

OTP Weekly Outlook

Next week:

- The ECB's rate-setting meeting and US inflation could be in the spotlight

This week:

- European and US stock markets closed the week with small gains, the dollar remained broadly flat against major currencies
- Brent above USD 70, as reopening could fuel demand, while OPEC+ stuck to its plan
- May inflation data from Europe surprised slightly to the upside
- Reflation worries increased by PMI-s in the US, while non-farm payrolls disappointed for May



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	4218.0	0.4	12.3	US 2 year	0.14	0.4	2.4	Dollar index	90.070	0.1	0.1	Brent	72	3.4	39.0
Russel 2000	2291.9	0.8	16.1	US 10 year	1.58	-1.4	66.7	EURUSD	1.218	-0.1	-0.3	WTI	70	4.1	43.4
Stoxx 600	451.4	0.5	13.1	DE 2 year	-0.68	-0.6	4.0	USDJPY	109.50	0.3	-5.7	Gold	1890	-0.7	-0.4
DAX	15630.7	0.7	13.9	DE 10 Year	-0.21	-3.1	35.8	GBPUSD	1.419	0.0	3.8	Silver	28	-0.6	5.2
CAC40	6503.7	0.3	17.2	SP 10 year	0.45	-2.4	40.4	AUDUSD	0.774	0.3	0.6	Palladium	2837	0.4	15.8
FTSE100	7054.8	0.5	9.2	UK 10 year	0.80	0.9	61.1	USDCAD	1.208	0.0	5.4	Copper	452	-3.0	28.5
FTSE MIB	25515.5	1.4	14.8	IT 10 year	0.87	-3.9	33.3	USDCHF	0.899	0.1	-1.5	Steel	1650	-0.9	64.2
Nikkei 225	28941.5	-0.7	5.5	JP 10 year	0.08	0.2	6.3	NZDUSD	0.720	-0.6	0.3	Wheat	681	0.7	6.4
CSI 300	5282.3	-0.7	1.4	CH 10 year	3.12	3.6	-1.8	CNHUSD	6.387	-0.4	1.8	Corn	673	1.2	38.9

Source: Bloomberg

ECB rate-setting meeting and US inflation could be in the spotlight next week

After this interesting week, when May eurozone inflation surprised to the upside and US labour market data turned out weaker than expected, the next one could equally be a market mover. In Europe, the show of the week will come on Thursday, when the conclusions of the ECB's rate-setting meeting will be published. Two months have passed since the latest meeting, and the market is curious about the new assessment, in particular how the Governing Council sees the economic outlook and the situation of financial conditions. In the USA, the May CPI (also due on Thursday) could be in the centre of attention, after the huge surprise for April, and this week's sky high PMI-s on price increase intentions. So Thursday could completely change the direction of trading for the week, should there be significant surprise in any of these releases. Pandemic news are still worth checking, particularly in Asia and the UK, where the Indian variant is more widespread.

Concerning the **euro area**, the conclusions of the Governing Council Meeting will be released on Thursday. In March (the penultimate meeting), decision-makers had promised to scale up the pace of asset purchases. This was fulfilled, as the weekly amount increased to EUR 18 bn, from about EUR 12 bn. However, long-term yields moved higher than in April, although have started to decline in the past week or so, correcting half of the increase from April to the recent peak. At the same time, the economic outlook has brightened significantly, as the pace of vaccination in the whole region increased substantially, and pandemic figures have been improving sharply. All this suggests that at some stage, the scaling back of PEPP could be put on the table. Several key policymakers made statements in recent weeks. For the doves, François Villeroy de Galhau, and Fabio Panetta stressed that this was still not the proper time to speak about a scale-back. However, more hawkish policymakers, like Isabel Schnabel stressed that the Bank should allow the market to adjust to changing economic conditions and that the rise in yields since late March is fully justified. Although it is not too likely that the ECB will already announce a scale back of purchases, the wording of the policy statement and the following press conference will be important. The revision of the macro forecast could also be interesting.

In Europe, April hard data like *German industrial order or industrial production* and *exports* will be released. Further to this, France's and Italy's *industrial production* statistics will be released. Finally, the first batch of *confidence indices* from June (Sentix and ZEW) will be published, both of which stood at historic high values in May.

