

# OTP Weekly Outlook

## Next week:

- The FOMC meeting and flash 2021Q4 GDP data will be in the spotlight

## This week:

- Markets seem to close the week with sizable fall in the US, more moderate minuses in Europe on rate hike concerns, geopolitical worries, mixed earnings reports
- China's 2021Q4 GDP topped analysts' consensus
- ECB officials consider wages as key indicator for more persistent inflation
- The USD strengthened; long-term yields closed lower, after ups and downs during the week
- Oil prices could still grow in weekly terms; natural gas prices brought their first weekly correction this year



## 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	4458.8	-4.3	-6.5	US 2 year	1.00	2.9	26.3	Dollar index	95.599	0.9	-0.1	Brent	87	1.6	12.4
Russel 2000	2006.1	-7.1	-10.7	US 10 year	1.75	-3.9	23.6	EURUSD	1.1353	-0.5	-0.1	WTI	85	3.2	12.6
Stoxx 600	473.5	-1.6	-2.9	DE 2 year	-0.62	-3.5	1.3	USDJPY	113.65	0.5	1.3	Natural gas	79	-9.7	18.0
DAX	15536.2	-2.2	-2.2	DE 10 Year	-0.08	-3.3	10.1	GBPUSD	1.357	-0.8	0.3	Gold	1839	1.1	0.5
CAC40	7057.8	-1.2	-1.3	ES 10 year	0.62	-1.6	5.7	AUDUSD	0.720	-0.1	-0.9	Silver	24	6.3	4.7
FTSE100	7485.9	-0.8	1.4	UK 10 year	1.16	0.7	18.8	USDCAD	1.253	0.1	0.8	Palladium	2135	13.5	12.1
FTSE MIB	26961.3	-2.1	-1.4	IT 10 year	1.27	-0.2	9.9	USDCHF	0.911	0.3	0.2	Copper	454	-0.1	1.7
Nikkei 225	27522.3	-2.1	-4.4	JP 10 year	0.13	-0.5	6.7	NZDUSD	0.673	-1.1	-1.4	Steel	1436	-0.2	0.1
CSI 300	4779.3	1.1	-3.3	CH 10 year	2.71	-8.7	-6.7	CNHUSD	6.341	0.3	0.3	Wheat	784	5.0	1.8

Source: Bloomberg



**FOMC meeting and flash 2021Q4 GDP data will be in the spotlight**

*After this relatively uneventful macro week, the next one seems to be much more challenging. In fact, this week was already partly about the next one, as investors have been trying to price the expected path of the Fed's tightening. Therefore long-term yields went up until Wednesday, causing stock markets to fall. Next week could be a game changer: the first FOMC meeting of the year will end on Wednesday, and one can expect more details on the exact date of lift-off (quite likely March) and probably also on the pace of balance sheet run-off after the tapering phase ended in March. Otherwise, the focus should be on flash 2021Q4 GDP data from the USA and large European economies (Germany, France, Spain). The US and Europe seem to go in inverse cycles: while America's GDP growth is likely to have strengthened, Europe's economies lost steam substantially, largely because the bulk of the Delta wave struck the USA in Q3, it hit Europe in Q4.*

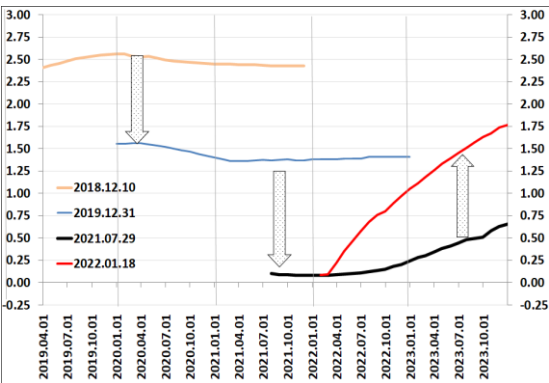
In the **USA**, the most interesting day will be Wednesday, when the next FOMC meetings will conclude. There are at least two key questions ahead of the meeting. First, after several Board members had indicated a possible lift-off from March, will the FOMC signal in any form (in the press release or at the press conference) that it intends to start rate hikes in March? We can expect some communication, as before the previous two rate hiking cycles (in 2004 and 2015), the Fed tried to communicate to the markets its intentions in advance so as not to surprise economic actors. Second, currently the market expects four rate hikes this year; it is an open question whether there will be any form of official commentary on this. Another interesting question is whether the Committee will be more specific on the possible balance sheet run-off, expected to take place in H2. Currently, the market anticipates up to USD 100 bn cap on the value of maturing securities allowed to run off each month (primarily Treasury bonds). This would imply a much more significant pace of run-off than in the previous cycle (2015-2019). Such an outlook could be justified by the 7% inflation, and practically full employment (unemployment below 4%), i.e. a much higher inflation and tighter labour market than in previous periods at the start of tightening cycles.

