

OTP Weekly Outlook

 **otp** Global Markets

Next week's spotlight:

- US job report
- Euro area inflation and GDP data

This week:

- Both the Fed and the ECB raised by 25 bips as expected and promised to remain data-dependent.
- US GDP figure was solid, while euro area data were mixed
- LT yields mostly climbed higher this week, with sharp rises in the US, but slight changes in the euro area after the Fed's and the ECB's rate-setting meetings.
- The US rate hike expectations considerably strengthened after stronger-than-forecast Q2 GDP data that led the EUR/USD to 1.10 with the dollar gaining 1.0%.
- In stock markets, the major equity indices are on track for sizeable weekly gains, with the Stoxx600 gaining 1.2% and the S&P500 rising 0.8%.
- Crude oil prices jumped 3% w/w, supported by demand and supply side issues. The 1M TTF gas futures fell 5% w/w as the latest heatwave in Europe seems to subside.

Next week's spotlight: US job report, euro area inflation and GDP data

Date**		Cd.	Event/Data	Period	Cons.	Prev.
2023 7. 31.	3 :30	CN	NBS Manufacturing PMI (points)	Jul	49.2	49.0
	3 :30	CN	NBS Non-manufacturing PMI (points)	Jul		53.2
	8 :00	DE	Retail sales MoM (%)	Jun	0.1	0.4
	10 :00	IT	GDP preliminary, QoQ (%)	Q2	0.0	0.6
	11 :00	EZ	CPI (Flash, YoY, %)	Jul	5.2	5.5
	11 :00	EZ	Core CPI (Flash, YoY, %)	Jul	5.4	5.5
	11 :00	EZ	GDP preliminary, QoQ (%)	Q2	0.2	-0.1
	11 :00	EZ	GDP preliminary, YoY (%)	Q2	0.5	1.0
8. 1.	3 :45	CN	Caixin Manufacturing PMI (points)	Jul	50.3	50.5
	11 :00	EZ	Unemployment rate (%)	Jun	6.5	6.5
	16 :00	US	Construction spending MoM (%)	Jun	0.5	0.9
	16 :00	US	ISM Manufacturing PMI (points)	Jul	46.8	46.0
	16 :00	US	Job Openings (million)	Jun	9.6	9.8
2.	14 :15	US	ADP non-farm employment MoM, 000s)	Jul		497
3.	3 :45	CN	Caixin Services PMI	Jul		53.9
	8 :00	DE	Export MoM, SA, %)	Jun	0.3	-0.1
	11 :00	EZ	Producer Prices MoM (%)	Jun	-0.2	-1.9
	11 :00	EZ	Producer Prices YoY (%)	Jun	-3.1	-1.5
		UK	Interest rate decision (%)	Aug	5.25	5.0
	14 :30	US	Initial jobless claims (000s)	weekly	227	221
	14 :30	US	Continuing jobless claims (000s)	weekly		1690
	14 :30	US	Non-farm Unit Labor Costs preliminary, QoQ (%)	Q2	2.7	4.2
	14 :30	US	Non-farm productivity growth preliminary, QoQ (%)	Q2	1.1	-2.1
	16 :00	US	Factory orders MoM (%)	Jun	1.9	0.3
	16 :00	US	ISM non-manufacturing PMI (points)	Jul	53.0	53.9
4.	8 :00	DE	Industrial orders MoM (%)	Jun	-1.5	6.4
	8 :45	FR	Industrial production MoM (%)	Jun	-0.3	1.2
	11 :00	EZ	Retail sales MoM (%)	Jun	0.1	0.0
	14 :30	US	Non-farm payroll MoM, 000s)	Jul	200	209
	14 :30	US	Unemployment rate (%)	Jul	3.6	3.6
	14 :30	US	Average earnings MoM (%)	Jul	0.3	0.4
	14 :30	US	Average earnings YoY (%)	Jul	4.2	4.4

