

# OTP Weekly Outlook

## Next week:

- *Omicron news and November US CPI will be in the spotlight*

## This week:

*The new covid variant brought uncertainty and more volatility to the markets. Stock markets edged up in Europe, while fell in the US in weekly terms.*

- *Long-term yields dropped, and the USD gained further momentum.*
- *J. Powell told US lawmakers that it was time to retire the word 'transitory' when describing consumer price movements, and signalled that the Fed could speed up tapering.*
- *Eurozone November flash CPI data caused a huge upside surprise.*
- *Recently released US job report brought disappointment and pulled equity indices into the red.*

## 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	4588,7	-0,1	22,2	US 2 year	0,64	14,3	52,0	Dollar index	96,282	0,2	7,1	Brent	72	-0,4	39,8
Russel 2000	2199,9	-2,0	11,4	US 10 year	1,44	-2,9	53,1	EURUSD	1,1294	-0,2	-7,5	WTI	69	1,3	42,3
Stoxx 600	466,8	0,6	17,0	DE 2 year	-0,74	2,9	-2,3	USDJPY	113,35	0,0	-8,9	Gold	1772	-1,7	-6,7
DAX	15309,3	0,3	11,6	DE 10 Year	-0,36	-2,6	20,8	GBPUSD	1,325	-0,7	-3,1	Silver	22	-3,5	-15,4
CAC40	6814,4	1,1	22,8	ES 10 year	0,36	-6,3	32,0	AUDUSD	0,703	-1,3	-8,6	Palladium	1812	2,7	-26,0
FTSE100	7158,4	1,6	10,8	UK 10 year	0,79	-2,8	60,1	USDCAD	1,278	0,1	-0,4	Copper	429	0,2	22,0
FTSE MIB	26140,7	1,1	17,6	IT 10 year	0,93	-4,3	38,8	USDCHF	0,920	0,4	-3,7	Steel	1605	0,0	59,7
Nikkei 225	28029,6	-2,5	2,1	JP 10 year	0,05	-2,3	3,1	NZDUSD	0,677	-0,8	-5,8	Wheat	808	-2,1	26,2
CSI 300	4901,0	0,8	-6,0	CH 10 year	2,90	4,7	-24,2	CNHUSD	6,377	0,3	2,0	Corn	585	-0,4	20,8

Source: Bloomberg



**Omicron and November US CPI will be in the spotlight next week**

*Things have become even more uncertain than before since last Friday, when news about the new covid variant (Omicron) has overflowed stock markets. During this week not many things have been learnt on the new strain, maybe the quick transmission (much higher than that of delta) could be already considered as almost sure, however information on the potential severeness of the illness and the effectiveness of vaccines are still unsure. In the latter respect contradictory statements were heard from Moderna and Pfizer chiefs. So not surprisingly, this week again will be heavily influenced by omicron news, major vaccine producers promised their first results by the end of next week. In the meantime, things are neither boring on the macro front. This week Chair Powell raised the stakes at its testimony by saying that regarding inflation the word 'transitory' should probably be retired, while the FED should speed up asset purchases in December, given recent developments. So Friday's release of November US inflation could also turn out as a significant market mover. From Europe, data releases will be less crucial, although the first batch of October real economy data and the first December business confidence indices will be also released.*

In the **USA** the key macro data will be out on Friday, when the November *inflation* figure will be published. In October, there was a sharp upside surprise in both headline and core inflation. The former rose to 6.2% (consensus 5.8%), from 5.4%, partly reflecting a renewed jump in gasoline prices. However core inflation also rose sizably to 4.6% from 4.0% (consensus 4.3%). The 0.6% MoM gain in core prices was helped by the unwinding of the earlier drag on travel services demand from the Delta variant, with prices for hotel rooms and car rentals rebounding. In addition, the acute supply shortages in the new vehicle market resulted in another strong rise of 1.4% in new auto prices, with those pressures also feeding through to a 2.5% rebound in used prices. Longer-lasting cyclical inflation pressures are continuing to build rapidly, with CPI rent of primary residence and owners' equivalent rent both posting strong gains of 0.4% MoM. More generally, underlying inflation measures posted an uninterrupted quick rise, while November PMI's input and output prices also suggest a further build up in price growth.

