

# OTP Weekly Outlook

## Next week:

- Eurozone's ECB meeting, EU summit and US inflation could be in the spotlight

## This week:

- There was no clear direction for stock indices in Europe this week, while US indices posted a small increase
- Better than expected Chinese figures, mixed business cycle data for the euro area, but no surprise in inflation. US labour market data disappointed.
- The EUR/USD increased visibly; oil gained further momentum



## 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	3684	1.3	14.0	US 2 year	0.16	0.8	-141.3	Dollar index	90.525	-1.4	-6.1	Brent	49	2.1	-25.5
Russel 2000	1866	0.6	11.8	US 10 year	0.97	13.0	-94.8	EURUSD	1.216	1.6	8.4	WTI	46	1.2	-24.6
Stoxx 600	394	0.1	-5.3	DE 2 year	-0.75	0.2	-13.5	USDJPY	104.01	0.1	4.4	Gold	1843	3.1	21.5
DAX	13276	-0.5	0.2	DE 10 Year	-0.55	2.2	-36.2	GBPUSD	1.352	1.6	2.0	Silver	24	7.3	35.7
CAC40	5597	0.0	-6.4	SP 10 year	0.07	-0.5	-38.9	AUDUSD	0.744	0.7	5.9	Palladium	2383	-1.9	22.5
FTSE100	6544	2.8	-13.2	UK 10 year	0.35	4.7	-46.7	USDCAD	1.281	1.4	1.4	Copper	351	3.3	25.5
FTSE MIB	22174	-0.8	-5.7	IT 10 year	0.62	-0.4	-78.8	USDCHF	0.889	1.9	8.7	Steel	817	2.4	38.9
Nikkei 225	26751	0.4	13.1	JP 10 year	0.02	-0.8	3.9	NZDUSD	0.706	0.4	4.7	Wheat	572	-2.8	2.3
CSI 300	5066	1.7	23.7	CH 10 year	3.29	2.5	15.6	CNHUSD	6.514	0.9	6.9	Corn	417	-2.1	7.4

Source: Bloomberg

## The eurozone's ECB meeting, the EU summit, and US inflation could be in the spotlight

**Monday** begins with China's exports data for November. We have started to get used to the fact that China outperforms most countries this year, and the recovery from the fall in February is clearly V-shaped. In October, China's exports have been growing for the fourth month in a row, by 11.4%. The market expects 12% growth for November, keeping up a strong pace. Then comes a string of data from Europe. The 1.6% MoM growth in German industrial production in September, was followed an upwardly revised 0.5% rise in August. The breakdown showed that the increase was broad-based, and that auto output surged 10.0% MoM, reversing almost all of the 10.3% fall in August when factories implemented their summer production breaks. The consensus is 1.5% growth for October for total production, similarly to September. There will also be two confidence indices already for December: the Sentix for the euro area, and the ZEW for Germany. The latter will be already published on **Tuesday**. Since September, both indicators have been in a deteriorating, owing to the second wave of the pandemic and the corresponding lockdowns. For December, the Sentix is forecast to weaken slightly further, while the consensus expects improvement for ZEW, given Germany's relatively good performance recently.

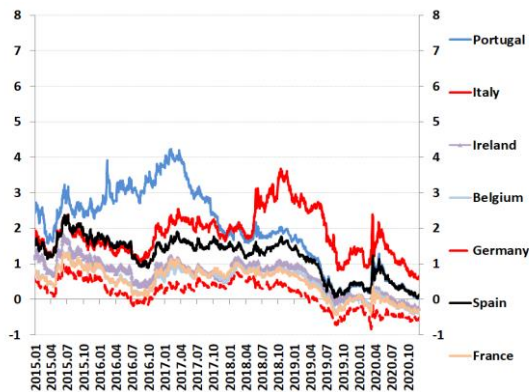
On **Wednesday**, Germany's exports data for October will be released. After a sharp rebound in May and June, growth in Germany slowed to about 2.5% per month. The market expects some slowdown to 2% for October.

