

OTP Morning Brief



- Reassuring earnings figures and Evergrande's interest payment helped Europe's stock indices rise
- Trading sentiment was benign in Hungary too
- US stock markets closed mixed: tech shares weighed on them, but financials propelled growth
- The HUF's weakening continued, and Hungary's long-term yields rose
- The ECB's rate decision, the euro area's CPI for October, and preliminary Q3 GDP figures are scheduled for release this week, on top of the earnings season

Impressive earnings reports and Evergrande's interest payment helped European stock markets rise

Western Europe's key stock markets closed higher on Friday, benefiting from a rise in technology stocks, strong earnings from France's L'Oréal, and an unexpected interest payment of China's debt-ridden Evergrande Group. The STOXX 600 (+0.5%) closed at a six-week high, and ended the third consecutive week in positive territory. France's CAC40 (+0.7%) outshined its European peers, fuelled by L'Oréal shares' 5.1% jump owing to surprisingly strong earnings. The shares of ASML (+3.2%), the Dutch semiconductor equipment maker, and Germanys' SAP (+1.2%) surged on Friday, both correcting the fall made earlier in the week, after the release of their earnings results. The STOXX's technology sector component climbed 1.5% higher, marking the best performance. Germany's DAX closed higher (0.5%), as did the FTSE100 and FSTE MIB (0.2% each).

The reassuring flash reports stole the show from October's pale services sector PMI, continued supply problems, and rising input costs, which may further increase selling prices. The latest data from Refinitiv IBES Q3 indicate that European firms' quarterly profit is expected to surge by 47.6%, to EUR 96.1 billion, in a slight improvement from last week's 46.7% growth forecast. Europe's markets closed the week mixed: the STOXX600 (0.5%), the CAC40 (0.1%), and FTSE MIB (0.3%) rose, but the DAX (-0.3%) and FTSE100 (-0.4%) declined.

In this supportive international sentiment, Hungary's stock market upped 0.2%. Nearly all blue chips closed in positive territory on Friday: Mol (+0.4%), Richter (+0.3%), and Magyar Telekom (+1.4%) all gained, while OTP stagnated. The BUX hit record high (55,434.9) at one point on Friday. Elsewhere in CEE, Russia's RTS added 0.5%, but the Prague (-0.8%) and Warsaw (-0.4%) stock indices fell. Over the past week, Hungary advanced 0.9% as Richter surged 2.7%, MOL gained 1.2%, MTelekom grew by 0.9%, and OTP shed 0.1%.

US markets closed mixed: the tech sector dragged indices down, the financial fuelled their growth

After a failed attempt to hit new high, the S&P 500 inched down 0.1%. Snap's fall dragged down the tech sector (-0.3%). The Dow Jones rose 0.2%, but the Nasdaq Composite dropped 0.8%. Tech companies, the former engines of growth, have come under considerable pressure after Snap warned that revenue growth could slow, owing to Apple's privacy-related changes to its mobile operating system; Snapchat's parent company cited supply chain issues as another reason why it expect lower Q4 profit. Snap nose-dived 26.6%; Facebook, Twitter and Pinterest also slumped nearly 5% each. The financial sector's stocks benefited from the impressive quarterly results of regional banks and American Express. This brought the sector's gain to 1.3%. Following the release of Q3 results, the SVB Financial Group raised its growth expectations for 2021; its shares skyrocketed more than 6%. American Express surged nearly 5% as its Q3 revenue and profit beat expectations, and targeted earnings per share in 2022 to be in the upper region of its guidance range. The US market's weekly performance was clearly better than that of its Western European peers: The S&P climbed 1.6% higher, the Dow advanced 1.1%, and the Nasdaq grew by 1.3%.

Oil prices gained 1-1.5% on Friday, broadly in line with their weekly performance.

