

OTP Weekly Outlook

Next week:

- April real economy indicators from the USA, May business confidence indices from both sides of the Atlantic, and Q1 GDP data from Europe could be in the spotlight next week

This week:

- Huge upside surprise in US CPI for April, mixed macro data from Europe,
- Long-term yields increased across the board, stoked by inflation fears
- US and European equities lost ground
- The USD gained momentum till Friday
- Oil prices stagnated, most commodities fell



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	4146.1	-2.0	10.4	US 2 year	0.15	0.6	3.0	Dollar index	90.334	0.1	0.4	Brent	68	-0.1	31.6
Russel 2000	2188.6	-3.7	10.8	US 10 year	1.63	5.3	71.7	EURUSD	1.214	-0.2	-0.6	WTI	65	-0.1	33.7
Stoxx 600	440.7	-1.0	10.4	DE 2 year	-0.66	2.8	5.4	USDJPY	109.29	-0.6	-5.5	Gold	1840	0.5	-3.1
DAX	15334.1	-0.4	11.8	DE 10 Year	-0.13	8.4	44.0	GBPUSD	1.411	0.9	3.2	Silver	27	0.1	4.0
CAC40	6361.1	-0.4	14.6	SP 10 year	0.58	9.6	53.8	AUDUSD	0.778	-0.9	1.1	Palladium	2901	-0.8	18.4
FTSE100	7023.0	-1.5	8.7	UK 10 year	0.85	8.0	66.2	USDCAD	1.209	0.4	5.3	Copper	468	-1.8	32.9
FTSE MIB	24685.7	0.3	11.0	IT 10 year	1.07	10.2	52.5	USDCHF	0.902	-0.1	-1.8	Steel	1505	-0.9	49.8
Nikkei 225	28084.5	-4.3	2.3	JP 10 year	0.08	0.0	6.5	NZDUSD	0.725	-0.4	0.9	Wheat	727	-6.0	13.5
CSI 300	5110.6	2.3	-1.9	CH 10 year	3.13	-1.8	-0.9	CNHUSD	6.437	-0.3	1.0	Corn	719	-5.3	48.6

Source: Bloomberg

April real economy indicators from the USA, May business confidence indices from both sides of the Atlantic, and Q1 euro area GDP could be in the spotlight next week

Next week's data are unlikely to wreak havoc to the extent April US CPI caused moves on the market. April's real economy data will likely show some weakening of US recovery, as some previously released indicators (industrial production, retail sales, labour market) already suggested. Next week's data will add further nuances to this picture. Meanwhile, Markit PMIs will likely show a positive outlook; in particular, the eurozone's service sector is expected to signal some light at the end of the tunnel. The first detailed release of Q1 GDP data from the area will help to identify which sectors contributed to the recession. First estimates on Q1 GDP figures will be released for CEE countries as well; most of these economies could have roughly stagnated in quarterly comparison, while year-on-year growth remained at the level of Q4 2020.

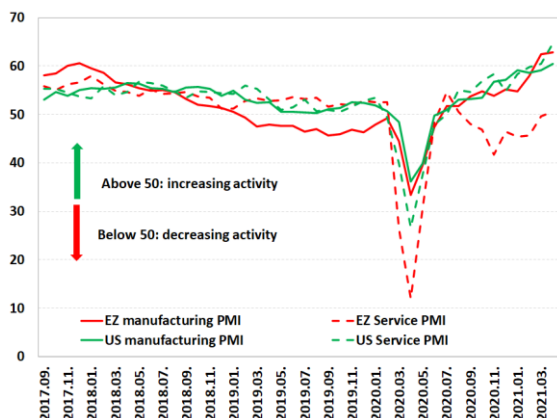
Concerning the **euro area**, the first release of Q1 GDP data will be available on Tuesday. There will be two interesting points: (i) whether the 0.6% QoQ fall, published as flash estimate will be revised (ii) what components are to be blamed for the fall. In Q4, consumption was the biggest drag, and given the lockdowns, it is very likely that this tendency will prevail in Q1. Other interesting indicators, Markit PMIs, and consumer confidence will arrive on Friday. Regarding the manufacturing PMI, the key question is whether last month's historic high performance will continue, or supply shortages might take a toll on the sentiment. As to services, April was the first time for the indicator to exceed the 50 mark since last August. We believe this latter trend likely continues, as eurozone economies have started the re-opening in recent weeks. The euro area's consumer confidence improved sharply in April - it is worth checking whether this tendency has prevailed.

