

OTP Weekly Outlook

Next week's spotlight:

- The job report in the USA
- Retail trade and industrial production in the eurozone

This week:

- The Fed delivered the expected 75 bps hike and signalled that the pace of tightening could slow down soon
- With another quarter of GDP contraction, the US fell into technical recession by Q2
- Eurozone GDP and inflation surprised on the upside
- Russia announced further cuts in gas supplies via the Nord Stream, European gas and electricity prices soared, weighting on growth outlook
- IT yields fell further on both sides of the Atlantic
- Equity prices rallied

The US labour market data will be in the spotlight; also watch out for retail sales and industrial output data from the euro area

| | Date* | | Cd. | Event/ Data | Period | Cons. | Prev. |
|---------|-------|--------|-----|---------------------------------------|--------|-------|-------|
| 2022 8. | 1. | 3 :45 | CN | Caixin Manufacturing PMI (points) | Jul | 51.5 | 51.7 |
| | | 8 :00 | DE | Retail sales MoM (%) | Jun | 0.2 | 0.6 |
| | | 9 :45 | IT | S&P Global Manufacturing PMI (points) | Jul | 49.3 | 50.9 |
| | | 10 :00 | IT | Unemployment rate (%) | Jun | 8.1 | 8.1 |
| | | 11 :00 | EZ | Unemployment rate (%) | Jun | 6.6 | 6.6 |
| | | 16 :00 | US | Construction spending MoM (%) | Jun | 0.2 | -0.1 |
| | | 16 :00 | US | ISM Manufacturing PMI (points) | Jul | 52.0 | 53.0 |
| | 3. | 3 :45 | CN | Caixin Services PMI | Jul | | 54.5 |
| | | 8 :00 | DE | Export MoM, SA (%) | Jun | 0.7 | -0.5 |
| | | 9 :45 | IT | S&P Global Service PMI (points) | Jul | 50.0 | 51.6 |
| | | 10 :00 | IT | Retail sales MoM, SA (%) | Jun | | 1.9 |
| | | 11 :00 | EZ | Retail sales MoM (%) | Jun | 0.1 | 0.2 |
| | | 16 :00 | US | Factory orders MoM (%) | Jun | 0.4 | 1.6 |
| | | 16 :00 | US | ISM non-Manufacturing PMI (points) | Jul | 53.5 | 55.3 |
| | 4. | 8 :00 | DE | Industrial orders MoM (%) | Jun | -0.7 | 0.1 |
| | | 13 :00 | UK | Interest rate decision (%) | Aug | 1.5 | 1.25 |
| | 5. | 8 :00 | DE | Industrial production MoM (%) | Jun | -0.4 | 0.2 |
| | | 8 :45 | FR | Industrial production MoM (%) | Jun | -0.3 | 0 |
| | | 10 :00 | IT | Industrial production MoM, SA (%) | Jun | -0.3 | -1.1 |
| | | 14 :30 | US | Non-farm payroll MoM, 000s) | Jul | 250 | 372 |
| | | 14 :30 | US | Unemployment rate (%) | Jul | 3.6 | 3.6 |
| | | 14 :30 | US | Average earnings MoM (%) | Jul | 0.3 | 0.3 |
| | | 14 :30 | US | Average earnings YoY (%) | Jul | 5.0 | 5.1 |
| | 7. | 5 :00 | CN | Export YoY (%) | Jul | | 17.9 |

* The time, when most likely market-mover data could come out is indicated in red.

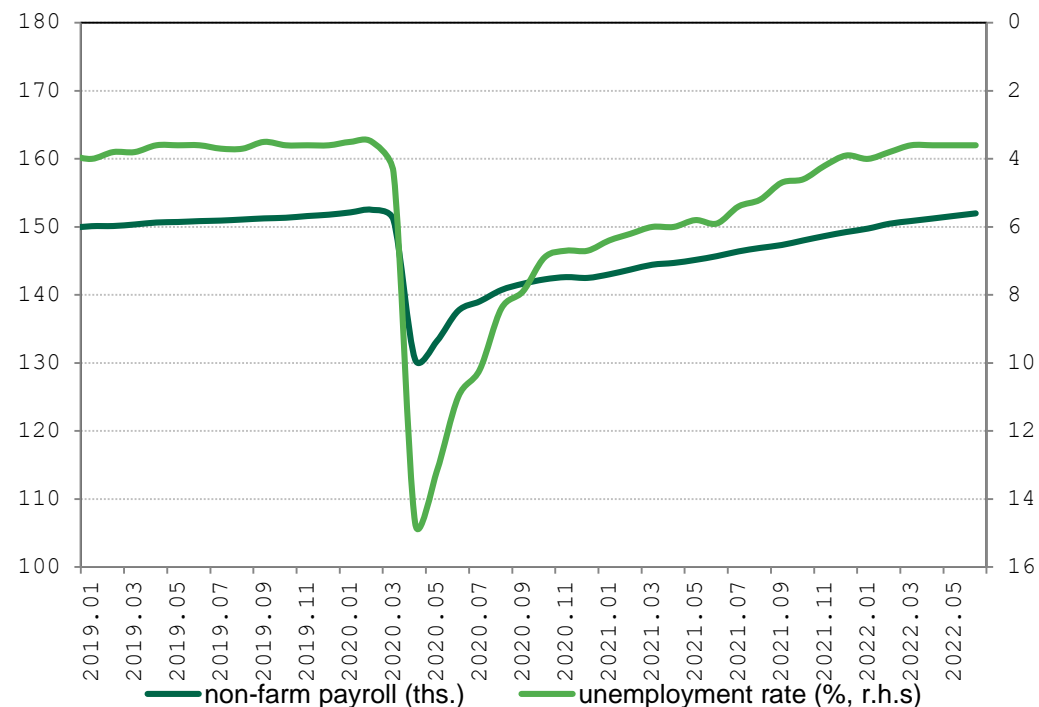
US: Labour market data are coming, we expect a little slowdown in nonfarm

