

# OTP Weekly Outlook

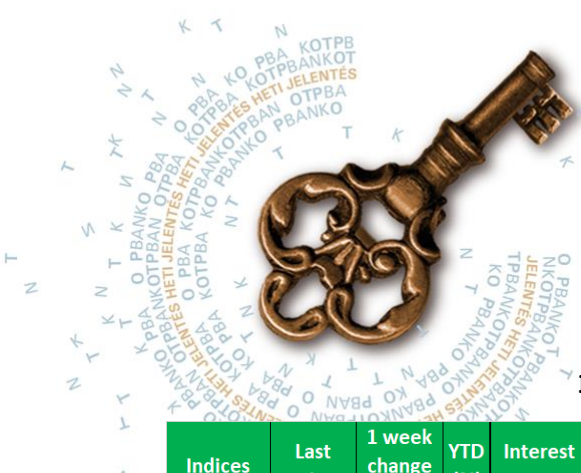
## Next week:

- June euro area inflation and US labour market figures could be in the spotlight

## This week:

- Europe's and America's stocks stood on track to close with gains in weekly comparison
- Brent exceeded 75 USD/barrel ahead of the OPEC+ meeting
- The USD partly corrected last week's gain

## 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 (%)	Commo dity	Last price	1 week change (%)	YTD (%)
S&P500	4274.3	2.6	13.8	US 2 year	0.26	0.8	14.1	Dollar index	91.573	-0.7	1.8	Brent	76	3.0	46.2
Russel 2000	2341.6	4.6	18.6	US 10 year	1.50	5.7	58.2	EURUSD	1.197	0.9	-2.0	WTI	74	2.8	51.8
Stoxx 600	456.7	1.0	14.5	DE 2 year	-0.65	1.8	6.2	USDJPY	110.53	-0.3	-6.6	Gold	1789	1.4	-5.8
DAX	15561.1	0.7	13.4	DE 10 Year	-0.17	3.5	40.5	GBPUSD	1.393	0.9	1.9	Silver	26	1.6	-0.7
CAC40	6608.8	0.6	19.0	SP 10 year	0.46	0.4	41.4	AUDUSD	0.761	1.8	-1.1	Palladium	2643	6.8	7.9
FTSE100	7129.9	1.6	10.4	UK 10 year	0.76	0.4	56.3	USDCAD	1.227	1.6	3.7	Copper	428	3.0	21.7
FTSE MIB	25424.7	0.8	14.4	IT 10 year	0.91	4.2	37.2	USDCHF	0.914	0.8	-3.2	Steel	1664	0.2	65.6
Nikkei 225	29066.2	0.4	5.9	JP 10 year	0.04	-1.1	2.4	NZDUSD	0.709	2.3	-1.3	Wheat	645	-2.8	0.6
CSI 300	5240.0	2.7	0.6	CH 10 year	3.09	-5.4	-4.8	CNHUSD	6.454	0.1	0.8	Corn	646	-1.4	33.4

Source: Bloomberg

## June euro area inflation and US labour market figures could be in the spotlight

*Next week will be more intense in important hard data than this one. Most notably the June eurozone's flash CPI and US labour market data for the same month will be published. Out of these figures, US nonfarm payroll has the best potential to move markets. This figure is in the focus of the Fed's policy, given its maximum employment goal. FOMC members repeated several times that their target was roughly 7.5 million above the current level. At the same time, decision-makers have to strike a delicate balance, given the mounting inflation fears. Markets are more reassured in Europe, where the labour market is less tight, and in general the Phillips curve is more horizontal. Still, surprises cannot be ruled out, as economies have been massively reopening in June. Unfortunately, the pandemic news still needs to be followed closely, as the Delta variant is spreading fast - according to ECDC, it will be the dominant variant all over Europe by August. As UK and Israeli cases show, this can cause surprises even in countries with high level of vaccination.*

