

## Next week's spotlight:

- Preliminary inflation figures from Europe
- US labour market figures

## This week:

- The Purchasing Manager Indices came in worse than expected, especially in Europe, where they fell deeper into the recessionary territory. The German Ifo index dropped to a ten-month low
- The People's Bank of China cut its 1 Year Loan Prime rate from 3.55% to 3.45% instead of the expected 3.4%
- Federal Reserve Chair Jerome Powell showed firm commitment to reach the 2% inflation target, however, did not mention unavoidable further hikes. This triggered a moderate fall in yields, some depreciation in the USD, and rise in equity indices, but only temporarily.
- Both in the USA and in Europe, weak PMI figures drove down LT yields from their decade highs. LT yields are expected to remain in focus as any shift upwards from the current critical levels could erode confidence on markets.
- The USD strengthened: the EUR/USD fell to a two-month low of 1.08.
- Equity markets were supported by the optimism around Nvidia's better-than-expected results and technology shares; however, the majority of early gains were eroded by the fears of higher yield environment
- After sharp falls in the first half of the week, oil price rebounded and finished the week with moderate loss

## Next week's spotlight: CPI for the eurozone and labour market in the US

Date**		Cd.	Event/ Data	Period	Cons.	Prev.
2023 8. 29.	15 :00	US	Case-Shiller Home Price Index (YoY,%)	Jun		-1.7
	16 :00	US	Consumer confidence (point)	Aug	116	117
	16 :00	US	Job Openings (million)	Jul		9.582
30.	11 :00	EZ	EC Economic Sentiment Index (points)	Aug	93.9	94.5
	14 :00	DE	CPI (preliminary, YoY,%)	Aug	6.0	6.2
	14 :15	US	ADP non-farm employment MoM, 000s)	Aug	188	324
	14 :30	US	GDP (detailed, QoQ annualized,%)	Q2	2.4	2.4*
	16 :00	US	Pending home sales MoM, (%)	Jul		0.3
31.	3 :30	CN	NBS Manufacturing PMI (points)	Aug	49.5	49.3
	3 :30	CN	NBS Non-manufacturing PMI (points)	Aug		51.5
	8 :00	DE	Retail sales MoM, (%)	Jul	0.3	-0.8
	8 :45	FR	GDP (detailed, QoQ,%)	Q2	0.5	0.5*
	9 :00	TR	GDP (first estimate, YoY,%)	Q2		4.0
	11 :00	EZ	CPI (flash, YoY,%)	Aug	5.1	5.3
	11 :00	EZ	Core CPI (flash, YoY,%)	Aug	5.3	5.5
	11 :00	EZ	Unemployment rate (%)	Jul	6.4	6.4
	14 :30	US	Personal income MoM, (%)	Jul	0.3	0.3
	14 :30	US	Personal consumption (adjusted, MoM,%)	Jul	0.7	0.5
	14 :30	US	Household core PCE index MoM, (%)	Jul	0.2	0.2
	14 :30	US	Initial jobless claims (000s)	weekly	239	230
	14 :30	US	Continuing jobless claims (000s)	weekly		170.2
9. 1.	3 :45	CN	Caixin Manufacturing PMI (points)	Aug		49.2
	10 :00	IT	GDP (detailed, QoQ,%)	Q2	-0.3	-0.3*
	14 :30	US	Non-farm payroll MoM, 000s)	Aug	170	187
	14 :30	US	Unemployment rate (%)	Aug	3.5	3.5
	14 :30	US	Average earnings MoM, (%)	Aug	0.3	0.4
	14 :30	US	Average earnings (YoY,%)	Aug	4.4	4.4
	16 :00	US	Construction spending MoM, (%)	Jul	0.5	0.5
	16 :00	US	ISM Manufacturing PMI (points)	Aug	47.0	46.4