The HUF weakened and Hungary's long-term yields rose

The forint's 0.2% weakening sent the EUR/HUF closer to 365 on Friday. Over the past week, the HUF lost 1.3%, underperforming the CEE region, where the CZK dropped 1.2% and the PLN shed 0.7%. One reason may be that the market's hopes of a sharper interest rate hike were dashed last Tuesday, just like in September: despite higher inflationary pressures, the MNB's Monetary Council stuck to the 15 bps rate hike, disappointing investors. However, the US bond market was reassured by Jerome Powell's words; Fed Chairman said that even though the scarcity that has caused high inflation may be more persistent, inflationary pressures will ease next year; and even though the Fed begins to taper its asset purchases in November, the time for interest rate hike has not come. Therefore, the UST 10Y yield fell to 1.64% on Friday, reversing a four-day-long increase (the US 10Y yield rose by 1.7%, to 12 bps by Thursday). But Hungary's market had closed by then, thus was not affected by the drop; Hungary's long-term yields upped (by 1-4 bps) on Friday. Over the past week, bond yields grew by 8-14 bps in the 3Y-5Y segment, and by 14-22 bps in the 10Y-20Y tenors.

The week's highlights

Asia's indices moved mixed this morning: China's SSEC (+0.4%) headed higher, unlike Japan's Nikkei225 (-0.8%). China's property shares fell as the country is planning to pilot a property tax scheme in some regions. Index futures suggest near-stagnation in the USA. Oil prices were seen rising (1%).

This week is going to be really eventful. The ECB's two-day policy meeting, concluding on Thursday, is not expected to make important decisions. At the September press conference, Christine Lagarde said that the announcement of scaling back the ECB's asset purchase programme could be made in December. However, there have been many changes since the September meeting: the pace of recovery lost momentum across Europe, price pressures have increased to an unprecedented 3.4% in September, and the October reading (due on Friday) is likely to be even higher (+3.7%); the skyrocketing energy prices and capacity constraints add to upside risks. The first estimate of the eurozone's Q3 GDP from will also be released on Friday; the growth momentum is expected to have slowed as several issues have stymied Europe's recovery in recent months. Semiconductor shortages are no longer a threat; they actually hold back the automotive industry, hitting Germany's manufacturing performance particularly hard. Meanwhile, a possible new wave of the coronavirus, and shrinking demand due to rising inflation cloud the services sector's outlook. Nonetheless, Q3 growth momentum may still be close to previous expectations, but supply chain disruptions, the pandemic, as well as rising inflationary pressures (in particular rising energy prices), will shape the euro area's growth outlook for the rest of the year, all of which pose downside risks.

The USA is to release the first estimate on Q3 GDP data on Friday. As covid restrictions were lifted six weeks ago, the pace of recovery was expected to slow only slightly after the strong growth momentum seen in the first two quarters of the year. But in Q3, the virus resurged in several states, the hurricanes damaged the economy, and supply chain disruptions caused much headache for the manufacturing sector. In addition, the expiry of the benefits provided by the previous rescue packages has not brought the expected turnaround in the labour market; activity rates have not improved much. No wonder that growth expectations for the third quarter have gradually eroded. The Atlanta Fed's GDP tracker suggested 6.1% (y/y, annualised) growth rate at the beginning of the quarter; now it had fallen to 0.5%. Although market expectations became more optimistic (+2.5%), they still miss the previous estimate of 5.0%. Meanwhile, there are heated negotiations in the

25 OCTOBER 2021



legislation on the Biden administration's infrastructure plan, which could give a new boost to investment and the labour market. But supply chain disruptions appear to be getting worse before getting better, with no meaningful improvement this year, as the holiday season will put extra pressure on supply chains.

In the corporate world, Facebook, HSBC, and Michelin are among the companies publish their quarterly reports today.

Today, Hungary's the MNB will publish data on last week's non-auction government bond purchases, and hold its usual Monday FX swap auction, where the central bank is expected to renew only part, if any, of the EUR 144m of swaps that expire.