Still from the USA, we expect the flash estimates for the Q4 GDP as well as PMIs for January. In terms of the former, after a strong start in October-November, December's monthly data substantially weakened, partly due to the Omicron wave. Nevertheless, the quarterly GDP growth figure is expected to be much stronger than

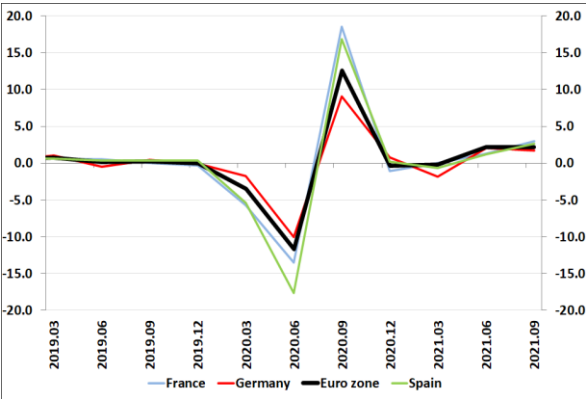
in Q3 (5-6% vs 2.3%). In terms of the PMIs, the key questions are (i) Omicron's effect on confidence, (ii) the level of supply bottlenecks (iii) and any change in input and output price pressures.

In the **euro area**, the focus will be on flash GDP figures from Germany, France, and Spain. Germany posted a GDP growth rate around 2% in Q2 and Q3 on QoQ basis, although activity weakened somewhat in Q3 as its industry was struggling. France's growth strengthened (from 1.3% to 3%), as well as Spain's (1.2% vs. 2.6%). Growth is sure to have weakened in all these economies as the Delta wave brought lockdowns and lower spending. Germany could even turn to a mild recession (consensus -0.2%), while France (0.6%) and Spain (1.5%) might perform better, but they are also expected to lose steam. In the case of Germany, global problems in the industrial sector also took their toll on activity more significantly. Flash PMIs for January will be also published from the major European economies, here the questions are similar to the ones concerning the USA.

**Fed Funds rate expectations (based on FF futures, %)**



**GDP growth rates (QoQ, %)**



Sources: Refinitiv and Bloomberg

**What to watch for the next week**

Data	Cd.	Event/Data	Period	Cons.	Prev.
2022 1. 24.	9 : 15 FR	Markit Manufacturing PMI (points)	Jan	55.5	55.6
	9 : 15 FR	Markit Service PMI (points)	Jan	55.3	57.0
	9 : 30 DE	Markit Manufacturing PMI (points)	Jan	57.0	57.4
	9 : 30 DE	Markit Service PMI (points)	Jan	48.0	48.7
	10 : 00 EZ	Markit Manufacturing PMI (points)	Jan	57.5	58.0
	10 : 00 EZ	Markit Service PMI (points)	Jan	52.2	53.1
	10 : 30 UK	Manufacturing PMI (points)	Jan	57.9	57.9
	10 : 30 UK	Service PMI (points)	Jan	54.8	53.6
	15 : 45 US	Markit Manufacturing PMI (points)	Jan	56.8	57.7
	15 : 45 US	Markit Service PMI (points)	Jan	55.0	57.6
25.	10 : 00 DE	IFO Economic sentiment index (points)	Jan	94.7	94.7
	15 : 00 US	Case-Shiller Home Price Index (YoY, %)	Nov		18.4
	16 : 00 US	Consumer confidence (point)	Jan	111.8	115.8
26.	16 : 00 US	New home sales (annualized monthly, '000s)	Dec	750	744
	16 : 00 CA	Interest rate decision (%)	-		0.3
	20 : 00 US	Interest rate decision (%)	-	0-0,25	0-0,25
	9 : 00 HU	Unemployment rate (%)	Dec		4
27.	14 : 30 US	Durable goods orders (MoM, %)	Dec	-0.2	3
	14 : 30 US	GDP (preliminary, annualized QoQ, %)	Q4	5.6	2
	14 : 30 US	Initial jobless claims ('000s)	weekly		286
	14 : 30 US	Continuing jobless claims ('000s)	weekly		1635
	16 : 00 US	Pending home sales (MoM, %)	Dec	0.4	-2.2
28.	7 : 30 FR	GDP (preliminary, QoQ, %)	Q4	0.5	3.0
	9 : 00 ES	GDP (preliminary, QoQ, %)	Q4	1.5	2.6
	10 : 00 DE	GDP (preliminary, QoQ, %)	Q4	-0.2	1.7
	10 : 00 IT	Consumer confidence (point)	Jan	116.5	117.7
	11 : 00 EZ	EC Economic Sentiment Index (points)	Jan	114.5	115.3
	14 : 30 US	Personal income (MoM, %)	Dec	0.5	0.4
	14 : 30 US	Personal consumption (adjusted, MoM, %)	Dec	-0.6	0.6
	14 : 30 US	Household core PCE index (MoM, %)	Dec	0.5	0.5
30.	2 : 45 CN	Caixin Manufacturing PMI (points)	Jan		50.9

