

OTP Weekly Outlook

Next week:

- April US CPI and May business confidence from the euro area will be in the spotlight.

This week:

- Negative macro news kept stock markets under pressure during the week, despite decent earnings and a temporary boost from the Fed
- The Fed hiked the rate by 50 bps and the announcement of the QT was also in line with the consensus
- Upside surprise in April non-farm payrolls, but unemployment and wage growth stagnated
- Europe's macro data for March were clearly disappointing
- The USD gained further momentum and yields moved upwards
- Oil prices increased on EU embargo plans.



Market summary table

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	4087.3	-1.1	-14.2	US 2 year	2.65	-6.2	192.1	Dollar index	103.50	0.5	8.2	Brent	112	2.2	43.6
Russel 2000	1840.3	-1.3	-18.0	US 10 year	3.06	12.8	155.1	EURUSD	1.0573	0.3	-7.0	WTI	109	4.1	44.9
Stoxx 600	427.9	-5.0	-12.3	DE 2 year	0.31	5.5	94.5	USDJPY	130.32	-0.5	-11.7	Natural gas	96	0.6	44.4
DAX	13624.8	-3.4	-14.2	DE 10 Year	1.09	15.5	127.4	GBPUSD	1.233	-2.0	-8.9	Gold	1881	-0.8	2.9
CAC40	6225.9	-4.7	-13.0	ES 10 year	2.19	22.2	163.1	AUDUSD	0.707	0.1	-2.7	Silver	22	-1.9	-4.1
FTSE100	7376.5	-1.8	-0.1	UK 10 year	1.95	4.2	97.8	USDCAD	1.289	-0.3	-2.0	Palladium	2063	-11.3	8.3
FTSE MIB	23424.4	-3.4	-14.3	IT 10 year	3.10	33.1	193.4	USDCHF	0.988	-1.7	-7.6	Copper	424	-3.5	-5.0
Nikkei 225	27003.6	1.6	-6.2	JP 10 year	0.24	1.7	17.3	NZDUSD	0.642	-0.7	-6.0	Steel	1381	-1.4	-3.8
CSI 300	3908.8	3.3	-20.9	CH 10 year	2.83	-0.7	5.6	CNHUSD	6.711	-1.0	-5.3	Wheat	1096	2.0	42.2

Source: Bloomberg

Data updated at 16:00 (CEST)

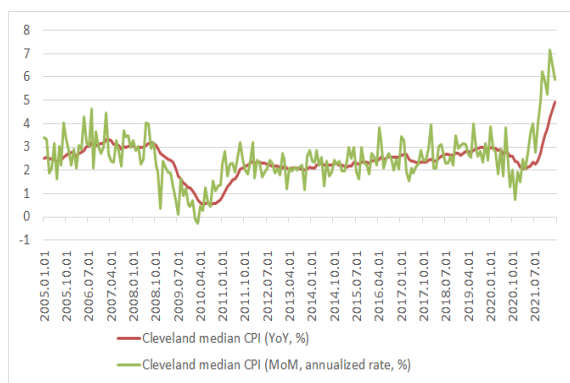
US CPI for April and the euro area's business confidence for May will be in the spotlight

News concerning the Russia-Ukraine conflict could still move market sentiment. In particular, the developments with oil and gas supply to Europe should be followed closely from an economic point of view, as Gazprom suspended gas flows to Poland and Bulgaria, and the EU announced plans on a gradual embargo of Russian oil. Next week, it will be also worth to follow news on the latter, as some voices from the Commission seem to suggest that a deal is not far off. In terms of macro news, the focus will be on US CPI for April, and the first business confidence indicators for May in the euro area will be also released. The earnings season will roll on, with reports from JD.com, Walt Disney, and Sysco among others.