	Stocks				Bonds				Commodity & FX			
	Product name	Close	Daily change (%)	YTD (%)	Product name	Yield	Daily change*	YTD*	Product name	Close	Daily change (%)	YTD (%)
Global	S&P500	4545	-0.1	21.0	VIX	15.4	2.8	-32	WTI	83.8	1.5	72.6
	DOW	35677	0.2	16.6	US 2Y	0.45	-0.1	33	Brent	85.53	1.1	65.1
	Nasdaq C.	15090	-0.8	17.1	US 10Y	1.63	-6.9	72	Gold	1795.5	0.8	-5.3
	DAX	15543	0.5	13.3	GER 2Y	-0.64	0.7	7	Silver	24.45	1.2	-7.4
	CAC40	6734	0.7	21.3	GER 10Y	-0.11	-0.4	47	EUR/USD	1.1643	0.2	-4.7
	FTSE 100	7205	0.2	11.5	PT10Y	0.41	0.1	38	EUR/GBP	0.8465	0.4	-5.3
	FTSE MIB	26572	0.2	19.5	IT 10Y	1.00	5.8	46	EUR/NOK	9.7330	0.1	-7.1
	Stoxx600	472	0.5	18.3	SP 10	0.53	0.4	48	USD/CAD	1.2366	0.0	-2.8
	- Banks	148	0.2	37.1	iTRAXX	50.4	0.6	5	AUD/USD	0.7485	0.3	-2.7
	Nikkei 225	28570	-0.8	4.1	JPY 2Y	-0.11	0.1	2	USD/JPY	113.50	-0.4	9.9
Regional	SSEC	3596	0.4	3.5	JPY 10Y	0.09	0.0	8	GBP/USD	1.3755	-0.3	0.6
	RTS	1878	0.5	35.4	RUS10	7.9	19.5	194	USD/RUB	70.319	-1.1	-5.5
	WIG20	2417	-0.4	21.8	POL 10	2.8	6.0	154	EUR/PLN	4.60	0.0	0.9
Hungary	PX50	1330	-0.8	29.5	CZ10	2.6	4.2	130	EUR/RON	4.947	0.0	1.8
	BUX	55254	0.2	31.4	3M DKJ	1.06	0.0	78	EUR/HUF	364.72	0.1	0.6
	OTP	18985	0.0	42.1	1Y	1.54	0.0	115	USD/HUF	313.11	-0.1	5.4
	MOL	2770	0.4	26.5	3Y	2.61	1.0	191	CHF/HUF	341.80	0.2	1.9
	MTelekom	431	1.4	13.4	5Y	3.18	2.0	182.0	PLN/HUF	79.21	0.1	-0.3
	Richter	8795	0.3	18.2	10Y	3.83	4.0	175.0	GBP/HUF	430.81	-0.3	6.1

* In the case of bond yields, the change is in basis points instead of percentage (VIX and iTRAXX not included).