\*Preliminary data

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

## USA: August's labour market data and July's core PCE will be in the spotlight

Date		Cd.	Event/ Data	Period	Cons.	Prev.
2023.08.29	15:00	US	Case-Shiller Home Price Index (YoY,%)	Jun		-1.7
	16:00	US	Consumer confidence (point)	Aug	116	117
	16:00	US	Job Openings (million)	Jul		9.6
	30 14:15	US	ADP non-farm employment MoM, (000s)	Aug	188	324
	14:30	US	GDP (detailed, QoQ annualized,%)	Q2	2.4	2.4
	16:00	US	Pending home sales MoM, (%)	Jul		0.3
	31 14:30	US	Personal income MoM, (%)	Jul	0.3	0.3
	14:30	US	Personal consumption (adjusted, MoM,%)	Jul	0.7	0.5
	14:30	US	Household core PCE index MoM, (%)	Jul	0.2	0.2
	09.01 14:30	US	Non-farm payroll MoM, (000s)	Aug	170	187
	14:30	US	Unemployment rate (%)	Aug	3.5	3.5
	14:30	US	Average earnings MoM, (%)	Aug	0.3	0.4
	14:30	US	Average earnings (YoY,%)	Aug	4.4	4.4
	16:00	US	Construction spending MoM, (%)	Jul	0.5	0.5
	16:00	US	ISM Manufacturing PMI (points)	Aug	47.0	46.4

### Key highlights

- It is going to be a busy week in terms of data releases in the USA. The most important of these will be labour market and inflation data.
- In the labour market, we expect a further slowdown in **NFP**, and the coming months could bring a further gradual slowdown. The **unemployment rate** is expected to remain low in August. Overall, this still shows a resilient labour market, where cracks appear.
- MoM **wage dynamics** could be 0.3-0.4%, just like in the past 12 months, leaving the annual index stagnating at 4.4%.
- The number of **job openings** may continue to decline, moving away from the symbolic level of 10 million.
- Also coming is the **core consumer spending index**, the Fed's favourite inflation gauge, where a small uptick in the annual dynamics is expected in the July data, as a very low MoM dynamic drops out of the annual index.
- Overall, **the data received so far have not made life easier for Fed decision-makers**, who are still facing a strong economy and tight labour market, as well as rapidly falling inflation, and fear that if the pace of growth does not slow significantly, it will push the Fed into further rate hikes.
- In addition, the Consumer Confidence Index, housing market statistics, household income data and manufacturing PMI will also be released.

## Euro area: August's inflation reading will be in the spotlight

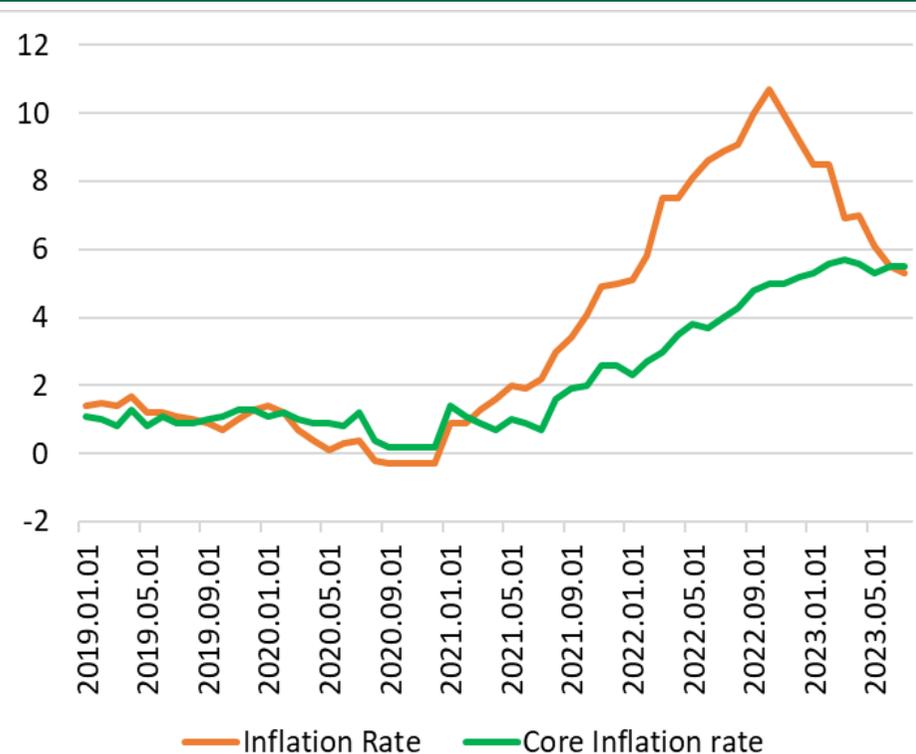
Date	Cd.	Event/ Data	Period	Cons.	Prev.
2023.08.30	11:00	EZ EC Economic Sentiment Index (points)	Aug	93.9	94.5
	11:00	DE CPI (preliminary, YoY, %)	Aug	6.0	6.2
31	8:00	DE Retail sales MoM, %)	Jul	0.3	-0.8
	8:45	FR GDP (detailed, QoQ, %)	Q2	0.5	0.5*
	11:00	EZ CPI (flash, YoY, %)	Aug	5.1	5.3
	11:00	EZ Core CPI (flash, YoY, %)	Aug	5.3	5.5
	11:00	EZ Unemployment rate (%)	Jul	6.4	6.4
09.01	10:00	IT GDP (detailed, QoQ, %)	Q2	-0.3	-0.3*

