

# OTP Weekly Outlook

## Next week:

- October's US CPI, and sentiment indices for November could be in the spotlight

## This week:

- Favourable earnings, no surprise from the Fed, and lower yields helped major stock markets to new highs during the week.
- Long term yields edged downwards, energy prices performed mixed. The US dollar gained again.
- The Fed is to start tapering this month, October's job report turned out better than expected. European macrodata were mostly disappointing.



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	4714.2	2.4	25.5	US 2 year	0.41	-8.8	28.8	Dollar index	94.478	0.4	5.0	Brent	82	-3.1	57.9
Russel 2000	2435.0	6.0	23.3	US 10 year	1.47	-8.7	55.2	EURUSD	1.1528	-0.3	-5.6	WTI	80	-3.8	65.6
Stoxx 600	484.2	1.8	21.3	DE 2 year	-0.74	-14.7	-2.3	USDJPY	113.55	0.4	-9.1	Gold	1802	1.0	-5.1
DAX	16057.7	2.4	17.0	DE 10 Year	-0.28	-17.1	29.4	GBPUSD	1.347	-1.6	-1.5	Silver	24	0.2	-9.2
CAC40	7044.3	3.1	26.9	ES 10 year	0.41	-20.3	36.2	AUDUSD	0.739	-1.6	-3.9	Palladium	2037	1.6	-16.8
FTSE100	7306.4	1.0	13.1	UK 10 year	0.85	-18.6	65.4	USDCAD	1.246	-0.6	2.1	Copper	434	-0.8	23.2
FTSE MIB	27774.1	3.3	24.9	IT 10 year	0.89	-28.3	34.4	USDCHF	0.915	0.1	-3.2	Steel	1790	-0.4	78.1
Nikkei 225	29611.6	2.7	7.9	JP 10 year	0.06	-3.9	3.8	NZDUSD	0.710	-1.0	-1.2	Wheat	774	0.2	20.8
CSI 300	4842.4	-1.4	-7.1	CH 10 year	2.89	-8.2	-25.3	CNHUSD	6.402	0.0	1.6	Corn	556	-2.2	14.8

Source: Bloomberg

Data updated at 16:00 (CEST)

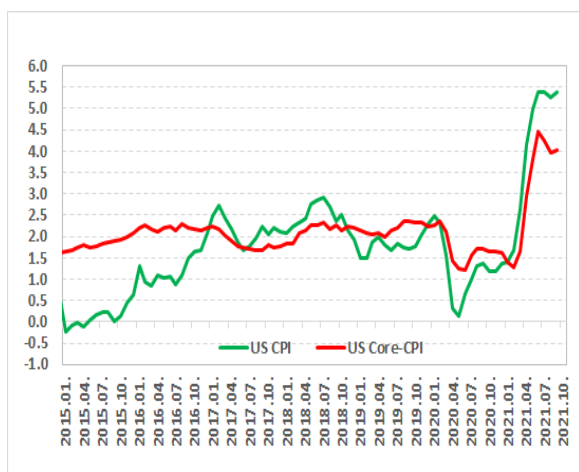
**US CPI for October, and November's sentiment indices could be in the spotlight next week**

*Having the FOMC started tapering as expected, and while having learnt the job report for October this week, next week another important element of the Fed's policy, US inflation rate, will be added to the jigsaw puzzle. The October figure could be a market mover again, given that Fed Chair Jerome Powell explicitly stated that compared to the baseline path, the FOMC sees upside risks to inflation, and the Committee will not hesitate to use its tools should the risks realize. At the same time, incoming survey information is not too reassuring for the October inflation outlook, as PMIs suggest elevated input and output prices, while PPI figures are also at historic high level. Otherwise, the first batch of November business and confidence indices will arrive from Europe and the USA, which will help to refine an initial picture on Q4 GDP performance. Meanwhile, the earnings season is continuing with giants such as PayPal, Cisco, Walt Disney, Credit Agricole, and Astra Zeneca.*

