

OTP Weekly Outlook

Next week's spotlight:

- December inflation from the USA
- Business confidence, real economy data and unemployment from Europe

This week:

- Euro area inflation fell more than expected, but the core indicator has disappointed
- US job market remained surprisingly strong in December, although wage growth has slowed
- US stocks are to close the week in small decline on account of mixed economic news and Fed minutes
- European stocks have been boosted by surprise fall in inflation and lower gas prices
- The yield curve fell both in Europe and overseas
- The USD gained momentum
- Commodities seem to close in red on mild winter in Europe, growth fears, and China's covid situation

Next week's spotlight: December inflation from the US; business confidence, real economy data and unemployment from Europe

Date*	Cd.	Event/ Data	Period	Cons.	Prev.
2023 1. 9. 8 :00	DE	Industrial production M oM ,%)	Nov	0.1	-0.1
	EZ	Sentix Investor confidence (points)	Jan	-18.0	-21.0
	EZ	Unemployment rate (%)	Nov	6.5	6.5
10. 8 :45	FR	Industrial production M oM ,%)	Nov	0.9	-2.6
	SE	Riksbank symposium (J.Powell,A.Bailey,H.Kuroda,ISchnabel)	-	-	-
11. 10 :00	IT	Retail sales M oM ,SA,%)	Nov		-0.4
12. 14 :30	US	core-CPI M oM ,SA,%)	Dec	0.3	0.2
	US	core-CPI YoY,%)	Dec	5.7	6.0
	US	CPI M oM ,SA,%)	Dec	0.0	0.1
	US	CPI YoY,%)	Dec	6.6	7.1
	US	Initial jobless claims (000s)	weekly		204
	US	Continuing jobless claims (000s)	weekly		1694
	US	Federal budget balance (USDbn)	Dec		-249
13. 4 :00	CN	Export YoY,%)	Dec		-8.7
	DE	GDP YoY)	2022	1.9	2.6
	IT	Industrial production M oM ,SA,%)	Nov	0.0	-1.0
	EZ	Industrial production M oM ,%)	Nov	0.3	-2.0
	US	Michigan Consumer confidence (preliminary, points)	Jan	60.5	59.7

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

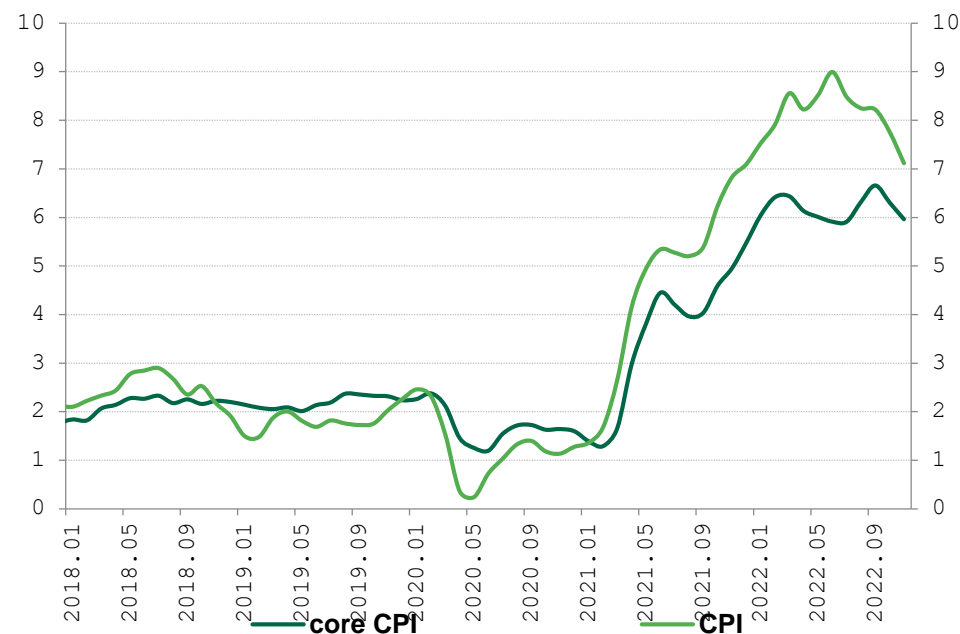
US: November inflation data will be in the spotlight; we expect further