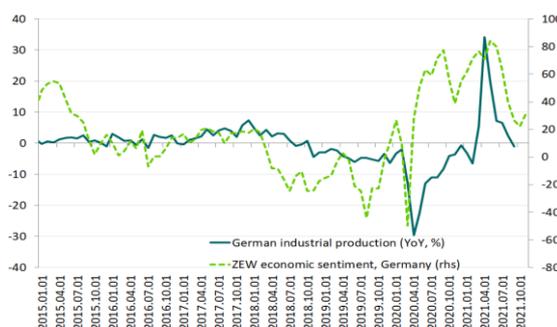
In the **euro area**, the first batch of October hard real economy indicators will arrive from Germany and Italy throughout the week. *German industrial production* (October data is due on Tuesday) fell

on a second consecutive months in September. The 1.1% MoM fall was worse than the consensus (+1.0%), and after taking account of the upward revision to the August data Germany's September industrial production data left output 9.5% below its pre-pandemic level and mean that industrial production fell by 2.4% QoQ in Q3. Despite a 2.1% MoM increase, the output of motor vehicles, trailers and semi-trailers remained well below prepandemic levels as it followed an over 18% decline in August. The automobile manufacturers association VDA reported that production in October was still 44% below its February 2020 level on a seasonally-adjusted basis. October's Manufacturing Output PMI is consistent with roughly stagnating industrial production growth. Still from Europe, the first batch of December *business confidence indices* (Sentix and Zew) will be published, while **China** will release its November export figure.

US underlying inflation measures (YoY, %)



Industrial production, Germany



Sources: Refinitiv and Bloomberg

### What to watch next week

Data	Cd.	Event/Data	Period	Cons.	Prev.
2021 12. 6.	8 : 00 DE	Industrial orders (MoM, %)	Oct	-0,5	1,3
	10 : 00 IT	Retail sales (MoM, SA, %)	Oct		0,8
7.	10 : 30 EZ	Sentix Investor confidence (points)	Dec	15,9	18,3
	4 : 00 CN	Export (YoY, %)	Nov	17,2	27,1
8.	8 : 00 DE	Industrial production (MoM, %)	Oct	0,8	-1,1
	11 : 00 DE	ZEW Economic Sentiment (points)	Dec	25,3	31,7
9.	13 : 00 PL	Interest rate decision (%)	Dec		1,3
	16 : 00 CA	Interest rate decision (%)	Dec	0,3	0,3
10.	8 : 00 DE	Export (MoM, SA, %)	Oct	0,8	-0,7
	14 : 30 US	Initial jobless claims ('000s)	weekly		222
10.	14 : 30 US	Continuing jobless claims ('000s)	weekly		1956
	10 : 00 IT	Industrial production (MoM, SA, %)	Oct	0,4	0,1
10.	14 : 30 US	core-CPI (MoM, SA, %)	Nov	0,5	0,6
	14 : 30 US	core-CPI (YoY, %)	Nov	4,9	4,6
10.	14 : 30 US	CPI (MoM, SA, %)	Nov	0,7	0,9
	14 : 30 US	CPI (YoY, %)	Nov	6,8	6,2
10.	16 : 00 US	Michigan Consumer confidence (preliminary, points)	Dec	67,0	67,4
10.	20 : 00 US	Federal budget balance (USDbn)	Nov		-165,0

The new covid variant remained in the focus during the week, 'Omicron' brought more volatility to the markets

*The week started with some correction after the first wave of fears concerning the new covid variant 'Omicron' struck the world's stock markets, causing heavy losses last Friday. As new and new comments from vaccine researchers and producers, politicians, and monetary policy decision makers arrived, investors kept on revaluating the assets in the equity and bond markets. That brought more volatility, investors could see whipsaw trading in the stock markets during the week, as bond yields also turned direction on several occasions during the past few days. By the middle of the week, the performance of the US and the European stock markets diverged as the new covid variant was detected in the USA, triggering strong sell-off in the overseas stock markets, while in Western Europe investors were still confident. The next day, market sentiment turned around, and Europe turned more pessimistic as the Delta wave became more serious in the region. On Friday, Western European stock markets are making mild increases, while according to stock futures, the US was expected to open in the green ahead of November job report. However, November job report brought negative surprise pulling down US equity indices.*

**The new covid variant from South Africa became dominant in the country and was detected in various areas of the world. The Delta wave caused serious problem in Western Europe, while it seems to peak soon in great part of Eastern Europe.**

The recently discovered Omicron variant has become dominant in South Africa. It also has been detected in various areas in the world; many countries adapted new restrictions to halt its spread. Japan and Israel closed their borders to foreigners, regardless of immunization status. All travellers must take a covid test before entering the USA, one day before boarding flight.

