

OTP Weekly Outlook

 **otp** Global Markets

Next week's spotlight:

- FOMC meeting and January job report from the USA
- Flash Q4 GDP and January inflation from the euro area

This week:

- The US economy is hardly slowing: the Q4 GDP caused a huge upside surprise, but core PCE is in line with the target for 7 months by now
- ECB Governing Council meeting suggest the start of the summer as the earliest rate cut
- LT yields in the developed bond market moved to the sideways in a weekly horizon, after some ups and downs mid-week.
- The US dollar slightly gained this week after getting momentum from strong Q4 GDP data with the EUR/USD dropping to 1.087.
- Major US and European equity markets gained considerably this week benefitting from the upbeat GDP data in the US and some very positive earnings results in Europe. The S&P500 is at an all-time high while the Stoxx600 rose to the highest in two years.
- Crude oil prices also considerably gained on supporting market fundamentals. The TTF gas price plunged to 6-month lows.

**Next week's spotlight: FOMC meeting and January job report from the USA;
Flash Q4 GDP and January inflation from the euro area**

Date*			Cd.	Event/ Data	Period	Cons.	Prev.
2024 1. 30.	7 :30	FR		GDP (preliminary, QoQ, %)	Q4	0.0	-0.1
	9 :00	ES		GDP (preliminary, QoQ, %)	Q4	0.2	0.3
	10 :00	DE		GDP QoQ, SA, (preliminary, %)	Q4	-0.3	-0.1
	10 :00	IT		GDP (preliminary, QoQ, %)	Q4	0.0	0.1
	11 :00	EZ		EC Economic Sentiment Index (points)	Jan	96.2	96.4
	11 :00	EZ		GDP (preliminary, QoQ, %)	Q4	-0.1	-0.1
	11 :00	EZ		GDP (preliminary, YoY, %)	Q4	0.0	0.0
	15 :00	US		Case-Shiller Home Price Index (YoY, %)	Nov		4.9
	15 :00	US		Job Openings (million)	Dec		8.79
	16 :00	US		Consumer confidence (point)	Jan	116	110.7
31.	2 :30	CN		NBS Manufacturing PMI (points)	Jan	49.3	49
	2 :30	CN		NBS Non-manufacturing PMI (points)	Jan		50.4
	8 :00	DE		Retail sales MoM, (%)	Dec		-2.5
	8 :45	FR		CPI (preliminary, YoY, %)	Jan		3.7
	14 :00	DE		CPI (preliminary, YoY, %)	Jan	3.3	3.7
	14 :15	US		ADP non-farm employment MoM, (000s)	Jan	130	164
	20 :00	US		Interest rate decision (%)	-	5.25-5.5	5.25-5.5
2. 1.	2 :45	CN		Caixin Manufacturing PMI (points)	Jan		50.8
	11 :00	EZ		CPI (Flash, YoY, %)	Jan	2.8	2.9
	11 :00	EZ		Core CPI (Flash, YoY, %)	Jan	3.2	3.4
	11 :00	EZ		Unemployment rate (%)	Dec	6.4	6.4
	11 :00	IT		CPI (preliminary, YoY, %)	Jan		0.6
	13 :00	UK		Interest rate decision (%)	Jan	5.25	5.25
	14 :30	US		Non-farm Unit Labor Costs (preliminary, QoQ, %)	Q4		-1.2
	14 :30	US		Non-farm productivity growth (preliminary, QoQ, %)	Q4	2.4	5.2
	14 :30	US		Non-farm Unit Labor Costs (preliminary, YoY, %)	Q4		1.9
	16 :00	US		Construction spending MoM, (%)	Dec	0.5	0.4
	16 :00	US		ISM Manufacturing PMI (points)	Jan	47.7	47.4
2.	8 :45	FR		Industrial production MoM, (%)	Dec	0.2	0.5
	14 :30	US		Average earnings (YoY, %)	Jan	4.1	4.1
	14 :30	US		Average earnings MoM, (%)	Jan	0.3	0.4
	14 :30	US		Unemployment rate (%)	Jan	3.8	3.7
	14 :30	US		Non-farm payroll MoM, (000s)	Jan	178	216
	16 :00	US		Factory orders MoM, (%)	Dec	0.5	2.6

