

# OTP Weekly Outlook

## Next week:

- Eurozone business cycle indicators, US CPI, and virus variants may be in the spotlight next week

## This week:

- Global stock markets rallied on account of large fiscal stimulus expectations from the US, despite the spreading of the new variant mutation
- US Congress approved Joe Biden as president, amidst turmoil at the Capitol
- The EU approved Moderna's vaccine
- The EUR/USD increased slightly further; US 10Y government bond climbed up significantly; oil is a clear winner from surprising Saudi production cut

## 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	3810	1.4	1.4	US 2 year	0.14	1.6	1.6	Dollar index	90.028	0.1	0.1	Brent	55	7.0	7.0
Russel 2000	2105	6.6	6.6	US 10 year	1.08	18.5	18.5	EURUSD	1.223	0.1	0.1	WTI	52	6.4	6.4
Stoxx 600	411	2.9	2.9	DE 2 year	-0.71	0.5	0.5	USDJPY	103.93	-0.7	-0.7	Gold	1858	-2.1	-2.1
DAX	14042	2.4	2.4	DE 10 Year	-0.53	4.3	4.3	GBPUSD	1.356	-0.8	-0.8	Silver	26	-2.3	-2.3
CAC40	5689	2.5	2.5	SP 10 year	0.04	-1.3	-1.3	AUDUSD	0.776	0.8	0.8	Palladium	2363	-3.5	-3.5
FTSE100	6861	6.2	6.2	UK 10 year	0.28	8.9	8.9	USDCAD	1.272	0.1	0.1	Copper	366	4.1	4.1
FTSE MIB	22743	2.3	2.3	IT 10 year	0.56	-2.5	-2.5	USDCHF	0.885	0.1	0.0	Steel	1066	5.0	6.1
Nikkei 225	28139	2.5	2.5	JP 10 year	0.04	1.5	1.5	NZDUSD	0.724	0.7	0.7	Wheat	638	-0.4	-0.4
CSI 300	5495	5.5	5.5	CH 10 year	3.13	0.4	0.4	CNHUSD	6.466	0.6	0.6	Corn	495	2.2	2.2

Source: Bloomberg

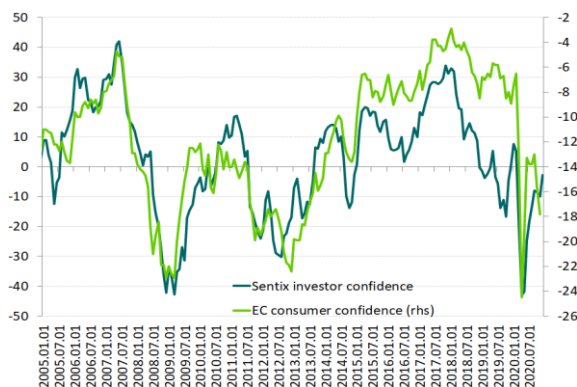
## Eurozone business cycle indicators, US CPI, and virus mutations could be in the spotlight next week

*The next week will not bring very significant macro data releases. European and US business cycle data (both hard and business surveys), and US CPI data for December will arrive. This latter is closely watched by the Fed but given the new monetary framework, it is unlikely to trigger much change in policy in itself. News on the spread of new virus mutations (B.1.1.7 and 501.V2) could change market sentiment as well.*

