

Last week (23-29.08.2021), **investors' attention** turned towards Friday's **speech by Fed chief** Jerome Powell at the annual symposium of central bankers in Jackson Hole. Earlier statements made by Fed members had signalled an imminent announcement of tapering (reduction of asset purchases by the central bank) given the apparent economic recovery and galloping inflation. However, to the delight of investors, Powell expressed the view that a withdrawal of stimulation of the economy through asset purchases too soon could be "particularly damaging". The date of monetary policy tightening is to depend on the condition of the labour market, which, is not yet ready for that, according to the Fed chief. During the week we saw **PMI indices** readings for June for Euroland, which came in **slightly below expectations**, and **PMIs for August for the major economies**: France, Germany, UK and US. **The readings were below expectations** in both manufacturing and services.

**The Fed chief's speech** triggered a **dollar weakening**, a **fall in bond yields** and new **historic highs** for the S&P500 and Nasdaq **stock indices**, as well as **gains in commodities and precious metals**. The S&P 500 rose by 1.5% and the Nasdaq, as much as 2.8%. In dollar terms, the European Eurostoxx 50 index increased by 1.9% and the Dax by 1.1%. Japan's Nikkei index was up by 2.3%.

In Poland, we had little economic data and investors, like in other markets, were waiting for the speech of the Fed chief. The July M3 money supply turned out to be higher than expected and grew by 8.8% y/y, the unemployment rate for July was in line with expectations and amounted to 5.8%. **We ended the past week in Poland with solid gains**. WIG rose by 2.7% and WIG20 by 3%. Medium and large companies also performed well. The mWIG40 index rose by 2.7%. Small companies performed the worst. sWIG80 increased by almost 0.7%. The Polish zloty strengthened against the US dollar and the euro. Yields on 10-year treasuries rose and by the end of the week amounted to 1.78%.

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