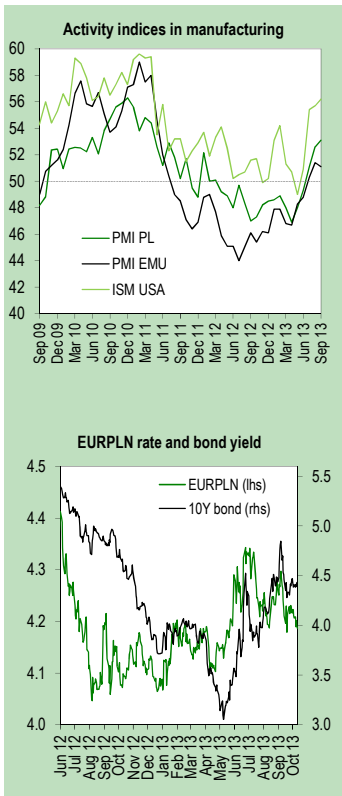


# MACROscope

## Polish Economy and Financial Markets

October 2013



## Politics in the spotlight

▪ **Recently politics came to the fore as regards factors affecting the financial markets worldwide.** Obviously, the US budget deadlock stays in the spotlight, as it led to a partial government shutdown and is still causing a risk of default of the world's biggest economy. Currently this is the most considerable risk factor, which is able to trigger a serious market turmoil. Meanwhile, we have dealt with risk of early election in Italy, but the situation was resolved quite quickly. However, the question of ruling coalition in Germany is still pending. As regards Polish issues, one month after first government's presentation of ideas for OFE overhaul, we have finally seen a draft bill, which seems a bit more positive for the Polish capital market than previously feared.

▪ **Apart from the politics, the main central banks' monetary policies are still in focus. Worries due to political gridlock in the US were one of the main reasons for the Fed to postpone the start of asset purchases reduction in September.** The on-going government shutdown (e.g. resulting in lack of important US data releases) and lack of decision to raise the debt ceiling caused that the start of QExit in October also seems unlikely and this is stabilizing the market moods. Additionally, nomination of Janet Yellen as Ben Bernanke's successor at post of Fed chairman (after January), scaled back investors' worries about too quick retreat from the ultra-loose policy in the medium-term. However, we are still assuming that the Fed will soon begin (maybe in December) to reduce its asset purchases, which will be supportive for an upward tendency of market interest rates and bond yields in the medium term.

▪ **Information incoming from the economy are still confirming the scenario of gradual recovery.** In Poland, apart from still positive tendencies in the foreign trade, we can see an improvement on the labour market and signals confirming a sluggish revival in consumption. This is fuelling our optimism about economic growth in H2. However, it should be borne in mind that international institutions' assessment of strength and persistence of economic recovery is still cautious – recently the IMF cut its global growth forecast in 2014, mainly for emerging markets (but forecast for Poland was revised upwards!), while the ECB is still not ruling out it may ease its monetary policy, should recovery prove temporary.

▪ **Domestic monetary policy is boring.** It is quite clear that rates will remain unchanged until the year-end. However, although at least half of the MPC members declared that period of stable rates may be extended, their views on this matter are rather different from each other. Food for thought for the discussion about stable rates may be delivered by the November's NBP's projection of GDP and CPI. On the other hand, Marek Belka stated recently that usefulness of *forward guidance* in Polish conditions is low, and this can suggest that the Council will not be eager to make formal declarations on future rate stability. Zyta Gilowska's decision to step down from the MPC can move the balance in the Council towards move dovish as she was one of the main hawks. Still, we stick to our opinion that monetary policy will remain unchanged until mid-2014, when interest rates will begin to rise.

### In this issue:

Economic update	2
Monetary policy watch	4
Fiscal policy watch	5
Interest rate market	7
Foreign exchange market	8
Market monitor	9
Economic calendar	10
Economic data & forecasts	11

### Maciej Reluga

Chief Economist  
+48 22 534 18 88

### Piotr Bielski

+48 22 534 18 87

### Agnieszka Decewicz

+48 22 534 18 86

### Marcin Luzziński

+48 22 534 18 85

### Marcin Sulewski

+48 22 534 18 84

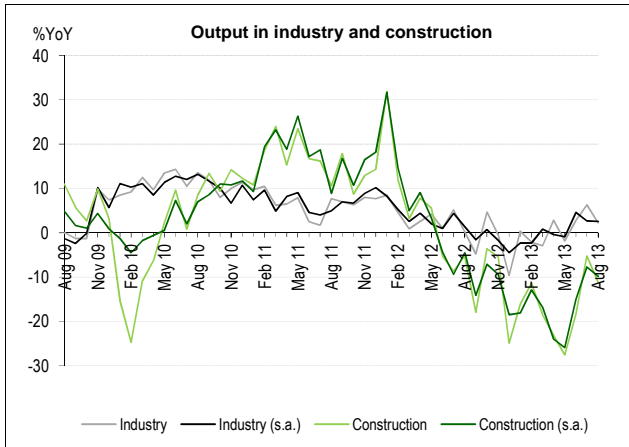
Email: ekonomia@bzwbk.pl

### Financial market on 11 October 2013:

NBP deposit rate	1.00	WIBOR 3M	2.68	EURPLN	4.1861
NBP reference rate	2.50	Yield on 2-year T-bond	2.92	USDPLN	3.0850
NBP lombard rate	4.00	Yield on 5-year T-bond	3.74	CHFPLN	3.3977

This report is based on information available until 11.10.2013

# Economic update

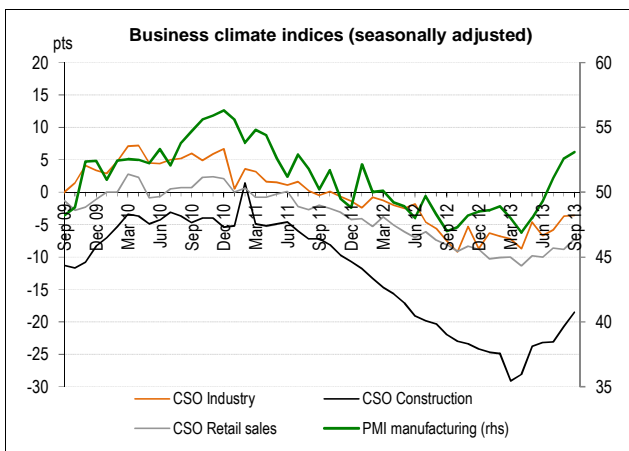


## Solid output, PMI goes north

■ In August industrial output increased by 2.2%YoY. The most considerable increases were posted by manufacturing of motor vehicles, trailers and semi-trailers (15.4%YoY) and other transport (8.2%YoY). The total number was below July's release (6.3%YoY), but this was mainly due to working days effect. Pace of growth after seasonal adjustment reached 2.6%YoY (vs. 2.8%YoY in July) and this is a better measure of what happens in the Polish manufacturing. We expect that due to positive working day effect, pace of growth of industrial output will accelerate again in September. Thus, industrial output will grow on average by even 5%YoY in 3Q, clearly more than in 1H (when it declined slightly). Further improvement in industrial sector will be driven by economic rebound seen in Polish main trading partners, mainly in the euro zone

■ Construction and assembly output fell in August by 11.1%YoY, i.e. slightly deeper than suggested by forecasts. Still, in our view this sector is also out of the woods and we may see some improvement later in the year.

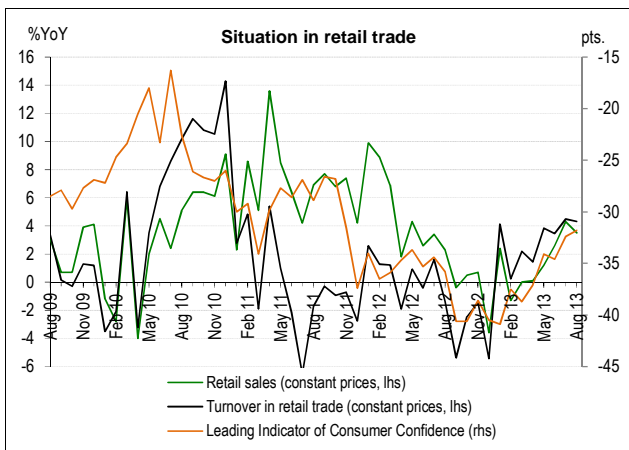
■ September's PMI reading once again beat expectations, reaching 53.1, the highest level since April 2011. During five months after reaching the lowest level, PMI climbed by as much as 6.2pts and this is more than after crisis in 2008 (4.3pts). This time the increase was due to employment subindex, which reached the highest level since May 2007. This was the fourth highest reading in the history of the survey (since 1998). Indices for output and new orders went down a bit, but they stay clearly above 50pts, while companies are informing they win new clients and see higher demand, both from domestic and foreign markets.



## Rebound in retail sales

■ Retail sales in constant prices increased in August by 3.4%YoY, below July's figure (4.3%). In real terms, total retail sales increased by 3.5%YoY (vs. 4.3%YoY in July).

