

# OTP Weekly Outlook

## **Next week:**

- *Russia-Ukraine war news, euro area inflation and US job report will be in the spotlight*

## **This week:**

- *Russia's attack on Ukraine determined markets for the week.*
- *Despite correction on Friday, European stocks seem to close the week with significant losses, in the US the fall seems more moderate.*
- *Long-term yields increased; the USD strengthened in the risk-off mode*
- *Energy prices moved-up, in particular European natural gas prices jumped*
- *January macro data for the USA surprised to the upside, just like core PCE inflation*
- *European business confidence above expectations for February*



**Market summary table**

# WEEKLY REPORT - 28 FEBRUARY 2022

Indices	Last price	1 week change (%)	YTD (%)	Interest rates	Last price	1 week change (bps)	YTD (bps)	FX rates	Last price	1 week change (%)	YTD (%)	Commodity	Last price	1 week change (%)	YTD (%)
S&P500	4304.0	-1.7	-9.7	US 2 year	1.60	13.2	86.5	Dollar index	96.772	1.0	1.2	Brent	99	5.3	26.7
Russel 2000	2000.7	-1.4	-10.9	US 10 year	1.98	4.7	46.6	EURUSD	1.1233	-0.8	-1.2	WTI	93	1.3	23.6
Stoxx 600	450.8	-2.2	-7.6	DE 2 year	-0.40	8.8	24.1	USDJPY	115.61	-0.5	-0.5	Natural gas	95	30.7	42.9
DAX	14428.6	-4.1	-9.2	DE 10 Year	0.22	3.0	40.2	GBPUSD	1.337	-1.6	-1.2	Gold	1887	-0.6	3.2
CAC40	6700.2	-3.3	-6.3	ES 10 year	1.21	0.5	64.3	AUDUSD	0.721	0.5	-0.7	Silver	24	0.0	2.6
FTSE100	7440.9	-1.0	0.8	UK 10 year	1.45	7.3	48.2	USDCAD	1.279	-0.3	-1.2	Palladium	2380	1.3	25.0
FTSE MIB	25662.5	-3.2	-6.2	IT 10 year	1.85	0.9	67.6	USDCHF	0.928	-0.7	-1.6	Copper	449	-0.6	0.7
Nikkei 225	26476.5	-2.8	-8.0	JP 10 year	0.21	-0.3	14.3	NZDUSD	0.673	0.5	-1.4	Steel	995	-10.9	-30.7
CSI 300	4573.4	-1.7	-7.4	CH 10 year	2.79	-1.8	1.4	CNHUSD	6.315	0.2	0.7	Wheat	886	11.0	14.9

Source: Bloomberg

**Russia-Ukraine war news, euro area inflation and US job report will be in the spotlight**

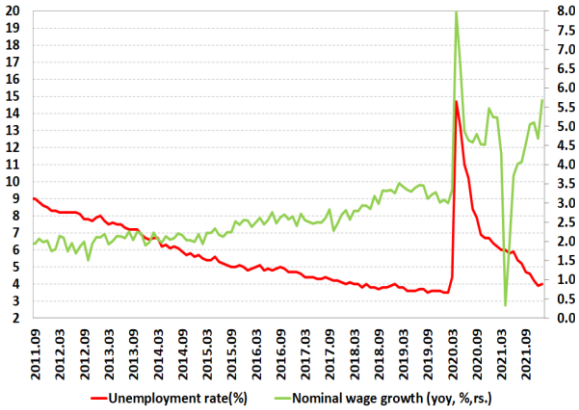
*This week, as well as the next one will be less about macronews, given Russia's attack on Ukraine. This former has been putting put pressure on stock markets and emerging market currencies and has been driving energy prices sky high, so overall news about the conflict will determine market movements. Still a few incoming macro data could prove interesting in the shades of the military conflict. First, the February US job report could also change FED rate hike expectations, especially wage growth should be followed closely, which already reached 5.7% in January. Second, February CPI from the euro area could be a market mover as well, as last time ECB President Lagarde, changed her tone about this year's possible rate hikes after the January inflation surprise. So key macro data could give important information to the central bankers in the euro area and overseas. However Russia's war on Ukraine could make decision makers more cautious, in particular in Europe, where most of the economic effects will be felt.*