| Date | Cd. | Event/Data | Period | Cons. | Prev. |
|------------------|-----|------------------------------------|--------|-------|-------|
| 2022.08.01 16:00 | US | ISM Manufacturing PMI (points) | Jul | 52.0 | 53.0 |
| 3. 16:00 | US | ISM non-Manufacturing PMI (points) | Jul | 53.5 | 55.3 |
| 5. 14:30 | US | Non-farm payroll MoM (000s) | Jul | 250 | 372 |
| 14:30 | US | Unemployment rate (%) | Jul | 3.6 | 3.6 |
| 14:30 | US | Average earnings MoM (%) | Jul | 0.3 | 0.3 |
| 14:30 | US | Average earnings (YoY,%) | Jul | 5.0 | 5.1 |

Key highlights

- The US labour market remains extremely tight but we saw the sign of slowdown in the past months. Nonfarm payrolls remained strong in June but increases have been slowing lately; the unemployment rate is near a 50-year low, wage growth is elevated.
- We expect further growth in nonfarm payrolls, but growth is expected to be more moderate than in June.
- Incoming data will be very important and will put some pieces of the puzzle in place for us, because the strong labour market is the key argument that there is no recession in the USA. Weak data would intensify recession fears.
- ISM PMIs are in: activity is expected to slow in both manufacturing and non-manufacturing

US labour market data



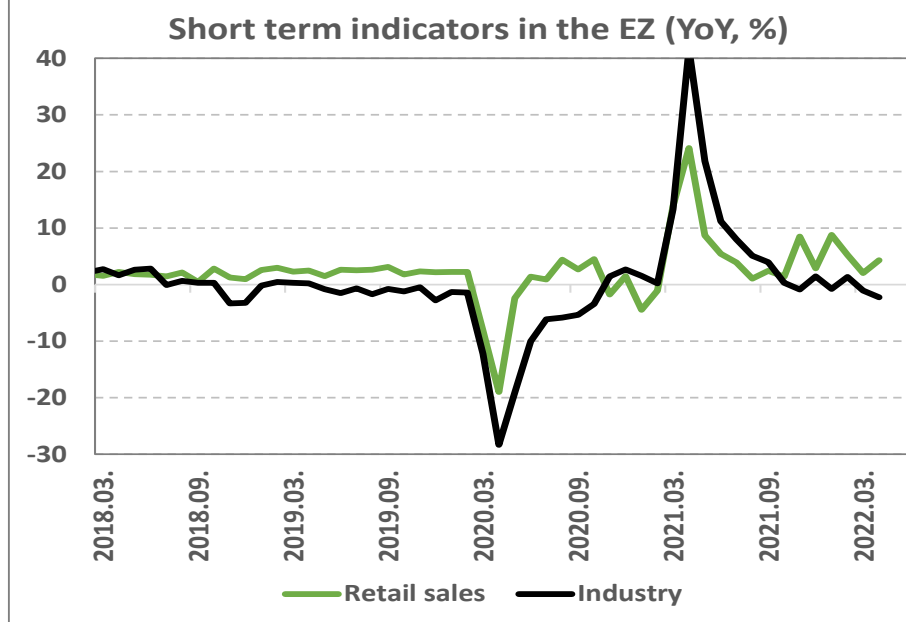
Euro area: Short-term indicators will be in the spotlight

