

OTP Weekly Outlook

Next week:

- FOMC meeting, German elections, and business confidence indices from the USA and Europe will be in the spotlight

This week:

- Stock markets stood slightly in the red on Friday afternoon
- US inflation came out a touch weaker than expected
- Chinese retail sales slowed very sharp, additionally, fears over Evergrande dented the sentiment
- Long-term yields moved up and the USD strengthened
- Oil prices increased as demand concerns and tight supply still prevailed



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	4455.2	-0.1	18.6	US 2 year	0.22	1.1	10.3	Dollar index	92.990	0.4	3.4	Brent	75	2.7	44.6
Russel 2000	2236.9	0.4	13.3	US 10 year	1.37	2.9	45.7	EURUSD	1.176	-0.5	-3.8	WTI	72	2.7	47.6
Stoxx 600	465.7	-0.1	16.7	DE 2 year	-0.70	0.6	1.2	USDJPY	109.97	0.0	-6.1	Gold	1752	-2.0	-7.7
DAX	15589.5	-0.1	13.6	DE 10 Year	-0.28	5.6	29.6	GBPUSD	1.377	-0.5	0.7	Silver	23	-5.1	-14.7
CAC40	6634.1	-0.4	19.5	ES 10 year	0.37	3.3	32.2	AUDUSD	0.729	-0.9	-5.3	Palladium	2011	-6.0	-17.9
FTSE100	7018.1	-0.2	8.6	UK 10 year	0.85	9.3	65.8	USDCAD	1.269	0.0	0.3	Copper	430	-3.4	22.1
FTSE MIB	25919.3	0.9	16.6	IT 10 year	0.73	3.2	19.1	USDCHF	0.929	-1.3	-4.7	Steel	1930	0.2	92.0
Nikkei 225	30500.1	0.4	11.1	JP 10 year	0.05	0.6	3.1	NZDUSD	0.705	-0.9	-1.9	Wheat	712	5.5	11.2
CSI 300	4855.9	-3.1	-6.8	CH 10 year	2.88	1.0	-26.2	CNHUSD	6.461	-0.3	0.6	Corn	524	4.1	8.2

Source: Bloomberg

Data updated at 16:00 (CEST)

FOMC meeting, German elections and business confidence indices from the US and Europe will be in the spotlight next week

It is a safe bet to state that next week's FOMC meeting will be the most closely followed event for investors since the latest meeting in July. Since then, stakes have been raised higher: while the July meeting was about 'waiting for a few more strong labour market data', but being confident that the increase in inflation is transitory, by now decision-makers may have easily fallen out from the divine coincidence, when output/employment and inflation considerations do not contradict each other. Now it seems that inflation problems could remain longer with us, and the spread of the virus seems not only to cause a shortfall in demand, but at the same time it also increases supply constraints. All this means that policy-makers cannot downplay the prospect of a stagflation episode. So overall, while now the consensus is that the Fed's tapering announcement will be postponed until at least December, it will be interesting to see how decision-makers respond to the problems mentioned above, at this point probably only in communication. Otherwise, September's Markit PMIs will give a cross-country picture on the damage in confidence after deteriorating pandemic figures. Finally, as Angela Merkel leaves politics, German elections could change the political setup in Europe in the medium term.

In the **USA**, the key day will be Wednesday, when the results of the two-day FOMC meeting will be revealed. To recap: last time, in July, it was admitted that the US economy had already recovered visibly even in sectors that the pandemic hit hardest. However, the FOMC also added that 'the economy has made progress toward these goals, and the Committee will continue to assess progress in the coming meetings'. Chair Powell also added at the press conference that he would have liked to see a few strong labour market figures, to be reassured. Although this information was not a clear promise for a tapering announcement, the market understood these as a likely announcement to occur in September, or even before, with some clues at Jerome Powell's Jackson Hole speech. Since then however, things have become complicated. For one thing, the August non-farm payroll figure was particularly weak, and importantly sectors that needed to recover from the pandemic to the largest extent stopped improving. Second, data also indicated higher wages, and increasing labour market tightness, despite the gradual phase out of unemployment benefits. Answers in labour market surveys pointed to the fact that in key sectors people stayed off from work due to the fear of the Delta variant. All this meant that once the US economy more or less recovered in terms of output, the pandemic has started to weigh not only on labour demand, but also on labour supply. Add to these a pick-up in Dallas Fed's trimmed mean inflation measure, and persistent global supply chain problems with elevated input costs. Although August CPI at the first sight was a touch better than foreseen (as the headline index dipped minorly down from peak, while the core rate fell by 0.3 ppts), it is not at all clear that under the current policy stance it will gradually converge towards the Fed's 2% target. To sum it up, it will be particularly interesting to see what the FOMC's decision makers come up with (most likely only in communication), and whether they will stress demand or supply inflation concerns, or both. Additionally, a new macroeconomic projection will be released, including 2024. The growth outlook will likely weaken for the short term, while this and next year's inflation projection will be likely raised in light of the new data. The key question is what the interest rate projection will contain: with seven officials already projecting at least one rate hike in 2022, it would only