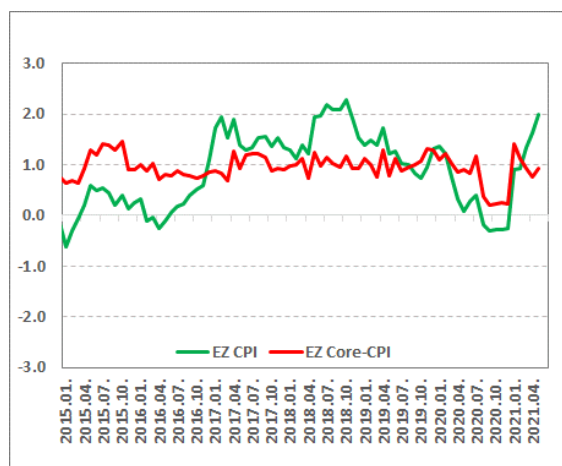
Concerning the **euro area**, the focus will be on *flash inflation* figures for June, to be released on Wednesday. Unlike in the USA, the past two months of CPI data brought no surprise. Even though the headline figure edged up, this was largely explained by energy inflation, while core inflation hovered around 1%. Nevertheless, as most of the services sector's reopening occurred in June in the region, upside surprises in the inflation data cannot be ruled out. Still it seems obvious that inflation risks in Europe are well below those in the USA, as the labour market is much looser in Europe than in the USA, and the Phillips curve in general is much less vertical according to studies. June's ESI indices (which climbed to almost historic highs in May) and May's retail sales from Germany and Spain could help to gauge Q2 growth performance in the region. Further to this, Christine Lagarde will speak during the week at least three times, which might be worth checking.

In the **USA**, the show of the week will come on Friday, when the *June* reading of *non-farm payroll*, *unemployment rate*, and *wage inflation figures* will be released. Out of these figures, non-farm payroll data should be watched most closely, as this is the base of one of the two targets of the Fed, namely its maximum employment goal. In the past two months, these figures caused downward surprises, particularly in April. This has prevented the Fed's doves from thinking about doing more against rising inflation, stressing that roughly 7.5 million jobs are still missing from the labour market. Therefore the importance of this data release is hard to overstate. Even if the recent pace of job creation (~0.5 mn per month) remains, which is already an optimistic assumption, the Fed's maximum employment goal could be reached in no less than 15 months. It does not seem very likely that the FOMC could wait until the end of this period to start at least tapering, without significantly risking a runaway inflation. Otherwise, mostly business surveys for June (*ISM manufacturing and Chicago PMIs*, *Consumer Confidence index* from the Conference Board), some housing market data (*pending home sales* for May, and the *Case-Shiller home price index* for April) and some industry data for May (*factory orders* and *construction expenditure*) will be released, which could help to improve of our nowcast for Q2 GDP growth.

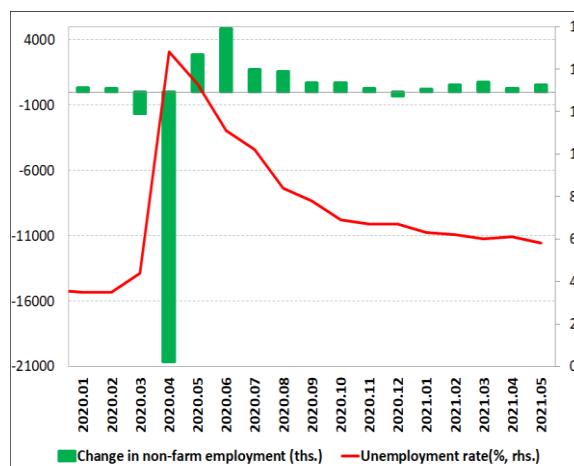
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Finally, **China** publishes a bunch of *PMI* figures for June, both the official *NBS* and *Caixin PMIs*, on Monday. The manufacturing components have been hovering slightly above 50 in recent months, while the services indicators were somewhat more upbeat.

Eurozone inflation rate (YoY, %)