### Markets close with sizeable weekly loss in the US, more moderate minuses in Europe on rate hike concerns, geopolitical worries, mixed earnings results

*This has been another volatile week for stock markets, which lacked a single direction. The week started with gains in Europe, recovering from previous Friday's fall, while US markets were closed due to holiday. However, Tuesday brought fall in all markets, mostly related to the sharp rise in long-term yields ahead of next week's Fed meeting. Interestingly, the 10Y German Bund yield made a short visit to positive territory, for the first time since early 2019. The fall went on for the rest of the week in the USA, despite relatively good earnings from large US banks and retailers. Streaming providers went to substantial fall on Friday as Netflix's outlook disappointed investors' expectations. Europe could move-up on Wednesday and Thursday as yields have turned back, despite rising geopolitical worries between Russia and Ukraine. Then another fall came on Friday. Overall, markets seem to close the week with sizable fall in the US and moderate decline in Europe. Long-term-yields eventually declined despite the sharp rise until Wednesday, while the USD strengthened, as did oil prices. As an exception, natural gas prices fell in Europe.*

**Omicron outbreak in most regions; it is in the UK while Western Europe and the USA are close the peak**

The number of daily covid deaths increased moderately in the USA, while the daily new case counts stagnated.

The Omicron wave seems to have reached its peak in some Western European countries, but it is still inflicting significant infection rates in the region. Starting from early February, France will loosen "work from home" rules, will allow nightclubs to be open, and entertainment venues may raise visitor capacity. The UK will also ease the restrictions that were implemented as a response to the Omicron wave, including mask wearing rules and "work from home" policies, starting from late January. Austria is set to make covid shots mandatory, after the bill ran through the parliament's lower house.

The Omicron wave is still elevating case counts in the CEE countries. An alarming jump of daily new case count can be observed in Slovenia. The highest daily covid death toll is reported from Bulgaria.

The WHO reported a rapid decline in daily new case counts in Africa, along with the covid-related death counts. The daily new case counts started to drop in China, at a cost of strict localized lockdowns.

**Stock markets fell significantly in the US more moderately in Europe**

In **Europe**, the *STOXX600* seems to end the week with a 1.6% fall. In terms of sectors, cyclical ones like auto&parts (-4.8%), banks (-4.2%) and growth stock like technology (-2.9%) performed the worst, while personal and household goods (0.4%) plus health care (0.1%) could grow minorly. National stock markets also weakened: *DAX* lost 2.2%, *CAC40*: -1,2%, *FTSE100*: -0.8%, *FTSEMIB* fell by 2,1%.

In the **USA**, all large markets seem to close the week with a sizeable fall, *Nasdaq Composite* with -6.2% taking the lead. *S&P* seems to fall by 4.4%, *Dow* by 3.5%, small cap *Russel200* fell by 7.1%. All S&P components fell sharply, out of them, consumer discretionary (-7.1%), financials (-6.4%) and IT (-4.8%) fell the most, while consumer staples (-0.3%) and utility (-0.4%) could post the smallest fall.