\* preliminary data

### Key highlights

- Over the summer, euro area disinflation accelerated, with both headline and core inflation rates turning negative on a monthly basis in July (-0.1% month-on-month for both readings), compared with the near 1% monthly dynamic seen in the spring for both indicators. The **euro area annual headline inflation** rate was 5.3% in July, the lowest since January 2022. The **core inflation rate**, which excludes energy, food, alcohol and tobacco, remained unchanged at 5.5% in July, thanks to the base effect, even with the low monthly repricing.
- In July, the ECB has left the door open regarding its September decision, saying that the monetary council's decision will be entirely data-driven and incoming readings may decide whether another 25-basis-points hike is needed in the early autumn or whether it could temporarily stop at the current 4.25%-4.50% level. In addition, it will also be worth watching to see whether the acceleration in services inflation has continued, which could greatly influence inflation stickiness.

### Euro area inflation and core inflation (YoY, %)



**This week's data: US industrial production and retail trade growth surprised to the upside; China's production and retail data missed estimates, but remained in growth territory, albeit slowing from previous month**

Date**		Cd.	Event/ Data	Period	Fact	Cons.	Prev.	
2023 8. 22.	16 :00	US	Existing home sales (annualized monthly, 000s)	Jul	4070	4150	4160	
	23.	9 :15	FR	HCOB M anufacturing PM I (points)	Aug	46.4	45.0	45.1
		9 :15	FR	HCOB Service PM I (points)	Aug	46.7	47.5	47.1
		9 :30	DE	HCOB M anufacturing PM I (points)	Aug	39.1	38.7	38.8
		9 :30	DE	HCOB Service PM I (points)	Aug	47.3	51.5	52.3
		10 :00	EZ	HCOB M anufacturing PM I (points)	Aug	43.7	42.6	42.7
		10 :00	EZ	HCOB Service PM I (points)	Aug	48.3	50.5	50.9
		10 :30	UK	S&P Global M anufacturing PM I (points)	Aug	42.5	45.0	45.3
		10 :30	UK	S&P Global Service PM I (points)	Aug	48.7	51.0	51.5
		15 :45	US	S&P Global M anufacturing PM I (points)	Aug	47.0	49.3	49.0
		15 :45	US	S&P Global Service PM I (points)	Aug	51.0	52.2	52.3
	16 :00	EZ	Consumer confidence (point)	Aug	-16.0	-14.3	-15.1	
	16 :00	US	New home sales (annualized monthly, 000s)	Jul	714	705	697	
24.	13 :00	TR	Interest rate decision (%)	Aug	25.0	20.0	17.5	
	14 :30	US	Durable goods orders MoM (%)	Jul	-5.2	-4.0	4.6	
	14 :30	US	Initial jobless claims (000s)	weekly	230	240	239	
	14 :30	US	Continuing jobless claims (000s)	weekly	1702	1708	1716	
		US	Jackson Hole symposium (3 days)		-	-	-	
25.	8 :00	DE	GDP (detailed, QoQ, %)	Q2	0.0	0.0	0.0*	
	10 :00	DE	IFO Economic sentiment index (points)	Aug	85.7	86.7	87.3	

