

Last week (27.09-3.10.2021), **declines prevailed on equity markets**. The S&P500 index was down by 2.2%, and the Nasdaq Composite technology index was even weaker (down by 4.0%). Falls were also observed in Europe, with the EuroStoxx 50 index down by 3.0%. Against this background, the **Warsaw Stock Exchange performed relatively well**, with the broad market index **WIG rising** by 0.9%. The main contributors to this result were large companies, measured by the WIG20 index (up by 1.2%). Small cap companies (sWIG80: 0.3%) and mid caps (mWIG40: -0.1%) were less successful.

The top blue chip index **component** last week were the shares of **Jastrzębska Spółka Węglowa**. The rally on the coking coal market translated into **an increase of the company's capitalisation by over 7%**. The shares of **Cyfrowy Polsat** are also worth mentioning, having **gained nearly 7%** last week following the announcement of **an agreement between** the company's **Management Board** and the shareholder **Reddev Investments Limited** on the intention to jointly acquire shares under a tender offer.

Among macroeconomic data published last week was the **PMI reading for Polish manufacturing** in September, which **fell more sharply than expected** to 53.4 points. The month of September also confirmed the **high inflation environment worldwide**. In the eurozone, the inflation estimate exceeded expectations (3.4%). Also in Poland, the preliminary September CPI inflation reading came as an upward surprise, rising to 5.8% against expectations of stabilisation at a level close to the previous figure (5.5%).

Last week, **yields on Polish government bonds** continued to **rise** (prices fell). The yield on 10-year treasuries reached 2.17% at the end of the week after rising by 13 bps. On the foreign exchange market, **zloty strengthened**. The EUR-PLN exchange rate temporarily reached the level of 4.64 last week, but has fallen in recent days following, among others, the publication of the September MPC meeting summary and a high inflation reading. Moreover, it is worth noting that the Czech National Bank last week raised interest rates to 1.5%, surprising by the scale of the 0.75 percentage point increase.

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