Date	Cd.	Event/Data	Period	Cons.	Prev.
2023.01.12 16:00	US	core-CPI MoM, SA, %)	Dec	0.3	0.2
14:30	US	core-CPI YoY, %)	Dec	5.7	6.0
15:00	US	CPI MoM, SA, %)	Dec	0.0	0.1
16:00	US	CPI YoY, %)	Dec	6.6	7.1
13 20:00	US	Michigan Consumer confidence (preliminary, points)	Jan	60.5	59.7

Key highlights

- The **November inflation data were a positive surprise**, as price pressures declined stronger than expected: the headline index was 7.1% (forecast: +7.3%); the core CPI was 6% (forecast: +6.1%). **The data came as a relief to stock markets as concerns about monetary tightening have eased.** According to market expectations, the base rate will rise from the current 4.5% to 5.25% in three steps.
- **The easing of energy and used car prices continued in December**, but food prices and shelter costs could rise further, so we expect the headline index to keep falling.
- **Jerome Powell pointed out that service inflation excluding shelter costs**, which was little changed in November, **will be a key determinant for monetary policy decisions**, so it will be worth paying attention to this component in the release.
- **Michigan's Consumer Confidence Index for January** is foreseen to climb further, following stronger-than-expected data in December.

CPI data



In the spotlight in the euro area: business confidence, real economy data and

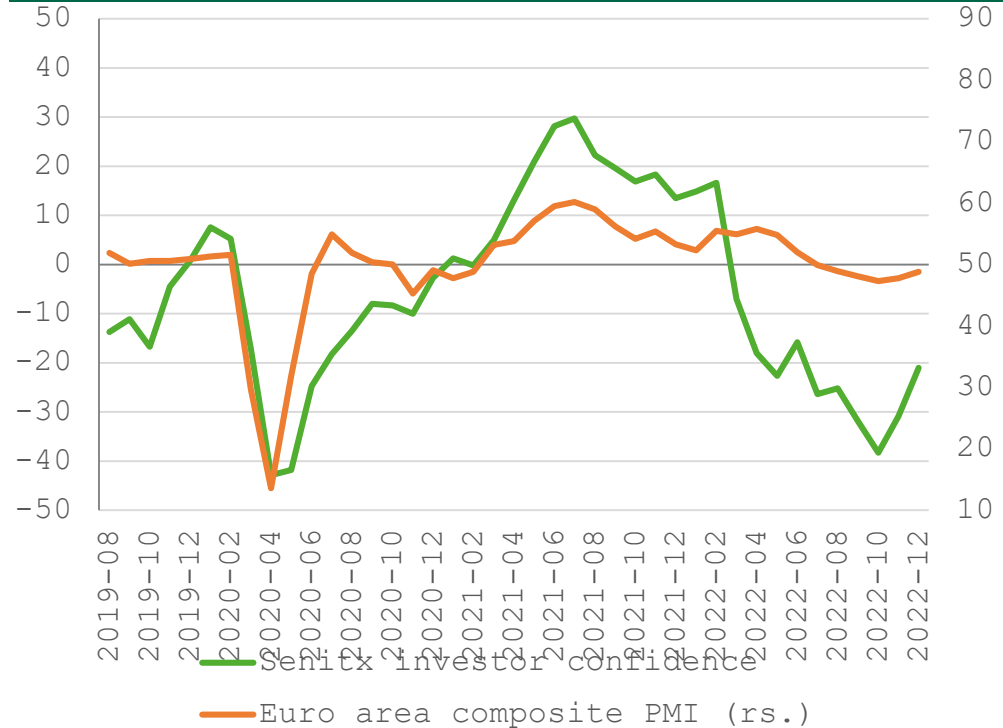
unemployment

Date	Cd.	Event/ Data	Period	Cons.	Prev.
2023 1. 9. 8 :00	DE	Industrial production M oM ,%)	Nov	0.1	-0.1
10 :30	EZ	Sentix Investor confidence (points)	Jan	-18.0	-21.0
11 :00	EZ	Unemployment rate (%)	Nov	6.5	6.5
10. 8 :45	FR	Industrial production M oM ,%)	Nov	0.9	-2.6
11. 10 :00	IT	Retail sales M oM ,SA ,%)	Nov		-0.4
13. 10 :00	DE	GDP, 2022	full year	1.9	2.6
10 :00	IT	Industrial production M oM ,SA ,%)	Nov	0.0	-1.0
11 :00	EZ	Industrial production M oM ,%)	Nov	0.3	-2.0