In the **USA**, all eyes will focus on the May *CPI* data (due on Thursday). In April, both headline and core inflation caused huge upside surprise. The 0.9% surge in core prices in April was the biggest monthly gain since April 1982. This was concentrated in sectors that are reopening and/or facing intense supply shortages. The annual rate of core CPI inflation was rocketing to 3.0%. The headline inflation was even higher, at 4.2%, driven by the base effect of higher energy prices. So the question is what comes next; the market expects the May headline figure to be above 4.5% YoY, which could probably be the peak. However, all forecasts are very uncertain, given the supply shortages, and given the measurement problems of certain products and services

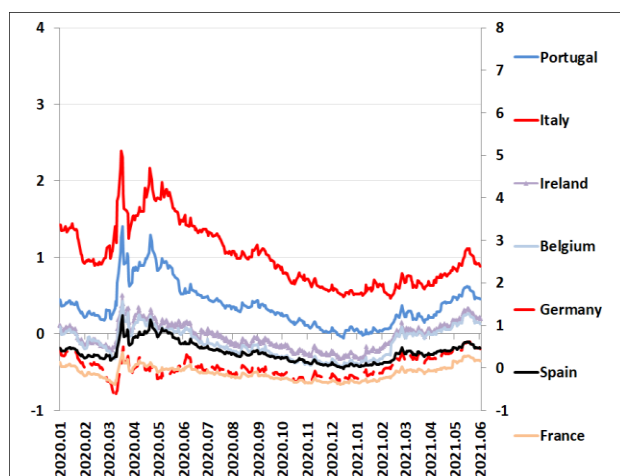
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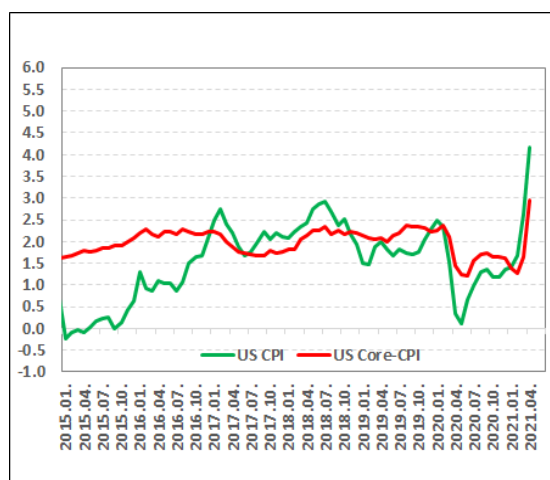
during the lockdown. Still in the USA, the June reading of the University of Michigan *consumer sentiment* index could be of interest, which fell sharply in May on account of rising inflation fears.

China will release May *export* figures, which have shown a solid 30%+ increase in March-April, largely driven by base effects.

10Y government bond yields in the euro area(%)



Inflation in the US (YoY, %)



Source: Refinitiv and Bloomberg

What to watch next week

Data	Cd.	Event/Data	Period	Cons.	Prev.
2021 6. 7. 5 : 00	CN	Export (YoY, %)	May	32.1	32.3
8 : 00	DE	Industrial orders (MoM, %)	Apr	1.0	3.0
10 : 30	EZ	Sentix Investor confidence (points)	Jun	26.0	21.0
8. 8 : 00	DE	Industrial production (MoM, %)	Apr	0.7	2.5
10 : 00	IT	Retail sales (MoM, SA, %)	Apr		-0.1
11 : 00	DE	ZEW Economic Sentiment (points)	Jun	85.3	84.4
9. 8 : 00	DE	Export (MoM, SA, %)	Apr	0.5	1.2
13 : 00	PL	Interest rate decision (%)	Jun	0.1	0.1
16 : 00	CA	Interest rate decision (%)	Jun	0.3	0.3
10. 8 : 45	FR	Industrial production (MoM, %)	Apr	0.5	0.8
10 : 00	IT	Industrial production (MoM, SA, %)	Apr	0.3	-0.1
13 : 45	EZ	Interest rate decision (deposit rate, %)	Jun	-0.5	-0.5
13 : 45	EZ	Interest rate decision (lending rate, %)	Jun	0.0	0.0
14 : 30	US	CPI (YoY, %)	May	4.6	4.2
14 : 30	US	CPI (MoM, SA, %)	May	0.4	0.8
14 : 30	US	core-CPI (YoY, %)	May	3.4	3.0
14 : 30	US	core-CPI (MoM, SA, %)	May	0.4	0.9
14 : 30	US	Continuing jobless claims ('000s)	weekly		
14 : 30	US	Initial jobless claims ('000s)	weekly		
20 : 00	US	Federal budget balance (USDbn)	May		-226.0
11. 16 : 00	US	Michigan Consumer confidence (preliminary, points)	Jun	84.0	82.9
		G7 meeting (two days)		-	-