China is still holding onto its zero covid policy. The country arranged the mass testing on the citizens of the Russian border city Manzhouli, after three workers showed positive tests.

Western Europe is still enduring a new wave. Germany introduced a lockdown on people without immunization, and considers making vaccination mandatory next year. France, Switzerland, and Norway reported concerning increase of daily new cases. The covid wave seems to soon reach its peak in, Austria, Croatia, Slovenia, Czechia, Poland, Slovakia, and Hungary; infection rates are either slowing down or dropping moderately in these countries. The infection wave in Eastern Europe continues to ease, but the covid death count remained high in Bulgaria and Ukraine.

### **European and US stocks were mixed**

In **Europe**, the *STOXX600* ended the week with 0.6% gain. Western European stock markets faced whipsaw trading during the week as investors digested the new information and comments regarding the new covid

variant 'Omicron'. The DAX edged up 0.3%, while the FTSE100 outperformed the markets with 1.6% weekly gain as the oil&gas sector, and the basic material sector supported the benchmark. The sector components of Stoxx600 gave a mixed picture: stay-at-home industries were mostly in the negative range, while cyclical sector (with some exceptions) increased. Oil&gas (+4.4%), insurance (+2.7%), basic resources (+2.4%), banks (+2.4%), and auto & parts (+2.1%) were the top gainers, while telco (-1.5%), utilities (-1.0%) and food & beverages (-0.9%) lost the most.

In the USA, the Nasdaq Composite (-1.7%) and the Russell2000 showed sharpest losses (-2.0%) at the beginning of Friday's trade, the S&P stood at -0.1%, while the Dow lost 0.7% after the release of November labour report. Out of the S&P components, Telco (-1.5%), consumer staples (-1.2%) industrials and healthcare (both -1.1%) fell the most, while IT (0.5%), real estate (0.5%) and energy (0.1%) could grow mildly in weekly terms.

**Long term yields fell further, the US Dollar strengthened again. Oil prices were mixed, but European natural gas prices rose.**

As investors digested the incoming news and comments from pros concerning the possible effects of new covid variant 'Omicron', bond market also became more volatile. What is more, Fed Chair Jerome Powell surprised the markets with his testimony to the Senate' Banking Committee, reflecting a more hawkish stance of the FOMC. The 2Y treasury yield added 14bps during the week, while 10Y yield slipped 3bps. In Europe, long-term yields decreased, with the 10Y Bund yield dropping 2.6bps, similarly to the UK (+2.8bps). In the periphery, Spain's 10Y benchmark yield fell more (-6.3bps), while in Italy the yield drop was somewhat milder with -4.3bps.

The USD gained further momentum during the week, the Dollar index edged up 0.2%, and the EUR/USD dropped 0.2%. The dollar strengthened more vs. the British pound (0.7%) and the Aussie dollar (1.3%).

Oil prices moved in different directions, with Brent losing 0.4% in weekly comparison, while the WTI climbed 1.3% after last week's considerable losses. Natural gas price jumped 4.6% in one week. Precious metals were in the red, while among industrial metals, steel plunged 3.7%, while copper remained flat.

**Sharp upside surprise in euro area inflation, US non-farm payrolls disappoint**

In the euro area, the November flash CPI data caused a huge upside surprise. The increase in headline inflation from 4.1% in October to 4.9% (consensus (4.4%)) was driven by energy inflation, which reached a new record high of 27.4%, a pick-up in food inflation (from 1.9 to 2.2%), however more importantly for the ECB, core inflation also rose

to a record high, of 2.6% (from 2.0%, consensus 2.1%). Although the figure was distorted upwards by a few percentage points by the effect of 2020 half year German VAT hike cut and some strange movement in expenditure weight, however the increase still seems to be relatively broad based. Nevertheless, we should wait until next week to see more details. Retail sales volume in October has increased by 0.2% MoM, in line with the consensus. On-line trade jumped by 3.2%, offsetting the 0.1% contraction of food and drink sales. This could already show that consumers were cautious to make in-person purchases because of rising Covid cases. The situation has become even worse in November with new restrictions in several countries and the advance of the Omicron variant. Some high-frequency indicators already show that non-essential retail and restaurant sales have declined in November.