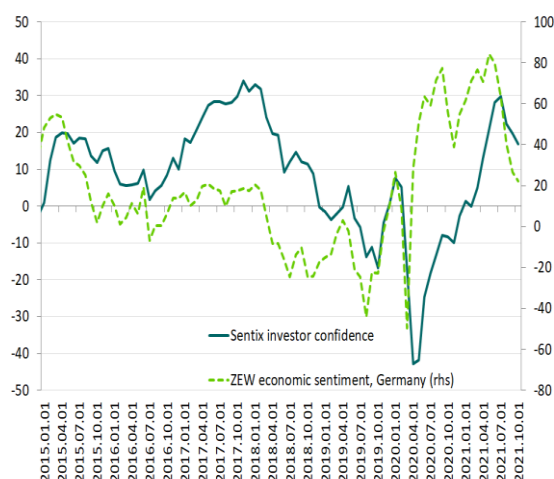
In the **USA**, the key day will be Wednesday, when the October CPI figures will be released. The renewed increase to 5.4% (from 5.3%) in September, with a stagnating core inflation at 4.0% was not at all encouraging, as it contained a temporary Delta-related drop in the prices of high-contact services, which masked a worrying acceleration in the cyclical components, particularly housing. This latter is more likely to be sustained even once the supply shortage and reopening effects fade. At the same time, October's ISM survey indices suggest a further upward climb in prices paid indices. Should upside surprises realize, it could put the Fed into more uncomfortable position, as the Committee intends to be "patient" with higher inflation as a baseline. Here what probably also is worth to note, that starting with former CIS countries, next South Korea and Hungary a few months ago, in the last few weeks other CEE countries (e.g. Czech Republic, Poland, Romania) also stepped on the road of rate hikes, while most of these central banks shied away from policy tightening a few months before. In this sense, while both the FED and the ECB even more seem to downplay the risk of rate hikes next year, we would not be so surprised if the FED would raise rates already next year, as it is priced in market expectations. Still in the USA, the *Michigan consumer sentiment* index for November will be released on Friday. This latter slightly weakened in October but remained roughly at the level of previous two months after the big fall in August.

In the **euro area**, the data foreseen to be published seem less likely to be market mover. Watch out for the first batch of confidence indices, namely *Sentix* for the euro area and *ZEW* for Germany. These indicators have sharply weakened in the past few months. Additionally, the September euro area *industrial production* could easily show a fall, after this week's disappointing data for Germany and France, although the current consensus points to a small increase.

US consumer prices (YoY, %)



ZEW and Sentix confidence indices in Europe



Sources: Refinitiv and Bloomberg

What to watch next week

Data	Cd.	Event/Data	Period	Cons.	Prev.
2021 11. 8. 10 : 30	EZ	Sentix Investor confidence (points)	Nov	15.5	16.9
0 : 0	EZ	Eurogroup meeting	-	-	-
9. 8 : 00	DE	Export (MoM, SA, %)	Sept	0.0	-1.2
11 : 00	DE	ZEW Economic Sentiment (points)	Nov	20.0	22.3
14 : 00	EZ	C. Lagarde speech (ECB forum)	-	-	-
0 : 0	EZ	ECOFIN Meeting	-	-	-
10. 10 : 00	IT	Industrial production (MoM, SA, %)	Sept	0.2	-0.2
14 : 30	US	core-CPI (MoM, SA, %)	Oct	0.3	0.2
14 : 30	US	core-CPI (YoY, %)	Oct		4.0
14 : 30	US	CPI (MoM, SA, %)	Oct	0.5	0.4
14 : 30	US	CPI (YoY, %)	Oct		5.4
14 : 30	US	Initial jobless claims ('000s)	weekly		269.0
14 : 30	US	Continuing jobless claims ('000s)	weekly		2105.0
20 : 00	US	Federal budget balance (USDbn)	Oct		-62.0
11. 8 : 00	UK	GDP (preliminary, QoQ, %)	Q3	1.5	5.5
8 : 00	UK	GDP (preliminary, YoY, %)	Q3	6.8	23.6
12. 10 : 00	PL	GDP (preliminary, QoQ, %)	Q3		1.6
11 : 00	EZ	Industrial production (MoM, %)	Sept	-0.2	-1.6
16 : 00	US	Michigan Consumer confidence (preliminary, points)	Nov		71.7

**Favourable earnings, no surprise from the Fed, and lower yields helped major stock markets to new highs during the week**