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

USA: Labour market data will be in the spotlight

Date	Cd.	Event/ Data	Period	Cons.	Prev.
2023.08.01 16:00	US	Construction spending (M oM, %)	Jun	0.5	0.9
16:00	US	ISM Manufacturing PMI (points)	Jul	46.8	46
16:00	US	Job Openings (million)	Jun	9.6	9.8
02. 14:15	US	ADP non-farm employment (M oM, 000s)	Jul		497.0
03. 14:30	US	Non-farm Unit Labor Costs (preliminary, QoQ, %)	Q2	2.7	4.2
14:30	US	Non-farm productivity growth (preliminary, QoQ, %)	Q2	1.1	-2.1
16:00	US	Factory orders (M oM, %)	Jun	1.9	0.3
16:00	US	ISM non-Manufacturing PMI (points)	Jul	53.0	53.9
04. 14:30	US	Non-farm payroll (M oM, 000s)	Jul	200	209
14:30	US	Unemployment rate (%)	Jul	3.6	3.6
14:30	US	Average earnings (M oM, %)	Jul	0.3	0.4
14:30	US	Average earnings (YoY, %)	Jul	4.2	4.4

Key highlights

- **July's labour market data** will be important, as we saw the first unquestionable sign of easing in June, and the market is waiting for a further slowdown: it is expecting the NFP to fall below 200,000, the unemployment rate to stagnate, and wage dynamic to be slightly lower than in June, implying that labour market tightness is easing further.
- June's **job openings** data will give an indication of employers' view about business cycle.
- **Quarterly data on labour costs and productivity change** are due to be released, and we expect an increase from Q1, especially after negative productivity data in Q1.
- Regarding interest rate expectations, the incoming data are unlikely to bring much change, and expectations remain that the current interest rate is also the peak, as there will be one labour market and two months of inflation data before the next meeting in September.

Labour market data



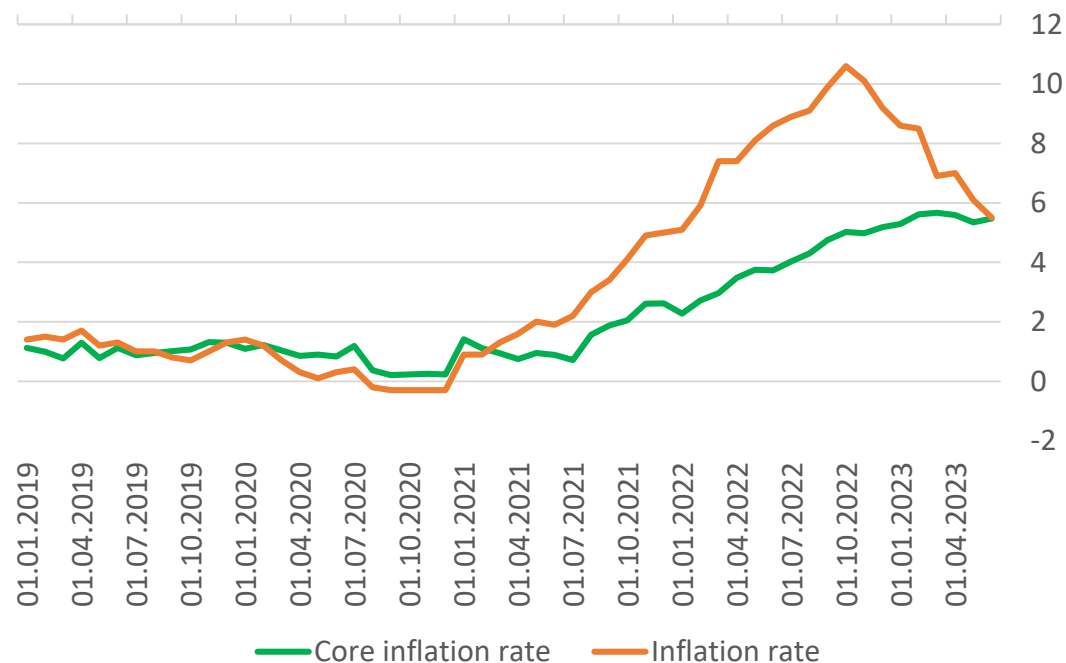
Euro area: July flash inflation and Q2 GDP will be in the spotlight

Date	Time	Cd.	Event/ Data	Period	Cons.	Prev.
2023 7. 31.	8 :00	DE	Retailsales M oM ,%)	Jun	0.1	0.4
	10 :00	IT	GDP (prelim inary,QoQ,%)	Q2	0.0	0.6
	11 :00	EZ	CPI (flash,YoY,%)	Jul	5.2	5.5
	11 :00	EZ	Core CPI (flash,YoY,%)	Jul	5.4	5.5
	11 :00	EZ	GDP (prelim inary,QoQ,%)	Q2	0.2	-0.1
	11 :00	EZ	GDP (prelim inary,YoY,%)	Q2	0.5	1.0
8. 1.	11 :00	EZ	Unem plym entr ate (%)	Jun	6.5	6.5
3.	8 :00	DE	Export M oM ,SA,%)	Jun	0.30	-0.10
	11 :00	EZ	Producer Prices M oM ,%)	Jun	-0.2	-1.9
	11 :00	EZ	Producer Prices YoY,%)	Jun	-3.1	-1.5
4.	8 :00	DE	Industrial orders M oM ,%)	Jun	-2.0	6.4
	8 :45	FR	Industrial production M oM ,%)	Jun	-0.3	1.2
	11 :00	EZ	Retailsales M oM ,%)	Jun	0.1	0.0

