

# OTP Weekly Outlook

## Next week:

- US elections is the most important event of the week
- Incoming monthly US labour market data and the Fed meeting could also matter

## This week:

- Stock markets deep dived as major EU countries imposed stricter social distancing measures
- USD appreciated, oil prices and precious metals fell
- The ECB signalled that more stimulus could come, but urged for more fiscal support from EZ countries.

Market summary table

Indices	Last price	1 week change (%)	YTD (%)	Interest rates	Last price	1 week change (bps)	YTD (bps)	FX rates	Last price	1 week change (%)	YTD (%)	Commodity	Last price	1 week change (%)	YTD (%)
S&P500	3252	-6,1	0,7	US 2 year	0,15	-0,1	-142,1	Dollar index	93,872	1,2	-2,6	Brent	37	-10,5	-43,3
Russel 2000	1538	-6,2	-7,8	US 10 year	0,85	4,7	-106,9	EURUSD	1,168	-1,5	4,2	WTI	35	-10,9	-41,9
Stoxx 600	341	-6,0	-18,1	DE 2 year	-0,80	-4,2	-19,1	USDJPY	104,69	0,0	3,7	Gold	1880	-1,2	23,9
DAX	11509	-9,0	-13,1	DE 10 Year	-0,63	-4,6	-43,9	GBPUSD	1,293	-0,8	-2,4	Silver	23	-4,6	31,6
CAC40	4568	-7,0	-23,6	SP 10 year	0,13	-5,3	-33,2	AUDUSD	0,703	-1,5	0,2	Palladium	2223	-7,3	14,3
FTSE100	5553	-5,2	-26,4	UK 10 year	0,25	-2,4	-56,6	USDCAD	1,333	-1,6	-2,6	Copper	305	-2,5	9,0
FTSE MIB	17844	-7,5	-24,1	IT 10 year	0,75	0,8	-66,4	USDCHF	0,916	-1,2	5,6	Steel	700	8,5	19,0
Nikkei 225	22977	-2,3	-2,9	JP 10 year	0,04	0,7	5,7	NZDUSD	0,663	-0,9	-1,6	Wheat	598	-5,6	6,9
CSI 300	4695	-0,5	14,6	CH 10 year	3,18	-0,7	4,1	CNHUSD	6,690	-0,3	4,1	Corn	397	-5,3	2,4

Source: Bloomberg

## The US presidential election will dominate the news next week, while the European Commission will publish its autumn forecast

**On Monday**, data about US construction spending in September is due to be published. The indicator was higher in August than the market consensus had thought, supported by the extensive monetary and fiscal measures to stimulate the economy. A shift can also be observed in the structure of spending as people move from densely populated urban areas to the suburbs. Preliminary data released on the past week shows that GDP growth in Q3 beat expectations, which points towards continued healthy growth in the construction sector as well.

**Tuesday** is Election Day in the United States, which will be the most important event of the week. Voters decide not only who will be the President for the next four years, but 35 seats in the Senate are also contested, where currently Republicans hold a majority. If Democrats keep their current seats and win at least four more, they can take over the Senate. The latest polls suggest that Democrats' presidential candidate Joe Biden has a comfortable lead (52-42%), but President Trump's lag has been narrowing recently, including in the key battleground state of Florida. Despite considerable difference in the polls between the two candidates, the unique winner-takes-it-all electoral system and the expected record voter turnout means that the outcome of the election is anything but a forgone conclusion. All in all, there are three possible scenarios:

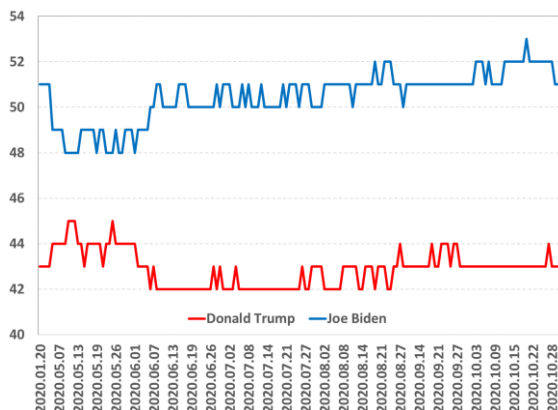
- 1) Joe Biden wins the presidency and the Democrats take over the Senate: In this case, the Democrats would hold a majority in both the Senate and the House and would have the presidency as well, which provides an opportunity for major reforms. Some of those might include tax increases, but for the time being economic stimulus measures are likely to dominate.
- 2) Joe Biden wins the presidency, but the Republicans keep their majority in the Senate: This would mean a continued political deadlock between the two parties, and the new president would be unable to push through his reform agenda. It could also make the implementation of large fiscal stimulus programs less likely, and thus increase uncertainty about the economic recovery.
- 3) Donald Trump wins the presidency and the Republicans keep their majority in the Senate: In this case the uncertainty of governance generated by the Trump administration would remain, and it is likely that a smaller, but more targeted fiscal stimulus program would be adopted by lawmakers.