*Favourable earnings reports helped stock markets during the week. While the Fed did not cause surprise, the October job report was relatively decent, but incoming macro data were disappointing in Europe. Pfizer, Under Armour, DuPont, BMW, and Booking are among the large companies that reported better-than expected figures. Nevertheless, there were some exceptions like Moderna or AXA, which disappointed with their Q3 figures. Investors shrug off disappointing macro data from Europe, and they also seemed to listen to the bright side of the Fed's communication, which suggested that from the start of tapering, nothing concludes for interest rate hikes. However, they failed to realize what even Chair Jerome Powell acknowledged at the press conference: that inflation risks point to the upside. Friday's relatively decent job market report also added to the optimism. Yields and major commodities fell during the week, also supporting stock markets. As a consequence, all major stock indices closed the week higher, mostly at record levels.*

**Stagnating daily cases but still declining death counts in the USA, confirmed cases are climbing in Western Europe, while CEE countries still face significant headwinds. Localized outbreaks in China, the country tries to keep zero covid policy.**

The daily new covid case counts stagnated in the USA, while the related deaths continued to drop. The country started vaccine rollout for children this week, and this process is planned to get more momentum in the following weeks.

A new infection wave seems to start in Western Europe. Belgium reported a steep jump in infections and hospitalizations. The Netherlands was forced to impose new coronavirus restrictions due to the rising daily new case counts. Germany also reported a concerning leap in daily new covid cases. The CEE region is still at the height of a severe covid wave. The wave in Romania seems to reach its peak, the daily new case counts started to drop. Latvia will allow businesses to lay off unvaccinated employees who refuse shift to remote work or get vaccinated.

The UK is the first country to approve Merck's pill to treat vulnerable patients. The country also launched trials for a cure, aimed to help people suffering from long covid.

China still holds to its zero-tolerance policy; mostly northern cities were under lockdown during the week. The country conducts mass testing, targeted lockdowns, and localized travel restrictions to keep the infection wave at bay. Officials have suggested the residents to stockpile necessities for the upcoming weeks, since more cities may be affected by lockdowns in the future.

Thailand, Australia, and Israel eased travel restrictions. Indonesia approved the emergency use of Novavax's vaccine. Japan eased restrictions after the drastic drop in infection cases.

### **European and US stock markets seem to close the week in decent pluses**

In **Europe**, the *STOXX 600* grew by 1.8% in weekly comparison by Friday afternoon. All major markets moved up, DAX by 2.4, CAC40 by 3.1, FTSE 1.0, FTSMIB by 3.3%. Almost all sector components of *StOXX600* moved up, most notably technology (3.2%) and industrial goods (3.0%). There were only three weakening sectors in weekly comparison: basic resources (-3.1%), oil&gas (-2.4%) as well as travel&leisure (-0.2%).

In the **USA**, the *S&P* could grow by 2.4%, while the small-cap *Russell 2000's* gain stood at an outstanding 6.0%. Among the S&P sectors, except for health care (-0.6%), all components could grow in weekly comparison. The best performing were consumer discretionary (5.4%) and IT (3.7%).

### **Long term yields edged downwards; energy prices performed mixed. The US dollar gained again.**

The week brought declining yields on both sides of the Atlantic. US *Treasury yields* moved downwards by 9 bps, while euro area yields even more (DE: -17 bps, ES: - 20, IT: -28 bps). While US yields mainly declined after the FED meeting, where the Committee stressed that tapering has no link to rate hikes, European yields could have been brought downwards, by a series of communication of ECB General Council members, who stressed that rate hikes for next year are out of question.

Oil prices recently touched seven-year highs but fell this week after an increase in U.S. inventories and signs that high prices could encourage higher production elsewhere. However natural gas prices in Europe moved again above 70 EU/MWH, implying a 19% weekly gain, as Gazprom seemed to fail significantly ramp-up supply as was expected a few days before. The *dollar* index edged 0.4% higher, the EUR/USD eased to 1.1528.