US labour market indicators



Source: Refinitiv and Bloomberg

What to watch next week

Data		Cd.	Event/Data	Period	Cons.	Prev.	
2021	6. 29. 9	00	ES	Retail sales (YoY, %)	May	41.0	
		11	00	EZ	EC Economic Sentiment Index (points)	Jun	114.5
		12	00	EU	Brussels Economic Forum (A. Merkel, C. Lagarde)	-	-
		14	00	DE	CPI (preliminary, YoY, %)	Jun	2.3
		15	00	US	Case-Shiller Home Price Index (YoY, %)	Apr	13.3
		16	00	US	Consumer confidence (point)	Jun	118.8
	30. 3	00	CN	NBS Manufacturing PMI (points)	Jun	51.0	
		3	00	CN	NBS Non-manufacturing PMI (points)	Jun	55.2
		11	00	EZ	CPI (flash, YoY, %)	Jun	1.9
		11	00	EZ	Core CPI (flash, YoY, %)	Jun	0.9
		14	15	US	ADP non-farm employment (MoM, '000s)	Jun	475.0
		15	45	US	Chicago PMI (points)	Jun	72.0
		16	00	US	Pending home sales (MoM, %)	May	-4.4
	7. 1.	3	45	CN	Caixin Manufacturing PMI (points)	Jun	52.0
		9	00	EU	C. Lagarde testimony (Economic Committee)	-	-
		9	45	IT	Markit/IHS Manufacturing PMI (prelim.)	Jun	62.3
		10	00	IT	Unemployment rate (%)	May	10.7
		11	00	EZ	Unemployment rate (%)	May	7.9
		14	30	US	Initial jobless claims ('000s)	weekly	411.0
		14	30	US	Continuing jobless claims ('000s)	weekly	3390.0
		16	00	US	Construction expenditure (MoM, %)	May	0.5
		16	00	US	ISM Manufacturing PMI (points)	Jun	61.0
	2. 8	00	DE	Retail sales (MoM, %)	May	-5.5	
		9	00	HU	Trade balance (detailed, monthly, EUR mn)	Apr	321.0
		14	30	US	Non-farm payroll (MoM, '000s)	Jun	600.0
		14	30	US	Unemployment rate (%)	Jun	5.7
		14	30	US	Average earnings (MoM, %)	Jun	0.4
		14	30	US	Average earnings (YoY, %)	Jun	2.0
		14	30	EU	Panel discussion with C. Lagarde	-	-
		16	00	US	Factory orders (MoM, %)	May	1.3
						-0.6	

**After falling last week, Europe's and America's stocks stood on track to close with weekly gains, as yields and commodities edged higher**

*The week was relatively silent in macro news, the focus was mostly on PMIs, which surprised on the upside in Europe and were mixed in the USA, while the closely watched May core PCE turned out slightly below the consensus. At the same time, the heads of the ECB and the Fed held speeches, which in general helped to reassure markets. The final kick for positive sentiment came on Thursday evening, when a bipartisan agreement on the US infrastructure plan was reached. Overall, European and US stocks moved slightly higher in weekly comparison, but the major markets gained almost every day of the week. Still, the optimistic mood is not necessarily justified, for two reasons. First, the US infrastructure plan is a very small stimulus for the US economy (roughly USD 580 bn of new funds spent over eight years). Second, the spread of the Delta covid variant even in countries with high level of vaccination should be a cause for concern.*

**Pandemic situation: watch out for the delta variant!**

The number of daily covid cases continued to drop in the USA, therefore many states started to ease restrictions in the early summer. Infection rates suddenly rose in Mexico, prompting authorities to close schools again. Most countries in South America are still suffering from an ongoing infection wave, Brazil has just passed the 500,000th covid death. The UK is battling with the spreading Delta variant, the currently active restrictions had to be extended. Portugal also reported a jump in infections, but the wave's momentum seems to have halted. Other countries in Europe reported low number of daily covid cases, countries are slowly lifting covid restrictions. But the ECDC warns that the Delta variant will gain clear dominance in infection by August. Moscow reported high case counts, due to the spreading Delta variant. Many countries in Africa are suffering from a new infection wave. India and Japan are showing a promising drop in infections. Due to the spread of the Delta variant, Israel is now reporting moderately increasing case counts, despite the relatively high vaccination rate.

Countries with the highest percentage of the population who received at least one shot, are the following: Canada (67%), Israel (64%), UK (63%), Chile (63%), Hungary (56%), Finland (56%), Belgium (55%), US (53%). Countries with the highest fully vaccinated part of population are: Israel (59%), Chile (50%), Hungary (48%), UK (46%), US (45%), UAE (39%), and Serbia (36%).