The **USA** will see some April real economy data released: housing market data (on Tuesday and Friday) and the leading index (on Thursday). The latter is the Conference Board's leading indicator for economic activity and so far has proved to be a good precursor for the situation in the business cycle. Markit PMIs for May (due on Friday) lost some strength last month, so it will be interesting to see whether the pace of recovery could rebound in May. The minutes from the latest FOMC meeting will probably help to see to what extent the committee's view is homogenous in terms of 'everything is transitory' in the inflation pick-up.

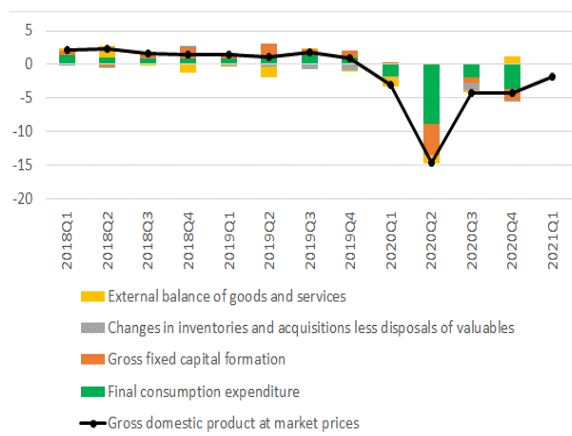
The week starts with key activity (*industrial production, retail sales, infrastructural spending*) data for April from **China**. They are likely to point to a slowdown but probably keep double-digit pace, on account of a low base in April 2020.

Additionally, first estimates of Q1 GDP figures will arrive from several **CEE countries**, including Russia. They will likely show a much better picture than in the eurozone; most countries have presumably avoided recession in quarterly comparison and year-on-year numbers could remain close to their values in Q4 2020.

Markit PMIs



Euro area GDP (YoY, %)



Sources: Bloomberg, Refinitiv, Eurostat

What to watch next week

Data	Cd.	Event/Data	Period	Cons.	Prev.
2021 5. 17.	4 : 00 CN	Infrastructural spending (YoY, %)	Apr	19.0	25.6
	4 : 00 CN	Industrial production (YoY, %)	Apr	9.8	14.1
	4 : 00 CN	Retail sales (YoY, %)	Apr	24.9	34.2
	14 : 30 US	New York Fed Manufacturing index (points)	May	24.0	26.3
18.	1 : 50 JP	GDP (QoQ, %)	Q1	-1.2	2.8
	8 : 00 UK	Unemployment rate (%)		4.9	4.9
	8 : 00 RO	GDP (preliminary, YoY, %)	Q1	-1.7	-1.4
	9 : 00 HU	GDP (preliminary, YoY, %)	Q1	-3.7	-3.6
	10 : 00 SK	GDP (preliminary, YoY, %)	Q1	-2.0	-2.7
	11 : 00 EZ	GDP (preliminary, YoY, %)	Q1	-1.8	-1,8*
	11 : 00 EZ	GDP (preliminary, QoQ, %)	Q1	-0.6	-0,6*
	14 : 30 US	Building permits (annualized monthly, '000s)	Apr	1774.0	1759.0
	14 : 30 US	Housing starts (annualized monthly, '000s)	Apr	1710.0	1739.0
19.	8 : 00 UK	Inflation (YoY, %)	Apr	1.4	0.7
	20 : 00 US	FOMC Minutes	Apr	-	-
20.	14 : 30 US	Initial jobless claims ('000s)	weekly		473.0
	14 : 30 US	Continuing jobless claims ('000s)	weekly		3655.0
	16 : 00 US	Leading index (MoM, %)	Apr	1.3	1.3
21.	1 : 30 JP	core-CPI (YoY, %)	Apr	-0.2	-0.1
	1 : 30 JP	CPI (YoY, %)	Apr		-0.2
22.	8 : 00 UK	Retail sales (MoM, %)	Apr		5.4
	9 : 15 FR	Markit Manufacturing PMI (points)	May	58.0	58.9
	9 : 15 FR	Markit Service PMI (points)	May	53.0	50.3
	9 : 30 DE	Markit Manufacturing PMI (points)	May	66.0	66.2
	9 : 30 DE	Markit Service PMI (points)	May	51.9	49.9
	10 : 00 EZ	Markit Manufacturing PMI (points)	May	62.4	62.9
	10 : 00 EZ	Markit Service PMI (points)	May	52.0	50.5
	10 : 30 UK	Manufacturing PMI (points)	May	60.0	58.9
	10 : 30 UK	Service PMI (points)	May	62.0	61.0
	15 : 00 EZ	Eurogroup meeting	-		-
	15 : 45 US	Markit Manufacturing PMI (points)	May	60.4	60.5
	15 : 45 US	Markit Service PMI (points)	May	64.6	64.7
	16 : 00 EZ	Consumer confidence (point)	May	-6.5	-8.1
	16 : 00 US	Existing home sales (annualized monthly, '000s)	Apr	6060.0	6010.0