European and US stock markets closed the week with minimal gains, as the dollar strengthened, and Brent oil exceeded USD 70

With small consecutive daily increases in Europe, stock markets closed the week with slight surpluses, while US markets underperformed until Friday, but closed the gap by the end of the week despite disappointing job data. Incoming real economy data were mixed for Europe. The most important data release, eurozone inflation surprised slightly on the upside, but did not trigger any negative market reaction. In the USA, the better-than-projected ISM indices could have triggered some rally, but a visible increase in US markets only occurred on Friday despite a weak labour market report, putting the week in small plus. In the meantime, while pandemic data improved in most countries, but the Indian variant continued its upward trend in some Asian countries, and somewhat also in the UK and Portugal.

Pandemic situation: still improvement or low rates of daily infections in most EU countries and the USA, but rates in the UK and Portugal have started to increase again. Infections in India and Japan may have passed their peak. But elsewhere in Asia, the Indian mutant is spreading fast.

The number of daily covid cases continues to drop in the US and Canada. The infection rate seems to increase in Chile, even though no less than 57% of the population received at least one those there, and 42% is considered fully vaccinated. Most countries in South America also report increasing daily covid cases. The UK started reporting a steady increase of new cases, along with Portugal, albeit at a low level. The rest of Western Europe post low and declining infection rates. Countries in the CEE region also report decreasing covid statistics, but this trend seems to gradually turn into stagnation. Russia reports a slow but steady increase of infection rates. Japan and India seem to pass their latest infection wave, but some countries in Asia (Taiwan, Thailand, and Malaysia) are suffering from a new wave, triggered by the Indian variant.

The top countries with the highest percentage of the population who received at least one shot are the following: Israel (63%), Canada (59%), UK (58%), Chile (56%), Hungary (54%), UAE (51%), US (50%), Finland (45%), Germany (45%), Austria (42%). Countries with the highest fully vaccinated part of population are: Israel (59%), Chile (42%), USA (40%), UAE (39%), UK (38%), Hungary (38%), and Serbia (30%).

European and US indices edged somewhat higher in weekly terms by Friday afternoon

In **Europe**, the *STOXX 600* stood at 0.5% on Friday afternoon. Its individual country indices grew to different degrees: the *DAX* advanced 0.7%, the *CAC40* grew by 0.3%, the *FTSE100* upped 0.5%, and the *FTSE MIB* rose by 1.4%. Out of the *STOXX*'s components, auto and parts (4.9%) and oil and gas (2.9%) were the best, while utilities (-2.5%), and retail (-0.5%) were the worst performers.

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In the **USA**, the *S&P* stood at 0.4% by Friday afternoon while the *Russell 2000* small-cap index increased by 0.8%. Energy (6.1%) and real estate (3.5%) posted the biggest increase, while consumer discretionary (-1.6%) and health care (-0.7%) were the weakest ones.

Long-term yields declined slightly, oil picked up again as demand outlook improved, while the conclusion of Iran nuclear talks was postponed

Long-term *Treasury/bond yields* fell slightly on both continents, in Europe somewhat more pronounced. After strengthening, the *USD* remained almost flat against the major currencies as labour market data disappointed. *Oil prices* headed for a second weekly gain around 3.5-4.0% after rallying to the highest level since October 2018 earlier in the week, with US crude stockpiles falling more than expected, in another bullish sign for the market. Furthermore, demand concerns overweighed supply increase, as Iran nuclear talks still could not conclude, and even though OPEC+ agreed on sticking to the previously announced schedule of lifting of production cutbacks. Back in in April, the committee decided to return 2.1 million barrels per day of supply to the market in May through July as it anticipated that demand would rise, despite high numbers of coronavirus cases in India. Since that decision, oil prices have extended their rally and have now gained more than 30% this year, although the prospect of more crude from Iran, as talks on reviving its nuclear deal make progress, has limited the upside.