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

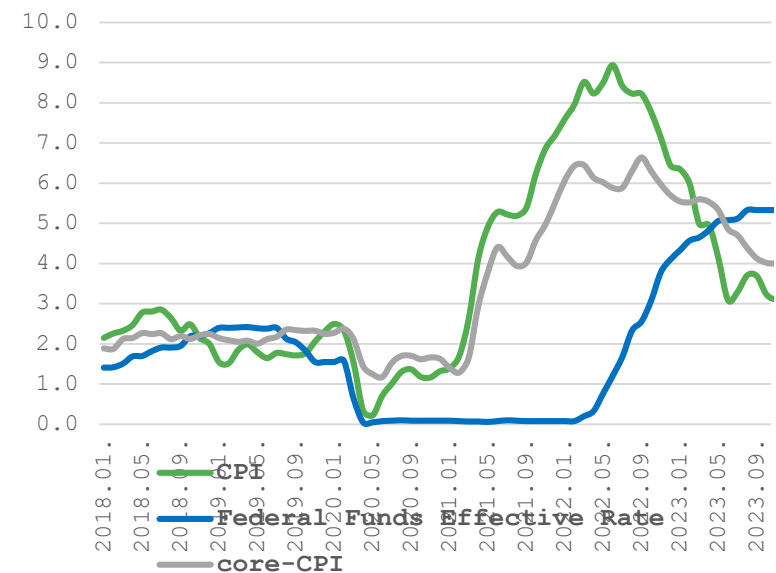
USA: FOMC's meeting and January job report will be in the spotlight

Date		Cd.	Event/ Data	Period	Cons.	Prev.
2024.01.30	15:00	US	Job Openings (n illion)	Dec		8.79
	16:00	US	Consumer confidence (point)	Jan	116	110.7
	31 20:00	US	Interest rate decision (%)	-	5.25-5.5	5.25-5.5
02.01	14:30	US	Non-fam Unit Labor Costs (preliminary, QoQ, %)	Q4		-1.2
	14:30	US	Non-fam productivity growth (preliminary, QoQ, %)	Q4	2.4	5.2
	16:00	US	ISM Manufacturing PMI (points)	Jan	47.7	47.4
02	14:30	US	Average earnings (YoY, %)	Jan	4.1	4.1
	14:30	US	Average earnings MoM, %)	Jan	0.3	0.4
	14:30	US	Unemployment rate (%)	Jan	3.8	3.7
	14:30	US	Non-fam payroll MoM, 000s)	Jan	178	216

Key highlights

- The market is nearly 100% sure that **there will be no rate cut at the FOMC's next meeting**. But as to the March meeting, the market is far from certain that there will be no policy easing, and it is looking for further explanation of why, despite continued disinflation and rising real interest rates, the Fed does not see the time as right to cut the rate.
- **The strong Q4 GDP data** suggests that the US economy has not yet broken under the weight of high interest rates, **largely supporting the Fed's cautious position**. However, if expectations that **disinflation in the shelter cost will soon accelerate** and **interest rates on loans that have been fixed at low rates will be repriced**, while **household savings will be eroded**, the Fed could soon be forced to act, even though the labour market remains in remarkably good shape.
- **January job report is coming**, and the market expects a moderation in the expansion of NFP. Although the pace of expansion was weaker in Q4 than before, the data were stronger than expected and if the primary reason for the tightness in the labour market is the retirement of the so-called boomer generation, then labour demand could remain robust for a long time, as implied by the job openings.

