

OTP Weekly Outlook

Next week:

- *US job report and eurozone business cycle data will be in the spotlight*

This week:

- *Stock markets seem to close the week with considerable losses as several risk factors weighed on sentiment*
- *The Fed is very close to start tapering in November while recent agreement on US government funding brings only provisional relief*
- *Latest Euro area CPI points to higher than projected inflation as ECB's Lagarde warned*
- *Long-term yields moved mostly up; the USD strengthened*
- *Oil prices increased for the fourth week, owing to tight supply and regional factors*

Market summary table

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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	4309,2	-3,3	14,7	US 2 year	0,27	-0,2	14,7	Dollar index	94,035	0,8	4,6	Brent	79	0,6	51,6
Russel 2000	2207,0	-1,8	11,8	US 10 year	1,49	4,0	57,8	EURUSD	1,159	-1,1	-5,1	WTI	75	1,6	54,9
Stoxx 600	452,8	-2,3	13,5	DE 2 year	-0,71	-1,4	0,6	USDJPY	111,07	-0,3	-7,0	Gold	1756	0,3	-7,5
DAX	15155,3	-2,4	10,5	DE 10 Year	-0,23	-0,3	34,0	GBPUSD	1,356	-0,9	-0,8	Silver	22	-0,1	-15,2
CAC40	6505,4	-2,0	17,2	ES 10 year	0,41	-0,1	36,4	AUDUSD	0,726	0,0	-5,7	Palladium	1907	-3,3	-22,1
FTSE100	7027,1	-0,3	8,8	UK 10 year	1,01	8,6	81,8	USDCAD	1,267	-0,2	0,4	Copper	417	-2,7	18,5
FTSE MIB	25591,3	-1,5	15,1	IT 10 year	0,80	1,9	25,8	USDCHF	0,931	-0,6	-4,9	Steel	1900	-1,6	89,1
Nikkei 225	28771,1	-4,9	4,8	JP 10 year	0,05	-0,1	3,7	NZDUSD	0,693	-1,2	-3,6	Wheat	743	2,6	16,0
CSI 300	4866,4	0,3	-6,6	CH 10 year	2,87	0,6	-26,6	CNHUSD	6,437	0,4	1,0	Corn	540	2,4	11,5

Source: Bloomberg

Data updated at 16:00 (CEST)

US job report and eurozone business cycle data will be in the spotlight next week

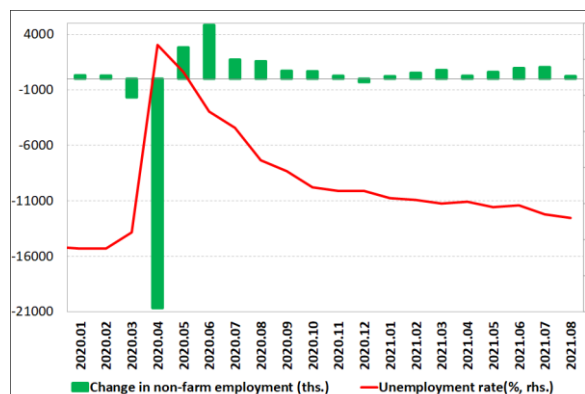
It is hard to overstate next week's job report from September, as Chair Powell at the latest FOMC press conference stressed that in assessing whether the recovery goes as expected, the next job report could prove crucial. Powell said that for him, enough progress would mean relatively decent, but not exceptionally strong non-farm payroll data. Incoming indicators from Europe will be probably less crucial, although it will be interesting to see what happened to retail sales in August, when the Delta variant was already widespread on the continent. Additionally, the first business confidence figure from October will arrive. Otherwise, non-macro news could move the markets even more than usual. The recent agreement on US government financing may bring only a provisional relief, and news on Evergrande could contribute to market movements.

In the **USA**, the key day will be Friday, when the *September job report* will be published. While up to July, the pace of job creation was very decent, hovering near 1 mn per month, August figures disappointed significantly, increasing by a meagre 235,000, while the median expectations stood at 750,000. This suggested that the new covid wave might have had a stronger effect on economic growth, than had been previously expected. A substantial slowdown occurred in the services sector, where leisure and hospitality stagnated, which added roughly 42,000 in August. Government employment, which also added to the overall employment growth roughly 150-200,000 before, even declined minorly. The unemployment rate declined to 5.2% in line with expectations, while the participation rate remained flat. Without the return of lower-wage leisure & hospitality workers in August, average hourly earnings increased by a very strong 0.6% MoM, which pushed the annual growth rate up to 4.3%, from 4.1%. After this figure, the Fed backtracked from the previously expected taper announcement in September. However, at the September press conference Chair Powell was quite concrete, stating that as long as the September employment report will be relatively decent, but not be particularly strong, the Fed could announce tapering in November. So overall, it is hard to overstate the importance of Friday's data. Out of additional data from overseas, one should highlight the *ISM non-manufacturing index*, which has likely weakened, given the September reading of Markit PMIs. Finally, the week in the USA will be heavy about news on possible *government shutdown*, which could start to weigh more heavily on the economy from mid-October, until an agreement is reached on new financing.