In the **USA**, the February job report will be published on Friday as usual. Back in January, nonfarm payroll data grew at 467,000, way above the consensus (+150,000). Despite the omicron virus, private services grew significantly (+440,000), which were mostly affected by leisure and hospitality (+151,000, professional and business services (+86 ,000). At the same time, the unemployment measure edged-up minorly to 4.0% (from 3.9%), although timely comparisons are not possible due to the introduction of updated population controls. These latter resulted in a 1.5 million revision in participation and employment, implying that labour force is already not that far from pre-covid levels. Wage growth was also a huge surprise, which grew to 5.7% from any upwardly revised 5.0% in December. All in all, the data suggested more robust labour market and higher wage growth than initially foreseen. After the report, together with the upside surprise in inflation data, market participants moved from pricing four rate hikes to 6-7 still for this year. The current consensus foresees a further upward tick in wage growth (5.8%) and still decent employment growth (+438,000). Apart from the job report, Chair Powell's hearing at the committees of the Congress and the Senate (on Wednesday and Thursday), could prove interesting.

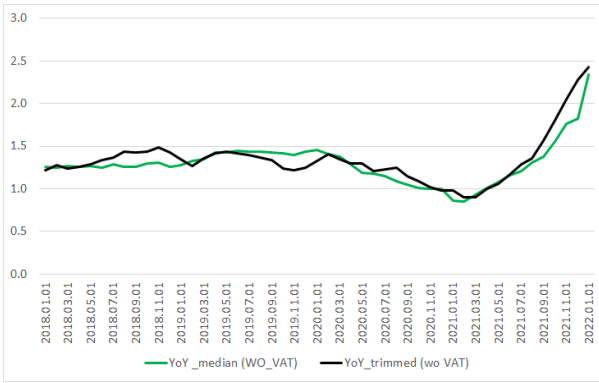
In the **euro area**, the February CPI will be released on Wednesday. Back in February, there was a sizeable upside surprise in the January inflation data. Headline CPI hit 5.1% (up from 5.0% in December), whereas a significant decline (to 4.3%) was expected.

While this surprise could be partly explained by higher-than-expected energy and food prices, core inflation was also a negative news. It fell to 2.3% (from 2.6% in December), but analysts expected a more marked drop (to 1.9%). The details already reveal that the surprise in core inflation was broad based, from contact intensive services to industrial goods. The mounting evidence on inflation pressures were also visible from sharply increasing underlying inflation indicators (see chart 2 below). Currently the market expects a 5.3% headline figure, while core inflation could edge-up to 2.3%, however upside risks could be dominant. We will also have the minutes of the ECB’s latest *Governing Council meeting* published on Thursday. This could reveal more details about how the committee assessed the inflation data of January. However, in case of the ECB, the war and the related sky-high energy prices might lead to a more cautious approach than could have been expected a week ago.

US labor market indicators (%)



Euro area underlying inflation rate measures (YoY, %)



Sources: Refinitiv and Bloomberg

### What to watch for the next week

Data			Cd.	Event/Data	Period	Cons.	Prev.	
2022	2.	8	: 00	TR	GDP (first estimate, YoY, %)	Q4	9.0	7.4
		12	: 00	PT	GDP (detailed, QoQ, %)	Q4		1.6
		15	: 45	US	Chicago PMI (points)	Feb	63.9	65.2
3.	1.	2	: 30	CN	NBS Non-manufacturing PMI (points)	Feb		51.1
		2	: 30	CN	NBS Manufacturing PMI (points)	Feb	49.9	50.1
		2	: 45	CN	Caixin Manufacturing PMI (points)	Feb	49.5	49.1
		8	: 00	DE	Retail sales (MoM, %)		1.8	-5.5
		9	: 45	IT	Markit/IHS Manufacturing PMI (prelim.)	Feb	58.0	58.3
		14	: 00	DE	CPI (preliminary, YoY, %)	Feb	5.1	4.9
		16	: 00	US	Construction expenditure (MoM, %)	Jan	-0.2	0.2
		16	: 00	US	ISM Manufacturing PMI (points)	Feb	57.9	57.6
2.		11	: 00	EZ	CPI (flash, YoY, %)	Feb	5.3	5.1
		11	: 00	EZ	Core CPI (flash, YoY, %)	Feb	2.5	2.3
		14	: 15	US	ADP non-farm employment (MoM, '000s)	Feb	320.0	-301.0
		16	: 00	CA	Interest rate decision (%)	-	0.5	0.3
		16	: 00	US	J. Powell testimony (Congress financial committee)	-	-	-
		20	: 00	US	Beige Book	Feb	-	-
3.		2	: 45	CN	Caixin Services PMI	Feb		51.4
		9	: 45	IT	Markit/IHS Services PMI (prelim.)	Feb	52.2	48.5
		11	: 00	EZ	Unemployment rate (%)	Jan	7.0	7.0
		13	: 30	EZ	ECB Minutes	Oct	-	-
		14	: 30	US	Initial jobless claims ('000s)	weekly		232.0
		14	: 30	US	Continuing jobless claims ('000s)	weekly		1475.0
		15	: 00	HU	1W deposit w fixed interest rate tender (IR %, HUFbn)	weekly	-	4,6/10201,2
		16	: 00	US	Factory orders (MoM, %)	Jan	0.5	-0.4
		16	: 00	US	ISM non-Manufacturing PMI (points)	Feb	60.5	59.9
		16	: 00	US	J. Powell testimony (Senate banking committee)	-		-
4.		8	: 00	DE	Export (MoM, SA, %)	Jan		0.9
		8	: 45	FR	Industrial production (MoM, %)	Jan	0.5	-0.2
		9	: 00	AT	GDP (detailed, QoQ, %)	Q4		-2.2
		9	: 00	HU	Industrial production (preliminary, YoY, %)	Jan		5.8
		10	: 00	IT	GDP (detailed, QoQ, %)	Q4	0.6	0.6
		11	: 00	EZ	Retail sales (MoM, %)	Jan	1.5	-3.0
		14	: 30	US	Non-farm payroll (MoM, '000s)	Feb	438.0	467.0
		14	: 30	US	Unemployment rate (%)	Feb	3.9	4.0
		14	: 30	US	Average earnings (MoM, %)	Feb	0.6	0.7
		14	: 30	US	Average earnings (YoY, %)	Feb	5.8	5.7

