

Confidence indices, eurozone inflation and US labour market data could be in the spotlight

On Monday, the week starts with a series of Chinese PMI data, European second round of GDP estimates from some countries, Turkish first release of Q3 GDP, as well as some US data. China's NBS manufacturing PMI has been hovering around 51-51.5 points for a while, which indicates that manufacturing is in an expansionary phase, confirming a V shaped recovery after the February fall. The market expects for October 51.5 points, which would sustain previous tendencies. At the same time Chinese NBS non-manufacturing PMI stood at 56.2 in October and showed a slight upward tendency in previous months. From Europe, the Austrian and the Portuguese detailed quarterly GDP will be published for Q3. Flash data suggested a strong rebound for Q3 in both countries. In Austria, Q3 GDP turned out at 11.1%, correcting largely the 12.1% fall in Q2, however given the prevailing weakness already in 2019Q4 and 2020Q1, this left YoY GDP at -5.3% in Q3. As for Portugal, Q3 GDP QoQ at 13.3% corrected a decline of 13.9% in Q2, however given the 3.8% fall in Q1, this left the YoY GDP at -5.7% in Q3. In both cases exports led the decline in GDP, followed by household consumption and investment. The question is which expenditure components, and which industries led the correction. Also, it will be interesting to see, the extent, contact sensitive sectors have recovered after the Q2 fall. The first release of Turkish Q3 GDP will be also published. In Q2 GDP fell by 11% QoQ, and the country is flirted from time to time with recession since 2016, as populist policies led to financial crisis already before the pandemic. Recent months, President Erdogan vowed to step on a more business friendly road, and the CBT hiked the base rate to 15% at last meeting to reassure markets. Hence a strong recovery for Q3 (the market expectation is a meagre +4.8%) would help markets to see the country in less downbeat manner. In the US, Chicago manufacturing PMI for November will be also released. Last two months data were particularly upbeat, above 60 points, while 50 is the landmark for expansion. The market expects some moderation to 59.2 points. Pending home sales for November will be released as well. After sharp rebound in June-July, MoM sales has gradually weakened, and by October, there was a 2.2% decline. The market expectation is a small correction of 1% for November.

On Tuesday, another bunch of November confidence indices will be published. Similarly to NBS, Chinese Caixin PMI will likely keep its above 50 points pace, confirming the countries V shaped recovery. For Italy, manufacturing PMI will be released, and we can learn, whether the new wave of lockdown put manufacturing on a downward path, similarly, to spring. The market expects 52 points, down from 53.8 for October. (A small reminder, last weeks manufacturing PMI-s kept up well for the euro area and Germany, even exceeding expectations. However, for France the data disappointed and already indicates contraction.) Also, for Italy, the detailed GDP series for Q3 will be released, and we will learn the structure of recovery. Q3 flash data was at 16.1%, after the 13% decline in Q2, however, the country was in recession since 2019Q4. As for the US, ISM manufacturing PMI will be published as well, which held up well so far, it jumped to 59.3 points in October, the consensus for November is a small correction to 57.5 points. Probably, the largest attention will be at November euro area CPI on this day, which is expected to remain in the small minus range (at -0.3%) for headline, while could remain at +0.2% for the core component. So far, the deflation in the headline component reflects the base effect of last year's higher oil and food prices, and although this tendency will revert soon, it will appear in CPI gradually. At the same time low core inflation reflects, the negative output gap in the eurozone, particularly subdued service prices, tourism related services.

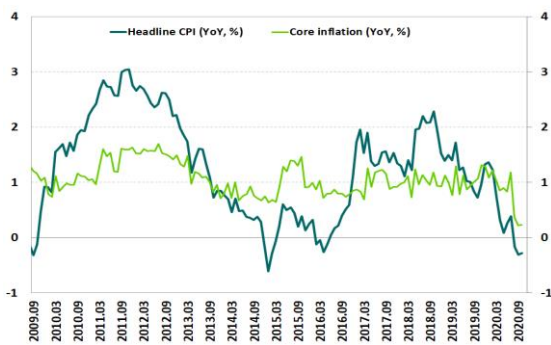
Wednesday brings retail sales for Germany, unemployment rate for the euro area and Italy, US ADP employment data and the Fed's Beige book will be published as well. October retail sales for Germany disappointed forecasters: the 2.2% MoM fall was well below the consensus (-0.8%). In fact, after a very sharp rebound in May (+13.1%), which put annual figures in the positive territory, sales have been relatively stagnant afterwards. Although, Germany's lockdown, implemented in mid-October is relatively mild compared to other EU countries, and the spring measures, it is possible, that sales could have weakened further. Nevertheless, the consensus forecast is a +1% growth. The unemployment rate in the euro area was unchanged at 8.3 percent in September, the same as an upwardly revised 8.3 percent