Key highlights

- In the **euro area**, disinflation has gained traction recently, and not only the headline, but the MoM core inflation rate has also slowed sharply (from around 0.8-1% to 0.2-0.3%). Admittedly, this was not reflected in the headline rate, which moved up, due to base effects. Underlying inflation indicators are also coming down and point to a price growth around 4%, down from 5-6% a few months earlier.
- The second-quarter **GDP** data for the whole area will also be released. The market expects a 0.2% quarter-on-quarter expansion, after the previous quarter's stagnation. Of particular interest here is that while the monthly business cycle and confidence indices were very weak, France's GDP data released on Friday were surprisingly strong, although the German figure was a touch weaker than foreseen..

Euro area inflation and core inflation (YoY, %)



This week's data: Both the Fed and the ECB raised by 25 bips as expected, and promised to remain data-dependent. US GDP figure was solid, while euro area data were mixed.

Date**		Cd.	Event/ Data	Period	Fact	Cons.	Prev.
	10 :00	EZ	HCOB M anufacturing PM I (points)	Jul	42.7	43.5	43.4
	10 :00	EZ	HCOB Service PM I (points)	Jul	51.1	51.5	52.0
	15 :45	US	S&P Global M anufacturing PM I (points)	Jul	49	46.2	46.3
	15 :45	US	S&P Global Service PM I (points)	Jul	52.4	54.0	54.4
25.	10 :00	DE	IFO Econom ic sentin ent index (points)	Jul	87.3	88.0	88.5
	15 :00	US	Case-Shiller Hom e Price Index (YoY, %)	May	-1.7	-2.2	-1.7
	16 :00	US	Consum er confidence (point)	Jul	117.0	111.8	109.7
26.	16 :00	US	New hom e sales (annualized m onthly, 000s)	Jun	697	725	715
	20 :00	US	Interest rate decision (%)	Jul	5.25-5.5	5.25-5.5	5.25-5.5
27.	14 :15	EZ	Interest rate decision (deposit rate, %)	Jul	3.75	3.75	3.50
	14 :15	EZ	Interest rate decision (lending rate, %)	Jul	4.25	4.25	4.0
	14 :30	US	GDP (prelim inary, annualized QoQ, %)	Q2	2.4	1.8	2.0
28.	5 :00	JP	Interest rate decision (%)	Jul	-0.1	-0.1	-0.1
	7 :30	FR	GDP (prelim inary, QoQ, %)	Q2	0.5	0.1	0.1
	9 :00	ES	GDP (prelim inary, QoQ, %)	Q2	0.4	0.4	0.5
	10 :00	DE	GDP (prelim inary, QoQ, %)	Q2	0.0	0.1	-0.1
	11 :00	EZ	EC Econom ic Sentin ent Index (points)	Jul	94.5	95.0	95.3
	14 :00	DE	CPI (prelim inary, YoY, %)	Jul	6.2	6.2	6.4
	14 :30	US	Personal incom e (M oM, %)	Jun	0.3	0.5	0.5
	14 :30	US	Personal consum ption (adjusted, M oM, %)	Jun	0.5	0.4	0.2
	14 :30	US	Household core PCE index (M oM, %)	Jun	0.2	0.2	0.3

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

Key highlights

- In the **US**, the **Fed** raised the Fed Funds Target rate by 25 bips, as expected. It also pointed out that at the next meeting (in September), it may continue tightening if meeting the inflation target makes it necessary; this depends on the next two inflation and labour market data releases. At the post-meeting press conference, Chair Jerome Powell's tone calmed the markets: expectations of a US interest rate hike have eased, and government bond yields sank moderately. US Flash Q2 **GDP** expanded by 2.4% at a seasonally adjusted annualized rate, as opposed to a 2% growth in Q1 and a consensus of 1.8%.
- The **ECB** also hiked by 25 bips, and left the door open for a further rate hike in September, but did not make commitment. While most monthly real economy and business confidence indices were disappointing for Q2, this week's French Q2 flash **GDP** surprised to the upside, while the Spanish one was in line with the consensus.