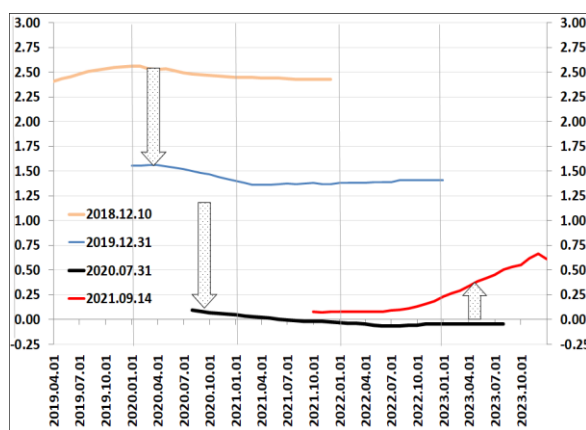
take two additional officials to shift their dots to push the median projection for the first hike into 2022.

Still in the USA, the September *Markit PMIs* and the August *Conference Board leading indices* will be published (all on Thursday). In particular, check whether the most recent business confidence indicators drop, after holding up relatively well up to August. They will also contain some useful information on the prevalence of input price pressures and supply chain problems.

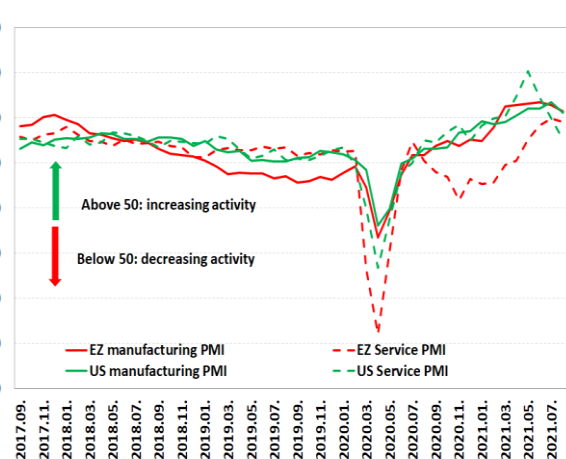
In the **eurozone**, confidence indices will be in the focus. Just like in the USA, *Markit indices* (due on Thursday) will be released, which hardly weakened until August, although *consumer confidence* (due on Wednesday), has started to fall more visibly. With its high vaccination rate, most notably among the elderly, so far, the region seems to have withstood the Delta wave better than the USA. Nevertheless, even without lockdowns, demand could weaken as people became more cautious.

Finally, let us stress that the key event of next week in Europe will be a political one. *Germany's parliamentary election* (on Sunday the 26th), could be a game changer for the euro area. After leading Germany and de facto the euro area for 16 years, Chancellor Merkel will hand over the wheel to either its right-wing party fellow Armin Laschet, or, more like to her opponent in the past month, the SPD's leading candidate Olaf Scholtz. We are far from being political experts, so it seems suffice to note that the outcome is not easy to predict as in either way there will be a coalition government. However, should SPD (which is now seems more likely, based on polls) win the elections, it will mean more pro-European attitude and higher fiscal spending – but also probably more confrontation with members states opposing centralization. If the outcome will not be clear enough, that will be bad news for markets. According to some analysts, given the outcome, it might take even longer than the five months which elapsed after the 2017 election to put a coalition agreement together.

