

OTP Weekly Outlook

Next week:

- ECB Governing Council meeting and US May inflation will be in the spotlight

This week:

- Inflation fears and rising yields weighed on equity markets, even though the easing of covid lockdown in Shanghai cheered investors.
- CPIs hitting record highs in Germany and the eurozone add to pressure on the ECB to start normalizing interest rates. LT yields showed double-digit growth in Europe and the US.
- Euro area inflation caused another sharp upside surprise
- Brent oil ticked lower as the EU banned Russian oil imports but OPEC+ raised quotas

ECB Governing Council meeting and US May inflation will be in the spotlight

Date*	Cd.	Event/ Data	Period	Cons.	Prev.
2022 6. 6. 3 :45	CN	Caixin Services PMI	May		36.2
7. 8 :00	DE	Industrial orders MoM (%)	Apr	0.5	-4.7
10 :30	EZ	Sentix Investor confidence (points)	Jun	-20.0	-22.6
8. 8 :00	DE	Industrial production MoM (%)	Apr	1.0	-3.9
10 :00	IT	Retail sales MoM, SA (%)	Apr		-0.5
9. 5 :00	CN	Export (YoY, %)	May		3.9
13 :45	EZ	Interest rate decision (lending rate, %)	Jun	0.0	0
13 :45	EZ	Interest rate decision (deposit rate, %)	Jun	-0.5	-0.5
14 :30	US	Initial jobless claims (000s)	weekly	208	200
14 :30	US	Continuing jobless claims (000s)	weekly		130.9
10. 10 :00	IT	Industrial production MoM, SA (%)	Apr	-1.6	0.0
14 :30	US	core-CPI MoM, SA (%)	May	0.5	0.6
14 :30	US	core-CPI (YoY, %)	May	5.9	6.2
14 :30	US	CPI MoM, SA (%)	May	0.7	0.3
14 :30	US	CPI (YoY, %)	May	8.3	8.3
16 :00	US	Michigan Consumer confidence (preliminary, points)	Jun	58.1	58.4
20 :00	US	Federal budget balance (USD bn)	May		30.8

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

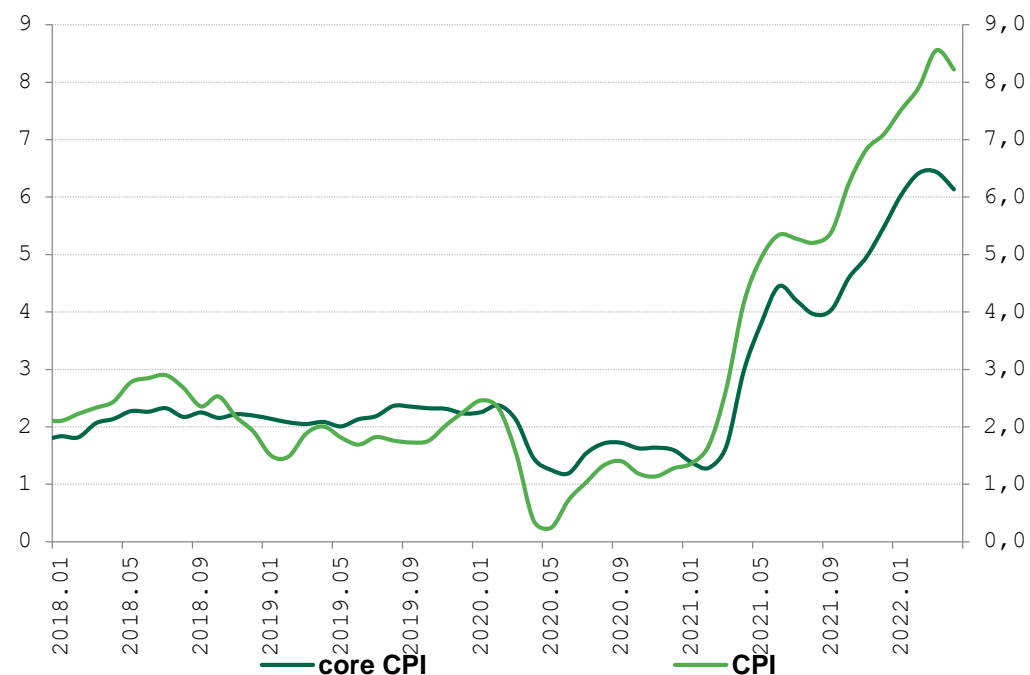
US: May's inflation data expected to show a further easing of core inflation

