Polish Catalyst bond market in 2016

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SUMMARY OF THE SITUATION IN THE BOND MARKET

Regarding a low interest rate environment (reference rate stood at 1.5 pp) and a little stagnation in the stock market cause the fact that investors turned more of their attention to debt instruments. Direct confirmation of such situation was acknowledged by the value of bonds listed on the Catalyst market at the end of 2016 year which amounted to PLN 707m and was higher by almost PLN 94bn compared to the end of 2015. The discussed growth was also accompanied by an increase in turnover of almost PLN 200m yoy. Moreover in the past year on the Catalyst bond market there have appeared 19 new issuers, reflecting the growing popularity of the discussed trading platform.

The most important information, summarizing the situation on the Catalyst bond market in Poland in 2016 is presented below:

- At the end of the period there were listed a total of 566 series of securities issued by 176 entities.

The share of issuers in the Catalyst market structure

1 The analysis was made as at 30/12/2016, unless explicitly stated otherwise.
At the end of 2016, in terms of value, the biggest issues were treasury bonds (PLN 626bn), but on the other hand from the quantitative point of view, the market was dominated by corporate bonds – by the number of series of bonds issued (430) and the number of issuers (136).

**ISSUERS AND NEW SERIES OF BONDS**

In total, in the last year there were 167 of new bond series (versus 147 in the previous year).

In 2016 there have appeared 19 new issuers on the Catalyst market (T-Bull, Florsen, J.W Construction Holding, Polska Grupa Farmaceutyczna, Griffin Real Estate Invest, GetBack, Famur, PKO Bank Hipoteczny, GEO Mieszkanie i Dom, Medicalgorithmics, FAM Grupa kapitałowa, PCC Exol, Orlen Capital AB (publ.), Polska Grupa Odlewnicza, Archicom, Arctic Paper, Braster, Magellan and HB Reavis Finance PL 2) of which the largest value of issue was placed by Orlen AB (publ.) – for value of **EUR 750m**.

**CORPORATE BONDS SEGMENT**

The most important information, summarizing the situation in the corporate bond market in 2016 is presented below (in principle in the analysis of corporate bonds there were omitted securities issued by Bank Gospodarstwa Krajowego, Agencja Rozwoju Przemysłu, and the European Investment Bank, unless explicitly stated otherwise):

- At the end of 2016, the value of listed on the Catalyst corporate bonds amounted to PLN 42.18bn to the amount of PLN 37.31bn in the previous year.
The largest in terms of value series of bonds had the following entities: PZU Finance (a total of PLN 3.7bn), the Orlen Group (a total of PLN 5.27 bn), PGNiG (a total of PLN 2.50 bn) and Getin Noble Bank (a total of PLN 2.46 bn).

The median size of a single corporate issue amounted to PLN 31m to PLN 30m in the previous year.

The median coupon offered by a single series of corporate bonds was 5.16%, and most often the coupons were in the range of 3-6% (223 series of bonds) and 6-9% (119 series).

The largest amount of the available issues cover the banking sector (Getin Noble Bank - PLN 2.46bn, PKO BP - PLN 3.78bn and mBank - PLN 1.25 bn) as well as raw materials and energy sector (Orlen Group - PLN 5.27 bn PGNiG - PLN 2.50bn, Tauron - PLN 1.75bn, Enea and Energa respectively PLN 1 bn for each of the companies).

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Presented document is a summary of the Polish version available on
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