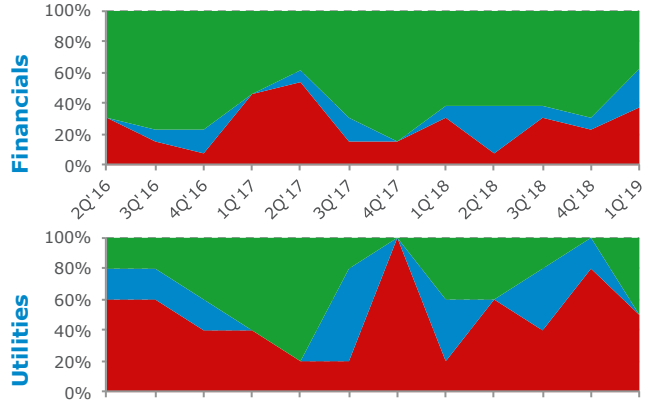
YoY Growth



Earnings Surprise



YoY Growth



Source: Companies, Bloomberg, PAP, Dom Maklerski mBanku

Macroeconomic Update

Retail sales

Retail sales grew in March by 3.1% y/y (nominal) and 1.8% y/y (real). The reading was a downside surprise for the market consensus (~3%) but not for us. The magnitude of the deceleration was overstated by the difference in working days and, primarily, by the Easter effect which is always hard to predict precisely. We were lucky this time. The composition of growth reveals that it is truly the Easter effect. Food sales and non-specialized store sales dived by 10pp. A sharp turnaround is to be expected in April. We see some rebound in auto sales (7.5% y/y nominal) but is primarily driven by base effect. Other categories followed the models with rare precision. Retail sales deflator accelerated along with CPI. Due to expected growth of fuel prices in April and May, retail sales deflator may rise disproportionately more than CPI inflation as the weight of fuels in good's basket is larger than in the whole spectrum of consumption goods and services. We expect retail sales to rebound in April. However, the downward trend is clearly visible. We expect it to be arrested (at least temporarily) by additional fiscal transfers. Therefore retail sales and consumption growth would be rather horizontal in the whole year with local maxima in growth rates at the turn of 2019 and 2020.

Jobs

In March corporate employment rose by 3.0% y/y, higher than market consensus and our forecast (2.9% y/y). Monthly increase in new jobs by 15.6 thousand makes it the second best March reading in history (100 employees more than in March 2016, higher figures were recorded in 2007 only, with a completely different situation on the labor market). Another positive surprise in the employment data (last month's data also surprised positively) fits in with the set of optimistic signals from the Polish economy coming since the beginning of the year. Let's remind, however, that this is still a surprise going against the increasingly cooler employment situation indicators (especially in industry and construction). The average gross salary increased by 5.7% y/y, significantly below the consensus (7.0% y/y) and our forecast (6.7% y/y). The scale of surprise is significant this time, which is why speculations about its causes must be more speculative and perhaps related to the perception of 'normality' in a given month, which to a large extent is at least partly subjective. It can therefore be assumed that a slowdown of wages by as much as 2 pp. vs. the previous month, is the result of a high base in processing, construction and real estate services as well as a rebound after very good February in such sectors as retail and mining. The increase in inflation in March and the lower growth of nominal wages have reduced real increase in the total wage bill - it fell from 9.5% to 7.2% y/y (from 10.7 to 8.9% y/y). However, when discussing private consumption prospects in the coming quarters, such increases in wage bill are still solid, and the main contribution to the acceleration in household incomes will again provide social benefits, starting with the payoff of the 'thirteenth pension'. Meanwhile, consumer sentiment is close to a record high, and the expectations of households financial situation, that are ahead of private consumption expectations have never been so high. Pessimistic consumption narratives should not be based on a weaker increase in real wages in only one month.

Inflation

April's inflation beat our quite high forecast (2.0%) and amounted to 2.2% y/y. Partial composition presented by Statistics Poland indicates that food price is its partial reason (+1.0% m/m). But together with low fuel prices estimates (barely + 4.0% m/m, when we forecasted about 6% based on stations data) it implies that once again inflation was driven substantially also by the core component (we estimate the core inflation about 1.7-1.8% --It is a significant

acceleration compared to 1.4% in March). As usual, it is difficult to guess whether the core inflation increase is a matter of moderate but equally distributed price increases, or rather comes from just one of the categories (in the previous month the first option realized). We do not change our view that core inflation will continue to systematically accelerate in coming months. In our opinion, Statistics Poland underestimated the increase of fuel prices at stations. It means that any estimates for May should be raised to 3-4% m/m. Combined with the possible higher pork prices mainly in May, it results in another month of inflation acceleration. NBP's inflation target is within reach. Increasing inflation and a solid real sphere is a mix that will activate more hawkish MPC members. We can expect counting hawkish votes in the Council and a naive looking for the majority. Although it seems to be a waste of time, it can easily intensify market expectations for rate hikes. Obviously MPC leadership, and the governor Glapiński himself, will not be bothered by the newest data - they are not so distant from the latest projections. Moreover, the core of the Council analyzes the economy in the longer horizon, where it does slow down, therefore it cannot generate the inflation pressure forever (only temporarily). Therefore still there is a very low probability of any moves from the MPC's side.

Budget deficit

In March the state budget amounted to PLN 3.7 billion, which is a worse result vs. 2018. (PLN -1.3 billion), but similar to 2017 (PLN -3.1 billion). In fact, the 2017 similarities break through almost all details of the March execution of the budget. As in the previous month, the increase in the deficit was caused by both lower tax revenues (-3.7% y/y) and higher expenses (+ 5.1% y/y). In case of lower tax revenues, we can identify the two reasons: VAT (-8.6% y/y) and PIT (-13.8% y/y), other categories of inflows performed similar to previous months - the CIT inflows increased by 13.2% y/y, and excise tax by 0.4% y/y. In terms of PIT and VAT inflows, weak March follows the weak February. The weakness of these two categories is probably not due to only one reason. The drop in VAT inflows in the last two months is partly due to a huge base generated a year earlier, and perhaps also - traditionally - a shift of returns. The dynamics of nominal consumption was clearly lower in Q1 y/y. The performance of PIT is much more mysterious - not only is it the first year of inflow decline y/y (the last one was recorded in April 2016), but such a deep decline was not seen since 2010. This is contrary to what we know of the labor market in Poland and the only good explanation is the shift of tax refunds due to the implementation of the ePIT system. Observation of inflows in the next two months is crucial in this context. We know less about public expenditure in March than we would like. The implementation of the budget indicates that this increase cannot be associated either with higher debt servicing costs or higher subsidies to the FUS and FER, or with a larger general subsidy for local self-government units. It is therefore likely (this conclusion applies to the whole of the Q1) that the increase in budget expenditures in 2019 diffuse broadly and includes a higher contribution to the EU budget, higher wages in the public sector, slightly higher capital and the purchase of materials and services expenditures. We will be able to say something more on the issue of the expenditures after the publication of the operative implementation, ie at the beginning of the next month. Whatever the reasons, the trajectory of expenditures this year clearly reminds 2017, and the implementation of fiscal package implies that we should not rely on the discipline of the expenditures in the second half of the year, as in the end of 2017 and 2018. The data on the state budget in Q1 supports our forecast of broadening the general government deficit this year. The current forecast (GDP -



mBank Dom Maklerski

1.4%) seems to be charged with a gentle downward risk due to the increase in the deficit of the state budget vs. 2018 (the figures for the first three months probably do not include the fiscal package) – it will not be offset by the probable improvement in the results of local government units' budgets.

mBank Research

(E. Pytlarczyk, M. Mazurek, P. Bartkiewicz, K. Klimas)

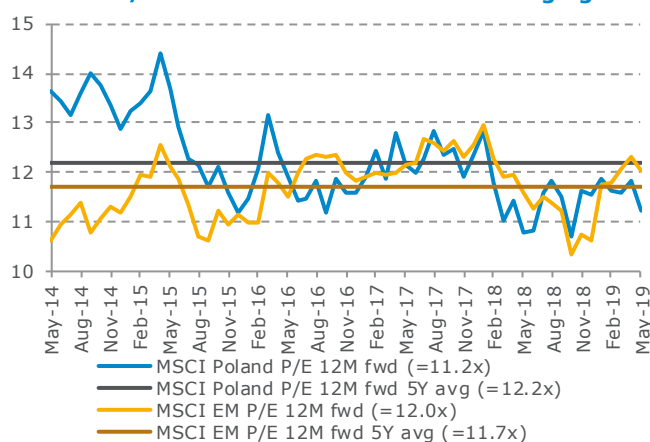
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Revisions To FY2019 Earnings Forecasts For WIG30 Companies

