

OTP Weekly Outlook

Next week:

- December US CPI, January business and consumer confidence indices will be in the spotlight

This week:

- US stock markets fell, while European ones could grow moderately except for stagnating STOXX, as inflation fears dominated
- December US job report pointed to a very tight labour market, while the FED minutes indicated hawkish signs
- Euro area CPI turned out above expectations, but probably at its peak
- Yields moved up, the USD strengthened on the expectation of a more hawkish FED
- Oil prices grew and European natural gas prices sky-rocketed on geopolitical worries



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	4702.7	-1.3	-1.3	US 2 year	0.89	15.6	15.6	Dollar index	95.994	0.3	0.3	Brent	82	5.5	5.5
Russel 2000	2217.3	-1.2	-1.2	US 10 year	1.76	25.0	25.0	EURUSD	1.1331	-0.3	-0.3	WTI	79	5.5	5.5
Stoxx 600	487.2	-0.1	-0.1	DE 2 year	-0.60	3.6	3.6	USDJPY	115.70	-0.5	-0.5	Natural gas	90	34.6	34.6
DAX	15991.2	0.7	0.7	DE 10 Year	-0.06	12.6	12.6	GBPUSD	1.356	0.2	0.2	Gold	1791	-2.1	-2.1
CAC40	7240.3	1.2	1.2	ES 10 year	0.63	6.6	6.6	AUDUSD	0.717	-1.3	-1.3	Silver	22	-4.9	-4.9
FTSE100	7469.9	0.9	1.2	UK 10 year	1.16	18.8	18.8	USDCAD	1.269	-0.4	-0.4	Palladium	1907	0.1	0.1
FTSE MIB	27659.8	1.1	1.1	IT 10 year	1.29	11.9	11.9	USDCHF	0.921	-0.9	-0.9	Copper	438	-2.0	-2.0
Nikkei 225	28478.6	-1.5	-1.1	JP 10 year	0.14	7.1	7.1	NZDUSD	0.677	-0.9	-0.9	Steel	1410	-1.7	-1.7
CSI 300	4822.4	-2.0	-2.4	CH 10 year	2.82	4.5	4.5	CNHUSD	6.385	-0.4	-0.4	Wheat	746	-3.3	-3.3

Source: Bloomberg

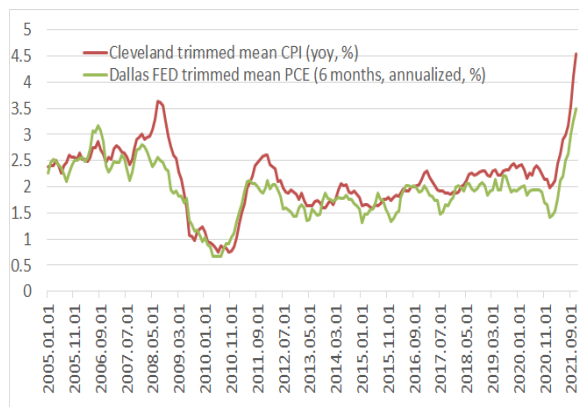
December US CPI, January business and consumer confidence indices will be in the spotlight

Markets finished the year in a relatively decent mood, which held up in the first part of the year. This was attributable mainly to news about the omicron variant, as by now, country experiences and a growing number of research seem to suggest that despite being extremely infectious, it causes less severe symptoms. The UK will likely survive the wave without a major lockdown, however it is not sure whether other countries could also follow suite, especially China, where the zero covid policy still seems to be in place. Furthermore, macro news was not fully reassuring. Inflation is stubbornly high as well as energy prices, while the FED minutes suggest a relatively quick pace of tightening throughout the year, when US unemployment rate was already below 4% in December. Still, December PMI-s indicated some improvement in supply chains and probably prices pressures. After having learnt the December US job market data, the December US CPI figures from next week could be the other key element for the end January FOMC meeting. From Europe, no similarly interesting data releases are foreseen, although the first January business confidence index could be important from the point of view of the effect of omicron outbreak on activity. The January Michigan consumer sentiment index could be interesting for a similar reason from the other side of the Atlantic.