in August and the highest since April of 2018. Figures came in line with market expectations and compare with 7.5 percent a year earlier. The market expectations for November is 8.4%. Nevertheless, it is important to stress that the figures are downwardly biased compared to the true extent of the labour market slack, given the still widely applied Kurzarbeit schemes throughout the continent. US ADP employment data for November will likely indicate a further slowdown in employment growth for the US around 420 thousand, as the recovery in the employment-intensive restaurant and leisure sectors stall or even turn back. The Beige book could shed light on the extent of changing activity throughout the US. In the last release September, economic activity continued to increase across all districts, with the pace of growth characterized as slight to modest in most districts.

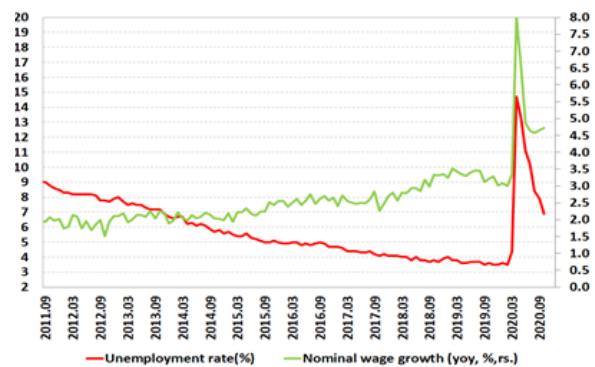
Thursday will bring another bunch of service sector PMI-s (Chinese Caixin services, Italy Markit Services, ISM Non-manufacturing for US). Further to this, eurozone retail sales and weekly US labour market data could attract interest. We expect Chinese Caixin service sector PMI to remain upbeat, similarly to the service indicators published this week, while Italy's Markit Service PMI could fell further to 40.4 points after 46.7 for October. ISM non-manufacturing is less clear-cut, given strong November data in Markit service PMI, but high frequency data suggest that catering and tourism activity clearly weakens. The market expects a resilient 56 points. Eurozone retail sales probably strengthened slightly based on the consensus +0.5%, as October was in several countries free from stringent lockdowns. US weekly initial jobless claims could have slightly declined, after growing from 711 to 778 thousand in 2 weeks. However, US continuing claims probably kept declining, but at a weaker pace than before.

On **Friday**, the primary focus will be on US's November labour market report. The market expects a further slowdown in the pace of non-farm payroll gains to 500 thousand (from 638 thousand of October), as the recovery in the employment-intensive restaurant and leisure sectors weakens. Given the lower employment growth numbers, unemployment practically stopped falling further and could have remained around 6.7%. German factory orders could also attract some interest. In September, MoM growth turned out at 0.5%, well below expectations, and suggesting a significant slowdown from previous months. The market expects 0.8% growth for October, but a negative surprise could question the resilience of manufacturing, appearing so far visible in confidence data.