CPI (YoY, %) & FFR (%)



Source: Refinitiv

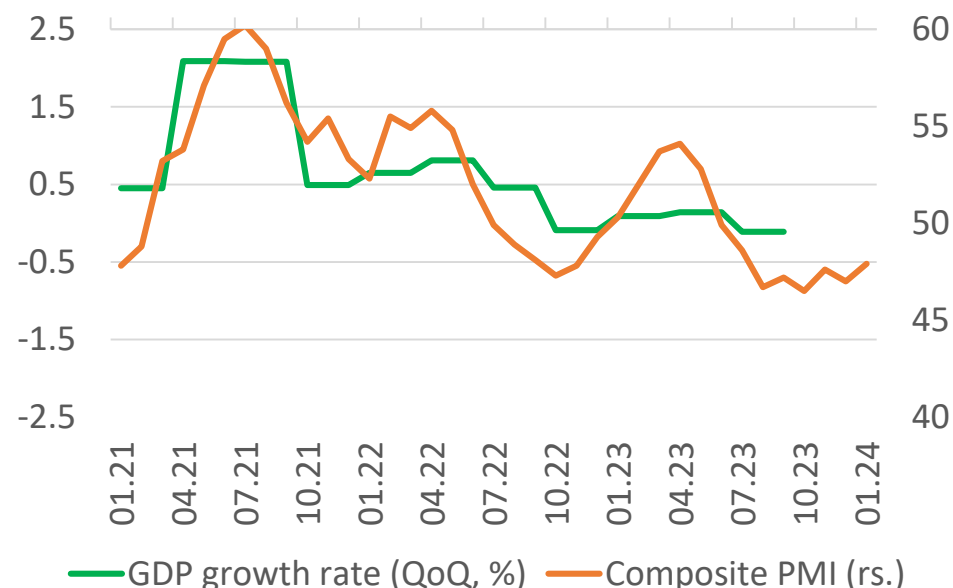
EZ: Flash Q4 GDP and January inflation will be in the spotlight

Date*	Cd.	Event/ Data	Period	Cons.	Prev.
2024 1. 30.	7 :30	FR GDP (prelim inary,QoQ,%)	Q4	0.0	-0.1
	10 :00	DE GDP QoQ,SA,prelim inary,%)	Q4	-0.3	-0.1
	11 :00	EZ EC Econom ic Sentin ent Index (points)	Jan	96.2	96.4
	11 :00	EZ GDP (prelim inary,QoQ,%)	Q4	-0.1	-0.1
	11 :00	EZ GDP (prelim inary,YoY,%)	Q4	0.0	0.0
2. 1.	8 :00	DE Retailsales M oM ,%)	Dec		-2.5
	8 :45	FR CPI (prelim inary,YoY,%)	Jan		3.7
	14 :00	DE CPI (prelim inary,YoY,%)	Jan	3.3	3.7
	11 :00	EZ CPI (flash,YoY,%)	Jan	2.8	2.9
	11 :00	EZ Core CPI (flash,YoY,%)	Jan	3.2	3.4
	11 :00	EZ Unem ploym ent rate (%)	Dec	6.4	6.4
2.	8 :45	FR Industrial production M oM ,%)	Dec	0.2	0.5

Key highlights

- Next week’s focus will be on the flash 2023Q4 **GDP** and the January **inflation** figure. In terms of **GDP** growth, after the mild 0.1% drop in Q3, another, probably similar decline is due, the latest consensus is -0.1%. Incoming data for Q4 do not suggest much good. On the one hand, the composite PMI for Q4 stood at 47 points, clearly in the recession territory, worse than in Q3. Key hard indicators up to November are negative, the October-November average for industry and construction are both around -1.5%, while retail performed somewhat better (-0.2%).
- Regarding the January flash **inflation** data, one question is whether the figure will reach or exceed the 3% threshold again, if not already in January, then in the coming months. The baseline expectation of the market that in 2024H1 the headline figure will hover at 2.5-3% as favourable base effects fade, and energy price supports are restricted. Nevertheless, reflecting transport problems around the Red Sea, which led to sky-rocketing freight costs, while on the other hand also considering weaker economic growth, practically anything can happen.