It should also be noted that, because of the large share of mail-in-votes, it is possible that the final result of the election would not be officially announced for days, and in case of a Trump defeat, the outcome might be contested at the Supreme court, generating considerable political uncertainty.

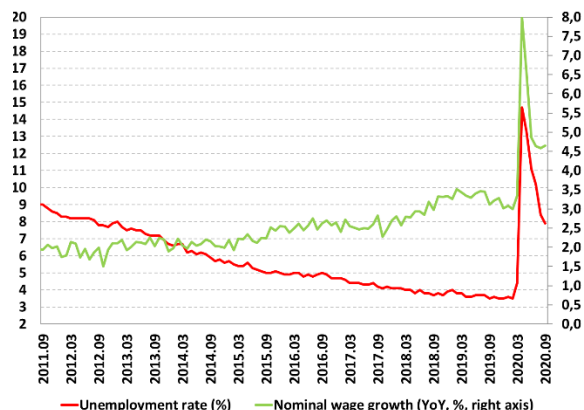
**On Wednesday** the European Commission will publish its autumn forecast. Preliminary GDP data in Q3 showed that recovery in the eurozone has been stronger than the economic consensus had expected. On the other hand, the second wave of the pandemic is currently ravaging the continent and governments are forced to introduce lockdown measures to control the spread of the virus. The forecast will probably aim to provide a clearer picture for 2021 than previously, but uncertainty remains, particularly about when a coronavirus vaccine will be widely available, which will have major impact on the recovery process.

**On Friday** unemployment and non-farm payroll data for October are published about the United States. Over the past two months, the improvement on the labour market has been slowing down, which could have also been negatively impacted by the absence of a new stimulus package and rising coronavirus infections. On the other hand, initial jobless claims still showed some improvement over the past weeks. October data will provide important information about labour market trends, six months after the bottom of the crisis in April.

Evolution of election polls (%)



US labour market



Source: Refinitiv

## What to watch next week

Data	Cd.	Event/Data	Period	Cons.	Prev.	
2020	2. 2 : 45	CN Caixin Manufacturing PMI (points)	Oct	52,8	53,0	
	9 : 45	IT Markit/IHS Manufacturing PMI (prelim.)	Oct	-	53,2	
	16 : 00	US Construction expenditure (MoM, %)	Sept	1,0	1,4	
	16 : 00	US ISM Manufacturing PMI (points)	Oct	55,6	55,4	
3.	16 : 00	US Factory orders (MoM, %)	Sept	0,5	0,7	
	0 : 0	US Presidential election	-	-	D. Trump	
	0 : 0	US Election of the new, 35 US Senate members	-	-	-	
4.	2 : 45	CN Caixin Services PMI	Oct	55,0	54,8	
	9 : 45	IT Markit/IHS Services PMI (prelim.)	Oct	-	48,8	
	11 : 00	EU EC's Economic Forecast	-	-	-	
	13 : 00	PL Interest rate decision (%)	Nov	0,1	0,1	
	14 : 15	US ADP non-farm employment (MoM, '000s)	Oct	738,0	749,0	
5.	16 : 00	US ISM non-Manufacturing PMI (points)	Oct	57,5	57,8	
	8 : 00	DE Industrial orders (MoM, %)	Sept	2,0	4,5	
	11 : 00	EZ Retail sales (MoM, %)	Sept	-1,5	4,4	
	13 : 00	UK Interest rate decision (%)	Nov	-	0,1	
	14 : 30	US Initial jobless claims ('000s)	weekly	-	751,0	
	14 : 30	US Continuing jobless claims ('000s)	weekly	-	7756,0	
	14 : 30	CZ Interest rate decision (%)	Nov	0,3	0,3	
	20 : 00	US Interest rate decision (%)	Nov	0-0,025	0-0,25	
	6.	8 : 00	DE Industrial production (MoM, %)	Sept	3,0	-0,2
		10 : 00	IT Retail sales (MoM, SA, %)	Sept	-	8,2
14 : 30		US Non-farm payroll (MoM, '000s)	Oct	610,0	661,0	
14 : 30		US Unemployment rate (%)	Oct	7,7	7,9	
14 : 30		US Average earnings (MoM, %)	Oct	0,2	0,1	
7.	14 : 30	US Average earnings (YoY, %)	Oct	4,6	4,7	
	4 : 00	CN Export (YoY, %)	Oct	8,0	9,9	