Date		Co.	Event/ Data	Period	Cons.	Prev.
2022.06.10	14:30	US	CPI (YoY,%)	May	8,3	8,3
	14:30	US	CPI MoM, SA,%)	May	0,7	0,3
	14:30	US	core-CPI (YoY,%)	May	5,9	6,2
	14:30	US	core-CPI MoM, SA,%)	May	0,5	0,6
	16:00	US	Michigan Consumer confidence preliminary,	Jun	58,1	58,4

Key highlights

- **May's inflation data from the USA** will show whether investors' optimism was justified after the April release, when headline inflation eased from 8.5% to 8.3% YoY and core inflation edged down from 6.5% to 6.2% YoY.
- **The pace of core CPI increases may have moderated further in May**, but risks still point to the upside.
- If the data shows an acceleration, this could easily rewrite interest rate expectations. The current pricing suggests the fed funds rate to rise to 3% by the end of the year, reaching its peak in the current interest rate hike cycle.
- **The University of Michigan's June Consumer Confidence Index** also will be released, which fell below expectations in May, its lowest level in more than 10 years. The survey showed that consumers worried about inflation.

Inflation data (YoY)



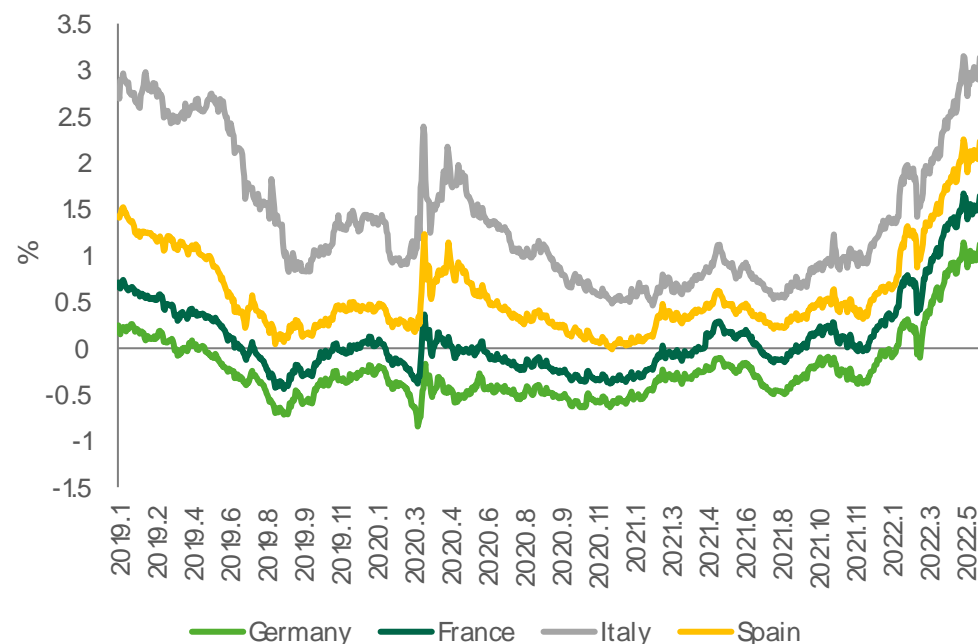
Euro area: Governing Council meeting will be in the spotlight

Date	Cd.	Event/Data	Period	Cons.	Prev.
2022 6. 7. 8 :00	DE	Industrial orders M oM ,%)	Apr	0.5	-4.7
10 :30	EZ	Sentix Investor confidence points)	Jun	-20.0	-22.6
8. 8 :00	DE	Industrial production M oM ,%)	Apr	1.0	-3.9
9. 13 :45	EZ	Interest rate decision (lending rate,%)	Jun	0.0	0
13 :45	EZ	Interest rate decision (deposit rate,%)	Jun	-0.5	-0.5