US Fed Fund Rate Futures (%)



Market PMI indicators (points)



Sources: Refinitiv and Bloomberg

What to watch next week

Data	Cd.	Event/Data	Period	Cons.	Prev.
20. 0 : 0	CA	Parliamentary election	-		J. Trudeau
21. 14 : 30	US	Building permits (annualized monthly, '000s)	Aug	1600.0	1630.0
14 : 30	US	Housing starts (annualized monthly, '000s)	Aug	1550.0	1534.0
22. 5 : 00	JP	Interest rate decision (%)			-0.1
16 : 00	EZ	Consumer confidence (point)	Sept	-5.8	-5.3
16 : 00	US	Existing home sales (annualized monthly, '000s)	Aug	5880.0	5990.0
20 : 00	US	Interest rate decision (%)	Sept	0-0,25	0-0,25
23. 9 : 15	FR	Markit Manufacturing PMI (points)	Sept	57.0	57.5
9 : 15	FR	Markit Service PMI (points)	Sept	56.0	56.3
9 : 30	DE	Markit Service PMI (points)	Sept	60.3	60.8
9 : 30	DE	Markit Manufacturing PMI (points)	Sept	61.5	62.6
10 : 00	EZ	Markit Manufacturing PMI (points)	Sept	60.5	61.4
10 : 00	EZ	Markit Service PMI (points)	Sept	58.7	59.0
10 : 30	UK	Manufacturing PMI (points)	Sept	59.0	60.3
10 : 30	UK	Service PMI (points)	Sept	55.5	55.0
13 : 00	TR	Interest rate decision (%)	Sept	19.0	19.0
13 : 00	UK	Interest rate decision (%)	Sept	0.1	0.1
14 : 30	US	Initial jobless claims ('000s)	weekly		
14 : 30	US	Continuing jobless claims ('000s)	weekly		
	US	Markit Manufacturing PMI (points)	Sept	61.1	61.1
15 : 45	US	Markit Service PMI (points)	Sept	54.9	55.1
16 : 00	US	Leading index (MoM, %)	Aug	0.5	0.9
24. 1 : 30	JP	core-CPI (YoY, %)	Aug	0.0	-0.2
1 : 30	JP	CPI (YoY, %)	Aug		-0.3
10 : 00	DE	IFO Economic sentiment index (points)	Sept	98.9	99.4
10 : 00	IT	Consumer confidence (point)	Sept	115.4	116.2
16 : 00	US	New home sales (annualized monthly, '000s)	Aug	720.0	708.0
16 : 00	US	Jerome Powell speech at a FED online event	-	-	-
26. 0 : 0	DE	Parliamentary election	-	-	A. Merkel

Stock indices were in red by Friday afternoon, worries on Delta variant's impact, slowdown in China also affected markets

Stock markets in Europe and the USA started the week on a positive note, after several consecutive days of decline in the previous week. After ups and downs, most of the major stock indices in Western Europe were slightly in the red by Friday afternoon in weekly comparison. Cyclical sectors became the biggest winners during the week, with oil & gas and travel & leisure companies taking the lead. The basic resources sector became the biggest laggard in Europe in weekly comparison, as worries about China's slowing growth amid coronavirus-related restrictions hit miners.

In the USA, the S&P500 was on a course for a weekly decline, with the materials, utilities and industrial sectors falling the most, while energy and consumer discretionary sectors were in the positive territory in weekly comparison before Friday afternoon. The Delta variant's impact on economic reopening, the implications of elevated inflation, and slowdown in China, including the potential default of Evergrande were the main global worries affecting global equity markets. Today's quarterly expiration of options and futures can also trigger volatility.

Pandemic situation: The Delta wave seems to have stabilized in Western Europe and might have peaked in the USA. New outbreak in China.

The infection wave in the US reached its peak, the daily new covid case counts started to decrease moderately. The daily covid death count is expected to follow the same trend within weeks. The infection rates continued to fall in Western Europe. A high vaccination rate allowed Denmark to lift nearly all domestic covid-related restrictions this week. Earlier this week, a quick jump of locally transmitted Delta cases was reported from the South-Eastern region of China. Travel hubs, schools were closed, and mass testing was also issued in higher risk areas. The infection wave is still growing in the CEE region. Serbia and Montenegro reported and alarmingly high jump in covid case counts, and it is still growing. Bulgaria has the highest daily covid-related death counts in the region. Moldova declared a state of health emergency, requiring a vaccination certificate or a negative PCR test result to visit mass events. Ukraine also announced the usage of vaccine passports.