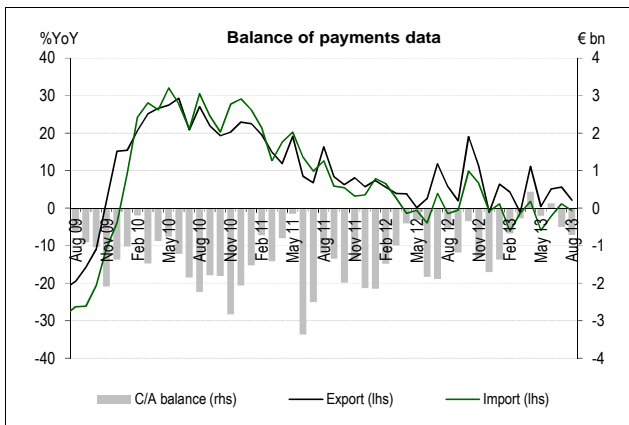
■ In 2Q retail sales increased by 1.5%YoY in real terms and by 0.8%YoY in whole first half of this year, while the first two months of 3Q brought an average rebound by ca. 4%YoY. The strength of the improvement is also well reflected in data on retail trade turnover (which include also small shops, in contrast to retail sales). There was some slowdown recorded as well, but only to 4.3%YoY from 4.5%YoY in July. These data confirm the scenario expected by us assuming the domestic demand finally joins exports, that has been solely driving the recovery in 1H. This will be supported by further improvement of situation on the labour market.



## Data on balance of payments best in years

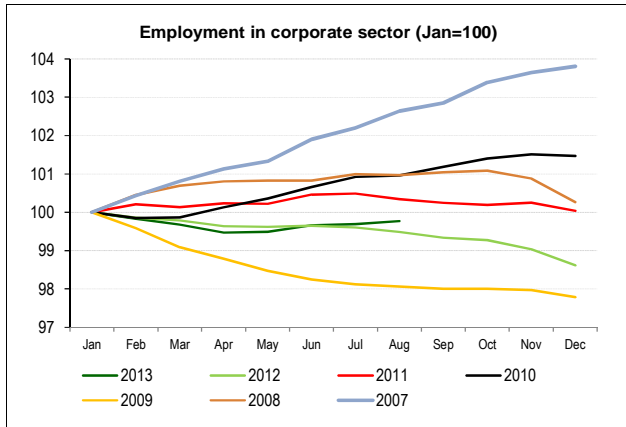
■ Data on balance of payments for 2Q2013 showed that current account surplus was lower than estimates based on monthly data (€362m versus forecast of €1453m), but, still, it was the first positive result since comparable data are available (2000). What is important, figures confirmed a considerable surplus in trade balance (€1.2bn), while revision was mainly applied to income balance (deficit of €4.6bn).

■ Current account was negative in July and August (-€497m and -€719m, respectively). This was due to more negative income balance and lower surplus in current transfers, resulting from lower inflow of EU funds. However, trade balance was still positive and we are expecting that this situation may maintain in the upcoming months and quarters. At the end of 2013 the current account deficit may approach ca. 1% of GDP.



Source: CSO, NBP, BZ WBK

# Economic update



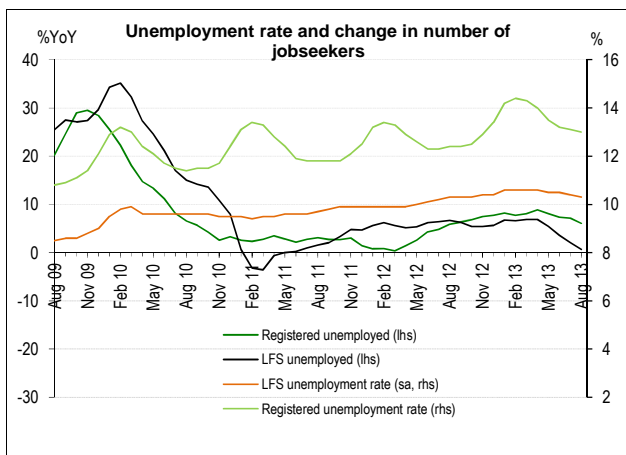
### Positive tendencies on the labour market gain steam

■ In August the pace of employment contraction abated to 0.5%YoY, and the reading was better than expected. As compared with July, number of employed increased by 4k (we expected a drop by 2k) and it was already fourth month in a row of rising employment. It is worth to notice that this was the biggest August's increase since 2007, when actually Polish economy was in the booming phase. The chart beside shows that while in first months of this year the changes in the number of jobs were corresponding to pattern typical for economic slowdown, recent few months showed a clear trend-reversal and now the situation looks more like in the periods of expansion. Since April until August 16k workplaces were added in the corporate sector vs. reduction by 8k recorded in the same period last year.

■ At the same time, gradual increase of employment is not accompanied by rising wages pressure, which, in our view, is favourable for the competitiveness of the domestic industry. Slowdown to 2.0%YoY from 3.5% in July may have been partially due to shifts in bonus payments in some companies, but it is hard to measure this effect accurately. In July-August period, the average wage growth reached 2.8%YoY vs. 2.1%YoY in 1H2013.

■ Registered unemployment rate fell in August to 13.0% from 13.1% in July. As compared to July, number of jobseekers fell by almost 10k persons and this was the sixth month in a row of this tendency. Annual growth rate of number of jobseekers amounted to 6% and this was the lowest reading since August 2012. Data from the Labour Ministry are suggesting that number of unemployed fell also in September, which is not in line with seasonal pattern and happened in 2008 for the last time.

■ LFS data (seasonally adjusted) are also confirming that positive tendencies in labour demand are gaining steam.

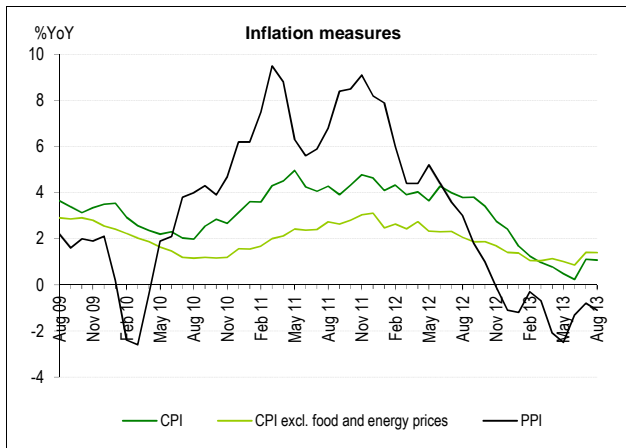


### Inflationary pressure still low

■ Inflation rate remained in August at the July's level, i.e. 1.1%YoY. We recorded seasonal drops of prices of food and non-alcoholic beverages (-1.2%MoM) and of clothes and footwear (-2.7%MoM). Changes of prices in other categories were minute. Core inflation excluding food and energy prices was also stable in August, at 1.4%YoY.

■ PPI inflation amounted to -1.1%YoY in August. In monthly terms producer prices decreased by 0.3%. In our view, declines of prices are due to the zloty strengthening in August, which lowered prices of exported goods.

■ In the upcoming months inflation will be probably rising, but rather gradually – we are expecting that it will reach 2% at the beginning of 2014 and in mid-2014 it may approach the inflation target.



### Draft of the OFE bill published

■ The government published the draft bill on changes in OFE (roughly in line with earlier propositions). The bill is expected to come into force on January 31, 2014 and on February 3, 2014 OFE will have to transfer 51.5% of assets to ZUS. OFE will not be allowed to invest in Polish or foreign government bonds but other investment constraints will be relaxed. Stocks will have to constitute at least 75% of assets, percentage of funds invested abroad will increase gradually. Citizens will decide if their wage contributions will be paid to OFE or ZUS between April 1 and 30 June. There will be a possibility to change the decision after 2 years and then every 4 years. There will be a safety mechanism assuming gradual transfer of funds from OFE to ZUS starting 10 years before the retirement. According to government estimates, OFE overhaul will lower the public debt (in domestic methodology) in 2014 by 8.4% of GDP. Borrowing needs will be lower by PLN20-25bn.

Influence of the proposed changes in the pension system on the public debt and costs of State Treasury debt servicing in 2014-2017				
	2014	2015	2016	2017
<b>Influence on State Treasury debt servicing cost</b>				
PLNbn	-4.8	-5.9	-7.2	-8.7
% GDP	-0.3	-0.3	-0.4	-0.4
<b>Influence on public debt</b>				
PLNbn	-145.4	-166.9	-191.4	-216.6
% GDP	-8.4	-9.1	-9.8	-10.4
<b>Influence on general government debt</b>				
PLNbn	-158.2	-179.6	-203.9	-229.1
% GDP	-9.2	-9.8	-10.4	-11.0

Source: CSO, NBP, BZ WBK, Finance Ministry

# Monetary policy watch

## Fragments of MPC communiqué after October's meeting

Despite some improvement, economic conditions in the global economy remained moderate in 2013 Q3. Economic activity indicators improved in the largest developed economies, including the United States and euro area. At the same time, major emerging economies saw persistently low – as for those countries – economic activity growth. Moderate global economic activity was conducive to low inflation in many countries.

In Poland, the August data on industrial and construction output as well as on retail sales confirmed that economic growth remained relatively weak, although stronger than a quarter before. Simultaneously, the improvement in economic climate indicators suggests a possibility of the gradual recovery continuing in the coming quarters

CPI inflation remained at 1.1% y/y in August, i.e. markedly below the NBP inflation target (2.5%). (...) Developments of inflation indices confirm still weak demand and cost pressures in the economy. This is against the background of low inflation expectations, notwithstanding their certain increase in September.