**Thursday** will be the most data intensive day of the week, with possible market movers. The day begins with industrial production figures from France. Similarly to Germany, there was a sharp rebound in May and June, which weakened to a 1-1.5% MoM rise by August. The market expects this pace to slow further, to around 0.4% in October. More importantly, we will learn more on the **ECB's new policy decisions**. This meeting is much awaited, as the new economic downturn and the fact that inflationary pressures have remained so low are key reasons why the ECB is gearing up to give the economy another shot in the arm. This week ECB President Christine Lagarde reiterated the dovish message from her speech on the previous week. Although she said the Bank would review all its instruments, she said again that two of them – the TLTROs and the PEPP – will remain most important ones. Some analysts expect the Bank to increase and to extend the life of the PEPP, and to announce a further round of TLTROs on even more favourable terms than the current round. A further increase in the Asset Purchase Programme (APP) is also quite likely as the EUR 120bn additional APP purchases announced in March will have been used up by year-end. There is also a possibility of a further cut in the deposit rate. Another important data release will be **CPI data from the USA**. Core inflation slowed in October on account of both core and non-core elements. The unexpected drop back in core inflation, from 1.7% to 1.6% last month, reflected continued subdued demand in the services sector. As the explosion in virus figures is likely to put further downward pressure on demand in the short term, overall inflation is likely to remain subdued for a while yet. The market expects the same rate for November as it was in October (headline 1.2%, core 1.6%, both YoY). Weekly jobless claims data will be also published. Having risen for two weeks, initial jobless claims fell to 712,000 on the last week of November, but the broader picture suggests that the decline practically halted since October. In contrast, continuing claims declined uninterruptedly to 5.5 million by the last week of November. It is yet to be seen whether the record virus and death figures, as well as the increasing number of lockdowns will deteriorate unemployment trends more clearly. The new bipartisan stimulus package proposed with close to USD 900 bn could help. Importantly, this year's presumably **last EU summit will start on Thursday**, and the question is whether countries could effectively tackle Hungary's and Poland's intention to veto the next EU budget. The two countries are committed to vetoing, due to the planned adoption of the rule of law mechanism to be linked to the next EU budget cycle. The latest communication of the Polish government might suggest that eventually they will recede from the veto, but Hungary seems to insist on its threat.

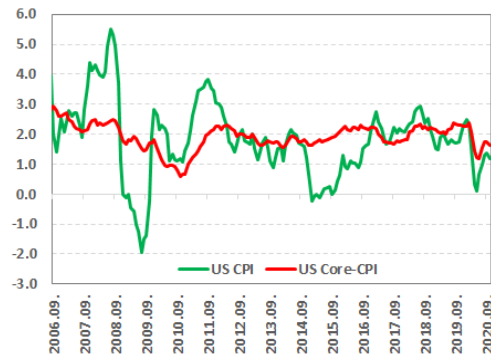
On **Friday**, Italy will publish industrial production statistics for October. In September, the series turned out particularly weak, at -5.6%, missing expectations (of -2%), driven by weak capital goods production.

The current consensus forecast is 1% growth. In the afternoon, the Michigan Consumer Confidence Index will be released in the USA. This index dropped to 76.9 in November, from 81.8 a month before, after steadily increasing from July to October. Now the consensus is a further decline to 76 points.

**10Y government bond yield in the euro area (%)**



**US CPI (YoY, %)**



Source: Refinitiv

**What to watch next week**

Data	Cd.	Event/Data	Period	Cons.	Prev.
2020 12. 7.	4 : 00	CN Export (YoY, %)	Nov	12.0	11.4
	8 : 00	DE Industrial production (MoM, %)	Oct	1.5	1.6
	10 : 30	EZ Sentix Investor confidence (points)	Dec	-13.0	-10.0
8	11 : 00	DE ZEW Economic Sentiment (points)	Dec	44.0	39.0
9	8 : 00	DE Export (MoM, SA, %)	Oct	1.0	2.3
	16 : 00	CA Interest rate decision (%)	Dec	0	0
10.	8 : 45	FR Industrial production (MoM, %)	Oct	0.4	1.4
	13 : 45	EZ Interest rate decision (lending rate, %)	Dec	0.0	0.0
	13 : 45	EZ Interest rate decision (deposit rate, %)	Dec	1.1	-0.5
	14 : 30	US core-CPI (MoM, SA, %)	Nov	0.2	0.0
	14 : 30	US core-CPI (YoY, %)	Nov	0.2	1.6
	14 : 30	US CPI (MoM, SA, %)	Nov	0.1	0.0
	14 : 30	US CPI (YoY, %)	Nov	1.1	1.2
	14 : 30	US Initial jobless claims ('000s)	weekly		712.0
	14 : 30	US Continuing jobless claims ('000s)	weekly		5520.0
	20 : 00	US Federal budget balance (USDbn)	Nov		-284.0
		EU EU summit ( 2 days)	-	-	-
11	10 : 00	IT Industrial production (MoM, SA, %)	Oct	1.0	-5.6
	16 : 00	US Michigan Consumer confidence (preliminary, points)	Dec	76.0	76.9