European and US stocks stood again in small minuses by Friday afternoon

European stocks slightly dropped; the *STOXX 600* seems to close the week flat, with a tiny 0.1% decline (the third weekly fall in a row). The *FTSE MIB* seems to be the outlier among Western European stock indices with 0.9% gain, while the *DAX* lost 0.1%, the *FTSE100* dropped 0.2%, and *CAC40* fell 0.4%. Out of the *STOXX* components, the basic resources sector was the biggest laggard (-6.7%), otherwise sectors considered defensive turned out the weakest (personal goods and utilities: -1.9% each), but cyclical chemicals also plunged (-1.5%). At the same time, the oil & gas and travel & leisure sectors' companies' performance was outstanding (both +3.5%).

In the **USA**, the *S&P* was slightly down (-0.1%), while the small-cap *Russell 2000* added 0.4%. Out of the *S&P* components, materials lost the most (-2.8%), with utilities (-2.2%) and industrials (-1.3%) in tow. The energy sector (+3.7%) seems to gain the most on weekly basis.

Long-term yields moved higher in the USA and Europe, oil price edged up as demand concerns and tight supply still prevail, while the USD strengthened further

The US long-term *Treasury/bond yields* climbed in weekly comparison, but European 10Y government bond yields grew more steeply (DE: +5.6bps, UK: +9.3bps, ES: +3.3bps). The latest UK CPI, along with the retail price index and PPI data released on Friday, disappointed markets, while the final August consumer price statistics in the euro area, released during the week, caused no surprise.

Oil prices edged higher. The tight supply due to the aftermath of Hurricane Ida still prevails, while growth worries are also yet to ease. Precious metals also dropped, with palladium losing 6%. Industrial metals were mixed. The USD strengthened further against the major currencies as investors hesitated.

US inflation a touch weaker than expected, Chinese retail sales slowed strongly

In the **USA**, August *inflation* came out at 5.3%, in line with the consensus, which means a minor decline compared to July (5.4%). However, core inflation was weaker than the consensus (4.0% vs. 4.2%) had thought, and this was a 0.3 ppts decline compared to a month ago. The details suggest that some components (used vehicle, car rental, air fare prices) have reached their peak, or even started to decline, which suggests that reopening inflation had just run its course. Nevertheless, underlying inflation measures (e.g. short-base trimmed mean inflation) show that broad-based price pressures are building up in the economy, driven by supply and labour shortages. There was a 0.4% MoM rise in *industrial production* in August, in line with the consensus, which lifted it back above its pre-pandemic peak. The 0.7% MoM rise in *retail sales* in August was much better than the consensus forecast for of 0.8% decline, but the breakdown was far less positive, as online and grocery store spending grew, which contrasts with stagnant spending at bars and restaurants. This suggests Delta fears are playing a key role. Furthermore, the July figure was revised substantially downwards (from -1.1% to -1.8%), which suggest that overall consumer spending was weaker than would seem at the first sight.

Retail sales data for August from **China** brought substantial negative surprise, as the indicator slowed to 2% YoY, from 8.5% in July (consensus 7.0%). This was the weakest rise in retail sales since August 2020, as sales weakened during COVID-19 outbreaks in some regions. *Industrial production* also weakened more than expected, but by a much smaller margin (from 6.4% to 5.3%, consensus 5.8%). It was only *fixed asset investment*, among the released data that was in line with expectations (8.9% vs. 9.0%), although this also slowed visibly from July (10.3%). All these figures suggest that covid outbreaks and supply chain problems have weighed more than expected on an already slowing economy.

In the **euro area**, industrial output rose by 1.5% MoM in July 2021, recovering from two consecutive periods of contraction and beating market expectations of 0.6% growth. Solid increases were seen in the production of non-durable consumer goods (3.5%), capital goods (2.7%), durable consumer goods (0.6%), and intermediate goods (0.4%). Meanwhile, energy output dropped for a third month in a row (-0.6%).