### **The Fed caused no surprise, but the job report turned out better than expected. European macro data were mostly disappointing.**

In the **USA**, the *Fed* caused no surprise, and announced the start of tapering this month. It also communicated the whole baseline tapering path in advance. The FOMC stated that "beginning later this month, the Committee will increase its holdings of Treasury securities by at least USD 70 billion per month and of agency mortgage-backed securities by at least USD 35 billion per month" (currently USD 80 bn and 40 bn). "Beginning in December, the Committee will increase its holdings of Treasury securities by at least USD 60 billion per month and of agency mortgage-backed securities by at least USD 30 billion per month." It was also stressed that "the Committee judges that similar reductions in the pace of net asset purchases will likely be appropriate each month, but it is prepared to adjust the pace of purchases if warranted by changes in the economic outlook." All this was in line with market expectations. Still, after the decision, the initial market reaction was mixed: stock markets increased, while yields moved up. However, yields moved

down later on, while gains in stock markets remained persistent. At the post-meeting press conference Chair Powell stated that although interest rate decisions are not at all linked to tapering, and the Committee still view higher inflation mostly as transitory, should upside inflation risks materialize, they will not hesitate to use their tools at disposal.

The October reading of US *non-farm payroll* turned out at 521,000, above expectations (450,000) after two months of disappointing data. The other good news was that the upward revision of the September figure, from 194,000 to 312,000. Private service sector employment grew by a relatively decent 496,000, as the leisure and hospitality sector improved by 196,000 (71,000 and 86,000 in August and September) as the Delta wave of infections eased. There were broader signs of strength too, with professional and business services employment up by 100,000, transportation and warehousing jobs up 54,000 and manufacturing payrolls increasing by 60,000, including a 22,000 gain in the motor vehicle sector, despite ongoing input shortages. Impressively, the gain in payrolls comes in spite of a 65,000 fall in public education employment. The *unemployment rate* fell from 4.8% to 4.6%, even though the labour force also started to increase after falling in September. *Average hourly earnings* rose by 0.4%, pushing the annual rate up to 4.9%, but with the mix of job gains skewed towards low-wage workers, that is probably understating wage growth. All the survey evidence points to a continued acceleration from here.

In the **euro area**, practically all incoming data caused disappointment. Industrial production in September fell in Germany (-1.1%) and France (-1.3%), while the consensus expected a small uptick. Even after considering the upward revision to the August data (which now show a fall of 3.5% MoM, rather than 4.0%), Germany's industrial production data left output 9.5% below its pre-pandemic level. The 2.1% MoM increase in the output of motor vehicles, trailers and semi-trailers should be compared to the whopping 18.9% MoM decline in August. And despite the increase in auto output, the production of capital goods in aggregate decreased by 2.8% MoM. The automobile manufacturers association VDA reported that production in October was still 44% below its February 2020 level. Retail sales in the euro area fell by a 0.3% in September, while a similar rate of increase was expected. The data was mostly pulled down by German retail sales, which fell by 2.5%, versus the consensus forecast of 0.6% increase. As these data are for Q3, and having known the Q3 GDP data (which showed a neat 2.2% QoQ growth), it may seem that there is nothing to be worried about. However, these data will have a negative carryover for October, while incoming business surveys for the preceding month do not suggest any improvement.

In **China**, October's *Caixin PMI*s surprised mildly to the upside: the manufacturing component increased from 50 to 50.6 points, while the services part rose from 53.4 to 53.8 points.