| Date | Cd. | Event/ Data | Period | Cons. | Prev. |
|------------|---------|---|--------|-------|-------|
| 2022 8. 1. | 8 : 00 | DE Retailsales M oM ,%) | Jun | 0,2 | 0,6 |
| | 9 : 45 | IT S&P GlobalM anufacturing PM I (points) | Jul | 49,1 | 50,9 |
| | 10 : 00 | IT Unem ploym entrate (%) | Jun | 8,1 | 8,1 |
| | 11 : 00 | EZ Unem ploym entrate (%) | Jun | 6,6 | 6,6 |
| 3. | 8 : 00 | DE Export M oM ,SA,%) | Jun | 0,7 | -0,5 |
| | 9 : 45 | IT S&P GlobalService PM I (points) | Jul | 50,0 | 51,6 |
| | 10 : 00 | IT Retailsales M oM ,SA,%) | Jun | | 1,9 |
| | 11 : 00 | EZ Retailsales M oM ,%) | Jun | 0,1 | 0,2 |
| 4. | 8 : 00 | DE Industrialorders M oM ,%) | Jun | -0,7 | 0,1 |
| 5. | 8 : 00 | DE Industrialproduction M oM ,%) | Jun | -0,4 | 0,2 |
| | 8 : 45 | FR Industrialproduction M oM ,%) | Jun | -0,3 | 0 |
| | 10 : 00 | IT Industrialproduction M oM ,SA,%) | Jun | -0,3 | -1,1 |

Key highlights

- The eurozone's Q2 GDP data beat the consensus estimate, but June's PMI already indicated a slowdown, and indicators for July have fallen into recession territory.
- In Europe, the jump in natural gas prices is having an unfavourable effect on manufacturing, thereby increasing the probability of a recession in Europe. Output may also be undermined by supply chain disruptions and a slowdown of the global economy. The fall in retail is primarily driven by high inflation, which erodes real income, and declining consumer confidence also worsens the outlook of the sector.
- **Next week's retail sales and industrial production data** will provide an important clue as to whether the currency zone will enter a recession next quarter.

Euro area business confidence (points)



China: PMIs are expected to signal growth as the economy restarts after

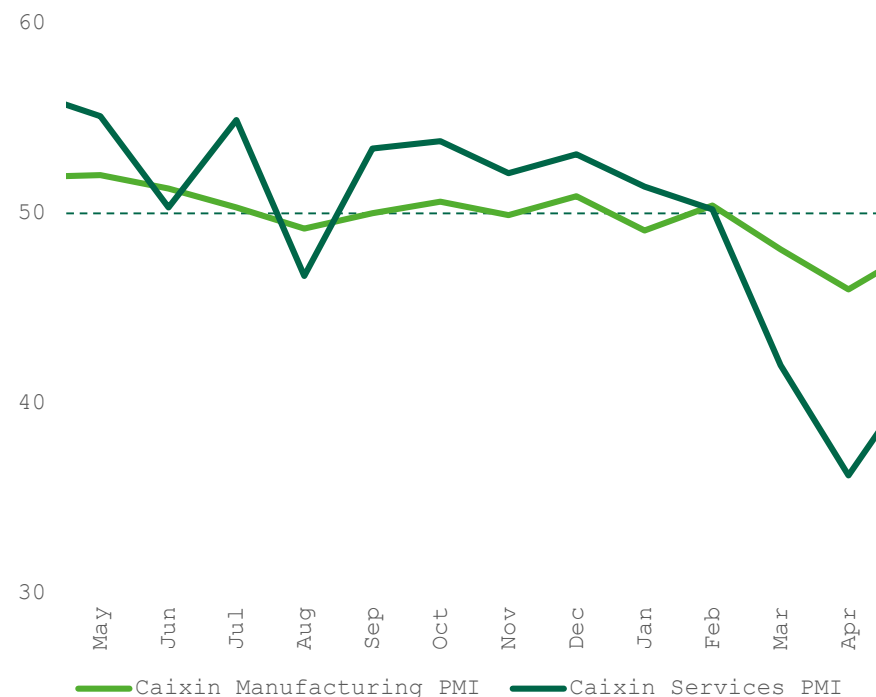
widespread Covid lockdowns

| Date | | Cd. | Event/Data | Period | Cons. | Prev. |
|------------|------|-----|-----------------------------------|--------|-------|-------|
| 2022.08.01 | 5:00 | CN | Caixin Manufacturing PMI (points) | Jul | 51.5 | 51.7 |
| | 03 | CN | Caixin Services PMI | Jul | | 54.5 |
| | 07 | CN | Export (YoY,%) | Jul | | 17.9 |

Key highlights

- Both the **Caixin Services and Manufacturing PMIs** are likely to stay above the 50 level as widespread Covid restrictions were lifted in early June.
- **Export growth** is expected to maintain its growth rate as port congestions are easing, and external demand for Chinese goods holds up.
- Looking ahead, however, **the fundamentals of the Chinese economy point to a slowdown**, due to the **weakening global outlook**, and the **struggling property market**
- On the top of that, new Covid outbreaks can trigger mass testing and lockdowns, due to **China's zero Covid policy**. The **latest lockdown affected 1 million people** in a district of Wuhan after discovering four asymptomatic cases.

