

WEEKLY COMMENTARY

9.05.2022

Last week (2-8.05), the global equity indices were rather weak, although initially they posted large gains. The S&P 500 index ended the week more than 0.2% lower, the Nasdaq100 fell 1.3%, while the DAX was down more than 3.0%. In the main U.S. market, **the strongest performers were companies in the broader upstream oil and gas sector**, such as Devon Energy and Occidental Petroleum. **Rates of return on the high-yield bond indices were negative**: the EUR-denominated index fell 1.6% and the USD-denominated index fell 1.3%. Yields on the U.S. 10-year treasury bonds increased by 19 basis points on a weekly basis to 3.13%; the German Bund saw an identical increase in yields and ended the week at 1.13%. **We saw volatility in the commodities market**. The nearest WTI oil futures contract rose more than 5%. European gas futures fell more than 6.9%, while US gas futures were up by 8.6%. Metals, such as copper and aluminium, recorded returns of respectively: -3,6%, -6,9%. Agricultural resources, such as corn and soybeans, saw declines of several percent, while wheat stood out on the upside, rising by 5% on a weekly basis.

In Poland, the index of the largest companies WIG20 fell by 6.3% on a weekly basis. Smaller capitalization companies performed better - mWIG40 index fell by 3.2%, while the smallest companies were only slightly stronger - sWIG80 fell by only 3.0%. **The strongest returns were recorded by Lotos Group**, with its shares rising by more than 3.9%, while the rest of the main index WIG20 posted declines. **The biggest fall was registered by CCC**, by more than 14%, followed by **LPP** with 13% loss.

The most important macroeconomic event in Poland last week was a 75 basis point hike in interest rates by the National Bank of Poland, slightly below market expectations, to 5.25%. It was not the last rise in this cycle of monetary policy tightening and the market anticipates interest rates to be raised at least until the turn of Q2/Q3 2022. **Polish treasury bonds had another nightmarish week**, with yields (on 10-year bonds) rising by over 45 basis points to the level of 6,8%. On a weekly basis, the euro had to be paid over 3 groszy less, as did the dollar (EUR/PLN exchange rate at 6.05: 4.71, USD/PLN at 6.05: 4.46).

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