

WEEKLY COMMENTARY

6.06.2022

Last week (30.05-5.06) **US equity indices recorded a positive return**. S&P 500 index ended the week more than 1.3% higher, Nasdaq 100 was up by 2.2%, while German DAX closed the week flat. S&P 500 index managed not to lose in May, while DAX moved into positive territory last month and delivered a return of 2%. **The rates of return on the high-yield bond indices were rather weak**. The EUR-denominated index rose by 0.1% and the USD-denominated index fell by 0.4%. On a weekly basis, yields on US 10-year treasuries increased by 19 basis points to 2.93% and the yields on the German Bund rose by 21 points to end the week at 1.27%. **Within the commodities market, oil continued its uptrend**. The nearest WTI oil futures contract increased by more than 3.3% and Brent rose by more than 3.6%. **Oil distillates**, due to the problematic inventory situation and limited refinery capacity, **gained even more**, similarly to the week before. **The US labour market report for May showed better-than-expected growth in jobs**, slightly dismissing the prospect of a short-term recession.

Last week in Poland, **the index of the largest companies WIG20 rose on weekly basis by 0.5%**. Smaller-cap companies performed worse - mWIG40 index fell by 0.7%, however the index of the smallest companies - sWIG80 - gained 0.8%. **Lotos**, whose stock gained more than 11%, and **Dino**, which rose 8%, were the best performing companies. **Allegro** suffered the biggest drop, by more than 7%.

Among the macroeconomic events in Poland, it is important to note the **rise in CPI inflation in May to 13.9% y/y from 12.4% y/y in April**, which should not prevent the MPC from another 75-100 bps rate hike. **Manufacturing PMI index reading was weaker than expected**, falling to 48.5 in May from 52.4 in April. **Yields on 10-year Polish government bonds were fairly stable**, falling 3 basis points to 6.67%. On a weekly basis, the euro had to be paid over 2 groszy more and the dollar over 3 groszy more (EUR/PLN exchange rate at 3.06: 4.58, USD/PLN at 3.06: 4.28).

This document is presented for marketing purposes and does not constitute an agreement or an information document required by law. It should not be relied upon as the sole basis for making investment decisions.

The net asset value of some sub-funds of the Santander Funds is highly volatile due to the composition of the investment portfolio. Some sub-funds may invest more than 35% of their assets in securities issued, guaranteed or underwritten by the State Treasury or the National Bank of Poland.

The rewards of investing in shares are also accompanied by risks. A description of the risk factors, financial data and information about fees and charges can be found in the prospectuses, key information documents (KIIDs) and schedules of fees and charges available in Polish at [Santander.pl/TFI/documents](https://www.santander.pl/TFI/documents) and at Santander fund distributors. For a summary of investors' rights, see the prospectus (Chapter III, sec. 4).

The Funds do not guarantee the achievement of a stated investment objective or a specific investment performance and future returns are subject to taxation, which depends on the personal situation of each investor and which may change over time. Before making an investment decision, the participant should consider the fees associated with the sub-fund and take into account the possible taxation of the investment return. The participant must also take into account the possibility of losing at least part of the invested funds.

When investing in mutual funds, the participant purchases the units of those funds and not the underlying assets that the fund itself invests in.

This document may not be copied, quoted or distributed in any way without the prior written permission of Santander TFI S.A. The information contained in this document has been compiled to the best of the authors' knowledge and is obtained from sources believed to be reliable, however the authors do not guarantee its accuracy or completeness. The authors do not accept responsibility for the consequences of investment decisions based on the interpretation of this document.

2022 © Santander Towarzystwo Funduszy Inwestycyjnych Spółka Akcyjna. All rights reserved. Santander name and flame logo are registered trademarks.