Caixin Manufacturing and Services PMI (balance)



WEEKLY REPORT - 01 August 2022

This week's data: US rates grew by 75 bps, as expected. Q2 growth was weaker than expected in the USA, but stronger in Europe. European inflation

| Date* | Cd. | Event/ Data | Period | Fact | Cons. | Prev. |
|--------------------|-----|---------------------------------------|--------|----------|----------|----------|
| 2022 7. 25. 10 :00 | DE | IFO Economic sentiment index (points) | Jul | 88,6 | 90,2 | 92,3 |
| 16 :00 | US | Consumer confidence (point) | Jul | 95,7 | 97,2 | 98,7 |
| 27. 10 :00 | IT | Consumer confidence (point) | Jul | 94,8 | 96,6 | 98,3 |
| 20 :00 | US | Interest rate decision (%) | Jul | 2,25-2,5 | 2,25-2,5 | 1,5-1,75 |
| 28. 9 :00 | ES | Retail sales (YoY,%) | Jun | 1,0 | | 1,4 |
| 11 :00 | EZ | EC Economic Sentiment Index (points) | Jul | 99,0 | 102,0 | 103,5 |
| 14 :00 | DE | CPI (preliminary, YoY,%) | Jul | 7,5 | 7,4 | 7,6 |
| 14 :30 | US | GDP (preliminary, annualized QoQ,%) | Q2 | -0,9 | 0,5 | -1,6 |
| 29. 7 :30 | FR | GDP (preliminary, QoQ,%) | Q2 | 0,5 | 0,2 | -0,2 |
| 8 :00 | DE | GDP QoQ, SA, preliminary,%) | Q2 | 0,0 | 0,1 | 0,2 |
| 9 :00 | ES | GDP (preliminary, QoQ,%) | Q2 | 1,1 | 0,4 | 0,2 |
| 9 :00 | AT | GDP (preliminary, QoQ,%) | Q2 | 0,5 | - | 1,5 |
| 10 :00 | IT | GDP (preliminary, QoQ,%) | Q2 | 1,0 | 0,3 | 0,1 |
| 10 :30 | PT | GDP (preliminary, QoQ,%) | Q2 | -0,2 | - | 2,6 |
| 11 :00 | EZ | CPI (flash, YoY,%) | Jul | 8,9 | 8,6 | 8,6 |
| 11 :00 | EZ | Core CPI (flash, YoY,%) | Jul | 4,0 | 3,8 | 3,7 |
| 11 :00 | EZ | GDP (preliminary, QoQ,%) | Q2 | 0,7 | 0,2 | 0,6 |
| 11 :00 | EZ | GDP (preliminary, YoY,%) | Q2 | 4,0 | 3,4 | 5,4 |
| 14 :30 | US | Household core PCE index MoM,%) | Jun | 0,6 | 0,5 | 0,3 |

* The time, when most likely market-mover data could come out is indicated in red.

Key highlights

- **The Fed raised its rates by another 75 bp to 2.25-2.5%**, as expected. The pace of tightening is likely to slow down going forward.
- **The 0,9% annualized fall of U.S. GDP in Q2 missed expectations (+0.5%)**, mostly due to inventories, but contribution from fixed investment was also negative. The slowdown in private consumption suggests that underlying growth is also weakening.
- **The 0.7% QoQ increase in eurozone GDP in Q2 was significantly better than the consensus (0.2%)**. Re-opening the tourism sector supported Italy and Spain, while the industry-driven Germany stagnated.
- **Headline (8.9%) and core HICP inflation (4%)** rose more than expected, suggesting that the ECB may pursue further aggressive tightening of interest rates.

Gas supply risk remains the main concern in Europe, affecting growth outlook after Russia cut supply through the Nord Stream 1 pipeline again. TTF gas and electricity prices jumped to unusually high levels, while crude oil prices increased moderately. Global recession fears are still looming, as the USA fell into technical recession in Q2. LT yields came down as the market expects more gradual Fed tightening. Stock markets may