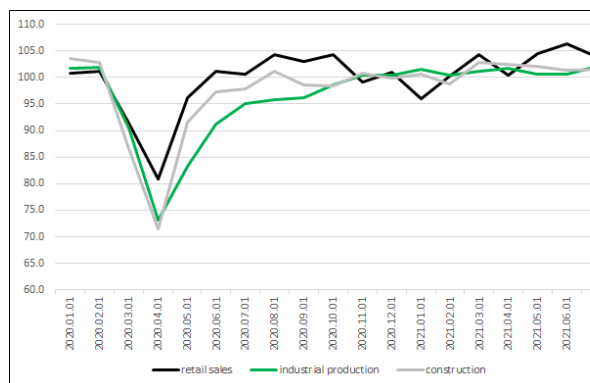
In the euro area, incoming data will be somewhat less crucial than in the USA, although we could learn a great deal of business cycle hard data for August, and the first batch of business confidence (Sentix) for October. In terms of hard data, August euro area retail sales, German and French industrial production will be published throughout the week, while German industrial orders and exports could be also interesting to follow.

From China, Caixin non-manufacturing PMI will be released. Also watch news on Evergrande developments and more generally, news on the real estate sector.

US labour market figures



Euro area key macro indicators (Dec 2019=100)



Sources: Refinitiv and Bloomberg

What to watch next week

Data	Cd.	Event/Data	Period	Cons.	Prev.
2021 10. 4.	10 : 30	EZ Sentix Investor confidence (points)	Oct	19,0	19,6
	15 : 00	HU FX swap tender (HUF liquidity, maturing/stock bn HUF)*	-	-	55,3/1100
	16 : 00	US Factory orders (MoM, %)	Aug	0,9	0,4
		EZ Eurogroup meeting	-	-	-
	5. 8 : 45	FR Industrial production (MoM, %)	Aug	0,4	0,3
	9 : 45	IT Markit/IHS Services PMI (prelim.)	Sept	56,5	58
	13 : 00	HU MNB gov't bond purchase auction	-	-	30,0
	16 : 00	US ISM non-Manufacturing PMI (points)	Sept	59,8	61,7
		EZ ECOFIN Meeting	-	-	-
	6. 8 : 00	DE Industrial orders (MoM, %)	Aug	-1,5	3,4
	9 : 00	HU Industrial production (preliminary, YoY, %)	Aug		8,0
	9 : 00	HU Retail sales (YoY, SA, %)	Aug		3,0
	11 : 00	EZ Retail sales (MoM, %)	Aug	0,8	-2,3
	14 : 00	PL Interest rate decision (%)	Oct		0,1
	14 : 15	US ADP non-farm employment (MoM, '000s)	Sept	413	374
	7. 8 : 00	DE Industrial production (MoM, %)	Aug	-0,5	1,0
	9 : 00	HU Guest nights in tourist acc. (YoY, %)	Aug		9,6
	10 : 00	IT Retail sales (MoM, SA, %)	Aug		-0,4
	10 : 00	HU International reserves (preliminary, EURbn)	Sept		33,7
	14 : 30	US Initial jobless claims ('000s)	weekly		362
	14 : 30	US Continuing jobless claims ('000s)	weekly		2802
	8. 3 : 45	CN Caixin Services PMI	Sept		46,7
	8 : 00	DE Export (MoM, SA, %)	Aug		0,5
	9 : 00	HU Core inflation (YoY, SA, %)	Sept		3,6
	9 : 00	HU Inflation (YoY, %)	Sept	5,5	4,9
	9 : 00	HU Trade balance (preliminary, monthly, EUR mn)	Aug		-210,0
	11 : 00	HU Fiscal balance (monthly, billion HUF)	Sept		-97,0
	14 : 30	US Non-farm payroll (MoM, '000s)	Sept	500	235
	14 : 30	US Unemployment rate (%)	Sept	5,1	5,2
	14 : 30	US Average earnings (MoM, %)	Sept	0,4	0,6
	14 : 30	US Average earnings (YoY, %)	Sept	4,6	4,3

* The first values in 'Fact' refers to the accepted volume, while 'Prev.' refers to the maturing amount on the current week

Worries on China's economic slowdown, possible US government shutdown, and rising rate expectations overshadowed Evergrande's imminent default

Without sinking into oblivion, the story of troubled Evergrande faded during the week, after the People's Bank of China had calmed the markets. China's central bank said it would safeguard the 'healthy' development of the property sector, despite the difficulties caused by Evergrande. Other worries, however, made investors wary: economic slowdown in China, rising rate expectations, the global energy crunch, and lately the US debt ceiling showdown have weighed on investment sentiment in the past trading days.

