

Last week (11-17.10.2021), the market discounted further third quarter reports released by publicly traded companies. Expectations are high, as according to FactSet's "Earnings Insight" report, the **market forecasts aggregate earnings growth in the third quarter** of 27.6% y/y for companies comprising the S&P 500 index. Despite the challenging earnings requirements, the figures published so far have come as a positive surprise. As many as **80% of the companies exceeded analysts' expectations**. Nevertheless, **concerns** regarding next quarter's results **are the supply chain** disruptions and **rising costs**, discussed at most of the earnings conferences. Finally, **global equity markets ended the week with gains**, with the S&P 500 index up by 1.8%, the NASDAQ Composite index rising by 2.2%, the DAX by 2.5% and the Nikkei 225 by 3.6%.

Domestic shares were also rising. The WIG index increased by 1.5%. **Shares of large-cap companies gained** slightly more, with the WIG20 index rising by 1.8%. **Small-cap companies** were **weaker**, and as a result the sWIG80 index fell by 0.3%. Among the blue chips, **shareholders of LPP** had the most **reasons to be satisfied**, with its shares rising by 12.6% last week, fuelled by the return of optimism after the previous week's rapid repricing. **The weakest** component of the large-cap index were **Allegro** shares, which lost 13.8% due to growing concerns about activity of competitors who started to intensify their efforts on the Polish market.

The **debt market** continues to **discount increasingly higher inflation** readings and corresponding **expectations of further interest rate hikes**. The yield on Polish 10-year treasury bonds rose for the eighth consecutive week, increasing by another 18 basis points to reach 2.590%, the highest level in over 2 years. On the US market, the yield on 10-year Treasuries fell for the first time in 8 weeks and ended the week at 1.574%.

In the past week we observed a **stabilisation in the coal price**. After fluctuating by double digits during the few previous weeks, quotations on the Rotterdam exchange ended the week at exactly the same level as seven days earlier. **Copper rose** strongly, with the price increasing by 10.6%. **Brent oil** continued its upward trend, reaching almost USD 85 after a 3.0% rise last week.

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