## **Stock markets rotation continues as vaccine news remain favourable in general, and uncertainties over US presidential transfer fade**

### **Pandemic situation: new cases and deaths break records in the USA, case numbers decline in Western Europe, but no major improvement in the CEE region**

Daily new cases in the USA reached an all-time high. The number of covid-related deaths was also record high in the second half of the week, exceeding even the numbers seen in the spring. In Western Europe, Belgium, France, Italy, Spain and the UK have been reporting shrinking daily new cases for over a month now. Their covid-related death statistics seems to follow this pattern with a two-week delay. Austria, Norway, Portugal and Switzerland also experienced fewer daily cases, but without a decreasing covid-related death count. Daily cases in the CEE still soared in the second wave. Most countries in the region reported rising daily new cases, with the exception of Poland, the Czech Republic and Montenegro, where this statistic decreased, along with their daily new case and daily test ratio. An alarming jump in new infections was reported in Turkey this week.

### **There was no clear direction for stock indices in Europe this week, while US indices posted a small increase**

During this week, major stock indices did not point to a clear direction, declining one day and increasing on the another; range trading was dominant. Finally S&P closed 1.3% higher, while in Europe the STOXX600 stagnated, Germany's DAX even dropped by 0.5%. Markets seem to have already priced in the previously favourable vaccine news, and no new market-moving event occurred, apart from the UK, where the health authority has approved Pfizer's vaccine, and mass immunization will start next week. This probably explains the outperformance of the FTSE100 (+2.8% increase over the past week). Otherwise, investors are waiting for vaccination to be announced in other countries. Also, other issues are pending in Europe: no breakthrough occurred on EU budget negotiations or in Brexit talks. There seems to be a bipartisan agreement on a new stimulus bill of USD 908 bn in the USA, but this is yet to be approved. In America, the IT, health care, energy and telco sectors were the best performers, while in Europe basic resources, travel and banks headed the growth.

### **Better than expected data from China, mixed business cycle data from the euro area, but no surprise in inflation. US labour market data disappointed.**

Chinese PMIs (NBS and Caixin) for both manufacturing and service sectors indicated further improvement compared to previous months, and beat market expectations, confirming the country's V-shaped recovery from the covid crisis. In contrast, mixed results arrived from Europe, where Italy's service sector PMI turned out to be particularly weak, at 39.4, the weakest values since May and below expectations (41.3). At the same time, manufacturing, at 51.5, remained above the 50 mark but deteriorated compared to October. In contrast, Germany's October data were fairly upbeat: retail sales grew by 2.6% MoM after a decline in September and beating expectations; industrial orders grew by 2.9% MoM after a 0.5% rise in September. The data raises the possibility that Germany could even avoid a recession in Q4, or at least the fall will be milder than in other large countries of the eurozone. Italy's retail sales grew by 0.6% MoM in October, which is also an improvement after September's decline, but with the negative confidence indices the outlook for Q4 is very gloomy. The unemployment rate for the euro area, at 8.4% for November, was in line with the consensus and indicated a minimal uptick from the previous month. However, the data should be treated with caution, as given the extensive use of government support scheme, it understates the true level of the problem on the labour market. The second revision of Q3 GDP brought an improvement for Austria (from 11.6% to 12%), but a slight deterioration for Italy (from 16.1% to 15.9%); in Portugal, the first release of data was confirmed at 13.3%. There was no surprise in the euro area's November CPI and core inflation, which remained at the previous month's level. There was a sharp slowdown in the pace of non-farm payroll gains, to 245,000 in November, against the expectation of 469,000, and a previous month's reading of 610,000.