\*preliminary data

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

## Key highlights

- The main surprise this week was caused by S&P Global **Purchasing Manager Indices**, which showed that services sector growth slowed stronger than expected in the USA, while in Europe PMIs fell even deeper into the recessionary territory. In Europe, manufacturing PMIs improved, but they fell unexpectedly in the USA. These figures are consistent with **growth slowing down close to stagnation in the USA, and a contraction of economic activity in Europe**. In Europe, recessionary fears were strengthened by the **Consumer Confidence Index, which unexpectedly fell again** and by the **German IFO index, which retreated to a 10-month low**.
- Jobless claims unexpectedly fell in the USA, suggesting that the labour market remained strong.
- In his Jackson Hole speech, Federal Reserve Chair Jerome Powell showed firm commitment to reach the 2% inflation target, however, he did not mention unavoidable further hikes.

- Both in the USA and in Europe, LT yields fell from their decade highs, but in the second half of the week they started to crawl upwards again.
- The USD strengthened: the EUR/USD fell to a two-month low of 1.08.
- Equity markets were supported by the optimism around Nvidia's better-than-expected results and technology shares; however, the majority of early gains were eroded by fears of higher yield environment.
- After sharp falls in the first half of the week, oil prices rebounded and finished the week with moderate loss.

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	4396	0.6	14.5	US 2 year	5.06	11.4	63.0	Dollar index	103.93	0.5	0.4	Brent	84.1	-0.8	-2.1
Nasdaq Comp.	13546	1.9	29.4	US 10 year	4.23	-2.1	35.9	EURUSD	1.0807	-0.6	1.0	WTI	79.8	-1.8	-0.6
Dow Jones	34191	-0.9	3.1	DE 2 year	3.02	-2.3	27.7	USDJPY	146.12	-0.5	-10.3	NatGas (1TF, front month)*	34.4	-7.8	-53.6
Russel2000	1851	-0.4	5.1	DE 10 Year	2.55	-7.3	-1.9	GBPUSD	1.2606	-1.0	4.3	Gold	1915.5	1.4	5.0
Stoxx 600	453	0.9	6.5	FR 10 year	3.07	-9.0	-3.4	AUDUSD	0.6415	0.1	-5.8	Silver	24.2	6.3	1.0
DAX	15677	0.7	12.6	SP 10 year	3.57	-10.2	-8.0	USDCAD	1.3606	-0.4	-0.4	Palladium	1231.0	-2.1	-31.3
CAC40	7252	1.2	12.0	IT 10 year	4.21	-11.1	-49.0	USDCHF	0.8851	-0.4	4.5	Copper	375.5	1.3	-1.5
FTSE100	7347	1.2	-1.4	UK 10 year	4.44	-22.9	77.8	NZDUSD	0.5916	-0.1	-6.8	Steel	803.0	-0.9	7.9
FTSEMIB	28266	1.8	19.2	CH 10 year	0.96	-4.7	-62.1	CNHUSD	7.2957	0.1	-5.1	W heat	603.3	-1.6	-23.8
Nikkei225	31624	0.6	21.2	JP 10 year	0.65	2.5	24.1	USDTRY	26.53	2.2	-29.5	Com	474.8	-1.0	-30.0
CSI300	3709.2	-2.0	-4.2	CN 10 year	2.57	0.8	-26.7	USDBRL	4.8833	1.8	8.1	Electricity (APX)*	93.1	-20.9	413.3