Key highlights

- As for the **Sentix investor confidence** the key question is whether the improving tendency since last October could continue.
- The release of German **industrial production** will be followed by French and Italian data, to conclude the November figure for the whole euro area. Additionally, the first release of the 2022 full year **German GDP** will be published. Although the quarterly profile will not be available, this can give a hint on the economic situation in Q4 2022
- Finally, the November **unemployment figure** is also worth to follow, as the tightness of the labour market is important for the ECB assess the risk of second round effects. Here the key question is whether the rate remained at the historic low level despite weakening economic activity.

Euro area business confidence (points)



This week's data: Euro area inflation fell more than expected, but the core indicator has disappointed; Although wage growth has slowed, the US job market

Date*	Cd.	Event/ Data	Period	Fact	Cons.	Prev.
2023 1 3. 14 :00	DE	CPI (preliminary, YoY, %)	Dec	8.6	9.1	10.0
4. 16 :00	US	ISM Manufacturing PMI (points)	Dec	48.4	48.5	49.0
20 :00	US	FOMC Minutes	Dec	-	-	-
5. 2 :45	CN	Caixin Services PMI	Dec	48.0		46.7
8 :00	DE	Export MoM, SA, %)	Nov	-0.3	0.2	0.8
14 :15	US	ADP non-farm employment MoM, 000s)	Dec	235	150	182
6. 8 :00	DE	Industrial orders MoM, %)	Nov	-5.3	-0.5	0.6
8 :00	DE	Retail sales MoM, %)	Nov	-5.9		-5.0
11 :00	EZ	CPI (Flash, YoY, %)	Dec	9.2	9.7	10.1
11 :00	EZ	Core CPI (Flash, YoY, %)	Dec	5.2	5.0	5.0
11 :00	EZ	Retail sales MoM, %)	Nov	0.8	0.5	-1.5
11 :00	EZ	EC Economic Sentiment Index (points)	Dec	95.8	94.7	94.0
14 :30	US	Non-farm payroll MoM, 000s)	Dec	223	200	263
14 :30	US	Unemployment rate (%)	Dec	3.50	3.7	3.6
14 :30	US	Average earnings MoM, %)	Dec	0.3	0.4	0.4
14 :30	US	Average earnings YoY, %)	Dec	4.6	5.0	4.8
16 :00	US	Factory orders MoM, %)	Nov	-1.80	-0.8	0.4
16 :00	US	ISM non-Manufacturing PMI (points)	Dec	49.60	55	56.5

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

Key highlights

- In the **USA**, minutes from the **December FED meeting** suggested that FOMC participants remained in a hawkish mood, asserting that an easing of labour market conditions would be necessary for inflation to return to the 2% target on a sustainable basis. The **US job market** posted a 223,000 growth in nonfarm payrolls, while the unemployment rate declined to 3.5%, a historic low level. All this suggests that monetary tightening had limited effect on job flows. Nevertheless, wage growth has slowed to 4.6% (partly due to downward revision in November data), which suggests some improvement in the inflation outlook.
- After German and French inflation caused downward surprise, **euro area inflation** also fell markedly below expectations (9.2% vs 9.7%) on account of a larger-than-foreseen fall in energy inflation. However, core inflation has edged up from 5.0% to 5.2%, above the consensus (5.0%). **Germany's November real economy** data (industrial orders, retail sales, exports) all fell well below expectations., suggesting a weak Q4 GDP.