**After a record spike, long-term yields finished lower; the USD strengthened**

Both US Treasury and European long-term yields moved sharply up until Wednesday, peaking intraday at 1.89% and above 0.02% respectively on account of markets pricing in future monetary policy tightening. However, the rest of the week brought correction, and both yields seem to finish the week lower by 3-4 bps than last Friday. European peripheral yield followed a similar pattern. The USD strengthened against major currencies and seem to close the week roughly 0.5% stronger against the EUR than last Friday.

**Oil prices could still grow in weekly terms, although fell from record level, natural gas prices brought their first weekly correction in this year despite geopolitical tensions**

*Oil prices* fell on Friday, pressured by an unexpected rise in U.S. crude and fuel inventories while investors took profits after the global benchmarks touched seven-year highs this week. The recent rally in crude prices appeared to run out of steam on Thursday when Brent and WTI ended the trading session with slim losses, but both benchmarks have gained more than 10% this year and were heading for a fifth straight weekly gain.

*Natural gas prices* in Europe fell by closer to 10%, posting the first weekly fall this year, despite building tension on the Russia-Ukraine border.

**Another upside surprise in US core inflation, euro area unemployment is already below pre-pandemic levels**

**China's** *GDP* grew by 1.6% QoQ in the three months to December 2021, surpassing market estimates of 1.1%, and following an upwardly revised 0.7% advance in the previous quarter. This was the fastest quarterly growth since Q4 2020, supported by a rebound in activity ahead of the Beijing Winter Games as well as the Lunar New Year, and despite strict



COVID-19 curbs in some regions, and uncertainty from the property sector. The economy grew 8.1% in 2021, faster than forecast (8.0%), and well exceeding the government's target of "above 6%" and 2020's revised growth of 2.2%. Overall, the average growth rate for 2020-2021, slightly above 5%, suggests an obvious slowdown compared to the government's target of 6%. While net exports and industry performed well, domestic demand caused negative surprise, as indicated by December retail sales data, which were 2 ppts below the consensus. The outlook is getting gloomy, due to the increasing number of problematic real estate developers, falling housing transactions and prices. Not surprisingly, while all major economies are at least lamenting on monetary tightening, this week the PBoC cut its medium-term and long-term lending facilities by 10 bps and 5 bps, respectively.

In the **USA**, *housing starts* and *permits* for December turned out well above expectations, implying a further strengthening housing market. However, there was a sharp drop in the January reading of Empire State Index, to -0.7 from 31.9 points. The index points to contraction in manufacturing for the first time since Q2 2020. The December *leading index* came out with 0.8% MoM growth in line with the market expectation.

In the **euro area**, the *ECB minutes* on the December Governing Council meeting did not contain surprises. Nevertheless, there are a few points to make. First, decision-makers acknowledged that in addition to energy prices, non-energy inflation also picked up visibly. Although the pick-up is expected to be temporary, more prolonged inflationary pressure cannot be excluded. For this, policy-makers suggested to follow the wage figures, which do not show the possible second-round effect on inflation so far. Some members noted that the inclusion of owner-occupied housing into HICP would imply inflation 0.2-0.3 ppts higher. Given that the 2023 inflation forecast stood at 1.8%, this could be considered as an important comment. Together with the higher-than-expected inflation data and energy prices, all this means that the ECB could be expected to move into a more hawkish direction, at least in communication at its next rate-setting meeting. Elsewhere in Europe, the January ZEW business confidence index surprised sharply to the upside (51.7 vs. a consensus of 32.0 points).

In December, the **UK's** inflation accelerated to an almost thirty-year high of 5.4% YoY, wrong-footing economists who had forecast 5.2%; consumer prices rose by 0.5% MoM, whereas only 0.3% was expected. A spike in energy prices, supply chain disruptions, and last year's lower base all contributed to higher inflation. The prices of food, tourism & hospitality, furniture, and clothing jumped particularly sharply. Core inflation, at 4.2% YoY, also exceeded forecasts of 3.9%.

In **Turkey**, the CBRT held its key rate, as expected. This time, the lack of surprise gave the lira some strengthening impetus.