| Indices | Last price | 1week change (%) | YTD (%) | Interest rates | Last price | 1week change (bps) | YTD (bps) | FX rates | Last price | 1week change (%) | YTD (%) | Commodity | Last price | 1week change (%) | YTD (%) |
|--------------|------------|------------------|---------|----------------|------------|--------------------|-----------|--------------|------------|------------------|---------|--------------------|------------|------------------|---------|
| S&P500 | 4110 | 3,7 | -13,8 | US 2 year | 2,90 | -6,7 | 217,1 | Dollar index | 106,508 | -0,2 | 11,3 | Brent | 110,2 | 6,8 | 41,6 |
| Nasdaq Comp. | 12316 | 4,1 | -21,3 | US 10 year | 2,68 | -6,7 | 117,3 | EURUSD | 1,0159 | -0,5 | -10,7 | WTI | 100,2 | 5,9 | 33,3 |
| Dow Jones | 32606 | 2,2 | -10,3 | DE 2 year | 0,27 | -13,4 | 90,7 | USDJPY | 133,99 | 1,6 | -14,1 | Natural Gas (TTF)* | 190,8 | 17,4 | 186,9 |
| Russel2000 | 1873 | 3,6 | -16,6 | DE 10 Year | 0,85 | -17,8 | 103,0 | GBPUSD | 1,2084 | 0,7 | -10,7 | Gold | 1755,6 | 1,6 | -4,0 |
| Stoxx 600 | 438 | 3,0 | -10,1 | FR 10 year | 1,42 | -20,3 | 121,9 | AUDUSD | 0,6943 | 0,2 | -4,4 | Silver | 20,1 | 7,9 | -13,9 |
| DAX | 13498 | 1,8 | -15,0 | SP 10 year | 1,96 | -29,0 | 139,4 | USDCAD | 1,2834 | 0,6 | -1,5 | Palladium | 2108,4 | 3,4 | 10,7 |
| CAC40 | 6467 | 4,0 | -9,6 | IT 10 year | 3,07 | -24,0 | 189,5 | USDCHF | 0,9567 | 0,6 | -4,6 | Copper | 351,6 | 5,0 | -21,2 |
| FTSE100 | 7420 | 2,0 | 0,5 | UK 10 year | 1,89 | -5,0 | 91,9 | NZDUSD | 0,6242 | -0,4 | -8,6 | Steel | 855,0 | -7,4 | -40,4 |
| FTSEMIB | 22460 | 5,9 | -17,9 | CH 10 year | 0,42 | -24,8 | 57,6 | CNHUSD | 6,754 | 0,2 | -5,9 | Wheat | 838,0 | 10,4 | 8,7 |
| Nikkei225 | 27802 | -0,4 | -3,4 | JP 10 year | 0,18 | -3,1 | 11,3 | USDTRY | 17,9047 | -1,0 | -25,7 | Com | 630,3 | 11,7 | 6,2 |
| CSI300 | 4170,1 | -1,6 | -15,6 | CN 10 year | 2,75 | -3,0 | -1,9 | USDBRL | 5,1897 | 5,9 | 7,4 | Electricity* | 368,8 | 27,3 | 294,4 |

Source: Bloomberg

*In EUR/MWh

Key highlights

- **In the USA**, the S&P500 and the Dow are expected to climb around 3.7% and 2.2% w/w, while Nasdaq Composite may add more than 4% as investors hoped for a slower pace of Fed rate hikes after the worse-than-expected Q2 GDP data published on Thursday. **In Europe**, stock indices advanced on Thursday and Friday, following the Fed's comments and better-than-anticipated Q2 GDP data. Meanwhile, gas supply fears worsened, as Gazprom cut deliveries through Nord Stream 1 again. The Stoxx600 Europe is expected to gain about 3.0% in weekly comparison, while among national equity indices the DAX looks to underperform the regional benchmarks, reflecting the high exposure of the German economy towards Russian gas supply.
- Some of the most important tech companies published better than feared earnings reports and in some cases advanced by double-digit rates (Amazon +12%). Major oil companies also surprised to the upside. There were some disappointing reports as well: Roku sank 24% and Intel dropped 11% as both companies' results fell short of expectations. In Europe, Volkswagen has surpassed expectations and the management has confirmed its outlook for this year.
- In terms of sector performance, the rise in stock prices is broad-based both in the USA and Europe, with only the European retail sector getting stuck in the red. Among the S&P 500's sectors, cyclicals, like real estate, energy and industrials considerably outperform the benchmark, still utilities seem to become the winner of the week. In Europe, very similarly, investors preferred oil & gas, basic resources, real estate and utilities, among the **Stoxx600 Europe sectors**.
- Infection rates are stagnating in the US, the omicron BA.5 variant made up about 80% of the total cases in the country a few weeks ago. Japan faces record high surge in daily Covid case counts. China keeps implementing a "Zero Covid" policy. About one million people were put under lockdown in the Chinese city of Wuhan this week, due to four identified positive cases.