Slight upward surprise in eurozone inflation; weaker-than-expected US job growth for May, but PMI-s point to price pressures

In the **euro area**, the most important data release was the May *inflation* figure on Tuesday. There was a slight upside surprise in headline (2.0% vs 1.9%) and core inflation (0.9% vs 0.8%) in April, but there are two points to make. First, the bulk of the increase from 1.6% in March comes through energy inflation, which added 0.25 pts to the headline rate. Furthermore, even though reopening was underway in several economies, core inflation only edged up minimally, and was still below 1.0% (remember the 3.0% figure for the US for the same month), which suggests that inflation fears for the euro area are hardly grounded. Meanwhile, April *unemployment* turned out to be better than expected for the whole area, while *Italy's GDP* was revised substantially upwards to +0.1% QoQ compared to the advanced estimate. However, April *retail sales* for the whole area turned out much weaker than expected, posting a 3.1% MoM decline, which was a clear negative news for the Q2 recovery.

As for the **USA**, **May ISM manufacturing PMI** strengthened further to 61.2, slightly above the consensus, but still somewhat below the historic record in March. At the same time, the *ISM nonmanufacturing index* also jumped to a record high of 64. What is even more striking, is that some analysts estimate that taken together the prices paid indices in the manufacturing and services surveys, this points to a further rise in CPI inflation to well above 5% soon. Despite increasing price pressures, labor market data turned out weaker than expected, as non-farm payroll grew by 559,000 below the consensus forecast of 664,000 but at least above the revised April figure of 278,000. This still leaves employment about 7.6 million jobs below its peak in February 2020. Notable job gains occurred in leisure and hospitality (292,000), in public (103,000) and private education (41,000), and in health care and social assistance (46,000). Still, supply constraints, rising inflation and labour shortages are weighing on capacity production as many workers mostly women, remain at home and government subsidies may discourage some workers to find a job. As such, businesses have been struggling to rehire workers to cope with surging demand, prompting them to raise wages in a bid to attract new

employees. The weak labour market together with rising inflation puts the FED into a less comfortable position, when deciding about future policy steps.

The June release of the *Beige book* suggested that the US economy expanded at a moderate pace from early April to late May, a somewhat faster rate than in the previous reporting period. Several districts cited the positive effects on the economy of increased vaccination rates and relaxed social distancing measures, while they also noted the adverse impacts of supply chain disruptions. The effects of expanded vaccination rates were perhaps most notable in consumer spending, in which the increases in travel and restaurant spending augmented ongoing strength in other spending categories.

In **China**, the string of *PMIs* released during the week suggested roughly unchanged pace of economic activity for May compared to the previous month.

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	4218.0	0.4	12.3	Stoxx 600	SXXP Index	451.4	0.5	13.1
IT	S5INFT Index	2440.8	0.9	6.5	Health care	SXDP Index	928.2	0.1	5.6
Health care	S5HLTH Index	1422.6	-0.7	7.4	Industrial goods & services	SXNP Index	723.3	0.5	15.0
Financials	S5FINL Index	635.1	0.8	29.5	Banks	SX7P Index	140.6	0.2	30.0
Telco	S5TELS Index	257.2	-0.4	15.9	Personal & households goods	SXQP Index	1059.0	0.5	13.5
Consumer discretionary	S5COND Index	1361.3	-1.6	4.5	Insurance	SXIP Index	304.6	-0.3	9.1
Industrials	S5INDU Index	887.2	0.0	18.4	Food and beverages	SX3P Index	788.3	0.5	10.3
Consumer staples	S5CONS Index	732.3	0.9	5.2	Technology	SX8P Index	700.0	0.3	16.0
Utilities	S5UTIL Index	331.2	1.0	3.8	Utilities	SX6P Index	377.6	-2.5	-1.7
Energy	S5ENRS Index	413.1	6.1	44.4	Oil & gas	SXEP Index	263.7	2.9	11.6
Real estate	S5RLST Index	277.6	3.5	21.8	Chemicals	SX4P Index	1242.2	0.6	11.5
Materials	S5MATR Index	551.4	0.6	21.0	Construction & materials	SXOP Index	594.6	1.3	20.7
Source: Bloomberg					Telco	SXKP Index	233.8	0.0	13.6
					Retail	SXRP Index	474.8	-0.5	19.9
					Financial services	SXFP Index	681.4	0.7	12.4
					Basic resources	SXPP Index	611.2	2.4	22.4
					Real estate	SX86P Index	182.8	1.2	7.0
					Auto & parts	SXAP Index	683.6	4.9	29.7
					Media	SXMP Index	324.0	0.1	14.5
					Travel & leisure	SXTP Index	266.9	0.3	19.0