**Russia's attack on Ukraine led to a substantial fall on European markets, smaller decline on US markets in weekly terms**

*This week has absolutely nothing to do with macro news, everything was moved about the Russia-Ukraine geopolitical conflict, and eventually, the full-scale assault of Russia over Ukraine. US markets were closed on Monday, due to the President's day, however European markets already closed with a decent fall. Markets declined on Tuesday and Wednesday as well, as, US kept stressing that Russia's invasion seemed highly likely in the coming days. Eventually, the assault started on Thursday morning, sending European stocks to around a 4% daily fall, however US stocks closed in small plus on the same day. Finally, Friday afternoon, the news that Russia and Ukraine might negotiate directly on a ceasefire sent European stock markets into a sizable plus. Overseas, where the previous fall was more moderate, the correction also seems smaller. However, eventually European stocks seem to close the week around a 2-4% minus, while US's weekly losses seem more moderate. Although energy prices jumped (with the Brent exceeding USD 100 per barrel and TTF gas-prices exceeding eur 130 mwh) on Thursday they corrected somewhat today. Still they seem to increase visibly in weekly terms. The USD strengthened given the risk-off mode.*

**Stock markets seem to close the week in red by Friday afternoon**

In **Europe**, the STOXX600 is heading to end the week fall of 2.2%. In terms of sector performance, most components seem to close in red, however banks (-6.7%, some of them exposed to Russia and Ukraine,) and the auto sector (-4,.4% dominant in Germany, which seems to be the most effected by the war among major euro area economies) leading the fall, and only utilities (2.0%), health care (0.7%) and real estate (0.4%) could resist. Among national stock markets Dax fell by over 4.0%, CAC40 stood at -3,3%, FTSEMIB -3,2% and the least exposed FTSE100 at -1.0%.

In the **USA**, the S&P stood at -1.7% in weekly terms. Out of its components, consumer discretionary showed the largest fall (-5.5%), but practically all components declined. Dow fell by 2,2%, while the Nasdaq composite fared better (-1.3%), as well as the small cap Russel2000, which declined by 1.4%.

**Long-term yields increased; the USD strengthened visibly**

In the US, the 10Y Treasury yield increased by a 5 bps, during a volatile week, while the German Bund moved up by 3 bips. However *peripheral yields* in the euro area hardly increased, probably on the speculation that the ECB will be less hawkish in normalizing policy conditions given the deteriorating outlook (higher inflation and slower growth), due to the Russia-Ukraine war. The USD strengthened by 1% against major currencies due to the risk-off mode, and due to

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the fact that the effects of war and sanctions will be felt primarily in Europe.

### **Oil prices increased somewhat, but natural gas prices skyrocketed in weekly terms**

*Oil prices* increased sharply and the Brent exceeded USD 100/barrel on Thursday, when Russia's attack on Ukraine started. However Friday brought some downward corrections as risk sentiment improved probably related to potential negotiations between the parties. The Brent seems to increase over 5%, while WTI by only 1.3% in weekly terms. However, understandably, European *natural gas prices* skyrocketed by more than 30% in weekly terms as concerns over Europe gas supply increased. The TTF stood above EUR 130/MWH on Thursday, however Friday it fell below 100.