Euro area GDP growth rate and the composite PMI



This week's data: The US economy is hardly slowing: the Q4 GDP caused a huge upside surprise, but core PCE is in line with the target for 7 months by now; ECB Governing Council meeting suggests the start of the summer as the earliest rate cut

Date*	Cd.	Event/ Data	Period	Fact	Cons.	Prev.
2024 1. 22.	16 :00	US Leading index MoM (%)	Dec	-0.1	-0.3	-0.5
	23.	3 :30	JP Interest rate decision (%)	-	-0.1	-0.1
		16 :00	EZ Consumer confidence point	Jan	-16.1	-14.3
	24.	10 :00	EZ HCOB Manufacturing PMI (points)	Jan	46.6	44.8
		10 :00	EZ HCOB Service PMI (points)	Jan	48.4	49
		15 :45	US S&P Global Manufacturing PMI (points)	Jan	50.3	47.9
		15 :45	US S&P Global Service PMI (points)	Jan	52.9	51
	25.	10 :00	DE IFO Economic sentiment index (points)	Jan	85.2	86.7
		14 :15	EZ Interest rate decision (deposit rate, %)	Jan	4.0	4.0
		14 :15	EZ Interest rate decision (lending rate, %)	Jan	4.5	4.5
		14 :30	US Durable goods orders MoM (%)	Dec	0.0	1.1
		14 :30	US GDP preliminary, annualized QoQ (%)	Q4	3.3	2.0
		16 :00	US New home sales (annualized monthly, 000s)	Dec	664	645
	26.	14 :30	US Personal income MoM (%)	Dec	0.3	0.3
		14 :30	US Personal consumption (adjusted, MoM, %)	Dec	0.7	0.4
		14 :30	US Household core PCE index MoM (%)	Dec	0.2	0.2
		16 :00	US Pending home sales MoM (%)	Dec	8.3	1.5

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

Key highlights

- In the **USA**, the first release of the Q4 **GDP** figure came out at 3.3% annualized rate (seasonally adjusted) as opposed to the consensus of 2%. Although lower than the 4.9% in Q3, the figure is still way above the potential pace of the US economy. The growth primarily reflected increases in consumer spending and net exports. Surprisingly, inventories remained positive, despite having a substantial growth in Q3. US **core PCE** came out at 0.2% MoM, in line with the consensus. While monthly **consumption** for December gained momentum, well above the market expectations, which is hardly surprising in light of Thursday's GDP data.
- In the **euro area**, the **ECB's Governing Council** meeting brought no surprise compared to last week's communication. The committee not only left the interest rates unchanged, but at the press conference President Lagarde also stressed that rate cuts are still not on the table, to consider them would require more disinflation. The ECB will focus on the inflation outlook, underlying inflation, and the monetary transmission mechanism. In terms of the inflation outlook, particular focus will be on wages, where reliable information on the 2024 wage agreements will be available at spring. Hence, the rate cut cycle most probably will not start earlier than June, unless something unexpected happens.

- LT yields in the developed bond market moved sideways in a weekly horizon, after some ups and downs mid-week.
- The US dollar slightly gained this week after getting momentum from strong Q4 GDP data with the EUR/USD dropping to 1.087.
- Major US and European equity markets gained considerably this week, benefitting from the upbeat GDP data in the US and some very positive earnings results in Europe. The S&P500 is at an all-time high, while the Stoxx600 rose to its highest in two years.
- Crude oil prices also considerably gained on supporting market fundamentals. The TTF gas price plunged to six-month lows.

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	4890	1.0	2.5	US 2 year	4.359	-2.5	10.9	Dollar index	103.265	0.0	1.9	Brent	82.41	4.9	7.0
Nasdaq Comp.	15461	1.0	3.0	US 10 year	4.160	3.8	28.1	EURUSD	1.0862	-0.3	-1.6	WTI	77.2	5.1	7.7
Dow Jones	38083	0.6	1.0	DE 2 year	2.634	-9.8	24.4	USDJPY	148.06	0.0	5.0	NatGas (TTF, front-month)*	27.0	-4.8	-15.6
Russel2000	1987	2.2	-2.0	DE 10 Year	2.310	-3.0	28.8	GBPUSD	1.2731	0.2	0.0	Gold	2016.9	-0.6	-2.2
Stoxx 600	484	3.1	1.0	FR 10 year	2.798	-3.2	24.1	AUDUSD	0.659	-0.1	-3.3	Silver	22.725	0.5	-4.5
DAX	16931	2.3	1.1	SP 10 year	3.209	-3.5	22.8	USDCAD	1.3457	-0.2	-1.6	Palladium	955.03	0.5	-13.2
CAC40	7637	3.6	1.2	IT 10 year	3.829	-4.9	14.0	USDCHF	0.8634	0.6	-2.5	Copper	388.05	2.5	-0.3
FTSE100	7642	2.4	-1.2	UK 10 year	3.979	5.3	44.9	NZDUSD	0.6101	-0.2	-3.4	Steel	10.77	0.7	-5.1
FTSEMIB	30330	0.2	-0.1	CH 10 year	0.871	-0.3	21.9	CNHUSD	7.186	0.2	-0.8	W heat	596	0.5	-5.1
Nikkei225	35751	-0.6	6.8	JP 10 year	0.709	4.8	10.1	USDTRY	30.3226	-0.4	-2.6	Com	446	0.1	-5.4
CSI300	3334	2.0	-2.8	CN 10 year	2.501	-0.3	-5.9	USDBRL	4.9169	0.3	-1.2	Electricity APX)*	72.61	15.7	283.2