A negative week for US and European stock markets, mostly driven by inflation fears

Although the negative sentiment started already on the first days of the week, markets were knocked out by the USA's April CPI data, which turned out well above expectations. While Thursday brought some relief, especially in the USA, this was still not enough to compensate for the losses made earlier in the week. The negative sentiment primarily worked through higher yields, which hit growth sectors disproportionately. Meanwhile, the earnings season is coming to a close; in Europe, roughly two in three companies have already released their earnings, and about three in four reports beat expectations. In the USA, nearly 90% of businesses published their quarterly reports, and 86% of them caused positive surprise. However, as stock prices have been rallying quite ahead of GDP performance, investors have started to become more cautious. While the pandemic picture is encouraging in most countries, India and its virus variants are matters of great concern, the latter appeared already in 44 countries.

Pandemic situation: improvement in daily infections in most countries, India is still a real concern.

Last week, the number of daily covid cases slowly dropped in the USA and Canada. In general, daily covid cases and deaths dropped in Western Europe, except for Denmark and the Netherlands, where the case count steadily rose. The CEE region showed promising covid statistics, the infection rate was declining in most countries. The highest number of daily new cases in the region occurred in the Baltic States, Croatia, and Slovenia. The estimated reproduction rate was dropping in India this week, but it is still very high as well as the death rate. After a brief stagnation, Japan started to report increasing daily new case counts again, but their numbers are relatively low per capita.

European vaccination rate kept its solid pace, hence more and more countries reached 30%+ at least one dose statistics. The top countries with the highest percentage of the population who received at least one shot are: Israel (62%), UK (52%), UAE (51%), USA (46%), Chile (46%), Hungary (45%), Canada (41%), Finland (36%), Germany (34%), Belgium (32%), and Serbia (32%). Countries with the highest fully vaccinated part of population are: Israel (59%), UAE (39%), Chile (39%), USA (35%), UK (27%), Hungary (26%), and Serbia (24%).

European and US indices closed the week with a noticeable fall, mostly correcting the previous week's gain by Friday afternoon

In **Europe**, the *STOXX 600* stood at -1.0% on Friday afternoon, correcting most of the 1.7% increase a week before. Individual country indices fell to different degrees, the *DAX* and the *CAC40* lost 0.4% each, the *FTSE 100* fell by 1.5%. Nevertheless, the *FTSE MIB* could increase minimally (0.3%). Out of *STOXX* components, only banks could grow (+2.0%), household goods stagnated, and the rest declined. The biggest falls were in cyclical sectors, like travel&leisure (-7.8%) and basic resources (-2.6%), and technology (-4.6%).

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In the **USA**, the *S&P* stood at -2.0% by Friday afternoon while the small-cap index *Russell 2000* dived 3.7%. Consumer discretionary (-4.3%) and IT (-3.2%) posted the biggest falls, while consumer staples (+0.8%) could even increase.

Long-term yields increased across the board on account of inflation fears as the USD gained momentum; oil prices and most commodities fell

Long-term *Treasury yields* increased by around 5 bps in the USA, correcting mostly last week's fall. In Europe, yields also moved roughly 9-10 bps higher, with the southern periphery seeing a sharper increase than Germany. In particular, Italy's 10Y moved above 1.0%, for the first time since last September. The dollar strengthened slightly against most major currencies, on account of higher inflation and speedier recovery. *Oil* prices stagnated in weekly terms, as the shutdown in Colonial Pipeline after the hacker attack caused only a temporary shock. Other commodities fell, most notably wheat (-6.0%) and corn (-5.3%).

