

WEEKLY COMMENTARY

11.04.2022

Last week (4-10.04) the **global equity indices were rather weak**. S&P 500 index ended the week more than 1.3% lower, Nasdaq 100 fell by 3.6%, while DAX decreased by more than 1.1%. On the US main market, **the strongest performers were companies from the broad retail sales and auto parts distribution sectors**. On the other hand, hotel, airline, housing construction and semiconductor companies were the worst performers. **Returns on the high-yield bond indices were negative**. The EUR-denominated index declined by 0.5% and the USD index fell by 1.3%. Yields on US 10-year bonds rose by 32 basis points on a weekly basis to 2.7% and the German Bund ended the week 15 basis points higher at 0.7%. **A correction was seen in some commodity markets**. The nearest WTI oil futures contract fell by over 7%. European gas futures fell by more than 11%, while US gas futures rose by 10%, **reflecting the market's adjustment to the expected supply of this commodity in these two markets**. Metals such as copper, aluminium and iron recorded returns of respectively: -0,3%, -2,2%, +10,4%. Agricultural commodities rose, with the soybean, wheat and corn indices recording several percent gains.

Last week in Poland, **the index of the largest companies WIG20 fell by 3.7% on a weekly basis**. Smaller-cap companies performed better, with the mWIG40 index down by 2.1%, while the smallest companies were slightly stronger, with the sWIG80 down just by 1.0%. **The best returns were recorded by Grupa Lotos**, with its shares rising over 9.8% amid good expectations for refinery margins, followed by **PGNiG** with a 3.7% increase and **Asseco Poland** with a 3.0% gain. These were the only WIG20 companies that increased on a weekly basis. **The most significant fall** was seen in **Allegro**, down by over 18%.

The most important macroeconomic event last week in Poland was a **100 bps interest rate hike by the National Bank of Poland**, exceeding expectations. The central bank responded to higher-than-expected inflation data for March and this is most likely not the last interest rate hike in this monetary tightening cycle. **Polish treasury bonds had another terrible week**, with yields (on 10-year bonds) rising by more than 69 basis points on a weekly basis. Since the NBP began its tightening cycle, **Polish bond yields have risen by more than 400 basis points**. On a weekly basis, we had to pay over 1 grosz less for euro and over 6 grosz more for dollar (EUR/PLN exchange rate as at 8.04: 4.63, USD/PLN exchange rate as at 8.04: 4.26).

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