## **Despite the better-than-expected Q3 GDP data, stock markets nose-dived as more and more countries are forced to impose stricter lockdown measures**

### **Stock markets deep dived as lockdown measures heating up**

Stock markets around the world fell sharply last week, as Europe's major countries were forced to impose lockdown measures to contain the spreading of the virus. However, in the light of next week's US presidential election, some of the decline may be due to investors' positioning. In the USA, the S&P500 and the Russell 2000 fell by 6.1 and 6.2%, respectively. Among the S&P500 sectors, Energy, Industrials and Financials were the worst hit sectors. This strengthens the argument that much of the decline was caused by the virus. Utilities, real estate and telco outperformed. In Europe, the Stoxx600 lost 6%, but Germany's DAX nose-dived 9%, and France's CAC40 slid 7%. Among the sectors of the Stoxx600, IT, retail, and auto & parts took the hardest hit, while health care, utilities, and real estate outperformed. Asia's markets performed better than their peers in the USA and Europe. Japan's Nikkei eased 2.3% and the China's CSI 300 shed 0.5% as pandemic concerns are a lot weaker there.

### **As the pandemic worsens, partial lockdown inevitably follows**

The epidemic situation is deteriorating on both sides of the Atlantic. In the USA daily new cases reached record highs over the past week, but deaths have not increased significantly. Europe is still the epicentre of the pandemic, and daily new infections are rising to all-time highs in an increasing number of countries. In the western part of the continent, Belgium is the worst hit, where daily new cases and deaths are rising, as is the positivity rate of the tests conducted. France and Spain are also heavily impacted and new cases are growing in Italy as well. The government in Paris have already announced a second national lockdown, while Spain is still trying localized measures to seal off regional clusters of infections. Daily new cases and deaths are on the rise all over the CEE region. The situation is most critical in the Czech Republic, but the virus is also spreading rapidly in Slovakia and Slovenia. All of these three countries have already announced various lockdown measures.

### **Q3 GDP data confirmed that the recovery was faster than expected. However, the fact remains that the spread of the pandemic adds to Q4 recession risks**

The incoming Q3 GDP data confirmed that the recovery went ahead better than expected. In the USA, the annualized quarterly GDP growth was 33.1% (7.4%). Compared to the previous quarter, GDP grew by 12.7% in the EZ, 8.2% in Germany, 18.2% in France, 16.1% in Italy, and 16.7% in Spain. However, these figures are somewhat misleading as the pandemic and the imposed social distancing measures started and ended at different points in time. But compared to the end of 2019, US GDP is only 3.5% lower, while the EZ's GDP has contracted by 4.3%. Germany, France, and Italy took about the same hit this year, but Spain's GDP is still 9.1% lower than it was at the end of 2019.

Concerning the incoming monthly data, the US real estate market shows signs of weakness. Housing prices in August grew at a healthy pace (5.2% YoY), but new and existing home sales for September disappointed. On a positive side note, US personal income and spending surpassed expectations and the weekly continuing jobless claims fell again.

The eurozone's inflation for October came in line with expectations. The ECB left its key interest rates unchanged but signalled that further loosening could come. Based on market expectations, most probably the size of QE will increase. Additionally, President Lagarde urged the EZ's countries for more fiscal stimulus. It was not a surprise as the Fed and the IMF did the same in recent weeks. As monetary policy reached its limits in terms of supporting the economy, the only way is more fiscal stimulus.

## As market sentiment deteriorated, the USD appreciated, oil fell due to lockdowns; despite being safe haven assets, precious metals also took a hit

As market sentiment deteriorated last week, the USD appreciated by 1.5% against the EUR and by 0.8% compared to the GBP, while it remained basically unchanged against the JPY. Among commodities, crude oil was hit particularly hard: WTI slumped 10.9% and Brent slid 10.5% as the lockdown measures introduced in many countries reduce demand for oil. Gold was down by 1.2% and silver subsided 4.6%, again confirming the positive correlation with equities. Precious metals do not seem to work the usual way, as they cannot provide adequate defence when market sentiment worsens. Government bond yields did not change much in the US, but in Germany, Spain, and UK the 10-year yield declined about five basis points.