Mixed data from Europe, sharp upside surprise in US CPI for April

In the **euro area**, May *business confidence indices* (ZEW and Sentix) well beat expectations, and the ZEW indicator hit a historic high. However, March *industrial production* from the eurozone turned out weaker than expected (0.1% vs. 0.7% MoM), even though it was a minor correction after the 1.2% fall in February (even if this figure was revised downwards from -1.0%). Because of base effects, industrial production was up almost 11.0% YoY in March, but output was still 1.5% less than in February 2020, before the pandemic. In Q1 as a whole, production was 0.8% higher than it was in Q4, in spite of the problems in the auto sector. Admittedly, this appears to have been skewed by big rises in a few countries, notably Ireland. Nevertheless, this suggests that industry made a positive contribution to the euro-zone's GDP last quarter, partly offsetting weaknesses in other parts of the economy.

In its updated forecast, the *European Commission* (EC) revised upwards the growth outlook for the euro area, from 4.2% to 4.3% (2021) and from 3.0% to 4.4% (2022). The EC also raised its 2021 inflation forecast (from 1.3% to 1.7%), but it still expects 1.3% inflation in 2022. This means that the EC sees the increase in inflation as transitory, which rhymes with the Fed's view on US inflation. Importantly, the budget deficit in the euro area could shrink to 3.8% by 2022.

As for the **USA**, the most important news was the April *CPI*, which caused a huge surprise. The headline index moved up from 2.6% to 4.2%, well above the consensus of 3.6%. Furthermore, core inflation edged up to 3.0% from 1.6% a month before, surpassing the consensus forecast of 2.3%. Almost all the gain was driven by outsized increases in sectors that are seeing demand surge as restrictions ease. Airline fares shot up 10.2% MoM, hotel prices surged by 7.6%, and car rental prices jumped by 16.2%. The rise in airfares and hotel prices is simply reversing the sharp declines in prices seen earlier in the pandemic. But car rental prices have surged well above pre-pandemic levels, reflecting limited supply as rental agencies slashed fleet numbers last year. Still overall service price growth increased only slightly (from 0.4% to 0.5% MoM), and it was goods prices that showed a sharper increase (from 0.1% to 2.0% MoM). Despite the huge surprise, Federal Reserve Vice Chairman Richard Clarida argued that the rise in inflation was likely to prove largely transitory. However, he noted that should inflation expectations drift, 'we would not hesitate to use our tools to offset that'. In the meantime, *Michigan consumer confidence* in early May tumbled due to higher inflation--the highest expected year-ahead inflation rate as well as the highest long-term inflation

rate in the past decade. Rising inflation also meant that real income expectations were the weakest in five years.

However doves could have found some arguments in real economy data published on Friday. *Retail sales* stagnated in April, as opposed to a consensus forecast of 1.0%, nevertheless the March figure was significantly revised upwards from 9.8 to 10.7% MoM. Still it seems that stimulus checks had shorter-lived effect-than initially foreseen. The April *industrial production* data at 0.7% MoM was also weaker than the consensus (1.0%) and the previous month value, especially that the latter was revised up from 1.4% to 2.4%. Manufacturing output increased by a modest 0.4% in April, but was held back by a 4.3% MoM drop in motor vehicle production, as the global shortage of semiconductors really began to bite.

The **UK's** Q1 *GDP* turned out as expected (-1.5% QoQ) - the recession is hardly surprising as severe lockdowns were prevalent throughout most of the quarter. There have been contractions in services and production output, but construction output has grown over the quarter. In output terms, school closures and a large fall in retail sales earlier in the quarter dragged down GDP growth.