In the **USA**, non-farm payrolls increased by a disappointing 210,000 in November, largely due the modest 23,000 gain in the leisure and hospitality sector, and a 20,000 decline in retail employment. Both data suggest that even before the impact of the Omicron variant, rising Covid cases took their toll on employment in certain sectors; on the other hand, transport & warehousing employment has risen by a solid 50,000. It was also positive that labour force has risen by 594,000 as government programmes expire. Average hourly earnings have risen by 0.3% MoM, 0.1 pp below the market consensus and the previous month's data, the 4.8% annual increase also missed the market forecast. This could be a sign that inflation pressures ease for the moment. Otherwise incoming data during the week supported that the economy may have decently rebounded in Q4. *ISM manufacturing* increased to 61.1 point, *pending home sales* grew by 7.5 MoM, although *consumer confidence* and *Chicago PMI* edged down, *Atlanta Fed's GDP nowcast* for Q4 now stands at 9.7% QoQ at annualized rate. The *Fed's Beige Book* suggested increasing economic activity at a moderate to solid pace, constrained by supply problems, but these latter seemed to slightly ease. Price pressures remained elevated, but wider availability of some inputs, notably semiconductors and certain steel products, led to easing of some price pressures.

From **China**, PMIs (both the official NBS and Caixin) suggested a stagnation of activity in November.

### **This week's data**

Data	Cd.	Event/Data	Period	Fact	Cons.	Prev.
2021 11. 29.	11 : 00	EZ EC Economic Sentiment Index (points)	Nov	117,5	117,5	118,6
	14 : 00	DE CPI (preliminary, YoY, %)	Nov	5,2		4,5
	16 : 00	US Pending home sales (MoM, %)	Oct	7,5	1,0	-2,4
	30. 2 : 00	CN NBS Manufacturing PMI (points)	Nov	50,1	49,6	49,2
	2 : 00	CN NBS Non-manufacturing PMI (points)	Nov	52,3		52,4
	8 : 00	TR GDP (first estimate, YoY, %)	Q3	7,4	7,5	21,7
	8 : 45	FR GDP (detailed, QoQ, %)	Q3	3,0		3,0*
	9 : 00	IT GDP (detailed, QoQ, %)	Q3	2,6		2,6*
	9 : 00	ES Retail sales (YoY, %)	Oct	-0,7		-0,1
	11 : 00	EZ CPI (flash, YoY, %)	Nov	4,9	4,4	4,1
	11 : 00	EZ Core CPI (flash, YoY, %)	Nov	2,6	2,1	2,0
	12 : 00	PT GDP (detailed, QoQ, %)	Q3	2,9		3
	15 : 00	US Case-Shiller Home Price Index (YoY, %)	Sept	19,1	19,3	19,6
	15 : 45	US Chicago PMI (points)	Nov	61,8	68,4	68,4
	16 : 00	US Consumer confidence (point)	Nov	109,5	110,7	111,6
	16 : 00	US J. Powell testimony (Senate banking committee)	-	-	-	-
	16 : 00	US J. Yellen testimony (Senate banking committee)	-	-	-	-
	12. 1. 2 : 45	CN Caixin Manufacturing PMI (points)	Nov	49,9	50,5	50,6
	8 : 00	DE Retail sales (MoM, %)	Oct	-0,3	1,0	-1,9
	9 : 45	IT Markit/IHS Manufacturing PMI (prelim.)	Nov	62,8	61	61
	14 : 15	US ADP non-farm employment (MoM, '000s)	Nov	534,0	525,0	570,0
	16 : 00	US Construction expenditure (MoM, %)	Oct	0,2	0,4	-0,1
	16 : 00	US ISM Manufacturing PMI (points)	Nov	61,1	61,0	60,8
	20 : 00	US Beige Book	Nov	-	-	-
	2. 9 : 00	AT GDP (detailed, QoQ, %)	Q3	3,8		3,3*
	10 : 00	IT Unemployment rate (%)	Oct	9,4	9	9
	11 : 00	EZ Unemployment rate (%)	Oct	7,3	7,3	7,4
	14 : 30	US Continuing jobless claims ('000s)	weekly	1956	2000	2063
	14 : 30	US Initial jobless claims ('000s)	weekly	222	240	194
	3. 2 : 45	CN Caixin Services PMI	Nov	52,1		54
	8 : 45	FR Industrial production (MoM, %)	Oct	0,9		-1,3
	9 : 30	EZ C. Lagarde speech (Reuters Next Summit)	-	-	-	-
	9 : 45	IT Markit/IHS Services PMI (prelim.)	Nov	55,9		52,4
	11 : 00	EZ Retail sales (MoM, %)	Oct	0,2	0,1	-0,3
	14 : 30	US Average earnings (YoY, %)	Nov	4,8	5,0	4,9
	14 : 30	US Average earnings (MoM, %)	Nov	0,3	0,4	0,4
	14 : 30	US Unemployment rate (%)	Nov	4,2	4,5	4,6
	14 : 30	US Non-farm payroll (MoM, '000s)	Nov	210	563	546
	16 : 00	US Factory orders (MoM, %)	Oct	1,0	0,5	0,2
	16 : 00	US ISM non-Manufacturing PMI (points)	Nov	69,1	65,2	66,7