Key highlights

- The **Governing Council meeting** might cause big surprise if the ECB starts rate hikes already in June, rather than in July as some decision makers had communicated and markets expected. An early tightening could be warranted by large surprises in inflation figures. Watch out for intra-eurozone bond spreads, which widened in the past few months. These might complicate the ECB's tightening intentions, as it also needs to consider financial stability in all economies in the area.
- **Germany's April industry data** helps to assess Q2 activity. March data was a huge negative surprise for output and orders.
- The **Sentix investor confidence** will be the first soft indicator for June. The indicator plotted a continuous weakening since February

Euro area 10Y government bond yields



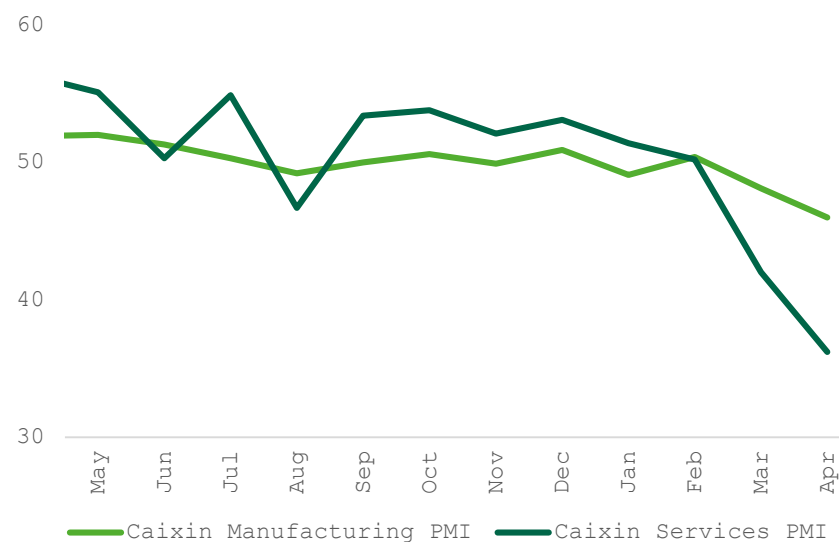
China: Covid restrictions put further strain on China's economy

Date	Cd.	Event/Data	Period	Cons.	Prev.
2022.06.06 3:45	CN	Caixin Services PMI	May		36.2
2022.06.09 5:00	CN	Export (YoY, %)	May		3.9
2022.06.10 3:30	CN	Inflation rate (YoY, %)	May		2.1

Key highlights

- The **Caixin Services PMIs** is likely to decline further in May as Covid restrictions were in effect for the month.
- Most of the **restrictions were lifted** however at the beginning of this month after 65 days, which should cause a **rebound in June**.
- On the other hand, **soft consumption and the struggling property** market are also hurting China's economy.
- **Exports** are also affected by lockdowns, as factory production slowed down and port operation was also constrained, as well as by the slump of exports to Russia
- While the former may be reversed in June, the latter may be more sustained
- **Inflation** rose more than expected in April and may accelerate further in May

Caixin Manufacturing and Services PMI (balance)



This week's data: Euro area inflation surprised to the upside; US jobs data was better than anticipated, while wage growth has moderated