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 in the last 4 weeks (%)	Change in EPS growth in the last 3 months (%)
USA	SPX Index	4218	1.3	11.9	14.0	35.5	29.8	4.5	3.1	13.9	1.4	120.6	2.4	8.7
Europe	SXXP Index	451	4.1	9.6	14.6	23.3	38.3	2.1	1.6	6.9	1.1	189.8	0.5	7.8
Germany	DAX Index	15631	5.2	11.2	17.5	25.7	33.5	1.8	1.2	6.4	1.2	121.4	19.0	9.9
France	CAC Index	6504	4.0	11.5	15.9	29.8	46.6	1.9	1.5	3.9	1.1	222.5	3.8	9.8
Poland	WIG20 Index	2255	10.7	16.0	19.3	27.6	21.2	1.3	1.1	6.0	1.1	57.3	5.9	15.6
Czechia	PX Index	1178	7.2	11.3	21.2	26.4	24.7	1.4	1.8	5.7		170.7	0.0	0.0
Hungary	BUX Index	47983	9.0	11.8	22.3	28.8	13.7	1.1	1.1	9.1	1.2	58.4	130.7	11.0
Romania	BET Index	11556	0.8	11.8	21.0	28.1	11.3	1.1	1.6	9.8		27.7	77.6	8.4
Bulgaria	SOFIX Index	541	3.5	9.2	26.0	17.0	20.3	0.6	0.8	2.6	2.7	39.6		
Russia	IMOEX Index	3813	6.6	12.2	19.7	37.8	10.8	1.1	1.4	10.8	1.6	67.9	0.7	17.2
Ukraine	PFTS Index	531	0.7	1.3	4.7	6.2	5.5		0.5	29.3				
Slovenia	SBITOP Index	1146	7.2	16.6	28.3	31.3	8.9	1.0	0.6	11.3	1.7	26.6	3.3	
Croatia	CRO Index	1952	2.4	5.9	12.0	16.7	37.3	1.1	1.2	3.1	1.3	49.1		
Serbia	BELEX15 Index	782	3.3	5.0	9.3	15.3	22.9	0.6	0.8	3.1	1.7	19.3		
Montenegro	MNSE10 Index	805	6.0	8.3	27.1	13.3	14.3	0.3	1.1	2.3	2.4	13.0		

*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).