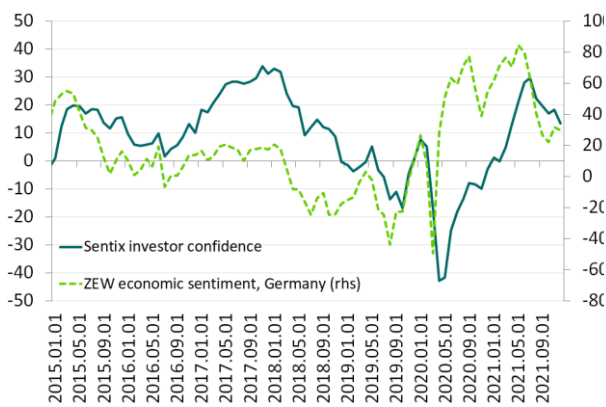
In the **USA**, the December CPI figures will be released on Wednesday. Consumer prices rose by 0.8% MoM in November, taking the annual CPI inflation rate up to a near 40-year high of 6.8%. Energy prices increased by 3.1% MoM last month, driven by a 6.1% MoM gain in gasoline prices. Core prices rose by 4.9% YoY, a 0.3 ppts pick-up from the previous month, and the increase in inflationary pressure was widespread. This latter is indicated among others by the continuing rise of underlying inflation measures (see the left chart below). Headline inflation could peak soon, however underlying inflation will take time to normalize, especially given wage growth close to 5%, amidst falling productivity and a very tight labour market. The market expects headline inflation at 7.1% and core inflation at 5.4% in December, 0.3 and 0.5 ppts. above November values. Any upside surprise will poor gasoline on fire, yields could skyrocket further, while stock markets could fall sharply. Otherwise, key December indicators will be released (*Industrial production, retail sales*), both of which probably fared well just before the omicron wave. Finally, the January *Michigan consumer sentiment index* will help to reveal the effect of omicron on consumer spending.

In the **euro area**, we are still expecting *industrial production* data from November, but the first January business confidence index (*Sentix*) will be also published. This latter indicator has been on a downward path since July. The interesting question will be what effect the omicron outbreak will have on activity, as it started visibly in January in the euro area.

US underlying inflation measures (YoY, %)



Sentix and Zew business confidence



Sources: Refinitiv and Bloomberg

What to watch for the next week

Data	Cd.	Event/Data	Period	Cons.	Prev.
2022 1. 10.	10 : 00 IT	Unemployment rate (%)	Nov	9.3	9.4
	10 : 30 EZ	Sentix Investor confidence (points)	Jan	12.0	13.5
11.	11 : 00 EZ	Unemployment rate (%)	Nov	7.2	7.3
	10 : 00 IT	Retail sales (MoM, SA, %)	Nov		0.1
12.	11 : 00 EZ	Industrial production (MoM, %)	Nov	0.3	1.1
	14 : 30 US	CPI (YoY, %)	Dec	7.1	6.8
	14 : 30 US	CPI (MoM, SA, %)	Dec	0.4	0.8
	14 : 30 US	core-CPI (YoY, %)	Dec	5.4	4.9
	14 : 30 US	core-CPI (MoM, SA, %)	Dec	0.5	0.5
	20 : 00 US	Federal budget balance (USDbn)	Dec		-191.0
	20 : 00 US	Beige Book	Nov		-
	4 : 00 CN	Export (YoY, %)	Dec	20.0	22.0
13.	10 : 00 IT	Industrial production (MoM, SA, %)	Nov	0.5	-0.6
	14 : 30 US	Initial jobless claims ('000s)	weekly	210.0	207.0
14.	14 : 30 US	Continuing jobless claims ('000s)	weekly		1754.0
	14 : 30 US	Retail sales (MoM, %)	Dec	-0.1	0.3
	15 : 15 US	Industrial production (MoM, %)	Dec	0.3	0.5
	16 : 00 US	Business inventories (MoM, %)	Nov	1.1	1.2
	16 : 00 US	Michigan Consumer confidence (preliminary, points)	Jan	70.2	70.6

After a strong end-year and new year start, the FED minutes turned the sentiment, while the job report gave another kick, sending US markets to weekly fall. Still, European stocks mostly kept a moderate gain, except for stagnating STOXX.