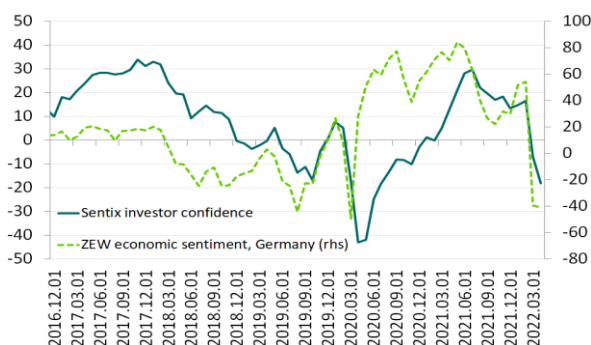
In the **USA**, the key day will be Wednesday, when April's CPI will be published. A month ago, the March inflation data were roughly in line with the consensus. The headline index grew to a 40-year high of 8.5%, up from 7.9%. Core inflation rose marginally, from 6.4% to 6.5%. While the 18.3% MoM jump in gasoline prices resulted in an 11% surge in energy CPI, enough to drive headline consumer prices up by 1.2% MoM, the good news was that core price pressures finally appeared to be moderating as there was tentative easing of goods supply shortages. Although core services' prices rose by 0.6% MoM, in the biggest gain in 30 years, mainly reflecting a temporary post-Omicron burst of reopening inflation. MoM underlying inflation measure (see the left panel below), suggested a peak in price pressures. The key question is whether April data will already point to a peak in headline and core inflation rates. The market consensus expects the headline figure to decline to 8.1%, while the core index to 6.0% YoY.

In the **euro area** few macro data will be published. The most interesting items seem to be the first release of May *business confidence indicators*: Sentix from the euro area and the ZEW from Germany. At different rates, but both indicators fell by April to levels last seen in spring 2020, when the pandemic erupted. The key question is whether there could be any improvement for May, given that a lot of bad news is already priced into these indicators, although the recently announced oil embargo on Russia could probably dent the sentiment further.

US underlying inflation measures (%)



Euro area business confidence (points)



Sources: Bloomberg , Refinitiv

What to watch next week

Data	Cd.	Event/Data	Period	Cons.	Prev.
2022 5. 9. 5 : 00 CN		Export (YoY, %)	Apr	3.2	14.7
10 : 30 EZ		Sentix Investor confidence (points)	May	-20.8	-18.0
10. 10 : 00 IT		Industrial production (MoM, SA, %)		-2.0	4.0
11 : 00 DE		ZEW Economic Sentiment (points)	May	-42.5	-41.0
11. 10 : 00 EZ		C. Lagarde, M. Centeno, B. Vasle, M. Muller, ECB speeches	-	-	-
14 : 30 US		core-CPI (MoM, SA, %)	Apr	0.4	0.3
14 : 30 US		core-CPI (YoY, %)	Apr	6.0	6.5
14 : 30 US		CPI (MoM, SA, %)	Apr	0.2	1.2
14 : 30 US		CPI (YoY, %)	Apr	8.1	8.5
20 : 00 US		Federal budget balance (USDbn)	Apr		-193.0
12. 8 : 00 UK		GDP (preliminary, YoY, %)	Q1	9.0	6.6
8 : 00 UK		GDP (preliminary, QoQ, %)	Q1	1.0	1.3
14 : 30 US		Initial jobless claims ('000s)	weekly	203.0	200.0
14 : 30 US		Continuing jobless claims ('000s)	weekly		1384
13. 11 : 00 EZ		Industrial production (MoM, %)	Mar	-1.0	0.7
16 : 00 US		Michigan Consumer confidence (preliminary, points)	May	63.6	65.2
18 : 00 EZ		I. Schnabel ECB Gov C. Member panel discussion (IRFMP)	-	-	-

Negative macro news kept stock markets under pressure during the week, despite decent earnings and a temporary boost from the Fed

The week started gloomily in Europe as Germany's retail sales missed expectations, while Europe was bracing for the Commission's proposal for Russian oil embargo. The US started the week in better mood in volatile trading, despite a worse-than-foreseen ISM manufacturing PMI. Earning reports (from Berkshire, Pfizer, Marathon Petroleum, BP, CVS Health, just to name the largest ones) mostly surprised to the upside, while the euro area's retail sales disappointed on Wednesday during the day. On Wednesday evening, Chair Powell gave a boost to markets by ruling out the possibility of 75 bps rate hike pace for the next meetings, which markets interpreted as a dovish comment. However, the good mood did not last long as US Q1 unit labour costs exceeded market expectations on Thursday. This led to a renewed increase in yields and strengthening USD: by Thursday, the US10Y yield exceeded 3%, while that of Germany' Bund surpassed 1%. Overall, markets seem to close the week with smaller losses in the US, nigger in Europe, while yields have moved up and the USD strengthened mildly in weekly terms. Oil prices increased on the announcement of European oil embargo plans.