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	4455,2	-0,1	18,6	Stoxx 600	SXXP Index	465,7	-0,1	16,7
IT	S5INFT Index	2742,6	-0,1	19,7	Health care	SXDP Index	1004,8	-0,3	14,3
Health care	S5HLTH Index	1538,7	-0,7	16,2	Industrial goods & services	SXNP Index	783,3	0,8	24,5
Financials	S5FINL Index	625,1	0,3	27,5	Banks	SX7P Index	138,0	2,5	27,5
Telco	S5TELS Index	281,6	-0,6	26,9	Personal & households goods	SXQP Index	1023,1	-1,9	9,7
Consumer discretionary	S5COND Index	1479,0	1,2	13,5	Insurance	SXIP Index	305,0	-0,1	9,2
Industrials	S5INDU Index	848,2	-1,3	13,2	Food and beverages	SX3P Index	790,7	0,0	10,6
Consumer staples	S5CONS Index	740,6	-0,6	6,4	Technology	SX8P Index	812,9	-0,3	34,7
Utilities	S5UTIL Index	338,4	-2,2	6,1	Utilities	SX6P Index	376,9	-1,9	-1,9
Energy	S5ENRS Index	370,7	3,7	29,6	Oil & gas	SXEP Index	260,0	3,5	10,0
Real estate	S5RLST Index	292,8	0,1	28,5	Chemicals	SX4P Index	1285,2	-1,5	15,4
Materials	S5MATR Index	511,0	-2,8	12,1	Construction & materials	SXOP Index	611,4	-0,5	24,1
					Telco	SXKP Index	233,5	-0,4	13,5
					Retail	SXRP Index	455,5	-0,5	15,0
					Financial services	SXFP Index	722,3	-0,2	19,1
					Basic resources	SXPP Index	551,9	-6,7	10,5
					Real estate	SX86P Index	190,8	0,5	11,7
					Auto & parts	SXAP Index	619,0	0,8	17,4
					Media	SXMP Index	360,1	0,2	27,2
					Travel & leisure	SXTP Index	264,7	3,5	18,0

Source: Bloomberg

Source: Bloomberg

Data updated at 16:00 (CEST)

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 week (%)	Change in EPS growth in the last 3 month (%)
USA	SPX Index	4447	0,0	5,3	11,9	32,5	26,6	4,6	3,1	17,2	1,4	117,6	1,6	7,6
Europe	SXXP Index	463	-2,2	0,8	9,0	24,8	24,0	2,1	1,6	11,0	1,1	176,6	0,0	8,9
Germany	DAX Index	15509	-2,6	-1,4	6,3	17,4	17,7	1,8	1,1	11,1	1,1	119,5	-1,5	7,0
France	CAC Index	6588	-3,4	-1,2	8,8	30,7	22,7	1,9	1,4	8,4	1,1	207,5	-0,5	14,8
Poland	WIG20 Index	2326	1,1	5,2	20,0	33,3	19,7	1,4	1,1	6,9	1,2	55,1	-0,8	11,6
Czechia	PX Index	1305	1,7	11,2	20,6	47,7	22,7	1,6	1,9	7,1	1,0	159,4	0,0	10,0
Hungary	BUX Index	52328	1,4	7,2	20,3	54,4	9,7	1,2	1,0	13,4	1,1	58,3	177,0	18,7
Romania	BET Index	12318	1,6	5,7	13,9	33,7	12,4	1,2	1,6	9,9	1,4	32,2	72,0	4,5
Bulgaria	SOFIX Index	556	-2,7	1,0	12,7	29,5	19,6	0,6	0,8	2,8	2,9	36,7		
Russia	IMOEX Index	4020	2,0	5,3	14,6	35,3	9,2	1,2	1,3	12,9	1,5	69,6	20,9	13,0
Ukraine	PFTS Index	526	0,0	-0,9	1,8	5,2	5,5		0,5	30,1				
Slovenia	SBITOP Index	1163	-2,9	1,4	17,2	38,5	8,2	1,0	0,6	12,4	1,7	31,2		
Croatia	CRO Index	1969	-0,2	-1,4	5,6	22,2	31,3	1,2	1,2	4,1	1,4	48,4		
Serbia	BELEX15 Index	798	-1,6	2,4	5,1	15,7	13,8	0,7	0,7	5,0	1,6	19,9		
Montenegro	MNSE10 Index	776	-0,4	0,0	4,8	19,2	531,8	0,3	1,0	-0,3	2,2	14,3		

