

<http://www.forbes.com/sites/rogeraitken/2017/01/05/top-ranked-fx-firm-cinkciarz-predicts-14-fall-in-us-dollar-polish-zloty-rate/#6827d1715ac0>

## **Why One Currency Shop Thinks The Polish Zloty Has A Long Way To Fall Against The Dollar**

**Cinkciarz.pl, a leading online currency exchange company and fast developing fintech in central eastern Europe, has been placed in first place in Bloomberg's fourth quarter rankings for 2016 over their U.S. dollar (USD) and Polish zloty (PLN) currency pair forecasts. They also envisage a 14% decline in the zloty against the greenback on future U.S. interest rate hikes in 2017.**

Financial analysts at the currency exchange headquartered in Poland, which as Cinkciarz.pl is available on the international market under the name of Conotoxia, also placed third for the summary ranking in the Bloomberg survey for Latin American currencies. It also ranked highly for the USD/Chilean peso and USD/Peruvian sol currency pairs.

The predictions by the firm's analysts distinguished themselves from forecasts around the globe. Indeed, the company overtook recognized brands such as Wells Fargo WFC -0.25% and Raiffeisen.

### **Making Moves**

The firm has been making other strides too of late. Late last November it moved up to 17th place on a list of the 2,000 largest companies in Poland in a ranking from daily newspaper Rzeczpospolita. It resulted from Cinkciarz having generating PLN 11.1 billion (c.\$2.66bn) of sales income.

Cinkciarz's ranking advance leaves behind companies like BP Europa SE, Energa SA GK and Grupa Azoty SA GK. Back in May, it had placed 18th by the paper in their ranking of the 500 largest Polish companies - up nine places compared to the year before.

And, less than two weeks prior to Rzeczpospolita's latest ranking, Cinkciarz subsidiary Conotoxia Inc. received its first state license to conduct business in the United States, being approved to operate and offer its money transfer services in the state of Missouri. This represented the first milestone for the company's North American business unit. It followed opening a representative office in Chicago in 2015.

### **U.S. Dollar Versus Polish Zloty**

During the fourth quarter of 2016, the U.S. dollar became more expensive by around 0.40 PLN against the zloty, which was caused by the general increase of the American currency's value on the global market.

Marcin Lipka, a senior analyst at Cinkciarz, said: "The dollar started to record gains after the US presidential election. Donald Trump's victory and the Republicans gaining the majority in both Congressional houses, made the economic plans of the President-elect plausible."

Investors gradually started to price the possibility of tax reductions for companies and households as well as potentially reduced or less onerous regulations for the companies and public investment in infrastructure.

“Setting these initiatives into motion on one hand increases chances for the faster economic growth in the future. But on the other hand it creates risk of the economy overheating,” noted Lipka, who graduated from the University of Warsaw (Faculty of Management) and also has an MBA from the University of North Florida.

Yet regardless of the final scenario for the US, in terms of the perspective for the coming quarters, both the Gross Domestic Product (GDP) and inflation “should speed up” according to the analyst.

Lipka added: “This could motivate the Federal Reserve to raise the interest rates sooner than expected. Higher interest rates in the US, in relation to other developed economies, stimulate the capital flow back to the US, which causes the dollar to gain value.”

### **Positive Stimulus For U.S. Dollar**

According the currency experts at Cinkciarz, another “positive stimulus” for the dollar could emerge in the first half of the year, when the introduction of the reforms prepared by the new American administration commence.

“It cannot be excluded that the dollar will cost 4.50 PLN before summer holidays,” the house asserted. “Additionally, if there is a cumulation of positive data from the U.S. and the expectations towards raising the interest rates increase, then it is probable that the dollar will go above the 4.70 PLN level. This would mean that the dollar would be at its historical high against the Polish zloty.”

As of 5 January 2017 the U.S. dollar was trading at around 4.12 PLN, which if the Cinkciarz rate prediction came true would imply a decline of around 14% in the zloty against the greenback.

Accurate forecasts for the dollar and the zloty are not the only winning pairs on the podium for Cinkciarz. Its experts were awarded first place for the predictions on the euro and the Ukrainian hryvnia pairing.

For the USD/PLN pair local knowledge and a local presence may well have proved a plus for the firm. It was just so for the Nordic equity analysts covering the listed paper and packaging firms in that region when I once worked for a research firm ranking the top analysts' earnings (EPS) forecasts and stock recommendations across Europe's 300 biggest companies.

Cementing these results, the online currency exchange firm that leverages its a proprietary technology alongside artificial intelligence systems, placed second in the ranking of forecasts the U.S. dollar/Chilean peso and U.S. dollar/Peruvian sol. And, it scooped third place for its forecast on the US dollar/Korean won pairing.

Cinkciarz.pl, which currently employs over 160 people, has indicated that it bold plans to increase staff numbers to 500 over the next five years. This figure is based on a project to build up its capacity in the Artificial Intelligence area and an R&D facility to be built specifically for this objective.