Eurozone CPI and core inflation



US labor market



Source: Refinitiv

What to watch next week

Data		Cd.	Event/Data	Period	Cons.	Prev.	
2020	11.30.	2 : 00	CN	NBS Manufacturing PMI (points)	Nov	51.5	51.4
		2 : 00	CN	NBS Non-manufacturing PMI (points)	Nov		56.2
		8 : 00	TR	GDP (first estimate, YoY, %)	Q3	4.8	-9.9
		9 : 00	AT	GDP (detailed, QoQ, %)	Q3		11.1*
		12 : 00	PT	GDP (detailed, QoQ, %)	Q3		13.3*
		14 : 00	DE	CPI (preliminary, YoY, %)	Nov	-0.2	-0.2
		15 : 45	US	Chicago PMI (points)	Nov	59.2	61.1
		16 : 00	US	Pending home sales (MoM, %)	Oct	1.0	-2.2
12.	1.	2 : 45	CN	Caixin Manufacturing PMI (points)	Nov	53.5	53.6
		9 : 45	IT	Markit/IHS Manufacturing PMI (prelim.)	Nov	52.0	53.8
		10 : 00	IT	GDP (detailed, QoQ, %)	Q3	1.1	16.1*
		11 : 00	EZ	CPI (flash, YoY, %)	Nov	-0.3	-0.3
		11 : 00	EZ	Core CPI (flash, YoY, %)	Nov	0.2	0.2
		16 : 00	US	Construction expenditure (MoM, %)	Oct	0.8	0.3
		16 : 00	US	ISM Manufacturing PMI (points)	Nov	57.5	59.3
2.		8 : 00	DE	Retail sales (MoM, %)	Oct	1.0	-2.2
		10 : 00	IT	Unemployment rate (%)	Oct		9.6
		11 : 00	EZ	Unemployment rate (%)	Oct	8.4	8.3
		14 : 15	US	ADP non-farm employment (MoM, '000s)	Nov	420.0	365.0
		20 : 00	US	Beige Book	-	-	-
3.		2 : 45	CN	Caixin Services PMI	Nov		56.8
		9 : 45	IT	Markit/IHS Services PMI (prelim.)	Nov	40.4	46.7
		11 : 00	EZ	Retail sales (MoM, %)	Oct	0.5	-2.0
		14 : 30	US	Initial jobless claims ('000s)	weekly	770.0	778.0
		14 : 30	US	Continuing jobless claims ('000s)	weekly		6071.0
		16 : 00	US	ISM non-Manufacturing PMI (points)	Nov	56.0	56.6
4.		8 : 00	DE	Industrial orders (MoM, %)	Oct	0.8	0.5
		10 : 00	IT	Retail sales (MoM, SA, %)	Oct		-0.8
		14 : 30	US	Non-farm payroll (MoM, '000s)	Nov	500.0	638.0
		14 : 30	US	Unemployment rate (%)	Nov	6.7	6.9
		14 : 30	US	Average earnings (MoM, %)	Nov	0.1	0.1
		14 : 30	US	Average earnings (YoY, %)	Nov	4.3	4.5
		16 : 00	US	Factory orders (MoM, %)	Oct	0.9	1.1

Stock markets rotation continues as vaccine news remain favourable in general and uncertainties over US Presidential transfer fade

Falling but still high daily covid cases in western Europe as lockdowns bear fruit, but most CEE countries yet to experience the peak. US cases still trend upwards

Daily new cases and daily new deaths continued to rise in the US last week. Some states adapted new travel rules, usually in a form of requesting travellers to self-quarantine or to take covid tests. However, since most states don't have restrictions on travelling, the Thanksgiving holiday could worsen the trajectory of the current wave for the upcoming weeks. Meanwhile several large cities moved to lockdowns, similar to spring. Most European countries still suffer from the second wave of the pandemic. Belgium, the Czech Republic, France, Italy, Spain, Switzerland and the UK reported declining daily new cases, but their level is still high. In most countries of the CEE region, both daily new cases and deaths are still on the rise or stagnating at the peak.

Again a good week for banks and the energy sector, but overall gain in benchmark indices remained limited. A short week in the US due to Thanksgiving.

Throughout the week, stock markets were looking for new directions, closing higher one day and lower another. However, the overall, the performance was a small plus. Similarly to last week, banks and the energy sector's were the biggest winners, however these sectors have experienced the biggest falls year-to-date due to the pandemic. Hence, sectoral rotation continued, these cyclical industries performed above average, on the expectations, that generally available effective vaccines will help a quick return to normal, starting from 2021Q2. This sentiment has been fuelled by the fact, that developed countries ordered 2 to 5 vaccines per capita, and there are at least 3 US-EU candidates, which are close to general approval. Meanwhile, some uncertainty appeared as some accidental mismanagemnt has turned out at AstraZeneca's third round trials. One of the two groups where phase III trial took place, received half dosage in the first shot. Interestingly, this group had higher vaccine efficiency, than the one which received normal treatment. As a reaction, the firm will try out the ½-1 dosage option again, however experts ask whether this error in phase III delay's approval of the product. During the week Donald Trump finally approved the power transfer to Joe Biden, if electors vote for him. The current president also approved information exchange on the process between the two teams. Meanwhile, there is not step forward in EU budget negotiations so far as Hungary and Poland stick to their view of not accepting a general rule of law mechanism linked to the budget, while the European Council and Parliament do not seem ready to reopen negotiations on the subject. Here, EUR 1800 bn is at stage. No good news seems to come from Brexit negotiations either, as London will not sign up to an accord at any cost, Prime Minister Boris Johnson's finance minister said on Thursday. Talks are still snagged on two main issues, fair competition guarantees and fisheries, but neither, so far, have shown a willingness to shift enough on either to make way for any breakthrough.