**European and US indices increased in weekly terms by Friday afternoon**

In **Europe**, the *STOXX 600* stood at 1.0% on Friday afternoon. Its individual country indices increased to different degrees: the *DAX* by 0.7%, the *CAC40* by 0.6%, the *FTSE100* 1.6%, and the *FTSE MIB* by 0.8%. Out of the *STOXX*'s components, basic resources (5.6%, which fell the most last week) and oil and gas (2.9%) increased the most, partly and more then correcting last week's fall, respectively. While utilities (-1.5%) and insurance (-0.6%) fell the largest extent.

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In the **USA**, the *S&P* stood at 2.6% by Friday afternoon while the *Russell 2000* small-cap index increased by a significant 4.6%. Energy (6.4%) and financials (4.9%) increased the most, which more than corrected the sizable fall last week. Utilities (-0.2%) and real estate (0.6%), were the weakest parts.

**Long-term yields rose and the USD weakened slightly, while commodities moved higher**

Long-term *Treasury/bond yields* mostly increased in the USA (by 6 bps), while the picture is more mixed in Europe, with yields in Germany and Italy moving up by 4, but less than 1 bps in Spain. The dollar corrected partly the strengthening of last week as Jerome Powell reassured markets that rate hikes were far away. Oil was heading for a fifth weekly advance (now by 3%), in its longest winning streak since December, as stockpiles shrink and the market tightens ahead of an OPEC+ meeting =(due on 1 July), which will consider pumping more crude. This week Brent exceeded 75 USD/barrel, its highest level since October 2018. Other commodities also moved up, in particular palladium, by 7.0%.

**June business surveys were upbeat in Europe and mixed overseas. US core PCE remained high, but below expectations.**

In the **euro area**, June business surveys surprised to the upside. The jump in the *Composite PMI* from 57.1 in May to 59.2 in June left it above the consensus forecast and at its highest level since June 2006. The *manufacturing output PMI* edged up to 62.4, suggesting that supply shortages are not yet acting as a serious drag on production, and the *services business activity PMI* rose more sharply to 58.0 as Covid restrictions were relaxed further. Similarly, the jump in the *Ifo Business Climate Index* from 99.2 in May to 101.8 in June was better than expected, as both the current conditions and the expectations components improved. Activity increased particularly rapidly in the services sector in June, when many hotels and restaurants re-opened. All these suggest a strengthening recovery in Europe, although recently the relationship between soft and hard data became a bit uncertain.

In the **USA**, incoming macro data were mixed, as *manufacturing PMI* could improve, but the *service sector* component even sank by more than five points, well below expectations. While existing home sales in May caused upside surprise, new home sales for the same month disappointed by roughly 100,000. *PCE* prices "only" increased by 0.4% MoM last month, with *core PCE* prices rising by 0.5% MoM (slightly below the consensus). Nevertheless, that was still enough to push headline PCE inflation up to 3.9% and core PCE inflation jumped to 3.4%, the highest rate since the early 1990s and a long way from the Fed's 2% target. Still the latter figure is visibly lower than the latest *core inflation* data (3.8%). With the same data release, *nominal household spending* stagnated, while *household income* fell by 2% last month, as the stimulus check effects fade away.

After months of negotiations, on Thursday night, President Joe Biden has agreed with the bipartisan Senate on a USD 1.2 trillion *infrastructure development package*. Under the plan, the government will spend USD 1.2 trillion over eight years on modernization investments. Within that amount, there will be USD 579 billion in new funding, with the rest planned to be mobilized through rechanneling of funds. Furthermore, given that these funds will be spent over eight years, while non-negligible, the spending will be hardly seen at the macro level. The agreement came after months of negotiations. The originally proposed USD 2,300 billion package was too large for Republicans, who have traditionally preferred lower public spending.