## No fiscal stimulus before the US election, stricter social distancing measures in Europe

No agreement has been reached on the fiscal stimulus and, with less than a week to go before the US presidential election, it is basically a fact that the relief package will not be adopted before Election Day. Last week Germany, France, and Spain adopted new measures to contain the virus. France imposed a month-long nationwide lockdown on Friday, until at least 1 December, but schools and nursing homes will remain open this time. Germany also introduces strict measures on Monday, mostly affecting catering, entertainment, amateur sports, travel, as well as public and private events; in retail stores, one customer is allowed per each 10 square metres. Spain imposed a state of emergency, which – based on past actions – foreshadows the upcoming restrictions. Moreover, Germany's Chancellor Angela Merkel said that the EU countries failed to act soon enough in the wake of the second wave of the pandemic.

Performance of US sectors					Performance of Europe's sectors				
Sector	Bloomberg ticker	Last price	1 week change (%)	YTD (%)	Sector	Bloomberg ticker	Last price	1 week change (%)	YTD (%)
S&P500	SPX Index	3252,3	-6,1	0,7	Stoxx 600	SXXP Index	340,7	-6,0	-18,1
IT	S5INFT Index	1937,4	-7,0	20,2	Health care	SXDP Index	825,0	-4,6	-9,3
Health care	S5HLTH Index	1174,9	-6,5	-1,1	Industrial goods & services	SXNP Index	532,1	-6,4	-11,5
Financials	S5FINL Index	390,8	-6,8	-23,6	Banks	SX7P Index	82,8	-5,9	-42,2
Telco	S5TELS Index	196,4	-4,0	8,1	Personal & households goods	SXQP Index	819,5	-6,0	-9,1
Consumer discretionary	S5COND Index	1173,9	-6,1	19,0	Insurance	SXIP Index	217,4	-7,0	-32,6
Industrials	S5INDU Index	634,0	-7,6	-7,8	Food and beverages	SX3P Index	633,3	-5,5	-18,2
Consumer staples	S5CONS Index	636,5	-5,2	-1,6	Technology	SX8P Index	505,0	-10,4	-4,7
Utilities	S5UTIL Index	316,1	-3,9	-3,7	Utilities	SX6P Index	337,7	-5,3	-5,2
Energy	S5ENRS Index	213,1	-7,3	-53,3	Oil & gas	SXEP Index	174,5	-5,4	-45,2
Real estate	S5RLST Index	209,8	-5,0	-12,7	Chemicals	SX4P Index	975,7	-6,3	-5,2
Materials	S5MATR Index	393,0	-5,2	1,8	Construction & materials	SXOP Index	430,3	-6,4	-16,1
					Telco	SXKP Index	188,2	-5,7	-23,2
					Retail	SXRP Index	339,3	-7,6	-6,3
					Financial services	SXFP Index	506,1	-6,2	-13,2
					Basic resources	SXPP Index	380,3	-6,3	-17,6
					Real estate	SX86P Index	145,5	-4,8	-24,6
					Auto & parts	SXAP Index	411,9	-8,2	-19,0
					Media	SXMP Index	234,2	-6,1	-23,6
					Travel & leisure	SXTP Index	176,4	-4,6	-33,5

Source: Bloomberg

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## Performance of the regional stock indices

Name		Performance					Valuation***			Fundamentals				
Country	Index	Last Price	1M change (%)	3M change (%)	6M change (%)	12M change (%)	P/E*	P/B	P/S	ROE (%)	Current Ratio	Debt to equity (%)	Change in EPS growth in the last 4 week (%)	Change in EPS growth in the last 3 month (%)
USA	SPX Index	3252	-3,3	0,2	11,7	6,7	25,0	3,6	2,4	11,5	1,4	122,7	2,4	6,8
Europe	SXXP Index	341	-5,7	-5,2	0,2	-14,6	36,1	1,7	1,2	5,0	1,1	186,2	0,4	1,3
Germany	DAX Index	11509	-9,8	-7,0	6,0	-10,9	38,5	1,5	0,9	5,2	1,2	133,7	11,3	3,9
France	CAC Index	4568	-4,9	-5,9	-0,1	-20,8	42,8	1,4	1,1	3,4	1,1	200,5	-0,2	-4,3
Poland	WIG20 Index	1505	-12,1	-14,7	-8,7	-32,4	19,5	0,8	0,6	3,5	1,1	59,8	-6,0	-10,6
Czechia	PX Index	843	-2,9	-3,8	-3,4	-20,6	11,5	1,0	1,2	8,6	1,1	162,5	0,5	3,6
Hungary	BUX Index	32306	-1,9	-7,2	-8,2	-24,5	13,9	0,8	0,6	2,6	1,1	102,0	-50,0	-7,1
Romania	BET Index	8529	-5,3	1,1	6,9	-11,6	9,6	0,9	1,2	9,2	1,4	38,5	44,3	17,0
Bulgaria	SOFIX Index	427	-0,2	-2,9	-4,6	-23,2	3,7	0,5	0,6	13,2	3,2	56,5		
Russia	IMOEX Index	2688	-7,5	-6,7	1,4	-7,7	10,5	0,9	1,2	8,5	1,3	75,7	6,3	8,1
Ukraine	PFTS Index	500	0,0	0,0	0,0	-4,2	4,1	0,8	0,3	37,9	0,6	16,5		
Slovenia	SBITOP Index	794	-6,2	-6,0	-1,0	-7,0	6,7	0,7	0,4	10,9	1,6	29,8	2,0	
Croatia	CRO Index	1573	-2,2	-0,3	1,9	-21,4	23,6	0,9	0,9	4,2	1,4	52,4		
Serbia	BELEX15 Index	702	1,3	4,7	7,1	-6,4	12,4	0,6	0,7	5,1	2,0	17,6		
Montenegro	MNSE10 Index	648	-1,2	-6,0	-4,5	-18,1	12,7	0,3	0,8	2,1	2,1	14,4		