US real economy continues to surprise to the upside, but the labour market weakens. Eurozone's service sector is moving to deep fall again

Among current week's key data were November confidence indices. As for the US, both manufacturing and service sector data surprised to the upside at 56.7 and 57 points, above the consensus of 53 and 55 points as well as October data at 53.4 and 56.9. Although consumer confidence disappointed slightly, durable goods order, new home sales, house price growth were all stronger than expected. Hence at least in the real economy, so far the US seems relatively resilient to the renewed virus surge and lockdown for Q4. The second release of Q3 GDP remained unchanged compared to the first batch (33.1%), and the market expects still positive growth for Q4 (the consensus stands at 4%, while the FED's own model predicts 11% at annualized rates). One concern is however that initial jobless claims increased the second week in a row, which might suggest that the picture is not as rosy as it could be.

Still, the eurozone seems to be in a much more worrying shape for Q4, driven by a weakening service sector. Eurozone service PMI fell further to 41.3 from 46.9 points in October, and somewhat below the consensus of 42.3. Although the market expected, French service sector turned out particularly downbeat at 38 points. At the same time, more contradictory is the situation with European manufacturing, where Markit PMI turned out resilient at 53.6 (Germany 57.9), while Germany's IFO at 90.7 points. The former indicates expansion, while the latter contraction. In the meantime, Destatis improved the estimate of Q3 GDP from 8.2 to 8.5%. The details indicate that growth was based on higher final consumption expenditure of households, higher capital formation in machinery and equipment and a sharp increase in exports. The industrial structure reveals that trade and transport and construction almost fully recovered (-3,4 and 2.6% YoY), while industry remained over 10% below last year's level. French QoQ GDP was also improved to 18.7% from 18.2 in the second estimation of Q3. All components of domestic demand rebounded sharply. In particular, household consumption expenditure (+17.3%) was close to its pre-crisis level (-2.1% YoY), while general government expenditure slightly exceeded it (+0.4% YoY). On the other hand, total GFCF remained sharply down (-5.1% YoY), despite rebounding in Q3 (+23.3% QoQ). Foreign trade also rebounded this quarter, especially exports (+23.2% after -25.7% in Q2 QoQ). Production in goods remained well below the pre-crisis level (-8.0% YoY),. Services were closer to their pre-crisis level in Q3 (-3.8% YoY), carried in particular by non-market services (public administration, human health), whose production was slightly above last year's levels (+0.8% YoY). Market services remained more depressed (-4.9% YoY), especially in transport and accommodation and food services. The consumer confidence index in Italy declined to 98.1 in November from a downwardly revised 101.7 in the previous month, below market expectations of 99. It was the lowest level of confidence since May 2020. Croatia's GDP turned out at -10% YoY for Q3, slightly better than expectations at -10.5% after -15.3% in Q2. The country benefited from a better-than expected revival in tourist activity. The fall in the EC's Economic Sentiment Indicator (ESI) for the euro-zone in November to 87.6, was better than expected (86.5). The fall in itself was hardly a surprise given the substantial tightening of restrictions this month. However better-than expected data could reflect small optimism about a vaccine.

From the minutes of the Governing Council of the ECB published on Thursday, we learned that policymakers were increasingly concerned about the economic outlook (the meeting was held at the end of October, before lockdown measures were announced in many countries across Europe) and that they could decide on further economic support measures at the December meeting.

The EUR/USD increased slightly, oil gained momentum as well as most other commodities, but precious metals and food prices fell

The EUR/USD increased, the USD fell 0.7% against the EUR and 0.5% versus the GBP. Oil prices rallied by around 6.5-8%, fuelled by vaccine optimism, the expectation of a delay in ramping up planned oil production by OPEC+, and higher than expected US inventory data. Gold and silver fell as well as, but palladium, copper, steel, and food products increased.