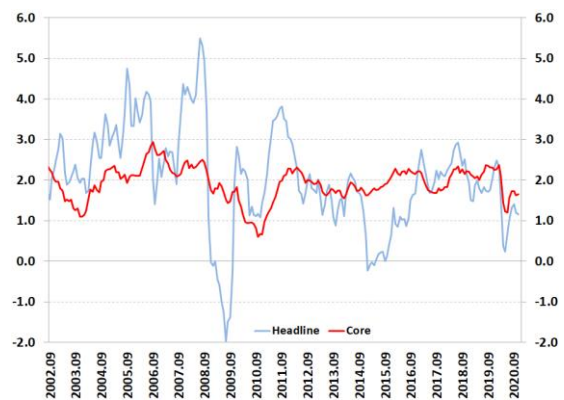
The second week of 2021 will bring limited data release for the **euro area**: the Sentix index, to be published on *Monday*; retails sales data for Italy on *Tuesday*, while industrial production figures for the eurozone and Italy will be released on *Wednesday*. The *Sentix business confidence index* improved surprisingly in December from -10 to -2.7 points. The open question is whether the gradual pick-up of vaccination or the new virus mutations will have a more pronounced effect on business sentiment. Right now the market expects a further improvement to 0.0 points. Eurozone *industrial production* grew by 2.1% MoM in October, but business confidence indices deteriorated in November, which suggest a weakening output for the month. The consensus forecast is 0.3% growth in this case. The data will help to decide, whether the -2.2% QoQ or -6.7% YoY Q4 GDP forecast of market is too pessimistic or rather optimistic. Italy's industrial production grew by 1.3% in October, after the disappointing 5.2% fall in September, but business surveys point toward deterioration again. Finally, Italy's retail sales grew by 0.6% in October after a similar decline in the previous month, but the general trend has been flat since July, with growth in one month and drop in another. The sharp fall in consumer confidence in November is not too reassuring, one bright spot is that confidence bounced back in December, exceeding the October level.

More data will be published overseas. For a start, **US CPI** data will be released on *Wednesday*. Both the headline and core consumer price indices rose by 0.2% MoM in November, as the rebound in the prices of the goods and services that fell the most in the early stages of the pandemic has continued. At 0.2% MoM, unchanged from the month before, core CPI inflation remained muted. The market expects the headline figure to speed up to 0.4% MoM, on account of higher gasoline prices, while core inflation is expected to remain flat. The weekly job claims data, to be published on *Thursday*, will be also interesting. The initial job claims figure will refer to the first week of January; after a temporary spike in December, the figure kept declining until the end of the year, and stagnated in the first week of January. Similarly, continuing claims also followed a downward trend, but these data will be for the last week of 2020. Still, the surprising fall in nonfarm payroll in December, and the increasing virus cases coupled with decreasing mobility does not bode well for employment prospects. Of the batch of US macro data due out on *Friday*, industrial production for December and the Michigan consumer confidence for January could be the most interesting ones. The solid 0.8% increase in manufacturing output in November underlined that production is continuing to catch up with the recovery in consumption. The question is whether production continues to rise, as consumption is likely to drop back in the face of new virus restrictions, as firms continue to rebuild lean inventories. The market forecasts a slight slowdown from 0.4% MoM to 0.3% in total industrial production. After a drop in November, consumer confidence rebounded near its October level in December, according to the Michigan index. However, the picture is not fully clear as the CB index fell further in the same month. It remains an open question whether the net effect of the increasing virus cases and the start of vaccination will bring more optimism or pessimism for consumers by January.

**Eurozone industrial production and business confidence (points)**



**US CPI (YoY, %)**



Source: Bloomberg, Refinitiv

## What to watch next week

Data	Cd.	Event/Data	Period	Cons.	Prev.
2021 1. 11. 10 : 30	EZ	Sentix Investor confidence (points)	Jan	0.0	-2.7
12. 10 : 00	IT	Retail sales (MoM, SA, %)	Nov		0.6
13 10 : 00	IT	Industrial production (MoM, SA, %)	Nov		1.3
11 : 00	EZ	Industrial production (MoM, %)	Nov	0.3	2.1
14 : 30	US	CPI (MoM, SA, %)	Dec	0.4	0.2
14 : 30	US	core-CPI (MoM, SA, %)	Dec	0.2	0.2
14 : 30	US	CPI (YoY, %)	Dec	1.3	1.2
14 : 30	US	core-CPI (YoY, %)	Dec	1.6	1.6
20 : 00	US	Federal budget balance (USDbn)	Dec		-145.0
14. 4 : 00	CN	Export (YoY, %)	Dec	15.0	21.1
14 : 30	US	Initial jobless claims ('000s)	weekly		787.0
14 : 30	US	Continuing jobless claims ('000s)	weekly		5072.0
15 14 : 30	US	New York Fed Manufacturing index (points)	Jan	5.9	4.9
15 : 15	US	Industrial production (MoM, %)	Dec	0.3	0.4
16 : 00	US	Business inventories (MoM, %)	Nov	0.4	0.7
16 : 00	US	Michigan Consumer confidence (preliminary, points)	Jan	81.0	80.7