Key highlights

- **European gas supply risk** remains a hot topic in Europe, after Russia's state-run gas giant Gazprom announced it cut gas supplies via Nord Stream 1 pipeline to just 20% of its normal capacity from Wednesday, due to the maintenance of a turbine. TTF gas prices soared by 20% w/w, to 190-200 EUR/MWh, electricity prices also rose by the same extent, more than triple of the price registered at end-2021.
- LT bond yields dropped on most days of this week, falling even deeper on Thursday, after the Fed hinted that the age of aggressive hike could end soon, while the USA's Q2 GDP data signalled technical recession. The 10Y Treasury yield moderated below 2.7%, 80 bps below this year's peak. The data followed the Fed's commitment on Wednesday to hold on its battle against inflation, even if that means a "sustained period" of economic weakness and a slowing jobs market. However, recent yield drops may reflect strengthening market expectations on a more gradual pace of tightening going forward. In Europe, Germany's 10Y yield declined to 0.85% (-18bps), despite higher than expected European and German inflation, as cuts in gas supply significantly deteriorated the growth outlook. In the eurozone periphery countries, yields dipped similarly steeply, although demand for Italian bonds was weaker after Mr Draghi's resignation last week and ahead of early elections in September. The **EUR/USD** fell to 1.015 by Thursday, even though the Fed's comments and the expectations that a wobble in the economy will force the Fed to rethink its aggressive tightening policy have strengthened the euro.
- **Oil prices** climbed higher during as recession worries have been offset by tight supply, lower US inventories and a rebound in gasoline consumption. On a weekly basis crude prices increased, with Brent adding 7% and WTI gaining 6% w/w.

Stock market and sector performance

| Performance of US sectors | | | | |
|---------------------------|------------|-------------------|---------|--|
| Sector | Last price | 1 week change (%) | YTD (%) | |
| S&P 500 | 4110 | 3,7 | -13,8 | |
| IT | 2509 | 4,5 | -17,9 | |
| Health care | 1534 | 1,4 | -6,7 | |
| Financials | 559 | 2,8 | -14,0 | |
| Telco | 191 | 1,7 | -28,6 | |
| Consumer discretionary | 1275 | 5,0 | -20,8 | |
| Industrials | 798 | 4,4 | -10,8 | |
| Consumer staples | 770 | 1,2 | -4,3 | |
| Utilities | 375 | 6,3 | 3,2 | |
| Energy | 594 | 9,3 | 40,4 | |
| Real estate | 277 | 4,8 | -14,6 | |
| Materials | 489 | 3,5 | -14,2 | |

| Top US Mega-Cap Companies | | | | |
|---------------------------|------------|-------------------|---------|--|
| Company | Last price | 1 week change (%) | YTD (%) | |
| Alphabet | 115 | 6,2 | -20,9 | |
| Amazon | 137 | 12,1 | -17,7 | |
| Apple | 162 | 5,4 | -8,6 | |
| Meta | 158 | -6,7 | -53,0 | |
| Microsoft | 279 | 7,3 | -16,9 | |
| Tesla | 862 | 5,5 | -18,4 | |

| Performance of Europe's sectors | | | | |
|---------------------------------|------------|-------------------|---------|--|
| Sector | Last price | 1 week change (%) | YTD (%) | |
| Stoxx 600 | 438 | 3,0 | -10,1 | |
| Health care | 1057 | 0,3 | -2,3 | |
| Industrial goods & services | 661 | 3,9 | -17,0 | |
| Banks | 127 | 3,5 | -12,6 | |
| Personal & households goods | 1003 | 3,6 | -9,0 | |
| Insurance | 291 | 2,8 | -9,6 | |
| Food and beverages | 827 | 2,3 | -5,0 | |
| Technology | 619 | 3,1 | -23,3 | |
| Utilities | 378 | 4,2 | -6,6 | |
| Oil & gas | 326 | 6,0 | 17,6 | |
| Chemicals | 1173 | 3,9 | -14,2 | |
| Construction & materials | 530 | 4,1 | -17,9 | |
| Telco | 229 | 0,3 | -0,4 | |
| Retail | 316 | -1,8 | -28,9 | |
| Financial services | 623 | 3,7 | -17,3 | |
| Basic resources | 589 | 6,4 | -2,0 | |
| Real estate | 152 | 1,6 | -22,7 | |
| Auto & parts | 545 | 3,9 | -17,4 | |
| Media | 342 | 2,6 | -8,2 | |
| Travel & leisure | 186 | 1,5 | -19,9 | |