The week started with sideways moves in Western European and US stock markets, with the DAX hitting 10-day highs after last Sunday's parliamentary election in Germany. In the following days, a jump in U.S. Treasury yields signalled that investors were bracing for higher rates and the risk of persistent inflation rate expectations after major central bank governors' remarks in this topic. Technology stocks particularly sensitive to rising interest rate expectations tumbled the most, but cyclical industrials, and materials sectors also lagged behind. Slightly worse-than-expected manufacturing PMI from China added to investors' worries regarding growth expectations, but global energy crunch led oil & gas prices higher. Not surprisingly, the major stock indices ended September on a negative note, with the S&P 500 posting the worst month and quarter since the covid outbreak, while the Stoxx 600 Europe ended a volatile September with 3.4% loss.

Pandemic situation: The Delta wave peaked in the USA, China keeps the spread under control, rapid decline in Southeast Asia. Spread eased in Western Europe, while some Eastern European countries register records.

The infection wave reached its peak in the USA, the number of daily new covid cases dropped in the country this week, along with death counts.

China managed to keep the spread of the Delta variant under control in most of its regions. However, the situation in the North-eastern province of Heilongjiang is currently in a critical phase, according to local experts. Japan ended the emergency covid measures this week, due to the low new case and death counts.

The infection wave in Southeast Asia shows a rapid decline. Vietnam eased the restriction in its mayor cities this week. Singapore reported high daily new case counts, despite the high vaccination rate, and was forced to implement new restrictions.

The infection rates continue to fall in most Western European countries. The highest new case and death rates were reported from the UK.

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The presence of the Delta variant caused high infection rates in the CEE region. Romania reported record high daily case counts, and an alarming jump in covid deaths as well. Russia registered a daily covid death toll record this week.

US and European stocks face considerable weekly loss in Friday afternoon

European stocks declined; the *STOXX 600* seems to close the week more than 2% in the red. The *FTSE 100* is expected to end the week with slight loss, the *DAX* and the *CAC40* seem to post more than 2% loss. The *Stoxx 600* is marking 2.3% weekly decline on Friday afternoon and the *DAX* underperformed the pan-European benchmark, losing 2.4% in a week. Out of the *STOXX* components, technology, industrials, and construction & materials tumbled the most, and increasing oil & gas sector and banks fail to offset the negative effects of the sectors lagging behind.

In the **USA**, the *S&P* seems to plunge 3.3% during the week, while the small-cap *Russell 2000's* decline is milder (-1.8%). In the *S&P*, energy (4.7%) was the only one that has not lost ground, while all other sectors suffered considerable losses (between 1.1% and 4.9%). *IT* and health care were the biggest laggards.

Long-term yields moved higher in the USA as government financing rode on a bumpy road, the EUR/USD declined below 1.16

The US long-term *Treasury/bond yields* climbed in weekly comparison by 4 bps, while Europe's 10Y government bond yields were mixed. German and Spanish 10Y benchmark yields slightly slipped (DE: -0.3 bp, ES: -0.1bp), but UK 10Y government bond yield jumped 8.6bps and Italian 10Y yield added 1.9bps. U.S. Treasury bonds neared 1.5% after a sharply divided U.S. Senate failed to advance a measure to suspend the federal debt ceiling and avoid a partial government shutdown. By the end of the week, an agreement between the parties postponed the government shutdown until 18 October. However, rising inflation expectations and the start of the normalisation monetary policy remained in the focus. In the euro area, the latest *CPI* figures released on Friday proved fears of higher-than-projected inflation, September flash estimate was 3.4% YoY (fc: 3.1%); while core inflation rate increased to 1.9% (fc: 1.6%).

Oil prices edged further up, to almost USD 79 for Brent, holding near a three-year high as they headed for a fourth straight week of gains, supported by global output disruptions and inventory draws. The USD strengthened below 1.159 vs the EUR, but it turned back on Friday afternoon.