## **Global stock markets rallied, fuelled by expectations of a large fiscal stimulus in the USA, despite the spreading of the new virus variant**

**Pandemic situation: new cases and deaths break records in the USA, case numbers declined mostly in Western Europe and CEE, but daily infections shot up in the UK and Ireland due to the new covid variant. Countries rather tighten than loosen due to the new variant mutation.**

After a shorter descend during the holiday season, the rate of new infections rose in the USA, with all-time high counts in both daily new cases and daily deaths. In Western Europe, while the spread of the virus is still serious, its intensity has declined over the past few months, with few exceptions. The UK and Ireland suffer from a new variant of the virus (B.1.1.7), the number of new daily infections jumped rapidly in these countries. Portugal and Norway also report an increasing number of daily new cases. In the CEE region, the Baltic States, the Czech Republic, Slovenia and Slovakia showed a soaring number of daily new case counts. These figures decreased in Bulgaria, Croatia, Hungary, Moldova, and Serbia along with the daily new cases and daily test ratios. However, even the countries that reported more favourable figures, have tightened measures rather than easing them, owing to concerns about the new virus mutation. The vaccination campaign is still going on, so far more than 17.5 million doses were injected in over 38 countries, but the share of population vaccinated remained below 1% practically across the EU, except Denmark. The global winners so far are Israel and UAE, where near 20% and 9% of the whole population has been vaccinated to date. This week, Moderna's covid vaccine was authorized in the EU. This could possibly speed up the vaccination process, as its shipping is somewhat easier than that of Pfizer's vaccine. Furthermore, the EU Commission secured further 300 million doses of Pfizer vaccine for Q2, which could increase vaccination by the summer visibly.

### **A big gain for global stock indices as the market has started to price a large fiscal stimulus in the USA after Democrats took control of the Senate as well**

Both European and US stock indices closed the week with sizeable gains; moreover, indices increased almost every day throughout the week. The general mood was optimistic despite the spreading of new covid mutation, more stringent lockdowns in Europe, and high infection numbers. Indices were also supported by the fact that after Pfizer's solution, Moderna's vaccine was also approved in the EU.

In **Europe**, the *STOXX600* grew by 2,9% on Friday afternoon, but *FTSE100* took the lead by a 6.2% surge, reflecting a correction after the Brexit turmoil last December. Germany's *DAX* grew by 2,4, *CAC40* by 2,5%. Among sectors, basic resources (+11.3%), and oil & gas (+9.4%) headed the growth, driven by hopes on infrastructural spending in both the EU and USA, as well as by the oil price rally. Banks and construction materials also posted strong growth rates (+5.5 and +7.1%). Real estate (-2.0%) and auto parts (-1.6%) posted the weakest performance.

In the **USA** the *S&P* posted a 1.4% increase by Friday afternoon, the *Russell 2000*, the small cap index stood at 6.6% growth. Similarly to Europe, energy was one of the best performing sectors, with 9.2% weekly growth on account of a rally in oil prices. Materials and financial shares were also improving significantly, by 5.7 and 4.2%. The winner of the week was Bitcoin, which posted a close to 40% growth in a week, at some stage hitting 41,500. The optimistic sentiment was not interrupted by the unusual scene when Donald Trump's supporters stormed the Capitol building on Wednesday; the event put off Joe Biden's affirmation as president by US Congress by one day. Markets appreciated the consequences of a clean sweep of Democrats, which could result in a significant US fiscal stimuli.

## Mixed data from the eurozone, disappointing US labour market, China's manufacturing sector surprisingly weakened

The week was light in terms of **China's macro data**. The published *Caixin manufacturing PMI* for December dropped to 53 points from 54.9 in the previous month, below the expected 54.8 points. At the same time, the non-manufacturing component remained more resilient, but still weakened to 56.3, from 57.8 points.