Source: Bloomberg

Summary of regional stock markets' performance

| 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 (%) |
| Europe | SXXP Index | 438 | 6,0 | -2,7 | -5,9 | -5,5 | 15,0 | 1,8 | 0,0 | 2,4 | 1,3 | 245,7 | 0,5 | 4,2 |
| Germany | DAX Index | 13498 | 3,8 | -4,3 | -11,9 | -13,7 | 12,4 | 1,5 | 0,9 | 13,1 | 1,1 | 116,0 | -17,9 | 4,5 |
| France | CAC Index | 6467 | 7,2 | -1,0 | -7,2 | -2,5 | 13,6 | 1,7 | 1,2 | 15,4 | 1,1 | 217,4 | 16,5 | 9,2 |
| Poland | WIG20 Index | 1709 | -1,4 | -8,0 | -21,7 | -24,6 | 5,9 | 1,0 | 0,6 | 17,1 | 1,2 | 55,4 | 10,6 | 23,9 |
| Czechia | PX Index | 1232 | -4,0 | -7,6 | -12,7 | 2,3 | 9,3 | 1,1 | 1,1 | 12,0 | | 164,6 | 1,2 | 5,3 |
| Hungary | BUX Index | 41787 | 4,7 | -3,9 | -20,9 | -13,5 | 5,7 | 0,8 | 0,6 | 16,2 | 1,4 | 57,4 | -18,6,7 | -3,9 |
| Romania | BET Index | 12494 | -0,2 | -1,8 | -4,6 | 5,2 | 7,2 | 0,7 | 1,1 | 22,1 | 1,0 | 41,6 | 21,0 | 4,5 |
| Bulgaria | SOFIX Index | 600 | -2,1 | -3,1 | -2,4 | 5,1 | 5,2 | 0,7 | 0,8 | 13,3 | 2,4 | 57,1 | | |
| Russia | MOEX Index | 2204 | -7,3 | -9,9 | -36,8 | -42,1 | 3,7 | 0,7 | 0,7 | 18,7 | 1,3 | 81,5 | 25,0 | 1,8 |
| Ukraine | PFTS Index | 519 | 0,0 | 0,0 | -0,5 | -1,1 | 5,4 | 1,4 | 0,3 | 28,1 | 0,6 | 7,8 | | |
| Slovenia | SBITOP Index | 1141 | 0,7 | -2,6 | -10,3 | -1,9 | 6,4 | 0,9 | 0,5 | 15,1 | 1,7 | 36,6 | 0,1 | |
| Croatia | CRO Index | 1969 | -3,3 | -7,5 | -7,4 | 0,8 | 13,2 | 1,2 | 1,3 | 10,1 | 1,5 | 35,5 | | |
| Serbia | BELEX15 Index | 836 | -0,4 | 1,0 | -2,4 | 7,7 | 7,8 | 0,6 | 0,6 | 9,1 | 1,6 | 16,4 | | |
| Montenegro | MNSE10 Index | 811 | 0,4 | 2,6 | 4,5 | 9,0 | 69,3 | 0,3 | 0,8 | 0,2 | 2,2 | 12,6 | | |

*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.

FX outlook

| FX pair | 2021.Q4 | 2022.Q1 | 2022.Q2 | 2022.Q3 | 2022.Q4 | 2023.Q4 | 2024.Q4 |
|---------|---------|---------|---------|---------|---------|---------|---------|
| EURUSD | 1,14 | 1,12 | 1,06 | 1,04 | 1,06 | 1,11 | 1,15 |
| EURGBP | 0,84 | 0,83 | 0,85 | 0,86 | 0,86 | 0,87 | 0,87 |
| EURCHF | 1,06 | 1,05 | 1,03 | 1 | 1,01 | 1,05 | 1,08 |
| USDJPY | 130 | 129,5 | 136 | 140 | 139 | 137,5 | 138 |

Source: Bloomberg

| Country | FX pair | 2021.Q4 | 2022.Q1 | 2022.Q2 | 2022.Q3 | 2022.Q4 | 2023.Q1 | 2023.Q2 | 2023.Q3 | 2023.Q4 |
|---------|--------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Hungary | EURHUF (eop) | 369 | 367 | 397 | 389 | 389 | 386 | 386 | 383 | 381 |
| Romania | EURRON (eop) | 4,95 | 4,94 | 4,95 | 4,99 | 5,03 | 5,06 | 5,09 | 5,12 | 5,12 |
| Russia | USDRUB (eop) | 74,3 | 84,1 | 51,2 | 66,2 | 69,9 | 74,1 | 77,8 | 78,5 | 80,6 |
| Ukraine | USDUAH (eop) | 27,3 | 29,5 | 29,4 | 33,4 | 34,7 | 33,3 | 33,4 | 32,3 | 32,3 |
| Croatia | EURHRK (eop) | 7,52 | 7,57 | 7,53 | 7,54 | 7,54 | 7,55 | 7,54 | 7,54 | 7,54 |
| Serbia | EURRSD (eop) | 117,6 | 117,7 | 117,3 | 117,6 | 117,6 | 117,6 | - | - | - |