\* preliminary data

## 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	4588,7	-0,1	22,2	Stoxx 600	SXXP Index	466,8	0,6	17,0
IT	S5INFT Index	2922,1	0,5	27,5	Health care	SXDP Index	1023,9	-0,6	16,5
Health care	S5HLTH Index	1516,9	-1,1	14,6	Industrial goods & services	SXNP Index	754,0	1,0	19,9
Financials	S5FINL Index	637,2	-1,0	29,9	Banks	SX7P Index	139,2	2,4	28,6
Telco	S5TELS Index	259,2	-2,5	16,8	Personal & households goods	SXQP Index	1066,2	0,1	14,3
Consumer discretionary	S5COND Index	1596,3	-1,0	22,5	Insurance	SXIP Index	311,1	2,7	11,4
Industrials	S5INDU Index	861,3	-1,1	14,9	Food and beverages	SX3P Index	817,6	-0,9	14,4
Consumer staples	S5CONS Index	739,3	-1,2	6,2	Technology	SX8P Index	780,4	0,1	29,3
Utilities	S5UTIL Index	336,5	-0,2	5,5	Utilities	SX6P Index	382,5	-1,0	-0,4
Energy	S5ENRS Index	419,2	0,1	46,5	Oil & gas	SXEP Index	275,5	4,4	16,5
Real estate	S5RLST Index	300,0	0,5	31,6	Chemicals	SX4P Index	1312,3	1,1	17,8
Materials	S5MATR Index	537,8	-0,7	18,0	Construction & materials	SXOP Index	609,3	1,4	23,7
					Telco	SXKP Index	220,7	-1,5	7,3
					Retail	SXRP Index	434,4	-0,3	9,7
					Financial services	SXFP Index	725,5	0,5	19,7
					Basic resources	SXPP Index	559,1	2,4	12,0
					Real estate	SX86P Index	194,4	-0,2	13,8
					Auto & parts	SXAP Index	651,6	2,1	23,6
					Media	SXMP Index	357,4	0,5	26,2
					Travel & leisure	SXTP Index	209,7	0,1	-6,5

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	4589	-1,5	1,2	9,4	25,1	25,2	4,7	3,1	18,7	1,3	115,2	2,2	3,4
Europe	SXXP Index	467	-3,0	-1,1	3,5	19,2	19,9	2,1	1,6	11,7	1,1	194,2	0,5	5,7
Germany	DAX Index	15309	-4,1	-3,0	-2,1	15,5	15,1	1,9	1,2	12,9	1,1	114,0	15,7	-2,0
France	CAC Index	6814	-2,0	1,9	4,7	22,2	20,6	1,9	1,4	9,7	1,1	238,2	8,6	5,3
Poland	WIG20 Index	2189	-8,0	-8,0	-2,8	15,8	12,3	1,2	1,0	10,2	1,2	53,6	-1,2	14,4
Czechia	PX Index	1370	1,2	5,9	16,6	41,8	19,2	1,6	2,0	8,5		168,5	2,6	12,3
Hungary	BUX Index	51111	-6,9	-2,2	7,8	32,1	8,3	1,3	0,9	14,7	1,2	55,8	498,2	15,4
Romania	BET Index	12416	-3,2	0,8	7,0	30,9	0,5	1,2	0,1	10,9		35,0	59,7	5,3
Bulgaria	SOFIX Index	623	4,0	11,1	15,0	45,9	18,9	0,7	0,7	3,8	2,4	44,8		
Russia	IMOEX Index	3922	-6,3	-2,0	3,1	24,0	7,3	1,1	1,1	16,0	1,5	69,8	11,4	7,5
Ukraine	PFTS Index	523	0,0	-0,6	-1,5	3,1	7,9	1,6	0,6	20,6	0,6	4,8		
Slovenia	SBITOP Index	1219	2,6	1,5	6,8	36,9	7,4	1,0	0,6	14,2	1,8	32,5	19,8	
Croatia	CRO Index	1993	-1,2	1,4	2,1	14,3	15,6	1,0	1,1	7,0	1,7	39,5		
Serbia	BELEX15 Index	834	4,4	3,1	6,9	16,1	12,6	0,7	0,7	5,7	1,6	19,3		
Montenegro	MNSE10 Index	779	1,7	2,6	-3,2	23,0	95,6	0,3	0,9	0,6	2,0	13,4		