### **January macro data for the USA surprised to the upside, just like core PCE inflation; European business confidence above expectations for February**

In the **USA**, Markit business confidence indices for February turned out above expectations, as well as consumer confidence data caused mild upside surprise. US Core PCE turned out at 5.2% YoY for January, 0.1 ppts above expectations after the 4.9% value for December. US personal spending and durable goods order also came out above expectations.

In the **euro area**, there was a big rebound in the composite PMI, from 52.3 in January to 55.8 in February, which was much better than the consensus. It was driven mainly by a jump in the Services PMI, which rose to 55.8, while the Manufacturing Output PMI stayed at a high level. The limited country breakdown shows that conditions improved more rapidly in France than in Germany. Supplier delivery times and backlogs of work have eased; but they are both still high by past standards. Surveys show that inflationary pressures remain very strong: the output price component of the euro-zone Composite PMI reached its highest level on record, and the input price component was at its second highest. The February IFO indexed published this week also strengthened the picture, that German economic growth could improve in Q1. The series of improving data also continued with the European Commission's Economic Sentiment indices (ESI), which improved from 112.7 to 114 points, also above the consensus



## This week's data

Data	Cd.	Event/Data	Period	Fact	Cons.	Prev.
2022 2. 21.	9 : 15 FR	Markit Manufacturing PMI (points)	Feb	57.6	55.5	55.5
	9 : 15 FR	Markit Service PMI (points)	Feb	57.9	53.6	53.1
	9 : 30 DE	Markit Manufacturing PMI (points)	Feb	58.5	59.5	59.8
	9 : 30 DE	Markit Service PMI (points)	Feb	56.6	53.0	52.2
	10 : 0 EZ	Markit Manufacturing PMI (points)	Feb	58.4	58.7	58.7
	10 : 00 EZ	Markit Service PMI (points)	Feb	55.8	52.0	51.1
	10 : 30 UK	Manufacturing PMI (points)	Feb	57.3	57.2	57.3
	10 : 30 UK	Service PMI (points)	Feb	60.8	55.5	54.1
	22. 10 : 00 DE	IFO Economic sentiment index (points)	Feb	98.9	96.5	95.7
	15 : 00 US	Case-Shiller Home Price Index (YoY, %)	Dec	18.6	18.0	18.3
	15 : 45 US	Markit Manufacturing PMI (points)	Feb	57.5	56.0	55.5
	15 : 45 US	Markit Service PMI (points)	Feb	56.7	53.0	51.2
	16 : 00 US	Consumer confidence (point)	Feb	110.5	110.0	113.8
	24. 14 : 30 US	GDP (detailed, QoQ annualized, %)	Q4	7.0	7.0	6,9*
	14 : 30 US	Initial jobless claims ('000s)	weekly	232.0	235	248
	14 : 30 US	Continuing jobless claims ('000s)	weekly	1476.0	1580	1593
	16 : 00 US	New home sales (annualized monthly, '000s)	Jan	801.0	806	811
	25. 8 : 00 DE	GDP (detailed, QoQ, %)	Q4	-0.3	-0.7	-0,7*
	8 : 45 FR	GDP (detailed, QoQ, %)	Q4	0.7	0.7	0,7*
	9 : 00 IT	Consumer confidence (point)	Feb	112.4	115.0	114.2
	11 : 00 EZ	EC Economic Sentiment Index (points)	Feb	114.0	113.1	112.7
	14 : 30 US	Personal income (MoM, %)	Jan	0.00	-0.3	0.4
	14 : 30 US	Personal consumption (adjusted, MoM, %)	Jan	2.1	1.5	-0.8
	14 : 30 US	Household core PCE index (MoM, %)	Jan	0.6	0.5	0.5
	14 : 30 US	Durable goods orders (MoM, %)	Jan	1.6	0.8	1.2
	16 : 00 US	Pending home sales (MoM, %)	Jan	-5.7	1.0	-2.3