- LT yields climbed mostly higher this week, with sharp rises in the US but slight changes in the euro area after the Fed's and the ECB's rate decisions this week were in line with expectations.
- Interest rate hike expectations eased in the eurozone after ECB President Christine Lagarde's post-meeting speech, while US rate hike expectations considerably strengthened after stronger-than-forecast Q2 GDP data.
- The dollar gained, with the EUR/USD slipping to 1.10.
- In stock markets, the major equity indices are on track for sizeable gains, with the Stoxx600 rising 1.2% and the S&P500 adding 0.8%.
- Crude oil prices jumped 3% w/w, supported by demand and supply side issues. The 1M TTF gas futures fell 5% w/w as the latest heatwave in Europe seems to subside.

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	4574	0.8	19.1	US 2 year	4.90	5.8	46.9	Dollar index	101.689	0.6	-1.8	Brent	83.7	3.2	-2.6
Nasdaq Comp.	14263	1.6	36.3	US 10 year	3.98	14.2	10.2	EURUSD	1.1012	-1.0	2.9	WTI	79.6	3.3	-0.8
Dow Jones	35438	0.6	6.9	DE 2 year	3.03	-5.1	29.5	USDJPY	140.55	-0.8	-6.7	NatGas (TTF, front-month)*	26.4	-5.0	-64.3
Russel2000	1979	0.9	12.4	DE 10 Year	2.49	2.5	-7.5	GBPUSD	1.2852	0.0	6.4	Gold	1956.7	-0.3	7.3
Stoxx 600	471	1.2	10.8	FR 10 year	3.03	3.5	-8.0	AUDUSD	0.6658	-1.1	-2.3	Silver	24.3	-1.2	1.5
DAX	16443	1.6	18.1	SP 10 year	3.50	3.6	-14.5	USDCAD	1.3227	0.0	2.5	Palladium	1250.8	-3.4	-30.2
CAC40	7461	0.4	15.2	IT 10 year	4.11	4.3	-58.8	USDCHF	0.8687	-0.3	6.4	Copper	391.0	2.8	2.6
FTSE100	7690	0.3	3.2	UK 10 year	4.34	7.3	67.9	NZDUSD	0.6153	-0.3	-3.1	Steel	834.0	-2.8	12.1
FTSEMIB	29496	2.2	24.4	CH 10 year	0.97	4.5	-61.0	CNHUSD	7.1529	0.5	-3.2	W heat	698.3	0.1	-11.8
Nikkei225	32759	1.4	25.5	JP 10 year	0.56	11.4	14.2	USDTRY	26.9538	0.1	-30.6	Com	523.5	-0.7	-22.8
CSI300	3992.7	4.5	3.1	CN 10 year	2.65	3.7	-18.6	USDBRL	4.7248	1.2	11.8	Electricity (APX)*	74.2	-17.2	309.0

Source: Bloomberg

*In EUR/MWh

Key highlights: LT yields climbed mostly higher this week, with sharp rises in the US but slight changes in the euro area after the Fed's and the ECB's rate decisions this week were in line with expectations. Interest rate hike expectations eased in the eurozone after ECB President Christine Lagarde's post-meeting speech, while US rate hike expectations considerably strengthened after stronger-than-forecast Q2 GDP data. The dollar gained, with the EUR/USD slipping to 1.10. In stock markets, the major equity indices are on track for sizeable gains, with stronger weekly momentum in Europe. Crude oil prices jumped 3% w/w, supported by demand and supply side issues. The 1M TTF gas futures fell 5% w/w as the latest heatwave in Europe seems to subside.