*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),

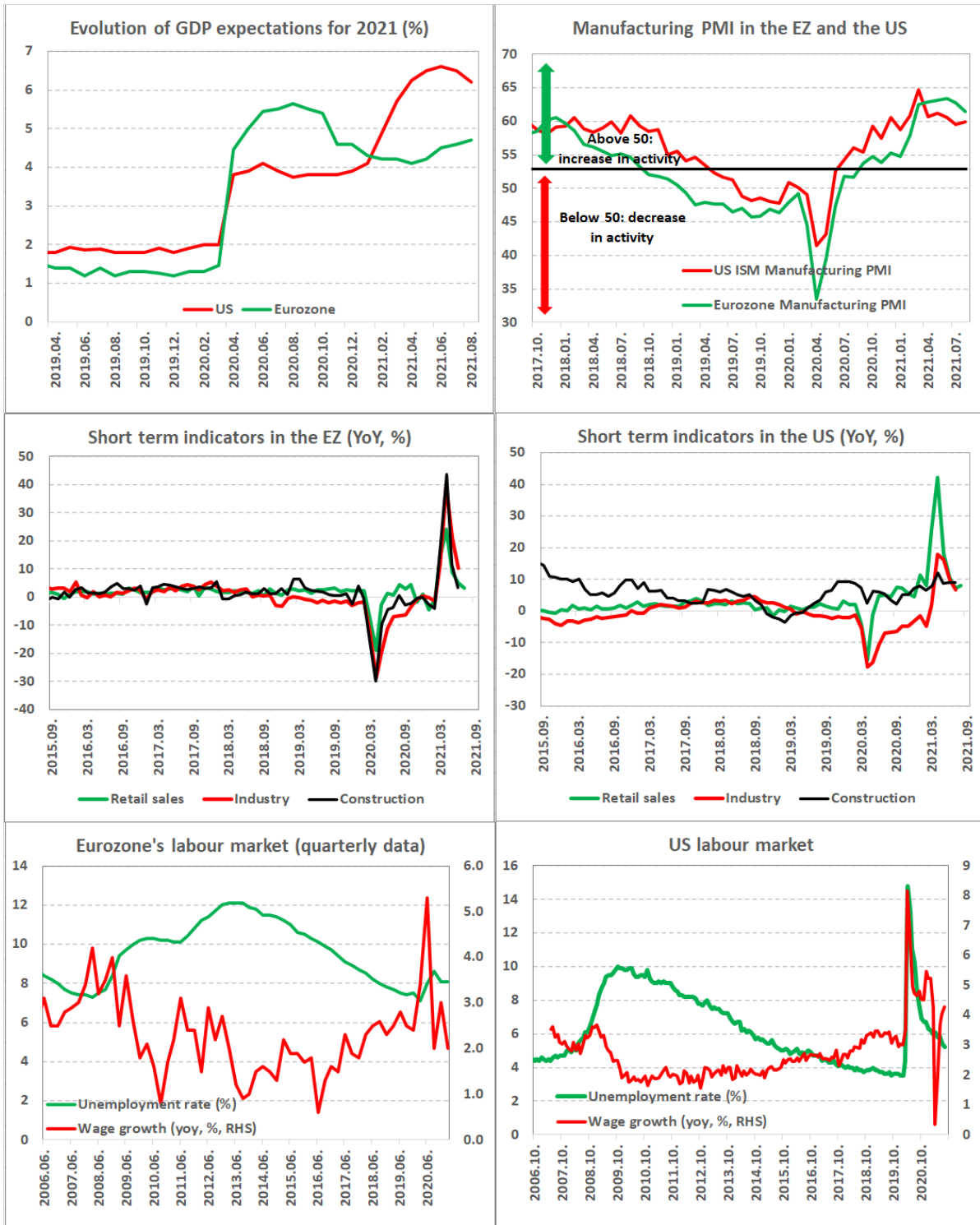
***therefore direct comparison of valuation metrics alone could be misleading.

Data updated at 16:00 (CEST)