Mixed data from the USA, improving business confidence in the euro area for September; central bank chiefs are getting more concerned about inflation, at least in communication

In the **USA**, incoming data were quite mixed. While August's durable goods order exceeded the consensus by a large margin, primarily due to the ongoing rebound in commercial aircraft orders, together with solid growth in underlying capital goods orders. However, September consumer confidence dipped significantly, suggesting that the Delta wave is taking its toll on consumer spending. Household income & spending, PCE price index and ISM manufacturing PMI were scheduled for today. Personal spending registered better than expected 0.8% MoM increase, while the 0.2% growth of personal income was in line with market expectations. ISM manufacturing PMI surprisingly jumped to 61.1 points, the highest in the past 6 months. PCE price index showed 0.4% MoM gain exceeding 0.3% consensus. On Wednesday at the ECB's forum on central banking, Jerome Powell said that resolving

'tension' between high inflation and still-elevated unemployment is the most urgent issue facing the Federal Reserve right now, acknowledging the central bank's two goals are in potential conflict. Powell said in response to a question on the U.S. economic outlook: '...it's also frustrating to see the bottlenecks and supply chain problems not getting better, in fact at the margin apparently getting a little bit worse.'

In the **euro area**, the September Economic Sentiment index (ESI) of the European Commission improved slightly (from an upwardly-revised 117.6 in August to 117.8), contrary to the expected small drop. The breakdown showed that the small rise in sentiment was due to improving consumer and construction confidence, while services and retail confidence dipped. Industrial sentiment was unchanged. The survey provided further evidence that supply shortages remain a problem: firms are facing rapidly rising input prices, which they are increasingly planning to pass on to their customers, the survey suggests. Selling price expectations among industrial and services firms, as well as retailers, have risen further. Overall, it seems that despite the Delta wave, the recovery went on in September, with increasing price pressures. Related to this, the ECB's President Christine Lagarde said at the ECB forum on central banking that inflation path for the short-term will already surely exceed the just published September forecast. Nevertheless, she insisted that price pressures would remain largely temporary.

Sector performance in the USA and Europe

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	4309,2	-3,3	14,7	Stoxx 600	SXXP Index	452,8	-2,3	13,5
IT	S5INFT Index	2618,8	-4,9	14,3	Health care	SXDP Index	983,5	-2,5	11,9
Health care	S5HLTH Index	1467,2	-4,7	10,8	Industrial goods & services	SXNP Index	737,8	-4,3	17,3
Financials	S5FINL Index	629,1	-1,1	28,3	Banks	SX7P Index	139,2	1,3	28,6
Telco	S5TELS Index	269,5	-3,0	21,4	Personal & households goods	SXQP Index	991,0	-2,8	6,2
Consumer discretionary	S5COND Index	1429,5	-3,0	9,7	Insurance	SXIP Index	302,5	0,3	8,4
Industrials	S5INDU Index	829,9	-2,7	10,7	Food and beverages	SX3P Index	782,7	-0,8	9,5
Consumer staples	S5CONS Index	712,8	-3,1	2,4	Technology	SX8P Index	743,4	-8,0	23,2
Utilities	S5UTIL Index	323,7	-2,2	1,5	Utilities	SX6P Index	363,6	-2,5	-5,3
Energy	S5ENRS Index	404,8	4,7	41,5	Oil & gas	SXEP Index	277,3	3,8	17,3
Real estate	S5RLST Index	278,1	-3,2	22,0	Chemicals	SX4P Index	1252,9	-2,2	12,4
Materials	S5MATR Index	499,9	-1,8	9,7	Construction & materials	SXOP Index	580,6	-4,1	17,8
					Telco	SXKP Index	229,1	-1,4	11,4
					Retail	SXRP Index	435,8	-2,3	10,1
					Financial services	SXFP Index	689,0	-2,3	13,6
					Basic resources	SXPP Index	545,2	0,4	9,2
					Real estate	SX86P Index	183,1	-2,4	7,2
					Auto & parts	SXAP Index	629,0	0,7	19,3
					Media	SXMP Index	350,0	-0,5	23,6
					Travel & leisure	SXTP Index	267,7	-1,9	19,3

Source: Bloomberg

Source: Bloomberg

Data updated at 16:00 (CEST)