In the opinion of the Council, gradual economic recovery is likely to continue in the coming quarters, however, inflationary pressure will remain subdued.

The Council decided to keep the NBP interest rates unchanged. Given low inflation pressure and a moderate scale of the expected recovery, in the Council's assessment interest rates should be kept unchanged at least until the end of 2013, which will support return of inflation to the target in the medium term.

## Rates unchanged at least until the year-end

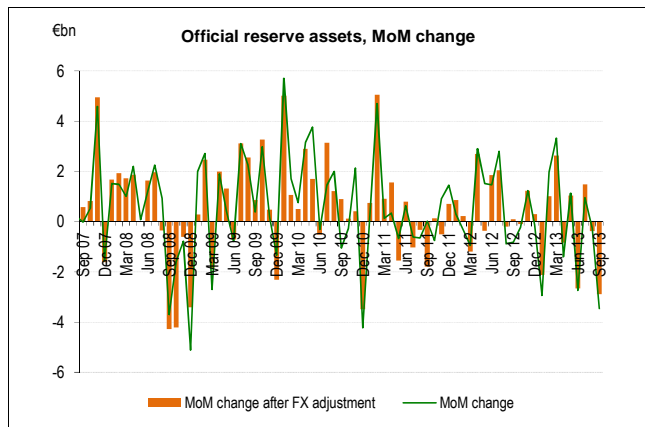
- In line with expectations, at the October meeting the MPC did not change interest rates, keeping the reference rate at all-time low 2.50%. For the second time in a row, the official statement included the sentence that “interest rates should remain on hold at least until the end of this year”. During the press conference, the NBP Governor Marek Belka informed that the Council did not discuss whether to extend the suggested period of stable interest rates.
- According to the statement, the assessment of economic situation by the majority of the MPC (or possibly even all its members) did not change much and the overtone of the statement is still relatively dovish. Despite some improvement, economic conditions in the global economy remained moderate, which is conducive to low inflation in many countries. As regards the Polish economy, the MPC said the data confirmed that economic growth remained relatively weak (although stronger than a quarter before), while the improvement in economic climate indicators suggests a possibility of the gradual recovery continuing in the coming quarters. The Council sticks to an opinion that developments of inflation indices confirm still weak demand and cost pressures in the economy, together with low inflation expectations (notwithstanding their certain increase in September).
- To sum up, official interest rates and rhetoric of the statement have remained unchanged this month. The MPC did not discuss monetary easing nor tightening, even not the period, in which rates should stay stable. As regards the last factor, we expect that more clarity may be brought by the November's meeting, when new CPI inflation projection will be released.

## Results of Zyta Gilowska votes in November 2012-July 2013

	XI 12	XI 12	XII 12	XI 12	XII 12	I 13
<b>Motion</b>	<b>-50</b>	<b>-25</b>	<b>-150</b>	<b>-50</b>	<b>-25</b>	<b>-125</b>
Z. Gilowska	no	no	no	no	yes	no
MPC	no	yes	no	no	yes	no
	I 13	I 13	II 13	II 13	II 13	III 13
<b>Motion</b>	<b>-50</b>	<b>-25</b>	<b>-100</b>	<b>-50</b>	<b>-25</b>	<b>-50</b>
Z. Gilowska	no	-	-	-	no	no
MPC	no	yes	no	no	yes	yes
	V 13	V 13	VI 13	VI 13	VII 13	
<b>Motion</b>	<b>-50</b>	<b>-25</b>	<b>-50</b>	<b>-25</b>	<b>-25</b>	
Z. Gilowska	no	no	no	no	no	
MPC	no	yes	no	yes	yes	

## ... but composition of the MPC will change

- Zyta Gilowska resigned from post of the MPC member and on 4 October her resignation was confirmed by president Komorowski. Now the president has three months to nominate a successor for a 6-year term, but – according to his office – he will do it without delay.
- As for the time being, we do not know names of candidates. However, Gilowska was one of major hawks in the MPC (she even scores highest at our restrictiveness axis, but this result is distorted by her high absence during meetings), so there is a significant probability that this change will shift the MPC balance towards more dovish.
- Let us remind that recent decisions on cuts were taken by a 5:5 draw and thanks to decisive vote of Marek Belka. Given current circumstances, a new person in the MPC can mean that discussion on the first hike may begin a bit later.

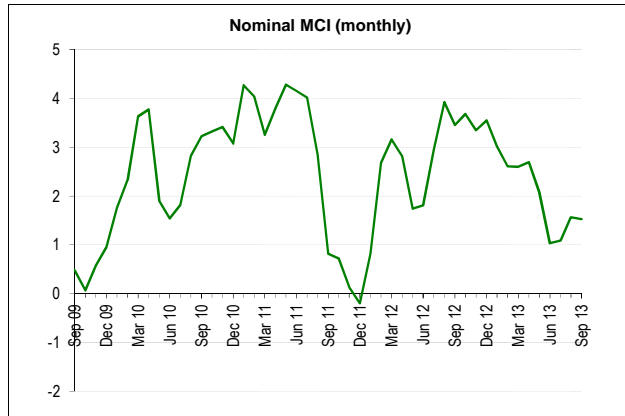


## Currency reserves plunged in September

- Polish official FX reserves declined quite substantially at the end of the September: by €3.5bn compared to the level seen at end of August. According to our estimates, the change after the adjustment for movements in the exchange rates would reach -€2.9bn. Still, the scale of decline would be close to change from June, when the NBP was intervening on the market in order to halt zloty's depreciation.
- The exchange rate was pretty volatile in September (worries over QE3 tapering, announcement of the government plans of changes in OFE), but there was no information if the central bank was taking actions aimed at stabilizing the market. Comments of FX dealers indicate however that Polish state-owned BGK was active on the market (it was selling foreign currencies) and this resulted in lower EURPLN just before the end of September.

Source: CSO, NBP, Reuters, BZ WBK

## Restrictiveness of the Monetary Policy (Council)



### MCI stabilizes (before a move up)

- Index of restrictiveness of monetary policy calculated by us anchored in recent months at an average level as market interest rates stabilized (in August and September the 3M WIBOR reached 2.70% and 2.69%, respectively) and average EURPLN was quite stable (in August and September the average exchange rate reached 4.23 and 4.24, respectively).
- We expect that the index may rebound slightly in coming months due to strengthening of the zloty and some increase of the market interest rates that will probably start to price-in the next year's hikes of NBP interest rates. Materialization of our expectations regarding the path for interest rates will push MCI index up.



Rzońca (1.44)

Winiecki (1.45)

Gilowska (1.51)

Kaźmierczak (1.41)

Glapiński (1.38)

Hausner (1.03)

Belka (0.96)

Zielińska-Głębocka (0.81)

Chojna-Duch (0.73)

Bratkowski (0.58)



Index is between 0 and 2. A vote for the majority view is given a score of 1. A vote for a more hawkish (less dovish) decision than the majority view has a score of 2 and a vote for a less hawkish (more dovish) decision than the majority view has a score of 0. Value of the index for a given MPC member is a weighted average of points for all votes. Recent votes have higher weights, more distant – lower.

Numbers directly by the name are values of the index for period since the beginning of current term of office of the current MPC and NBP governor.

Direction of the restrictiveness axis reflects our expectations regarding direction of interest rate changes in the nearest 12 months.

### No changes in monetary policy until the year-end

Last MPC meetings did not provide us with many emotions. Declaration, included by the MPC in its official statement, means that also the two last months of the year should not deliver any surprise about the interest rates. Marek Belka stated some time ago that “there is a broad consensus” in the Council in this matter. However, it is worth noting how short the time horizon for this declaration of stable interest rates is. This is suggesting that expectations of MPC members about development of situation in the medium and longer term and about its implications for the monetary policy are not so similar to each other.

#### Will the declaration of stable rates be extended?

Recent comments of the MPC members increasingly often include suggestions that the period of stable (and record low) interest rates can last longer than until end of 2013. However, there are some differences in these opinions. According to Adam Glapiński, rates may remain stable until end of 1Q2014. Marek Belka and Jerzy Hausner think this may be mid-2014, while Andrzej Bratkowski says that rates should be flat until 4Q2014. On the other hand, Elżbieta Chojna-Duch suggested recently that in 2014 the Council may return to discussion on interest rate cuts (sic!), or at least change monetary policy bias to dovish. However, MPC members differ in their expectations about economic growth. In general at least five MPC members are not ruling out that stable rates period will be extended. Will they be able to agree on an optimal horizon for such a new declaration? Discussion on this issue will be supported by November's NBP projection of inflation and GDP.