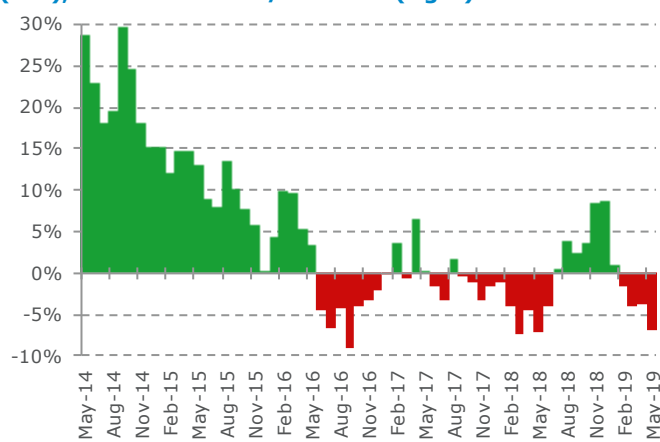
Apr-18=0	WIG30		Financials		Oil & Gas		Utilities		Retail		TMT		Chemicals		Commodities	
	Con.	mDM	Con	mDM	Con	mDM	Con	mDM	Con	mDM	Con	mDM	Con	mDM	Con	mDM
May-18	+0%	+1%	-1%	+0%	+1%	+0%	+6%	+16%	+1%	+0%	-3%	+0%	-6%	-31%	-3%	-2%
Jun-18	+0%	+2%	-1%	+0%	+1%	+9%	+5%	+16%	-2%	+2%	+2%	-10%	-6%	-31%	-4%	-3%
Jul-18	+0%	+2%	-1%	+0%	+0%	+9%	+7%	+16%	-3%	+2%	+6%	-10%	-21%	-37%	-4%	-3%
Aug-18	-1%	+1%	-1%	+0%	-2%	+7%	+6%	+16%	-3%	+2%	+2%	-11%	-17%	-41%	-10%	-7%
Sep-18	-1%	+1%	-1%	-0%	+2%	+7%	+6%	+16%	-3%	+1%	-2%	-10%	-18%	-41%	-15%	-7%
Oct-18	-3%	-7%	-3%	-5%	+2%	+5%	+3%	+16%	-3%	-5%	-10%	-23%	-33%	-62%	-10%	-44%
Nov-18	-3%	-8%	-3%	-6%	+5%	+5%	-0%	+16%	-6%	-5%	-12%	-42%	-42%	-68%	-12%	-36%
Dec-18	-5%	-8%	-4%	-6%	+2%	+5%	-2%	+16%	-6%	-5%	-14%	-42%	-42%	-68%	-17%	-36%
Jan-19	-5%	-9%	-5%	-6%	+4%	+6%	-2%	+10%	-11%	-6%	-14%	-41%	-52%	-68%	-18%	-37%
Feb-19	-6%	-10%	-5%	-6%	+3%	+1%	-4%	+10%	-12%	-6%	-21%	-41%	-27%	-46%	-18%	-37%
Mar-19	-6%	-10%	-5%	-6%	+0%	-3%	-2%	+3%	-12%	-12%	-21%	-39%	-22%	-46%	-12%	-27%
Apr-19	-8%	-10%	-5%	-6%	-8%	-3%	-4%	+1%	-11%	-12%	-21%	-39%	-29%	-11%	-14%	-27%

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.