European stocks have been boosted by surprise fall in inflation and falling gas prices, which lowered the yield curve. However, US stocks are to close the week in small decline on account of mixed economic news and Fed minutes. Commodities seem to close in red, the USD gained momentum

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	3815	-0.9	-0.6	US 2 year	4.39	-4.1	-4.1	Dollar index	105.317	1.4	1.7	Brent	79.2	-3.7	-7.8
Nasdaq Comp.	10324	-1.5	-1.4	US 10 year	3.68	-19.6	-19.6	EURUSD	1.0533	-1.6	-1.6	WTI	74.1	-5.4	-7.6
Dow Jones	33143	-0.2	0.0	DE 2 year	2.62	-11.3	-11.3	USDJPY	133.57	-1.8	-1.8	NatGas (TTF, front-month)	70.5	-4.7	-4.7
Russel2000	1762	-0.2	0.0	DE 10 Year	2.24	-31.7	-31.7	GBPUSD	1.1925	-1.3	-1.3	Gold	1848.5	1.3	1.3
Stoxx 600	441	3.8	3.8	FR 10 year	2.75	-34.2	-34.2	AUDUSD	0.6775	-0.6	-0.6	Silver	23.6	-1.4	-1.4
DAX	14444	3.7	3.7	SP 10 year	3.30	-33.7	-33.7	USDCAD	1.3534	0.1	0.1	Palladium	1784.7	-0.4	-0.4
CAC40	6791	4.9	4.9	IT 10 year	4.27	-41.1	-41.1	USDCHF	0.9367	-1.3	-1.3	Copper	383.6	0.3	0.3
FTSE100	7677	2.2	3.0	UK 10 year	3.52	-13.8	-13.8	NZDUSD	0.625	-1.6	-1.6	Steel	725.0	-2.3	-2.6
FTSEMIB	24985	5.4	5.4	CH 10 year	1.33	-24.3	-24.3	CNHUSD	6.8546	1.0	1.0	Wheat	749.5	-3.2	-5.4
Nikkei225	25974	-1.4	-0.5	JP 10 year	0.50	8.6	8.6	USDTRY	18.7572	-0.3	-0.3	Com	655.8	-3.5	-3.4
CSI300	3980.9	3.2	2.8	CN 10 year	2.83	0.1	0.1	USDBRL	5.2789	0.0	0.0	Electricity (APX)*	86.4	-34.1	-34.1

Source: Bloomberg

*In EUR/MWh

Key highlights: European stocks have been boosted by surprise fall in inflation and falling gas prices, which lowered the yield curve. However, US stocks are to close the week in small decline on account of mixed economic news and Fed minutes. Commodities seem to close in red, the USD gained momentum.

- **US stock markets are on track for a small decline.** Markets have been moving up and down during the first part of the week, but broadly remained stagnant until Thursday, when the upside surprise in ADP employment report made investors wary, and markets fell sharply. Cautiousness came about the US economy, which was probably not cooling enough for the Fed to halt rate hikes soon. Hawkishness was also reinforced in Wednesday's Fed minutes. However, Friday's job report, which brought stronger-than-foreseen job growth, led to some relief as wage increase slowed. The S&P is on track to a 0.9%, Dow for a 0.2%, while Nasdaq for a 1.5% weekly decline. In terms of sectoral performance of S&P, IT and health care were the biggest laggards, while telcos and financials increased.
- In **Europe the mood has become upbeat during most of the week**, first owing to the sharp end-year decline in natural gas prices, then the lower-than-expected national inflation figures from Germany and France caused optimism. Eventually euro area inflation could also cause downward surprise, which fueled the sentiment. European markets are on track to a 3.5-5.5% w/w increase. In terms of sectoral performances, all sectors seem to close in green. Retail, banks, travel&leisure, and IT posted the biggest gains.
- **Yields have fallen substantially:** the US 10Y fell by close to 10 bips, the German 10Y Bund edged 30 bips lower, and Italy's yield fell even 40 bips. Short-term yields declined also, although more moderately, in Germany by 10 bips, in the US by 4 bips.
- **In the FX market, the USD gained momentum** against the EUR; the EUR/USD drew near 1.053, or -1.6% w/w as short-term rates declined less in the US than in Europe.
- The **commodity market seems to close the week in red.** Natural gas prices fell sharply already in the last two weeks of December, but the first week of January brought further decline, to around 70 EUR/MWh, levels not seen since September 2021. This trend was driven by the unusually mild weather, which helped to keep gas storage at high level. Oil prices also fell w/w on growth fears and owing to China's covid situation, but the second half of the week brought mild correction, on the announcement of China's stimulus package, and low US inventories.