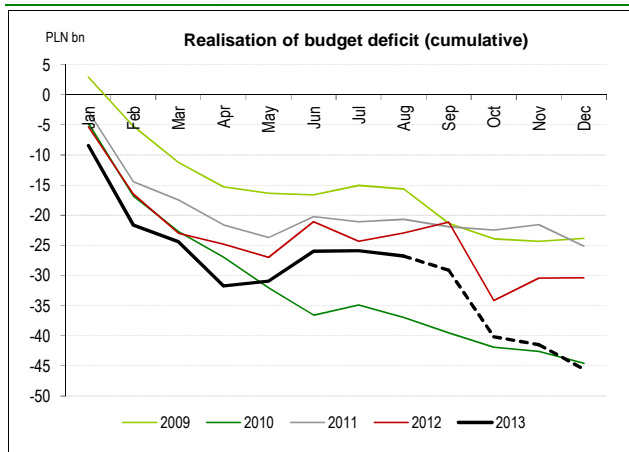
#### Forward guidance not useful in Polish conditions

The NBP governor admitted that the MPC was analysing the conception of *forward guidance* in monetary policy, implemented currently by other central banks. However, he assessed this was an “academic exercise” and stated that this type of policy is not very useful in Poland. We agree with this comment. Firstly, it seems that *forward guidance* policy is much more reasonable and useful when rates are close to zero-bound (and we are still far from such a situation in Poland). Secondly, *forward guidance* needs a high internal compatibility of central bankers' views (and as we noted above, this is a problem for the Polish MPC) plus a high credibility of the monetary authority in the eyes of the market (and this is even a bigger problem, caused by the MPC itself with its earlier decisions). If the Council agrees with Belka that usefulness of forward guidance in Poland is small, then they may not agree to prolong the declared period of stable rates. Belka admitted at the beginning of the last post-meeting conference that this issue will be discussed by the Council in November or December, but in our view the upshot of this discussion cannot be determined yet.

#### Next change will be a hike

We maintain our opinion that improving economic growth outlook and gradual rise in inflation will encourage the MPC to raise interest rates in mid-2014. This is why the restrictiveness axis on our chart is pointing north.

## Fiscal policy watch



	Spread vs Bunds (10Y) in bps			CDS (5Y USD)		
	11.10	change since 9.09.13	change since 31.12.12	11.10	change since 9.10.13	change since 31.12.12
Poland	257	-16	16	88	-6	8
Czech	63	-5	9	60	-4	-3
Hungary	384	-95	-107	273	-51	4
Greece	714	-154	-338	0	0	0
Spain	246	-12	-154	219	-19	-69
Ireland	187	-20	-132	139	-10	-77
Portugal	439	-70	-129	450	-54	13
Italy	244	-12	-78	247	-3	-27
Germany	-	-	-	25	-4	-14

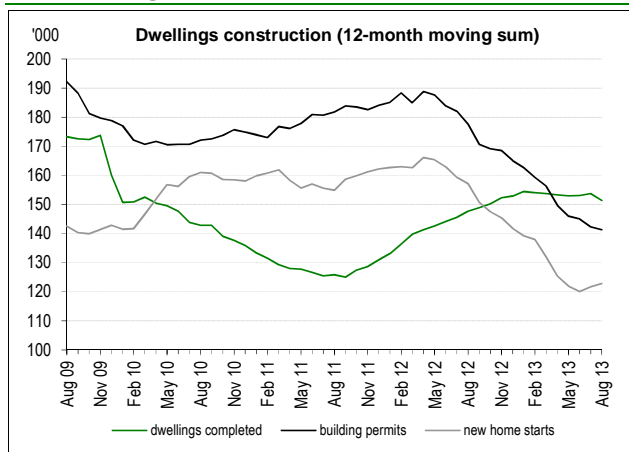
### Lower budget deficit at the end of year

- At the end of August budget deficit amounted to PLN26.8bn or nearly 52% of this year's target after amendment. Budget revenues accounted for 65.6% plan, while expenditure for 63.5%. VAT incomes fell by 5.9%YoY, while excise tax revenues went down by 0.6%YoY. On the other hand, revenues from PIT and CIT increased by 1.5%YoY and 2.1%YoY, respectively.
- Poland's Ministry of Finance predicts that in September budget deficit was at slightly above PLN29bn. Incomes from taxes, including VAT, were in line with expectations. Recent data from real economy confirm our scenario that at the end of this year gap in budget revenues gap might than estimated in the budget revision. It would translate into lower budget deficit at the end of 2013.
- Gross borrowing needs this year (PLN166.8bn after amendment) will be financed not only by mean by T-bonds issue, but also by selling foreign currencies through the market.

### Fed suspended actions, but for how long ...

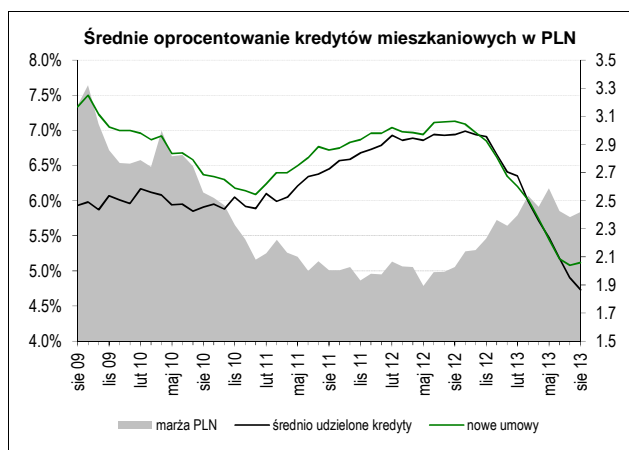
- FOMC surprised financial markets as it decided to keep the monthly scale of buying debt assets unchanged, delaying the start of tapering. Yields of UST and Bunds fell from their maximum levels. Peripheral debt also strengthened. Yet, political crisis in Italy partly trimmed earlier gains of Italian bonds.
- Fiscal crisis in the US (lack of the 2014 budget approval, risk of default) brought another impulse, which backed safe haven assets. At the same time, peripheral debt was under pressure, which translated into widening of spread vs. Bunds. However, hopes for reaching compromise trimmed earlier losses.
- Prolonged political stalemate in the US supports core markets, while risky assets, including peripheral debt, are under pressure. We think that start of QE tapering is just a matter of time. Therefore in medium term we maintain outlook for higher yields.

## Housing market update



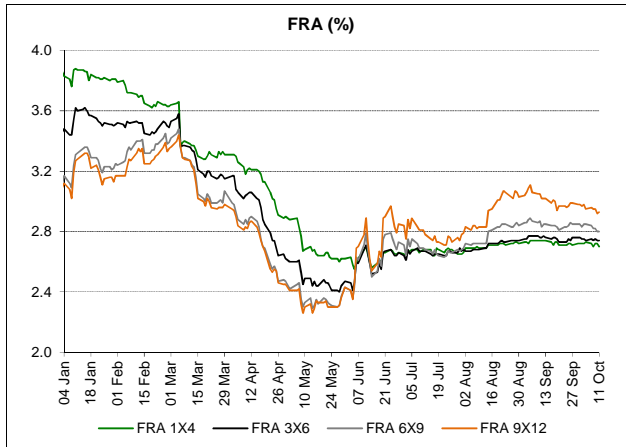
### Stabilization on the housing market

- Recent quarters brought a stabilization of the housing market. Developers markedly reduced their investment plans – number of building permits fell by 20.6%YoY in January-August period, while number of house starts fell by 18.2%YoY. Additionally, some constructions were suspended or abandoned. However, falling prices activated a demand, mainly so-called "cash" investors, who use only marginal credit leverage. Thus, number of transactions increased and number of flats sold in the biggest Polish cities was higher than number of new flats, which means that offer volumes declined. This decreased the oversupply and stopped the downward price trend. Still, the moderate wage growth is still causing that accessibility index of flats is rising.
- Interest rates on the credit market fell considerably due to MPC easing cycle. Between end of 2012 and August 2013 interest on new PLN-denominated loans fell by ca. 150bp, while margins were relatively stable. However, this did not translate into higher demand for loans yet. According to AMRON-SARFiN report, value of new loans in Q2 amounted to PLN9.2bn, i.e. by 9% lower than one year ago. However, situation improved versus the first quarter (rise by 14%). FX loans are almost completely out of fashion – their share in new loans amounted to a mere 1% in Q2.
- We think that decline of interest rates, combined with further improvement of the labour market should be stimulating for demand for housing loan. Banks' loan policy may be a limitation (e.g. new regulations on LtV). Still, we think that housing market will be approaching its equilibrium in the upcoming quarters and some recovery is possible in 2014.