## This week's data

Data	Cd.	Event/Data	Period	Fact	Cons.	Prev.
2022 1. 17.	3 : 00 CN	Infrastructural spending (YoY, %)	Dec	4.9	4.8	5.2
	3 : 00 CN	Industrial production (YoY, %)	Dec	4.3	3.6	3.8
	3 : 00 CN	Retail sales (YoY, %)	Dec	1.7	3.7	3.9
	3 : 00 CN	GDP (YoY, %)	Q4	4.0	3.6	4.9
	3 : 00 CN	GDP (QoQ, SA, %)	Q4	1.6	1.1	0.2
18.	2 : 00 JP	Interest rate decision (%)		-0.1	-0.1	-0.1
	8 : 00 UK	Unemployment rate (%)	Nov	4.1	4.2	4.2
	11 : 00 DE	ZEW Economic Sentiment (points)	Jan	51.7	32.0	29.9
	14 : 30 US	New York Fed Manufacturing index (points)	Jan	-0.7	27.5	31.9
19.	8 : 00 UK	Inflation (YoY, %)	Dec	5.4	5.2	5.1
	14 : 30 US	Building permits (annualized monthly, '000s)	Dec	1873	1701	1717
	14 : 30 US	Housing starts (annualized monthly, '000s)	Dec	1702	1650	1679
20.	12 : 00 TR	Interest rate decision (%)	Jan	14.0	14.0	14.0
	13 : 30 EZ	ECB Minutes	Dec		-	-
	14 : 30 US	Initial jobless claims ('000s)	weekly	286	215	230
	14 : 30 US	Continuing jobless claims ('000s)	weekly	1635		1559
	16 : 00 US	Existing home sales (annualized monthly, '000s)	Dec	6180	6490	6460
21.	0 : 30 JP	core-CPI (YoY, %)	Dec	0.5	0.6	0.5
	0 : 30 JP	CPI (YoY, %)	Dec	0.8		0.6
	7 : 00 UK	Retail sales (MoM, %)	Dec	-3.7	-0.9	1.0
	16 : 00 US	Leading index (MoM, %)	Dec	0.8	0.8	0.7

## 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	4459.0	-4.3	-6.4	Stoxx 600	SXXP Index	473.5	-1.6	-2.9
IT	S5INFT Index	2745.0	-4.8	-10.2	Health care	SXDP Index	1019.4	0.1	-5.8
Health care	S5HLTH Index	1525.4	-2.6	-7.2	Industrial goods & services	SXNP Index	741.9	-2.6	-6.9
Financials	S5FINL Index	641.7	-6.4	-1.3	Banks	SX7P Index	153.1	-4.2	5.6
Telco	S5TELS Index	247.9	-4.7	-7.3	Personal & households goods	SXQP Index	1060.7	0.4	-3.8
Consumer discretionary	S5COND Index	1441.2	-7.1	-10.5	Insurance	SXIP Index	333.6	-2.4	3.6
Industrials	S5INDU Index	859.4	-4.5	-4.0	Food and beverages	SX3P Index	840.8	-0.6	-3.3
Consumer staples	S5CONS Index	800.1	-0.3	-0.6	Technology	SX8P Index	739.3	-2.9	-8.4
Utilities	S5UTIL Index	353.7	-0.4	-2.8	Utilities	SX6P Index	394.0	-0.3	-2.7
Energy	S5ENRS Index	476.3	-0.6	12.7	Oil & gas	SXEP Index	295.9	-2.2	6.9
Real estate	S5RLST Index	296.1	-3.3	-8.8	Chemicals	SX4P Index	1299.9	-2.0	-4.9
Materials	S5MATR Index	534.5	-4.9	-6.2	Construction & materials	SXOP Index	608.9	-2.8	-5.7
Source: Bloomberg					Telco	SXKP Index	228.0	-0.2	-0.8
					Retail	SXRP Index	421.7	-0.9	-5.2
					Financial services	SXFP Index	718.3	-2.4	-4.7
					Basic resources	SXPP Index	644.8	-0.3	7.3
					Real estate	SX86P Index	185.9	-1.5	-5.3
					Auto & parts	SXAP Index	679.9	-4.8	3.1
					Media	SXMP Index	357.1	-0.3	-4.2
					Travel & leisure	SXTP Index	234.8	-2.4	1.0