Stock markets in Europe and America seem to close the week in red

In **Europe**, *STOXX600* seem to close the week in 5.0% decline. Out of its components all were in red, with the exception of oil&gas (+3.4%). The biggest fall was observed with real estate (8.9%) and personal&household goods (-7.9%). Among national stock markets, *DAX* fell by 3.4%, *CAC40* by 4.7%, *FTSE100* by 1.8%, *FTSEMIB* by 3.4%. In the **USA**, the *S&P* was on track for a 1.1% weekly decline. Out of its components most fell, energy (6.7%) being a clear exception and utilities (0.4%) plus Telco (0.2%) could also stand in green. The biggest fall was observed with consumer discretionary (-4.8%) and real estate (-4.5%). The other two major stock markets faired even worse: *Dow* fell by 1.4%, *Nasdaq Composite* by 2.6%. The Small cap *Russel2000* fell by 1.3%.

Bond yields reached new highs, the dollar index gained further momentum and oil prices grew on embargo fears

Bond yields renewed their rise this week on inflation worries. Although, after the FOMC decision, rate hike expectations have moderated mildly when Chair Powell ruled out a 75 bps hike, Thursday's high ULC data renewed inflation fears. The 10Y US Treasury seems to increase by 13 bps, and temporarily surpassed 3.1%, while the German Bund grew by 15 bps and temporarily exceeded 1.1%. Such levels were not seen since 2018 for the US and early 2019 for Germany. The euro periphery spreads widened as the Italian 10Y moved up by 33 bps, while for Spain 22 bps.

Although the *EURUSD* increased slightly in weekly terms, the effective dollar index gained 0.5%, as the currency was finding favour after the Federal Reserve raised rates by 50 basis points this week.

Oil prices were traded higher on Friday, on course for a second straight positive week, on the prospect of tighter global supply as the European Union lines up an embargo of Russian crude. The EU proposal suggests an embargo on imported crude from Russia in six months as well as a phasing out of imports of refined products by the end of 2022. The EU is willing to offer compromises to some Central European member states in order to get unanimity, allowing Hungary and Slovakia to continue importing Russian crude and refined products until the end of 2024, while Czechia would be allowed to do the same until June 2024. At the same time, the OPEC+ did little to alleviate fears that global supply would be affected by the EU move, announcing another modest monthly increase of 432,000 barrels per day in its production target for June. Adding to the price increasing sentiment were comments from authorities in Shanghai, suggesting that China's worst outbreak of COVID-19 has been brought under effective control following a month-long lockdown.

Natural gas prices remained almost unchanged (+0.8%) in weekly terms.

The Fed delivered what was expected; the euro area's real economy data for March all disappointed; China's April services PMI fell sharply

In the **USA**, the *FOMC* caused no surprise by raising the fed funds rate by 50 bps and announcing the QT (quantitative tightening) parameters. The latter will be delivered as expected, starting from USD 47.5 bn (USD 30 bn for Treasury bills and 17.5 bn for mortgage-backed securities), which climbs up to a cap of 95 bn (60 bn and 35 bn respectively) in three months. The Fed remains "highly attentive to inflation risks". Responding to a question at the press conference, Chair Powell stressed that the Fed did not even think about a potential 75 bps rate hike, which was dovish news for markets, sending them higher, the yield curve lowering, and the USD weakening. As regards the April job report, *non-farm payrolls* grew more than the consensus (428,000 vs. 395,000), but the *unemployment* remained at 3.6% as expected, and *wage growth* moderated mildly to 5.5% YoY, in line with the consensus. The data still points to an extremely tight US labor market. In an economy where productivity is plummeting, earnings growth at that elevated pace a long way from being consistent with the 2% price inflation target.

The **euro area**, practically all incoming March real economy data were bad news. German *industrial orders* fell by 4.7% (consensus: -0.8%), *industrial production* and *exports* also declined (-3.9% and -3.3%). Both indicators were much worse than expected and reflected the effect of the Russia-Ukraine conflict on Germany's trade ties. Germany's *retail sales* also fell slightly (-0.1%), while the consensus expected

gains (0.3%) as high inflation took its toll on activity more than foreseen. France's industrial production also fell (-0.5%), missing the forecast of stagnation.

In **China**, the *Caixin services PMI* sank to 36.3 in April from 42.0 in March, marking the second straight month of contraction amid tighter COVID-19 containment measures. The latest print also pointed to the sharpest fall in the sector since the onset of the pandemic in February 2020.