Indicators for the **euro area** were a rather mixed bag. Germany's data turned out particularly upbeat, as retail sales, exports and industrial production all beat expectations. The surprise in *retail sales* was particularly significant, a surge by 1.9% MoM in November followed a 2.6% jump in October and surpassed forecasts of a 2% drop. Compared to February, the month before coronavirus outbreak, sales were 8.4% higher. However retail sales for the whole euro area disappointed, posting a 6.1% decline as opposed to an expectation of -3.4% MoM growth. Nevertheless, the *economic sentiment indicator* for the region improved slightly above expectations, while unemployment declined by 0.1 ppts as opposed to a projected similar increase. Still, the decline in France's *industrial production* was in line with expectations, while Italy's *PMI* for December improved less than expected. Meanwhile, the euro area remained in *deflation* at -0.3%, slightly lower than the -0.2% expectation, while core inflation was unchanged at 0.2%, the same as in the previous month.

Incoming business survey and real economy data did not turn out weak for the **USA**, but a significant negative surprise came with *labour market* data, where nonfarm payroll employment fell by 140,000 instead of a 71,000 increase in December. This data comes after 336,000 growth for November, which was already a slowdown compared to October. The drop in December was entirely due to a massive plunge in leisure and hospitality employment, as bars and restaurants across the country have been forced to close in response to the surge in coronavirus infections. Despite falling employment, the unemployment rate remained flat for December, reflecting lower activity.

## The EUR/USD increased slightly further; US 10Y government bond climbed up significantly; oil is a clear winner on surprising Saudi production cut

The USD weakened significantly up to Thursday, reaching almost 1,2270, however Friday brought some strength to the currency, so it stood on Friday afternoon with a minimal weakening. The dollar's weakening trend will last at least another year, longer than previously expected, according to the majority of foreign exchange strategists polled by Reuters who cited a hunt for yields in emerging market currencies as the main reason. Reflecting the buoyant investor sentiment, US 10Y yields edged-up by more than 18 bps in one week. Oil prices held at near 11-month highs, at 55 USD/barrel on Friday and were on track for a strong weekly gain. While the OPEC+ group could not agree on a production plan for the next months, and Russia and Kazakhstan will expand production by a combined 150,000 barrels per day, Saudi Arabia's unilateral pledge to cut output by 1 million barrel continued to buoy market sentiment.

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	3810.2	1.4	1.4	Stoxx 600	SXXP Index	410.5	2.9	2.9
IT	S5INFT Index	2292.5	0.1	0.1	Health care	SXDP Index	884.1	0.6	0.6
Health care	S5HLTH Index	1368.6	3.4	3.4	Industrial goods & services	SXNP Index	648.1	3.0	3.0
Financials	S5FINL Index	511.1	4.2	4.2	Banks	SX7P Index	114.1	5.5	5.5
Telco	S5TELS Index	219.2	-1.2	-1.2	Personal & households goods	SXQP Index	937.7	0.5	0.5
Consumer discretionary	S5COND Index	1346.3	3.4	3.4	Insurance	SXIP Index	287.2	2.9	2.9
Industrials	S5INDU Index	759.2	1.3	1.3	Food and beverages	SX3P Index	711.7	-0.5	-0.5
Consumer staples	S5CONS Index	684.8	-1.7	-1.7	Technology	SX8P Index	615.3	1.9	1.9
Utilities	S5UTIL Index	315.9	-1.0	-1.0	Utilities	SX6P Index	407.7	6.2	6.2
Energy	S5ENRS Index	312.6	9.2	9.2	Oil & gas	SXEP Index	258.6	9.4	9.4
Real estate	S5RLST Index	222.3	-2.5	-2.5	Chemicals	SX4P Index	1147.8	3.0	3.0
Materials	S5MATR Index	481.8	5.7	5.7	Construction & materials	SXOP Index	528.0	7.1	7.1
Source: Bloomberg					Telco	SXKP Index	211.0	2.6	2.6
					Retail	SXRP Index	407.9	3.0	3.0
					Financial services	SXFP Index	628.6	3.7	3.7
					Basic resources	SXPP Index	555.8	11.3	11.3
					Real estate	SX86P Index	167.4	-2.0	-2.0
					Auto & parts	SXAP Index	519.0	-1.6	-1.6
					Media	SXMP Index	290.6	2.6	2.6
					Travel & leisure	SXTP Index	232.1	3.5	3.5