Source: Bloomberg

\*In EUR/MWh

Key highlights: Market sentiment was strongly driven by interest rate hike expectations and fears that LT yields both in the USA and in Europe could rise to a new, higher trading range after the range trading of the past 10 months. Weak PMI drove down long bond yields from their decade highs, but the risk of bouncing to new highs remained elevated. The USD strengthened: the EUR/USD fell to a two-month low of 1.08. Despite the positive impetus from Nvidia's better-than-expected results, most equity indices are heading for closing the week with only moderate gains as fears of higher yield environment became a drag on share prices in the second half of the week. After sharp falls in the first half of the week, oil price rebound and finished the week with moderate loss.

- **LT bond yields fell** this week after hitting new highs on Monday and Tuesday, when the USD 10Y yield rose above 4.3%, its highest since 2007, and the 10Y Germany yield revisited 2.7%. These levels could be considered as critical, as they are the upper edge of the trading band that have characterized long-term yields since last autumn, when the previous fast rise in yields came to an end and was replaced by a range trading of the past ten months. However, long-dated yields have risen again fast in recent weeks, as strong US growth feeds the fears of further rate hikes, loose fiscal policy suggests that supply will remain strong, while bond demand could weaken due to falling appetite of Japanese and Chinese investors for US assets, and ongoing quantitative tightening programs of the Fed and ECB. On Wednesday, the much-weaker-than-expected PMIs resulted in a sharp - 15 bps - fall in yields, but later the pressure started to build up again from Thursday, supported also by the view of senior Fed official James Bullard, who warned that further acceleration in the US economy could trigger further rate hikes. In his Jackson Hole speech, the most awaited event of the week, Federal Reserve Chair Jerome Powell showed firm commitment to reach the 2% inflation target; however, he did not mention unavoidable further hikes. This triggered moderate fall in yields, some depreciation in the USD, and a rise in equity indices, but only temporarily.

- **In the currency markets**, the dollar rally went on, the USD appreciated against most currencies and the dollar index rose by more than 0.5%. The EUR/USD, which hit the high of 1.12 six weeks ago, fell to around 1.08 by Friday. Surprisingly, most emerging currencies could remain roughly stable in this environment.

- **Equity markets started the week with gains**, supported by the early and later justified very good results of Nvidia, whose figures went ballistic due to the AI frenzy. Share prices were also supported by the sharp fall in long-term yields till the second half of the week, when worries on higher yield environment intensified again, eroding earlier gains. So, most of the equity markets are heading for closing the week only with smaller gains. In the case of Dow Jones and the Russel 2000 indices, all gains have been wiped out.

- **In commodity markets**, crude oil prices started the week on a weak tone, as the strong dollar and later the weak PMI data weighted on demand, but at the end of the week the bulk of early losses have been reversed. Gas prices remained on a rollercoaster; despite that, gas supplies in European storages exceeded 90% of capacities last week - a record in this part of the year. **TTF gas prices shot up to 40 EUR/MWh** on Monday, after the most important LNG-worker trade union in Australia announced that from early September, it may start a strike on a platform. Later relaxing news arrived about a forming agreement, so prices fell back, but rose again Friday on the news of weaker supply from Norway.

### Stock market and sector performance

Performance of US sectors			
Sector	Last price	1week change (%)	YTD (%)
S&P500	4396	0.6	14.5
IT	2994	2.5	37.9
Health care	1545	-0.6	-2.6
Financials	562	-0.3	-1.4
Telco	220	0.6	38.1
Consumer discretionary	1295	0.9	28.8
Industrials	896	-0.2	7.7
Consumer staples	757	-1.2	-2.8
Utilities	320	-0.2	-10.7
Energy	661	-2.1	-1.7
Real estate	229	0.8	-1.6
Materials	508	-0.1	3.7
Key US Tech companies			
Company	Last price	1week change (%)	YTD (%)
Alphabet	130	1.8	47.1
Amazon	133	-0.4	57.9
Apple	178	1.8	36.7
Meta	286	0.9	137.6
Microsoft	323	2.2	34.9
Tesla	233	8.3	89.4