Sources: Bloomberg, OTP Research

Data	Cd.	Event/Data	Period	Fact	Cons.	Prev.
2021 10. 25.	10 : 00 DE	IFO Economic sentiment index (points)	Oct		97.9	98.8
	15 : 00 HU	FX swap tender (HUF liquidity, maturing/stock bn HUF)*	-		-	52,6/967,1
26.	13 : 00 HU	MNB gov't bond purchase auction	-		-	20.0
	15 : 00 US	Case-Shiller Home Price Index (YoY, %)	Aug			19.9
	16 : 00 US	Consumer confidence (point)	Oct		108.3	109.3
	16 : 00 US	New home sales (annualized monthly, '000s)	Sept		755	740
27.	14 : 30 US	Durable goods orders (MoM, %)	Sept		-1.0	1.8
	16 : 00 CA	Interest rate decision (%)	Oct			0.25
28.	5 : 00 JP	Interest rate decision (%)	Oct		-0.1	-0.1
	9 : 00 HU	Unemployment rate (%)	Sept			4.1
	10 : 00 IT	Consumer confidence (point)	Oct			119.6
	11 : 00 EZ	EC Economic Sentiment Index (points)	Oct			117.8
	13 : 45 EZ	Interest rate decision (lending rate, %)	Oct		0.0	0.0
	13 : 45 EZ	Interest rate decision (deposit rate, %)	Oct		-0.5	-0.5
	14 : 00 DE	CPI (preliminary, YoY, %)	Oct		4.4	4.1
	14 : 30 US	GDP (preliminary, annualized QoQ, %)	Q3		2.5	6.7
	14 : 30 US	Initial jobless claims ('000s)	weekly		290.0	290.0
	14 : 30 US	Continuing jobless claims ('000s)	weekly			2481
	16 : 00 US	Pending home sales (MoM, %)	Sept			8.1
29.	7 : 30 FR	GDP (preliminary, QoQ, %)	Q3		2.1	1.1
	9 : 00 DE	GDP (QoQ, SA, preliminary, %)	Q3		2.2	1.6
	9 : 00 DE	GDP (preliminary, YoY, %)	Q3		2.4	10
	9 : 00 ES	GDP (preliminary, QoQ, %)	Q3		2.6	1.1
	9 : 00 ES	Retail sales (YoY, %)	Sept			-0.9
	9 : 00 AT	GDP (preliminary, QoQ, %)	Q3			3.6
	9 : 00 CZ	GDP (QoQ, %)	Q3			1.0
	9 : 00 HU	Gross wages (YoY, %)	Aug			8.1
	10 : 00 IT	GDP (preliminary, QoQ, %)	Q3		2.0	2.7
	10 : 30 PT	GDP (preliminary, QoQ, %)	Q3			4.9
	11 : 00 EZ	CPI (flash, YoY, %)	Oct		3.7	3.4
	11 : 00 EZ	Core CPI (flash, YoY, %)	Oct		2.0	1.9
	11 : 00 EZ	GDP (preliminary, QoQ, %)	Q3		1.9	2.2
	11 : 00 EZ	GDP (preliminary, YoY, %)	Q3		3.5	14.3
	14 : 30 US	Personal income (MoM, %)	Sept		0.1	0.2
	14 : 30 US	Personal consumption (adjusted, MoM, %)	Sept		0.5	0.8
	14 : 30 US	Household core PCE index (MoM, %)	Sept		0.2	0.3
	15 : 45 US	Chicago PMI (points)	Oct		63.0	64.7
31.	2 : 00 CN	NBS Non-manufacturing PMI (points)	Oct			53.2
	2 : 00 CN	NBS Manufacturing PMI (points)	Oct			49.6

* The first values in 'Fact' refers to the accepted volume, while 'Prev.' refers to the maturing amount on the current week