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	3810	2.9	10.5	20.2	17.1	30.4	4.2	2.9	11.1	1.4	121.8	22.7	22.2
Europe	SXXP Index	411	4.3	11.5	12.0	-1.9	53.2	2.0	1.4	4.2	1.1	194.9	5.7	37.1
Germany	DAX Index	14042	5.8	7.7	12.4	5.4	67.6	1.8	1.1	3.3	1.2	133.5	181.2	33.3
France	CAC Index	5689	2.3	15.8	14.2	-5.7	60.8	1.8	1.4	3.0	1.1	245.5	109.7	58.7
Poland	WIG20 Index	2072	5.2	20.5	15.9	-2.1	32.0	1.2	0.9	3.0	1.1	56.0	41.1	14.0
Czechia	PX Index	1075	10.1	23.0	14.5	-3.8	16.2	1.2	1.5	7.8	1.2	168.7	9.4	11.4
Hungary	BUX Index	44350	11.8	31.6	23.4	-1.3	19.4	1.1	0.9	5.2	1.2	61.1	1019.6	51.5
Romania	BET Index	10133	7.0	14.2	18.8	2.8	12.4	1.1	1.4	8.8		33.0		
Bulgaria	SOFIX Index	451	3.7	7.0	0.7	-21.6	3.3	0.5	0.6	15.0	3.2	61.9		
Russia	IMOEX Index	3461	8.3	21.7	22.5	12.4	15.3	1.1	1.2	7.2	1.4	71.3	142.9	61.3
Ukraine	PFTS Index	499	-1.7	-0.2	-0.1	-2.1	23.1	0.8	0.9	7.7	0.8	9.8		
Slovenia	SBITOP Index	941	5.6	12.5	10.3	0.4	8.5	0.9	0.6	9.9	1.6	28.9		
Croatia	CRO Index	1806	2.7	11.8	11.9	-10.8	89.9	1.0	1.1	1.1	1.4	53.4		
Serbia	BELEX15 Index	747	4.4	7.4	13.2	-6.8	16.3	0.6	0.8	4.3	1.7	20.6		
Montenegro	MNSE10 Index	713	12.5	8.7	0.4	-8.3	15.5	0.3	1.0	1.9	2.2	15.0		