Performance of selected and 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	4301	-4,9	-0,4	7,0	27,2	25,8	4,5	3,0	17,3	1,4	117,4	-1,2	5,5
Europe	SXXP Index	453	-4,3	-0,7	4,7	25,1	22,0	2,1	1,1	16,3	1,1	176,7	0,1	8,1
Germany	DAX Index	15135	-4,4	-3,0	0,2	18,9	18,2	1,9	0,3	45,6	1,2	116,2	-67,7	-0,7
France	CAC Index	6501	-3,8	-0,8	6,5	34,8	22,1	1,9	1,4	8,5	1,1	211,9	5,3	13,9
Poland	WIG20 Index	2327	-1,8	3,4	19,1	37,4	17,9	1,4	1,1	7,6	1,2	54,8	-0,5	10,4
Czechia	PX Index	1330	3,1	16,2	21,8	54,8	22,6	1,6	1,9	6,9		165,3	2,6	13,1
Hungary	BUX Index	53473	2,9	11,6	20,9	58,9	9,8	1,2	1,0	13,4	1,1	57,5	194,5	18,8
Romania	BET Index	12627	2,6	5,8	11,4	40,3	13,0	1,2	1,7	9,7		32,4	14,4	13,9
Bulgaria	SOFIX Index	582	3,0	4,7	16,4	36,7	23,0	0,7	0,7	3,0	2,4	45,8		
Russia	IMOEX Index	4090	3,0	6,0	15,9	41,5	9,5	1,2	1,3	13,1	1,5	72,0	10,0	11,3
Ukraine	PFTS Index	526	0,0	-0,5	1,7	5,2	5,5		0,5	30,1				
Slovenia	SBITOP Index	1165	-1,8	3,3	17,1	36,2	7,7	1,0	0,7	13,1	1,7	34,1		
Croatia	CRO Index	2024	2,9	2,7	7,9	25,8	27,1	1,1	1,2	4,2	1,4	42,6		
Serbia	BELEX15 Index	801	-0,4	3,8	7,0	15,8	13,9	0,7	0,7	5,0	1,6	19,9		
Montenegro	MNSE10 Index	810	5,7	8,4	8,4	23,5	214,1	0,3	1,1	-0,2	2,2	14,1		

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

***Some of the country indices could be sector heavy (only a handful industry comprise the majority of the indices),

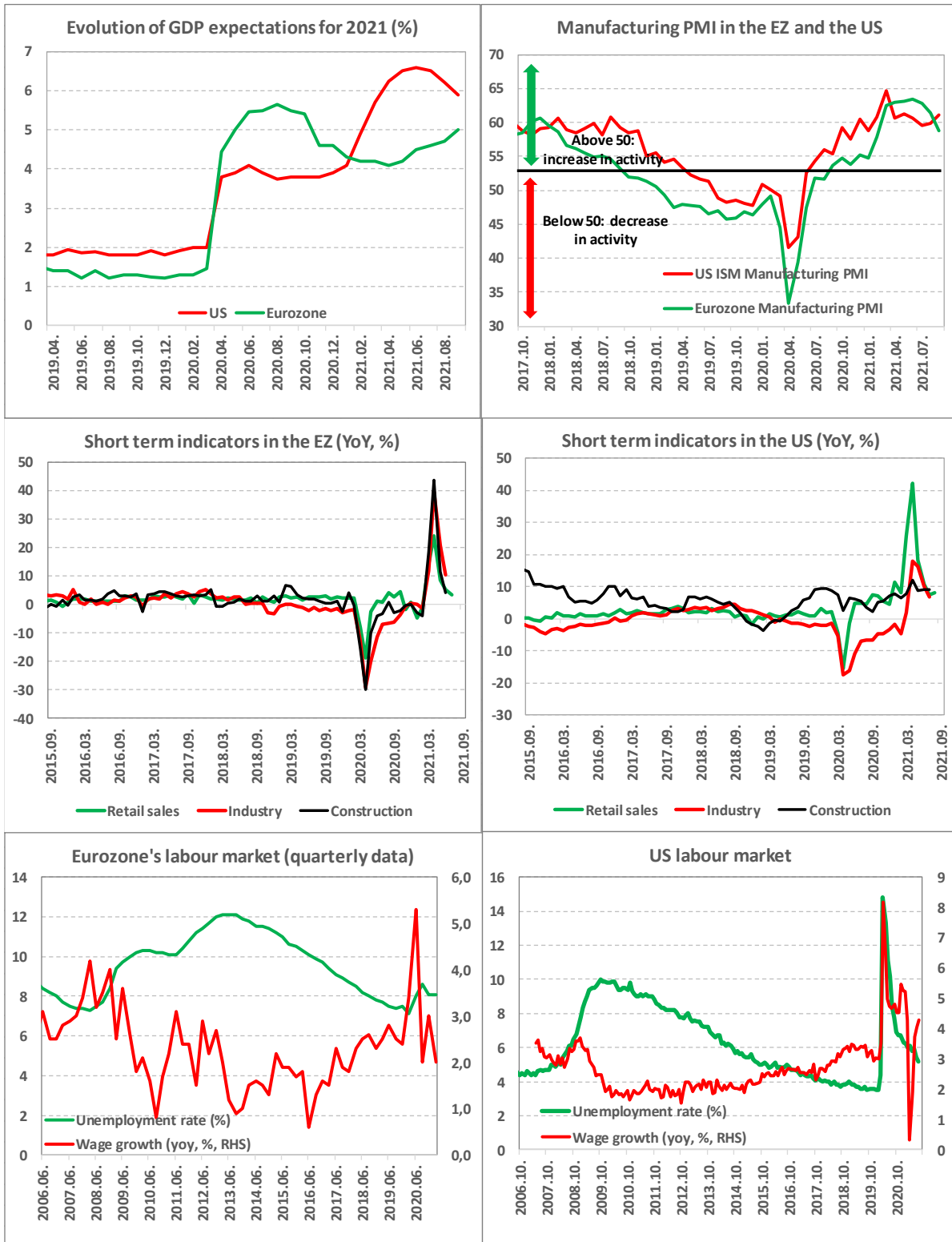
***therefore direct comparison of valuation metrics alone could be misleading.