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	3640.0	1.6	12.7	Stoxx 600	SXXP Index	392.9	0.9	-5.5
IT	S5INFT Index	2157.7	1.2	33.9	Health care	SXDP Index	876.4	-1.0	-3.6
Health care	S5HLTH Index	1269.3	0.0	6.8	Industrial goods & services	SXNP Index	610.1	0.0	1.4
Financials	S5FINL Index	472.9	4.0	-7.5	Banks	SX7P Index	111.7	5.2	-22.1
Telco	S5TELS Index	216.5	1.9	19.2	Personal & households goods	SXQP Index	916.0	-0.8	1.7
Consumer discretionary	S5COND Index	1284.2	2.8	30.2	Insurance	SXIP Index	275.6	0.5	-14.6
Industrials	S5INDU Index	751.4	1.9	9.3	Food and beverages	SX3P Index	706.4	0.2	-8.7
Consumer staples	S5CONS Index	686.5	-0.1	6.1	Technology	SX8P Index	574.4	1.8	8.4
Utilities	S5UTIL Index	323.1	0.5	-1.6	Utilities	SX6P Index	378.6	0.4	6.3
Energy	S5ENRS Index	291.7	8.6	-36.1	Oil & gas	SXEP Index	236.4	6.1	-25.8
Real estate	S5RLST Index	227.3	-1.2	-5.4	Chemicals	SX4P Index	1101.9	0.9	7.0
Materials	S5MATR Index	450.1	2.7	16.6	Construction & materials	SXOP Index	500.9	0.3	-2.3
Source: Bloomberg					Telco	SXKP Index	214.4	1.8	-12.5
					Retail	SXRP Index	388.2	-0.8	7.2
					Financial services	SXFP Index	588.1	0.4	0.8
					Basic resources	SXPP Index	458.4	4.7	-0.7
					Real estate	SX86P Index	165.0	-0.3	-14.5
					Auto & parts	SXAP Index	513.4	1.4	1.0
					Media	SXMP Index	273.8	-0.7	-10.7
					Travel & leisure	SXTP Index	213.2	5.1	-19.7

Source: Bloomberg

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	3640	7.0	4.6	21.7	15.9	28.5	4.0	2.7	11.2	1.4	122.4	2.8	7.1
Europe	SXXP Index	393	11.4	6.0	12.3	-4.1	47.0	1.9	1.4	4.6	1.1	192.3	0.0	1.9
Germany	DAX Index	13343	10.6	1.9	14.5	0.4	66.4	1.7	1.0	3.2	1.2	134.8	4.8	8.6
France	CAC Index	5605	18.5	11.7	19.5	-5.4	57.9	1.7	1.3	3.2	1.1	245.8	2.2	1.8
Poland	WIG20 Index	1851	13.8	0.2	8.4	-15.2	27.6	1.0	0.8	3.1	1.1	58.1	-14.5	-16.1
Czechia	PX Index	969	12.0	7.2	6.8	-10.8	14.4	1.1	1.4	7.9	1.2	165.2	-1.6	1.1
Hungary	BUX Index	39283	19.1	10.7	8.1	-9.9	17.2	1.0	0.8	5.3	1.2	61.1	106.1	-5.3
Romania	BET Index	9309	6.0	4.9	6.6	-5.7	10.6	1.0	1.3	9.3		36.9	-11.8	
Bulgaria	SOFIX Index	426	-0.2	-1.2	-6.0	-21.7	3.7	0.5	0.6	13.0	3.2	56.3		
Russia	IMOEX Index	3141	13.7	4.3	14.6	7.2	15.4	1.1	1.2	6.8	1.4	72.6	0.2	3.3
Ukraine	PFTS Index	501	0.0	0.2	0.2	-2.9	4.1	0.8	0.3	37.9	0.6	16.5		
Slovenia	SBITOP Index	885	9.9	3.6	7.0	-1.3	7.9	0.8	0.5	10.0	1.6	29.0	1.3	
Croatia	CRO Index	1688	6.0	4.4	4.1	-15.2	84.0	0.9	1.0	1.1	1.4	53.4		
Serbia	BELEX15 Index	716	2.6	3.6	6.9	-6.7	15.5	0.6	0.7	4.3	1.8	20.3		
Montenegro	MNSE10 Index	642	0.0	-4.3	-7.7	-18.7	13.9	0.3	0.9	1.9	2.2	14.8		

*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.