This week's data

Date	Cd.	Event/Data	Period	Fact	Cons.	Prev.
2022 5. 2.	8 : 00 DE	Retail sales (MoM, %)	Mar	-0.1	0.3	0.2
	9 : 45 IT	S&P Global Manufacturing PMI (points)	Apr	54.5	55.0	55.8
	10 : 00 IT	Unemployment rate (%)	Mar	8.3	8.4	8.5
	16 : 00 US	Construction spending (MoM, %)	Mar	0.1	0.7	0.5
	16 : 00 US	ISM Manufacturing PMI (points)	Apr	55.4	57.8	57.1
3.	11 : 00 EZ	Unemployment rate (%)	Mar	6.8	6.7	6.8
	16 : 00 US	Factory orders (MoM, %)	Mar	2.2	1.1	-0.5
4.	8 : 00 DE	Export (MoM, SA, %)	Mar	-3.3	-1.8	6.4
	9 : 45 IT	S&P Global Service PMI (points)	Apr	55.7	53.9	52.1
	11 : 00 EZ	Retail sales (MoM, %)	Mar	-0.4	0.0	0.3
	14 : 15 US	ADP non-farm employment (MoM, '000s)	Apr	247.0	398.0	455.0
	16 : 00 US	ISM non-Manufacturing PMI (points)	Apr	57.1	58.5	58.3
	20 : 00 US	Interest rate decision (%)	May	0,75-1,0	0,75-1,0	0,25-0,5
5.	3 : 45 CN	Caixin Services PMI	Apr	36.3		42.0
	8 : 00 DE	Industrial orders (MoM, %)	Mar	-4.7	-0.8	-2.2
	8 : 45 FR	Industrial production (MoM, %)	Mar	-0.5	0.0	-0.9
	13 : 00 UK	Interest rate decision (%)	May	1.0	1.0	0.8
	14 : 30 US	Initial jobless claims ('000s)	weekly	200.0	185.0	180.0
	14 : 30 US	Continuing jobless claims ('000s)	weekly	1384.0		1408.0
	16 : 00 PL	Interest rate decision (%)	May	5.3		4.5
	EZ	ECB non-Interest rate decision meeting				-
6.	8 : 00 DE	Industrial production (MoM, %)	Mar	-3.9	-0.8	0.2
	10 : 00 IT	Retail sales (MoM, SA, %)	Mar	-0.5		0.7
	14 : 30 US	Non-farm payroll (MoM, '000s)	Apr	428.0	395.0	428.0
	14 : 30 US	Unemployment rate (%)	Apr	3.6	3.6	3.6
	14 : 30 US	Average earnings (MoM, %)	Apr	0.3	0.4	0.5
	14 : 30 US	Average earnings (YoY, %)	Apr	5.5	5.5	5.6

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	4087.3	-1.1	-14.2	Stoxx 600	SXXP Index	427.9	-5.0	-12.3
IT	SSINFT Index	2429.8	-1.9	-20.5	Health care	SXDP Index	1025.4	-5.0	-5.2
Health care	S5HLTH Index	1498.9	-1.3	-8.8	Industrial goods & services	SXNP Index	629.3	-5.3	-21.0
Financials	S5FINL Index	570.6	-0.5	-12.2	Banks	SX7P Index	126.9	-4.1	-12.5
Telco	S5TELS Index	198.5	0.2	-25.8	Personal & households goods	SXQP Index	885.2	-7.9	-19.7
Consumer discretionary	S5COND Index	1211.2	-4.8	-24.8	Insurance	SXIP Index	296.1	-6.3	-8.1
Industrials	S5INDU Index	796.0	-1.1	-11.1	Food and beverages	SX3P Index	795.3	-6.1	-8.5
Consumer staples	S5CONS Index	796.3	-1.7	-1.0	Technology	SX8P Index	582.5	-6.7	-27.8
Utilities	S5UTIL Index	363.5	0.4	-0.1	Utilities	SX6P Index	385.3	-3.2	-4.8
Energy	S5ENRS Index	610.7	6.7	44.5	Oil & gas	SXEP Index	334.0	3.4	20.6
Real estate	S5RLST Index	278.4	-4.5	-14.3	Chemicals	SX4P Index	1208.2	-4.8	-11.6
Materials	S5MATR Index	522.9	-2.1	-8.2	Construction & materials	SXOP Index	535.4	-6.8	-17.1
Source: Bloomberg					Telco	SXXP Index	229.4	-2.4	-0.2
					Retail	SXRP Index	290.8	-6.1	-34.6
					Financial services	SXFP Index	597.6	-6.6	-20.7
					Basic resources	SXPP Index	637.6	-7.3	6.1
					Real estate	SX86P Index	156.5	-8.9	-20.2
					Auto & parts	SXAP Index	541.8	-4.3	-17.9
					Media	SXMP Index	332.2	-4.8	-10.9
					Travel & leisure	SXTP Index	195.7	-5.1	-15.8