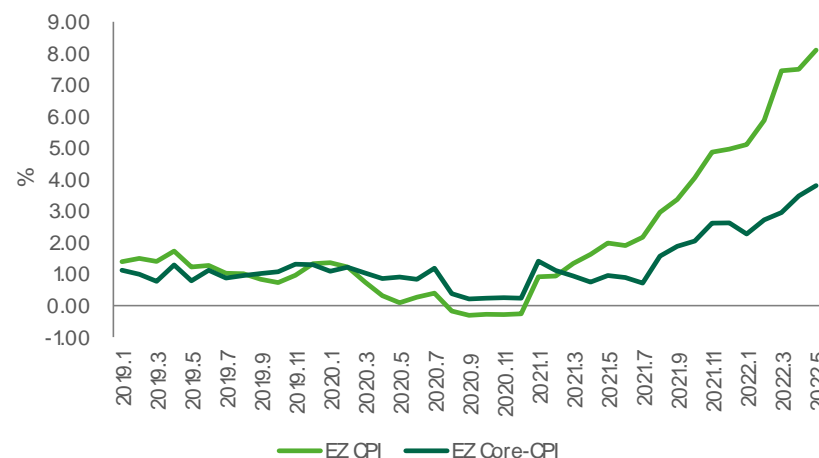
Date*	Time	Cd.	Event/ Data	Period	Fact	Cons.	Prev.
2022. 5. 31.	3 :30	CN	NBS Manufacturing PMI (points)	May	49.6		47.4
	3 :30	CN	NBS Non-manufacturing PMI (points)	May	47.8		41.9
	8 :45	FR	GDP (detailed, QoQ, %)	Q1	-0.2		0
	11 :00	EZ	CPI (flash, YoY, %)	May	8.1	7.5	7.4
	11 :00	EZ	Core CPI (flash, YoY, %)	May	3.8	3.5	3.5
	16 :00	US	Consumer confidence (point)	May	106.4	104.0	107.3
6. 1.	3 :45	CN	Caixin Manufacturing PMI (points)	May	48.1		46
	8 :00	DE	Retail sales MoM, %)	Apr	-5.4	0.0	-0.1
	16 :00	US	ISM Manufacturing PMI (points)	May	56.1	55.3	55.4
	20 :00	US	Beige Book	-	-	-	-
2.	16 :00	US	Factory orders MoM, %)	Apr	0.3	0.7	1.8
3.	8 :00	DE	Export MoM, SA, %)	Apr	4.4	1.5	-3.0
	8 :45	FR	Industrial production MoM, %)	Apr	-0.1	0.3	-0.4
	11 :00	EZ	Retail sales MoM, %)	Apr	-1.3	0.3	0.3
	14 :30	US	Average earnings YoY, %)	May	5.2	5.2	5.5
	14 :30	US	Average earnings MoM, %)	May	0.3	0.4	0.3
	14 :30	US	Unemployment rate (%)	May	3.6	3.5	3.6
	14 :30	US	Non-farm payroll MoM, 000s)	May	390	325	436
	16 :00	US	ISM non-manufacturing PMI (points)	May	55.9	56.4	57.1

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

Key highlights

- **Euro area CPI** surprised substantially to the upside yet again. Prices increased by 8.1% year-on-year (from 7.4%, consensus: 7.7%). Core inflation also overshoot expectations (by 0.3 percentage points), accelerating to 3.8%. This will add to the pressure on the ECB ahead of next week's decision. **Retail sales** unexpectedly slumped, while **German exports** surprised to the upside.
- May **non-farm payroll** data came in better than expected
- **Wage growth** has moderated, but remained above the level consistent with the Fed's inflation target

Euro area inflation rate (%)



Inflation fears and rising yields weighed on European and US stock markets, with NFP showed strong gains; LT yields climbed steeply; the EUR/USD remained near 1.07

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	4136	1,9	-13,2	US 2 year	2,6565	18,1	192,4	Dollar index	101,95	0,1	6,6	Brent	118,83	-0,5	52,8
Nasdaq Comp.	12071	2,8	-22,8	US 10 year	2,9369	19,9	142,7	EURUSD	1,0726	-0,1	-5,7	WTI	118,23	3,6	57,2
Dow Jones	32996	1,1	-9,2	DE 2 year	0,6210	28,5	125,8	USDJPY	130,47	-2,6	-11,8	Natural Gas (TTF)*	77,7	-3,5	16,8
Russel2000	1889	2,8	-15,9	DE 10 Year	1,2562	29,7	143,9	GBPUSD	1,2536	-0,8	-7,4	Gold	1859,64	0,3	1,7
Stoxx 600	441	-0,7	-9,6	FR 10 year	1,78387	30,8	159,1	AUDUSD	0,723	0,9	-0,5	Silver	22,0905	-0,1	-5,2
DAX	14490	0,2	-8,8	SP 10 year	2,41518	38,1	185,4	USDCAD	1,2567	1,2	0,6	Palladium	1155	-2,8	5,5
CAC40	6495	-0,3	-9,2	IT 10 year	3,35618	46,3	219,0	USDCHF	0,962	-0,5	-5,1	Copper	448,75	5,5	0,5
FTSE100	7533	0,1	2,0	UK 10 year	2,15392	24,5	118,6	NZDUSD	0,6521	-0,2	-4,5	Steel	1155	-3,8	-19,5
FTSEMIB	24192	-1,8	-11,5	CH 10 year	0,98048	26,9	113,3	CNHUSD	6,645	1,1	-4,3	Wheat	1042,25	-8,8	35,2
Nikkei225	27762	3,7	-3,6	JP 10 year	0,231	0,2	16,5	USDTRY	16,528	-1,8	-19,5	Com	730,25	-4,5	23,1
CSI300	4090	2,4	-17,2	CN 10 year	2,791	6,5	3,4	USDBRL	4,7902	-1,2	16,4	Electricity*	146,94	-35,0	57,1
*In EUR/MWh															