## 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	4274.3	2.6	13.8	Stoxx 600	SXXP Index	456.7	1.0	14.5
IT	S5INFT Index	2551.2	2.4	11.3	Health care	SXDP Index	975.6	-0.2	11.0
Health care	S5HLTH Index	1462.9	1.8	10.5	Industrial goods & services	SXNP Index	736.9	2.0	17.2
Financials	S5FINL Index	612.3	4.9	24.9	Banks	SX7P Index	136.8	1.6	26.4
Telco	S5TELS Index	263.6	2.1	18.8	Personal & households goods	SXQP Index	1069.5	-0.1	14.7
Consumer discretionary	S5COND Index	1426.7	2.8	9.5	Insurance	SXIP Index	299.7	-0.6	7.3
Industrials	S5INDU Index	866.2	3.1	15.6	Food and beverages	SX3P Index	807.2	1.0	12.9
Consumer staples	S5CONS Index	714.1	1.1	2.6	Technology	SX8P Index	721.8	1.7	19.6
Utilities	S5UTIL Index	322.6	-0.2	1.1	Utilities	SX6P Index	374.7	-1.5	-2.4
Energy	S5ENRS Index	416.9	6.4	45.7	Oil & gas	SXEP Index	266.9	2.9	12.9
Real estate	S5RLST Index	277.8	0.6	21.9	Chemicals	SX4P Index	1241.8	1.5	11.5
Materials	S5MATR Index	518.3	2.5	13.7	Construction & materials	SXOP Index	601.0	2.1	22.0
Source: Bloomberg					Telco	SXKP Index	235.5	-0.4	14.5
					Retail	SXRP Index	479.8	2.0	21.2
					Financial services	SXFP Index	692.7	1.7	14.3
					Basic resources	SXPP Index	589.5	5.6	18.1
					Real estate	SX86P Index	185.4	0.6	8.5
					Auto & parts	SXAP Index	663.9	1.1	25.9
					Media	SXMP Index	328.1	0.5	15.9
					Travel & leisure	SXTP Index	266.4	-0.1	18.8

Source: Bloomberg

## Performance of 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	4274	2.1	9.3	15.4	38.6	30.2	4.6	3.1	14.0	1.4	120.5	1.2	9.4
Europe	SXXP Index	457	2.6	8.0	15.3	27.0	46.3	2.2	1.6	6.0	1.1	188.8	0.3	8.1
Germany	DAX Index	15561	0.6	6.4	14.5	27.8	33.1	1.8	1.2	6.5	1.2	122.2	8.9	11.4
France	CAC Index	6609	3.4	11.0	19.7	34.4	45.8	1.9	1.5	4.1	1.1	223.0	7.2	8.5
Poland	WIG20 Index	2275	5.6	21.2	16.3	26.8	21.0	1.3	1.2	6.2	1.2	56.7	-4.4	7.7
Czechia	PX Index	1163	-0.5	7.4	15.3	26.7	23.9	1.4	1.7	6.0	1.1	163.3	0.6	1.5
Hungary	BUX Index	48493	6.0	9.8	17.7	31.1	13.7	1.2	1.1	9.2	1.2	58.5	145.1	15.8
Romania	BET Index	11822	1.6	8.0	22.1	38.1	11.7	1.1	1.6	9.6		27.1	-5.3	-5.6
Bulgaria	SOFIX Index	556	4.4	12.2	25.0	21.9	21.3	0.6	0.8	2.6	2.9	38.5		
Russia	IMOEX Index	3828	3.8	11.3	17.9	38.7	11.0	1.1	1.4	10.7	1.6	70.0	23.8	13.1
Ukraine	PFTS Index	531	0.5	2.7	4.2	6.3	5.5		0.5	29.3				
Slovenia	SBITOP Index	1137	0.1	16.5	27.2	32.5	8.9	1.0	0.6	11.4	1.7	26.0		
Croatia	CRO Index	2004	3.6	8.6	16.2	26.0	37.8	1.1	1.2	3.1	1.3	49.1		
Serbia	BELEX15 Index	775	-0.5	3.9	6.2	16.5	22.7	0.6	0.8	3.1	1.7	19.1		
Montenegro	MNSE10 Index	764	-3.8	2.5	13.5	8.7		0.3	1.1	-0.1	2.5	13.2		

\*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).