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

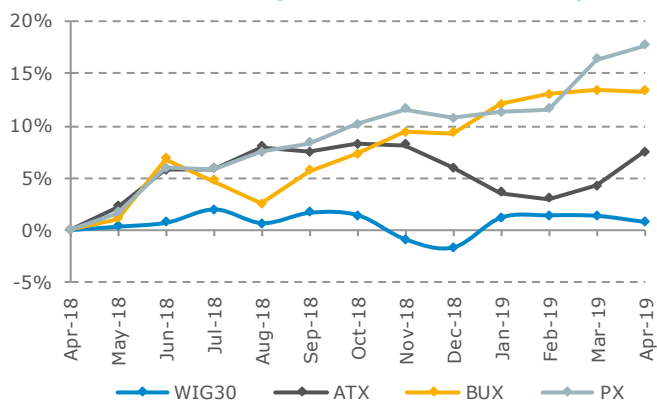


Source: Bloomberg, Dom Maklerski mBanku



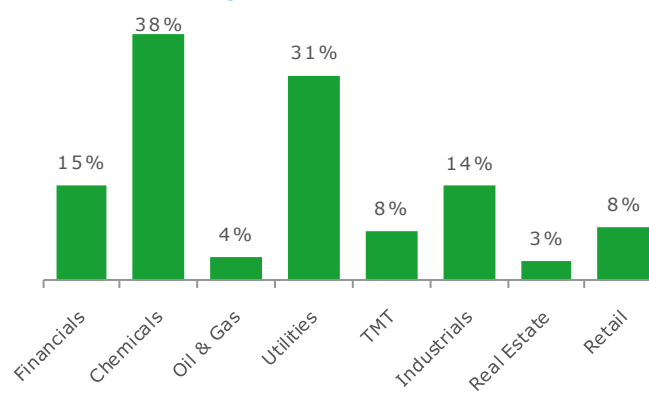
Source: Bloomberg, Dom Maklerski mBanku

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



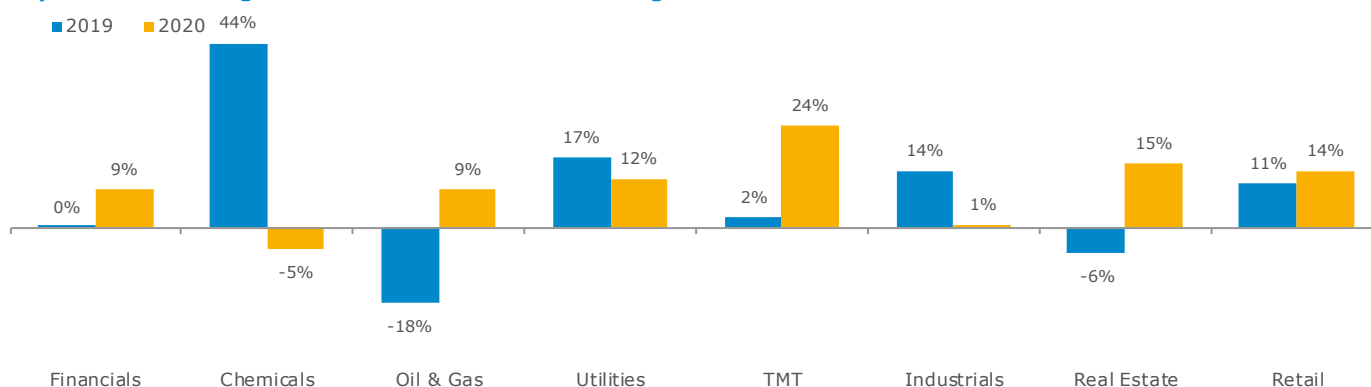
Source: Bloomberg, Dom Maklerski mBanku

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
			▲	▶	▼			2019E	2020E	2021E	2019E	2020E	2021E	
Financials														
Alior Bank	buy	87,00	13	1	1	72,15	+20,6%	+19%	+17%	+15%				10
Handlowy	buy	65,50	0	9	2	68,57	-4,5%	+13%	+2%	+3%				8
ING BSK	hold	191,80	3	5	4	195,23	-1,8%	-1%	+2%	+3%				8
Millennium	accumulate	10,00	5	6	2	10,34	-3,3%	-7%	+3%	+0%				10
Pekao	buy	131,80	15	3	0	133,40	-1,2%	+7%	+6%	+5%				15
PKO BP	accumulate	40,92	8	9	2	42,32	-3,3%	+0%	-1%	-4%				14
Santander Bank Polska	hold	388,00	8	7	0	416,70	-6,9%	+2%	+6%	+5%				9
Komercni Banka	buy	1 000,0	10	7	0	1 020,6	-2,0%	+4%	+6%	-				8
Erste Bank	buy	43,72	20	5	0	40,46	+8,1%	-3%	+1%	-				19
OTP Bank	hold	13 046	8	5	3	13 334	-2,2%	-2%	-4%	-				8
PZU	accumulate	43,38	7	4	1	46,23	-6,2%	+2%	+1%	+2%				9
Kruk	buy	213,65	5	1	2	198,31	+7,7%	-4%	-5%	-3%				5
Chemicals														
Ciech	buy	68,11	11	1	0	65,60	+3,8%	-3%	-3%	+3%	+0%	+0%	+1%	10/10
Grupa Azoty	buy	45,39	5	3	1	48,02	-5,5%	+17%	-18%	-28%	+6%	-7%	-7%	4/4
Oil & Gas														
Lotos	sell	65,41	8	4	3	91,19	-28,3%	-23%	-38%	-33%	-11%	-22%	-18%	12/12
MOL	hold	3 223,0	10	3	0	3 606,4	-10,6%	-41%	-27%	-17%	-14%	-8%	-3%	12/11
PGNiG	accumulate	6,92	5	1	4	6,48	+6,8%	+9%	+17%	+26%	+7%	+11%	+17%	8/7
PKN Orlen	sell	79,39	3	9	7	105,55	-24,8%	-25%	-36%	-27%	-16%	-25%	-20%	17/16
Utilities														
CEZ	hold	565,50	6	9	2	596,02	-5,1%	+3%	-9%	+1%	-0%	-4%	+0%	9/8
Enea	buy	12,51	7	2	1	10,76	+16,2%	+20%	+15%	+8%	+9%	+5%	+1%	7/6
Energa	buy	12,21	4	5	2	9,78	+24,8%	-0%	-10%	-9%	-1%	-1%	-2%	7/6
PGE	buy	13,38	5	5	3	11,43	+17,1%	-9%	+31%	+5%	+0%	+15%	+3%	6/6
Tauron	buy	2,89	2	8	3	2,20	+31,3%	+5%	+18%	+3%	+2%	+6%	+1%	8/8
TMT														
Netia	hold	4,70	3	3	2	4,20	+11,9%	-12%	-24%	-26%	-0%	-3%	+1%	2/3
Orange Polska	buy	6,40	7	6	3	5,53	+15,8%	+2%	+3%	+11%	-2%	-1%	+0%	5/9
Play	accumulate	25,25	6	7	1	25,74	-1,9%	-3%	-2%	-6%	-0%	-1%	-1%	8/7
Agora	buy	16,00	2	3	0	12,70	+26,0%	-	-	-	-5%	+1%	+7%	3/3
Cyfrowy Polsat	hold	23,20	6	7	1	26,86	-13,6%	-3%	+5%	+11%	-1%	-4%	-5%	10/9
Wirtualna Polska	accumulate	61,50	5	1	0	65,63	-6,3%	-1%	+0%	-7%	-4%	+0%	-1%	4/4
Asseco Poland	hold	53,00	3	5	0	55,18	-3,9%	-8%	-12%	-14%	-12%	-10%	-10%	5/4
Asseco BS	neutral	-	0	2	0	30,30	-	-1%	+1%	-	-0%	+1%	-	4/3
Asseco SEE	overweight	-	2	0	0	19,60	-	-1%	+3%	-	+5%	+5%	-	4/4
CD Projekt	accumulate	237,50	8	4	2	230,88	+2,9%	-80%	+28%	+60%	-81%	+14%	+43%	10/11
Comarch	buy	230,00	4	0	1	206,52	+11,4%	+9%	+0%	-3%	+7%	+4%	+3%	3/3
Industrials														
AC	neutral	-	1	2	0	49,15	-	+8%	+13%	+13%	+5%	+9%	+10%	3/3
Alumetal	neutral	-	4	2	0	56,20	-	+12%	-4%	-	+8%	-7%	-	4/4
Amica	neutral	-	2	3	0	148,37	-	+8%	+8%	-	+2%	+0%	-	4/4
Apator	neutral	-	1	3	0	28,50	-	-2%	-2%	-	-1%	-3%	-	2/2
Famur	buy	6,90	7	0	0	6,48	+6,4%	+73%	+11%	-4%	+34%	+0%	+3%	6/6
Forte	neutral	-	2	3	3	27,83	-	-21%	-21%	-	-4%	-5%	-	5/5
Grupa Kęty	hold	341,33	5	7	0	380,47	-10,3%	-9%	-5%	-9%	-7%	-5%	-8%	9/9
JSW	hold	54,80	4	4	5	63,64	-13,9%	-10%	-39%	-73%	-6%	-17%	-22%	10/9
Kemcel	buy	62,86	5	2	0	70,21	-10,5%	+6%	+12%	+15%	+9%	+15%	+12%	6/5
KGHM	hold	105,57	2	7	9	97,16	+8,7%	-1%	-3%	-5%	-7%	-8%	-4%	15/14
Pfleiderer Group	neutral	-	5	1	1	33,18	-	-12%	+6%	+42%	-1%	+1%	+1%	5/4
Real Estate														
Atal	hold	41,03	4	1	0	41,40	-0,9%	-3%	-8%	+1%	-2%	-8%	+0%	4/4
Dom Development	hold	84,40	1	5	0	85,20	-0,9%	-1%	+1%	-2%	-2%	+6%	-2%	6/5
Retail														
AmRest	buy	48,00	7	3	0	50,72	-5,4%	-12%	-11%	-5%	-3%	-1%	+1%	10/9
CCC	buy	275,00	7	4	2	256,19	+7,3%	+10%	+9%	-4%	+27%	+27%	+4%	11/10
Dino	reduce	112,70	8	8	4	129,56	-13,0%	-0%	-2%	-8%	+0%	-3%	-8%	14/14
Eurocash	reduce	18,90	5	4	9	21,35	-11,5%	-15%	-23%	+1%	-8%	-10%	-5%	6/12
Jeronimo Martins	hold	14,30	16	8	3	14,48	-1,2%	+3%	+4%	-2%	+2%	+3%	+1%	21/21
LPP	hold	8 400,0	3	5	7	8 355,9	+0,5%	+11%	+12%	+13%	+1%	+1%	+4%	8/7
Monnari	underweight	-	3	0	1	7,20	-	-8%	-7%	+5%	-24%	-25%	-14%	3/3
VRG	overweight	-	5	1	0	4,86	-	+13%	+10%	+6%	+7%	+5%	+5%	4/4