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	4087	-8.8	-9.2	-13.0	-2.7	20.6	4.1	2.5	20.3	1.3	114.5	1.3	2.2
Europe	SXXP Index	428	-6.2	-7.4	-11.5	-3.0	15.6	1.8	1.4	13.4	1.1	172.9	0.7	7.5
Germany	DAX Index	13625	-3.7	-9.8	-15.1	-10.3	12.9	1.5	1.0	13.3	1.1	108.9	37.6	5.4
France	CAC Index	6226	-4.2	-10.4	-11.6	-2.1	13.8	1.7	1.2	15.0	1.1	220.7	18.2	11.4
Poland	WIG20 Index	1730	-17.9	-20.4	-29.1	-15.5	6.4	1.0	0.7	15.8	1.2	56.4	34.2	26.9
Czechia	PX Index	1308	-1.9	-9.3	-4.9	19.3	11.0	1.2	1.2	10.7		166.4	6.1	26.8
Hungary	BUX Index	42033	1.0	-18.9	-23.7	-5.5	5.6	0.9	0.7	16.7	1.4	59.6	-306.4	5.9
Romania	BET Index	12331	-3.1	-7.9	-4.2	7.2	2.3	1.1	0.1	13.7		60.4	-89.7	6.1
Bulgaria	SOFIX Index	605	-3.4	-3.4	0.3	15.8	6.7	0.8	0.6	11.2	3.5	65.7		
Russia	IMOEX Index	2386	-8.6	-31.3	-42.8	-34.8	4.0	0.8	0.8	18.9	1.3	81.1	-11.3	12.8
Ukraine	PFTS Index	519	0.0	-0.5	-0.8	-1.6	5.4	1.4	0.3	28.1	0.6	7.8		
Slovenia	SBITOP Index	1147	-4.8	-10.2	-4.5	7.6	7.8	1.0	0.5	13.0	1.7	30.3		
Croatia	CRO Index	2112	-0.1	-0.9	5.8	9.4	11.7	1.0	1.1	9.8	1.5	37.6		
Serbia	BELEX15 Index	820	-2.1	-4.7	2.1	8.5	10.3	0.7	0.8	6.9	1.7	18.3		
Montenegro	MNSE10 Index	785	-0.4	1.5	2.3	2.3	88.6	0.3	0.8	0.1	2.0	14.0		