- A flurry of leading economic data and events drove market trends this week in the developed capital and money markets. Major central banks' monetary policy decisions, PMIs and other sentiment indicators, Q2 GDP figures and CPIs in the eurozone members and the USA were in the investors' focus, while in the corporate sector the ongoing reporting season has brought excitement. Investors were wary ahead of the central bank meetings, yields moved mixed before the FOMC's rate hike decision on Wednesday and the ECB's rate decision on Thursday. Both bodies raised key rates by 25bps as expected; that was one reason why market participants cheered. Additionally, both central bank governors left the door open for further rate hikes, depending on the following economic data, but they also seemed more dovish compared to previous policy meetings.
- As President Christine Lagarde said that the ECB might hold rates in September, yields stopped rising and it seems that **euro area 10Y yields** edged slightly higher in a weekly comparison (+3-4bps) and 2Y Bund yields dropped 5bps as rate hike expectations eased. In the USA, Fed Chair Jerome Powell's tone calmed the markets at the post-meeting press conference in terms of further tightening; however, better-than-expected Q2 GDP data strengthened rate hike expectations, with 2Y and 10Y T-yields jumping 11 and 16bps respectively on Thursday. In a weekly horizon, **US 10Y yields** rose 14bps, while 2Y yields (which are better at reflecting the short-term rate changes) added 6bps as the Fed seems to near the end of its tightening cycle.
- **In the currency markets**, this week's main feature was the strengthening of the US dollar, with the **EUR/USD** sliding from above 1.11 last Friday to 1.10 by now. Stronger-than-forecast Q2 US GDP data boosted the greenback on Thursday, suggesting that the Fed could hike rates further if it continues to see strong economic data. **The yen** (JPY) rose near 1% vs. the US dollar this week, after last week's depreciation. At its monetary policy meeting today, the BoJ left the benchmark policy rate at -0.1%, as expected, and said that would continue to allow 10Y government bond yields to fluctuate in the range of +/- 0.5%. The BoJ would offer to buy 10Y Japanese government bonds at 1.0% in fixed-rate operations, instead of the previous rate of 0.5%, signalling that it would now tolerate a rise in the 10-year yield to as much as 1.0%.
- **In the equity markets**, the ongoing reporting season drove stock indices, with investors eagerly eyeing not only companies' revenue and EPS figures, but also the growth rates projected from the recent data and the companies' messages on growth outlook. **In the USA**, this week's major earnings hits were Meta, Alphabet, Microsoft, Boeing, and McDonald's, with all topping analysts' revenue and profit expectations but getting mixed reception depending on investors' perceptions on earnings outlook. Major US stock indices edged moderately higher this week, with the Dow adding 0.6%, the S&P gaining 0.8% and the Nasdaq Composite rising 1.6%. Considering the S&P500 sectors, telco jumped the most, and health care and utilities became the biggest laggards. **In Europe**, major indices are on track for sizeable gains, with the Stoxx600 rising 1.2%, the FTSE adding 0.3%, and the DAX jumping 1.6%. France's CAC40 also lags behind regional peers after a bumpy week. Earnings season in Europe rides at a lower gear; about a sixth of the European Stoxx600 companies have reported earnings so far, less than half of them have beaten expectations, fewer than in a typical quarter. Financial services, auto & parts and technology seem to gain this week among Stoxx600's sectors, while utilities and oil & gas lag behind.
- **In commodity markets**, crude oil prices show strong gains this week (+3%) after China's authorities pledged to support slowing economy with incentives, raising hopes for improving demand outlook. On the supply side, besides voluntary output cuts of Saudi Arabia and Russia, OPEC+ also indicated willingness to take further action to support the oil market. The 1M **TTF gas futures** are on track for 5% weekly decline, to 26 EUR/MWh as heatwave in Europe subsided.

Stock market and sector performance

Performance of US sectors			
Sector	Last price	1week change (%)	YTD (%)
S & P500	4574	0.8	19.1
IT	3155	1.0	45.3
Health care	1568	-1.3	-1.1
Financials	586	0.0	2.9
Telco	230	6.4	44.2
Consumer discretionary	1348	0.7	34.0
Industrials	932	0.6	12.1
Consumer staples	798	0.7	2.4
Utilities	343	-1.3	-4.2
Energy	653	1.2	-2.9
Real estate	240	-0.7	3.5
Materials	537	1.9	9.7
Key US Tech companies			
Company	Last price	1week change (%)	YTD (%)
Alphabet	133	10.4	50.2
Amazon	131	0.6	55.8
Apple	195	1.8	50.4
Meta	317	7.7	163.3
Microsoft	336	-2.4	39.9
Tesla	261	0.4	111.9