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	4459	-4.1	-2.0	2.3	15.7	24.3	4.6	3.0	18.7	1.3	112.4	10.9	7.4
Europe	SXXP Index	474	-0.1	0.8	4.3	15.2	19.5	2.1	1.6	11.8	1.1	185.9	1.7	9.2
Germany	DAX Index	15536	0.6	0.4	0.7	11.7	15.0	1.9	1.2	13.0	1.1	115.2	35.0	8.7
France	CAC Index	7058	1.3	5.6	9.2	26.2	21.4	2.0	1.5	9.6	1.1	238.2	37.9	13.2
Poland	WIG20 Index	2269	3.8	-6.5	1.2	16.2	12.4	1.3	1.0	10.4	1.2	53.4	-27.8	-2.9
Czechia	PX Index	1419	0.4	5.8	19.4	33.9	19.8	1.6	2.0	8.5		168.5	14.7	22.2
Hungary	BUX Index	51897	2.6	-5.8	8.4	17.3	8.2	1.3	0.9	15.1	1.2	57.5	-704.9	7.4
Romania	BET Index	12789	3.6	0.3	7.3	24.0	0.5	1.2	0.2	11.1		35.2	253.4	
Bulgaria	SOFIX Index	626	-1.5	8.6	11.1	25.2	21.4	0.8	0.9	3.8	3.2	44.4		
Russia	IMOEX Index	3437	-6.9	-18.5	-7.7	0.4	6.5	1.0	1.0	16.2	1.4	71.7	65.6	18.3
Ukraine	PFIS Index	523	-0.1	-0.7	-0.4	4.8	3.7	1.5	0.4	41.3	0.5	3.4		
Slovenia	SBITOP Index	1328	7.6	12.4	17.3	42.2	8.0	1.1	0.7	14.2	1.8	32.5		
Croatia	CRO Index	2160	6.1	5.5	12.6	19.4	17.0	1.1	1.2	6.9	1.7	39.4		
Serbia	BELEX15 Index	862	4.0	9.3	11.8	17.0	13.0	0.7	0.7	5.7	1.6	19.3		
Montenegro	MNSE10 Index	774	0.1	0.7	2.5	4.7	64.1	0.3	0.9	0.8	2.0	13.4		

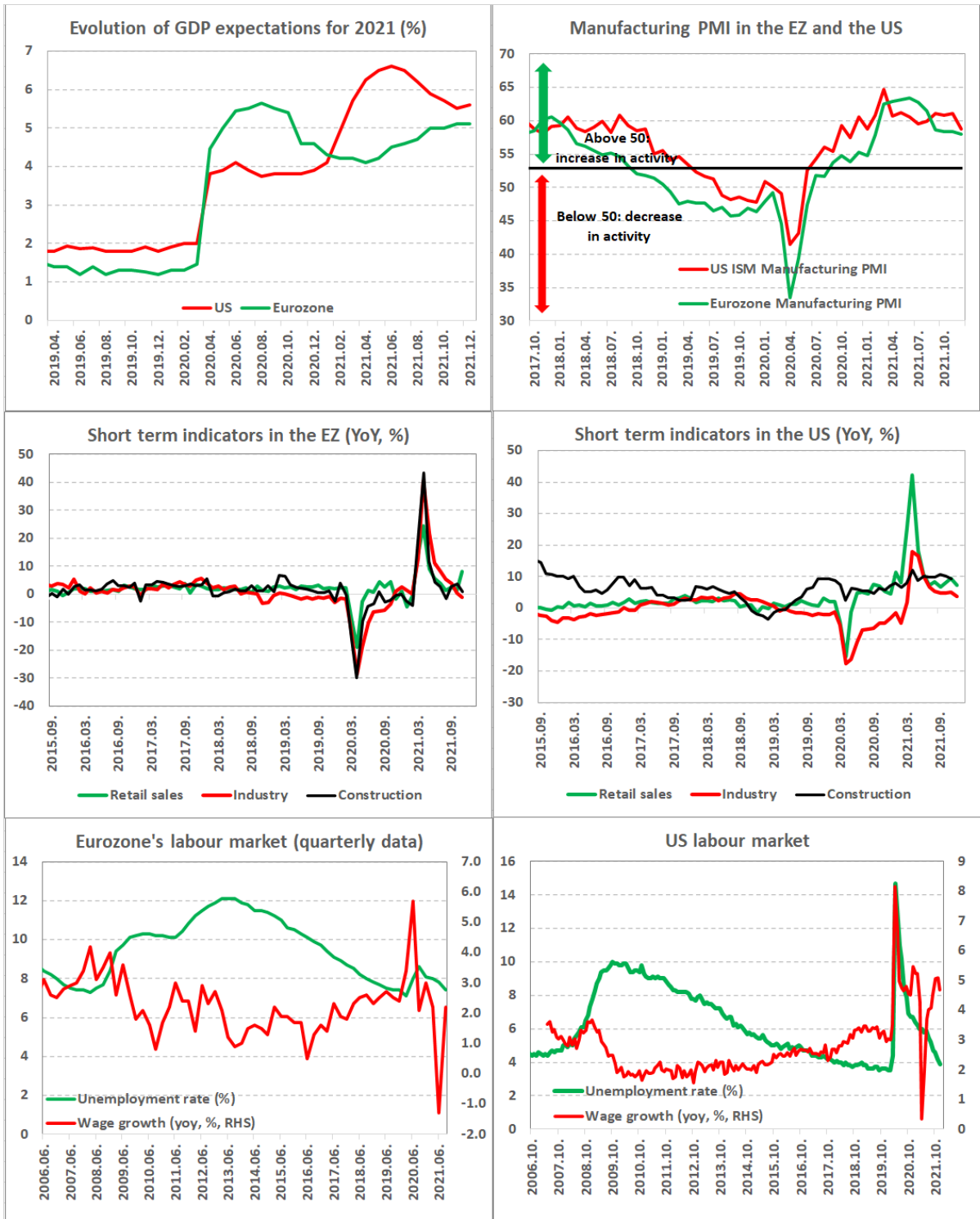
\*Price to earnings (P/E) ratio is calculated with the 12M trailing EPS in the denominator.