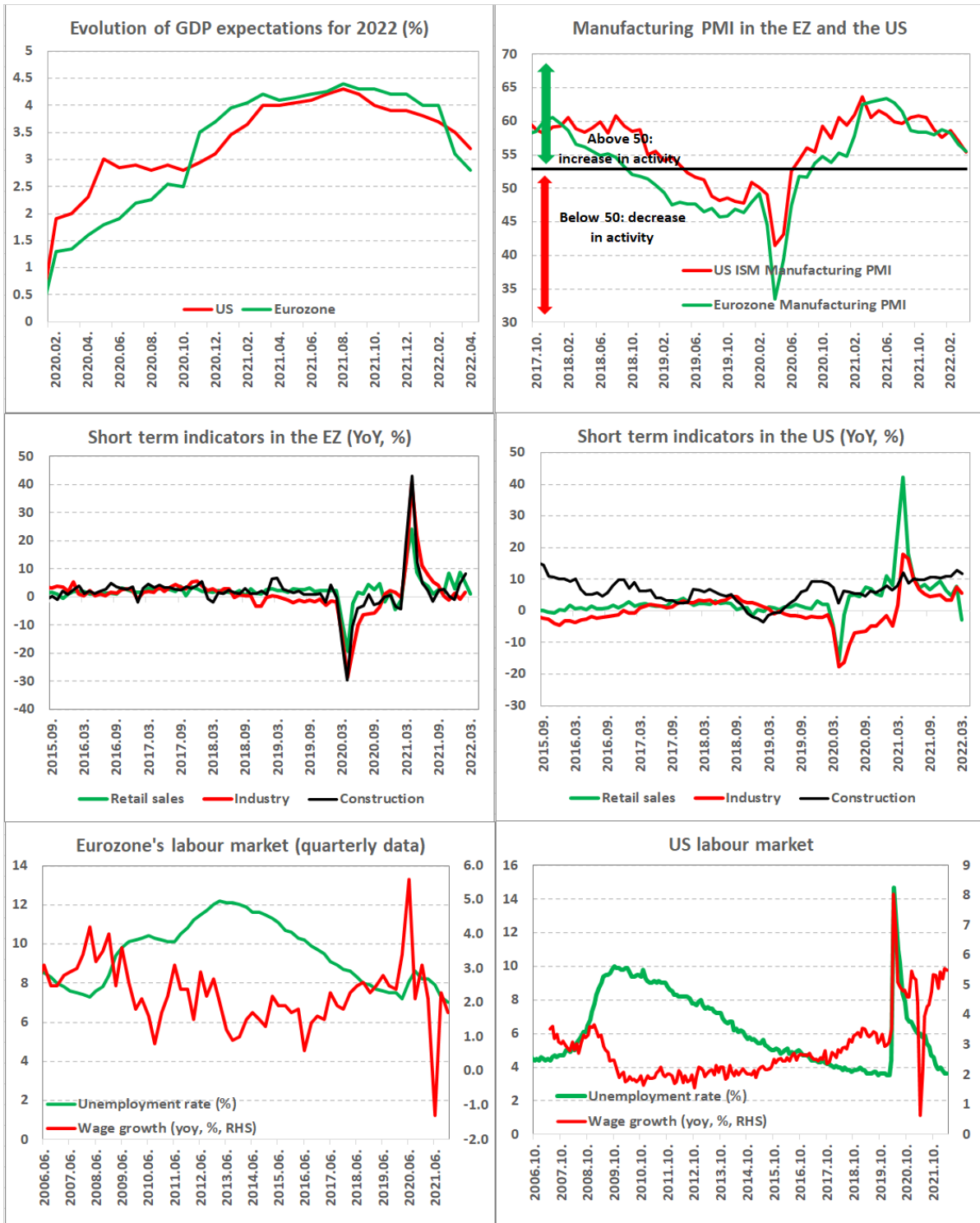
*Price to earnings (P/E) ratio is calculated with the 12M trailing EPS in the denominator.