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	
							2019	2020	2019	2020
Financial Sector						+14.7%	10.9	9.9		
Alior Bank	buy	2019-02-01	57.50	87.00	53.60	+62.3%	7.0	6.2		
Handlowy	buy	2019-05-09	52.80	65.50	52.80	+24.1%	9.8	9.7		
ING BSK	hold	2019-02-01	191.40	191.80	195.00	-1.6%	15.3	13.7		
Millennium	accumulate	2019-02-01	8.82	10.00	9.14	+9.4%	15.1	10.8		
Pekao	buy	2019-02-01	110.60	131.80	107.45	+22.7%	11.0	9.9		
PKO BP	accumulate	2019-05-09	37.78	40.92	37.78	+8.3%	11.4	10.9		
Santander Bank Polska	hold	2019-02-01	373.80	388.00	374.80	+3.5%	14.4	12.1		
Komercni Banka	buy	2019-05-09	873.00	1,000 CZK	873.00	+14.5%	10.9	10.5		
Erste Bank	buy	2019-02-04	31.00	43.72 EUR	34.07	+28.3%	9.8	9.1		
OTP Bank	hold	2019-04-02	12,600	13,046 HUF	12,480	+4.5%	10.3	9.8		
PZU	accumulate	2019-04-02	40.79	43.38	41.04	+5.7%	10.9	10.3		
Kruk	buy	2019-04-02	152.30	213.65	168.00	+27.2%	9.3	9.2		
Skarbiec Holding	buy	2018-12-05	23.50	31.36	16.05	+95.4%	4.7	4.8		
Chemicals						+37.7%	8.7	10.5	5.3	5.8
Ciech	buy	2019-05-09	44.85	68.11	44.85	+51.9%	7.8	7.4	5.3	4.9
Grupa Azoty	buy	2019-05-09	35.92	45.39	35.92	+26.4%	9.6	13.6	5.3	6.7
Oil & Gas						+3.7%	12.4	10.8	5.5	4.8
Lotos	sell	2019-04-02	86.22	65.41	76.96	-15.0%	13.1	11.8	6.5	5.4
MOL	hold	2019-04-02	3,278	3,223 HUF	3,094	+4.2%	14.0	9.8	4.9	4.2
PGNiG	accumulate	2019-04-02	6.31	6.92	5.62	+23.1%	9.2	8.3	4.0	3.5
PKN Orlen	sell	2019-04-02	99.94	79.39	91.32	-13.1%	11.8	12.2	6.2	6.0
Power Utilities						+30.9%	4.1	4.4	3.8	3.4
CEZ	hold	2019-04-02	540.50	565.50 CZK	529.00	+6.9%	16.0	15.3	7.5	7.2
Enea	buy	2019-04-02	8.76	12.51	7.45	+67.9%	2.7	2.5	3.0	2.8
Energa	buy	2019-04-02	8.58	12.21	7.22	+69.2%	4.1	4.4	3.8	4.0
PGE	buy	2019-05-09	8.61	13.38	8.61	+55.4%	6.9	4.5	3.8	2.9
Tauron	buy	2019-04-02	2.03	2.89	1.68	+72.5%	2.6	2.2	3.9	3.4
Telecoms, Media, IT						+7.7%	16.8	14.3	6.2	6.4
Netia	hold	2018-11-26	4.66	4.70	4.85	-3.1%	32.6	27.0	5.5	5.6
Orange Polska	buy	2018-11-26	4.91	6.40	4.70	+36.2%	59.0	21.6	4.3	4.0
Play	accumulate	2019-05-09	24.42	25.25	24.42	+3.4%	7.7	7.4	5.6	5.6
Agora	buy	2018-11-27	9.50	16.00	12.50	+28.0%	41.5	22.1	5.7	5.2
Cyfrowy Polsat	hold	2018-11-26	22.50	23.20	26.00	-10.8%	15.0	12.4	6.9	6.4
Wirtualna Polska	accumulate	2019-02-04	58.40	61.50	57.60	+6.8%	18.1	15.4	9.6	8.5
Asseco Poland	hold	2019-03-05	54.30	53.00	52.25	+1.4%	14.7	14.3	8.5	8.0
CD Projekt	accumulate	2019-05-09	215.00	237.50	215.00	+10.5%	-	10.5	-	7.7
Comarch	buy	2019-04-17	181.00	230.00	187.00	+23.0%	15.4	13.9	6.8	6.5
Industrials, Mining						+14.5%	7.0	11.5	4.9	4.8
Famur	buy	2019-05-09	4.82	6.90	4.82	+43.2%	6.4	10.0	3.9	5.0
Grupa Kęty	hold	2019-04-02	324.00	341.33	343.00	-0.5%	13.6	12.9	9.1	8.6
JSW	hold	2019-05-09	49.86	54.80	49.86	+9.9%	5.6	14.7	1.5	2.5
Kemel	buy	2019-03-05	49.20	62.86	50.00	+25.7%	5.7	5.1	5.4	4.7
KGHM	hold	2019-04-02	109.40	105.57	95.90	+10.1%	7.6	7.6	4.3	4.0
Stelmet	hold	2019-03-05	10.25	8.36	7.60	+10.0%	21.9	16.5	6.8	5.9
Property Developers						+3.2%	9.2	8.2	7.7	7.1
Atal	hold	2019-04-02	39.90	41.03	39.90	+2.8%	9.2	8.9	8.5	8.2
Dom Development	hold	2019-04-02	80.80	84.40	81.60	+3.4%	9.2	8.2	7.7	7.1
Retail						+8.2%	25.1	20.6	10.0	8.8
AmRest	buy	2019-04-02	41.20	48.00	40.75	+17.8%	38.3	28.0	13.0	10.4
CCC	buy	2019-04-02	217.00	275.00	190.00	+44.7%	17.9	14.4	7.1	6.0
Dino	reduce	2019-04-02	126.10	112.70	124.90	-9.8%	30.3	23.6	18.0	14.3
Eurocash	reduce	2019-05-09	21.00	18.90	21.00	-10.0%	39.2	26.0	8.5	7.3
Jeronimo Martins	hold	2019-05-09	13.89	14.30 EUR	13.89	+3.0%	19.7	17.7	8.7	7.9
LPP	hold	2019-04-02	8,405	8,400	8,060	+4.2%	20.0	17.6	11.3	9.7
Other										
PBKM	suspended	2019-05-09	66.00	-	66.00	-	-	-	-	-



Weighting Recommendations by Dom Maklerski mBanku

Company	Relative Positioning	Rated On	Price At Rating	Current Price	Change	P/E		EV/EBITDA	
						2019	2020	2019	2020
IT						11.1	10.3	4.5	4.3
Ailleron	underweight	2019-01-31	11.75	8.60	-26.8%	11.1	10.0	4.0	3.1
Asseco BS	neutral	2019-03-29	29.50	29.40	-0.3%	14.9	13.9	10.0	9.3
Asseco SEE	overweight	2019-04-11	14.20	15.20	+7.0%	11.1	10.6	4.5	4.1
Atende	neutral	2019-01-31	4.40	3.88	-11.8%	9.7	9.1	4.6	4.5
Industrials						9.3	9.2	5.9	5.7
AC	neutral	2019-03-22	48.50	55.00	+13.4%	12.2	11.0	8.3	7.6
Alumetal	neutral	2019-04-15	51.00	42.80	-16.1%	8.6	9.0	6.7	6.9
Amica	neutral	2019-04-29	130.00	133.60	+2.8%	8.8	8.4	5.6	5.3
Apator	neutral	2019-04-29	25.80	25.60	-0.8%	12.2	11.9	7.7	7.5
Boryszew	neutral	2019-04-29	4.65	4.44	-4.4%	9.9	9.2	7.6	7.4
Cognor	neutral	2019-05-09	1.59	1.59	+0.0%	6.6	9.3	4.5	4.8
Ergis	overweight	2019-04-29	3.00	2.94	-2.0%	6.6	9.0	4.8	5.2
Forte	neutral	2019-04-29	40.60	28.00	-31.0%	14.0	12.2	9.1	8.4
Impexmetal	underweight	2019-04-25	4.16	4.20	+1.0%	5.5	5.7	5.8	5.7
Kruszwica	neutral	2019-04-02	43.90	46.60	+6.2%	12.5	11.7	6.4	6.0
Mangata	neutral	2019-05-09	69.00	69.00	+0.0%	9.3	10.5	6.2	6.8
Pfleiderer Group	neutral	2019-04-16	25.50	24.50	-3.9%	17.8	12.8	5.7	5.4
Pozbud	overweight	2019-04-29	2.37	2.19	-7.6%	2.7	2.8	2.5	1.9
Tarczyński	underweight	2019-04-29	15.60	16.00	+2.6%	8.4	8.6	5.4	5.2
TIM	overweight	2019-04-29	7.90	8.72	+10.4%	9.9	8.8	5.9	5.2
Retail						11.2	10.6	6.8	6.0
Monnari	underweight	2018-12-05	4.75	5.38	+13.3%	10.7	10.5	5.6	4.8
VRG	overweight	2019-03-28	4.29	4.03	-6.1%	11.7	10.6	8.0	7.1

Recommendations Issued in the Past Month

Company	Rating	Previous Rating	Target Price	Issued on
Alumetal	neutral	neutral	-	2019-04-15
Amica	overweight	overweight	-	2019-04-02
Amica	neutral	overweight	-	2019-04-29
AmRest	buy	accumulate	48.00 PLN	2019-04-02
Aparator	neutral	overweight	-	2019-04-29
Asseco SEE	overweight	overweight	-	2019-04-11
Atal	hold	buy	41.03 PLN	2019-04-02
Boryszew	neutral	neutral	-	2019-04-29
CCC	buy	buy	275.00 PLN	2019-04-02
CD Projekt	accumulate	accumulate	221.00 PLN	2019-04-02
CEZ	hold	hold	565.50 CZK	2019-04-02
Ciech	buy	buy	68.66 PLN	2019-04-02
Comarch	buy	buy	230.00 PLN	2019-04-17
Dino	reduce	hold	112.70 PLN	2019-04-02
Dom Development	hold	accumulate	84.40 PLN	2019-04-02
Enea	buy	buy	12.51 PLN	2019-04-02
Energa	buy	buy	12.21 PLN	2019-04-02
Ergis	overweight	overweight	-	2019-04-29
Eurocash	sell	reduce	18.90 PLN	2019-04-02
Forte	neutral	neutral	-	2019-04-29
Grupa Kęty	hold	hold	341.33 PLN	2019-04-02
Impexmetal	underweight	neutral	-	2019-04-25
Jeronimo Martins	accumulate	hold	14.10 EUR	2019-04-02
KGHM	hold	hold	105.57 PLN	2019-04-02
Kruk	buy	buy	213.65 PLN	2019-04-02
Kruszwica	neutral	neutral	-	2019-04-02
Lotos	sell	sell	65.41 PLN	2019-04-02
LPP	hold	buy	8400.00 PLN	2019-04-02
Mangata	neutral	neutral	-	2019-04-29
MOL	hold	hold	3223.00 HUF	2019-04-02
OTP Bank	hold	accumulate	13046.00 HUF	2019-04-02
Pfleiderer Group	neutral	neutral	-	2019-04-16
PGE	buy	buy	13.66 PLN	2019-04-02
PGNiG	accumulate	hold	6.92 PLN	2019-04-02
PKN Orlen	sell	sell	79.39 PLN	2019-04-02
Play	accumulate	hold	26.70 PLN	2019-04-12
Pozbud	overweight	overweight	-	2019-04-29
PZU	accumulate	accumulate	43.38 PLN	2019-04-02
Tarczyński	underweight	underweight	-	2019-04-29
Tauron	buy	buy	2.89 PLN	2019-04-02
TIM	overweight	overweight	-	2019-04-29