The start of the year as well as the end of the previous one brought record high indices. Markets have started to price a very positive outlook, as news on omicron, coming out at the end of the year have become more favourable, indicating that it could cause milder symptoms than previous variants. This positive mood has kept on the first days of the year until Wednesday afternoon, when the release of the FED minutes from the December FOMC meeting had turned the sentiment. The minutes revealed that the FED's balance sheet reduction could be faster than it was in 2017. This has sent growth stocks to deep dive and long term-yields have climbed up. The final kick for the week came from Friday's job report, which suggested a further tightening of US labour market. Europe fared better: while US stock markets seems to close the first week of the year in small fall, in Europe mostly moderate pluses could be observed. Stagnating STOXX600 seems to be an exception. Long-term yields moved up, oil and natural gas prices increased, while the USD has strengthened.

Omicron outbreak in most regions

During the past few weeks, the omicron variant has spread rapidly at a global scale. While it seems less lethal and causes a less severe disease than the delta variant, the head of the WHO issued a warning that the symptoms shouldn't be called "mild". On Monday, the US registered more than 1 million new cases on a single day, due to the omicron variant. Fortunately, the daily covid death statistics doesn't seem to follow this upward trend in the country.

The omicron variant have reached most Western European countries, reports of record high daily new case counts can be observed in almost every country in the region. The rapidly spreading variant caused shortages among healthcare staff in the UK, London hospitals need to be supported by the military. Schools in England instructed pupils to wear masks. To ease the pressure on hospitals, Italy made vaccination mandatory for people above 50. France implemented restrictions this week, targeting cinemas, bars, crowded events and urges employees to work 3 days from home if possible.

The CEE region has just recently endured a serious infection wave, but soon may have to face a new one, due to the new variant. Most countries are already showing rising infection statistics, once again.

Authorities had to implement more restrictions in Henan province, China, due to the quick jump in infections. Local authorities stated, that the covid outbreak in northern city of Xian had been mitigated,

but other cities in the country may go under new or get extended lockdowns.

US stocks fell, but European markets mostly could keep moderate pluses except for stagnating STOXX600

In **Europe**, the *STOXX600* seems to end the week with a 0.1% fall. Technology (-3.7%) and health care (-3.5%) were the worst performing sectors, while also auto& parts (7.0%) and banks (6.3%) were the best performing ones. However national stock markets fared much better than *STOXX*, the *DAX* edged up by 0.7%, *CAC40* 1,2, *FTSE100* by 0,9% fall, *FTSEMIB* grew by 1,1%.

In the **USA**, the *Nasdaq Composite* seems to lead the weekly fall by 3.2%, followed by *S&P* (-1.3%) and *Dow Jones* (-0.3%). The small cap *Russel200* fell by 1.2%. Out of S&P components, real estate (-4.7%) and health care (-4.6%) posted the biggest fall, while energy (9.5%) and financials (4.9%) showed the best performance.

Yields moved up, the USD strengthened on the expectation of a more hawkish FED

The year's first week was characterized by a sharp rise on long-term government bond yields. the 10Y US treasury shot-up by more than 23 bps to 1.74%, as the FED minutes' hawkish tone and the US job report led to an expectation of more hawkish FED. This also resulted in a strengthening of the USD. Europe followed suite, German and Italian yields grew by 12 bps, while Spain by half of that size. In this latter case the upside surprise in euro area's December inflation also supported the upward trend.

Oil prices grew and European natural gas prices sky-rocketed on geopolitical worries

Oil prices rose and were heading for their biggest weekly gains since mid-December on Friday as unrest in Kazakhstan and outages in Libya spurred concerns over supply. Brent and WTI were on track for gains of almost 6.0-6.5% in the first week of the year, with prices at their highest since late November, as supply concerns overtook worries that the rapid spread of the Omicron coronavirus variant might hurt demand. After a sharp fall at the end of last year, as speculative positions were closed, natural gas price in Europe sky-rocketed again by 37% to above EUR 90/MWH, as Russian gas supply to Europe remained at very low level.