\*Price to earnings (P/E) ratio is calculation with the 12M trailing EPS in the denominator.

\*\*\*Bear in mind that some of the country index could be very sector heavy (only a handful industry consists of the majority of the index),

\*\*\*therefore direct comparison of only valuation metrics could be misleading.

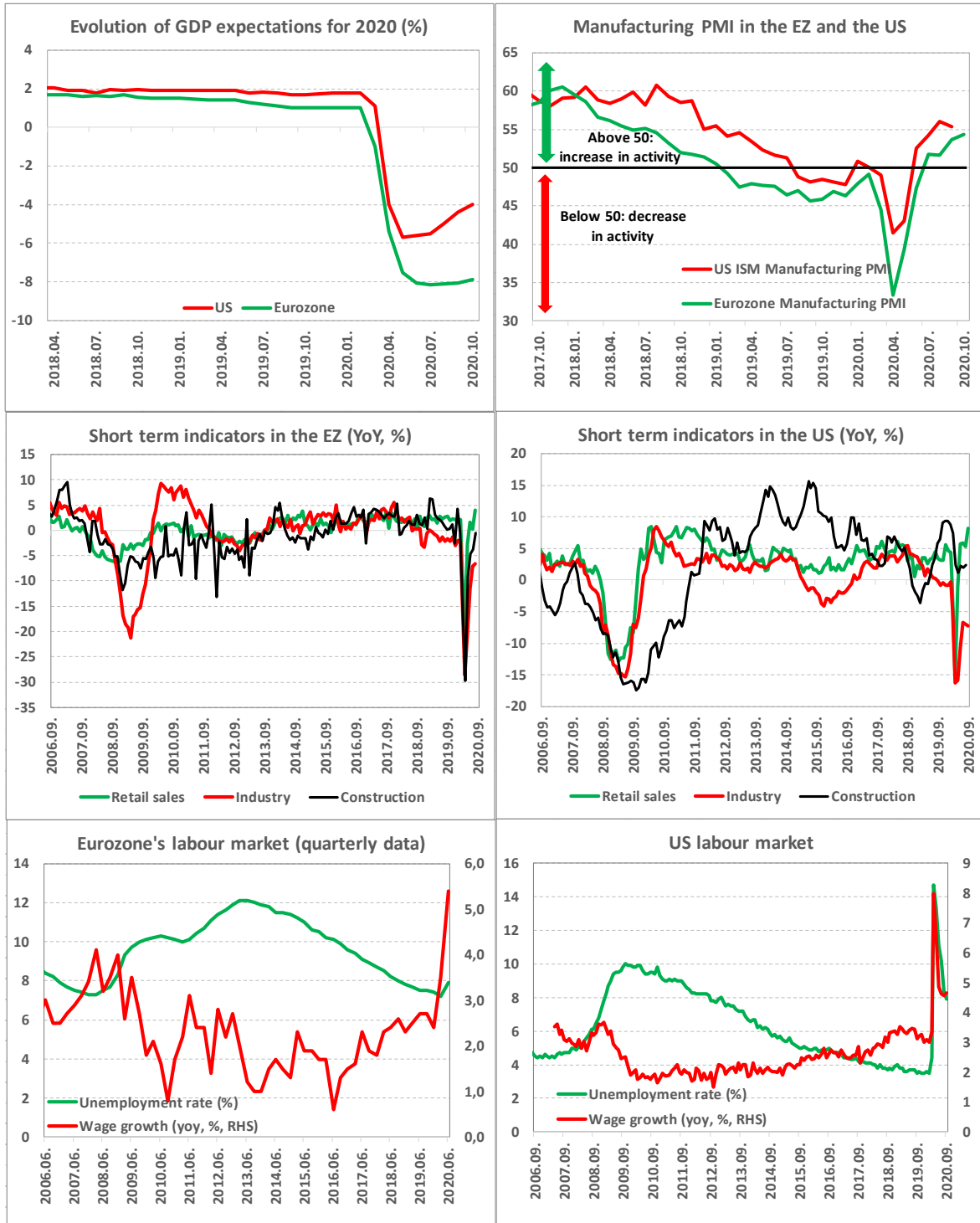
## Last week's data

Data	Cd.	Event/Data	Period	Fact	Cons.	Prev.
2020 10. 26.	10 : 00 DE	IFO Economic sentiment index (points)	Oct	92,7	93,0	93,4
	15 : 00 US	New home sales (annualized monthly, '000s)	Sept	959,0	1025,0	1011,0
	27. 13 : 30 US	Durable goods orders (MoM, %)	Sept	1,9	0,5	0,5
	14 : 00 US	Case-Shiller Home Price Index (YoY, %)	Aug	5,2	4,2	3,9
	15 : 00 US	Consumer confidence (point)	Oct	100,9	102,0	101,3
	28. 9 : 00 ES	Retail sales (YoY, %)	Sept	-3,3	-	-2,9
	15 : 00 CA	Interest rate decision (%)	Oct	0,3	0,3	0,3
	15 : 00 HU	5Y collateralized loan w fixed interest rate, tender (HUFbn)	-	30,0	-	30,0
	29. 5 : 00 JP	Interest rate decision (%)	Oct	-0,1	-0,1	-0,1
	10 : 00 IT	Consumer confidence (point)	Oct	102,0	102,2	103,4
	11 : 00 EZ	EC Economic Sentiment Index (points)	Oct	90,9	89,6	91,1
	13 : 30 US	GDP (preliminary, annualized QoQ, %)	Q3	33,1	31,9	-31,4
	13 : 30 US	Initial jobless claims ('000s)	weekly	787,8	780,0	787,0
	13 : 30 US	Continuing jobless claims ('000s)	weekly	7756,0	-	8373,0