Key highlights

- Inflation worries have weighed on **stock markets** during the week, particularly in Europe, after the latest consumer price indices hit levels unseen for decades. The week started globally on a positive note and was boosted by news that covid lockdown will be lifted for businesses in Shanghai from Wednesday. Gains were limited in Europe after German CPI surged to record highs. Higher-than-expected eurozone inflation dragged down most European stock markets on the last day of May, resulting in mixed monthly performance, with the Stoxx600 Europe dropping 1.6%, the FTSE gaining ~1%, and the DAX surging more than 2%. Rising yields weighed on stock markets as inflation data add to pressure on the ECB to start normalizing interest rates as soon as possible. European stock markets later shrugged off these worries and gained some ground ahead of highly anticipated monthly US payroll data to be released on Friday. Record-high eurozone inflation also made investors wary in the US when they returned from Memorial Day holiday. S&P and Dow were flat in May, on a monthly basis, and the Nasdaq Composite fell more than 2%. The Fed's Beige Book, released on Wednesday, failed to support stock markets but risk appetite recovered in the second half of the week and US stocks indices bagged stable gains, helped by Fed-friendly ADP and factory reports, while OPEC+ agreement on increasing quotas also helped to ease concerns. After the May job report, US benchmarks are set to end another week mixed, while Europe's leading equity indices are expected to end the week flat, or with small losses. According to the non-farm payroll data, the economy has created more jobs than anticipated (390.000 vs. 325.000), while wage growth has also moderated (+5,2% YoY), but remained above the level which is consistent with the Fed's inflation target.
- Among sectors, only telco, consumer discretionary and energy showed gains (S&P500) in the USA, while in Europe, personal & household goods and autos (Stoxx600) headed the increase.
- As inflation fears heightened, long-term yields climbed day-by-day. On a weekly basis, **bond yields** jumped on both sides of the Atlantic, with 10Y Treasury yield adding 20bps, to 2.94% and the 10Y Bund yield increasing by 30bps, to 1.26% from below 1% one week ago. Bond yields of Southern Europe's periphery countries climbed even faster. Currently the market expects the ECB to make three rate hikes this year, by 25 basis points each time, but investors are increasingly expecting a more marked tightening. The euro remained flat (-0.1%) the **EUR/USD** was near 1.073. The **Dollar Index** gained 0.1%.
- **Oil prices** are mixed when considering weekly performances, with WTI adding +1.7% and Brent posting 3.3% drop. The EU's political leaders approved a partial ban on Russian oil imports, which pushed crude prices higher: Brent peaked at 123-124 USD/bbl but later it decreased on the news of increasing OPEC+ quotas and Saudi Arabia's offer to boost production. WTI exceeded 116 USD/bbl after EIA released report on US crude stockpiles. Gas prices in Europe fell 9% on Wednesday after Russia threatened Dutch and Danish traders to cut gas supplies. TTF price stands around 78 EUR/MWh.