December US job report pointed to a very tight labour market; euro area CPI turned out above expectations, but probably at its peak

In the **USA**, the December *job report* pointed to a further tightening of the labour market. Although nonfarm payroll grew well below expectations (199,000 as opposed to the consensus of 400,000), unemployment rate edged down to 3.9% (consensus 4.1%), while average

hourly earning YoY growth caused an even larger upside surprise, surpassing the consensus by a margin of 0.5 pts (4.7% vs. 4.2%). The decline in unemployment comes as labour supply grew by a meagre 168,000 while household employment edged up by 651,000(!). This latter was in sharp contrast to the nonfarm payroll figure, suggesting increasing importance of self-employment. Despite, a lower-than-expected non-farm payroll figure, the labour market seems to tighten further, as wage growth is very strong, while unemployment is close to pre-pandemic lows. The data will force the FED toward quick policy normalization. Otherwise *ISM surveys* for December (both for manufacturing and services) weakened but remained at a level, which still points to decent expansion.

Based on the December *minutes*, the FOMC assessed that soon after the first rate hike (which the market currently expects to take place in March), the Fed could begin to reduce its balance sheet, and the decision makers found that the US labour market was close to full employment. The minutes also indicated that the pace of the Fed's balance sheet reduction could be faster than it was in 2017. After the publication, share prices fell and the 10-year U.S. yield rose by about 3 basis points, to 1.71%.

In the **euro area**, the increase in headline *inflation* from 4.9% in November to 5.0% was above the consensus, as the latter suggested a downward correction to 4.7%. Food inflation increased from 2.2% to 3.2%, energy inflation edged down, from 27.5% to 26.0%. Most importantly for the ECB, core inflation was unchanged at a record high of 2.6%, but still slightly above the consensus (2.5%). While services inflation declined, probably due to the package holidays component, non-energy industrial goods inflation increased from 2.4% to 2.9%. It is tempting to argue that the euro area headline inflation has reached its peak. Base effects related to Germany's VAT cut in the second half of 2020, together with the re-weighting of items in the HICP basket, are likely to deduct 0.5 ppts. off headline inflation in January this year. Meanwhile, energy inflation is almost certain to drop sharply over the course of 2021. However, core inflation could remain above 2% for the whole year.

Otherwise in the area, *retail sales* increased by a decent 1% as opposed to a consensus of a 0.5% decline, while *German and French industrial production* as well as the December *Economic sentiment indices* brought disappointment.

China's December *Caixin PMI-s*, both manufacturing and services, fared better than expected and suggested visible expansion. However the omicron outbreak seems to challenge the country's zero covid policy, while the real estate market is weakening, amidst the struggle of Evergrande.

This week's data

Data	Cd.	Event/Data	Period	Fact	Cons.	Prev.
2022 1. 3.	9 : 45 IT	Markit/IHS Manufacturing PMI (prelim.)	Dec	62.0	61.5	62.8
	16 : 00 US	Construction expenditure (MoM, %)	Nov	0.4	0.6	0.2
4.	2 : 45 CN	Caixin Manufacturing PMI (points)	Dec	50.9	50.0	49.9
	8 : 00 DE	Retail sales (MoM, %)	Nov	0.6	-0.5	-0.3
	16 : 00 US	ISM Manufacturing PMI (points)	Dec	58.7	60.0	61.1
5.	9 : 45 IT	Markit/IHS Services PMI (prelim.)	Dec	53.0	54.0	55.9
	14 : 15 US	ADP non-farm employment (MoM, '000s)	Dec	807.0	400.0	505.0
6.	2 : 45 CN	Caixin Services PMI	Dec	53.1		52.1
	8 : 00 DE	Industrial orders (MoM, %)	Nov	3.7	2.1	-6.9
	14 : 00 DE	CPI (preliminary, YoY, %)	Dec	5.3	5.1	5.2
	14 : 30 US	Continuing jobless claims ('000s)	weekly	1754.0	1688.0	1716.0
	14 : 30 US	Initial jobless claims ('000s)	weekly	207.0	197.0	198.0
	16 : 00 US	Factory orders (MoM, %)	Nov	1.6	1.5	1.0
	16 : 00 US	ISM non-Manufacturing PMI (points)	Dec	62.0	66.9	69.1
7.	8 : 00 DE	Export (MoM, SA, %)	Nov	1.7	-0.2	4.1
	8 : 00 DE	Industrial production (MoM, %)	Nov	-0.2	0.9	2.8
	8 : 45 FR	Industrial production (MoM, %)	Nov	-0.4	0.5	0.9
	11 : 00 EZ	EC Economic Sentiment Index (points)	Dec	115.3	116.0	117.5
	11 : 00 EZ	CPI (flash, YoY, %)	Dec	5.0	4.7	4.9
	11 : 00 EZ	Core CPI (flash, YoY, %)	Dec	2.6	2.5	2.6
	11 : 00 EZ	Retail sales (MoM, %)	Nov	1.0	-0.5	0.2
	14 : 30 US	Average earnings (YoY, %)	Dec	4.7	4.2	5.1
	14 : 30 US	Average earnings (MoM, %)	Dec	0.6	0.4	0.4
	14 : 30 US	Unemployment rate (%)	Dec	3.9	4.1	4.2
	14 : 30 US	Non-farm payroll (MoM, '000s)	Dec	199.0	400	249