Source: Bloomberg

Performance of Europe's sectors			
Sector	Last price	1week change (%)	YTD (%)
Stoxx 600	453	0.9	6.5
Health care	1069	1.1	7.3
Industrial goods & services	697	0.9	9.4
Banks	156	0.4	11.4
Personal & household goods	1040	0.6	8.3
Insurance	322	0.4	1.1
Food and beverages	749	1.2	0.5
Technology	675	0.4	16.9
Utilities	372	2.4	3.4
Oil & gas	339	0.7	-1.5
Chemicals	1190	1.1	4.3
Construction & materials	582	0.3	14.3
Telco	188	0.4	-0.9
Retail	370	-0.4	23.4
Financial services	609	1.5	8.0
Basic resources	519	2.7	-17.1
Real estate	110	2.4	-6.3
Auto & parts	603	0.3	14.3
Media	355	1.0	8.4
Travel & leisure	231	1.4	16.9

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 (%)
														1.264075
Europe	SXXP Index	453	-3.3	-0.8	-1.1	4.4	13.2	1.8	1.2	12.9	1.1	158.8	0.1	-0.7
Germany	DAX Index	15677	-3.3	-0.7	3.1	18.1	12.4	1.4	0.9	10.5	1.2	115.5	-18.0	-1.2
France	CAC Index	7252	-2.2	0.3	0.9	13.6	12.5	1.8	1.2	12.5	1.1	195.2	7.0	1.1
Poland	WIG20 Index	2008	-8.0	3.5	11.1	23.0	5.4	1.0	0.6	15.4		42.6	-0.9	6.1
Czechia	PX Index	1349	1.0	2.1	-2.8	14.1	7.4	1.2	0.8	16.6		161.3	3.8	9.9
Hungary	BUX Index	56999	6.0	20.9	25.9	31.2	6.7	1.1	0.6	18.5		70.3	78.6	3.2
Romania	BET Index	13054	-1.0	7.1	5.9	6.2	3.4	1.1	0.9	22.6		36.8	47.7	1.8
Bulgaria	SOFIX Index	741	9.4	11.6	19.7	22.0	4.9	0.9	0.4	12.2	2.4	61.6		
Russia	MOEX Index	3150	5.9	18.9	42.7	40.2	2.4	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	1171	-6.9	-3.8	-2.5	1.4	8.6	0.9	0.3	11.3		36.0	19.2	7.9
Croatia	CRO Index	2449	1.6	8.6	11.3	22.6	93.8	8.6	5.9	7.0	1.4	31.8		
Serbia	BELEX15 Index	892	2.1	-1.7	2.0	4.9	450.7	56.4	42.0	12.6	2.0	17.6	0.0	
Montenegro	MNSE10 Index	1038	4.0	3.3	-0.6	29.3	9.7	0.3	0.6	2.4	2.1	8.3		

\*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	1.11	1.15	1.16
EURGBP	0.88	0.88	0.88	0.86	0.87	0.88	0.9
EURCHF	0.98	0.99	0.98	0.97	0.98	1.02	1.02
USDJPY	144.5	140	145	155	151	143	138