All this underlines how the renewed surge in virus cases and restrictions is weighing on services demand. The unemployment rate edged lower, to 6.7% from 6.9%, but that was only because a 400,000 decline in the labour force far outstripped the 74,000 fall in the household measure of employment.

### The EUR/USD increased visibly; oil gained further momentum

The EUR/USD ground higher, the USD lost 1.6% against the EUR and the GBP. Growing prospects for a U.S. economic stimulus package and the roll-out of COVID-19 vaccines boosted demand for riskier assets, taking the safe-haven USD to a 30-month low versus the euro. Oil prices still increased by around 2%, after last week's rally, as OPEC+ decided on Thursday to raise output by 0.5 mn barrels a day from 1 January. Although there were expectations of no increase at all, a few weeks ago a much larger hike was in the pipeline, and the markets were happy that an agreement has been reached. In addition, the group will shorten its review interval from three to one month, so that more flexibility is added the system.

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	3684.0	1.3	14.0	Stoxx 600	SXXP Index	393.7	0.1	-5.3
IT	S5INFT Index	2199.2	2.1	36.5	Health care	SXDP Index	871.8	-0.7	-4.1
Health care	S5HLTH Index	1298.2	2.0	9.3	Industrial goods & services	SXNP Index	612.3	0.3	1.8
Financials	S5FINL Index	478.2	1.4	-6.5	Banks	SX7P Index	115.4	3.6	-19.5
Telco	S5TELS Index	221.5	2.1	22.0	Personal & households goods	SXQP Index	900.9	-1.6	0.0
Consumer discretionary	S5COND Index	1277.7	-0.2	29.5	Insurance	SXIP Index	276.9	0.5	-14.2
Industrials	S5INDU Index	748.8	0.0	8.9	Food and beverages	SX3P Index	703.5	-0.3	-9.1
Consumer staples	S5CONS Index	689.4	0.4	6.6	Technology	SX8P Index	579.5	0.4	9.3
Utilities	S5UTIL Index	318.0	-1.4	-3.2	Utilities	SX6P Index	370.1	-2.4	3.9
Energy	S5ENRS Index	296.5	2.2	-35.0	Oil & gas	SXEP Index	238.8	0.9	-25.1
Real estate	S5RLST Index	229.6	0.9	-4.5	Chemicals	SX4P Index	1070.6	-2.8	4.0
Materials	S5MATR Index	444.6	-1.1	15.2	Construction & materials	SXOP Index	498.2	-0.7	-2.8
Source: Bloomberg					Telco	SXKP Index	213.6	-0.4	-12.8
					Retail	SXRP Index	390.5	0.3	7.9
					Financial services	SXFP Index	594.3	0.8	1.9
					Basic resources	SXPP Index	489.0	6.6	5.9
					Real estate	SX86P Index	166.1	0.7	-14.0
					Auto & parts	SXAP Index	515.3	0.6	1.4
					Media	SXMP Index	276.2	1.1	-9.9
					Travel & leisure	SXTP Index	221.9	4.3	-16.4

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	3684	7.0	7.5	18.4	18.4	28.9	4.0	2.7	11.2	1.4	122.3	1.9	7.3
Europe	SXXP Index	394	8.4	8.8	7.5	-2.4	47.6	1.9	1.4	4.6	1.1	192.6	-0.1	2.4
Germany	DAX Index	13276	7.7	3.4	6.8	1.0	66.0	1.7	1.0	3.2	1.2	134.8	-13.2	7.8
France	CAC Index	5597	13.7	12.7	11.7	-3.5	57.8	1.7	1.3	3.2	1.1	245.8	-1.2	1.1
Poland	WIG20 Index	1935	17.9	10.0	8.3	-7.1	29.9	1.1	0.8	3.0	1.1	56.1	-0.5	-18.2
Czechia	PX Index	978	13.0	8.3	4.9	-9.4	14.7	1.1	1.4	7.8	1.2	165.0	-1.1	0.4
Hungary	BUX Index	39273	12.9	12.7	5.4	-10.9	17.2	1.0	0.8	5.2	1.2	61.1	163.7	-2.2
Romania	BET Index	9537	8.7	6.0	5.7	-4.1	10.9	1.0	1.3	9.3		36.9	-14.2	
Bulgaria	SOFIX Index	429	0.2	-1.5	-7.2	-21.1	3.7	0.5	0.6	13.1	3.0	58.9		
Russia	IMOEX Index	3182	14.2	8.9	15.0	9.7	15.0	1.0	1.1	6.6	1.4	70.4	-3.7	4.8
Ukraine	PFTS Index	508	1.4	1.5	1.5	-0.6	4.2	0.8	0.3	37.2	0.6	15.6		
Slovenia	SBITOP Index	893	8.9	6.6	2.3	-0.7	8.0	0.8	0.5	9.9	1.6	29.0	-2.0	
Croatia	CRO Index	1747	10.5	8.6	4.4	-12.4	86.9	1.0	1.0	1.1	1.4	53.4		
Serbia	BELEX15 Index	715	2.5	2.9	5.5	-7.4	15.5	0.6	0.7	4.3	1.8	20.3		
Montenegro	MNSE10 Index	634	-1.7	-3.4	-10.8	-20.0	13.7	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).