## This week's data

Data	Cd.	Event/Data	Period	Fact	Cons.	Prev.
2021 11. 1.	2 : 45 CN	Caixin Manufacturing PMI (points)	Oct	50.6	50.0	50.0
	8 : 00 DE	Retail sales (MoM, %)	Sept	-2.5	0.6	1.1
	15 : 00 US	Construction expenditure (MoM, %)	Sept	-0.5	0.4	0.0
	16 : 00 US	ISM Manufacturing PMI (points)	Oct	60.8	60.5	61.1
2.	9 : 45 IT	Markit/IHS Manufacturing PMI (prelim.)	Oct	61.1	59.7	59.7
3.	2 : 45 CN	Caixin Services PMI	Oct	53.8		53.4
	10 : 00 IT	Unemployment rate (%)	Sept	9.2	9.2	9.3
	11 : 00 EZ	Unemployment rate (%)	Sept	7.4	7.4	7.5
	13 : 15 US	ADP non-farm employment (MoM, '000s)	Oct	571.0	400.0	523.0
	14 : 00 PL	Interest rate decision (%)		1.3	1.0	0.5
	15 : 00 US	Factory orders (MoM, %)	Sept	0.2	0.0	1.2
	16 : 00 US	ISM non-Manufacturing PMI (points)	Oct	66.7	62.0	61.9
	19 : 00 US	Interest rate decision (%)		0-0,25	0-0,25	0-0,25
4.	8 : 00 DE	Industrial orders (MoM, %)	Sept	1.3	2.0	-7.7
	9 : 45 IT	Markit/IHS Services PMI (prelim.)	Oct	52.4	54.5	55.5
	13 : 00 UK	Interest rate decision (%)	Nov	0.1	0.1	0.1
	13 : 30 US	Initial jobless claims ('000s)	weekly	269.0	275.0	283.0
	13 : 30 US	Continuing jobless claims ('000s)	weekly	2105.0	2118.0	2239.0
	14 : 30 CZ	Interest rate decision (%)		2.8	2.0	1.5
5.	8 : 00 DE	Industrial production (MoM, %)	Sept	-1.1	1.0	-3.5
	8 : 45 FR	Industrial production (MoM, %)	Sept	-1.3	0.0	1.0
	10 : 00 IT	Retail sales (MoM, SA, %)	Sept	-0.2		1.0
	11 : 00 EZ	Retail sales (MoM, %)	Sept	-0.3	0.3	0.3
	13 : 30 US	Non-farm payroll (MoM, '000s)	Oct	531.0	450.0	312.0
	13 : 30 US	Unemployment rate (%)	Oct	4.6	4.7	4.8
	13 : 30 US	Average earnings (MoM, %)	Oct	0.4	0.4	0.6
	13 : 30 US	Average earnings (YoY, %)	Oct	4.9	4.9	4.6
7.	5 : 00 CN	Export (YoY, %)	Oct			28.1

## 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	4714.2	2.4	25.5	Stoxx 600	SXXP Index	484.2	1.8	21.3
IT	S5INFT Index	2941.7	3.7	28.4	Health care	SXDP Index	1069.1	2.4	21.6
Health care	S5HLTH Index	1550.7	-0.6	17.1	Industrial goods & services	SXNP Index	781.8	3.0	24.3
Financials	S5FINL Index	671.2	0.3	36.9	Banks	SX7P Index	149.4	0.6	38.1
Telco	S5TELS Index	280.6	2.0	26.4	Personal & households goods	SXQP Index	1074.2	2.8	15.2
Consumer discretionary	S5COND Index	1671.8	5.4	28.3	Insurance	SXIP Index	321.4	0.6	15.2
Industrials	S5INDU Index	900.1	1.9	20.1	Food and beverages	SX3P Index	843.2	2.0	17.9
Consumer staples	S5CONS Index	759.4	2.5	9.1	Technology	SX8P Index	831.9	3.2	37.8
Utilities	S5UTIL Index	341.6	0.5	7.0	Utilities	SX6P Index	391.2	0.6	1.9
Energy	S5ENRS Index	439.3	0.7	53.5	Oil & gas	SXEP Index	282.0	-2.4	19.3
Real estate	S5RLST Index	302.7	1.3	32.8	Chemicals	SX4P Index	1332.5	1.8	19.6
Materials	S5MATR Index	552.1	3.3	21.2	Construction & materials	SXOP Index	623.8	2.4	26.6
Source: Bloomberg					Telco	SXKP Index	227.1	2.6	10.4
					Retail	SXRP Index	449.3	1.5	13.5
					Financial services	SXFP Index	763.4	2.4	25.9
					Basic resources	SXPP Index	544.4	-3.1	9.0
					Real estate	SX86P Index	195.7	2.5	14.6
					Auto & parts	SXAP Index	690.8	2.8	31.0
					Media	SXMP Index	363.7	2.4	28.5
					Travel & leisure	SXTP Index	260.5	-0.2	16.1