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

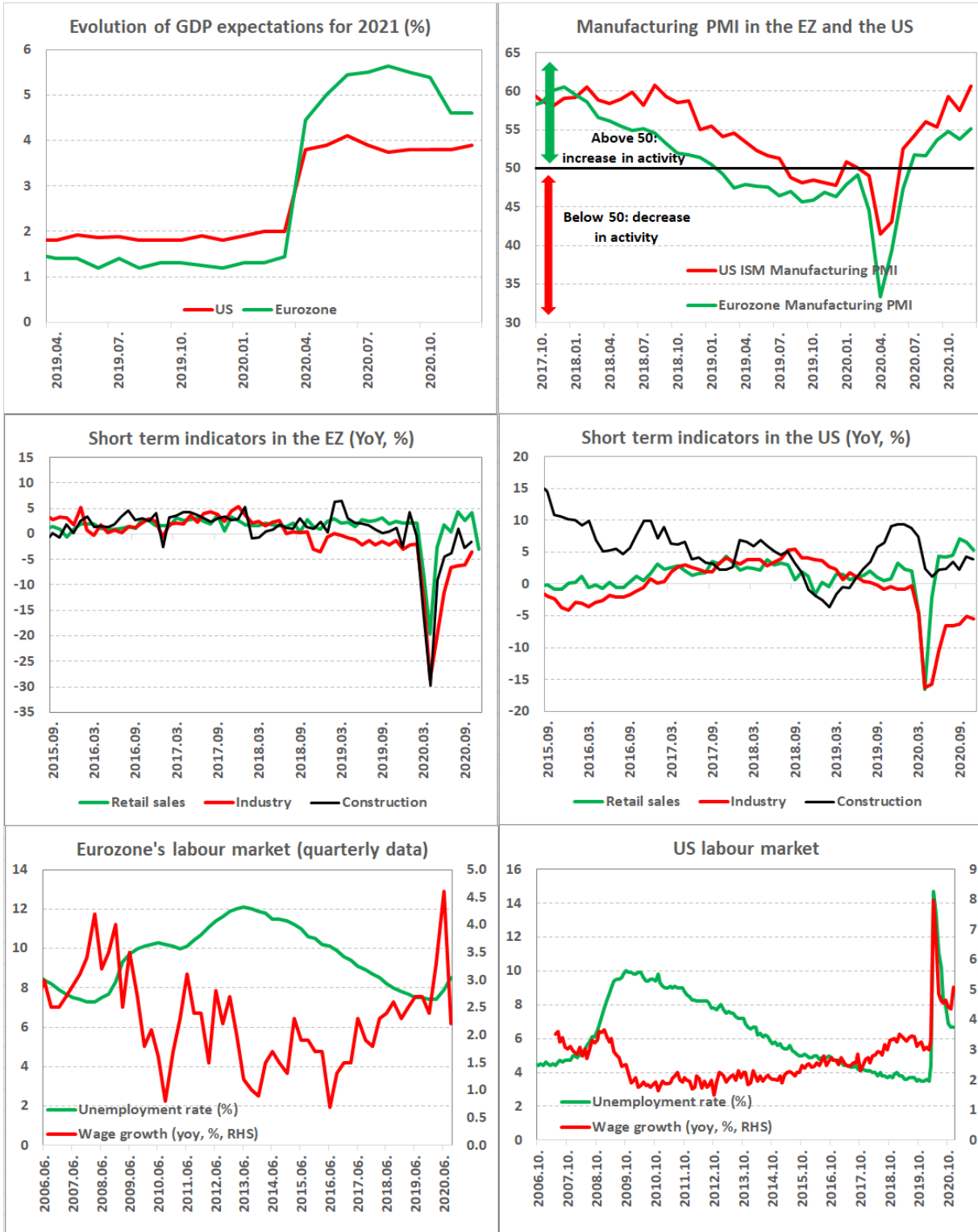
\*\*\*Bear in mind that some of the country index could be very sector heavy (only a handful industry consists of the majority of the index).

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

## Last week's data

Data	Cd.	Event/Data	Period	Fact	Cons.	Prev.
2021 1. 4. 2 : 45	CN	Caixin Manufacturing PMI (points)	Dec	53.0	54.8	54.9
9 : 45	IT	Markit/IHS Manufacturing PMI (prelim.)	Dec	52.8	53.7	51.5
16 : 00	US	Construction expenditure (MoM, %)	Nov	0.9	1.0	1.3
		OPEC + Meeting (virtual)	-	-	-	-
5 8 : 00	DE	Retail sales (MoM, %)	Nov	1.9	-2.0	2.6
16 : 00	US	ISM Manufacturing PMI (points)	Dec	60.7	56.6	57.5
6 2 : 45	CN	Caixin Services PMI	Dec	56.3	-	57.8
9 : 45	IT	Markit/IHS Services PMI (prelim.)	Dec	39.7	45.3	39.4
14 : 00	DE	CPI (preliminary, YoY, %)	Dec	-0.3	-0.3	-0.3
14 : 15	US	ADP non-farm employment (MoM, '000s)	Dec	-123.0	88.0	307.0
16 : 00	US	Factory orders (MoM, %)	Nov	1.0	0.7	1.3
20 : 00	US	FOMC Minutes	Dec	-	-	-
7. 8 : 00	DE	Industrial orders (MoM, %)	Nov	2.3	-1.2	3.3
11 : 00	EZ	CPI (flash, YoY, %)	Dec	-0.3	-0.2	-0.3
11 : 00	EZ	Core CPI (flash, YoY, %)	Dec	0.2	0.2	0.2
11 : 00	EZ	Retail sales (MoM, %)	Nov	-6.1	-3.4	1.5
11 : 00	EZ	EC Economic Sentiment Index (points)	Dec	90.4	90.0	87.7
14 : 30	US	Initial jobless claims ('000s)	weekly	787.0	800	790
14 : 30	US	Continuing jobless claims ('000s)	weekly	5072.0	5200	5198
16 : 00	US	ISM non-Manufacturing PMI (points)	Dec	57.2	54.6	55.9
8. 8 : 00	DE	Industrial production (MoM, %)	Nov	0.9	0.7	3.4
8 : 00	DE	Export (MoM, SA, %)	Nov	2.2	0.8	0.9
8 : 45	FR	Industrial production (MoM, %)	Nov	-0.9	-1.0	1.9
10 : 00	IT	Unemployment rate (%)	Nov	9.8	9.9	9.7
11 : 00	EZ	Unemployment rate (%)	Nov	8.3	8.5	8.4
14 : 30	US	Non-farm payroll (MoM, '000s)	Dec	-140.0	71	336
14 : 30	US	Unemployment rate (%)	Dec	6.7	6.8	6.7
14 : 30	US	Average earnings (MoM, %)	Dec	0.8	0.2	0.3
14 : 30	US	Average earnings (YoY, %)	Dec	5.1	4.4	4.4