Ratings and Valuations Changed as of 9th May 2019

Company	Rating	Previous Rating	Target Price	Issued on
CD Projekt	accumulate	accumulate	237.50 PLN	2019-05-09
Ciech	buy	buy	68.11 PLN	2019-05-09
Cognor	neutral	underweight	-	2019-05-09
Eurocash	reduce	sell	18.90 PLN	2019-05-09
Famur	buy	buy	6.90 PLN	2019-05-09
Grupa Azoty	buy	hold	45.39 PLN	2019-05-09
Handlowy	buy	hold	65.50 PLN	2019-05-09
Jeronimo Martins	hold	accumulate	14.30 EUR	2019-05-09
JSW	hold	reduce	54.80 PLN	2019-05-09
Komercni Banka	buy	accumulate	1000.00 CZK	2019-05-09
Mangata	neutral	neutral	-	2019-05-09
PBKM	suspended	hold	-	2019-05-09
PGE	buy	buy	13.38 PLN	2019-05-09
PKO BP	accumulate	hold	40.92 PLN	2019-05-09
Play	accumulate	accumulate	25.25 PLN	2019-05-09

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	2.9%	1	3.8%
reduce	2	2.9%	0	0.0%
underweight	4	5.9%	2	7.7%
hold	16	23.5%	5	19.2%
neutral	12	17.6%	3	11.5%
accumulate	7	10.3%	5	19.2%
buy	20	29.4%	9	34.6%
overweight	5	7.4%	1	3.8%

Corporate Events Calendar For May

Date	Time	Company	Event
9-May	11:45	ASBIS	Q1'19 earnings conference (Marriott Hotel, Warszawa)
9-May		Asseco SEE	Q1'19 earnings conference (Westin Hotel, Warszawa)
9-May		Dino	Q1'19 earnings announcement
9-May	11:00	Feerum	Q1'19 earnings conference (Marriott Hotel, Warszawa)
9-May		Netia	Q1'19 earnings announcement
9-May		Neuca	Q1'19 earnings announcement
9-May		Pekao SA	Q1'19 earnings announcement
9-May	12:00	Pekao SA	Q1'19 earnings conference (GPW, ul. Książęca 4, Warsaw)
10-May	10:00	Elektrobudowa	Q4'18 earnings conference (Regent Hotel, Warsaw)
10-May		Eurocash	Q1'19 earnings announcement
10-May		OTP Bank	Q1'19 earnings announcement
13-May		Play	Q1'19 earnings announcement
14-May		AmRest	Q1'19 earnings announcement
14-May		CEZ	Q1'19 earnings announcement
14-May	16:00	CEZ	Q1'19 earnings teleconference (+44 207 194 3759 , PIN: 90271694#)
14-May		Cyfrowy Polsat	Q1'19 earnings announcement
14-May		PZU	Q1'19 earnings announcement
14-May		Ronson	Q1'19 earnings announcement
14-May	11:30	Ronson	Q1'19 earnings conference (InterContinental Hotel, Warsaw)
15-May		Agora	Q1'19 earnings announcement
15-May		CCC	Q1'19 earnings announcement
15-May		Erbud	Q1'19 earnings announcement
15-May		GTC	Q1'19 earnings announcement
15-May		JWC	Q1'19 earnings announcement
15-May		KGHM	Q1'19 earnings announcement
15-May		Kruszwica	Q1'19 earnings announcement
15-May		LC Corp	Q1'19 earnings announcement
15-May	11:00	LC Corp	Q1'19 earnings conference (CSK Jupiter, Towarowa 22, Warsaw)
15-May		Lokum	Q1'19 earnings announcement
15-May	12:00	Lokum	Q1'19 earnings conference (InterContinental Hotel, Warsaw)
15-May		Mennica Polska	Q1'19 earnings announcement
15-May		PKO BP	Q1'19 earnings announcement
15-May	09:30	PKO BP	Q1'19 earnings conference (Puławska 22, Warsaw)
15-May	14:00	PKO BP	Q1'19 earnings teleconference (+44 20 7194 3759; PIN: 16637421#)
15-May		Polenergia	Q1'19 earnings announcement
15-May		RBI	Q1'19 earnings announcement
15-May		Skarbiec	Q3'18/19 earnings announcement
15-May		Unibep	Q1'19 earnings announcement
15-May		ZEPAK	Q1'19 earnings announcement
16-May		11 bit studios	Q1'19 earnings announcement
16-May		Alumetal	Q1'19 earnings announcement
16-May		Atende	Q1'19 earnings announcement
16-May		Benefit Systems	Q1'19 earnings announcement
16-May	12:00	KGHM	Q1'19 earnings conference (GPW, ul. Książęca 4, Warsaw)
16-May		BNP Paribas	Q1'19 earnings announcement
16-May		JSW	Q1'19 earnings announcement
16-May		PGNiG	Q1'19 earnings announcement
17-May		AC Autogaz	EGM (i.a. PLN 3.94 DPS, dividend day 17-Jun, payment 27-Jun)
17-May		Apator	Q1'19 earnings announcement
17-May		Atende	Q1'19 earnings conference (Polonia Palace Hotel)
17-May		Comarch	Q1'19 earnings announcement
17-May	13:00	JSW	Q1'19 earnings conference (GPW, ul. Książęca 4, Warsaw)
17-May		Torpol	Q1'19 earnings announcement
20-May		Comarch	Q1'19 earnings conference (Życzkowskiego 33, Cracow)
20-May		Wirtualna Polska	Q1'19 earnings announcement
21-May		Atal	Q1'19 earnings announcement
21-May		PointPack	Investor meetings (mBank HQ, ul. Senatorska 18, Warsaw) - registration required
21-May		Pozbud	Q1'19 earnings announcement
21-May		VRG	Q1'19 earnings announcement
22-May		Ailleron	Q1'19 earnings announcement
22-May		Boryszw	Q1'19 earnings announcement
22-May	11:30	Pfleiderer Group	Q1'19 earnings conference (Novotel Hotel, Warsaw)

Corporate Events Calendar For May

Date	Time	Company	Event
22-May		PBKM	Q1'19 earnings announcement
22-May		Pfleiderer Group	Q1'19 earnings announcement
22-May		Tauron	Q1'19 earnings announcement
22-May		Ten Square Games	Q1'19 earnings announcement
22-May		TIM	Q1'19 earnings announcement
22-May		TXM	Q1'19 earnings announcement
22-May		Wielton	Q1'19 earnings announcement
23-May		Asseco Poland	Q1'19 earnings announcement
23-May		CD Projekt	Q1'19 earnings announcement
23-May		Enea/LWB	Q1'19 earnings announcement
23-May		Ergis	Q1'19 earnings announcement
23-May		Forte	Q1'19 earnings announcement
23-May		Grupa Azoty	Q1'19 earnings announcement
23-May		PKP Cargo	Q1'19 earnings announcement
23-May		TIM	Investor meetings (mBank HQ, ul. Senatorska 18, Warsaw) - registration required
24-May		Capital Park	Q1'19 earnings announcement
24-May		Tarczyński	Q1'19 earnings announcement
27-May		Kernel	Q3'19 earnings announcement
28-May		Ciech	Q1'19 earnings announcement
28-May		LPP	Q1'19 earnings announcement
28-May		PGE	Q1'19 earnings announcement
29-May		Archicom	Q1'19 earnings announcement
30-May		Amica	Q1'19 earnings announcement
30-May		Echo Investment	Q1'19 earnings announcement
30-May		Elektrobudowa	Q1'19 earnings announcement
30-May		Energa	Q1'19 earnings announcement
30-May		Famur	Q1'19 earnings announcement
30-May		Polnord	Q1'19 earnings announcement
30-May		Tarczyński	Q1'19 earnings announcement
30-May		Trakcja	Q1'19 earnings announcement
31-May		Getin Noble Bank	Q1'19 earnings announcement
31-May		Idea Bank	Q1'19 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

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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%
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 New recommendations were first disseminated on May 9, 2019, 08:52 AM.

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DCF – acknowledged as the most methodologically correct method of valuation; it consists in discounting financial flows generated by a company; its weak point is the significant susceptibility to a change of forecast assumptions in the model.