***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.

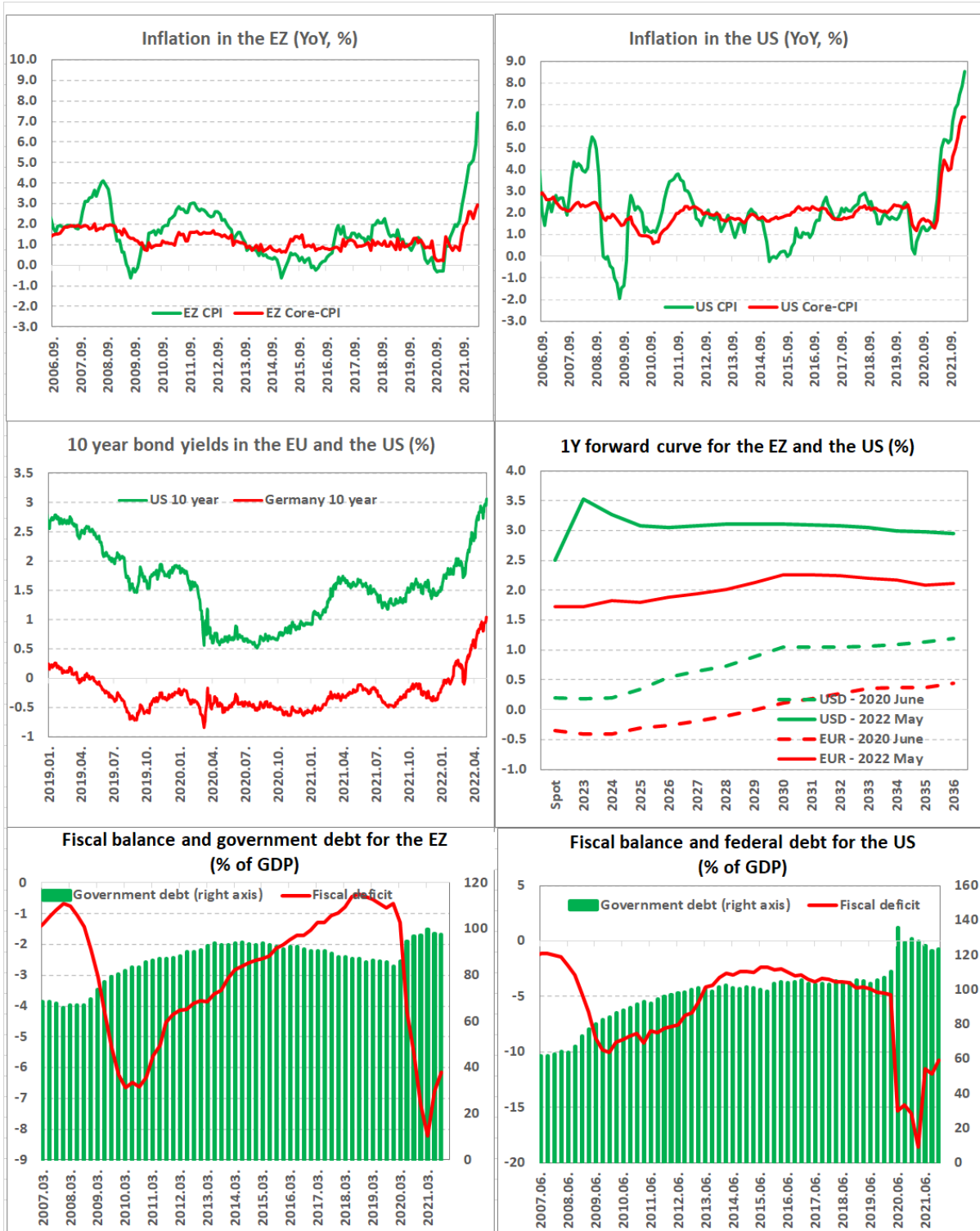
Data updated at 16:00 (CEST)

Eurozone and US chart set



Source: Refinitiv

Eurozone and US chart set



Source: Refinitiv

FX forecast for the majors

FX pair	2021.Q4	2022.Q1	2022.Q2	2022.Q3	2022.Q4	2023.Q4	2024.Q4
EURUSD	1.14	1.12	1.08	1.10	1.12	1.15	1.20
EURGBP	0.84	0.83	0.84	0.85	0.85	0.86	0.88
EURCHF	1.06	1.05	1.03	1.04	1.05	1.10	1.11
USDJPY	130.0	129.5	136.0	137.0	138.0	138.0	140.0

Source: Bloomberg

FX forecast for OTP countries

Country	FX pair	2021.Q4	2022.Q1	2022.Q2	2022.Q3	2022.Q4	2023.Q1	2023.Q2	2023.Q3	2023.Q4
Hungary	EURHUF (eop)	369.0	367.0	371.0	369.0	369.0	367.0	367.0	366.0	363.0
Romania	EURRON (eop)	4.95	4.94	5.00	5.01	5.04	5.10	5.08	5.09	5.09
Russia	USDRUB (eop)	74.3	84.1	114.9	116.1	115.7	114.8	115.1	114.0	113.0
Ukraine	USDUAH (eop)	27.30	29.50	33.40	35.20	34.80	33.90	31.80	31.90	31.10
Croatia	EURHRK (eop)	7.5	7.6	7.5	7.5	7.5	7.5	7.5	7.5	7.5
Serbia	EURRSD (eop)	117.6	117.7	117.9	117.8	117.8	117.7	0.0	0.0	0.0
Montenegro	EURUSD (eop)	1.14	1.10	1.11	1.12	1.13	1.13	1.14	1.16	1.17

*Slovenia and Montenegro uses EUR as a base currency.

**No forecast available for Moldova and Albania

Source: Focus Economics

Chief Economist
Gergely Tardos
tardosg@otpbank.hu

Analyst
Mihály András Kovács
Mihaly.Andras.Kovacs@otpbank.hu

OTP Bank Romania Treasury Sales Team

Robert Kovacs

Head of Sales
+40 372 318 588

robert.kovacs@otpbank.ro

Anca Butuc

Desk Dealer
+40 372 318 587

anca.butuc@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

teodor.tibuleac@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

This document was prepared on 09 May 2022.

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 NSC Regulations no. 32/2006 and 15/2006.

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.