Source: Bloomberg

Performance of Europe's sectors			
Sector	Last price	1week change (%)	YTD (%)
Stoxx 600	471	1.2	10.8
Health care	1059	-0.5	6.3
Industrial goods & services	747	1.3	17.4
Banks	164	1.2	16.5
Personal & household goods	1102	1.2	14.8
Insurance	332	1.8	4.0
Food and beverages	781	1.4	4.7
Technology	726	3.0	25.6
Utilities	385	-1.0	7.0
Oil & gas	336	-1.1	-2.6
Chemicals	1246	2.9	9.1
Construction & materials	618	2.4	21.3
Telco	197	1.4	4.2
Retail	387	0.1	29.1
Financial services	633	3.1	12.3
Basic resources	563	2.1	-10.2
Real estate	115	-0.4	-2.3
Auto & parts	656	3.1	24.5
Media	370	2.7	13.2
Travel & leisure	246	1.1	24.7

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	471	3.3	0.9	3.5	8.8	13.8	1.7	1.3	11.8	1.1	154.1	-0.2	0.7	
Germany	DAX Index	16443	3.1	3.3	8.5	23.8	13.2	1.4	0.9	9.7	1.2	106.5	-8.4	5.1	
France	CAC Index	7461	2.4	-0.4	5.2	17.7	12.7	1.7	1.2	10.9	1.1	197.0	1.5	0.7	
Poland	WIG20 Index	2188	7.0	13.8	14.5	31.2	5.9	1.1	0.7	15.4		42.6	12.4	7.0	
Czechia	PX Index	1353	4.7	-1.8	1.6	9.2	7.8	1.2	0.9	14.9		150.6	7.5	8.1	
Hungary	BUX Index	53105	5.1	18.5	13.8	27.1	5.4	1.0	0.6	17.6		58.6	-312.6	-5.5	
Romania	BET Index	13233	7.7	7.9	8.6	6.0	3.5	1.1	0.9	22.7		43.5	0.0		
Bulgaria	SOFIX Index	679	1.4	11.8	10.5	12.6	4.4	0.8	0.4	11.8	2.4	60.4			
Russia	MOEX Index	3000	7.9	13.9	37.0	37.0	2.3	0.5	0.6	19.1					
Ukraine	PFTS Index	507	0.0	0.0	0.0	-2.3	37.8	7.4	5.2	19.6		8.1			
Slovenia	SBITOP Index	1262	3.3	2.6	13.6	10.9	9.3	1.0	0.4	11.3		36.0	-4.3	6.5	
Croatia	CRO Index	2401	1.5	7.6	13.1	21.3	88.2	8.1	5.9	6.6	1.5	32.3			
Serbia	BELEX15 Index	877	1.6	-3.1	2.9	5.3	390.5	55.6	41.7	14.4	2.0	17.6	0.0		
Montenegro	MNSE10 Index	1003	-1.0	0.4	-2.6	23.6	9.5	0.3	0.6	2.4	1.9	7.6			

1264075

*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	2022.Q4	2023.Q1	2023.Q2	2023.Q3	2023.Q4	2024.Q4	2025.Q4
EURUSD	1.00	1.07	1.08	1.10	1.12	1.15	1.15
EURGBP	0.88	0.88	0.88	0.87	0.88	0.88	0.89
EURCHF	0.98	0.99	0.98	0.98	0.99	1.04	1.01
USDJPY	144.5	140	145	152	150	141	138

Source: Bloomberg

Country	FX pair	2022.Q4	2023.Q1	2023.Q2	2023.Q3	2023.Q4	2024.Q1	2024.Q2	2024.Q3	2024.Q4
Hungary	EURHUF (€op)	400	380	373	381	382	384	384	386	386
Romania	EURRON (€op)	4.95	4.95	4.96	4.98	5	5.03	5.04	5.01	5.03
Russia	USDRUB (€op)	73.0	77.7	89.5	80.5	82.4	82.5	83.7	84.3	85.7
Ukraine	USDUAH (€op)	37.0	36.7	36.7	39.6	41.1	41.7	41.8	42.2	41.4
Serbia	EURRSD (€op)	117.0	117.0	117.0	117.0	117.0	117.0	117.0	117.0	117.0

*No forecast available for Moldova and Albania

Source: Focus Economics

Macro outlook in the region

Countries	GDP (yoy, %)				
	OTP			Focus Economics	
	2022	2023	2024	2023	2024
Hungary	4.6	-0.6	1.5	0.0	2.8
Rom ania	4.7	2.8	3.5	2.6	3.6
Bulgaria	3.4	1.5	2.4	1.5	2.5
Russia	-2.1	1.8	1.2	0.0	1.1
Ukraine	-29.1	1.0	3.9	2.4	5.9
Slovenia	5.4	1.4	2.6	1.4	2.4
Croatia	6.2	2.7	3.0	1.9	2.6
Serbia	2.3	1.4	3.0	1.8	3.1
M ontenegro	6.1	4.7	2.8	3.3	3.0
Albania	4.8	3.2	3.8	2.7	3.5
M oldova	-5.9	3.3	4.9	1.8	4.3