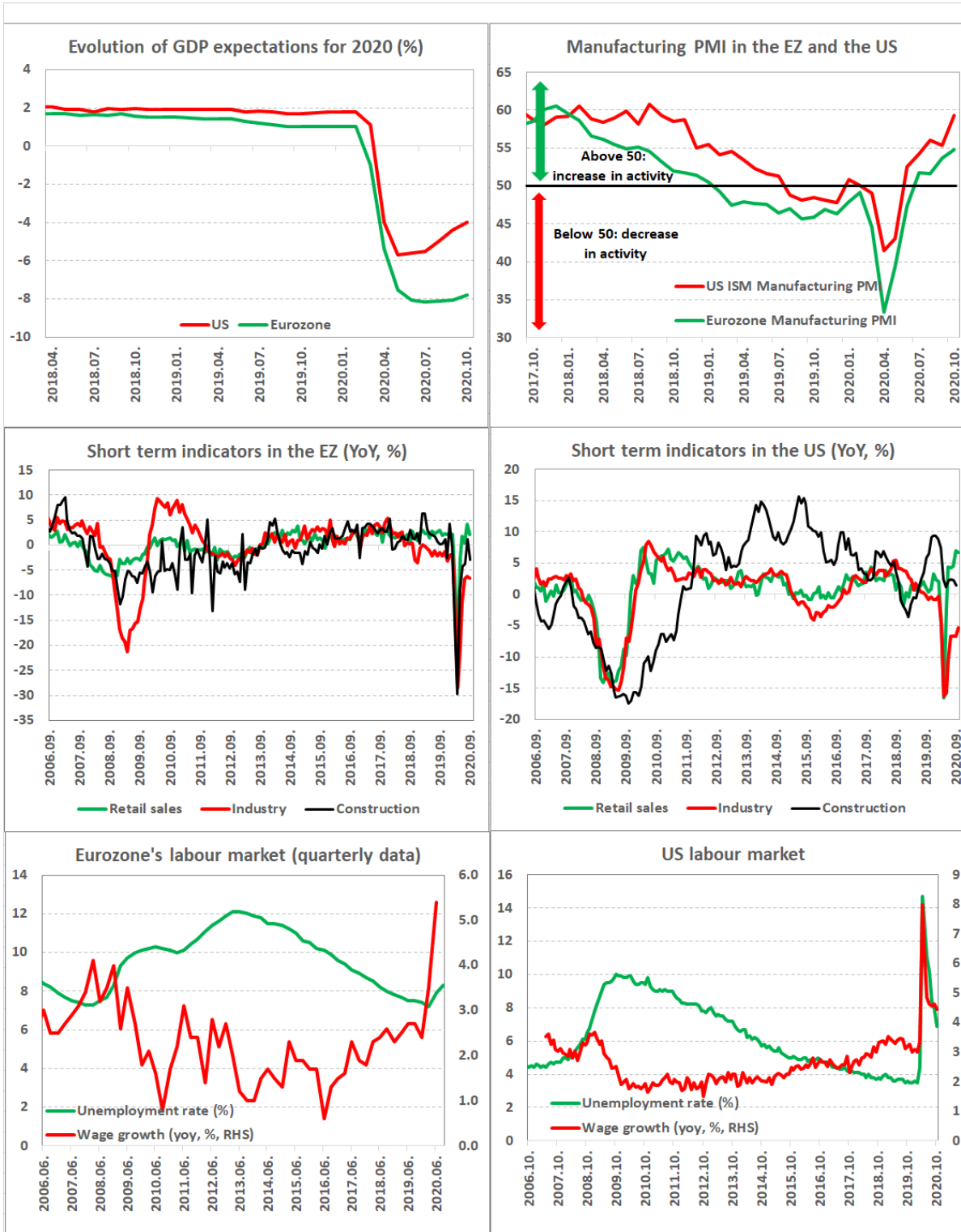
Last week's data

Data	Cd.	Event/Data	Period	Fact	Cons.	Prev.
2020 11.23.	9 : 15	FR Markit Manufacturing PMI (points)	Nov	49.1	49.8	51.3
	9 : 15	FR Markit Service PMI (points)	Nov	38.0	38.0	46.5
	9 : 30	DE Markit Manufacturing PMI (points)	Nov	57.9	56.5	58.2
	9 : 30	DE Markit Service PMI (points)	Nov	46.2	46.0	49.5
	10 : 00	EZ Markit Manufacturing PMI (points)	Nov	53.6	53.2	54.8
	10 : 00	EZ Markit Service PMI (points)	Nov	41.3	42.3	46.9
	10 : 30	UK Manufacturing PMI (points)	Nov	55.2	50.5	53.7
	10 : 30	UK Service PMI (points)	Nov	45.8	42.5	51.4
	15 : 45	US Markit Manufacturing PMI (points)	Nov	56.7	53.0	53.4
	15 : 45	US Markit Service PMI (points)	Nov	57.7	55.0	56.9
24.	8 : 00	DE GDP (detailed, QoQ, %)	Q3	8.5	8.2	8,2**
	10 : 00	DE IFO Economic sentiment index (points)	Nov	90.7	90.1	92.7
	15 : 00	US Case-Shiller Home Price Index (YoY, %)	Sept	6.6	5.1	5.2
	16 : 00	US Consumer confidence (point)	Nov	96.1	98.0	100.9
25.	14 : 30	US Durable goods orders (MoM, %)	Oct	1.3	0.9	1.9
	14 : 30	US GDP (detailed, QoQ annualized, %)	Q3	33.1	33.2	33,1**
	14 : 30	US Initial jobless claims ('000s)	weekly	778	730	742
	14 : 30	US Continuing jobless claims ('000s)	weekly	6071	6020	6372
	16 : 00	US Personal income (MoM, %)	Oct	-0.7	0.0	0.9
	16 : 00	US Personal consumption (adjusted, MoM, %)	Oct	0.5	0.4	1.4
	16 : 00	US New home sales (annualized monthly, '000s)	Oct	999	970.0	959.0
	20 : 00	US FOMC Minutes	Nov	-	-	-
	13 : 30	EZ ECB Minutes	Nov	-	-	-
27.	8 : 45	FR GDP (detailed, QoQ, %)	Q3	18.7	18.2	18,2**
	9 : 00	ES Retail sales (YoY, %)	Oct	-2.7		-3.3
	10 : 00	IT Consumer confidence (point)	Nov	98.1	99.0	102.0
	11 : 00	EZ EC Economic Sentiment Index (points)	Nov	87.6	86.5	91.1