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	377	379	380	380	378	381
Romania	EURRON (€op)	4.95	4.95	4.96	4.98	5	5.01	5.03	5.03	5.05
Russia	USDRUB (€op)	73.0	77.7	89.5	84.9	85.5	85.7	87.4	88.3	88.1
Ukraine	USDUAH (€op)	37.0	36.7	36.7	38.4	39.8	41.1	41.1	41.4	41.8
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	-0.1	2.8
Rom ania	4.7	2.8	3.5	2.6	3.5
Bulgaria	3.4	1.5	2.4	1.6	2.4
Russia	-2.1	1.8	1.2	0.2	1.1
Ukraine	-29.1	1.0	3.9	3.3	5.7
Slovenia	5.4	1.0	2.4	1.3	2.4
Croatia	6.2	2.7	3.0	2.0	2.5
Serbia	2.3	1.7	3.0	1.8	3.2
M ontenegro	6.1	4.7	2.8	3.3	3.0
Albania	4.9	3.2	3.8	2.8	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	-6.2	-6.0	-3.8	-4.5	-3.5
Rom ania	-6.2	-5.0	-4.0	-5.1	-4.3
Bulgaria	-2.8	-3.4	-3.1	-3.4	-3.0
Russia	-2.1	-3.6	-2.4	-3.5	-2.3
Ukraine	-17.6	-15.0	-15.0	-18.6	-15.2
Slovenia	-3.0	-4.2	-2.8	-3.7	-2.5
Croatia	0.4	-1.0	-1.0	-1.4	-1.5
Serbia	-3.1	-3.3	-3.3	-3.0	-2.3
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	17.9	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	9.8	4.1
Russia	13.8	5.4	4.8	5.5	4.8
Ukraine	15.3	9.9	3.6	15.7	11.5
Slovenia	9.3	7.1	3.3	7.3	3.9
Croatia	10.7	8.4	3.7	7.4	3.3
Serbia	11.9	11.7	5.0	11.8	5.3
M ontenegro	13.0	4.9	2.5	8.2	4.0
Albania	6.7	4.5	3.0	4.5	3.2
M oldova	28.8	13.0	5.5	13.8	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	4.3	4.3
Russia	3.9	3.7	4.0	3.7	3.8
Ukraine	24.5	27.6	16.2	21.1	16.3
Slovenia	4.8	3.5	3.2	3.9	3.9
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	17.7	17.9
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](mailto:tardosg@otpbank.hu)

**Mihály András  
Kovács**

Analyst

[Mihaly.Andras.Kovacs@otpbank.hu](mailto:Mihaly.Andras.Kovacs@otpbank.hu)

**Gergely Rezessy**

Analyst

[Gergely.Gabor.Rezessy@otpbank.hu](mailto:Gergely.Gabor.Rezessy@otpbank.hu)

**Orsolya Rátkay**

Analyst

[Orsolya.Ratkay@otpbank.hu](mailto:Orsolya.Ratkay@otpbank.hu)

**Beáta Váradi**

Analyst

[Beata.Varadi@otpbank.hu](mailto:Beata.Varadi@otpbank.hu)

**OTP Bank Romania Global Markets Sales Team**

**Robert Kovacs**

Head of Sales  
+40 372 318 588

[robert.kovacs@otpbank.ro](mailto:robert.kovacs@otpbank.ro)

**Anamaria Toma**

Desk Dealer  
+40 372 318 585

[anamaria.toma@otpbank.ro](mailto:anamaria.toma@otpbank.ro)

**Corina Bejan**

Desk Dealer  
+40 372 318 583

[corina.bejan@otpbank.ro](mailto:corina.bejan@otpbank.ro)

**Teodor Tibuleac**

Desk Dealer  
+40 372 318 586

[corina.bejan@otpbank.ro](mailto:corina.bejan@otpbank.ro)

**Szilamer Kozma**

Regional Dealer  
+40 372 504 520

[szilamer.kozma@otpbank.ro](mailto:szilamer.kozma@otpbank.ro)

**Andrei Sala**

Regional Dealer  
+40 755 000 015

[andrei.sala@otpbank.ro](mailto:andrei.sala@otpbank.ro)

**Dan Giurea**

Regional Dealer  
+40 372 318 584

[dan.giurea@otpbank.ro](mailto:dan.giurea@otpbank.ro)

**Alexandru Sabin**

Regional Dealer  
+40 755 000 255

[alexandru.sabin@otpbank.ro](mailto: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](mailto: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.