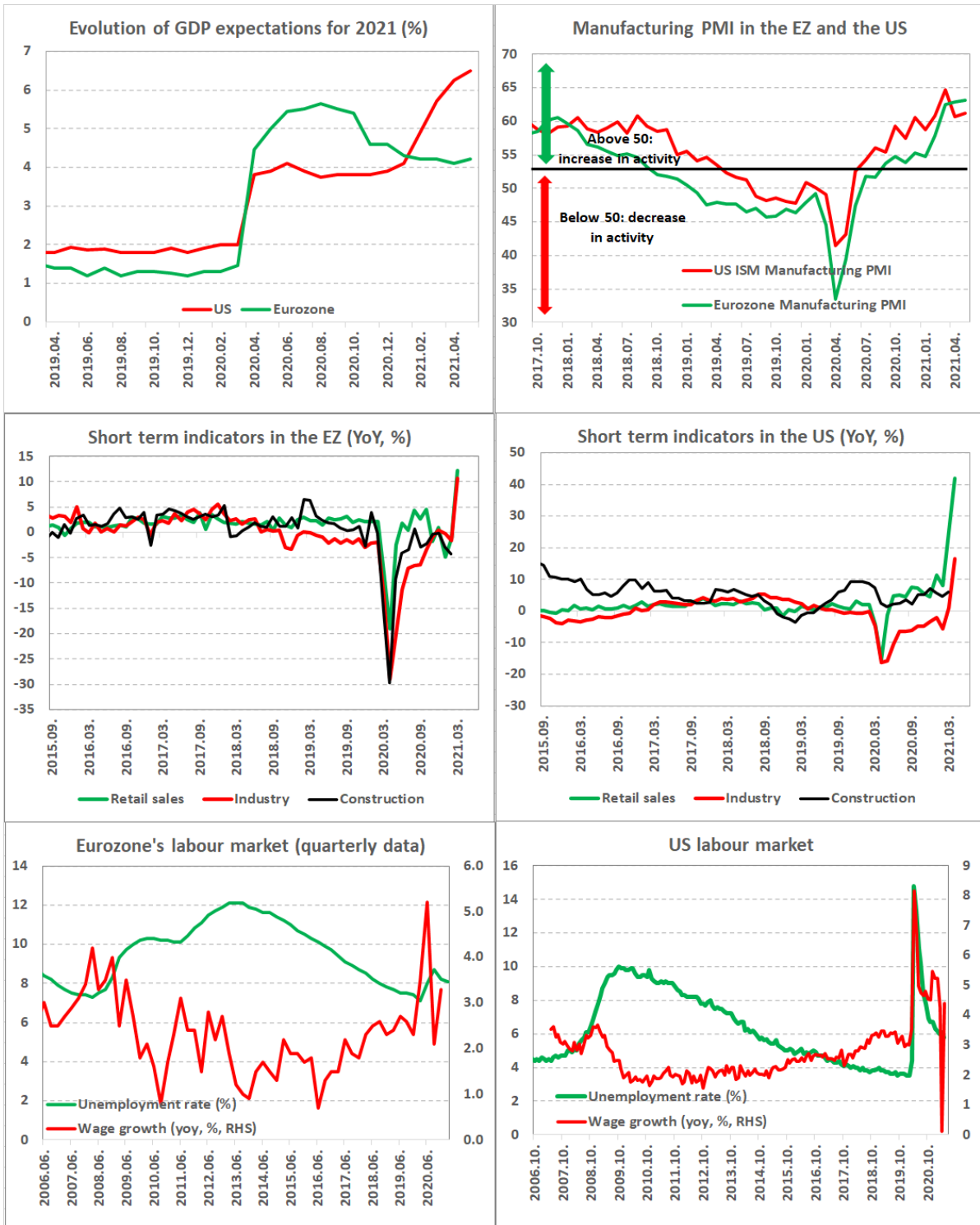
***therefore direct comparison of valuation metrics alone could be misleading.

This week's data

Data	Cd.	Event/Data	Period	Fact	Cons.	Prev.
2021 5. 31.	9 : 00 AT	GDP (detailed, QoQ, %)	Q1	-1.1	0.2	-3.1
	3 : 00 CN	NBS Manufacturing PMI (points)	May	51.0	51.1	51.1
	3 : 00 CN	NBS Non-manufacturing PMI (points)	May	55.2	-	54.9
	9 : 00 TR	GDP (first estimate, YoY, %)	Q1	7.0	6.7	5.9
	12 : 00 PT	GDP (detailed, QoQ, %)	Q1	-3.3	-	-3,3*
	14 : 00 DE	CPI (preliminary, YoY, %)	May	2.5	2.4	2.0
1.	3 : 45 CN	Caixin Manufacturing PMI (points)	May	52.0	51.9	51.9
	9 : 45 IT	Markit/IHS Manufacturing PMI (prelim.)	May	62.3	62.0	60.7
	10 : 00 IT	Unemployment rate (%)	Apr	10.7	10.1	10.1
	11 : 00 EZ	CPI (flash, YoY, %)	May	2.0	1.9	1.6
	11 : 00 EZ	Core CPI (flash, YoY, %)	May	0.9	0.8	0.7
	11 : 00 IT	GDP (detailed, QoQ, %)	Q1	0.1	-0.4	-0,4*
	11 : 00 EZ	Unemployment rate (%)	Apr	8.0	8.1	8.1
	16 : 00 US	Construction expenditure (MoM, %)	Apr	0.2	0.5	0.2
	16 : 00 US	ISM Manufacturing PMI (points)	May	61.2	60.9	60.7