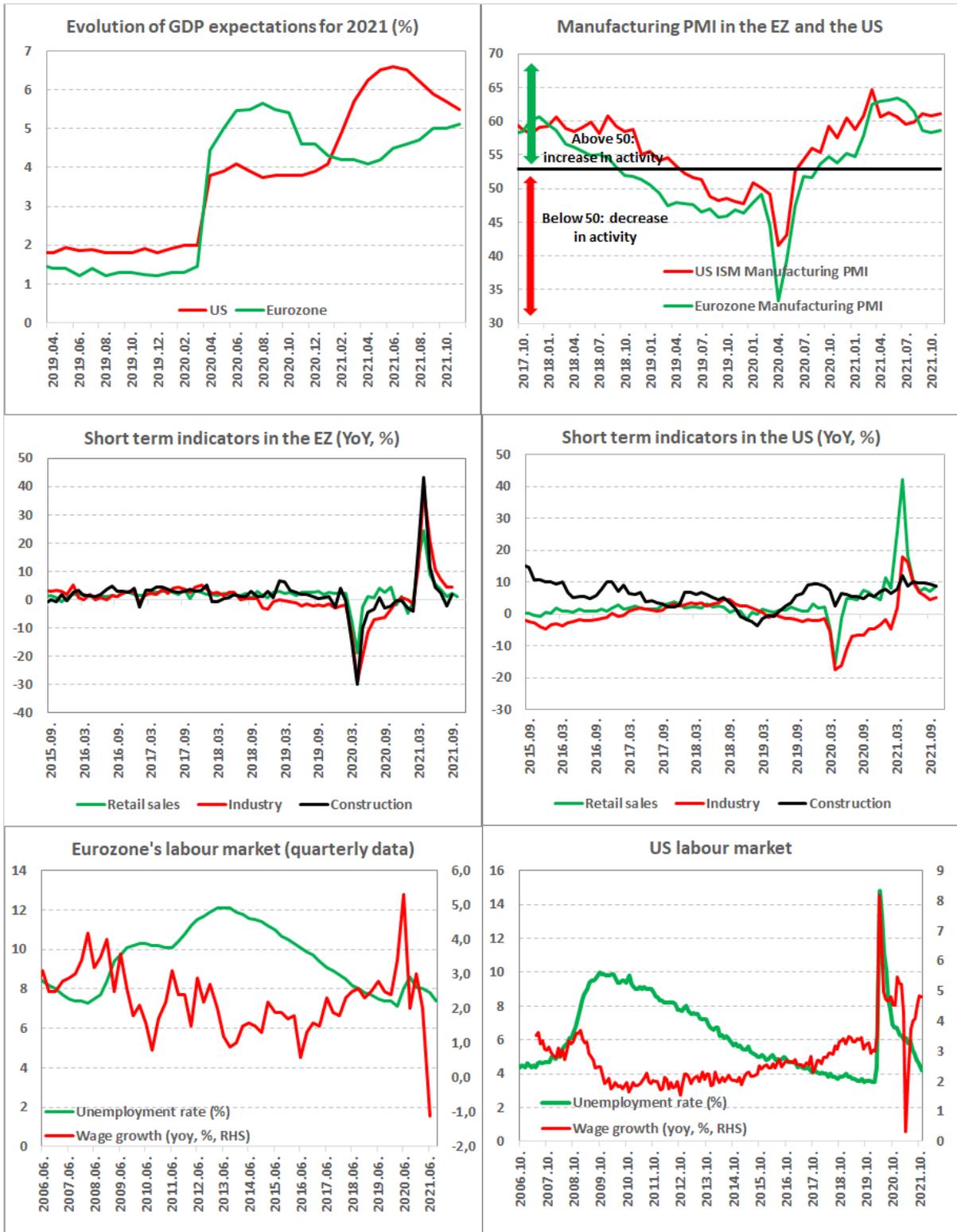
\*Price to earnings (P/E) ratio is calculated with the 12M trailing EPS in the denominator.