This week's data

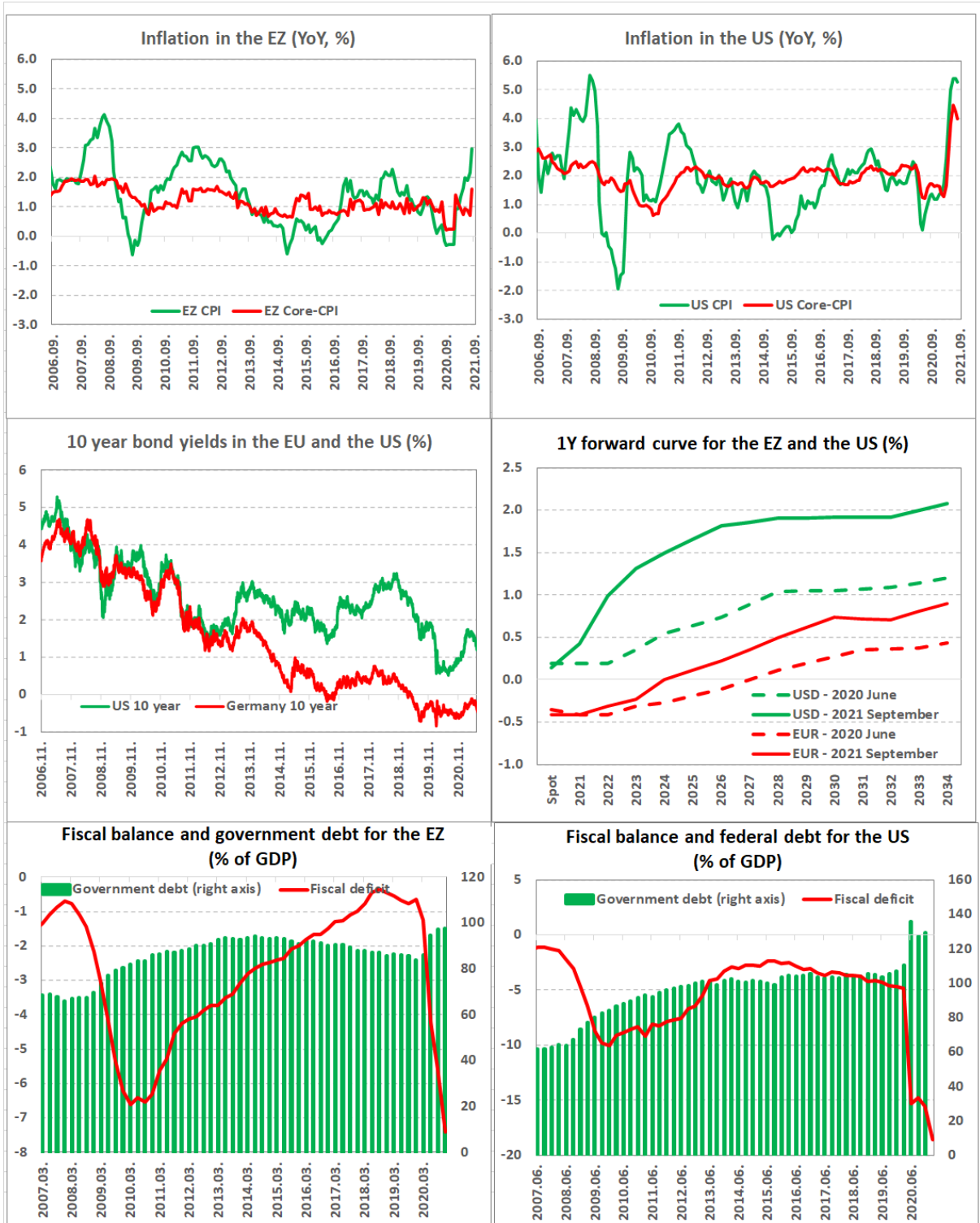
Data		Cd.	Event/Data	Period	Fact	Cons.	Prev.
13.	20 : 00	US	Federal budget balance (USDbn)	Aug	-171	-173	-302
14.	8 : 00	UK	Unemployment rate (%)	Jul	4.6	4.6	4.7
	14 : 30	US	core-CPI (MoM, SA, %)	Aug	0.1	0.3	0.3
	14 : 30	US	core-CPI (YoY, %)	Aug	4.0	4.2	4.3
	14 : 30	US	CPI (MoM, SA, %)	Aug	0.3	0.4	0.5
	14 : 30	US	CPI (YoY, %)	Aug	5.3	5.3	5.4
15.	4 : 00	CN	Industrial production (YoY, %)	Aug	5.3	5.8	6.4
	4 : 00	CN	Retail sales (YoY, %)	Aug	2.0	7.0	8.5
	4 : 00	CN	Infrastructural spending (YoY, %)	Aug	8.9	9.0	10.3
	8 : 00	UK	Inflation (YoY, %)	Aug	3.2	2.9	2.0
	11 : 00	EZ	Industrial production (MoM, %)	Jul	1.5	0.6	-0.1
	14 : 30	US	New York Fed Manufacturing index (points)	Sept	34.3	18.6	18.3
	15 : 15	US	Industrial production (MoM, %)	Aug	0.4	0.4	0.9
16.	14 : 00	EZ	Christine Lagarde speech	-	-	-	-
	14 : 30	US	Initial jobless claims ('000s)	weekly	332.0	328.0	310.0
	14 : 30	US	Continuing jobless claims ('000s)	weekly	2665.0	2785.0	2783.0
	14 : 30	US	Retail sales (MoM, %)	Aug	0.7	-0.8	-1.8
	16 : 00	US	Business inventories (MoM, %)	Jul	0.5	0.5	0.8
17.	8 : 00	UK	Retail sales (MoM, %)	Aug	-0.9	0.5	-2.8
	16 : 00	US	Michigan Consumer confidence (preliminary, points)	Sept	71.0	72.2	70.3