Source: Bloomberg

*In EUR/MWh

Key highlights: LT yields in the developed bond market remained flat in a weekly horizon, after some ups and downs mid-week. The US dollar slightly gained this week after getting momentum from strong Q4 GDP data, with the EUR/USD dropping to 1.087. Major US and European equity markets gained considerably this week, benefitting from upbeat GDP data in the US and some very positive earnings results in Europe. Crude oil prices also considerably gained on supporting market fundamentals. The TTF gas price plunged to six-month lows.

- After some ups and downs, **long-term yields** were in for modest weekly drop in the developed bond markets with the US 10Y yields falling 3bps and the German 10Y yields sinking 2bps by Friday. Investors digested last week's comments from major central bank officials on future interest rate path while at the same time they kept an eye on this week's market-moving macro data in the US and the eurozone, and the ECB's rate decision. The Q4 US GDP surprised to the upside and along with other macro data and while they were mostly positive, rate cut expectations did not really moved ahead of the next FOMC meeting on January 31, 2024. The latest core PCE Price index - the Fed's preferred inflation gauge - released on Friday afternoon was in line with expectations, and weighed on rate cut expectations on both sides of the Atlantic. 10Y bond yields edged up, offsetting the weekly drops. In the EA, the ECB's decision to leave key rates unchanged at their current record high brought no surprise and the ECB reiterated that it would keep rates high for a "sufficiently long duration" to bring inflation to target.

- **In the currency markets**, the EUR/USD showed this week a roller-coaster ride after falling near 1.08 on Tuesday and Friday but the US dollar later rebounded and hit even 1.093 mid-week. By Friday afternoon, the EUR/USD stands at 1.087 (-0.3% w/w) after the dollar's gains on strong GDP data.

- Developed equity markets got momentum this week, with the major European stock indices making 3-4% gains and the US stock also edging higher. Besides macro data (the S&P500 closed at an all-time high for a fifth straight session on Thursday after strong US Q4 GDP data), the latest quarterly earnings releases were also in the spotlight. **The Stoxx600 Europe** hit its highest level in two years on Friday after upbeat quarterly updates from luxury group LVMH and spirits producer Rémy Cointreau had been released. This week's earnings, however, were a mixed bag in Europe, with ASML and Logitech delivering very positive results among others, while Ericsson, SAP, and STMicroelectronics causing some disappointment. **In the USA**, we are heading for the end of a very busy week in terms of earnings releases, with 82% of the S&P500 companies that have reported so far surpassing expectations. Although several mega-cap companies will report next week, Tesla's 12% plunge following its disappointing quarterly update weighed on the S&P500, while Intel's bleak forecast were a drag on the semiconductor sector. Considering the sector performances, technology and personal & household goods are this week's winners in Europe, while telco and energy gained the most in the USA.

- **Crude oil futures** are on track about 5% weekly gains as market fundamentals supported a positive outlook. The US reported that crude inventories plunged more than expected last week, while US GDP also surpassed market expectations. Concerning the latest events in the Red Sea, China requested Iran to help contain Houthi attacks on shipping or risk hurting business relations with Beijing. China's action helps to ease market concerns about supply disruption. **TTF gas prices** fell 3% this week to 26.7 EUR/MWh, a level last seen in August 2023 after last week's 10% decline. Gas supplies seem to be abundant: TotalEnergies announced to relaunch gas production in Denmark, while the energy production of wind farms in the UK hit record thanks to latest storm Isha.