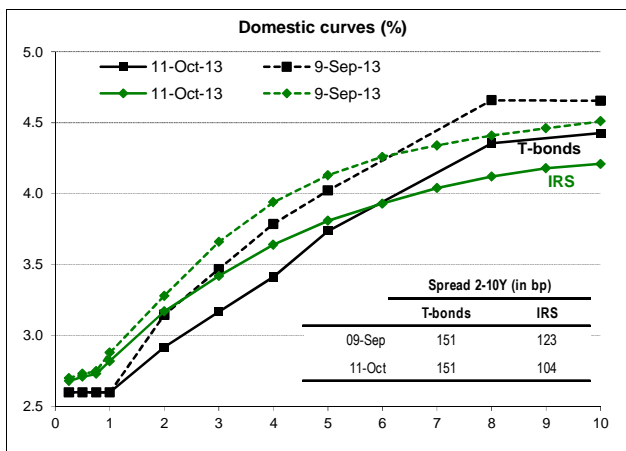
Source: CSO, NBP, MF, Reuters, szybko.pl, AMRON-SARFiN, REAS, BZ WBK

# Interest rate market



## Expectations on interest rates path unchanged

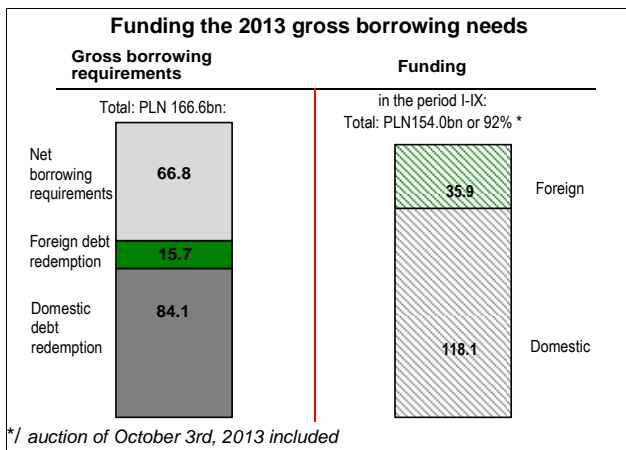
- September brought a slight decrease in WIBOR rates across the board (by 2-3bp). This was due to September FOMC meeting, when the Fed unexpectedly chose to postpone the tapering of the assets purchases. The market was also supported by the MPC members, who pointed out that interest rates might remain stable for longer time, even till mid-2014. October's MPC decision and statement did not change the general outlook for interest rates. Notwithstanding, WIBOR rates up to 3M increased by 1bp.
- FRA market has remained more sensitive to macro data inflows (both domestic and external), in particular these, which influence interest rates outlook. Unexpected Fed's decision together with dovish tone of the ECB and of the domestic MPC triggered a decline of FRA rates. However, interest rates expectations did not change significantly. Still, market is pricing-in that the next move will be hike in more or less 9 months' time, which is in line with our expectations.



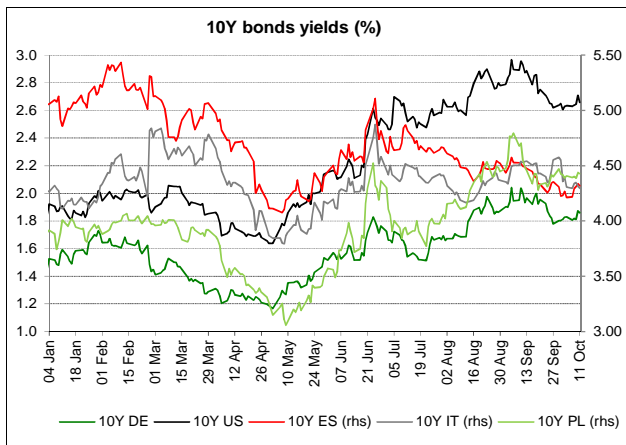
- We expect WIBOR rates to stabilise near current level in coming weeks. However, till year-end we foresee money market rates to increase gradually. It will result from further increase in CPI inflation and more significant signals of economic rebound.

## Improvement after unexpected Fed's decision

- In September debt market suffered from global trends and local events. Both T-bonds and IRS weakened sharply in reaction to government's changes in pension system and fears over Fed's tapering. However, unexpected FOMC decision to delay start of the QExit increased appetite for risky assets, including Polish ones. Consequently, both T-bonds and IRS rally trimmed all earlier losses. However, market euphoria was only short-lived and uncertainty regarding fiscal situation in the US and political turmoil in Italy caused a profit-taking. Markets got support from the positive outcome of the political turmoil in Italy. However, political stalemate in the US (partial government shutdown and issue of debt ceiling, which increase risk of the technical default) has added to market volatility.



- In September IRS gained more than T-bonds. As a consequence asset swap spread narrowed, in particular in 5Y and 10Y sectors. What is more, both yield and IRS curves have remained relatively steep (2-10Y spread oscillated near 140bp for T-bonds and slightly above 105bp for IRS). This was due to two factors: distant horizon of interest rate hikes on one hand and political uncertainty in the USA on the other. One should notice that spread between Polish 10Y and 10Y Bund widened (increase above 260bp).



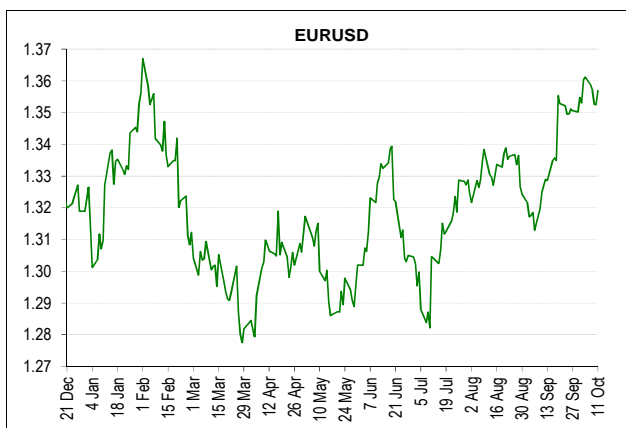
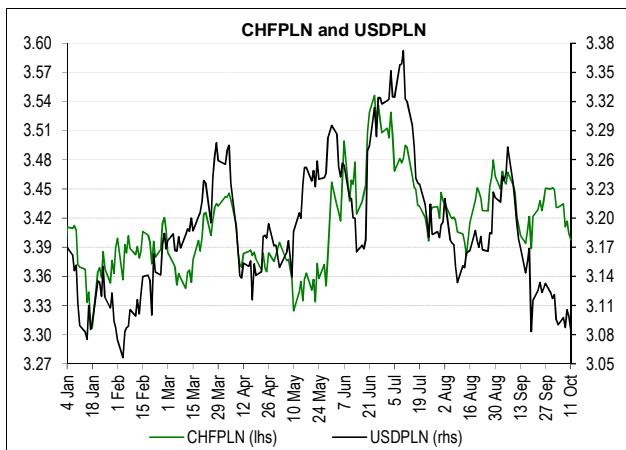
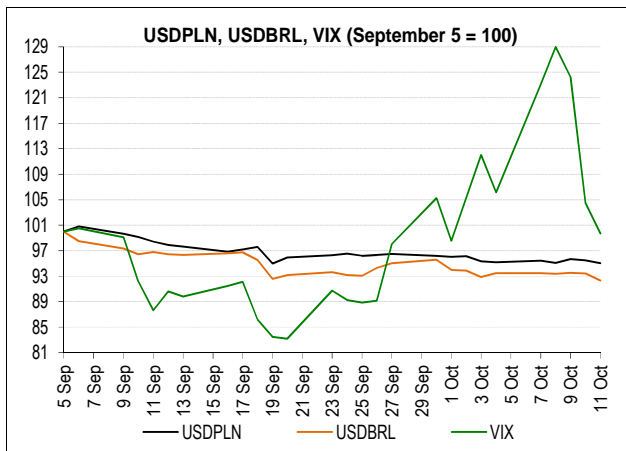
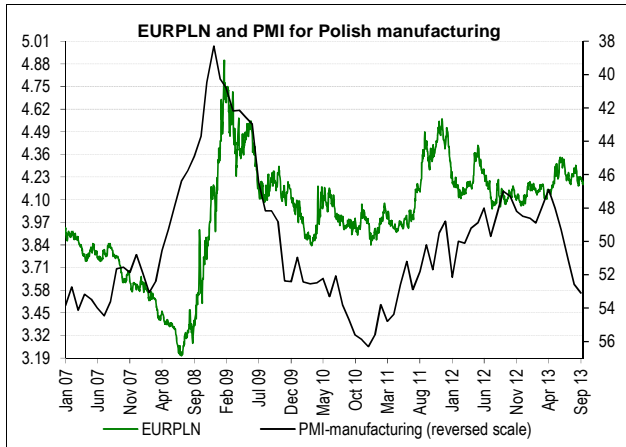
- In line with issuance plan for 4Q, in October – December period the Ministry of Finance will organise 3 regular and 2 switch (conditional) auctions. On October, 3 The Ministry launched 2Y benchmark OK0116 worth PLN3bn. On the second tender T-bonds' offer will amount to PLN6-12 bn. High offer might absorb majority of additional liquidity, as capital flows this month from redemption (DS1013) and coupon payments (from DS and PS series) amount to almost PLN30bn.

## Mid and long end of curves under pressure of global factors

- Dovish signals from the MPC (official rates might remain stable for longer period than till year-end) support the front end of curves. Both data from real economy and CPI for September should not change the general view. Therefore, we foresee both IRS and T-bonds from the front end to oscillate near current level in coming weeks.
- Mid and long ends of curves should be more sensitive to external factors, while domestic ones might be overshadowed. We expect horizontal trend in yields and IRS rates in coming weeks, but in medium term we expect that upward trend will dominate on the market.

Source: NBP, Reuters, BZ WBK

# Foreign exchange market



## Zloty gains due to Syria and FOMC

▪ Last month we indicated that the issues related with Syria and FOMC decision on the pace of QE3 tapering may be key for the zloty and this was actually seen during last few weeks. The domestic currency started to gain substantially after chances for avoiding military intervention in Syria strengthened – EURPLN declined to c.4.20 due to improvement of global market sentiment. Furthermore, surprising decision of FOMC to leave the size of the QE3 unchanged provided visible positive impulse for the zloty in mid-September. The domestic currency appreciated temporarily to nearly 4.14 per euro and 3.06 per dollar. Still, just like in case of the global market, visible and fast correction of this appreciation was also recorded on the Polish market.