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	4146.1	-2.0	10.4	Stoxx 600	SXXP Index	440.7	-1.0	10.4
IT	S5INFT Index	2362.8	-3.2	3.1	Health care	SXDP Index	910.2	-0.1	3.6
Health care	S5HLTH Index	1436.4	-0.6	8.5	Industrial goods & services	SXNP Index	703.9	-1.9	11.9
Financials	S5FINL Index	626.7	-0.1	27.8	Banks	SX7P Index	138.0	2.0	27.5
Telco	S5TELS Index	250.7	-2.8	13.0	Personal & households goods	SXQP Index	1022.7	0.0	9.6
Consumer discretionary	S5COND Index	1357.9	-4.3	4.2	Insurance	SXIP Index	308.1	-0.1	10.4
Industrials	S5INDU Index	882.9	-0.8	17.8	Food and beverages	SX3P Index	772.6	-0.1	8.1
Consumer staples	S5CONS Index	730.8	0.8	5.0	Technology	SX8P Index	662.7	-4.6	9.8
Utilities	S5UTIL Index	334.4	-0.2	4.8	Utilities	SX6P Index	386.0	-0.4	0.5
Energy	S5ENRS Index	399.7	-1.2	39.7	Oil & gas	SXEP Index	258.0	-0.5	9.1
Real estate	S5RLST Index	261.2	-1.3	14.6	Chemicals	SX4P Index	1230.9	-0.9	10.5
Materials	S5MATR Index	551.4	0.0	21.0	Construction & materials	SXOP Index	579.8	-1.7	17.7
Source: Bloomberg					Telco	SXKP Index	232.0	-1.1	12.8
					Retail	SXRP Index	459.1	-0.5	16.0
					Financial services	SXFP Index	651.3	-1.0	7.4
					Basic resources	SXPP Index	613.3	-2.6	22.8
					Real estate	SX86P Index	172.6	-1.1	1.0
					Auto & parts	SXAP Index	619.6	-0.5	17.5
					Media	SXMP Index	321.3	-1.7	13.5
					Travel & leisure	SXTP Index	256.6	-7.8	14.4
					Source: Bloomberg				

Performance of the 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 the last 4 week (%)	Change in EPS growth in the last 3 month (%)
USA	SPX Index	4146	0.5	5.4	15.6	45.4	29.8	4.5	3.0	13.6	1.4	121.0	8.3	7.9
Europe	SXXP Index	441	0.9	6.4	14.4	34.9	37.6	2.1	1.6	6.8	1.1	189.8	0.9	8.1
Germany	DAX Index	15334	0.8	9.1	17.3	48.3	33.0	1.8	1.2	6.4	1.2	121.4	57.9	10.5
France	CAC Index	6361	2.5	11.5	18.2	48.9	45.7	1.9	1.5	3.9	1.1	223.7	10.2	10.0
Poland	WIG20 Index	2083	3.5	7.5	19.1	31.9	16.7	1.2	1.0	6.9	1.1	57.7	7.7	16.6
Czechia	PX Index	1121	2.3	5.7	23.0	30.5	23.6	1.3	1.7	5.7	1.1	171.5	1.8	1.2
Hungary	BUX Index	45451	6.9	4.8	21.7	33.1	13.0	1.1	1.0	9.1	1.2	58.4	102.3	8.8
Romania	BET Index	11599	4.2	10.5	30.2	42.4	11.9	1.1	1.5	9.7	1.6	31.6	-15.2	
Bulgaria	SOFIX Index	522	3.2	5.2	22.7	16.2	18.4	0.6	0.8	2.8	2.7	39.9		
Russia	IMOEX Index	3635	1.6	6.1	20.2	40.3	13.9	1.2	1.7	8.9	1.4	78.5	5.4	13.5
Ukraine	PFTS Index	529	-0.2	1.5	5.7	5.7	5.4		0.5	29.5				
Slovenia	SBITOP Index	1077	4.2	15.6	29.0	32.8	8.9	1.0	0.6	11.0	1.7	26.7	0.6	
Croatia	CRO Index	1941	2.9	7.0	18.2	25.5	37.2	1.1	1.2	3.0	1.4	49.6		
Serbia	BELEX15 Index	759	0.9	2.7	6.9	14.7	26.2	0.6	0.8	2.7	1.7	20.4		
Montenegro	MNSE10 Index	764	1.5	2.9	19.0	8.7	14.8	0.3	1.1	2.2	2.3	13.6		