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	4702.7	-1.3	-1.3	Stoxx 600	SXXP Index	487.2	-0.1	-0.1
IT	S5INFT Index	2948.9	-3.5	-3.5	Health care	SXDP Index	1044.0	-3.5	-3.5
Health care	S5HLTH Index	1567.8	-4.6	-4.6	Industrial goods & services	SXNP Index	794.7	-0.3	-0.3
Financials	S5FINL Index	681.7	4.9	4.9	Banks	SX7P Index	154.1	6.3	6.3
Telco	S5TELS Index	261.9	-2.1	-2.1	Personal & households goods	SXQP Index	1099.9	-0.2	-0.2
Consumer discretionary	S5COND Index	1598.3	-0.8	-0.8	Insurance	SXIP Index	335.1	4.0	4.0
Industrials	S5INDU Index	904.0	1.0	1.0	Food and beverages	SX3P Index	856.0	-1.6	-1.6
Consumer staples	S5CONS Index	805.4	0.1	0.1	Technology	SX8P Index	777.2	-3.7	-3.7
Utilities	S5UTIL Index	354.0	-2.7	-2.7	Utilities	SX6P Index	395.4	-2.3	-2.3
Energy	S5ENRS Index	462.8	9.5	9.5	Oil & gas	SXEP Index	288.0	4.0	4.0
Real estate	S5RLST Index	309.5	-4.7	-4.7	Chemicals	SX4P Index	1363.5	-0.3	-0.3
Materials	S5MATR Index	561.6	-1.4	-1.4	Construction & materials	SXOP Index	639.5	-1.0	-1.0
Source: Bloomberg					Telco	SXKP Index	229.0	-0.4	-0.4
					Retail	SXRP Index	442.5	-0.5	-0.5
					Financial services	SXFP Index	747.7	-0.8	-0.8
					Basic resources	SXPP Index	633.2	5.4	5.4
					Real estate	SX86P Index	192.2	-2.0	-2.0
					Auto & parts	SXAP Index	706.0	7.0	7.0
					Media	SXMP Index	362.9	-2.7	-2.7
					Travel & leisure	SXTP Index	237.6	2.2	2.2