2.	8 : 00 DE	Retail sales (MoM, %)	Apr	-5.5	-2.0	7.7
	15 : 00 HU	5Y collateralized loan w fixed interest rate, tender (HUFbn)	-	10.0	-	10.0
	20 : 00 US	Beige Book	-	-	-	-
3.	3 : 45 CN	Caixin Services PMI	May	55.1	-	56.3
	9 : 45 IT	Markit/IHS Services PMI (prelim.)	May	53	52.5	47.3
	14 : 15 US	ADP non-farm employment (MoM, '000s)	May	978.0	650	742
	14 : 30 US	Continuing jobless claims ('000s)	weekly	3771.0	3615	3602
	14 : 30 US	Initial jobless claims ('000s)	weekly	385.0	390	405
	16 : 00 US	ISM non-Manufacturing PMI (points)	May	64.0	63.0	62.7
4	11 : 00 EZ	Retail sales (MoM, %)	Apr	-3	-1.2	2.7
	13 : 00 EZ	C. Lagarde panel discussion (Green Swan 2021 virtual conference)	-	-	-	-
	13 : 00 US	J. Powell panel discussion (Green Swan 2021 virtual conference)	-	-	-	-
	14 : 30 US	Average earnings (YoY, %)	May	4.4	1.6	0.1
	14 : 30 US	Average earnings (MoM, %)	May	0.5	0.2	0.7
	14 : 30 US	Unemployment rate (%)	May	5.8	5.9	6.1
	14 : 30 US	Non-farm payroll (MoM, '000s)	May	559.0	664	278
	16 : 00 US	Factory orders (MoM, %)	Apr	-0.6	-0.2	1.4