Comparative – based on a comparison of valuation multipliers of companies from a given sector; simple in construction, reflects the current state of the market better than DCF; weak points include substantial variability (fluctuations together with market indices) as well as difficulty in the selection of the group of comparable companies.

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.

NAV - valuation based on equity value, one of the most frequently used method in case of developing companies; the weak point of the method is that it does not factor in future changes in revenue/profits of a company.

Comparable Companies Used In Relative Valuation Models

Agora	Axel Springer, Cinemark Holdings, Cineworld, Daily Mail&General, IMAX Corp, JC Decaux, Lagardere, Sanoma, Schibsted, Stroer 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, LC Corp, Lokum Deweloper, Echo
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, GHCL, Hongda Xindye, Huntsman, MISR Chemical, OCI, Soda Samayii, Solvay, Shandong Haihua, Qingdao, Tata Chemicals, Tangshan Sanyou Chemical, Tessengerlo 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
Eurocash	Carrefour, Dixy Group, Jeronimo Martins, Magnit, Metro, O'Key Group, Tesco, X5
Famur	Epiroc, Caterpillar, Duro Felguera, Komatsu, Sandvik
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, Shanxi Xishan Coal & Elec, Yanzhou Coal Mining, Banpu Public, LW Bogdanka, Shaanxi Heima, China Coal, Shougang Fushan Resources, Cokal, Teck Resources, Walter Energy, Stanmore Coal, Terracom, Cloud Peak Energy, Natural Resource Partners, Rio Tinto, BHP Billiton, Warrior Met Coal
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
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	A2A, 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

AC

Rating	neutral	overweight
Rating date	2019-03-22	2018-11-30
Target price (PLN)	-	-
Price on rating day	48.50	41.50

Agora

Rating	buy	buy
Rating date	2018-11-27	2018-09-14
Target price (PLN)	16.00	15.40
Price on rating day	9.50	8.48

Ailleron

Rating	underweight
Rating date	2019-01-31
Target price (PLN)	-
Price on rating day	11.75

Alior Bank

Rating	buy	buy	buy
Rating date	2019-02-01	2018-12-05	2018-10-04
Target price (PLN)	87.00	92.50	96.00
Price on rating day	57.50	56.65	62.90

Alumetal

Rating	neutral	neutral	neutral
Rating date	2019-04-15	2019-03-28	2018-08-23
Target price (PLN)	-	-	-
Price on rating day	51.00	51.00	51.00

Amica

Rating	neutral	overweight	overweight	overweight
Rating date	2019-04-29	2019-04-02	2018-09-13	2018-06-06
Target price (PLN)	-	-	-	-
Price on rating day	130.00	143.00	112.80	121.00

AmRest

Rating	buy	accumulate	buy	accumulate	hold
Rating date	2019-04-02	2019-03-05	2018-12-05	2018-11-05	2018-09-03
Target price (PLN)	48.00	46.00	46.00	41.20	42.60
Price on rating day	41.20	41.40	39.60	40.00	40.60

Aparator

Rating	neutral	overweight	overweight	neutral	underweight
Rating date	2019-04-29	2019-03-05	2019-02-27	2019-01-30	2018-12-05
Target price (PLN)	-	-	-	-	-
Price on rating day	25.80	26.50	25.80	25.40	24.20

Archicom

Rating	suspended	overweight
Rating date	2018-12-05	2018-06-22
Target price (PLN)	-	-
Price on rating day	11.90	15.00

Asseco BS

Rating	neutral	overweight
Rating date	2019-03-29	2019-02-28
Target price (PLN)	-	-
Price on rating day	29.50	26.60

Asseco Poland

Rating	hold	accumulate	hold	accumulate	hold
Rating date	2019-03-05	2019-02-04	2018-12-05	2018-09-03	2018-06-06
Target price (PLN)	53.00	51.20	49.60	49.00	41.20
Price on rating day	54.30	48.00	48.30	45.90	44.00

Asseco SEE

Rating	overweight
Rating date	2019-04-11
Target price (PLN)	-
Price on rating day	14.20

Atal

Rating	hold	buy	accumulate
Rating date	2019-04-02	2018-07-04	2018-06-22
Target price (PLN)	41.03	42.86	42.86
Price on rating day	39.90	36.40	37.30

Atende

Rating	neutral
Rating date	2019-01-31
Target price (PLN)	-
Price on rating day	4.40

BBI Development

Rating	suspended
Rating date	2018-12-05
Target price (PLN)	-
Price on rating day	0.63

Boryszew

Rating	neutral	neutral
Rating date	2019-04-29	2018-09-05
Target price (PLN)	-	-
Price on rating day	4.65	6.25

Budimex

Rating	suspended	hold	hold
Rating date	2018-12-05	2018-08-02	2018-06-06
Target price (PLN)	-	125.00	163.00
Price on rating day	119.40	122.60	153.00

Capital Park

Rating	suspended
Rating date	2018-12-05
Target price (PLN)	-
Price on rating day	4.60

CCC

Rating	buy	buy	buy	buy	buy	accumulate
Rating date	2019-04-02	2019-02-04	2018-12-05	2018-11-05	2018-06-06	2018-05-09
Target price (PLN)	275.00	291.00	288.00	272.00	295.00	295.00
Price on rating day	217.00	178.80	204.60	173.60	242.80	255.60

CD Projekt

Rating	accumulate	accumulate	accumulate	buy	reduce
Rating date	2019-05-09	2019-04-02	2019-02-04	2018-11-23	2018-10-16
Target price (PLN)	237.50	221.00	217.70	170.40	136.60
Price on rating day	215.00	204.00	190.00	139.00	158.60

CEZ

Rating	hold	hold	hold	sell	sell	sell
Rating date	2019-04-02	2019-02-04	2018-11-05	2018-07-04	2018-05-29	2018-05-09
Target price (CZK)	565.50	537.80	518.72	440.96	458.38	449.51
Price on rating day	540.50	568.00	549.00	550.00	551.00	567.00

Ciech

Rating	buy	buy	buy	buy	buy	buy	buy	buy
Rating date	2019-05-09	2019-04-02	2019-02-04	2018-11-05	2018-08-02	2018-07-04	2018-06-06	2018-05-09
Target price (PLN)	68.11	68.66	75.82	77.05	82.52	81.14	88.64	89.71
Price on rating day	44.85	54.80	52.40	42.58	56.95	53.05	60.20	55.00

Cognor

Rating	neutral	underweight	neutral
Rating date	2019-05-09	2019-03-05	2018-12-05
Target price (PLN)	-	-	-
Price on rating day	1.59	1.94	1.80

Comarch

Rating	buy	buy	hold	accumulate	accumulate	accumulate
Rating date	2019-04-17	2019-03-05	2019-02-04	2018-12-05	2018-10-01	2018-05-09
Target price (PLN)	230.00	195.00	160.80	173.30	180.50	166.50
Price on rating day	181.00	162.50	155.00	160.00	167.00	145.00

Cyfrowy Polsat

Rating	hold	accumulate
Rating date	2018-11-26	2018-06-15
Target price (PLN)	23.20	24.90
Price on rating day	22.50	22.76

Dino

Rating	reduce	hold	accumulate	buy	hold	accumulate
Rating date	2019-04-02	2019-02-04	2018-12-05	2018-11-05	2018-06-06	2018-05-09
Target price (PLN)	112.70	105.90	106.30	103.50	103.50	103.50
Price on rating day	126.10	100.30	100.40	84.70	107.40	96.65

Dom Development

Rating	hold	accumulate	buy	buy	accumulate
Rating date	2019-04-02	2019-02-04	2018-12-05	2018-08-02	2018-06-22
Target price (PLN)	84.40	84.10	84.10	87.80	87.80
Price on rating day	80.80	75.00	66.00	72.80	85.80

Echo

Rating	suspended
Rating date	2018-12-05
Target price (PLN)	-
Price on rating day	3.94

Elektrobudowa

Rating	suspended	buy	hold
Rating date	2018-12-05	2018-09-26	2018-06-06
Target price (PLN)	-	45.00	71.00
Price on rating day	32.00	32.80	69.00

Elektrotim

Rating	suspended	neutral	neutral
Rating date	2018-12-05	2018-09-27	2018-05-28
Target price (PLN)	-	-	-
Price on rating day	3.80	4.20	5.80

Elemental

Rating	suspended
Rating date	2018-12-05
Target price (PLN)	-
Price on rating day	1.17

Enea

Rating	buy	buy	buy	buy
Rating date	2019-04-02	2019-02-04	2018-11-29	2018-05-29
Target price (PLN)	12.51	13.12	15.58	12.62
Price on rating day	8.76	10.73	10.50	9.57