*No forecast available for Moldova and Albania

Source: Focus Economics

Macro outlook in the region

| Countries | GDP (yoy, %) | | | | |
|------------|--------------|-------|------|-----------------|------|
| | OTP | | | Focus Economics | |
| | 2021 | 2022 | 2023 | 2022 | 2023 |
| Hungary | 7,1 | 5,0 | 2,0 | 4,3 | 2,9 |
| Romania | 5,9 | 4,3 | 2,4 | 4,0 | 3,6 |
| Bulgaria | 4,2 | 2,7 | 2,3 | 2,7 | 3,0 |
| Russia | 4,7 | -5,5 | 0,8 | -9,3 | -2,1 |
| Ukraine | 3,4 | -36,0 | 18,1 | -36,3 | 12,0 |
| Slovenia | 8,1 | 6,0 | 2,6 | 4,5 | 2,9 |
| Croatia | 10,2 | 4,2 | 3,0 | 3,5 | 3,1 |
| Serbia | 7,4 | 3,2 | 3,4 | 3,1 | 3,5 |
| Montenegro | 12,4 | 4,2 | 3,3 | 3,7 | 3,9 |
| Albania | 8,5 | 3,2 | 3,0 | 2,9 | 3,3 |
| Moldova | 13,9 | -3,2 | -0,4 | 0,2 | 2,9 |

| Countries | Fiscal balance (%of GDP) | | | | |
|------------|--------------------------|-------|-------|-----------------|-------|
| | OTP | | | Focus Economics | |
| | 2021 | 2022 | 2023 | 2022 | 2023 |
| Hungary | -7,3 | -4,9 | -3,5 | -5,7 | -4,0 |
| Romania | -7,1 | -6,5 | -5,5 | -6,7 | -5,3 |
| Bulgaria | -4,1 | -3,6 | -2,6 | -4,0 | -2,7 |
| Russia | 0,4 | -2,1 | -1,6 | -1,7 | -2,1 |
| Ukraine | -3,5 | -15,0 | -10,0 | -16,5 | -13,0 |
| Slovenia | -5,2 | -2,9 | -2,8 | -4,4 | -3,4 |
| Croatia | -2,9 | -2,5 | -2,0 | -3,0 | -2,3 |
| Serbia | -4,1 | -4,0 | -2,0 | -3,8 | -2,4 |
| Montenegro | -2,1 | -4,6 | -3,5 | -5,3 | -4,0 |
| Albania | -4,5 | -5,5 | -4,0 | -4,7 | -3,3 |
| Moldova | -3,3 | -8,0 | -6,0 | -6,2 | -4,4 |

| Countries | Inflation (average (yoy), %) | | | | |
|------------|------------------------------|------|------|-----------------|------|
| | OTP | | | Focus Economics | |
| | 2021 | 2022 | 2023 | 2022 | 2023 |
| Hungary | 5,1 | 10,4 | 7,4 | 10,1 | 6,5 |
| Romania | 5,0 | 12,4 | 9,3 | 11,9 | 7,1 |
| Bulgaria | 3,3 | 14,1 | 4,8 | 13,2 | 5,3 |
| Russia | 6,7 | 14,5 | 6,1 | 17,0 | 9,7 |
| Ukraine | 3,3 | 14,1 | 4,8 | 20,5 | 13,0 |
| Slovenia | 1,9 | 9,4 | 6,5 | 7,4 | 4,8 |
| Croatia | 2,6 | 10,2 | 6,7 | 8,7 | 4,2 |
| Serbia | 4,0 | 10,0 | 6,5 | 8,9 | 5,3 |
| Montenegro | 2,4 | 10,2 | 3,1 | 8,5 | 3,6 |
| Albania | 2,0 | 6,4 | 5,0 | 5,9 | 3,6 |
| Moldova | 5,3 | 28,0 | 18,0 | 22,6 | 9,3 |

| Countries | Unemployment (%) | | | | |
|------------|------------------|------|------|-----------------|------|
| | OTP | | | Focus Economics | |
| | 2021 | 2022 | 2023 | 2022 | 2023 |
| Hungary | 4,1 | 3,7 | 3,9 | 3,8 | 3,7 |
| Romania | 5,6 | 5,4 | 5,0 | 5,5 | 5,3 |
| Bulgaria | 5,3 | 4,7 | 4,9 | 5,1 | 4,9 |
| Russia | 4,8 | 5,0 | 5,5 | 6,7 | 6,7 |
| Ukraine | 10,6 | 15,4 | 11,0 | 24,3 | 13,9 |
| Slovenia | 4,8 | 4,1 | 4,2 | 4,5 | 4,3 |
| Croatia | 7,6 | 6,8 | 6,0 | 7,5 | 7,1 |
| Serbia | 10,2 | 10,5 | 10,0 | 10,2 | 9,5 |
| Montenegro | 16,7 | 15,8 | 15,3 | 16,9 | 15,7 |
| Albania | 11,3 | 11,5 | 11,9 | 11,3 | 11,0 |
| Moldova | 3,9 | 5,6 | 6,5 | 3,8 | 3,9 |

Source: Focus Economics, OTP Research Center

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