	13 : 45 EZ	Interest rate decision (lending rate, %)	Oct	0,0	0,0	0,0
	13 : 45 EZ	Interest rate decision (deposit rate, %)	Oct	-0,5	-0,5	-0,5
	14 : 00 DE	CPI (preliminary, YoY, %)	Oct	-0,5	-0,3	-0,2
	15 : 00 US	Pending home sales (MoM, %)	Sept	-2,2	4,5	8,8
	30. 7 : 30 FR	GDP (preliminary, QoQ, %)	Q3	18,2	15,2	-13,8
	8 : 00 DE	GDP (QoQ, SA, preliminary, %)	Q3	8,2	7,2	-9,7
	8 : 00 DE	GDP (preliminary, YoY, %)	Q3	-4,3	-5,2	-11,3
	8 : 00 DE	Retail sales (MoM, %)	Sept	-2,2	-0,6	3,1
	9 : 00 ES	GDP (preliminary, QoQ, %)	Q3	16,7	13,2	-17,8
	9 : 00 AT	GDP (preliminary, QoQ, %)	Q3	11,1	9,2	-10,4
	9 : 00 CZ	GDP (QoQ, %)	Q3	6,2	-	-8,7
	10 : 00 IT	Unemployment rate (%)	Sept	9,6	10,0	9,7
	11 : 00 EZ	CPI (flash, YoY, %)	Oct	-0,3	-0,3	-0,3
	11 : 00 EZ	Core CPI (flash, YoY, %)	Oct	0,2	0,2	0,2
	11 : 00 EZ	Unemployment rate (%)	Sept	8,3	8,3	8,1
	11 : 00 EZ	GDP (preliminary, QoQ, %)	Q3	12,7	9,2	-11,8
	11 : 00 EZ	GDP (preliminary, YoY, %)	Q3	-4,3	-7,0	-14,7
	12 : 00 IT	GDP (preliminary, QoQ, %)	Q3	16,1	11,2	-13,0
	13 : 30 US	Personal income (MoM, %)	Sept	0,9	0,5	-2,7
	13 : 30 US	Personal consumption (adjusted, MoM, %)	Sept	1,4	1,0	1,0
	14 : 45 US	Chicago PMI (points)	Oct	61,1	59,3	62,4
	31. 2 : 00 CN	NBS Non-manufacturing PMI (points)	Oct	-	-	55,9
	2 : 00 CN	NBS Manufacturing PMI (points)	Oct	-	-	51,5