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	4705	0.3	6.9	7.9	23.6	25.8	4.8	3.1	18.6	1.3	114.9	9.6	8.0
Europe	SXXP Index	487	1.5	6.2	6.0	19.3	20.7	2.2	1.6	11.7	1.1	185.9	1.4	9.3
Germany	DAX Index	15991	1.1	4.9	1.9	14.5	15.4	1.9	1.2	13.0	1.1	115.2	43.6	8.3
France	CAC Index	7240	2.5	9.7	10.9	27.7	21.9	2.1	1.5	9.6	1.1	238.2	33.8	12.7
Poland	WIG20 Index	2311	5.5	-1.6	3.7	15.0	12.6	1.3	1.0	10.4	1.2	53.4	-23.6	3.5
Czechia	PX Index	1428	2.9	4.5	23.3	35.9	20.0	1.7	2.0	8.5		168.5	11.2	20.3
Hungary	BUX Index	51744	0.9	-3.9	8.8	17.9	8.2	1.3	0.9	15.1	1.2	57.5	-759.4	10.7
Romania	BET Index	13162	5.1	3.3	10.3	31.8	0.5	1.3	0.2	11.1		35.2	263.7	24.8
Bulgaria	SOFIX Index	647	3.1	14.1	16.8	43.8	22.1	0.8	0.9	3.8	3.2	44.4		
Russia	IMOEX Index	3772	-2.6	-10.8	-3.2	11.9	7.2	1.1	1.1	16.2	1.4	71.7	42.6	15.9
Ukraine	PFTS Index	523	-0.1	-0.7	-1.2	4.7	2.2	1.3	0.6	62.8	1.2	4.2		
Slovenia	SBITOP Index	1292	5.0	10.7	13.7	40.1	7.8	1.1	0.7	14.2	1.8	32.5		
Croatia	CRO Index	2138	7.4	5.2	9.1	21.1	16.8	1.1	1.2	6.9	1.7	39.4		
Serbia	BELEX15 Index	826	-0.8	3.1	6.7	10.6	12.4	0.7	0.7	5.7	1.6	19.3		
Montenegro	MNSE10 Index	765	-0.8	-1.2	2.5	7.3	63.3	0.3	0.9	0.8	2.0	13.4		

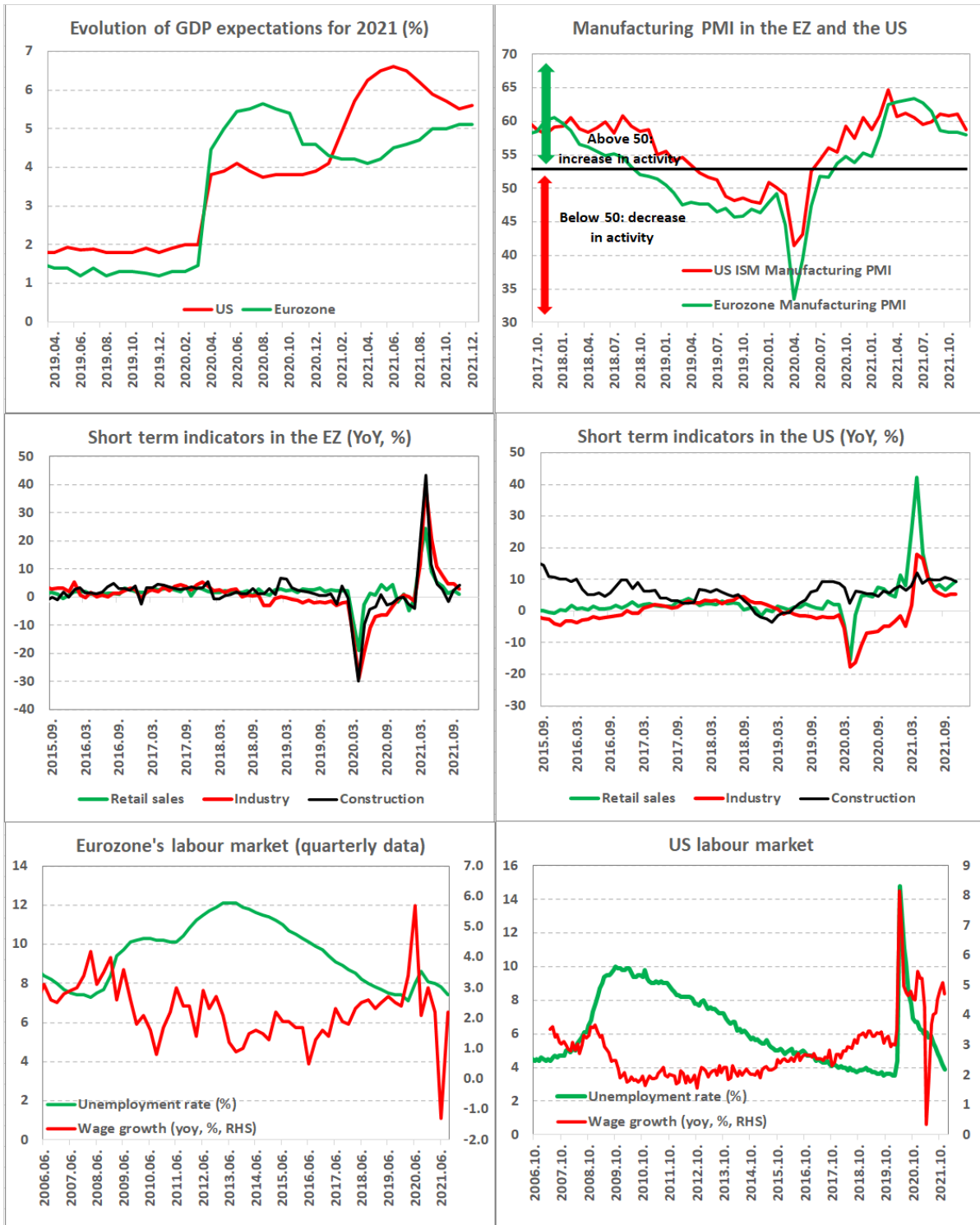
*Price to earnings (P/E) ratio is calculated with the 12M trailing EPS in the denominator.