\*\*\*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.

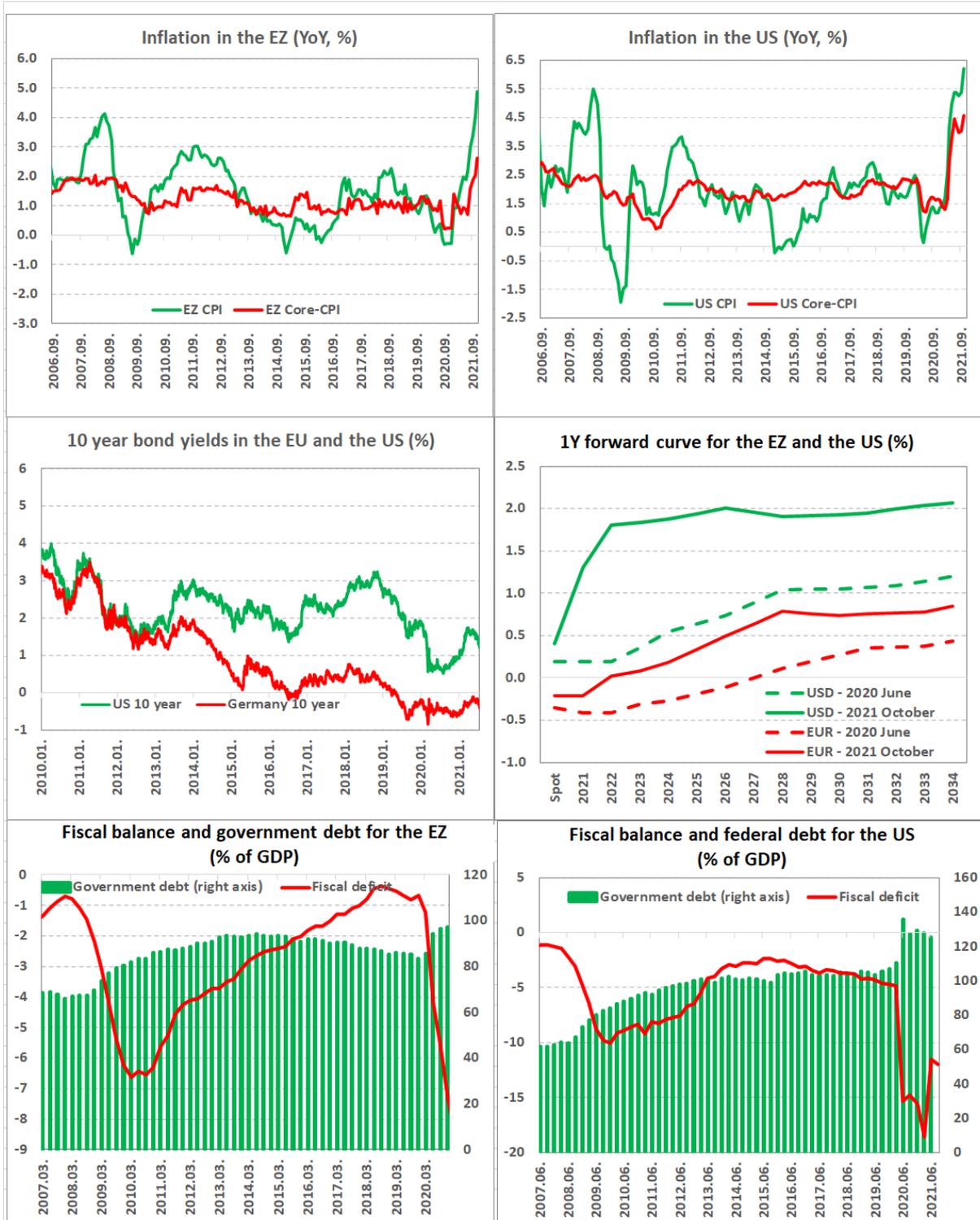
Data updated at 16:00 (CEST)