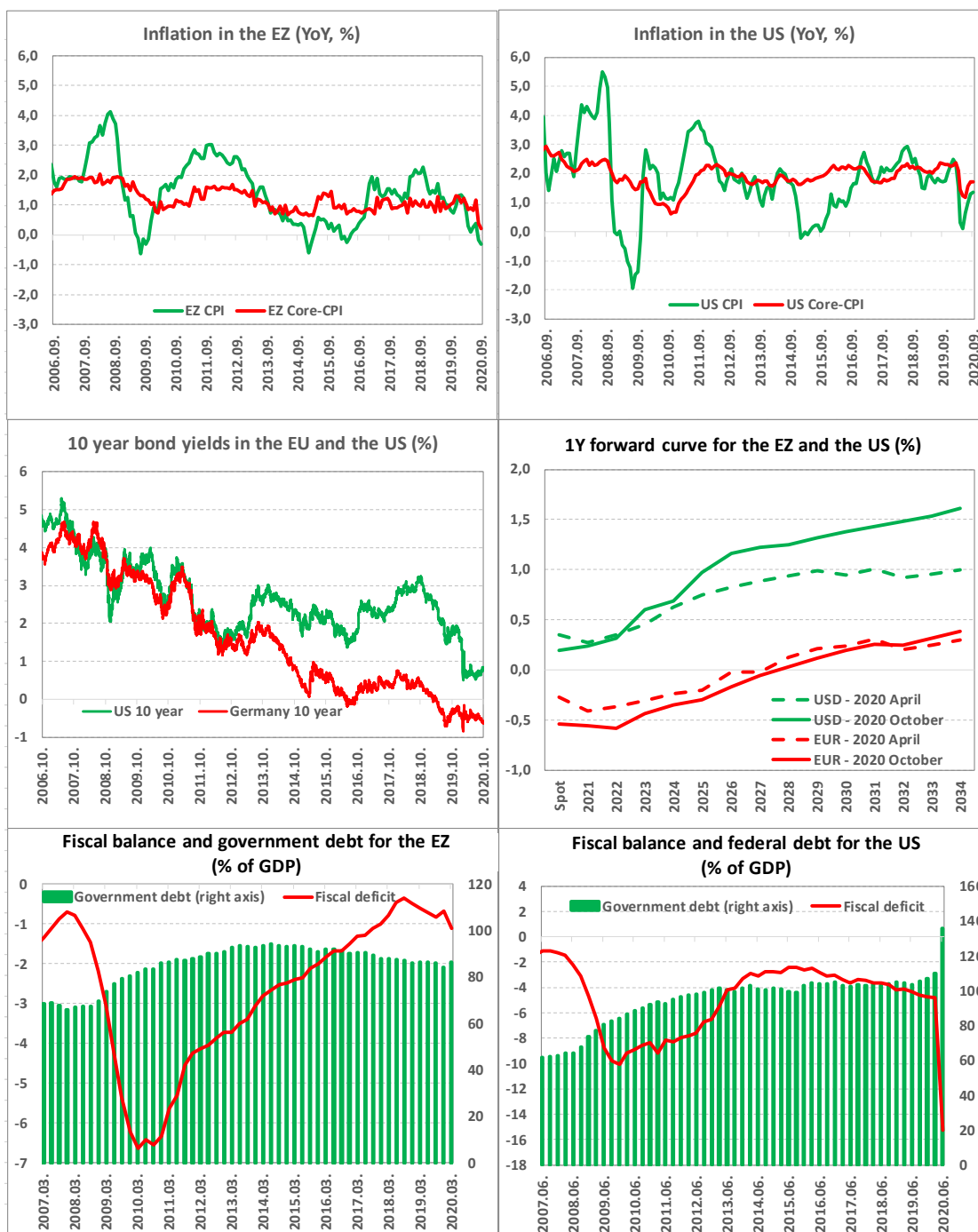
\*Fact' refers to the accepted volume, 'Prev.' refers to the deals due on the current week

\*\* preliminary data

### Eurozone and US chart set



### Eurozone and US chart set



### FX forecast for the majors

FX pair	2020.Q2	2020.Q3	2020.Q4	2021.Q1	2021.Q2	2021.Q3	2021.Q4	2022.Q4	2023.Q4	2024.Q4
EURUSD	1,09	1,18	1,18	1,19	1,20	1,22	1,23	1,22	1,23	1,25
EURGBP	0,9	0,9	0,9	0,9	0,9	0,9	0,9	0,9	0,9	0,9
EURCHF	1,06	1,08	1,08	1,09	1,09	1,10	1,11	1,10	1,11	1,15
USDJPY	107,0	106,0	105,0	105,0	106,0	105,5	105,0	103,5	100,5	99,0