\* preliminary data

## Sector performance in the USA and Europe

Performance of US sectors					Performance of Europe's sectors				
Sector	Bloomberg ticker	Last price	1 week change (%)	YTD (%)	Sector	Bloomberg ticker	Last price	1 week change (%)	YTD (%)
S&P500	SPX Index	4304.0	-1.7	-9.7	Stoxx 600	SXXP Index	450.8	-2.2	-7.6
IT	SSINFT Index	2645.7	-2.0	-13.4	Health care	SXDP Index	994.6	0.7	-8.1
Health care	S5HLTH Index	1491.6	-0.3	-9.3	Industrial goods & services	SXNP Index	686.2	-2.7	-13.9
Financials	SSFINL Index	636.9	-2.3	-2.0	Banks	SX7P Index	147.2	-6.7	1.5
Telco	S5TELS Index	228.8	-0.8	-14.5	Personal & households goods	SXQP Index	1003.2	-3.7	-9.0
Consumer discretionary	S5COND Index	1349.8	-5.5	-16.2	Insurance	SXIP Index	314.3	-3.9	-2.4
Industrials	SSINDU Index	820.2	-2.1	-8.4	Food and beverages	SX3P Index	815.6	-0.4	-6.2
Consumer staples	S5CONS Index	777.2	-1.9	-3.4	Technology	SX8P Index	653.7	-1.3	-19.0
Utilities	S5UTIL Index	334.6	-0.5	-8.0	Utilities	SX6P Index	393.1	2.0	-2.9
Energy	S5ENRS Index	512.9	-1.2	21.3	Oil & gas	SXEP Index	302.1	-0.2	9.1
Real estate	S5RLST Index	280.4	-0.1	-13.7	Chemicals	SX4P Index	1200.2	-4.0	-12.2
Materials	S5MATR Index	514.0	-2.6	-9.8	Construction & materials	SXOP Index	573.8	-3.7	-11.1
Source: Bloomberg					Telco	SXKP Index	230.1	-2.5	0.0
					Retail	SXRP Index	375.5	-4.3	-15.6
					Financial services	SXFP Index	649.5	-4.2	-13.8
					Basic resources	SXPP Index	653.9	-0.7	8.8
					Real estate	SX86P Index	181.7	0.4	-7.4
					Auto & parts	SXAP Index	637.5	-4.4	-3.4
					Media	SXMP Index	343.1	-1.4	-8.0
					Travel & leisure	SXTP Index	220.0	-2.7	-5.4

Source: Bloomberg

Data updated at  
16:00 (CEST)

## Performance of selected and regional stock indices

Name		Performance					Valuation***			Fundamentals				
Country	Index	Last Price	1M change (%)	3M change (%)	6M change (%)	12M change (%)	P/E*	P/B	P/S	ROE (%)	Current Ratio	Debt to equity (%)	Change in EPS growth in the last 4 week (%)	Change in EPS growth in the last 3 month (%)
USA	SPX Index	4304	-1.2	-8.5	-4.3	12.4	22.1	4.3	2.8	20.7	1.3	112.8	1.8	6.6
Europe	SXXP Index	451	-1.9	-6.4	-4.5	9.5	15.7	1.9	1.5	13.5	1.1	170.8	0.7	9.6
Germany	DAX Index	14429	-4.6	-9.4	-9.0	4.0	13.1	1.8	1.1	13.6	1.1	113.5	-0.8	5.5
France	CAC Index	6700	-2.0	-5.3	0.4	15.8	17.5	1.8	1.4	11.3	1.1	210.1	17.6	15.6
Poland	WIG20 Index	1971	-10.4	-11.6	-15.2	1.8	8.4	1.1	0.8	13.2	1.2	53.7	5.7	-10.4
Czechia	PX Index	1379	-1.7	0.3	6.9	29.1	17.9	1.6	1.9	9.0	1.0	160.7	2.6	17.8
Hungary	BUX Index	45677	-10.7	-12.8	-10.6	3.8	6.5	1.1	0.7	16.2	1.3	55.4	244.1	-8.2
Romania	BET Index	12966	1.8	2.8	5.6	26.1	10.8	1.2	1.5	11.7		36.5	61.8	20.2
Bulgaria	SOFIX Index	606	-1.2	-3.3	6.2	21.8	19.5	0.7	0.8	4.1	3.2	53.8		
Russia	IMOEX Index	2432	-25.4	-38.4	-37.4	-28.7	4.5	0.7	0.7	16.4	1.4	70.1	13.3	15.4
Ukraine	PFIS Index	519	-0.7	-0.8	-1.4	-0.4	3.9	1.5	0.4	14.5	0.5	3.4		
Slovenia	SBITOP Index	1160	-8.9	-7.3	-3.0	19.8	7.0	1.0	0.6	14.2	1.8	32.5		
Croatia	CRO Index	2040	-3.9	1.8	4.2	10.9	15.5	1.0	1.1	7.2	1.7	39.3		
Serbia	BELEX15 Index	841	-2.1	3.5	5.0	11.8	10.9	0.7	0.7	6.7	1.7	19.0		
Montenegro	MNSE10 Index	766	-1.4	0.2	-0.5	2.9	63.4	0.3	0.9	0.8	2.0	13.4		