Stock market and sector performance

Performance of US sectors			
Sector	Last price	1 week change (%)	YTD (%)
S&P 500	4127	1,7	-13,4
IT	2452	2,7	-19,7
Health care	1522	-0,7	-7,4
Financials	580	0,0	-10,8
Telco	201	2,9	-24,7
Consumer discretionary	1205	3,9	-25,2
Industrials	806	2,1	-10,0
Consumer staples	766	-0,5	-4,8
Utilities	378	0,6	3,9
Energy	675	2,5	59,6
Real estate	276	1,2	-15,0
Materials	544	1,6	-4,5

Top US Mega-Cap Companies			
Company	Last price	1 week change (%)	YTD (%)
Alphabet	2299	6,6	-20,6
Amazon	2447	10,1	-26,6
Apple	146	1,8	-17,6
Meta	193	0,8	-42,5
Microsoft	272	2,3	-19,1
Tesla	719	1,6	-32,0

Performance of Europe's sectors			
Sector	Last price	1 week change (%)	YTD (%)
Stoxx 600	440	-0,8	-9,7
Health care	1029	-1,1	-4,9
Industrial goods & services	652	0,0	-18,2
Banks	137	-1,6	-5,6
Personal & household goods	946	2,6	-14,1
Insurance	301	-2,6	-6,6
Food and beverages	780	-0,8	-10,3
Technology	601	-1,2	-25,5
Utilities	385	-2,8	-5,0
Oil & gas	348	-0,2	25,6
Chemicals	1259	0,3	-7,9
Construction & materials	547	-0,4	-15,2
Telco	237	-1,8	2,9
Retail	313	-1,9	-29,6
Financial services	620	-2,1	-17,7
Basic resources	688	-0,2	14,5
Real estate	157	-3,7	-20,0
Auto & parts	580	1,6	-12,1
Media	321	-2,2	-13,9
Travel & leisure	199	-2,9	-14,4

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	440	-1,3	0,7	-4,8	-2,3	15,8	1,9	1,4	13,5	1,1	173,9	0,5	6,5
Germany	DAX Index	14476	3,1	5,7	-4,6	-7,4	13,0	1,6	1,0	13,6	1,1	110,6	15,8	7,1
France	CAC Index	6488	0,2	1,7	-4,1	-0,3	14,6	1,7	1,3	14,9	1,1	220,5	15,4	10,1
Poland	WIG20 Index	1819	-0,3	-9,5	-16,6	-19,2	6,3	1,1	0,7	17,0	1,2	54,9	-5,5	22,7
Czechia	PX Index	1330	0,0	-2,5	-2,4	13,2	10,3	1,2	1,2	11,7		165,8	3,1	26,3
Hungary	BUX Index	41120	-5,7	-1,3	-19,2	-13,3	5,7	0,8	0,7	16,1	1,4	58,7	-158,8	-3,1
Romania	BET Index	12282	-2,3	2,0	-0,8	5,8	2,3	1,1	0,1	20,6	0,9	43,4	-70,1	-3,7
Bulgaria	SOFIX Index	616	2,0	4,8	-1,4	13,7	5,5	0,8	0,8	13,3	2,3	58,6		
Russia	MOEX Index	2297	-6,1	-7,0	-41,3	-39,6	3,9	0,8	0,8	18,6	1,3	80,9	-10,1	7,1
Ukraine	PFTS Index	519	0,0	0,0	-0,8	-2,3	5,4	1,4	0,3	28,1	0,6	7,8		
Slovenia	SBITOP Index	1155	-0,9	0,4	-5,3	1,1	6,7	1,0	0,5	14,8	1,7	37,5		
Croatia	CRO Index	2092	-1,4	5,4	5,0	7,2	8,5	1,0	0,5	9,7	1,5	40,9		
Serbia	BELEX15 Index	838	1,3	0,2	0,5	7,4	8,4	0,6	0,7	8,5	1,6	17,0		
Montenegro	MNSE10 Index	776	-1,9	1,6	-0,5	-3,7	97,0	0,3	0,8	0,1	2,0	13,6		

*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	2021.Q4	2022.Q1	2022.Q2	2022.Q3	2022.Q4	2023.Q4	2024.Q4
EURUSD	1,14	1,12	1,06	1,08	1,09	1,15	1,19
EURGBP	0,84	0,83	0,85	0,85	0,86	0,86	0,87
EURCHF	1,06	1,05	1,03	1,04	1,05	1,1	1,08
USDJPY	130	129,5	136	137	138	138	138