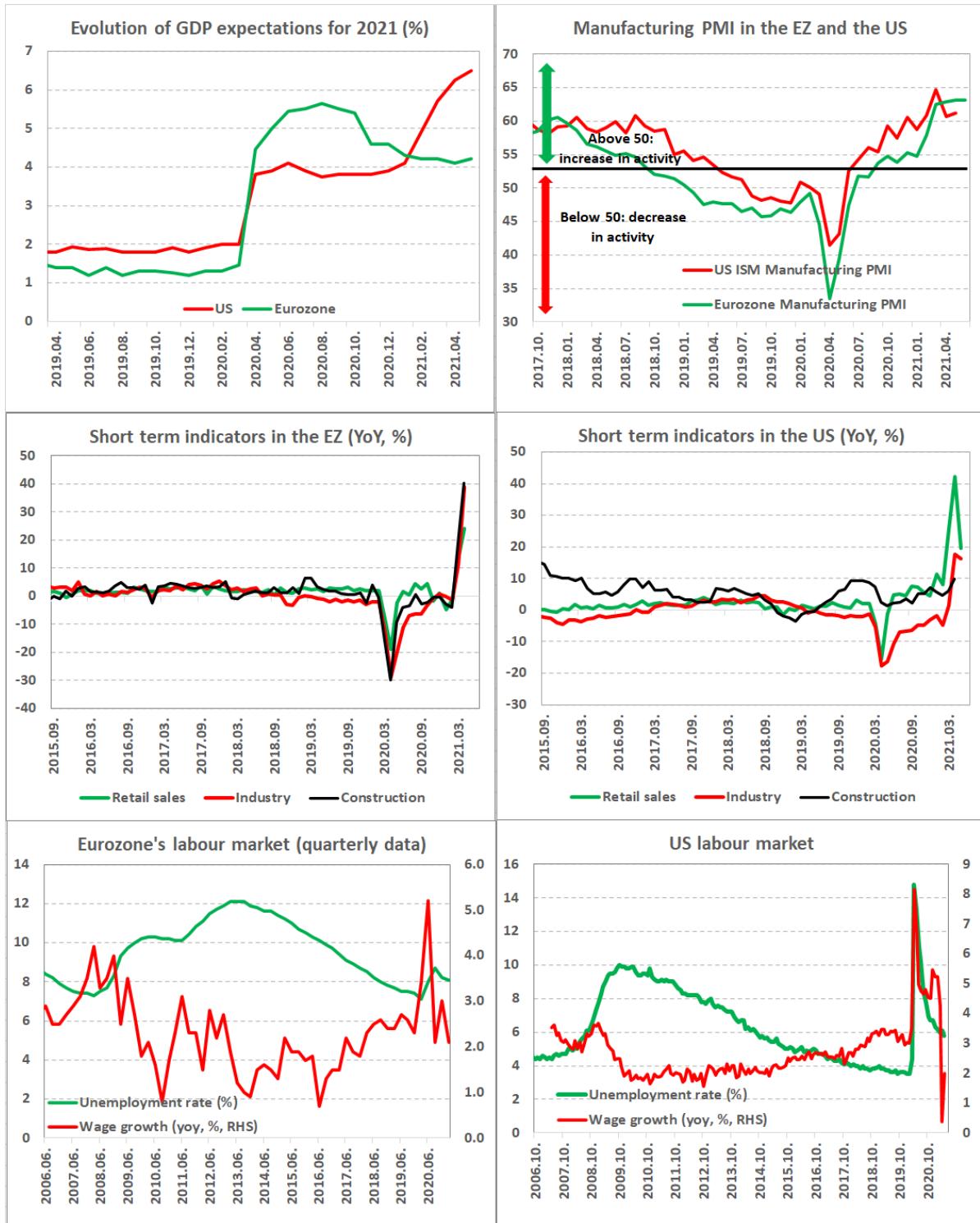
\*\*\*therefore direct comparison of valuation metrics alone could be misleading.