Data updated at 16:00 (CEST)

This week's data

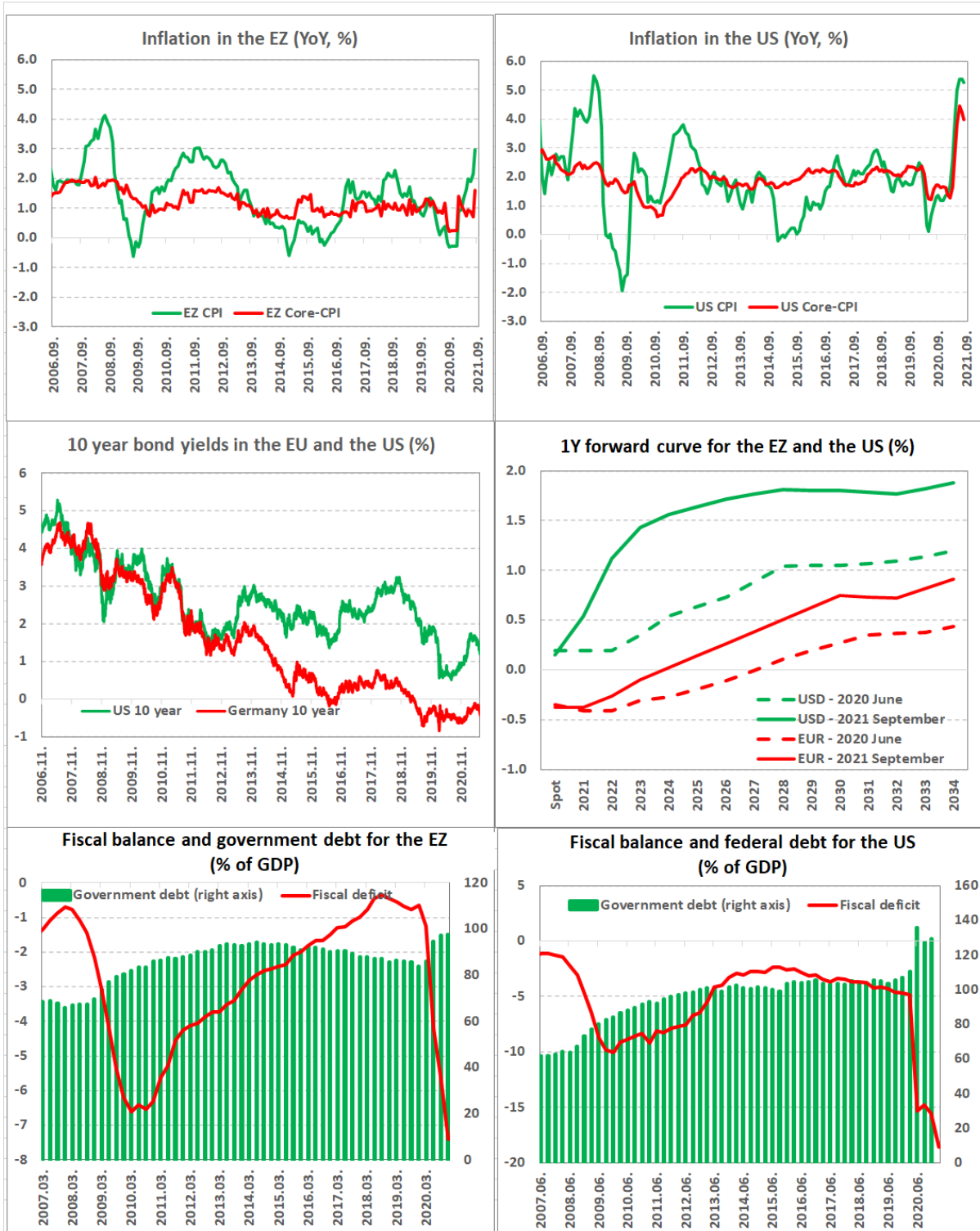
Data	Cd.	Event/Data	Period	Fact	Cons.	Prev.
2021 9. 27.	14 : 30 US	Durable goods orders (MoM, %)	Aug	1,8	0,7	0,5
	13 : 45 EZ	C. Lagarde speech (Committee on Eco. and Mon. Affairs of the EF)	-	-	-	-
	28. 8 : 00 HU	FX-swap tender (FX liquidity, HUF bn)	-	182,6	-	-
	9 : 00 HU	Unemployment rate (%)	Aug	4,0	-	3,9
	13 : 00 HU	MNB gov't bond purchase auction	-	30,0	-	31,0
	14 : 00 EZ	C. Lagarde speech (ECB Forum on Central Banking)	-	-	-	-
	15 : 00 US	Case-Shiller Home Price Index (YoY, %)	Jul	19,9	20,0	19,1
	16 : 00 US	Consumer confidence (point)	Sept	109	114	114
	29. 8 : 00 HU	FX-swap tender (FX liquidity, HUF bn)	-	600,0	-	-
	9 : 00 HU	Gross wages (YoY, %)	Jul	8,1	-	3,5
	11 : 00 EZ	EC Economic Sentiment Index (points)	Sept	117,8	116,9	117,6
	16 : 00 US	Pending home sales (MoM, %)	Aug	8,1	1,4	-2,0
	17 : 45 US	J. Powell, C. Lagarde, H. Kuroda, A. Bailey speech (ECB Forum)	-	-	-	-
	30. 3 : 00 CN	NBS Non-manufacturing PMI (points)	Sept	53,2	-	47,5
	3 : 00 CN	NBS Manufacturing PMI (points)	Sept	49,6	50,1	50,1
	3 : 45 CN	Caixin Manufacturing PMI (points)	Sept	50,0	49,5	49,2
	8 : 00 HU	FX-swap tender (FX liquidity, HUF bn)	-	10,8	-	-
	9 : 00 ES	Retail sales (YoY, %)	Aug	-0,9	-	0,1
	9 : 00 HU	Industrial producer prices (YoY, %)	Aug	14,4	-	14,8
	10 : 00 IT	Unemployment rate (%)	Aug	9,3	9,2	9,3
	11 : 00 EZ	Unemployment rate (%)	Aug	7,5	7,5	7,6