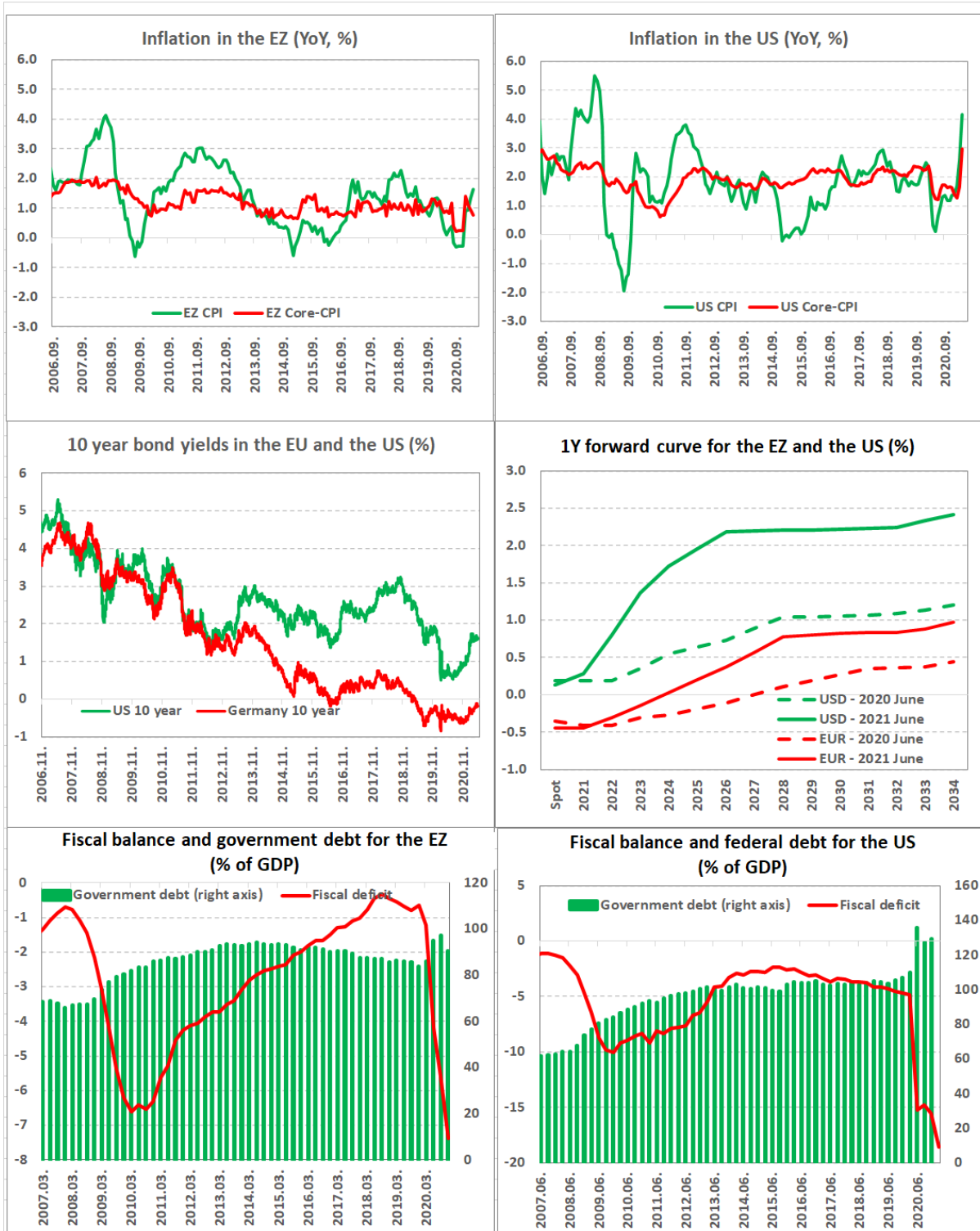
*Flash estimate

Eurozone and US chart set



Source: Refinitiv

Eurozone and US chart set



Source: Refinitiv

FX forecast for the majors

FX pair	2020.Q2	2020.Q3	2020.Q4	2021.Q1	2021.Q2	2021.Q3	2021.Q4	2022.Q4	2023.Q4	2024.Q4
EURUSD	1.09	1.18	1.19	1.21	1.21	1.21	1.21	1.23	1.22	1.21
EURGBP	0.89	0.91	0.90	0.88	0.86	0.86	0.85	0.85	0.83	0.85
EURCHF	1.06	1.08	1.08	1.08	1.10	1.11	1.12	1.14	1.13	1.16
USDJPY	107.0	106.0	104.0	104.0	109.0	109.5	110.0	110.0	111.0	109.0

Source: Bloomberg

Regional macro forecast

Countries	GDP (yoy, %)					Countries	Fiscal balance (% of GDP)				
	2020	OTP		Focus Economics			2020	OTP		Focus Economics	
		2021	2022	2021	2022			2021	2022	2021	2022
Hungary	-5.0	4.9	6.1	4.4	4.8	Hungary	-8.1	-6.4	-3.8	-6.3	-4.4
Romania	-3.9	7.0	3.5	4.9	4.7	Romania	-9.2	-8.2	-6.5	-7.5	-5.5
Bulgaria	-4.2	4.0	4.2	3.5	3.9	Bulgaria	-3.4	-3.1	-1.5	-3.5	-2.0
Russia	-3.0	4.9	2.5	3.2	2.6	Russia	-3.8	-2.6	-1.2	-1.4	-0.6
Ukraine	-4.0	4.0	4.4	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	6.5	5.8	4.8	4.8	Croatia	-7.4	-5.5	-3.0	-4.1	-2.9
Serbia	-1.0	6.5	3.3	4.9	4.4	Serbia	-8.1	-7.0	-1.5	-4.3	-2.1
Montenegro	-15.2	6.1	7.7	6.6	5.1	Montenegro	-10.0	-6.2	-2.5	-5.3	-3.0
Albania	-3.3	5.8	3.8	5.2	4.5	Albania	-6.9	-6.0	-4.0	-5.5	-3.3
Moldova	-7.0	5.6	5.2	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	3.6	3.0	3.1	2.8	Romania	5.0	4.7	4.0	5.4	5.1
Bulgaria	1.7	1.9	2.1	1.8	2.2	Bulgaria	5.1	4.6	4.4	5.3	4.9
Russia	3.4	5.7	4.3	5.0	3.9	Russia	5.8	5.0	4.0	5.5	5.0
Ukraine	2.7	7.5	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	1.7	1.4	1.2	1.6	Croatia	7.5	7.0	6.0	9.0	8.1
Serbia	1.6	2.0	2.2	2.0	2.4	Serbia	9.0	9.7	9.0	9.6	9.2
Montenegro	-0.3	1.4	1.3	0.9	1.4	Montenegro	17.9	18.2	17.0	17.8	16.8
Albania	1.6	1.8	2.0	2.0	2.6	Albania	11.7	10.5	10.0	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

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