## This week's data

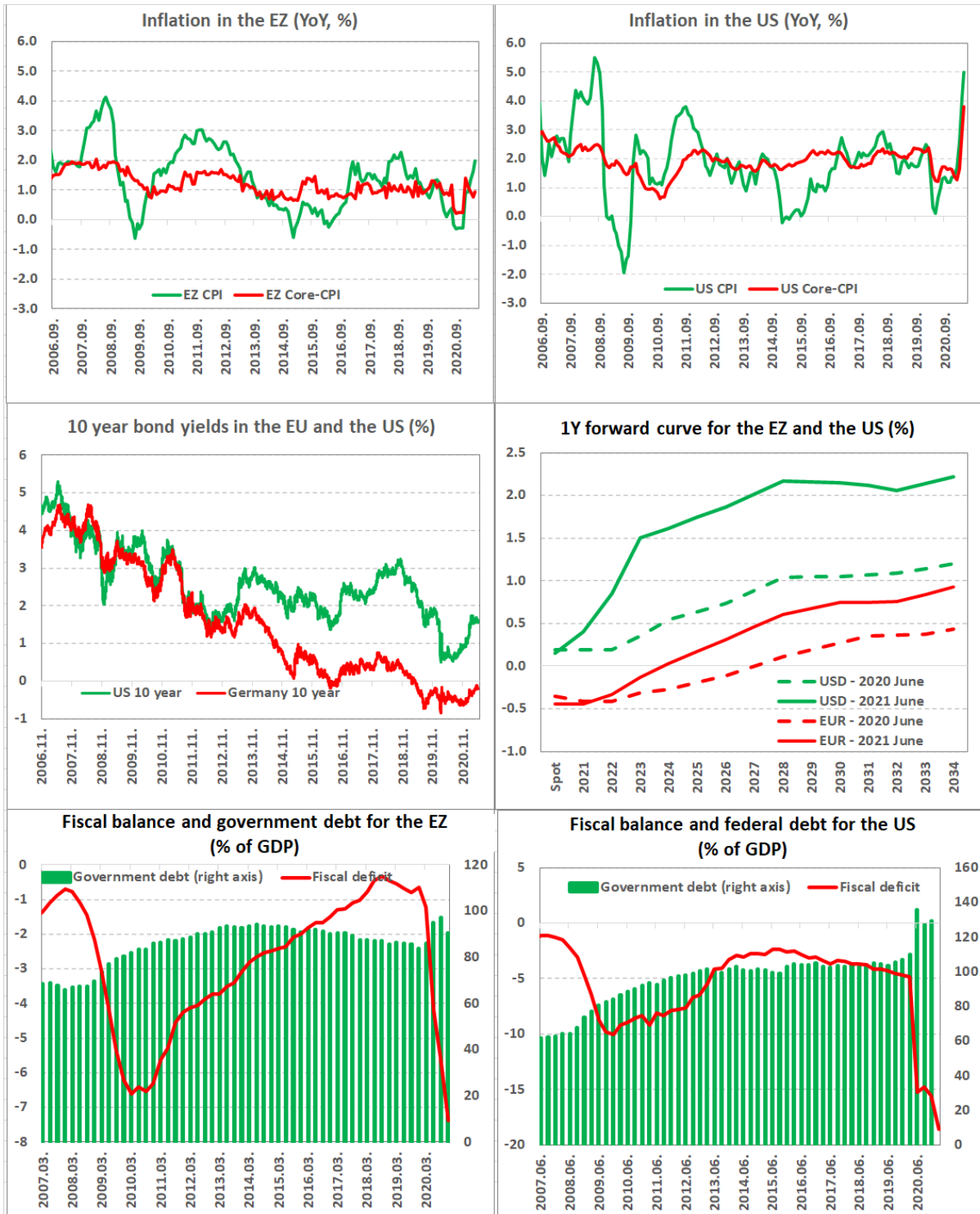
Data		Cd.	Event/Data	Period	Fact	Cons.	Prev.
2021	6. 21.	16 : 15	EZ	C. Lagarde hearing before ECON Committee	-	-	-
	22.	16 : 00	EZ	Consumer confidence (point)	Jun	-3.3	-3.0
		16 : 00	US	Existing home sales (annualized monthly, '000s)	May	5800	5720
	23.	9 : 15	FR	Markit Manufacturing PMI (points)	Jun	58.6	59.0
		9 : 15	FR	Markit Service PMI (points)	Jun	57.4	59.4
		9 : 30	DE	Markit Manufacturing PMI (points)	Jun	64.9	56.6
		9 : 30	DE	Markit Service PMI (points)	Jun	63.0	64.4
		10 : 00	EZ	Markit Manufacturing PMI (points)	Jun	58.1	55.5
		10 : 00	EZ	Markit Service PMI (points)	Jun	62.1	52.8
		10 : 30	UK	Manufacturing PMI (points)	Jun	63.1	62.1
		10 : 30	UK	Service PMI (points)	Jun	58.0	57.8
		10 : 30	UK	Service PMI (points)	Jun	64.2	64.0
		15 : 45	US	Markit Manufacturing PMI (points)	Jun	61.7	65.6
		15 : 45	US	Markit Service PMI (points)	Jun	63.0	62.9
		16 : 00	US	New home sales (annualized monthly, '000s)	May	62.6	61.5
	24.	10 : 00	DE	IFO Economic sentiment index (points)	Jun	64.8	70.0
		13 : 00	UK	Interest rate decision (%)	Jun	769	870
		14 : 30	US	Durable goods orders (MoM, %)	May	101.8	100.6
		14 : 30	US	Initial jobless claims ('000s)	weekly	0.1	0.1
		14 : 30	US	Continuing jobless claims ('000s)	weekly	2.3	2.8
			EU	European Council meeting (2 days)	-	411	380
	25.	10 : 00	IT	Consumer confidence (point)	Jun	3390	3470
		14 : 30	US	Personal income (MoM, %)	May	-	-
		14 : 30	US	Personal consumption (adjusted, MoM, %)	May	115.1	112.0
		14 : 30	US	Household core PCE index (MoM, %)	May	-2.0	-2.5
					May	0.0	0.5
					May	0.5	0.7