	14 : 00 DE	CPI (preliminary, YoY, %)	Sept	4,1	4,2	3,9
	14 : 30 CZ	Interest rate decision (%)	Sept	1,5	-	0,8
	14 : 30 US	Initial jobless claims ('000s)	weekly	362	335	351
	14 : 30 US	Continuing jobless claims ('000s)	weekly	2802	2800	2820
	15 : 45 US	Chicago PMI (points)	Sept	64,7	65,0	66,8
	1. 8 : 00 DE	Retail sales (MoM, %)	Aug	1,1	1,5	-4,5
	9 : 00 HU	Manufacturing PMI (points)	Sept	52,1	-	55,9
	9 : 00 HU	Trade balance (detailed, monthly, EUR mn)	Jul	-210,0	-	-193*
	9 : 00 HU	Balance of general government sector (GDP %)	Q2	4,2	-	6,1
	9 : 45 IT	Markit/IHS Manufacturing PMI (prelim.)	Sept	59,7	59,5	60,9
	11 : 00 EZ	CPI (flash, YoY, %)	Sept	3,4	3,3	3,0
	11 : 00 EZ	Core CPI (flash, YoY, %)	Sept	1,9	1,9	1,6
	14 : 30 US	Personal income (MoM, %)	Aug	0,2	0,3	1,1
	14 : 30 US	Personal consumption (adjusted, MoM, %)	Aug	0,8	0,6	0,3
	14 : 30 US	Household core PCE index (MoM, %)	Aug	0,3	0,2	0,3
	16 : 00 US	Construction expenditure (MoM, %)	Aug	0,0	0,3	0,3
	16 : 00 US	ISM Manufacturing PMI (points)	Sept	61,1	59,6	59,9

Eurozone and US chart set



Source: Refinitiv

Eurozone and US chart set



Source: Refinitiv

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	1,19	1,21	1,21	1,20	1,18	1,18	1,18	1,19
EURGBP	0,89	0,91	0,90	0,88	0,86	0,86	0,86	0,85	0,84	0,84
EURCHF	1,06	1,08	1,08	1,08	1,10	1,10	1,09	1,12	1,11	1,10
USDJPY	107,0	106,0	104,0	104,0	109,0	109,8	110,5	112,0	113,0	114,0