Stock market and sector performance

Performance of US sectors				
Sector	Last price	1week change (%)	YTD (%)	
S&P500	4890	1.0	2.5	
IT	3610	1.3	6.3	
Health care	1621	-0.3	1.9	
Financials	641	1.6	2.4	
Telco	267	4.1	8.5	
Consumer discretionary	1373	-1.7	-3.2	
Industrials	961	0.9	-0.4	
Consumer staples	768	0.6	0.7	
Utilities	311	0.5	-3.3	
Energy	640	4.5	-0.1	
Realestate	242	-0.6	-4.0	
Materials	521	0.5	-3.4	
Key US Tech companies				
Company	Last price	1week change (%)	YTD (%)	
Apple	194	1.4	0.9	
Microsoft	404	1.3	7.4	
Nvidia	607	2.1	22.6	
Alphabet	152	3.8	8.7	
Amazon	159	2.0	4.3	
Tesla	185	-12.8	-25.6	

Source: Bloomberg

Performance of Europe's sectors				
Sector	Last price	1week change (%)	YTD (%)	
Stoxx 600	484	3.1	1.0	
Health care	1091	0.9	2.8	
Industrial goods & services	779	2.9	0.6	
Banks	169	3.0	0.3	
Personal & household goods	1035	7.1	2.0	
Insurance	355	2.1	2.5	
Food and beverages	728	2.5	0.7	
Technology	816	7.4	7.3	
Utilities	373	-2.0	-4.9	
Oil & gas	348	3.4	-2.3	
Chemicals	1253	3.4	-3.3	
Construction & materials	655	2.6	-1.6	
Telco	205	1.8	4.2	
Retail	389	3.5	-3.4	
Financial services	710	3.0	-0.6	
Basic resources	557	4.2	-4.8	
Realestate	128	2.8	-4.4	
Auto & parts	607	2.1	-3.4	
Media	431	2.7	6.1	
Travel & leisure	254	3.8	5.9	

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	484	1.3	11.6	3.9	6.5	13.9	1.8	1.3	12.2	1.1	160.8	1.3	2.2
Germany	DAX Index	16931	1.3	14.9	5.0	11.9	14.8	1.5	0.9	9.0	1.2	112.3	39.8	2.4
France	CAC Index	7637	0.9	10.9	4.4	7.6	13.5	1.8	1.3	11.9	1.1	214.4	8.2	0.2
Poland	WIG20 Index	2219	-5.5	4.6	2.5	16.1	6.6	1.0	0.6	14.9		41.1	-39.0	-10.5
Czechia	PX Index	1450	3.7	7.8	8.2	9.8	7.9	1.0	0.8	12.6		122.3	-1.1	3.8
Hungary	BUX Index	6410.9	6.3	13.3	19.7	36.9	7.3	1.0	0.6	15.8		66.1	-93.7	3.2
Romania	BET Index	15232	-0.3	7.1	16.1	24.6	6.5	1.7	1.5	18.0		46.1	107.8	7.9
Bulgaria	SOFIX Index	787	6.2	5.5	16.1	27.6	5.5	0.8	0.5	10.3	2.5	54.9		
Russia	MOEX Index	3162	2.2	-1.9	6.5	45.9	2.9	0.4	0.7	14.1		62.3		
Ukraine	PFTS Index	507	0.0	0.0	0.0	0.0	26.9	6.1	4.2	22.8		11.0		
Slovenia	SBIOP Index	1302	4.4	11.8	3.6	17.1	8.6	1.0	0.5	11.6		37.9	0.0	-25.2
Croatia	CRO Index	2631	4.7	12.4	8.9	24.0	92.2	9.5	7.2	8.5	1.6	33.5	0.0	
Serbia	BELEX15 Index	875	-0.3	-0.3	0.0	4.0	598.0	57.8	41.6	9.8	1.9	15.1	-0.1	116.4
Montenegro	MNSE10 Index	1036	-2.2	-3.0	3.5	1.1		0.4			2.3	8.7		