▪ Very important risk factors strengthened in early October. After September's parliamentary election new German government has still not been created, US administration is partially shut down and there is still no agreement on lifting the debt ceiling while the future of the Italian government seemed to have been in serious danger. At the same time, the zloty remained stable versus the euro and the dollar and was even gaining slightly.

## EURPLN stable despite crucial risk factors

▪ According to Bloomberg data, when we consider the period of time since the beginning of September (when USDPLN was at 3.29 after the government has announced plans in OFE changes) until the second week of October, the zloty is the world's 5<sup>th</sup> strongest currency vs. the dollar (it gained 6.0%, after Indian Rupee, two INR-related currencies Nepalese Rupee and Bhutan Ngultrum and after the Brazilian real). The domestic currency performed also best from CEE currencies versus the euro (it gained 2.7% vs. 2.3% for the forint and 0.9% for Czech koruna). At the same time, global market sentiment was pretty shaky, which may be reflected in changes of the VIX index.

▪ Negative impact of partial shutdown of the US administration on the world's biggest economy supports hopes that in such circumstances the FOMC will not hurry with QE3 tapering (moreover, offices responsible for publication of important monthly nonfarm payrolls is closed and this makes it more difficult to assess the situation on the US labour market). These expectations support currencies of developing countries. Additionally, it is worth to notice next very positive surprise from Polish PMI data – in September it reached the highest level since April 2011. For already a few months we have been pointing that the zloty is a cyclical currency (this is clearly shown on the first chart) and strong domestic data may also explain decent performance of the zloty. Furthermore, the recent amendment of the Polish budget states that PLN8.4bn is expected to be collected from increased selling of foreign currencies on the market by the Ministry of Finance.

▪ We expected a decline of EURPLN below 4.20 only in November-December period. Still, we expect also a different scenario of Fed's monetary policy and somewhat slower recovery of the Polish economy (reflected for example in PMI index). Thus, EURPLN may quite often hover around 4.20. We expect the average EURPLN at this level in October. However, we see the risk of a correction if there is no agreement on lifting the debt ceiling in the US as they will be running out of time.

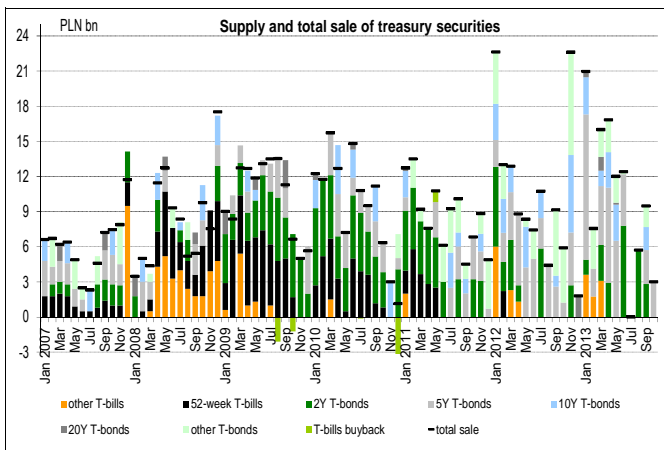
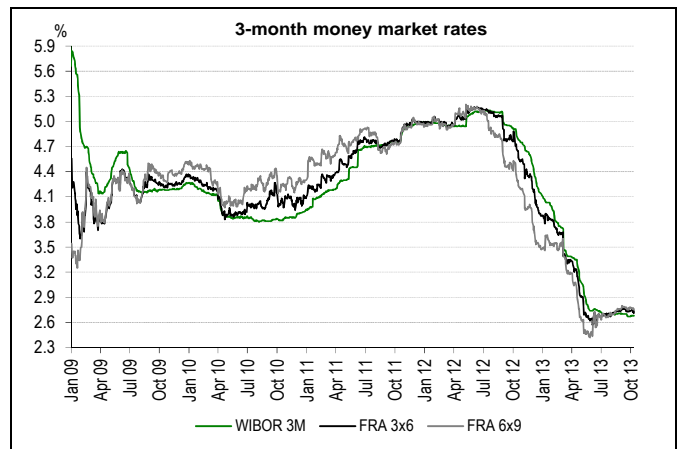
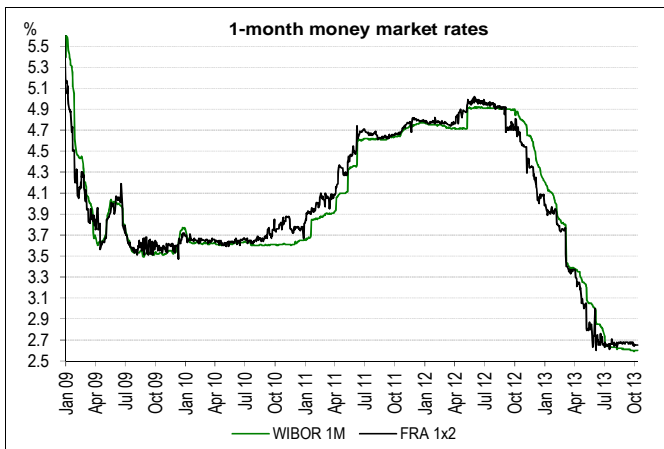
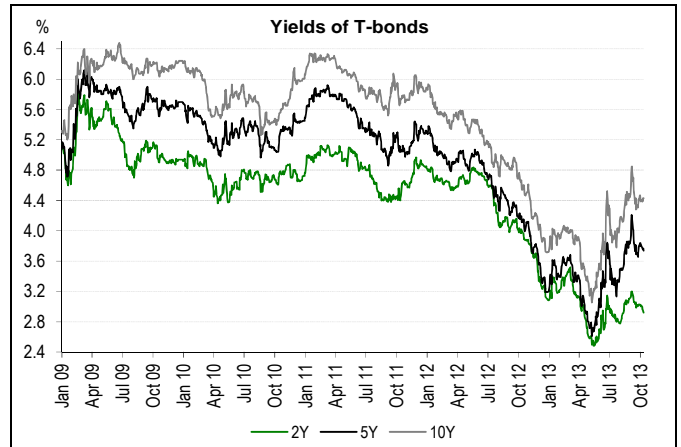
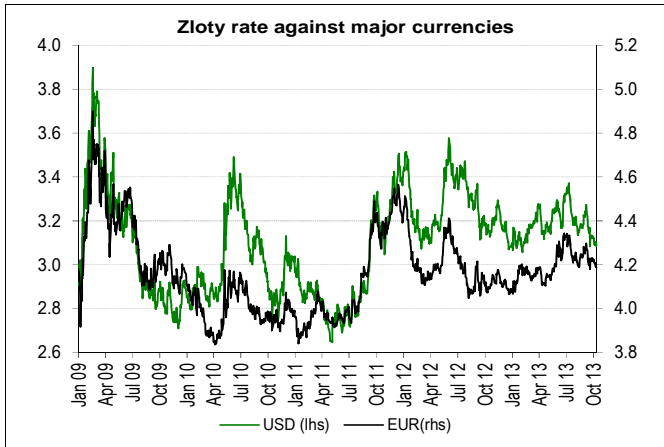
## Room for slight zloty's depreciation versus the dollar

▪ Decent data from the euro zone, surprising decision of the FOMC and quite dovish message from the ECB as October's meeting pushed EURUSD up to 1.365, the highest level since February. We expect the exchange rate to pull back to 1.35 at the end of October. This means the average USDPLN may reach 3.11. However, it is worth to remember about US risk factors (talks on the budget and debt ceiling, October's decision of the FOMC) that can potentially triggered an elevated volatility.

Source: CSO, NBP, Reuters, Bloomberg, BZ WBK



# Market monitor



### Treasury bill auctions in 2012/2013 (PLNm)

Auction date	OFFER	DEMAND/SALE
09.01.2012	49-week: 1000-2000	5402/2223
30.01.2012	30-week: 1000-2000	3249/1997
30.01.2012	51-week: 1000-2000	4225/1592
27.02.2012	52-week: 1000-2000	6711/2190
26.03.2012	52-week: 1000-3000	5402/2223
23.04.2012	31-week	3116,5/1332,1
07.01.2013	20-week: 2000-3000	10967/3602
04.02.2013	20-week: 1000-2000	7728/1747
04.03.2013	25-week: 2000-3000	7324/3084

\* based on data of the Ministry of Finance

### Treasury bond auctions in 2012/2013 (PLNm)

month	date	First auction			Second auction			Switch auction			
		T-bonds	offer		date	T-bonds	offer	date	T-bonds	offer	
December											
January '13	3.01	DS1023/WS0429	3000-5000	3664.3	23.01	OK0715/PS0418	6000-9000	13693.8	6.12	OK0113/PS0413	WS
February	7.02	PS0418/WZ0117	4000-6000	5806.5	13.02	OK0715/WZ0124	3000-5000	4584.7			
March	20.03	OK/PS/WZ	2000-6000						7.03	PS0413/OK0713/DS1013	DS/WS/WZ
April	11.04	DS1023/WZ0124	3000-5000	5029.1	23.04	OK/WZ/PS	5000-10000	11788.6			
May	9.05	PS0718	3500-5500	6498.0	16.05	DS/WZ/WS	2000-6000	5505.4			
June	6.06	PS0718/WZ0119	3000-5000	4606.5					19.06	OK0713/DS1013	OK0116
July	-	-	-	-	-	-	-	-	-	-	-
August	9.05	OK0116	3000-5000	5695.0							
September	5.09	OK0116/PS0718	5000-7000	5706.8					25.09	DS1013/OK0114	WZ0119/DS1023
October	3.10	PS0718	2500-4500	3008.0	22.10	OK/DS/WS/WZ/IZ	6000-12000		16.10	EUR20140203**	
November	7.11	offer will depend on the market conditions							20.11	OK0114/PS0414	
December									5.12	OK0114/PS0414	

