

WEEKLY COMMENTARY

8.08.2022

Last week (1-7.08), **U.S. equity indices recorded a positive returns**. The S&P 500 index ended the week more than 0.4% higher, the Nasdaq100 rose by 2.0%, and the German DAX ended the week more than 1.6% higher. The S&P 500 Index gained more than 9.1% in July, and the DAX gave a return of 5.5%. Nasdaq100 recorded a spectacular rebound, rising by 12.6% in July. **Returns from high-yield bond indices were good** last week. The EUR-denominated index rose by 0.9%, and the USD-denominated index rose by 0.5%. Yields on U.S. 10-year Treasury bonds rose by 18 basis points on a weekly basis to 2.83%; the German Bund recorded a 14-point increase in yields and ended the week at 0.96%. **The commodity market was dominated by a downward trend**. The nearest WTI crude oil futures contract fell more than 9.7%, while Brent fell more than 8.7%. **The U.S. labor market report for July showed much better-than-expected job growth and a low unemployment rate**, contrasting somewhat with the fact that the U.S. economy has recorded two consecutive quarters of GDP contraction.

In Poland last week **the WIG20 index of the largest companies fell by 4.0% on a weekly basis**. Smaller-cap companies performed better – the mWIG40 index fell by 0.7%, while the index of the smallest companies, the SWIG80, rose by 2.3%. **The best returns were recorded by Pepco**, where shares rose by more than 3.6%, **Allegro**, up by 3.3%, **CD Projekt**, with a 2% increase, and **Dino**, up by 1.4%. The rest of the main index companies **fell on a weekly basis**. **LPP** fell the most, by more than 9.9%. **The industrial PMI index reading was weaker than expected**, falling to 42.1 in July from 44.4 in June. **Yields on 10-year Polish bonds were fairly stable**, falling by 3 basis points to 5.48%. On a weekly basis, the euro had to be paid more than 3 grosz less and the dollar more than 1 grosz less (EUR/PLN exchange rate at 5.08: 4.71, USD/PLN at 3.06: 4.62).

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