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	1.21	1.20	1.19	1.19	1.19	1.20
EURGBP	0.89	0.91	0.90	0.88	0.86	0.86	0.85	0.84	0.84	0.84
EURCHF	1.06	1.08	1.08	1.08	1.10	1.10	1.09	1.13	1.11	1.09
USDJPY	107.0	106.0	104.0	104.0	109.0	109.5	110.0	112.0	112.0	107.0

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	6.3	4.9	Hungary	-8.1	-7.5	-5.9	-7.0	-5.3
Romania	-3.9	7.0	4.1	6.9	4.8	Romania	-9.2	-8.2	-6.5	-7.3	-5.6
Bulgaria	-4.2	4.7	4.0	4.5	3.9	Bulgaria	-3.4	-3.1	-1.7	-3.9	-2.4
Russia	-3.0	4.6	2.3	3.8	2.7	Russia	-3.8	-1.6	-0.3	-0.6	-0.2
Ukraine	-4.0	4.0	4.4	3.9	3.9	Ukraine	-5.3	-6.0	-4.0	-4.6	-3.1
Slovenia	-5.5	5.8	4.3	4.9	4.3	Slovenia	-8.4	-7.1	-4.9	-6.8	-4.4
Croatia	-8.0	7.7	4.5	6.9	4.5	Croatia	-7.4	-4.5	-3.0	-4.3	-3.1
Serbia	-1.0	6.6	3.5	6.2	4.3	Serbia	-8.1	-7.0	-2.5	-5.7	-2.5
Montenegro	-15.2	7.0	7.4	7.6	5.8	Montenegro	-10.1	-6.2	-2.5	-5.1	-2.7
Albania	-4.0	6.5	3.8	6.0	4.2	Albania	-6.8	-6.0	-4.0	-5.7	-3.5
Moldova	-7.0	6.4	5.0	5.1	4.6	Moldova	-5.3	-5.0	-4.0	-5.0	-3.7

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	4.5	3.7	4.4	3.5	Hungary	4.1	4.0	3.7	4.2	3.8
Romania	2.6	4.2	3.3	3.9	3.4	Romania	5.0	5.5	4.5	5.4	5.0
Bulgaria	1.7	2.1	2.2	2.2	2.3	Bulgaria	5.1	5.0	4.7	5.4	5.0
Russia	3.4	6.1	4.4	5.9	4.3	Russia	5.8	5.0	4.0	5.1	4.8
Ukraine	2.7	8.2	5.7	8.9	6.7	Ukraine	9.5	9.2	8.3	9.3	8.8
Slovenia	-0.3	1.3	1.7	1.5	1.8	Slovenia	5.0	4.9	4.8	5.1	4.8
Croatia	0.1	2.2	2.5	1.8	1.7	Croatia	7.5	7.3	6.8	8.7	7.9
Serbia	1.6	2.6	2.6	2.6	2.6	Serbia	9.0	9.7	9.5	10.7	9.8
Montenegro	-0.3	1.9	1.4	1.5	1.6	Montenegro	17.9	18.7	17.6	19.7	18.2
Albania	1.6	1.8	2.0	2.0	2.4	Albania	11.7	10.0	9.5	11.4	11.0
Moldova	3.8	3.2	3.5	3.2	4.4	Moldova	3.8	5.3	5.8	4.3	4.0

Source: Focus Economics, OTP Research Center

FX forecast for 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	351.0	352.0	353.0	353.0	352.0	352.0	351.0
Romania	EURRON (eop)	4.87	4.93	4.93	4.92	4.93	4.94	4.95	4.95	4.97
Russia	USDRUB (eop)	73.9	75.7	72.4	72.8	71.5	71.2	71.0	71.1	71.4
Ukraine	USDUAH (eop)	28.30	27.80	27.30	27.60	28.20	28.50	28.50	28.80	29.10
Croatia	EURHRK (eop)	7.6	7.6	7.5	7.5	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	1.19	1.20	1.21	1.21	1.21	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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