Countries	Fiscal balance (%of GDP)				
	OTP			Focus Economics	
	2022	2023	2024	2023	2024
Hungary	-6.3	-5.8	-3.6	-4.4	-3.5
Rom ania	-6.2	-5.0	-4.0	-5.0	-4.3
Bulgaria	-2.8	-3.4	-3.1	-3.5	-3.0
Russia	-2.5	-3.7	-2.8	-3.6	-2.4
Ukraine	-17.6	-15.0	-15.0	-19.5	-14.8
Slovenia	-3.0	-4.2	-2.8	-3.8	-2.5
Croatia	0.4	-1.0	-1.0	-1.6	-1.5
Serbia	-3.3	-3.3	-3.3	-3.0	-2.2
M ontenegro	-4.3	-5.1	-4.6	-4.6	-4.4
Albania	-3.8	-3.0	-3.0	-3.0	-2.5
M oldova	-3.3	-4.0	-3.5	-5.0	-4.0

Countries	Inflation (average (yoy), %)				
	OTP			Focus Economics	
	2022	2023	2024	2023	2024
Hungary	14.5	18.0	5.0	18.0	5.5
Rom ania	13.7	10.4	5.0	10.4	5.3
Bulgaria	15.3	9.9	3.6	9.7	4.1
Russia	13.8	5.1	4.3	5.6	4.8
Ukraine	15.3	9.9	3.6	16.6	12.0
Slovenia	9.3	7.0	3.2	7.0	3.8
Croatia	10.7	8.4	3.7	7.1	3.1
Serbia	11.9	11.7	5.0	11.6	5.4
M ontenegro	13.0	4.9	2.5	8.3	4.0
Albania	6.7	4.5	3.0	4.5	3.2
M oldova	28.8	13.0	5.5	13.3	5.9

Countries	Unemployment (%)				
	OTP			Focus Economics	
	2022	2023	2024	2023	2024
Hungary	3.6	4.1	4.2	4.1	3.9
Rom ania	5.6	5.8	5.5	5.6	5.5
Bulgaria	4.3	4.3	4.1	4.4	4.5
Russia	3.9	3.7	4.0	3.6	3.8
Ukraine	24.5	27.6	16.2	22.7	19.7
Slovenia	4.8	3.5	3.2	4.0	4.0
Croatia	7.0	6.5	6.5	6.6	6.4
Serbia	9.4	10.0	9.5	9.5	9.0
M ontenegro	15.0	15.2	14.8	15.0	14.7
Albania	11.3	10.2	9.4	10.6	10.3
M oldova	3.1	4.5	4.3	3.7	3.5

Source: Focus Economics, OTP Research Center

Gergely Tardos

Chief Economist

tardosg@otpbank.hu

**Mihály András
Kovács**

Analyst

Mihaly.Andras.Kovacs@otpbank.hu

Gergely Rezessy

Analyst

Gergely.Gabor.Rezessy@otpbank.hu

Orsolya Rátkay

Analyst

Orsolya.Ratkay@otpbank.hu

Beáta Váradi

Analyst

Beata.Varadi@otpbank.hu

OTP Bank Romania Global Markets Sales Team

Robert Kovacs

Head of Sales

+40 372 318 588

robert.kovacs@otpbank.ro

Anamaria Toma

Desk Dealer

+40 372 318 585

anamaria.toma@otpbank.ro

Corina Bejan

Desk Dealer

+40 372 318 583

corina.bejan@otpbank.ro

Teodor Tibuleac

Desk Dealer

+40 372 318 586

corina.bejan@otpbank.ro

Szilamer Kozma

Regional Dealer

+40 372 504 520

szilamer.kozma@otpbank.ro

Andrei Sala

Regional Dealer

+40 755 000 015

andrei.sala@otpbank.ro

Dan Giurea

Regional Dealer

+40 372 318 584

dan.giurea@otpbank.ro

Alexandru Sabin

Regional Dealer

+40 755 000 255

alexandru.sabin@otpbank.ro

Disclaimer for OTP Bank Romania S.A. customers

OTP Bank Romania S.A. does not intend to present this document as an objective or independent explanation of the matters contained therein. This document a) has not been prepared in accordance with legal requirements designed to promote the independence of investment research, and b) is not subject to any prohibition on dealing ahead of the dissemination of investment research.