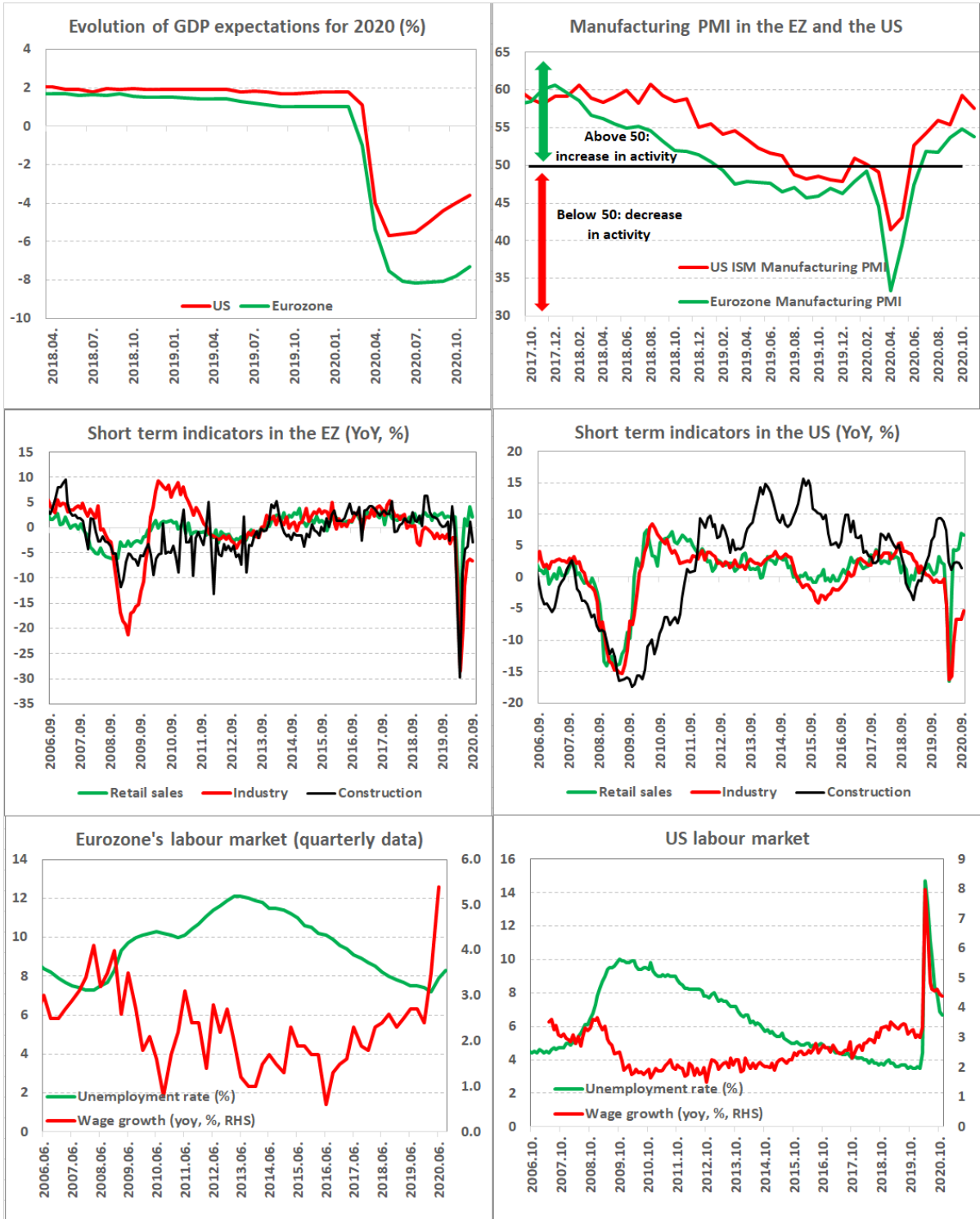
\*\*\*therefore direct comparison of only valuation metrics could be misleading.

