

We ended the last week (19-25.07.2021) **in a much better mood than we started it**. Monday's session brought declines on stock exchanges overseas, which rekindled fears of the start of a larger correction of growths. **The focus point would be the growing number of COVID-19 cases associated with the delta variation of the virus, which raised fears of triggering economic and social tightening once again**. However, only slightly lower levels of the equity indices encouraged the bulls to buy and **since Tuesday a renewed upward move of the indices began, ending with successive record levels of the US benchmarks**. During the week, the major indices rose by 2% (S&P 500) and 2.9% (Nasdaq 100). On the WSE, the main indices decreased slightly: WIG -0.2%, WIG20 -0.7%.

In the United States, the second quarter earnings season has begun for good. So far, from over **100 companies constituting the S&P 500 index, which have reported their results, over 19% have beaten the expectations** with regard to the net result. Results at this level are accompanied by a high rate of change (over 119% y/y), which should be explained by the base effect (the lockdown period during the first wave of the pandemic).

On the high yield bond market, the past week brought little change - after a slight correction at the beginning of the week and making up for losses in its further part, the ICE BofA Euro High Yield index ended the week basically unchanged (+0.03%). **Investors also saw little change in the government bond market**, with the yield on the 10-year US Treasury slightly falling during the week to 1.25%.

At the macroeconomic level **in Poland, important publications were data from the labour market: average salary growth in June amounted to 9.8% y/y** - above market expectations. **Equally strong were data on industrial output**, which grew by 18.4% y/y in June. **Retail sales also remained on the growth path**, rising by 8.6% y/y in June.

In Europe, the week was marked by **the ECB meeting, which announced that the monetary policy parameters** (interest rate unchanged, no change in any of the existing programs) remained the same. **Still, possible interest rate hikes seem to be a rather distant prospect**.

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