***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.

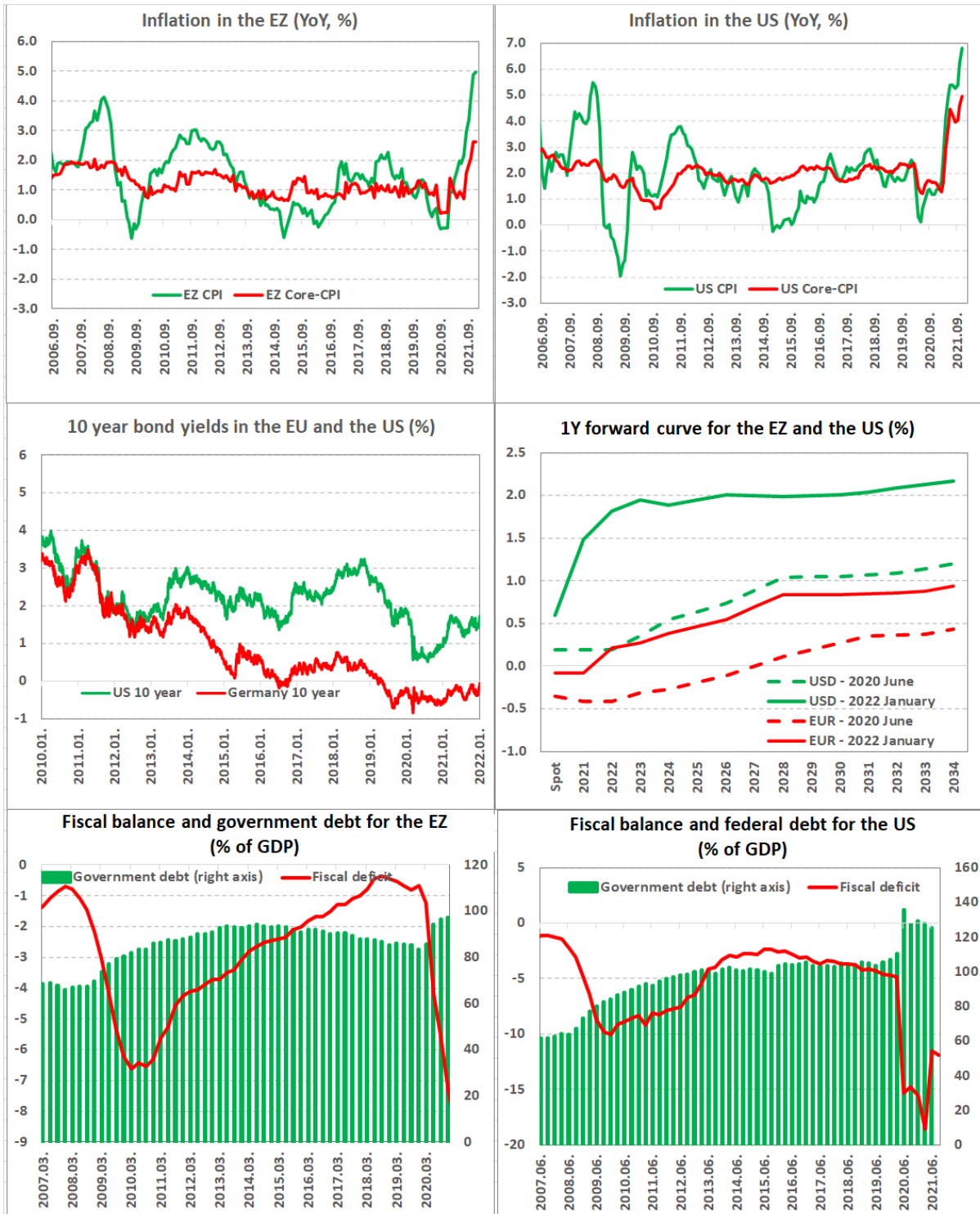
Data updated at 16:00 (CEST)