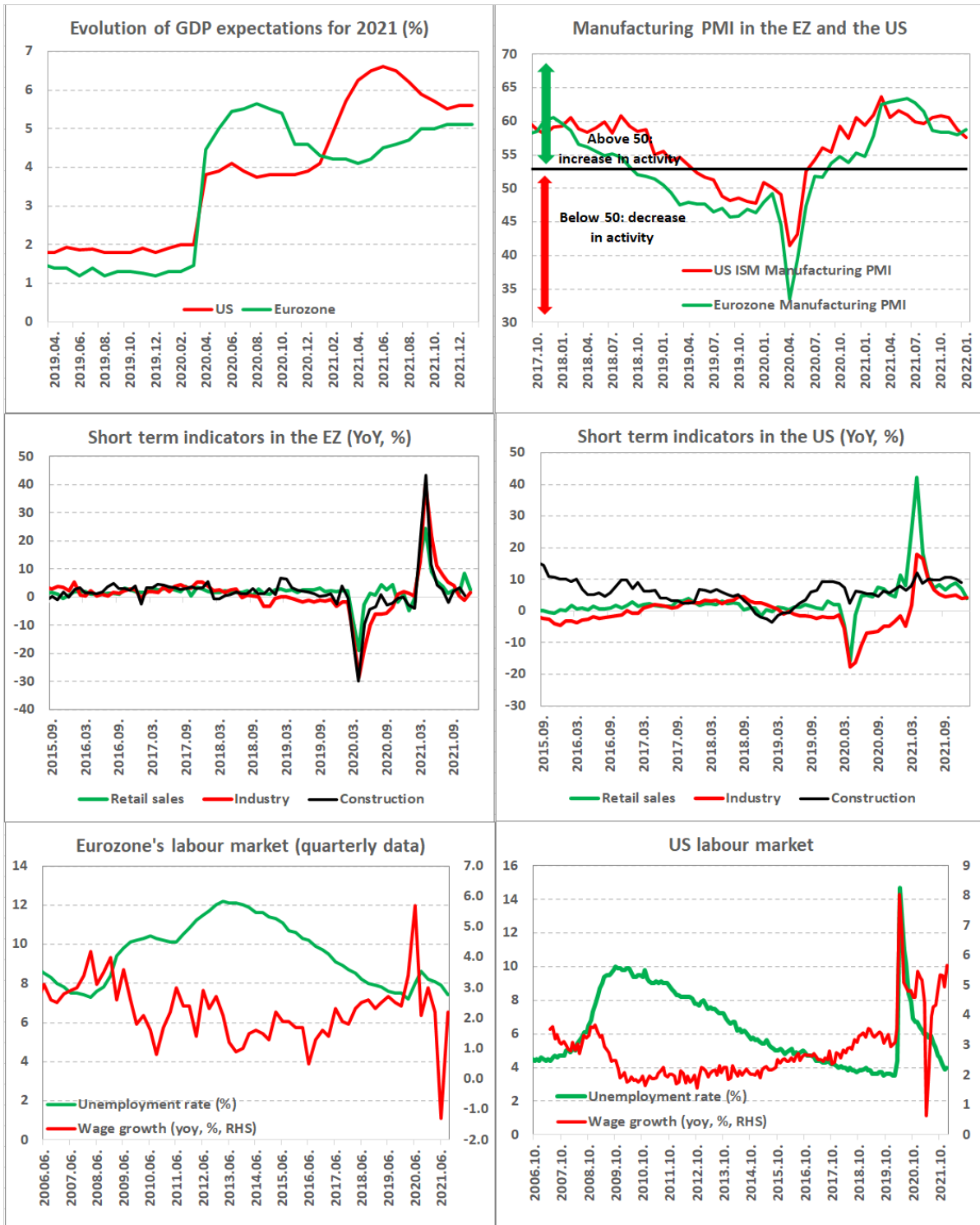
\*Price to earnings (P/E) ratio is calculated with the 12M trailing EPS in the denominator.

\*\*\*Some of the country indices could be sector heavy (only a handful industry comprise the majority of the indices).

\*\*\*therefore direct comparison of valuation metrics alone could be misleading.