*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	1.09	1.07	1.12	1.15
EURGBP	0.88	0.88	0.88	0.86	0.87	0.88	0.89
EURCHF	0.98	0.99	0.98	0.96	0.96	0.98	1.02
USDJPY	144.5	140	145	156	159	151	148

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	388	382	382	382	383	385
Rom ania	EURRON (€op)	4.95	4.95	4.96	4.97	4.97	5.01	5.04	5.04	5.05
Russia	USDRUB (€op)	73.0	77.7	89.5	97.6	89.4	92.05	93.92	95.04	96.48
Ukraine	USDUAH (€op)	37.0	36.7	36.7	37.0	38.0	37.4	37.8	38.2	38.5
Serbia	EURRSD (€op)	117.0	117	117	117	117	117	117	117	117

*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	-1.0	2.0	-0.6	2.7
Rom ania	4.7	1.5	2.8	2.0	3.2
Bulgaria	3.9	1.7	2.1	1.8	2.3
Russia	-1.2	3.3	2.2	2.4	1.4
Ukraine	-29.1	3.0	3.9	5.1	5.2
Slovenia	2.5	1.4	2.0	1.3	2.2
Croatia	6.3	2.6	2.8	2.5	2.5
Serbia	2.5	2.5	3.5	2.2	3.0
Montenegro	6.4	4.8	3.8	3.9	3.3
Albania	4.9	3.4	4.1	3.2	3.3
Moldova	-5.9	0.4	3.5	1.6	4.1

Countries	Fiscal balance (%of GDP)				
	OTP			Focus Economics	
	2022	2023	2024	2023	2024
Hungary	-6.2	-6.4	-4.2	-5.4	-3.9
Rom ania	-6.3	-5.8	-6.0	-5.8	-5.1
Bulgaria	-2.8	-3.4	-3.1	-3.1	-3.0
Russia	-2.1	-2.1	-1.0	-2.6	-2.2
Ukraine	-16.3	-20.0	-16.0	-20.2	-17.5
Slovenia	-3.0	-4.7	-3.7	-3.7	-2.9
Croatia	0.1	-0.5	-1.0	-0.7	-1.5
Serbia	-3.1	-3.3	-2.7	-2.7	-2.2
Montenegro	-4.3	-1.8	-4.9	-3.1	-4.3
Albania	-3.8	-2.4	-3.0	-2.3	-2.3
Moldova	-3.3	-5.5	-4.5	-5.3	-4.3

Countries	Inflation (average (yoy), %)				
	OTP			Focus Economics	
	2022	2023	2024	2023	2024
Hungary	14.5	17.9	4.8	17.6	4.9
Rom ania	13.7	10.5	6.5	10.5	5.7
Bulgaria	15.3	9.8	4.1	9.7	4.2
Russia	13.8	6.0	6.8	6.0	6.3
Ukraine	15.3	9.8	4.1	13.1	7.5
Slovenia	9.3	7.1	3.0	7.2	3.8
Croatia	10.7	8.1	3.0	8.0	3.5
Serbia	11.9	12.1	6.7	12.4	5.3
Montenegro	13.0	8.5	3.0	8.6	4.6
Albania	6.7	4.8	3.8	4.8	3.5
Moldova	28.8	14.1	5.5	13.9	5.7

Countries	Unemployment (%)				
	OTP			Focus Economics	
	2022	2023	2024	2023	2024
Hungary	3.6	4.1	4.2	4.0	3.9
Rom ania	5.6	5.6	5.8	5.6	5.5
Bulgaria	4.2	4.2	4.1	4.4	4.5
Russia	4.0	3.2	3.4	3.3	3.3
Ukraine	21.0	20.0	17.0	19.9	15.3
Slovenia	4.8	3.6	3.3	3.7	3.7
Croatia	7.0	6.5	6.5	6.4	6.3
Serbia	9.4	10.0	9.5	9.4	9.0
Montenegro	14.6	14.9	14.3	17.7	17.9
Albania	11.3	10.3	10.0	10.7	10.5
Moldova	3.1	4.4	4.4	3.9	3.7

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.