Stock market and sector performance

Performance of US sectors			
Sector	Last price	1 week change (%)	YTD (%)
S&P500	3815	-0.9	-0.6
IT	2123	-2.4	-2.3
Health care	1563	-1.8	-1.5
Financials	579	1.3	1.6
Telco	162	1.8	1.8
Consumer discretionary	1000	-0.8	-0.6
Industrials	843	0.9	1.3
Consumer staples	787	0.6	1.0
Utilities	359	-0.8	0.1
Energy	673	0.8	0.1
Real estate	232	-1.0	0.0
Materials	498	0.9	1.7
Key US Tech companies			
Company	Last price	1 week change (%)	YTD (%)
Alphabet	85	-4.0	-3.8
Amazon	82	-3.1	-2.9
Apple	125	-3.5	-3.8
Meta	126	5.0	5.0
Microsoft	220	-8.8	-8.4
Tesla	104	-14.5	-15.4

Source: Bloomberg

Performance of Europe's sectors			
Sector	Last price	1 week change (%)	YTD (%)
Stoxx 600	441	3.8	3.8
Health care	1018	2.1	2.1
Industrial goods & services	660	3.7	3.7
Banks	151	7.9	7.9
Personal & household goods	1014	5.7	5.7
Insurance	330	3.4	3.4
Food and beverages	762	2.2	2.2
Technology	612	6.0	6.0
Utilities	366	1.7	1.7
Oil & gas	345	0.1	0.1
Chemicals	1176	3.0	3.0
Construction & materials	536	5.1	5.1
Telco	199	5.0	5.0
Retail	329	9.8	9.8
Financial services	579	2.7	2.7
Basic resources	646	3.1	3.1
Real estate	123	4.9	4.9
Auto & parts	564	7.0	7.0
Media	336	2.7	2.7
Travel & leisure	211	6.6	6.6

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	441	0.4	11.2	8.2	-9.7	15.1	1.8	1.3	13.7	1.1	176.9	0.3	-0.5
Germany	DAX Index	14444	0.7	15.8	14.7	-10.0	13.4	1.5	0.9	12.4	1.1	110.6	-1.5	1.0
France	CAC Index	6791	1.5	14.4	14.9	-6.3	14.0	1.7	1.2	15.2	1.1	217.3	-30.8	-6.2
Poland	WIG20 Index	1856	7.1	30.9	12.2	-19.7	5.6	1.0	0.6	17.6	1.4	52.5	-63.6	-17.4
Czechia	PX Index	1247	5.4	5.9	2.9	-12.7	7.8	1.2	1.0	15.7		169.8	-24.8	-10.8
Hungary	BUX Index	45302	-0.1	15.4	15.1	-12.3	4.9	0.8	0.5	17.9	1.4	54.0	-1466.0	0.2
Romania	BET Index	12148	-1.3	11.0	-1.1	-7.4	6.2	1.1	0.9	25.5	1.4	52.9	-489.6	-14.9
Bulgaria	SOFIX Index	605	-0.2	3.9	-1.1	-6.4	5.2	0.7	0.4	13.5	3.0	53.1		
Russia	MOEX Index	2157	-1.8	6.8	-2.9	-42.5	3.7	0.7	0.7	19.4	1.4	73.6		
Ukraine	PFTS Index	514	-1.0	-1.0	-1.0	-1.7	6.1	0.7	0.3	18.4	0.8	5.4		
Slovenia	SBITOP Index	1068	0.0	8.3	-4.5	-17.1	6.1	0.9	0.3	14.3	1.5	34.6		
Croatia	CRO Index	2007	4.8	4.0	0.6	-5.9	8.1	0.9	1.0	12.1	1.7	30.8	0.6	4.2
Serbia	BELEX15 Index	825	1.6	-0.4	-2.3	-0.2	397.9	55.9	38.3	15.1	1.8	17.0	-0.6	-35.2
Montenegro	MNSE10 Index	1009	13.1	24.9	24.3	32.0	48.0	0.3	0.7	-0.1	2.1	7.8		

*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	1.01	1.00	1.08	1.10
EURGBP	0.84	0.83	0.85	0.85	0.88	0.88	0.88
EURCHF	1.06	1.05	1.03	0.97	0.98	1.01	1.05
USDJPY	130	129.5	136	136	144.5	141	137.5