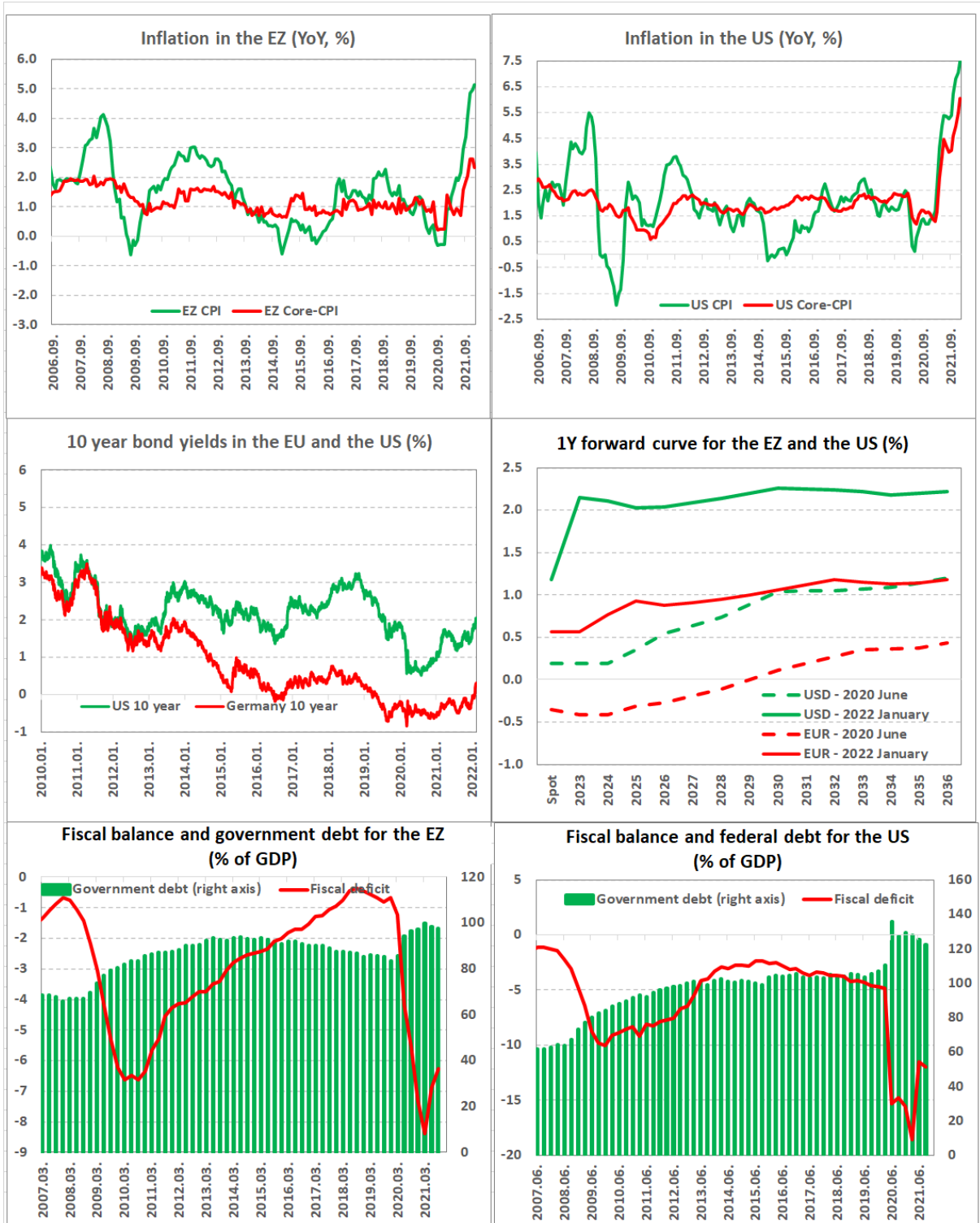
Data updated at 16:00 (CEST)

Eurozone and US chart set



Source: Refinitiv

**Eurozone and US chart set**



Source: Refinitiv

## FX forecast for the majors

FX pair	2020.Q2	2020.Q3	2020.Q4	2021.Q1	2021.Q2	2021.Q3	2021.Q4	2022.Q4	2023.Q4	2024.Q4
EURUSD	1.09	1.18	1.19	1.21	1.21	1.18	1.14	1.16	1.18	1.21
EURGBP	0.89	0.91	0.90	0.88	0.86	0.85	0.84	0.84	0.84	0.87
EURCHF	1.06	1.08	1.08	1.08	1.10	1.08	1.06	1.08	1.10	1.09
USDJPY	107.0	106.0	104.0	104.0	109.0	111.5	114.0	116.0	115.0	108.0