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

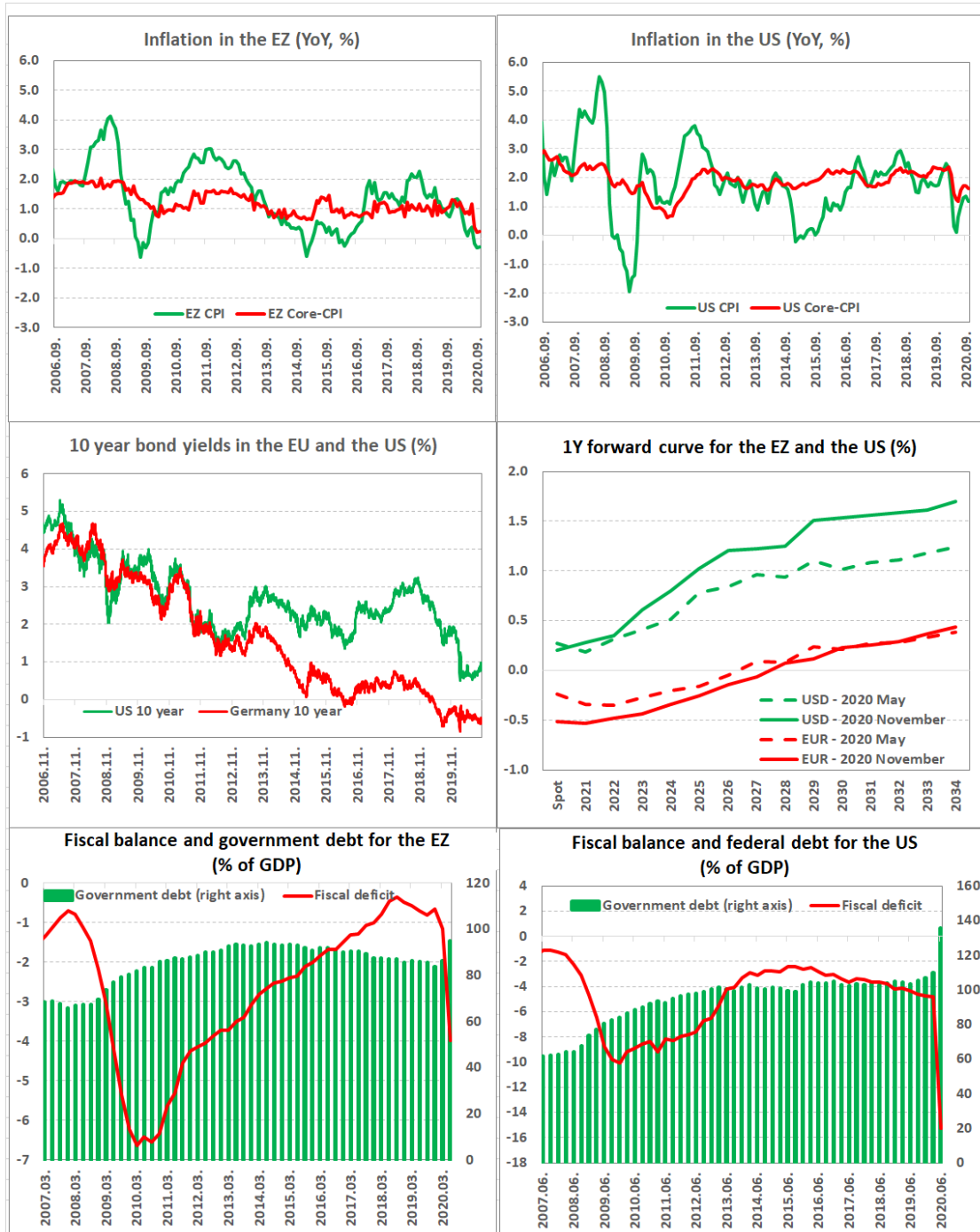
** preliminary data

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	1.20	1.21	1.22	1.22	1.25	1.26	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	1.11	1.12	1.11	1.11	1.15
USDJPY	107.0	106.0	104.0	105.0	105.0	106.0	107.0	105.0	100.0	98.5

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	4.6	-6.3	5.8	-5.9	4.7	Hungary	-2.1	-8.0	-5.5	-7.1	-4.3
Romania	4.1	-4.4	4.6	-5.3	4.5	Romania	-4.4	-9.5	-6.5	-9.3	-6.3
Bulgaria	3.4	-4.7	4.3	-4.9	4.2	Bulgaria	1.9	-4.4	-3.5	-4.2	-2.2
Russia	1.3	-3.3	3.6	-4.3	3.1	Russia	1.8	-4.4	-2.5	-4.5	-2.1
Ukraine	3.2	-5.7	4.7	-5.4	4.2	Ukraine	-2.2	-7.5	-6.0	-6.8	-4.6
Slovenia	2.4	-7.1	5.9	-7.4	5.0	Slovenia	0.5	-8.0	-3.6	-8.2	-4.1
Croatia	2.9	-8.4	5.4	-8.8	5.0	Croatia	0.4	-9.0	-6.0	-8.1	-4.1
Serbia	4.2	-1.9	5.3	-2.3	4.9	Serbia	-0.2	-8.0	-2.5	-7.9	-3.0
Montenegro	3.6	-12.7	7.8	-10.3	6.0	Montenegro	-2.9	-11.0	-4.2	-9.6	-4.3
Albania	2.2	-5.9	5.5	-6.7	6.0	Albania	-1.9	-7.7	-3.8	-7.6	-4.7
Moldova	3.6	-6.3	5.9	-5.7	4.4	Moldova	-1.4	-7.5	-5.0	-7.2	-4.1