Energa

Rating	buy	buy	buy	buy	buy
Rating date	2019-04-02	2019-02-04	2018-11-29	2018-09-03	2018-05-29
Target price (PLN)	12.21	13.26	13.54	15.27	15.58
Price on rating day	8.58	10.14	9.16	8.40	9.00

Erbud

Rating	suspended	buy	buy	accumulate
Rating date	2018-12-05	2018-09-03	2018-06-06	2018-05-09
Target price (PLN)	-	14.40	22.00	23.10
Price on rating day	9.64	9.60	14.90	19.40

Ergis

Rating	overweight	overweight	underweight
Rating date	2019-04-29	2019-02-27	2018-12-05
Target price (PLN)	-	-	-
Price on rating day	3.00	2.75	2.80

Erste Bank

Rating	buy	buy	buy	accumulate
Rating date	2019-02-04	2018-12-05	2018-08-02	2018-06-06
Target price (EUR)	43.72	46.18	43.00	40.00
Price on rating day	31.00	34.41	37.14	34.78

Eurocash

Rating	reduce	sell	reduce	hold	buy
Rating date	2019-05-09	2019-04-02	2019-02-04	2018-12-05	2018-10-01
Target price (PLN)	18.90	18.90	17.90	18.20	26.40
Price on rating day	21.00	22.58	20.13	18.00	18.08

Famur

Rating	buy	buy	buy	buy	buy
Rating date	2019-05-09	2019-02-04	2018-11-30	2018-08-02	2018-05-09
Target price (PLN)	6.90	6.61	6.41	6.56	6.95
Price on rating day	4.82	4.98	5.58	5.20	5.94

Forte

Rating	neutral	neutral	overweight
Rating date	2019-04-29	2018-10-31	2018-07-27
Target price (PLN)	-	-	-
Price on rating day	40.60	40.60	40.60

Getin Noble Bank

Rating	suspended	hold	hold
Rating date	2018-12-05	2018-10-04	2018-05-09
Target price (PLN)	-	1.00	1.40
Price on rating day	0.33	0.53	1.17

Gino Rossi

Rating	suspended
Rating date	2018-05-23
Target price (PLN)	-
Price on rating day	0.63

Grupa Azoty

Rating	buy	hold	hold	buy	hold	hold	hold	hold
Rating date	2019-05-09	2019-03-05	2018-11-23	2018-11-05	2018-09-03	2018-08-02	2018-05-25	2018-05-09
Target price (PLN)	45.39	43.20	33.00	31.47	41.13	42.13	44.40	60.99
Price on rating day	35.92	43.88	32.36	24.00	38.00	42.20	42.60	51.10

GTC

Rating	suspended
Rating date	2019-03-05
Target price (PLN)	-
Price on rating day	9.03

Handlowy

Rating	buy	hold	reduce	accumulate	buy
Rating date	2019-05-09	2019-03-05	2019-02-01	2018-12-05	2018-10-04
Target price (PLN)	65.50	65.50	65.50	76.00	90.00
Price on rating day	52.80	65.90	69.10	71.10	76.90

Herkules

Rating	suspended
Rating date	2018-12-05
Target price (PLN)	-
Price on rating day	3.10

i2 Development

Rating	suspended	neutral	neutral
Rating date	2018-12-05	2018-06-22	2018-05-28
Target price (PLN)	-	-	-
Price on rating day	11.30	15.40	17.30

Impexmetal

Rating	underweight	neutral
Rating date	2019-04-25	2018-12-05
Target price (PLN)	-	-
Price on rating day	4.16	3.40

ING BSK

Rating	hold	accumulate	buy	accumulate	accumulate	buy
Rating date	2019-02-01	2018-12-05	2018-11-05	2018-10-04	2018-08-02	2018-07-04
Target price (PLN)	191.80	199.63	200.00	200.00	212.00	212.00
Price on rating day	191.40	183.60	166.00	181.00	190.00	178.40

Jeronimo Martins

Rating	hold	accumulate	hold	buy	buy	buy	buy
Rating date	2019-05-09	2019-04-02	2019-03-05	2019-02-04	2018-12-05	2018-08-02	2018-06-06
Target price (EUR)	14.30	14.10	13.60	14.60	14.50	15.20	16.40
Price on rating day	13.89	13.15	13.40	12.38	10.60	12.65	13.52

JSW

Rating	hold	reduce	hold	reduce	reduce	sell	buy	buy	buy	buy	buy
Rating date	2019-05-09	2019-03-25	2019-02-20	2019-02-04	2018-12-05	2018-11-26	2018-09-03	2018-08-02	2018-07-04	2018-06-06	2018-05-09
Target price (PLN)	54.80	54.80	60.68	60.68	59.14	59.14	98.00	108.69	107.00	115.23	109.12
Price on rating day	49.86	62.50	59.96	68.30	71.20	72.56	77.00	79.50	77.50	86.66	79.32

JWC

Rating	suspended	neutral
Rating date	2018-12-05	2018-06-22
Target price (PLN)	-	-
Price on rating day	2.58	3.48

Kernel

Rating	buy	buy	buy	hold
Rating date	2019-03-05	2018-11-05	2018-07-23	2018-05-09
Target price (PLN)	62.86	60.85	59.18	53.04
Price on rating day	49.20	52.10	50.50	50.80

Grupa Kęty

Rating	hold	hold	reduce	sell	hold	hold	hold	hold
Rating date	2019-04-02	2019-01-18	2018-12-05	2018-10-29	2018-09-03	2018-08-02	2018-06-06	2018-05-09
Target price (PLN)	341.33	324.30	309.30	309.30	367.45	355.61	371.08	363.01
Price on rating day	324.00	336.50	343.00	365.50	387.50	321.50	360.50	353.00

KGHM

Rating	hold	hold	hold	hold	buy	buy	buy	buy
Rating date	2019-04-02	2019-02-04	2018-12-05	2018-10-15	2018-09-03	2018-08-02	2018-06-06	2018-05-09
Target price (PLN)	105.57	92.41	84.56	87.99	104.21	111.08	112.92	118.98
Price on rating day	109.40	94.16	92.60	85.40	90.80	96.00	96.52	92.50

Komercni Banka

Rating	buy	accumulate
Rating date	2019-05-09	2018-12-05
Target price (CZK)	1000.00	1000.00
Price on rating day	873.00	906.50

Kruk

Rating	buy	buy	buy	buy
Rating date	2019-04-02	2019-02-04	2018-12-05	2018-09-17
Target price (PLN)	213.65	279.32	292.77	292.77
Price on rating day	152.30	167.60	177.10	187.80

Kruszwica

Rating	neutral	neutral	underweight
Rating date	2019-04-02	2018-10-16	2018-08-02
Target price (PLN)	-	-	-
Price on rating day	43.90	43.90	65.40

LC Corp

Rating	suspended	buy
Rating date	2018-12-05	2018-06-22
Target price (PLN)	-	3.58
Price on rating day	2.55	2.39

Lokum Deweloper

Rating	suspended	overweight
Rating date	2018-12-05	2018-06-22
Target price (PLN)	-	-
Price on rating day	17.40	18.80

Lotos

Rating	sell	sell	sell	sell	sell	sell	hold	hold
Rating date	2019-04-02	2019-03-05	2019-02-04	2018-11-15	2018-09-03	2018-08-02	2018-06-29	2018-05-09
Target price (PLN)	65.41	65.18	65.36	59.84	57.21	52.51	52.51	52.81
Price on rating day	86.22	93.90	93.00	73.50	69.90	65.86	54.50	55.62

LPP

Rating	hold	buy	accumulate	buy	buy	accumulate	hold
Rating date	2019-04-02	2019-03-05	2019-02-04	2018-12-05	2018-10-01	2018-06-18	2018-05-09
Target price (PLN)	8400.00	9300.00	9300.00	9300.00	10200.00	10200.00	9500.00
Price on rating day	8,405.00	7,990.00	8,370.00	7,730.00	8,625.00	9,025.00	9,260.00

Mangata

Rating	neutral	neutral	neutral	underweight	neutral
Rating date	2019-05-09	2019-04-29	2018-10-01	2018-09-13	2018-06-22
Target price (PLN)	-	-	-	-	-
Price on rating day	69.00	71.00	65.40	91.20	90.00

Millennium

Rating	accumulate	accumulate	hold	reduce	sell
Rating date	2019-02-01	2018-11-14	2018-11-05	2018-10-04	2018-08-02
Target price (PLN)	10.00	10.10	8.40	8.40	7.00
Price on rating day	8.82	9.49	8.85	9.27	9.12