\* with supplementary auction, \*\* buy-back auction, \*\*\* demand/sale,

Source: MF, Reuters, BZ WBK

## Economic calendar

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
<b>7 October</b> EZ: Sentix index (Oct)	<b>8</b> DE: Exports (Aug) DE: Industrial orders (Aug)	<b>9</b> DE: Industrial output (Aug) US: Minutes Fed	<b>10</b> GB: BoE decision	<b>11</b> <b>PL: Balance of payments (Aug)</b> HU: CPI (Sep) US: Retail sales (Sep) US: Flash Michigan (Oct)
<b>14</b> <b>PL: Money supply (Sep)</b> EZ: Industrial output (Aug)	<b>15</b> <b>PL: CPI (Sep)</b> DE: ZEW index (Oct)	<b>16</b> <b>PL: Wages and employment (Sep)</b> <b>PL: Core inflation (Sep)</b> EZ: HICP (Sep) US: Core CPI (Sep) US: Fed Beige Book	<b>17</b> <b>PL: Industrial output (Sep)</b> <b>PL: PPI (Sep)</b> <b>PL: MPC minutes</b> US: House starts (Sep) US: Building permits (Sep) US: Industrial output (Sep) US: Philly Fed index (Oct)	<b>18</b>
<b>21</b> US: Home sales (Sep)	<b>22</b> <b>PL: Retail sales and unemployment rate (Sep)</b>	<b>23</b> EZ: Consumer sentiment index (Oct)	<b>24</b> CN: Flash PMI – manufacturing (Oct) DE: Flash PMI – manufacturing (Oct) EZ: Flash PMI – manufacturing (Oct) US: New home sales (Sep)	<b>25</b> DE: Ifo index (Oct) US: Durable goods orders (Sep) US: Michigan index (Oct)
<b>28</b> US: Pending home sales (Sep)	<b>29</b> HU: Central bank decision US: S&P/Case-Shiller (Aug) US: Consumer confidence index (Oct)	<b>30</b> US: ADP report (Oct) US: Advance GDP (Q3) US: Fed decision	<b>31</b> <b>PL: Inflation expectations (Oct)</b> EZ: Flash HICP (Oct) US: Personal income (Sep) US: Consumer spending (Sep) US: Core PCE (Sep)	<b>1 November</b> <b>PL: Market holiday</b> CN: PMI – manufacturing (Oct) US: Non-farm payrolls (Oct) US: Unemployment rate (Oct) US: ISM – manufacturing (Oct)
<b>4</b> <b>PL: PMI – manufacturing (Oct)</b> DE: PMI – manufacturing (Oct) EZ: PMI – manufacturing (Oct) US: Industrial orders (Sep)	<b>5</b> US: ISM-services (Oct)	<b>6</b> <b>PL: MPC decision</b> CZ: Industrial output (Sep) DE: PMI – services (Oct) DE: Industrial orders (Sep) EZ: PMI – services (Oct) EZ: Retail sales (Sep)	<b>7</b> DE: Industrial output (Sep) CZ: Central bank decision EZ: ECB decision	<b>8</b> <b>PL: Flash GDP (Q3)</b> DE: Exports (Sep) US: Flash Michigan (Nov)
<b>11</b> <b>PL: The Independence Day</b> CZ: CPI (Oct)	<b>12</b> HU: CPI (Oct) <b>PL: Balance of payments (Sep)</b>	<b>13</b> EZ: Industrial output (Sep)	<b>14</b> <b>PL: CPI (Oct)</b> <b>PL: Money supply (Oct)</b> DE: Flash GDP (Q3) HU: Flash GDP (Q3) CZ: Flash GDP (Q3) US: Retail sales (Oct)	<b>15</b> <b>PL: Core inflation (Oct)</b> EZ: Flash GDP (Q3) EZ: HICP (Oct) US: Core CPI (Oct) US: Industrial output (Oct)

## MPC meetings and data release calendar for 2013

	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
ECB meeting	10	7	7	4	2	6	4	1	5	2	7	5
MPC meeting	8-9	5-6	5-6	9-10	7-8	4-5	2-3	20	3-4	1-2	5-6	3-4
MPC minutes	24	21	21	25	23	20	-	22	19	17	21	19
GDP*	-	-	1	-	29	-	-	30	-	-	29	-
CPI	15	15 <sup>a</sup>	14 <sup>b</sup>	15	15	13	15	14	13	15	14	13
Core inflation	16	-	15	16	16	14	16	16	16	16	15	16
PPI	18	19	19	18	21	19	17	20	18	17	21	18
Industrial output	18	19	19	18	21	19	17	20	18	17	21	18
Retail sales	24	25	22	23	24	25	23	26	24	22	-	-
Gross wages. employment	18	18	18	17	20	18	16	19	17	16	19	17
Foreign trade	about 50 working days after reported period											
Balance of payments*	2	-	28	-	-	28	-	-	30	-	-	-
Balance of payments	18	12	14	15	15	17	12	12	11	11	12	13
Money supply	14	14	14	12	14	14	12	14	13	14	14	13
Business climate indices	22	21	22	22	22	21	22	23	20	22	22	20

\* quarterly data. <sup>a</sup> preliminary data for January. <sup>b</sup> January and February

Source: CSO, NBP, Ministry of Finance, Reuters, Bloomberg

## Economic data and forecasts

### Monthly economic indicators

		Sep 12	Oct 12	Nov 12	Dec 12	Jan 13	Feb 13	Mar 13	Apr 13	May 13	Jun 13	Jul 13	Aug 13	Sep 13	Oct 13
PMI	pts	47.0	47.3	48.2	48.5	48.6	48.9	48.0	46.9	48.0	49.3	51.1	52.6	53.1	53.2
Industrial production	%YoY	-4.8	4.7	-0.5	-9.6	0.4	-2.1	-2.9	2.8	-1.8	2.8	6.3	2.2	7.9	10.0
Construction production	%YoY	-17.9	-3.6	-5.4	-24.9	-16.1	-11.4	-18.5	-23.1	-27.5	-18.3	-5.2	-11.1	-3.4	-5.5
Retail sales <sup>a</sup>	%YoY	3.1	3.3	2.4	-2.5	3.1	-0.8	0.1	-0.2	0.5	1.8	4.3	3.4	4.6	3.3
Unemployment rate	%	12.4	12.5	12.9	13.4	14.2	14.4	14.3	14.0	13.5	13.2	13.1	13.0	13.0	13.1
Gross wages in enterprises sector <sup>a</sup>	%YoY	1.6	2.8	2.7	2.4	0.4	4.0	1.6	3.0	2.3	1.4	3.5	2.0	3.2	3.1
Employment in enterprises sector	%YoY	0.0	0.0	-0.3	-0.5	-0.8	-0.8	-0.9	-1.0	-0.9	-0.8	-0.7	-0.5	-0.3	-0.3
Export (€)	%YoY	1.9	19.1	11.2	-1.1	6.4	4.3	-1.2	11.1	0.4	5.1	5.6	2.1	10.0	1.7
Import (€)	%YoY	-0.5	9.9	6.6	-0.9	1.1	-6.2	-1.3	1.7	-6.0	-2.2	1.1	-0.7	5.6	-0.2
Trade balance	EURm	37	361	-259	-1,156	-64	426	-502	621	2	569	175	264	604	635
Current account balance	EURm	-1,185	-342	-1,315	-1,705	-1,375	-668	-272	436	-204	133	-497	-719	-550	-506
Current account balance	% GDP	-4.4	-3.9	-3.8	-3.7	-3.5	-3.4	-3.2	-3.0	-2.9	-2.4	-2.0	-2.1	-1.9	-1.9
Budget deficit (cumulative)	PLNbn	-21.1	-34.1	-30.4	-30.4	-8.4	-21.7	-24.4	-31.7	-30.9	-26.0	-25.9	-26.8	-29.1	-40.1
Budget deficit (cumulative)	% of FY plan	60.4	97.5	86.9	86.9	16.4	42.0	47.3	61.6	60.0	50.4	50.3	51.9	56.5	77.9
CPI	%YoY	3.8	3.4	2.8	2.4	1.7	1.3	1.0	0.8	0.5	0.2	1.1	1.1	1.2	1.2
CPI excluding prices of food and energy	%YoY	1.9	1.9	1.7	1.4	1.4	1.1	1.0	1.1	1.0	0.9	1.4	1.4	1.6	1.5
PPI	%YoY	1.8	1.0	-0.1	-1.1	-1.2	-0.3	-0.7	-2.1	-2.5	-1.3	-0.8	-1.1	-1.6	-1.3
Broad money (M3)	%YoY	7.6	8.0	5.7	4.5	4.4	5.5	6.6	7.4	6.5	7.0	6.6	6.2	6.6	5.9
Deposits	%YoY	7.9	8.1	5.8	4.7	5.0	5.2	6.6	7.1	6.0	6.5	5.6	5.8	5.7	5.2
Loans	%YoY	5.4	5.4	2.3	2.3	3.6	3.7	3.5	2.3	1.4	3.5	3.7	3.4	3.1	3.0
EUR/PLN	PLN	4.14	4.11	4.13	4.10	4.14	4.17	4.16	4.14	4.18	4.28	4.28	4.23	4.24	4.20
USD/PLN	PLN	3.22	3.17	3.22	3.12	3.11	3.12	3.21	3.18	3.22	3.25	3.27	3.18	3.17	3.11
CHF/PLN	PLN	3.42	3.40	3.43	3.39	3.37	3.39	3.39	3.39	3.36	3.47	3.46	3.43	3.43	3.43
Reference rate <sup>b</sup>	%	4.75	4.75	4.50	4.25	4.00	3.75	3.25	3.25	3.00	2.75	2.50	2.50	2.50	2.50
WIBOR 3M	%	4.95	4.82	4.62	4.26	4.03	3.80	3.48	3.29	2.86	2.74	2.70	2.70	2.69	2.70
Yield on 2-year T-bonds	%	4.09	3.94	3.66	3.23	3.25	3.36	3.26	2.89	2.55	2.86	2.87	2.98	3.07	3.00
Yield on 5-year T-bonds	%	4.28	4.12	3.78	3.35	3.46	3.56	3.46	3.03	2.80	3.43	3.36	3.67	3.86	3.75
Yield on 10-year T-bonds	%	4.85	4.59	4.21	3.87	3.91	4.00	3.93	3.50	3.28	3.95	3.97	4.31	4.50	4.42