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	1.24	1.22	1.22
EURGBP	0.89	0.91	0.90	0.88	0.86	0.86	0.85	0.85	0.83	0.84
EURCHF	1.06	1.08	1.08	1.08	1.10	1.11	1.12	1.14	1.11	1.10
USDJPY	107.0	106.0	104.0	104.0	109.0	109.0	109.0	110.0	111.0	104.0

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	5.5	5.8	5.0	4.9	Hungary	-8.1	-7.3	-5.7	-6.7	-4.6
Romania	-3.9	7.0	3.5	5.8	4.6	Romania	-9.2	-8.2	-6.5	-7.4	-5.5
Bulgaria	-4.2	4.0	4.2	3.8	4.0	Bulgaria	-3.4	-3.1	-1.5	-3.6	-2.2
Russia	-3.0	4.9	2.5	3.2	2.6	Russia	-3.8	-2.6	-1.2	-1.0	-0.3
Ukraine	-4.0	4.0	4.4	4.1	3.9	Ukraine	-5.3	-6.0	-4.0	-4.8	-3.1
Slovenia	-5.5	4.8	5.1	4.3	4.2	Slovenia	-8.4	-3.6	-2.8	-5.7	-3.6
Croatia	-8.0	6.5	5.8	5.4	4.9	Croatia	-7.4	-5.5	-3.0	-4.2	-3.0
Serbia	-1.0	6.5	3.3	5.5	4.1	Serbia	-8.1	-7.0	-1.5	-5.0	-2.3
Montenegro	-15.2	6.1	7.7	6.8	5.3	Montenegro	-10.1	-6.2	-2.5	-5.1	-2.8
Albania	-3.3	5.8	3.8	5.5	4.2	Albania	-6.9	-6.0	-4.0	-5.6	-3.5
Moldova	-7.0	5.6	5.2	4.5	4.6	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	4.4	4.0	3.9	3.3	Hungary	4.1	4.0	3.7	4.4	4.0
Romania	2.6	4.0	3.0	3.3	2.9	Romania	5.0	4.7	4.0	5.4	5.0
Bulgaria	1.7	1.9	2.1	1.9	2.3	Bulgaria	5.1	4.6	4.4	5.4	5.1
Russia	3.4	5.9	4.4	5.2	4.0	Russia	5.8	5.0	4.0	5.4	5.0
Ukraine	2.7	8.0	5.7	8.0	5.9	Ukraine	9.5	9.2	8.3	9.2	8.7
Slovenia	-0.3	1.0	1.7	1.2	1.7	Slovenia	5.0	4.7	4.5	5.2	4.8
Croatia	0.1	1.7	1.4	1.4	1.6	Croatia	7.5	7.0	6.0	8.9	8.0
Serbia	1.6	2.0	2.2	2.2	2.4	Serbia	9.0	9.7	9.0	9.7	9.2
Montenegro	-0.3	1.4	1.3	1.0	1.4	Montenegro	17.9	18.2	17.0	18.8	17.6
Albania	1.6	1.8	2.0	2.1	2.6	Albania	11.7	10.5	10.0	12.0	11.4
Moldova	3.8	3.2	3.5	3.1	4.5	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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