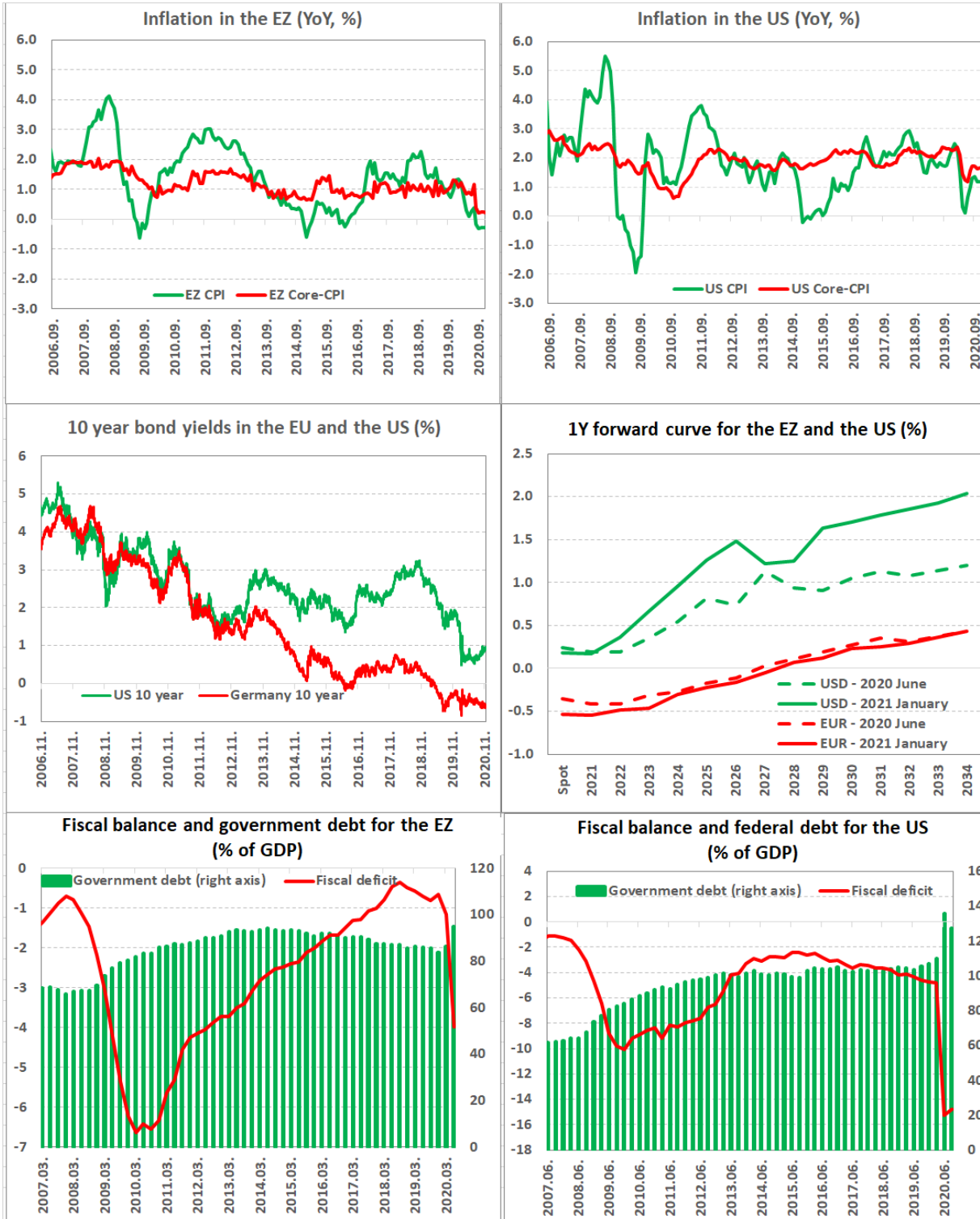
### Eurozone and US chart set



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	1.22	1.23	1.24	1.24	1.25	1.25	1.24
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	1.10	1.11	1.10	1.10
USDJPY	107.0	106.0	104.0	103.0	103.0	103.0	103.0	106.0	103.0	100.0

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	4.6	-6.3	4.1	-5.9	4.5	Hungary	-2.1	-9.0	-6.5	-7.5	-4.5
Romania	4.1	-5.8	2.4	-5.3	4.2	Romania	-4.4	-9.5	-6.5	-9.5	-6.7
Bulgaria	3.7	-4.9	2.0	-4.8	3.8	Bulgaria	1.9	-5.0	-3.5	-4.0	-2.6
Russia	1.3	-4.2	1.7	-3.9	3.1	Russia	1.8	-4.5	-2.6	-4.6	-2.2
Ukraine	3.2	-5.2	3.2	-5.2	3.9	Ukraine	-2.2	-7.5	-6.0	-6.8	-4.7
Slovenia	3.2	-7.1	5.9	-7.6	4.9	Slovenia	0.5	-8.0	-3.6	-8.4	-3.8
Croatia	2.9	-9.5	1.8	-8.7	4.8	Croatia	0.4	-9.0	-6.0	-8.1	-4.1
Serbia	4.2	-1.9	3.4	-2.1	4.8	Serbia	-0.2	-8.8	-3.0	-8.2	-3.1
Montenegro	3.6	-13.2	3.9	-11.8	6.1	Montenegro	-2.9	-11.0	-4.2	-9.7	-4.4
Albania	2.2	-7.0	4.6	-6.4	5.8	Albania	-1.9	-8.3	-5.8	-8.1	-4.8