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	1.15	1.16	1.20
EURGBP	0.89	0.91	0.90	0.88	0.86	0.85	0.84	0.84	0.84	0.86
EURCHF	1.06	1.08	1.08	1.08	1.10	1.08	1.06	1.09	1.11	1.07
USDJPY	107.0	106.0	104.0	104.0	109.0	111.5	114.0	115.0	115.0	113.0

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	6.5	5.1	6.7	4.9	Hungary	-8.0	-7.3	-4.9	-7.0	-5.2
Romania	-3.9	6.7	3.8	6.7	4.5	Romania	-9.4	-8.2	-6.5	-7.4	-5.8
Bulgaria	-4.2	3.9	3.5	4.0	3.8	Bulgaria	-4.0	-2.7	-1.9	-3.7	-2.5
Russia	-3.0	4.3	2.6	4.2	2.6	Russia	-3.8	-0.6	0.5	-0.1	0.5
Ukraine	-4.0	3.5	4.4	3.3	3.7	Ukraine	-5.3	-5.0	-3.0	-4.1	-3.2
Slovenia	-4.2	6.2	4.5	6.0	4.1	Slovenia	-8.7	-7.1	-4.9	-6.9	-4.7
Croatia	-8.1	10.2	4.0	7.7	4.5	Croatia	-7.4	-4.5	-3.0	-4.2	-2.9
Serbia	-1.0	7.2	4.5	6.6	4.5	Serbia	-8.1	-2.7	3.1	-4.8	-2.5
Montenegro	-15.3	11.0	5.4	9.5	5.7	Montenegro	-10.1	-2.9	-2.6	-5.1	-2.8
Albania	-4.0	8.0	4.2	7.2	4.1	Albania	-6.8	-6.0	-4.0	-6.0	-4.1
Moldova	-7.0	10.8	4.2	6.5	4.6	Moldova	-5.1	-5.0	-5.0	-4.9	-4.5

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	4.9	4.9	4.9	4.5	Hungary	4.1	3.9	3.3	4.1	3.7
Romania	2.6	5.1	6.0	4.8	5.1	Romania	5.0	5.5	4.5	5.3	4.9
Bulgaria	1.7	3.1	4.7	2.6	2.9	Bulgaria	5.2	5.4	5.0	5.4	5.0
Russia	3.4	6.7	7.1	6.5	5.4	Russia	5.8	5.0	4.0	5.0	4.6
Ukraine	2.7	9.5	7.0	9.3	7.2	Ukraine	9.5	9.2	8.3	9.4	8.8
Slovenia	-0.3	1.3	1.7	1.7	2.0	Slovenia	5.0	4.9	4.8	4.7	4.5
Croatia	0.1	2.2	2.5	2.2	2.2	Croatia	7.5	7.3	6.8	8.2	7.6
Serbia	1.6	3.3	3.0	3.7	3.8	Serbia	9.0	11.2	10.2	10.5	9.9
Montenegro	-0.3	2.4	2.6	2.0	1.8	Montenegro	17.9	17.8	17.4	18.8	17.1
Albania	1.6	2.0	2.3	2.0	2.6	Albania	11.7	11.3	10.9	11.7	11.3
Moldova	3.8	4.7	14.0	4.2	6.8	Moldova	3.8	13.5	11.7	4.2	4.2

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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