Source: Bloomberg

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	367	376	373	372	369	367	366	363
Romania	EURRON (eop)	4.95	4.94	4.96	4.98	5	5.03	5.02	5.03	5.02
Russia	USDRUB (eop)	74.3	84.1	91.9	94.2	95.9	95	97.1	94.4	97.4
Ukraine	USDUAH (eop)	27.3	29.5	32.1	33.2	33.6	33.5	31.9	32.3	32.3
Croatia	EURHRK (eop)	7.52	7.57	7.54	7.53	7.54	7.55	7.54	7.54	7.54
Serbia	EURRSD (eop)	117.6	117.7	117.9	117.8	117.8	117.8	-	-	-

*No forecast available for Moldova and Albania

Source: Focus Economics

Macro outlook in the region

Countries	GDP (yoy, %)				
	2020	OTP		Focus Economics	
		2021	2022	2021	2022
Hungary	7.1	5.0	2.0	3.7	3.3
Rom ania	5.9	3.3	2.4	2.8	4
Bulgaria	4.2	2.2	2.7	2.7	3.4
Russia	4.7	-8.5	-0.8	-10.2	-1.1
Ukraine	3.4	-36.0	18.1	-36.5	12.9
Slovenia	8.1	4.9	2.6	4.2	2.9
Croatia	10.2	4.2	3.0	3.3	3.7
Serbia	7.4	3.2	3.7	3.7	3.7
Montenegro	12.4	3.7	3.3	3.9	3.8
Albania	8.5	3.5	3.0	3.1	3.4
Moldova	13.9	-6.2	-0.8	-0.2	3.1

Countries	Fiscal balance (%of GDP)				
	2020	OTP		Focus Economics	
		2021	2022	2021	2022
Hungary	-7.3	-4.9	-3.5	-5.8	-4.3
Rom ania	-7.1	-7.5	-6.0	-6.5	-5.3
Bulgaria	-4.1	-4.1	-2.6	-3.9	-2.7
Russia	0.4	-2.2	-1.8	-1.8	-1.2
Ukraine	-3.5	-15.0	-9.0	-15.1	-10.7
Slovenia	-5.7	-4.2	-3.1	-4.7	-3.2
Croatia	-2.9	-2.5	-2.0	-3.1	-2.4
Serbia	-4.1	-4.0	-2.0	-3.5	-2.1
Montenegro	-2.1	-5.1	-3.5	-5.2	-3.9
Albania	-4.5	-5.5	-4.0	-4.6	-3.2
Moldova	-3.3	-8.0	-6.0	-5.9	-4

Countries	Inflation (average (yoy), %)				
	2020	OTP		Focus Economics	
		2021	2022	2021	2022
Hungary	5.1	9.4	6.4	9.1	5.2
Rom ania	5.0	12.3	8.7	9.3	5.3
Bulgaria	3.3	13.2	4.0	10.9	4.7
Russia	6.7	15.0	6.4	20.8	11.8
Ukraine	3.3	13.2	4.0	22.5	14.4
Slovenia	1.9	7.3	4.9	6.6	3.6
Croatia	2.6	8.9	5.6	6.8	3.2
Serbia	4.0	6.3	3.5	8.1	4.5
Montenegro	2.4	9.2	2.6	7.3	3.3
Albania	2.0	6.4	5.0	5.7	3.3
Moldova	5.3	28.0	18.0	19.8	7.3

Countries	Unemployment (%)				
	2020	OTP		Focus Economics	
		2021	2022	2021	2022
Hungary	4.1	3.8	3.8	3.8	3.7
Rom ania	5.6	5.4	5.0	5.5	5.2
Bulgaria	5.3	4.8	4.6	5.2	4.8
Russia	4.8	7.5	7.0	7.3	7.1
Ukraine	10.6	15.4	11.0	22.5	13.6
Slovenia	4.8	4.5	4.2	4.6	4.4
Croatia	7.6	6.8	6.0	7.3	6.9
Serbia	10.2	10.2	9.5	10.2	9.5
Montenegro	16.7	16.0	15.5	16.8	15.4
Albania	11.3	11.3	11.7	11.1	10.9
Moldova	3.9	6.3	7.3	3.6	3.4

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

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
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 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, Romania, 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.