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	4714	8.5	6.4	13.1	34.3	26.0	4.9	3.2	18.8	1.3	116.7	3.7	3.2
Europe	SXXP Index	484	6.2	3.0	9.7	31.9	22.2	2.2	1.7	11.5	1.1	192.6	0.6	4.2
Germany	DAX Index	16058	5.7	2.0	5.8	27.8	18.0	2.0	1.2	12.2	1.2	115.1	14.5	-2.9
France	CAC Index	7044	7.1	3.9	11.1	41.3	21.8	2.0	1.5	9.5	1.1	233.9	5.9	4.6
Poland	WIG20 Index	2437	3.1	7.3	19.0	45.9	15.5	1.4	1.1	9.1	1.2	53.8	18.2	16.2
Czechia	PX Index	1375	0.9	11.6	24.8	57.6	20.8	1.6	2.0	7.7		167.3	2.7	7.8
Hungary	BUX Index	55407	3.8	11.2	25.5	57.1	10.1	1.3	1.0	13.4	1.1	58.0	96.0	15.6
Romania	BET Index	12914	2.4	9.8	11.7	46.0	0.5	1.3	0.2	10.5	1.4	32.9	22.0	
Bulgaria	SOFIX Index	604	5.2	4.3	15.4	41.7	20.2	0.7	0.7	3.4	2.4	45.8		
Russia	IMOEX Index	4170	1.4	9.4	16.6	49.6	9.0	1.3	1.3	14.2	1.4	70.2	13.9	8.4
Ukraine	PFTS Index	523	-0.6	-0.3	-0.8	4.5	7.9		0.6	20.6				
Slovenia	SBITOP Index	1201	3.3	2.4	12.6	45.2	7.9	1.0	0.7	13.1	1.7	34.1	0.8	
Croatia	CRO Index	1998	-1.7	2.1	3.9	25.5	17.4	1.0	1.1	6.5	1.6	41.8		
Serbia	BELEX15 Index	803	0.1	3.5	6.1	15.2	12.2	0.7	0.7	5.7	1.6	19.3		
Montenegro	MNSE10 Index	767	-0.9	0.9	1.2	19.2	78.3	0.3	0.9	0.7	2.0	13.5		

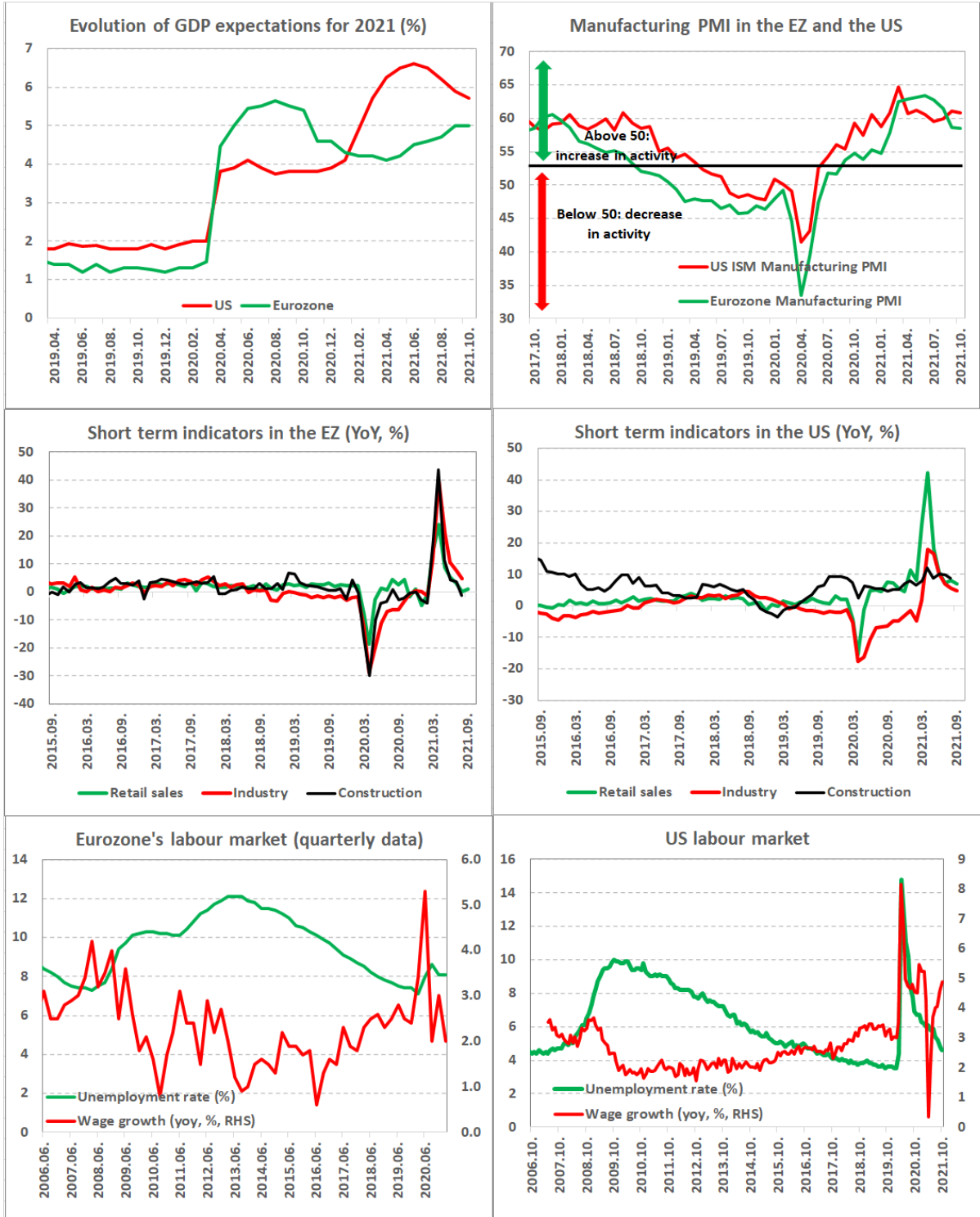
\*Price to earnings (P/E) ratio is calculated with the 12M trailing EPS in the denominator.

