

The second week of November (8-14.11.2021) was marked by the **correction of prices**. Both **stocks** and **bonds lost in value**. Over the ocean, S&P 500 index fell by 0.3%, while Nasdaq 100 index dropped by 1%. Also **in Poland all major indices** ended the week with **declines**: WIG20 by 3.3%, mWIG40 by 2.9%, sWIG80 by 1.2%. The broad market index WIG was down by 3.0%.

The week started with another day of **record highs** in the **United States** and the first closing of the **S&P 500 index above the 4,700 points barrier**. The impulse for growth was the **approval** by the House Democrats of an **infrastructure package worth USD 1 trillion**. Additionally, the \$1.75 trillion package (Build Back Better Act) is expected to be passed in the House by Thanksgiving.

The sentiment in the later part of the week was primarily spoiled by high **inflation in the US, the highest since 30 years**, reaching 6.2% y/y in October. Inflation expectations for 2022 have also shifted, and the market began to fully price in not only a September rate hike, but also increased the likelihood of one as early as July. On Friday in the United States we saw a **rebound in prices**. Purchases of shares were not disturbed by the lowest in 10 years reading of the consumer sentiment index prepared by the University of Michigan. However, the bullish rally was not strong enough to allow the US indices to end the week on a positive territory.

Not only **stocks lost their value**, as the increase in yields meant a **repricing on the debt market**. Yields on US Treasuries exceeded 1.56%. The corporate debt market was also down. The global index of high-yield bonds fell in the past week by nearly 0.5%.

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