\*\*\*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.

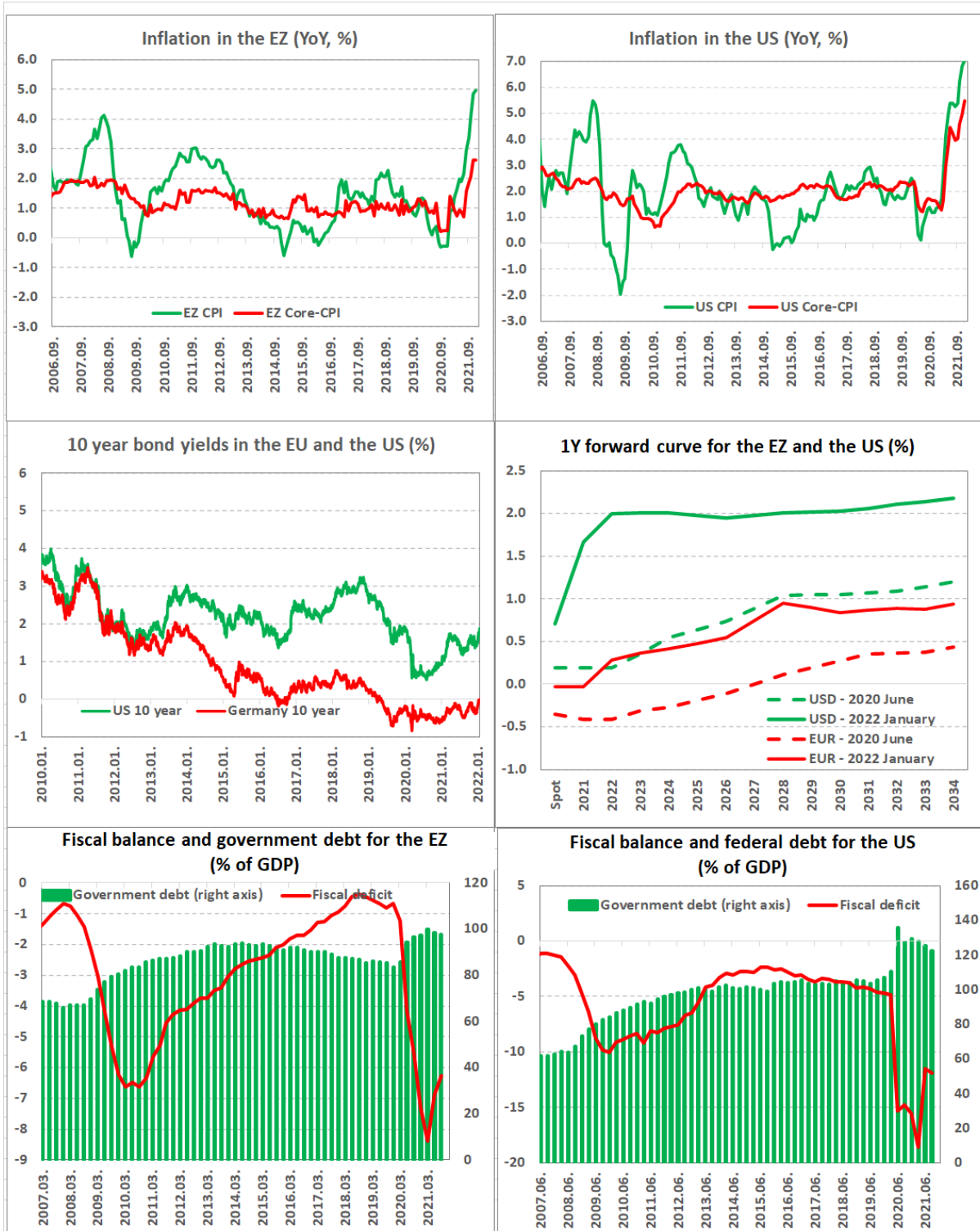
Data updated at 16:00 (CEST)