\*\*\*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.

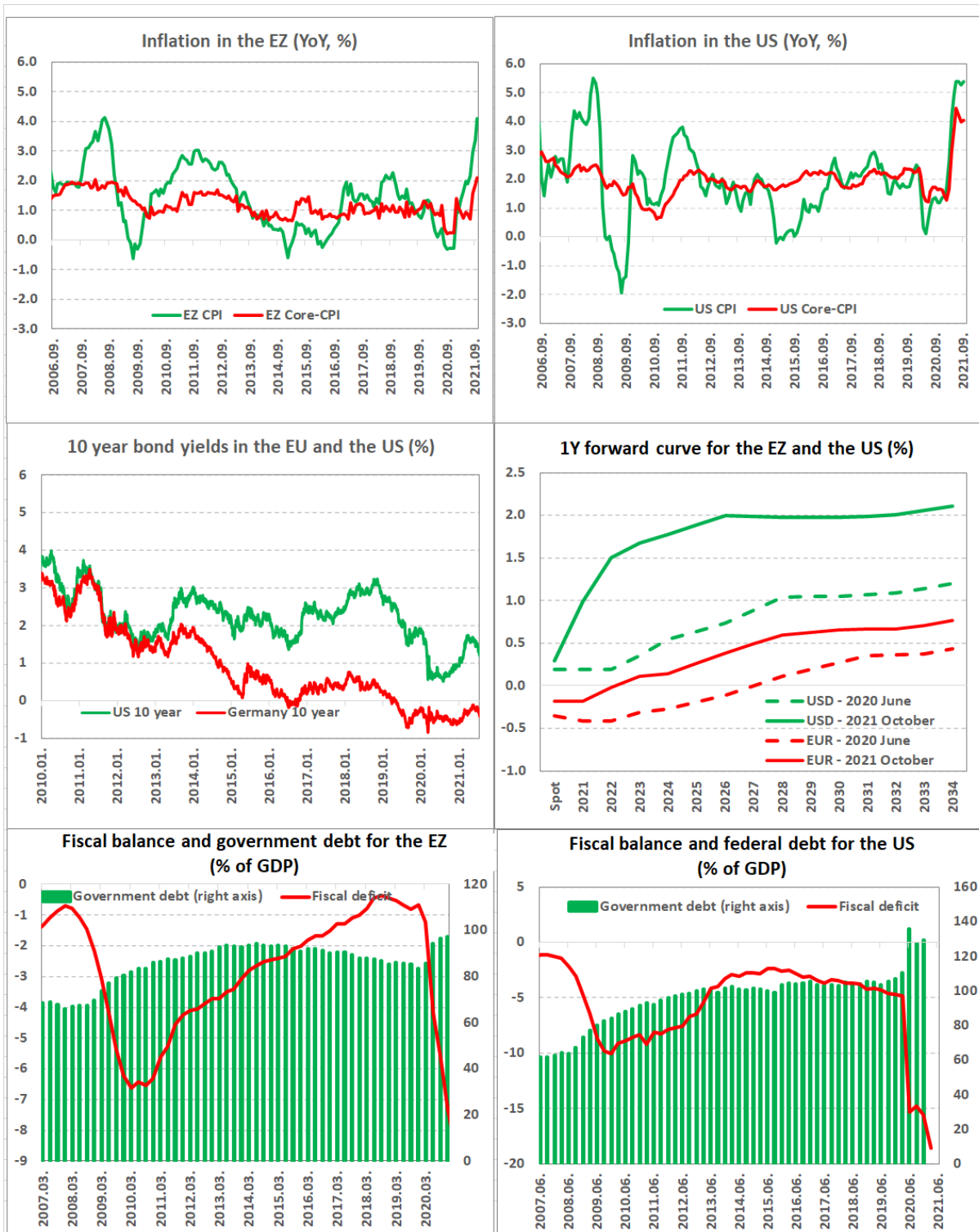
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**Eurozone and US chart set**