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	396	423	411	411	409	407	409
Romania	EURRON (eop)	4.95	4.94	4.95	4.95	4.96	4.97	4.99	4.99	4.99
Russia	USDRUB (eop)	75	82.4	54.8	61.1	62.3	66.1	68.9	71.5	73.9
Ukraine	USDUAH (eop)	27.3	29.5	29.4	36.9	37	38.1	39.2	40.4	41.6
Croatia	EURHRK (eop)	7.52	7.57	7.53	7.52	7.53	7.53	7.53	7.53	7.53
Serbia	EURRSD (eop)	117.6	117.7	117.3	117.3	116.9	116.8	116.8	116.8	116.7

*No forecast available for Moldova and Albania

Source: Focus Economics

Macro outlook in the region

Countries	GDP (yoy, %)				
	OTP			Focus Economics	
	2021	2022	2023	2022	2023
Hungary	7.1	4.9	-0.9	5.0	0.4
Romania	5.9	4.7	2.5	5.0	2.2
Bulgaria	7.6	2.9	1.3	3.0	1.5
Russia	5.6	-2.7	-1.1	-4.2	-3.1
Ukraine	3.4	-36.7	6.1	-33.4	5.1
Slovenia	8.2	6.5	1.5	5.6	1.3
Croatia	13.1	6.3	0.5	5.9	1.5
Serbia	7.5	2.1	2.2	3.0	2.0
Montenegro	13.0	5.6	2.3	5.6	3.0
Albania	8.5	3.0	2.7	3.3	2.3
Moldova	13.9	-3.8	-1.8	-1.0	1.7

Countries	Fiscal balance (%of GDP)				
	OTP			Focus Economics	
	2021	2022	2023	2022	2023
Hungary	-7.1	-5.7	-3.9	-5.7	-4.5
Romania	-7.1	-6.5	-5.5	-6.3	-5.1
Bulgaria	-4.1	-3.7	-3.9	-3.9	-3.6
Russia	0.4	-1.8	-1.8	-1.7	-2.5
Ukraine	-3.5	-25.0	-20.0	-22.7	-21.5
Slovenia	-4.7	-3.3	-4.8	-4.0	-3.9
Croatia	-2.6	-2.5	-2.5	-2.3	-2.7
Serbia	-4.1	-4.0	-5.0	-3.3	-2.8
Montenegro	-2.1	-3.5	-3.3	-5.5	-4.8
Albania	-4.5	-2.7	-3.0	-3.5	-3.4
Moldova	-2.6	-8.0	-6.0	-5.8	-5.0

Countries	Inflation (average (yoy), %)				
	OTP			Focus Economics	
	2021	2022	2023	2022	2023
Hungary	5.1	14.0	16.5	14.2	14.3
Romania	5.0	13.8	10.6	13.5	10.2
Bulgaria	3.3	15.3	9.7	14.9	8.6
Russia	6.7	13.8	5.5	13.9	6.8
Ukraine	3.3	15.3	9.7	20.9	21.1
Slovenia	1.9	8.6	5.1	9.1	6.2
Croatia	2.6	10.8	8.3	10.6	6.3
Serbia	4.0	11.9	10.5	11.6	9.1
Montenegro	2.4	13.1	8.3	12.3	6.6
Albania	2.0	7.0	7.0	6.7	4.7
Moldova	5.3	28.0	15.0	29.0	11.5

Countries	Unemployment (%)				
	OTP			Focus Economics	
	2021	2022	2023	2022	2023
Hungary	4.1	3.4	4.1	3.6	4.1
Romania	5.6	5.6	5.8	5.4	5.4
Bulgaria	5.3	4.7	5.6	4.7	4.9
Russia	4.8	4.1	5.5	4.2	5.1
Ukraine	10.6	31.2	27.6	22.2	15.7
Slovenia	4.8	4.2	4.4	4.3	4.3
Croatia	7.6	7.0	7.0	6.9	6.7
Serbia	10.2	11.0	12.0	9.9	9.8
Montenegro	16.7	15.2	16.3	17.1	15.9
Albania	12.0	12.2	12.8	11.2	11.1
Moldova	3.9	3.5	4.4	3.1	3.6

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.