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	1.14	1.16	1.20
EURGBP	0.89	0.91	0.90	0.88	0.86	0.85	0.84	0.84	0.84	0.82
EURCHF	1.06	1.08	1.08	1.08	1.10	1.08	1.06	1.08	1.10	1.08
USDJPY	107.0	106.0	104.0	104.0	109.0	111.5	114.0	116.0	116.0	109.0

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	-4.7	6.5	5.1	6.6	4.8	Hungary	-8.0	-7.3	-4.9	-7.0	-5.2
Romania	-3.7	6.7	3.8	6.6	4.5	Romania	-9.4	-7.1	-6.3	-7.3	-6.1
Bulgaria	-4.4	3.8	3.5	3.8	3.8	Bulgaria	-4.0	-2.7	-2.0	-3.5	-2.5
Russia	-3.0	4.5	2.6	4.2	2.6	Russia	-3.8	0.9	0.8	0.0	0.7
Ukraine	-4.0	3.2	3.8	3.0	3.7	Ukraine	-5.3	-5.0	-3.0	-3.8	-3.2
Slovenia	-4.2	6.2	4.5	6.3	4.0	Slovenia	-7.7	-7.1	-4.9	-6.7	-4.5
Croatia	-8.1	10.2	4.0	8.9	4.4	Croatia	-7.4	-4.0	-2.9	-4.3	-3.0
Serbia	-0.9	7.2	4.8	7.5	4.5	Serbia	-8.0	-2.7	3.1	-4.3	-2.2
Montenegro	-15.3	11.0	5.4	9.5	5.6	Montenegro	-10.1	-2.9	-2.6	-4.9	-2.8
Albania	-4.0	8.0	4.2	7.7	4.0	Albania	-6.8	-6.0	-4.0	-5.9	-4.1
Moldova	-7.0	8.8	4.2	8.8	4.5	Moldova	-5.1	-5.0	-5.0	-5.0	-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	5.2	5.2	4.9	Hungary	4.1	3.9	3.3	4.0	3.7
Romania	2.6	5.1	6.2	4.9	5.7	Romania	5.0	5.5	4.5	5.3	4.9
Bulgaria	1.7	3.3	5.6	3.1	3.6	Bulgaria	5.2	5.4	5.0	5.5	5.0
Russia	3.4	6.7	7.2	6.7	6.2	Russia	5.8	5.0	4.0	4.9	4.6
Ukraine	2.7	9.3	7.3	9.4	7.6	Ukraine	9.5	9.2	8.3	9.4	8.7
Slovenia	-0.3	1.3	1.7	1.9	2.4	Slovenia	5.0	4.9	4.8	4.7	4.5
Croatia	0.1	2.6	4.1	2.4	2.5	Croatia	7.5	7.3	6.8	8.1	7.6
Serbia	1.6	4.1	4.7	3.9	4.5	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	19.1	17.7
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	5.3	14.0	4.5	7.7	Moldova	3.8	13.5	11.7	4.4	3.4

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	369.0	360.0	358.0	358.0	357.0
Romania	EURRON (eop)	4.87	4.93	4.93	4.95	4.95	4.96	4.98	4.99	4.99
Russia	USDRUB (eop)	73.9	75.7	72.4	72.8	73.7	71.8	71.2	71.6	71.7
Ukraine	USDUAH (eop)	28.30	27.80	27.30	26.60	27.30	27.20	27.20	27.50	27.80
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	1.14	1.14	1.14	1.14	1.14

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

\*\*No forecast available for Moldova and Albania

Source: Focus Economics

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This document was prepared on 25 January 2022.

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