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

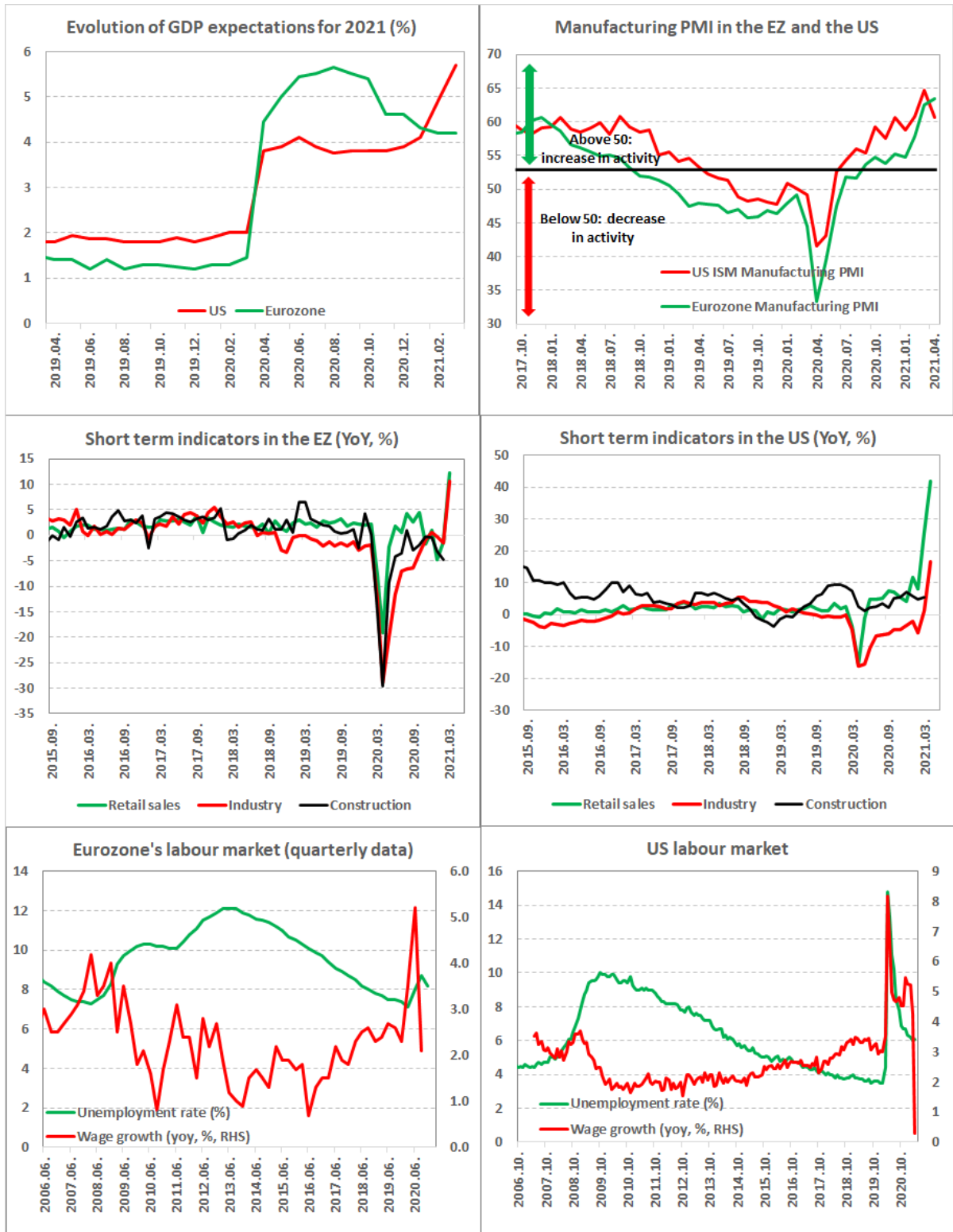
***Some of the country indices could be sector heavy (only a handful industry comprise the majority of the indices),