This communication does not contain a comprehensive analysis of the described issues. This report is issued for information purposes only and should not be interpreted as a suggestion, an invitation or an offer to enter into any transaction, as an investment advice, and it does not constitute legal, tax or accounting advice. Also it is not and should not be considered a recommendation for investment in financial instruments according to FSA Regulation no 5/2019.

Information herein reflects current market practices. Additional information may be available on request. This document is intended only for the direct and sole use of the selected customers of OTP Bank Romania S.A. Any form of reproduction or redistribution to any other person that the intended recipients, including publication in whole or in part for any purpose, must not be made without the express written agreement of OTP Bank Romania S.A. Although the information in this document has been prepared in good faith from sources which OTP Bank Romania S.A. believes to be reliable, we do not represent or warrant its accuracy and such information may be incomplete or condensed. The issuer of this report does not claim that the information presented herein is perfectly accurate or complete. However it is based on sources available to the public and widely believed to be reliable. Also the opinions and estimates presented herein reflect a professional subjective judgment at the original date of publication and are therefore subject to change thereafter without notice. Furthermore there can be no guarantees that any market developments will unfold as forecasted. Opinions and estimates constitute our judgment and are subject to change without notice.

OTP Bank Romania S.A. may have issued reports that are different or inconsistent with the information expressed within this report and is under no obligation to update or keep current the information contained herein.

OTP Bank Romania S.A. may hold a position or act as market maker in the financial instrument of any issuer discussed herein or act as advisor or lender to such issuer. This document is not intended to provide the basis for any evaluation of the financial instruments discussed herein. In particular, information in this document regarding any issue of new financial instruments should be regarded as indicative, preliminary and for illustrative purposes only, and evaluation of any such financial instruments should be made solely on the basis of information contained in the relevant offering circular and pricing supplement when available. OTP Bank Romania S.A. does not act as a fiduciary for or an advisor to any prospective purchaser of the financial instruments discussed herein and is not responsible for determining the legality or suitability of an investment in the financial instruments by any prospective purchaser.

This report is not intended to influence in any way or to be considered a substitute to research and advice centred on the specific investment objectives and constraints of the recipient (including tax concerns) therefore investors should obtain individual financial advice. Before purchasing or selling financial instruments or engaging investment services, please examine the prospectuses, regulations, terms, agreements, notices, fee letters, and any other relevant documents regarding financial instruments or investment services described herein in order to be capable of making a well-advised investment decision. Please refer to your competent adviser for advice on the risks, fees, taxes, potential losses and any other relevant conditions before you make your investment decision regarding financial instruments or investment services described herein. OTP Bank Romania S.A. in compliance with the applicable law, assumes no responsibility, obligation, warranty or guarantee whatsoever for any direct or indirect damage (including losses arising from investments), or for the costs or expenses, detrimental legal consequences or other sanctions (including punitive and consequential damage) sustained by any natural or legal person as a result of the purchase or sale of financial instruments or engaging investment services described herein, even if OTP Bank Romania S.A. was warned of the possibility of such occurrences.

Figures described herein refer to the past and past performance is not a reliable indicator of future results. Investments in financial instruments carry a certain degree of risk (fluctuation of share prices, uncertainty of dividend, yields and / or profits, exchange rate fluctuations, etc.). The capital invested is not guaranteed, investment gains, usually assumed proportionate to risk, and past performance of financial instruments is not a guarantee for future performance.

Please note that the Internet is not a secure environment and OTP Bank Romania S.A. does not accept any liability for any loss caused by the result of using this report in a form altered or delayed by the wilful or accidental interception, corruption or virus infection.

All rights reserved - OTP Bank Romania S.A. (registered seat: Street Buzesti, no. 66-68, 1st district Bucharest, Romania; company registration number: J40/10296/1995, CUI RO 7926069.; NBR registration no RB-PJR-40-028/1999; for further information please refer to: <https://www.otpbank.ro/en>).

This document has been provided to the recipients upon their prior request. Your abovementioned permission may be withdrawn by an e-mail addressed to newsletters@otpbank.ro or a written mail addressed to OTP Bank Romania S.A , Buzesti Street, no. 66-68, 1st district, Bucharest, Romania. Please refer to your name and e-mail address in both cases.