

The last week (26.07.-01.08.2021) **investors on Warsaw Stock Exchange (GPW) can consider as a successful one.** The WIG index rose by 0.67%, positively standing out against foreign markets. The US S&P 500 fell by 0.37% and the STOXX Europe 600 declined by 0.1%. **On the Polish government bond market, the 10-year yield increased** by 5 bps. **German and American bonds performed better, with yields falling** by 4 and 5 bps respectively. **The raise of prices was seen also on the European corporate bond market.** The ICE BofA Euro High Yield (high yield bonds) index gained 0.19%, while ICE BofA Euro Corporate (investment grade bonds) was 0.24% up.

In the US, the FOMC (Federal Open Market Committee) meeting brought no change in monetary policy. A return to higher interest rates will require further improvement in the labour market, but there is already an ongoing discussion on scaling back the asset purchase programme.

Of the macroeconomic data, the most important releases of the week were those on Q2 GDP growth. In the US, growth amounted to 12.2% y/y, which was however below forecasts. **The US economy had already recovered from the pandemic and was larger than in Q4 2019.** Eurozone GDP, on the other hand, grew by 13.7% y/y, beating analysts' consensus, but pre-pandemic GDP levels have yet to be reached. **Eurozone inflation accelerated to 2.2% y/y** in July, a reading above expectations. Data on price growth in Poland came as a similar surprise. **CPI inflation in July was 5% y/y,** the last time we saw such high price dynamics was over 10 years ago.

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