Moldova	3.6	-6.8	4.6	-6.0	4.3	Moldova	-1.4	-7.5	-5.0	-7.2	-4.0

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	3.1	Hungary	3.4	4.7	4.0	4.5	4.7
Romania	3.8	2.7	2.7	2.7	2.7	Romania	3.9	5.2	5.5	5.5	5.8
Bulgaria	3.1	1.2	1.5	1.8	2.1	Bulgaria	4.2	6.0	7.2	6.3	6.4
Russia	4.5	3.4	4.7	3.3	3.6	Russia	4.6	6.0	5.0	6.1	5.5
Ukraine	7.9	2.5	6.4	2.7	5.8	Ukraine	8.2	9.9	9.2	9.9	9.1
Slovenia	1.7	0.0	1.3	0.1	1.4	Slovenia	4.5	4.6	4.5	6.0	6.0
Croatia	0.8	0.2	1.2	0.2	1.0	Croatia	7.9	9.0	8.5	9.2	9.0
Serbia	1.9	1.6	1.9	1.6	1.9	Serbia	10.4	10.0	9.7	10.7	10.6
Montenegro	0.4	0.2	1.0	0.1	1.1	Montenegro	15.1	19.7	17.4	17.6	16.0
Albania	1.4	1.4	1.4	1.7	2.0	Albania	11.6	18.4	17.4	13.6	12.9
Moldova	4.8	2.8	2.4	4.0	3.8	Moldova	5.1	5.9	4.4	8.3	6.6

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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This document was prepared on 11 January 2021.

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