Source: Bloomberg

Regional macro forecast

Countries	GDP (yoy, %)					Countries	Fiscal balance (% of GDP)				
	2020	OTP		Focus Economics			2020	OTP		Focus Economics	
		2021	2022	2021	2022			2021	2022	2021	2022
Hungary	-5.0	7.3	5.5	6.3	4.9	Hungary	-8.1	-7.5	-5.9	-7.0	-5.3
Romania	-3.9	6.8	3.6	6.9	4.8	Romania	-9.2	-8.2	-6.5	-7.3	-5.6
Bulgaria	-4.2	4.7	4.0	4.5	3.9	Bulgaria	-3.4	-2.9	-1.8	-3.9	-2.4
Russia	-3.0	4.6	2.3	3.8	2.7	Russia	-3.8	-0.9	-0.2	-0.6	-0.2
Ukraine	-4.0	3.8	4.4	3.9	3.9	Ukraine	-5.3	-5.5	-3.0	-4.6	-3.1
Slovenia	-5.5	6.2	4.5	4.9	4.3	Slovenia	-8.4	-7.1	-4.9	-6.8	-4.4
Croatia	-8.0	7.7	4.5	6.9	4.5	Croatia	-7.4	-4.5	-3.0	-4.3	-3.1
Serbia	-1.0	6.5	5.0	6.2	4.3	Serbia	-8.1	0.6	3.1	-5.7	-2.5
Montenegro	-15.2	8.8	6.2	7.6	5.8	Montenegro	-10.1	-6.2	-2.5	-5.1	-2.7
Albania	-4.0	8.0	4.2	6.0	4.2	Albania	-6.8	-6.0	-4.0	-5.7	-3.5
Moldova	-7.0	12.4	5.2	5.1	4.6	Moldova	-5.3	-5.0	-4.5	-5.0	-3.7

Countries	Inflation (average (yoy), %)					Countries	Unemployment (%)				
	2020	OTP		Focus Economics			2020	OTP		Focus Economics	
		2021	2022	2021	2022			2021	2022	2021	2022
Hungary	3.3	4.8	4.7	4.4	3.5	Hungary	4.1	3.9	3.3	4.2	3.8
Romania	2.6	4.4	3.9	3.9	3.4	Romania	5.0	5.5	4.5	5.4	5.0
Bulgaria	1.7	2.3	2.4	2.2	2.3	Bulgaria	5.1	5.1	4.8	5.4	5.0
Russia	3.4	6.2	4.6	5.9	4.3	Russia	5.8	5.0	4.0	5.1	4.8
Ukraine	2.7	9.0	7.0	8.9	6.7	Ukraine	9.5	9.2	8.3	9.3	8.8
Slovenia	-0.3	1.3	1.7	1.5	1.8	Slovenia	5.0	4.9	4.8	5.1	4.8
Croatia	0.1	2.2	2.5	1.8	1.7	Croatia	7.5	7.3	6.8	8.7	7.9
Serbia	1.6	3.3	3.0	2.6	2.6	Serbia	9.0	11.2	10.2	10.7	9.8
Montenegro	-0.3	2.0	1.5	1.5	1.6	Montenegro	17.9	16.5	16.1	19.7	18.2
Albania	1.6	2.0	2.3	2.0	2.4	Albania	11.7	11.3	10.9	11.4	11.0
Moldova	3.8	3.5	7.0	3.2	4.4	Moldova	3.8	13.5	11.3	4.3	4.0

Source: Focus Economics, OTP Research Center

FX forecast for OTP countries

Country	FX pair	2020.Q4	2021.Q1	2021.Q2	2021.Q3	2021.Q4	2022.Q1	2022.Q2	2022.Q3	2022.Q4
Hungary	EURHUF (eop)	363.0	362.0	351.0	352.0	353.0	353.0	352.0	352.0	351.0
Romania	EURRON (eop)	4.87	4.93	4.93	4.92	4.93	4.94	4.95	4.95	4.97
Russia	USDRUB (eop)	73.9	75.7	72.4	72.8	71.5	71.2	71.0	71.1	71.4
Ukraine	USDUAH (eop)	28.30	27.80	27.30	27.60	28.20	28.50	28.50	28.80	29.10
Croatia	EURHRK (eop)	7.6	7.6	7.5	7.5	7.5	7.5	7.5	7.5	7.5
Serbia	EURRSD (eop)	118.0	118.0	118.0	118.0	118.0	118.0	118.0	118.0	118.0
Montenegro	EURUSD (eop)	1.22	1.18	1.19	1.19	1.20	1.21	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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