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	3.4	3.2	Hungary	3.4	4.7	4.0	4.9	4.9
Romania	3.8	2.9	3.0	2.7	2.7	Romania	3.9	5.8	6.0	5.6	6.1
Bulgaria	3.1	1.2	1.5	1.9	2.2	Bulgaria	4.2	6.0	5.0	6.5	6.4
Russia	4.5	3.3	4.0	3.3	3.6	Russia	4.6	6.0	5.0	6.2	5.4
Ukraine	7.9	2.5	6.4	2.8	5.8	Ukraine	8.2	9.9	9.2	9.9	9.0
Slovenia	1.7	0.0	1.3	0.2	1.4	Slovenia	4.5	4.6	4.5	5.8	5.8
Croatia	0.8	0.2	1.2	0.2	1.0	Croatia	7.9	9.0	8.5	9.0	8.9
Serbia	1.9	1.6	1.8	1.6	2.0	Serbia	10.4	12.0	9.7	11.2	10.8
Montenegro	0.4	0.2	1.0	0.1	1.1	Montenegro	15.1	19.7	17.4	17.2	16.1
Albania	1.4	1.4	1.5	1.8	2.1	Albania	11.6	13.1	13.1	13.8	13.0
Moldova	4.8	2.8	2.3	4.4	3.8	Moldova	5.1	8.9	3.3	7.1	6.9

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	358.0	358.0	358.0	358.0	358.0
Romania	EURRON (eop)	4.78	4.83	4.84	4.87	4.90	4.90	4.92	4.92	4.96
Russia	USDRUB (eop)	61.9	77.7	70.0	79.7	74.0	73.2	72.7	71.4	70.3
Ukraine	USDUAH (eop)	23.70	27.62	26.70	28.30	28.44	28.47	28.62	28.79	28.93
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	1.17	1.18	1.19	1.20	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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