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

This week's data

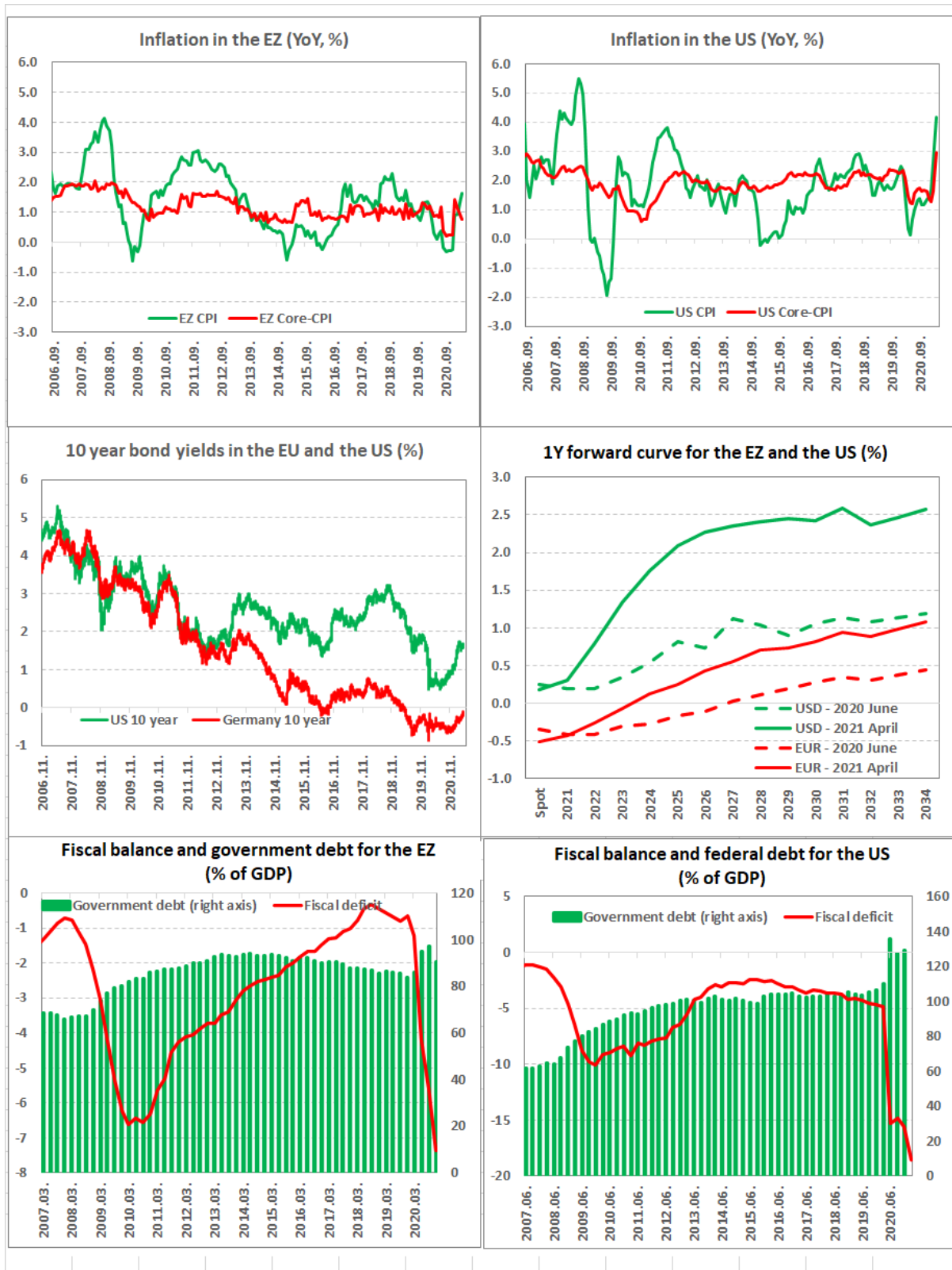
Data	Cd.	Event/Data	Period	Fact	Cons.	Prev.
2021 5. 10. 10 : 30	EZ	Sentix Investor confidence (points)	May	21.0	14.0	13.1
11. 10 : 00	IT	Industrial production (MoM, SA, %)	Mar	-0.1	0.4	0.2
11 : 00	DE	ZEW Economic Sentiment (points)	May	84	72.0	70.7
12. 8 : 00	UK	GDP (preliminary, YoY, %)	Q1	-6	-6.1	-7.3
8 : 00	UK	GDP (preliminary, QoQ, %)	Q1	-2	-1.6	1.3
11 : 00	EZ	Industrial production (MoM, %)	Mar	0.1	0.7	-1.2
11 : 00	EU	EC's Economic Forecast	-	-	-	-
14 : 30	US	CPI (YoY, %)	Apr	4.2	3.6	2.6
14 : 30	US	CPI (MoM, SA, %)	Apr	0.8	0.2	0.6
14 : 30	US	core-CPI (YoY, %)	Apr	3.0	2.3	1.6
14 : 30	US	core-CPI (MoM, SA, %)	Apr	0.9	0.3	0.3
20 : 00	US	Federal budget balance (USDbn)	Apr	-226	-220	-660
13. 14 : 30	US	Initial jobless claims ('000s)	weekly	473	490	498
14 : 30	US	Continuing jobless claims ('000s)	weekly	3655.0	3655	3690
14. 10 : 00	PL	GDP (preliminary, QoQ, %)	Q1	0.9		-0.5
14 : 30	US	Retail sales (MoM, %)	Apr	0.0	1.0	9.8
15 : 00	IL	CPI (YoY, %)	Apr	0.8		0.2
15 : 15	US	Industrial production (MoM, %)	Apr	0.7	1.0	1.4
16 : 00	US	Business inventories (MoM, %)	Mar	0.3	0.3	0.6
16 : 00	US	Michigan Consumer confidence (preliminary, points)	May	82.8	90.4	88.3