Source: Bloomberg



## Regional macro forecast

Countries	GDP (yoy, %)					Countries	Fiscal balance (% of GDP)				
	2019	OTP		Focus Economics			2019	OTP		Focus Economics	
		2020	2021	2020	2021			2020	2021	2020	2021
Hungary	4,9	-6,3	5,8	-5,8	4,8	Hungary	-2,0	-8,0	-5,5	-6,7	-4,1
Romania	4,1	-4,4	4,6	-5,3	4,4	Romania	-4,3	-9,5	-6,5	-9,4	-6,4
Bulgaria	3,4	-4,7	4,3	-5,0	4,2	Bulgaria	2,1	-4,4	-1,2	-3,5	-1,8
Russia	1,3	-3,3	3,6	-4,6	3,3	Russia	1,8	-4,4	-2,5	-4,6	-2,0
Ukraine	3,2	-5,7	4,7	-5,3	4,2	Ukraine	-2,2	-7,5	-6,0	-7,2	-4,4
Slovenia	2,4	-7,1	5,9	-7,9	5,2	Slovenia	0,5	-8,0	-3,6	-7,8	-3,6
Croatia	2,9	-8,4	5,4	-9,2	5,1	Croatia	0,4	-9,0	-6,0	-8,0	-3,7
Serbia	4,2	-1,9	5,3	-2,2	4,9	Serbia	-0,2	-8,0	-2,5	-7,9	-2,7
Montenegro	3,6	-12,7	7,8	-8,7	5,2	Montenegro	-2,9	-11,0	-4,2	-8,8	-3,0
Albania	2,2	-5,9	5,5	-5,8	6,2	Albania	-1,9	-7,7	-3,8	-6,9	-4,0
Moldova	3,6	-6,3	5,9	-5,1	4,1	Moldova	-1,4	-7,5	-5,0	-6,8	-3,9

Countries	Inflation (average (yoy), %)					Countries	Unemployment (%)				
	2019	OTP		Focus Economics			2019	OTP		Focus Economics	
		2020	2021	2020	2021			2020	2021	2020	2021
Hungary	3,4	3,4	3,1	3,3	3,1	Hungary	3,4	4,7	4,0	5,3	5,1
Romania	3,8	2,9	3,0	2,7	2,7	Romania	3,9	5,8	6,0	6,0	5,9
Bulgaria	3,1	1,2	1,5	2,0	2,3	Bulgaria	4,2	6,0	5,0	7,2	6,7
Russia	4,5	3,3	4,0	3,3	3,6	Russia	4,6	6,0	5,0	6,2	5,3
Ukraine	7,9	2,5	6,4	3,0	5,8	Ukraine	8,2	9,9	9,2	10,2	9,2
Slovenia	1,7	0,0	1,3	0,3	1,4	Slovenia	4,5	4,6	4,5	6,4	6,0
Croatia	0,8	0,2	1,2	0,1	1,0	Croatia	7,9	9,0	8,5	11,1	9,4
Serbia	1,9	1,6	1,8	1,6	2,0	Serbia	10,4	12,0	9,7	11,5	11,1
Montenegro	0,4	0,2	1,0	0,4	1,1	Montenegro	15,1	19,7	17,4	17,3	16,7
Albania	1,4	1,4	1,5	1,8	2,2	Albania	11,6	13,1	13,1	14,7	13,6
Moldova	4,8	2,8	2,3	4,7	4,5	Moldova	5,1	8,9	3,3	8,4	8,2

Source: Focus Economics, OTP Research Center

## FX forecast for the OTP countries

Country	FX pair	2019.Q4	2020.Q1	2020.Q2	2020.Q3	2020.Q4	2021.Q1	2021.Q2	2021.Q3	2021.Q4
Hungary	EURHUF (eop)	331,0	361,0	354,0	364,0	352,0	352,0	352,0	352,0	352,0
Romania	EURRON (eop)	4,78	4,83	4,84	4,87	4,86	4,87	4,88	4,93	4,94
Russia	USDRUB (eop)	61,9	77,7	70,0	79,7	72,9	71,6	71,4	70,5	70,3
Ukraine	USDUAH (eop)	23,70	27,62	26,70	28,30	28,31	28,18	28,09	28,50	28,72
Croatia	EURHRK (eop)	7,4	7,6	7,6	7,6	7,6	7,5	7,5	7,5	7,5
Serbia	EURRSD (eop)	118,0	117,0	118,0	118,0	118,0	118,0	118,0	118,0	118,0
Montenegro	EURUSD (eop)	1,12	1,10	1,12	1,18	1,19	1,20	1,21	1,21	1,21

\*Slovenia and Montenegro uses EUR as a base currency.

\*\*No forecast available for Moldova and Albania

Source: Focus Economics

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