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	1.19	1.16	1.16	1.18	1.21
EURGBP	0.89	0.91	0.90	0.88	0.86	0.86	0.85	0.84	0.84	0.86
EURCHF	1.06	1.08	1.08	1.08	1.10	1.09	1.08	1.12	1.11	1.10
USDJPY	107.0	106.0	104.0	104.0	109.0	110.5	112.0	112.0	112.5	111.0

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	7.3	5.5	6.7	4.9	Hungary	-8.1	-7.5	-5.9	-7.1	-5.3
Romania	-3.9	7.2	3.6	7.0	4.7	Romania	-9.2	-8.2	-6.5	-7.2	-5.5
Bulgaria	-4.2	4.2	3.2	4.4	3.8	Bulgaria	-3.4	-2.4	-1.8	-3.8	-2.6
Russia	-3.0	4.6	2.3	4.1	2.6	Russia	-3.8	-0.6	0.5	-0.4	0.0
Ukraine	-4.0	3.8	4.4	3.8	3.8	Ukraine	-5.3	-5.0	-3.0	-4.5	-3.1
Slovenia	-4.2	6.2	4.5	5.4	4.1	Slovenia	-8.4	-7.1	-4.9	-7.0	-4.6
Croatia	-8.0	7.7	4.5	7.1	4.6	Croatia	-7.4	-4.5	-3.0	-4.2	-3.1
Serbia	-1.0	7.0	5.0	6.4	4.4	Serbia	-8.1	0.6	3.1	-5.2	-2.6
Montenegro	-15.3	11.4	6.3	8.0	5.4	Montenegro	-10.1	-3.9	-2.5	-5.4	-2.6
Albania	-4.0	8.5	4.2	6.3	4.3	Albania	-6.8	-6.0	-4.0	-5.7	-3.5
Moldova	-7.0	8.4	5.2	6.6	4.7	Moldova	-5.3	-5.0	-4.5	-5.3	-4.2

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	4.9	4.7	4.5	3.7	Hungary	4.1	3.9	3.3	4.1	3.8
Romania	2.6	4.7	4.8	4.1	3.7	Romania	5.0	5.5	4.5	5.4	4.9
Bulgaria	1.7	2.7	3.9	2.3	2.4	Bulgaria	5.1	5.4	5.0	5.5	5.1
Russia	3.4	6.6	6.2	6.1	4.6	Russia	5.8	5.0	4.0	5.1	4.7
Ukraine	2.7	9.5	7.0	9.0	6.8	Ukraine	9.5	9.2	8.3	9.4	8.8
Slovenia	-0.3	1.3	1.7	1.5	1.8	Slovenia	5.0	4.9	4.8	5.0	4.7
Croatia	0.1	2.2	2.5	1.9	1.8	Croatia	7.5	7.3	6.8	8.5	7.8
Serbia	1.6	3.3	3.0	3.0	2.9	Serbia	9.0	11.2	10.2	10.6	9.8
Montenegro	-0.3	2.3	2.4	1.5	1.5	Montenegro	17.9	15.5	15.0	18.9	17.7
Albania	1.6	2.0	2.6	2.0	2.4	Albania	11.7	11.3	10.9	11.6	11.2
Moldova	3.8	3.5	7.0	3.5	5.3	Moldova	3.8	13.5	11.3	4.2	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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