MOL

Rating	hold	hold	hold	hold	accumulate	accumulate	buy	accumulate	hold
Rating date	2019-04-02	2019-03-05	2019-02-04	2018-12-05	2018-11-15	2018-11-05	2018-09-03	2018-06-29	2018-05-09
Target price (HUF)	3223.00	3423.00	3433.00	3280.00	3280.00	3296.00	3296.00	2995.00	2954.00
Price on rating day	3,278.00	3,250.00	3,284.00	3,206.00	3,088.00	3,006.00	2,870.00	2,654.00	2,790.00



Monnari

Rating	underweight	neutral	overweight
Rating date	2018-12-05	2018-07-13	2018-05-23
Target price (PLN)	-	-	-
Price on rating day	4.75	6.60	7.19

Netia

Rating	hold	hold	reduce
Rating date	2018-11-26	2018-10-01	2018-06-06
Target price (PLN)	4.70	4.30	4.30
Price on rating day	4.66	4.50	5.00

Orange Polska

Rating	buy
Rating date	2018-11-26
Target price (PLN)	6.40
Price on rating day	4.91

OTP Bank

Rating	hold	accumulate	buy
Rating date	2019-04-02	2018-12-05	2018-06-06
Target price (HUF)	13046.00	13046.00	12090.00
Price on rating day	12,600.00	11,810.00	10,210.00

PA Nova

Rating	suspended
Rating date	2018-12-05
Target price (PLN)	-
Price on rating day	17.25

PBKM

Rating	suspended	hold	accumulate	buy	hold
Rating date	2019-05-09	2019-03-05	2018-12-05	2018-10-01	2018-06-06
Target price (PLN)	-	66.57	66.57	66.40	76.26
Price on rating day	66.00	68.80	62.00	57.80	73.00

Prime Car Management

Rating	suspended	buy
Rating date	2018-08-23	2018-06-06
Target price (PLN)	-	15.54
Price on rating day	7.96	12.70

Pekao

Rating	buy	buy	buy
Rating date	2019-02-01	2018-12-05	2018-10-04
Target price (PLN)	131.80	136.29	138.70
Price on rating day	110.60	113.25	107.20

Pfleiderer Group

Rating	neutral	neutral	underweight	neutral	overweight
Rating date	2019-04-16	2019-02-27	2019-01-30	2018-09-28	2018-08-08
Target price (PLN)	-	-	-	-	-
Price on rating day	25.50	28.40	32.60	36.45	37.30

PGE

Rating	buy	buy	buy	buy	buy	buy
Rating date	2019-05-09	2019-04-02	2019-03-26	2019-02-04	2018-11-29	2018-05-29
Target price (PLN)	13.38	13.66	13.77	14.47	14.82	13.60
Price on rating day	8.61	10.10	9.88	11.86	11.47	9.28

PGNIG

Rating	accumulate	hold	hold	buy	buy	buy	buy
Rating date	2019-04-02	2019-03-05	2019-02-04	2018-11-05	2018-09-03	2018-06-29	2018-05-09
Target price (PLN)	6.92	7.08	7.72	7.72	7.86	8.28	8.17
Price on rating day	6.31	6.58	7.63	6.35	5.82	5.53	6.20

PKN Orlen

Rating	sell	sell	sell	sell	reduce	sell	sell	reduce	reduce
Rating date	2019-04-02	2019-03-05	2019-02-04	2018-11-15	2018-11-05	2018-09-03	2018-08-02	2018-06-29	2018-05-09
Target price (PLN)	79.39	81.22	83.43	81.52	81.38	81.38	76.84	76.84	76.73
Price on rating day	99.94	101.50	104.70	97.80	93.50	98.24	93.06	82.50	82.30

PKO BP

Rating	accumulate	hold	accumulate	buy	accumulate
Rating date	2019-05-09	2019-02-01	2018-12-05	2018-11-05	2018-10-04
Target price (PLN)	40.92	40.92	45.00	47.00	47.00
Price on rating day	37.78	39.51	41.96	40.39	42.55

Play

Rating	accumulate	accumulate	hold	buy	buy	hold	reduce
Rating date	2019-05-09	2019-04-12	2019-02-04	2018-11-26	2018-10-17	2018-08-30	2018-07-03
Target price (PLN)	25.25	26.70	21.30	21.30	21.50	22.60	23.50
Price on rating day	24.42	24.08	22.80	16.54	17.14	21.90	24.88

Polnord

Rating	suspended	underweight
Rating date	2018-12-05	2018-06-22
Target price (PLN)	-	-
Price on rating day	9.77	9.04

Polwax

Rating	suspended	buy
Rating date	2018-09-14	2018-05-09
Target price (PLN)	-	16.69
Price on rating day	7.70	7.80

Pozbud

Rating	overweight	overweight
Rating date	2019-04-29	2018-09-04
Target price (PLN)	-	-
Price on rating day	2.37	3.57

PZU

Rating	accumulate	accumulate	hold	accumulate	buy	accumulate
Rating date	2019-04-02	2019-03-05	2019-02-04	2018-12-05	2018-11-05	2018-08-02
Target price (PLN)	43.38	46.50	46.50	46.50	47.50	47.50
Price on rating day	40.79	42.00	44.66	43.80	40.60	42.00

Ronson

Rating	suspended	neutral
Rating date	2018-12-05	2018-06-22
Target price (PLN)	-	-
Price on rating day	0.84	1.09

Santander Bank Polska

Rating	hold	accumulate	buy	accumulate	accumulate
Rating date	2019-02-01	2018-12-05	2018-11-05	2018-10-04	2018-09-03
Target price (PLN)	388.00	400.00	400.00	400.00	430.00
Price on rating day	373.80	364.80	353.80	367.00	376.00

Skarbiec Holding

Rating	buy	buy	buy
Rating date	2018-12-05	2018-11-05	2018-08-31
Target price (PLN)	31.36	31.02	36.86
Price on rating day	23.50	21.70	25.30

Stelmet

Rating	hold	hold	hold	buy	buy	buy
Rating date	2019-03-05	2019-02-04	2018-11-05	2018-09-03	2018-07-04	2018-05-09
Target price (PLN)	8.36	8.39	7.72	20.45	20.24	26.48
Price on rating day	10.25	8.88	7.50	11.35	10.70	14.75

Tarczyński

Rating	underweight	underweight	neutral
Rating date	2019-04-29	2018-12-05	2018-05-30
Target price (PLN)	-	-	-
Price on rating day	15.60	17.50	14.50

Tauron

Rating	buy	buy	buy	buy	buy
Rating date	2019-04-02	2019-02-04	2018-11-29	2018-09-03	2018-05-29
Target price (PLN)	2.89	3.12	3.06	2.77	2.76
Price on rating day	2.03	2.37	2.21	2.00	2.01

TIM

Rating	overweight	overweight
Rating date	2019-04-29	2018-12-05
Target price (PLN)	-	-
Price on rating day	7.90	7.48

Torpol

Rating	suspended	neutral	neutral
Rating date	2018-12-05	2018-09-27	2018-05-28
Target price (PLN)	-	-	-
Price on rating day	4.60	5.18	6.40

Trakcja

Rating	suspended	underweight	underweight
Rating date	2018-12-05	2018-09-27	2018-05-18
Target price (PLN)	-	-	-
Price on rating day	3.75	3.47	3.65

TXM

Rating	suspended	buy	buy
Rating date	2018-10-16	2018-07-04	2018-05-09
Target price (PLN)	-	3.48	5.44
Price on rating day	0.59	1.28	2.10

Ulma

Rating	suspended	neutral
Rating date	2018-12-05	2018-05-28
Target price (PLN)	-	-
Price on rating day	72.00	73.00

Unibep

Rating	suspended
Rating date	2018-12-05
Target price (PLN)	-
Price on rating day	4.81

VRG

Rating	overweight	overweight	overweight	overweight
Rating date	2019-03-28	2018-12-05	2018-11-08	2018-05-23
Target price (PLN)	-	-	-	-
Price on rating day	4.29	3.83	4.06	4.79

Wasko

Rating	suspended	neutral
Rating date	2018-12-05	2018-05-30
Target price (PLN)	-	-
Price on rating day	1.27	1.68



Wirtualna Polska

Rating	accumulate	buy	accumulate	buy
Rating date	2019-02-04	2018-12-05	2018-09-03	2018-08-02
Target price (PLN)	61.50	61.50	60.00	60.00
Price on rating day	58.40	52.20	57.00	49.00

ZUE

Rating	suspended	neutral	neutral
Rating date	2018-12-05	2018-09-27	2018-05-28
Target price (PLN)	-	-	-
Price on rating day	4.64	5.56	5.86

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