

Last week (2-8.08.2021) **the market discounted incoming economic data concerning**, among others, private sector employment in the United States, which increased by 330 thousand jobs in July according to the ADP report, while the market consensus expected an increase by 690 thousand. In this context, concerns remain about a slowdown in economic growth, supported by persistently high inflation and the possibility of future interest rate hikes. **Fed Vice Chairman** Richard Clarida announced last week **the likelihood of US interest rate hikes starting in 2023**.

Another factor casting a shadow on economic growth and the prices of selected assets is the increase in the incidence of the so-called delta variant of coronavirus. Despite evidence that vaccination significantly reduces the risk of hospitalization and death, according to experts, the required level of population vaccination has still not been achieved, resulting in the introduction of new restrictions (in Poland, the number of people fully vaccinated against COVID-19 exceeded 17.8 million). Last week, the **Mayor of New York** announced that **many of the city's establishments**, including restaurants, gyms and theaters, **would only be open to those vaccinated**. **Some companies are already making decisions to delay the return to office work** - for example, Amazon previously planning to return to offices after the vacations has pushed back the date to early 2022.

More and more companies report second quarter results. On the American market over 440 companies from S&P 500 index have already published their reports, and as many as 83% of them beat the analysts' expectations with respect to revenues, and 85% of them achieved the profits better than market forecasts. **Investor optimism prevailed**, and the **S&P 500 index once again set its all-time high and ended the week up 0.9%**. Other equity indices also gained, with the Nasdaq Composite up 1.1% over the past week, the DAX gaining 1.4%, and the Nikkei 225 increasing 2.0%.

The domestic stock market was also dominated by gains - the broad market index WIG rose by 1.1% and ended the week at the highest level in its history. The WIG20 index strengthened by 0.9%, mWIG40 by 1.6% and sWIG80 by 1.1%. Among the largest companies, shares of Pekao bank were the best performers, rising by 5.7% last week, supported by good results for the last quarter. At the other extreme were the shareholders of CD Projekt, whose shares fell by 5.7%, undoubtedly due to a deterioration in global investor sentiment towards the gaming sector.

Commodity prices were mostly down during the past week. Copper fell by 3.0%, gold by 2.7%, and silver by 4.8%. Brent crude oil prices fell by 6.2%.

In the fixed income market, we saw **an increase in yields and a consequent decrease in bond prices**. Yields on 10-year bonds of Poland increased by 6 basis points to the level of 1.761%, and yields on 10-year bonds issued by the United States government increased by 7 basis points to the level of 1.300%.

The information presented herein does not constitute an offer within the meaning of the Civil Code and is for informational purposes only. The net asset value of some sub-funds is characterized by high volatility due to the composition of the investment portfolio. Some sub-funds may invest more than 35% of their assets in securities issued, guaranteed or underwritten by the State Treasury or the National Bank of Poland. The sub-funds cannot guarantee achievement of the investment objective or of the expected return on investment. Prior to making an investment decision, the Participant should review the fees charged by the sub-fund and take into account the potential tax imposed on the gains. The Participant should take into consideration the possibility of losing at least some of the invested capital. The sub-funds' financial data, description of risk factors, key investor information document and information on fees related to participation in sub-fund can be found in the prospectuses and tables of fees available in Polish on [Santander.pl/TFI/documents](https://www.santander.pl/TFI/documents) and from the distributors of sub-funds. A summary of investors' rights can be found in the prospectus (Chapter III, point 4). Santander Towarzystwo Funduszy Inwestycyjnych S.A. seated in Poznań at Władysława Andersa Square 5, 61-894 Poznań, registered in the District Court Poznań - Nowe Miasto and Wilda in Poznań, VIII Commercial Division of the National Court Register, under KRS number: 0000001132, Tax Identification Number (NIP): 778 13 14 701, fully paid-up share capital amounting to PLN 13.500.000,00. The information included in this presentation is protected by copyright on the basis of the provisions of the Act of 4 February 1994 on copyright and related rights (i.e. Journal of Laws of 2018, item 1191, 1293, 1669, 2245, 2339). All copyrights to the information contained in this material are owned exclusively by Santander TFI S.A. Santander TFI S.A. operates on the basis of a license issued by the Polish Financial Supervision Authority (KNF) and is subject to its supervision. This document may not be reproduced or published, in part or in whole, without a prior written consent of Santander TFI S.A. The information contained in the document is selected according to the best knowledge of its authors and comes from sources believed to be reliable, although the authors do not guarantee its accuracy and completeness. No reliance should be placed on it and no liability is accepted for any loss arising from reliance on it.

2021 © Santander Towarzystwo Funduszy Inwestycyjnych Spółka Akcyjna. All rights reserved. Santander name and flame logo are registered trademarks.