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	1.20	1.21	1.21	1.23	1.23	1.24
EURGBP	0.89	0.91	0.90	0.88	0.86	0.86	0.85	0.85	0.83	0.87
EURCHF	1.06	1.08	1.08	1.08	1.10	1.11	1.12	1.14	1.13	1.13
USDJPY	107.0	106.0	104.0	104.0	108.0	108.0	108.0	108.0	110.0	106.5

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	4.9	6.1	4.4	4.8	Hungary	-8.1	-6.4	-3.8	-6.3	-4.4
Romania	-3.9	5.5	4.7	4.9	4.7	Romania	-9.2	-8.2	-6.5	-7.5	-5.5
Bulgaria	-4.2	3.4	4.3	3.5	3.9	Bulgaria	-3.4	-3.1	-1.5	-3.5	-2.0
Russia	-3.0	4.0	3.5	3.2	2.6	Russia	-3.8	-2.6	-1.2	-1.4	-0.6
Ukraine	-4.0	4.2	4.5	4.2	3.8	Ukraine	-5.3	-6.0	-4.0	-4.8	-3.0
Slovenia	-5.5	4.8	5.1	4.3	4.2	Slovenia	-8.4	-3.6	-2.8	-5.6	-3.6
Croatia	-8.0	5.5	6.1	4.8	4.8	Croatia	-7.4	-5.5	-3.0	-4.1	-2.9
Serbia	-1.0	5.0	4.4	4.9	4.4	Serbia	-8.1	-7.0	-1.5	-4.3	-2.1
Montenegro	-15.2	4.4	7.8	6.6	5.1	Montenegro	-10.0	-6.2	-2.5	-5.3	-3.0
Albania	-3.3	5.0	4.0	5.2	4.5	Albania	-6.9	-6.0	-4.0	-5.5	-3.3
Moldova	-7.0	4.9	7.5	4.4	4.9	Moldova	-5.3	-5.0	-4.0	-4.8	-3.5

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	3.4	3.4	3.7	3.2	Hungary	4.1	4.0	3.7	4.4	4.0
Romania	2.6	3.4	3.0	3.1	2.8	Romania	5.0	4.7	4.0	5.4	5.1
Bulgaria	1.7	1.8	2.1	1.8	2.2	Bulgaria	5.1	5.0	4.7	5.3	4.9
Russia	3.4	5.5	4.2	5.0	3.9	Russia	5.8	5.0	4.0	5.5	5.0
Ukraine	2.7	6.4	5.7	7.8	5.8	Ukraine	9.5	9.2	8.3	9.3	8.7
Slovenia	-0.3	1.0	1.7	1.1	1.6	Slovenia	5.0	4.7	4.5	5.2	4.8
Croatia	0.1	1.6	1.4	1.2	1.6	Croatia	7.5	7.0	6.0	9.0	8.1
Serbia	1.6	1.9	2.2	2.0	2.4	Serbia	9.0	9.7	9.0	9.6	9.2
Montenegro	-0.3	0.9	1.3	0.9	1.4	Montenegro	17.9	17.5	16.5	17.8	16.8
Albania	1.6	1.8	2.0	2.0	2.6	Albania	11.7	11.1	10.5	12.2	11.4
Moldova	3.8	3.2	3.5	3.1	4.4	Moldova	3.8	5.3	5.8	4.6	3.9

Source: Focus Economics, OTP Research Center

FX forecast for the 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	361.0	361.0	361.0	360.0	359.0	359.0	358.0
Romania	EURRON (eop)	4.87	4.93	4.92	4.92	4.93	4.94	4.95	4.96	4.96
Russia	USDRUB (eop)	73.9	75.7	73.7	72.6	71.7	71.8	71.9	72.0	72.1
Ukraine	USDUAH (eop)	28.34	27.85	27.78	28.01	28.54	28.57	28.65	28.82	29.27
Croatia	EURHRK (eop)	7.6	7.6	7.6	7.6	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	1.20	1.21	1.21	1.22	1.22	1.22

*Slovenia and Montenegro uses EUR as a base currency.

**No forecast available for Moldova and Albania

Source: Focus Economics

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