## Last week's data

Data	Cd.	Event/Data	Period	Fact	Cons.	Prev.
2020 11.30.	2 : 00	CN NBS Manufacturing PMI (points)	Nov	52.1	51.5	51.4
	2 : 00	CN NBS Non-manufacturing PMI (points)	Nov	56.4	-	56.2
	8 : 00	TR GDP (first estimate, YoY, %)	Q3	6.7	4.8	-9.9
	9 : 00	AT GDP (detailed, QoQ, %)	Q3	12.0	-	11.6*
	12 : 00	PT GDP (detailed, QoQ, %)	Q3	13.3	-	13.3*
	14 : 00	DE CPI (preliminary, YoY, %)	Nov	-0.3	-0.1	-0.2
	15 : 45	US Chicago PMI (points)	Nov	58.2	59.0	61.1
	16 : 00	US Pending home sales (MoM, %)	Oct	-1.1	1.0	-2.2
12. 1.	2 : 45	CN Caixin Manufacturing PMI (points)	Nov	54.9	53.5	53.6
	9 : 45	IT Markit/IHS Manufacturing PMI (prelim.)	Nov	51.5	52.0	53.8
	10 : 00	IT GDP (detailed, QoQ, %)	Q3	15.9	16.1	16.1*
	11 : 00	EZ CPI (flash, YoY, %)	Nov	-0.3	-0.2	-0.3
	11 : 00	EZ Core CPI (flash, YoY, %)	Nov	0.2	0.2	0.2
	16 : 00	US Construction expenditure (MoM, %)	Oct	1.3	0.8	0.3
	16 : 00	US ISM Manufacturing PMI (points)	Nov	57.5	58.0	59.3
2.	8 : 00	DE Retail sales (MoM, %)	Oct	2.6	1.2	-2.2
	10 : 00	IT Unemployment rate (%)	Oct	9.8	9.9	9.6
	11 : 00	EZ Unemployment rate (%)	Oct	8.4	8.4	8.3
	13 : 00	PL Interest rate decision (%)	Dec	0.1	0.1	0.1
	14 : 15	US ADP non-farm employment (MoM, '000s)	Nov	307	410	365
	20 : 00	US Beige Book	-	-	-	-
3.	2 : 45	CN Caixin Services PMI	Nov	57.8		56.8
	9 : 45	IT Markit/IHS Services PMI (prelim.)	Nov	39.4	41.3	46.7
	11 : 00	EZ Retail sales (MoM, %)	Oct	1.5	0.5	-2.0
	14 : 30	US Initial jobless claims ('000s)	weekly	712	775	787
	14 : 30	US Continuing jobless claims ('000s)	weekly	5520.0	5915.0	6089
	16 : 00	US ISM non-Manufacturing PMI (points)	Nov	55.9	56.0	56.6
4.	8 : 00	DE Industrial orders (MoM, %)	Oct	2.9	1.5	0.5
	10 : 00	IT Retail sales (MoM, SA, %)	Oct	0.6		-0.7
	14 : 30	US Non-farm payroll (MoM, '000s)	Nov	245	469	610
	14 : 30	US Unemployment rate (%)	Nov	6.7	6.8	6.9
	14 : 30	US Average earnings (MoM, %)	Nov	0.3	0.1	0.1
	14 : 30	US Average earnings (YoY, %)	Nov	4.4	4.3	4.4
	16 : 00	US Factory orders (MoM, %)	Oct	1.0	0.8	1.3