**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	1,18	1,14	1,16	1,18	1,21
EURGBP	0,89	0,91	0,90	0,88	0,86	0,85	0,84	0,84	0,84	0,85
EURCHF	1,06	1,08	1,08	1,08	1,10	1,08	1,06	1,10	1,11	1,09
USDJPY	107,0	106,0	104,0	104,0	109,0	111,5	114,0	115,0	114,0	108,5

Source: Bloomberg

## Regional macro forecast

Countries	GDP (yoy, %)					Countries	Fiscal balance (% of GDP)				
	2020	OTP		Focus Economics			2020	OTP		Focus Economics	
		2021	2022	2021	2022			2021	2022	2021	2022
Hungary	-5,0	7,3	5,5	6,8	4,9	Hungary	-8,0	-7,5	-5,9	-7,1	-5,3
Romania	-3,9	6,7	3,8	7,1	4,8	Romania	-9,4	-8,2	-6,5	-7,2	-5,5
Bulgaria	-4,2	4,7	4,0	4,4	3,8	Bulgaria	-4,0	-2,9	-1,8	-3,8	-2,6
Russia	-3,0	4,3	2,6	4,2	2,6	Russia	-3,8	-0,6	0,5	-0,3	0,2
Ukraine	-4,0	3,8	4,4	3,6	3,8	Ukraine	-5,3	-5,0	-3,0	-4,3	-3,1
Slovenia	-4,2	6,2	4,5	5,8	4,1	Slovenia	-8,7	-7,1	-4,9	-7,0	-4,5
Croatia	-8,0	10,2	4,0	7,5	4,6	Croatia	-7,4	-4,5	-3,0	-4,1	-2,9
Serbia	-1,0	7,2	4,5	6,4	4,4	Serbia	-8,1	-2,7	3,1	-4,8	-2,3
Montenegro	-15,3	11,0	5,4	8,5	5,7	Montenegro	-10,1	-2,9	-2,6	-4,9	-2,9
Albania	-4,0	8,0	4,2	7,1	4,2	Albania	-6,8	-6,0	-4,0	-6,1	-3,8
Moldova	-7,0	10,8	4,2	6,6	4,8	Moldova	-5,1	-5,0	-5,0	-5,0	-4,4

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	4,7	3,9	Hungary	4,1	3,9	3,3	4,1	3,8
Romania	2,6	5,1	6,0	4,6	4,5	Romania	5,0	5,5	4,5	5,3	4,9
Bulgaria	1,7	2,5	2,8	2,5	2,7	Bulgaria	5,1	5,1	4,8	5,5	5,0
Russia	3,4	6,6	6,6	6,3	4,9	Russia	5,8	5,0	4,0	5,0	4,7
Ukraine	2,7	9,5	7,0	9,2	7,0	Ukraine	9,5	9,2	8,3	9,4	8,8
Slovenia	-0,3	1,3	1,7	1,5	1,9	Slovenia	5,0	4,9	4,8	4,9	4,6
Croatia	0,1	2,2	2,5	2,1	2,0	Croatia	7,5	7,3	6,8	8,4	7,8
Serbia	1,6	3,3	3,0	3,3	3,3	Serbia	9,0	11,2	10,2	10,4	9,8
Montenegro	-0,3	2,4	2,6	1,9	1,7	Montenegro	17,9	17,8	17,4	21,5	17,1
Albania	1,6	2,0	2,3	2,0	2,5	Albania	11,7	11,3	10,9	11,7	11,4
Moldova	3,8	4,7	14,0	3,8	5,9	Moldova	3,8	13,5	11,7	4,4	4,4

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	360,0	355,0	354,0	354,0	353,0	353,0
Romania	EURRON (eop)	4,87	4,93	4,93	4,95	4,95	4,96	4,97	4,98	5,00
Russia	USDRUB (eop)	73,9	75,7	72,4	72,8	71,4	70,8	71,1	71,2	71,6
Ukraine	USDUAH (eop)	28,30	27,80	27,30	26,60	27,30	27,40	27,40	27,80	28,20
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	1,16	1,17	1,17	1,18	1,18	1,19

\*Slovenia and Montenegro uses EUR as a base currency.

\*\*No forecast available for Moldova and Albania

Source: Focus Economics

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