Source: CSO, NBP, Finance Ministry, BZ WBK own estimates; <sup>a</sup> in nominal terms, <sup>b</sup> at the end of period

**Quarterly and annual economic indicators**

		2011	2012	2013	2014	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14
GDP	PLNbn	1,523.2	1,595.3	1,630.4	1,701.2	377.8	395.5	403.1	454.0	393.2	413.7	420.7	473.6
GDP	%YoY	4.5	1.9	1.2	2.7	0.5	0.8	1.3	2.0	2.3	2.7	2.8	2.8
Domestic demand	%YoY	3.6	-0.2	-0.9	1.8	-0.9	-1.9	-0.5	-0.5	0.6	1.5	2.2	2.9
Private consumption	%YoY	2.6	0.8	0.6	1.8	0.0	0.2	0.9	1.2	1.5	1.7	2.0	2.2
Fixed investments	%YoY	8.5	-0.8	-2.0	2.8	-2.0	-3.8	-2.0	-1.0	-2.0	1.0	4.0	5.0
Industrial production	%YoY	7.7	1.0	3.3	5.2	-2.0	1.2	5.5	8.1	7.4	6.6	4.1	3.1
Construction production	%YoY	12.3	-1.0	-11.1	9.7	-15.6	-22.9	-6.6	-3.0	4.8	14.5	10.9	7.8
Retail sales <sup>a</sup>	%YoY	11.2	6.0	2.4	3.9	0.9	0.8	4.3	3.5	3.8	4.9	1.9	5.2
Unemployment rate <sup>b</sup>	%	12.5	13.4	13.7	13.2	14.3	13.2	13.0	13.7	14.2	13.8	13.2	13.2
Gross wages in national economy <sup>a</sup>	%YoY	5.2	3.7	3.0	4.3	2.6	3.3	2.9	3.0	3.5	4.2	4.8	4.7
Employment in national economy	%YoY	0.6	0.0	-0.6	0.4	-0.7	-1.1	-0.4	-0.1	0.3	0.5	0.5	0.5
Export (€)	%YoY	12.1	5.9	6.2	11.0	3.2	5.5	6.0	10.0	11.0	11.0	11.0	11.0
Import (€)	%YoY	12.2	2.3	0.5	8.9	-2.0	-2.2	2.0	4.0	7.0	8.0	9.5	11.0
Trade balance	EURm	-10,059	-5,175	3,321	6,879	-139	1,194	1,043	1,223	1,345	2,439	1,736	1,358
Current account balance	EURm	-18,519	-14,191	-4,700	-932	-2,313	362	-1,766	-984	-198	962	-739	-957
Current account balance	% GDP	-5.0	-3.7	-1.2	-0.2	-3.1	-2.3	-1.8	-1.2	-0.7	-0.5	-0.2	-0.2
General government balance	% GDP	-5.0	-3.9	-4.2	-3.5	-	-	-	-	-	-	-	-
CPI	%YoY	4.3	3.7	1.1	2.0	1.3	0.5	1.1	1.4	1.9	2.2	1.9	2.1
CPI <sup>b</sup>	%YoY	4.6	2.4	1.5	2.1	1.0	0.2	1.2	1.5	2.0	2.4	2.1	2.1
CPI excluding food and energy prices	%YoY	2.4	2.2	1.3	2.1	1.2	1.0	1.5	1.6	2.1	2.2	1.9	2.0
PPI	%YoY	7.6	3.4	-1.3	0.3	-0.7	-2.0	-1.2	-1.5	-0.9	0.3	0.3	1.7
Broad money (M3) <sup>b</sup>	%YoY	12.5	4.5	6.0	5.4	6.6	7.0	6.6	6.0	5.4	4.8	5.7	5.4
Deposits <sup>b</sup>	%YoY	11.7	4.7	4.9	6.6	6.6	6.5	5.7	4.9	4.8	4.8	6.4	6.6
Loans <sup>b</sup>	%YoY	14.4	1.2	3.7	4.4	3.5	3.5	3.1	3.7	4.0	2.9	3.6	4.4
EUR/PLN	PLN	4.12	4.19	4.20	4.06	4.16	4.20	4.25	4.19	4.14	4.08	4.04	3.99
USD/PLN	PLN	2.96	3.26	3.17	2.95	3.15	3.22	3.21	3.10	3.05	2.98	2.91	2.85
CHF/PLN	PLN	3.34	3.47	3.41	3.28	3.38	3.41	3.44	3.40	3.34	3.29	3.26	3.22
Reference rate <sup>b</sup>	%	4.50	4.25	2.50	3.25	3.25	2.75	2.50	2.50	2.50	2.75	3.00	3.25
WIBOR 3M	%	4.54	4.91	3.04	3.09	3.77	2.96	2.70	2.72	2.78	2.97	3.18	3.42
Yield on 2-year T-bonds	%	4.81	4.30	3.02	3.47	3.29	2.77	2.98	3.06	3.18	3.33	3.57	3.78
Yield on 5-year T-bonds	%	5.44	4.53	3.51	4.07	3.49	3.09	3.63	3.82	3.90	4.00	4.15	4.23
Yield on 10-year T-bonds	%	5.98	5.02	4.06	4.72	3.95	3.58	4.26	4.47	4.55	4.65	4.77	4.90

Source: CSO, NBP, Finance Ministry, BZ WBK own estimates; <sup>a</sup> in nominal terms, <sup>b</sup> at the end of period

This analysis is based on information available until 11.10.2013 has been prepared by:

## **ECONOMIC ANALYSIS DEPARTMENT**

ul. Marszałkowska 142. 00-061 Warszawa. fax +48 22 586 83 40

Email: ekonomia@bzwbk.pl

Web site (including Economic Service page): <http://www.skarb.bzwbk.pl>

**Maciej Reluga** – Chief Economist

tel. +48 22 5341888. Email: maciej.reluga@bzwbk.pl

**Piotr Bielski** +48 22 534 18 87

**Agnieszka Decewicz** +48 22 534 18 86

**Marcin Luzziński** +48 22 534 18 85

**Marcin Sulewski** +48 22 534 18 84

## **TREASURY SERVICES DEPARTMENT**

### **Poznań**

pl. Gen. W. Andersa 5  
61-894 Poznań  
tel. +48 61 856 58 14/30  
fax +48 61 856 44 56

### **Warszawa**

ul. Marszałkowska 142  
00-061 Warszawa  
tel. +48 22 586 83 20/38  
fax +48 22 586 83 40

### **Wrocław**

ul. Rynek 9/11  
50-950 Wrocław  
tel. +48 71 369 94 00  
fax +48 71 370 26 22

This publication has been prepared by Bank Zachodni WBK S.A. for information purposes only. It is not an offer or solicitation for the purchase or sale of any financial instrument. Information presented in the publication is not an investment advice. All reasonable care has been taken to ensure that the information contained herein is not untrue or misleading. But no representation is made as to its accuracy or completeness. No reliance should be placed on it and no liability is accepted for any loss arising from reliance on it. Forecasts or data related to the past do not guarantee future prices of financial instruments or financial results. Bank Zachodni WBK S.A., its affiliates and any of its or their officers may be interested in any transactions, securities or commodities referred to herein. Bank Zachodni WBK S.A. or its affiliates may perform services for or solicit business from any company referred to herein. This publication is not intended for the use of private investors. Clients should contact analysts at and execute transactions through a Bank Zachodni WBK S.A. entity in their home jurisdiction unless governing law permits otherwise. Copyright and database rights protection exists in this publication.

Additional information is available on request. Please contact Bank Zachodni WBK S.A. Rates Area, Economic Analysis Department, ul. Marszałkowska 142, 00-061 Warsaw, Poland, phone +48 22 586 83 63, email ekonomia@bzwbk.pl, <http://www.bzwbk.pl>