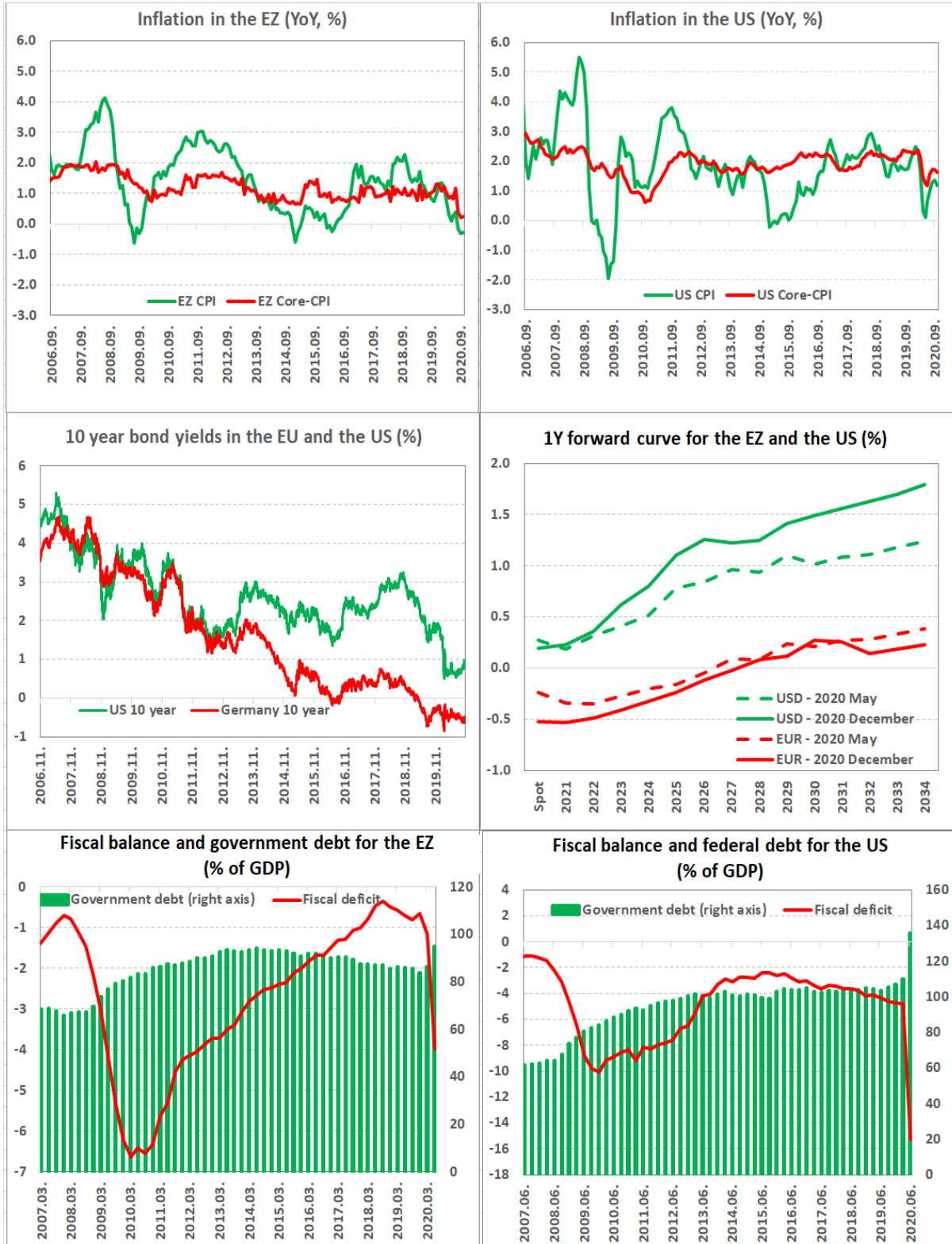
\* preliminary data

### 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	1.22	1.23	1.23	1.25	1.24	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	1.12	1.13	1.15
USDJPY	107.0	106.0	104.0	104.0	104.0	104.0	104.0	105.0	108.0	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	4.88	4.89	4.91	4.92	4.95
Russia	USDRUB (eop)	61.9	77.7	70.0	79.7	75.5	74.7	73.6	72.9	72.0
Ukraine	USDUAH (eop)	23.70	27.62	26.70	28.30	28.53	28.64	28.73	28.93	29.00
Croatia	EURHRK (eop)	7.4	7.6	7.6	7.6	7.5	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	1.20	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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