Source: Bloomberg

## Regional macro forecast

Countries	GDP (yoy, %)					Countries	Fiscal balance (% of GDP)				
	2020	OTP		Focus Economics			2020	OTP		Focus Economics	
		2021	2022	2021	2022			2021	2022	2021	2022
Hungary	-4.7	7.1	6.0	6.6	4.8	Hungary	-8.0	-7.3	-4.9	-7.2	-5.3
Romania	-3.9	5.6	2.7	6.6	4.5	Romania	-9.4	-7.1	-6.3	-7.2	-6.1
Bulgaria	-4.4	3.7	4.0	3.6	3.7	Bulgaria	-4.0	-3.0	-4.0	-3.4	-3.1
Russia	-3.0	4.7	2.5	4.2	2.6	Russia	-3.8	0.4	-0.4	0.1	0.9
Ukraine	-4.0	3.0	2.9	3.2	3.4	Ukraine	-5.4	-3.5	-3.0	-3.9	-3.3
Slovenia	-4.2	6.8	4.3	6.3	3.9	Slovenia	-7.7	-5.9	-3.9	-6.6	-4.6
Croatia	-8.1	10.8	4.6	9.5	4.5	Croatia	-7.4	-4.0	-2.9	-4.4	-3.0
Serbia	-0.9	7.5	4.6	7.5	4.5	Serbia	-8.0	-4.6	-3.0	-4.3	-2.7
Montenegro	-15.3	11.0	5.6	11.1	5.6	Montenegro	-10.1	-2.5	-5.0	-4.7	-3.7
Albania	-4.0	8.5	4.2	8.0	4.0	Albania	-6.8	-6.0	-4.0	-6.0	-4.2
Moldova	-7.0	10.4	3.6	8.5	4.4	Moldova	-5.1	-6.0	-5.0	-4.1	-4.9

Countries	Inflation (average (yoy), %)					Countries	Unemployment (%)				
	2020	OTP		Focus Economics			2020	OTP		Focus Economics	
		2021	2022	2021	2022			2021	2022	2021	2022
Hungary	3.3	5.1	6.3	5.1	5.4	Hungary	4.1	4.1	3.3	4.0	3.7
Romania	2.6	5.0	8.4	5.0	6.2	Romania	6.0	5.4	4.5	5.5	4.9
Bulgaria	1.7	3.3	8.1	3.3	5.1	Bulgaria	5.2	5.3	4.7	5.3	5.1
Russia	3.4	6.7	8.4	6.7	6.5	Russia	5.8	4.9	4.5	4.9	4.6
Ukraine	2.7	9.3	8.0	9.3	7.9	Ukraine	9.5	9.4	8.5	9.4	8.7
Slovenia	-0.3	1.9	2.7	2.1	2.9	Slovenia	5.0	4.8	4.5	4.8	4.5
Croatia	0.1	2.6	4.1	2.6	3.1	Croatia	7.5	7.9	6.8	8.0	7.4
Serbia	1.6	4.0	4.7	4.0	4.8	Serbia	9.5	11.0	10.2	11.1	10.2
Montenegro	-0.3	2.4	3.6	2.4	1.8	Montenegro	17.9	16.7	15.6	19.1	17.6
Albania	1.6	2.0	3.1	2.0	2.7	Albania	11.7	11.3	10.9	11.7	11.3
Moldova	3.8	5.3	14.0	5.1	8.3	Moldova	3.8	13.5	11.7	4.7	3.9

Source: Focus Economics, OTP Research Center

## FX forecast for OTP countries

Country	FX pair	2020.Q4	2021.Q1	2021.Q2	2021.Q3	2021.Q4	2022.Q1	2022.Q2	2022.Q3	2022.Q4
Hungary	EURHUF (eop)	363.0	362.0	351.0	360.0	369.0	359.0	357.0	358.0	357.0
Romania	EURRON (eop)	4.87	4.93	4.93	4.95	4.95	4.97	4.98	4.99	5.01
Russia	USDRUB (eop)	73.9	75.7	72.4	72.8	73.7	73.8	73.3	73.3	73.1
Ukraine	USDUAH (eop)	28.30	27.80	27.30	26.60	27.30	27.60	27.60	27.80	28.00
Croatia	EURHRK (eop)	7.6	7.6	7.5	7.5	7.5	7.5	7.5	7.5	7.5
Serbia	EURRSD (eop)	117.6	117.6	117.6	117.6	117.6	117.8	117.8	117.8	117.8
Montenegro	EURUSD (eop)	1.22	1.18	1.19	1.16	1.14	1.13	1.13	1.13	1.14

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

\*\*No forecast available for Moldova and Albania

Source: Focus Economics

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This document was prepared on 28 February 2022.

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