

In the past week (13-19.09.2021) we saw **slight declines** on the **stock markets**. News about **liquidity issues** of one of the largest **Chinese developers - Evergrande** - are becoming the number one topic. On 23<sup>rd</sup> of September, the company is due to make an \$84m interest payment on a bond maturing in March 2022, which potentially can pose a problem. Evergrande is China's largest corporate issuer of USD-denominated debt. Among the bondholders there are many multinational companies, so the **developer's default** could **adversely affect the condition of more than just Chinese economy**. **Emerging markets** (due to the large share of China) were **the weakest** performers in the previous week, with the index falling by 2.3% in USD terms. **Developed markets** were relatively **stronger**. The US S&P index fell 0.6%, as did the technology-oriented NASDAQ. In Poland, WIG20 was the weakest index. It fell by 3% in USD terms, mainly due to declines in commodity equities and large banks. The broader WIG index was down by 1.8% in USD.

Over the previous week, we saw **slight increases in yields** in most of the **bond markets**. The yield on the US 10-year Treasury bonds rose by 2 basis points to 1.36%. In Poland, the increase amounted to 5 basis points, reaching the level of 2.04% at the end of the week. Interestingly, **we did not notice any negative reaction in the corporate bond market**. In both American and European corporates there was even a decrease in their spreads during the week, respectively by 5 and 8 basis points (increase in their prices).

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