Sources: Refinitiv, OTP Research

25 OCTOBER 2021



Chief Economist

Gergely Tardos
tardosg@otpbank.hu

Analyst

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

Global Markets Team

Individual Investment Sales Desk

Zsigmond Csillag

Head of Department

+36 1 288 7556

zsizmond.csillag@otpbank.hu

Frigyes Soós

+36 1 288 7571

SoosF@otpbank.hu

Pál András Saághy

+36 1 288 7553

Pal.Andras.Saaghy@otpbank.hu

Botond Varga

+36 1 288 7552

Botond.Varga@otpbank.hu

Tamás Szabó

+36 1 288 7512

Tamas.Szabo.1@otpbank.hu

Csaba Szemán

+36 1 288 7554

Csaba.Szeman@otpbank.hu

Ottó Izbéki

+36 1 288 7521

otto.izbeki@otpbank.hu

Sándor András

+36 1 288 7559

Sandor.Andrasi@otpbank.hu

Institutional Sales Desk

Attila Preisz

Head of Department

+36 1 288 7526

Attila.Preiszi@otpbank.hu

János Mladoniczki

+36 1 288 7551

MladoniczkiJ@otpbank.hu

Zoltán Ballai

+36 1 288 7545

Zoltan.Ballai@otpbank.hu

Kitti Palásthy

+36 1 288 7574

Kitti.Palasthy@otpbank.hu

Markets Corporate Sales Desk

János Imrei

Head of Department

+36 1 288 7544

Janos.Imrei@otpbank.hu

Roxána Kosztelnik

+36 1 288 7541

roxana.kosztelnik@otpbank.hu

Edit Kovács Gyimóti

+36 1 288 7542

KovacsGyE@otpbank.hu

Nóra Ilona Gordos

+36 1 288 7549

Nora.Ilona.Gordos@otpbank.hu

István Fodor

+36 1 288 7555

Istvan.Fodor.1@otpbank.hu

Andorka Rudolf Flórián

OTP Trader

+36 1 288 7558

Rudolf.Florian.Andorka.1@otpbank.hu

Péter Huck

OTP Trader

+36 1 288 7543

Peter.Huck.2@otpbank.hu

Disclaimer

1. **The statements in this document shall not be considered as an objective or independent explanation of the matters. Please note that 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 or publication of investment research.**
2. This communication does not contain a comprehensive analysis of the described issues. No part, chapter, or the entirety of this information shall be considered as investment recommendation, an offer or solicitation for the purchase or sale of any financial instrument, inducement to invest, financial or investment analysis, investment research or marketing communication, not even if any part of this document contains a description of a certain financial instrument in terms of its possible price or yield development, and the related investment options; the data herein are for informational purposes only. This document shall not be considered as investment recommendation falling under Directive 596/2014/EU of the European Parliament and of the Council. This document does not consider investors' individual interests, circumstances, or objectives; therefore, in the absence of personal recommendation, it shall not be considered as investment advice. OTP Bank intends to make this document available to its clients or to the public, or to make it accessible to other persons in such a way that allows this document to be disseminated to the public.
3. Information herein reflects the market situation at the time of writing. However, it provides only momentary information and may change as market conditions and circumstances develop. You may request more information from OTP Bank. Although the information in this document has been prepared in good faith from sources that OTP Bank believes to be reliable, we do not represent or warrant its accuracy or completeness. This document was prepared using data, facts and information from the following essential sources: Bloomberg, Reuters, KSH (Hungarian Central Statistical Office), Eurostat, Magyar Nemzeti Bank (Hungary's central bank) ÁKK (Hungary's Government Debt Management Agency), and European Central Bank (ECB). The opinions and estimates in this document are based on the opinion of OTP Research's analyst(s) at the time when the document was prepared, and they may be subject to change at any time in the future without further notice. You may receive different recommendation from the staff of OTP Bank, in particular if you are provided investment advice based on an investment advice agreement.
4. This publication contains generic presentation of information and knowledge, thus it does not take into account the individual clients' unique and special interests, financial condition, or their ability and willingness to take risks. Therefore please contact our staff or contact your banking consultant for advice before you make an investment decision. The assessment and the consideration of the individual circumstances is provided by the suitability and appropriateness tests that assess clients' financial knowledge, experience, risk-taking abilities, as well as the examination of the target market.
5. Before making an informed decision to invest and to use the services, please carefully read through all documents, including the documentation, prospectus, regulations, terms and conditions, announcements and key information documents for that product/service, and carefully consider the subject, the risk, the fees and costs of your investment, the possibility of any loss, and seek information about the tax regulations regarding the product and the investment. The prices of financial instruments and securities are changing, outright sales are realized at then current market prices, which may involve losses.
6. The information and opinions in this document do not substitute or take the place of the issuance documentation for the given financial assets (e.g. prospectus, fund management rules), or their brochures or announcements.

7. You assume total responsibility and risk for any specific decision or investment; OTP Bank shall not be held responsible for the effectiveness of investment decisions or for reaching your purpose, nor for the individual investment decision made based on this document or any part thereof, or for their consequences.

Investments in financial instruments carry a certain degree of risk, which may affect the effectiveness of the investment decision, and investors may not receive the whole amount they expected the investment to yield in their investment targets; they may not preserve even the invested amount, therefore the invested capital might even decrease, be wholly lost, or even lead to additional payment obligation.

8. Trading with leveraged products (such as foreign exchange contracts) or with shares and indices that have underlying products carries a considerable amount of risk, and these products are not suitable for all investors. Trading with leveraged products carries the risk of losing all capital, and it may incur losses that exceed the amount invested.
9. **The figures and information described herein refer to yields or changes in the past. Past performance is not a reliable indicator of future yields, changes, or performance.**

The changes on money and capital markets, the fluctuation of prices, the development of investments and their yields are influenced by the combined effect of multiple factors; one important factor of them is the change in investors' expectations. **The development of prices, the future yield of financial assets, indices or indicators, the examination of their changes, trends, and future performance is based on estimations and forecasts, which forecasts do not allow reliable conclusions to be drawn about the future moves of prices, real future yields, changes, or performance.** For each product and service, please assess their tax accounting implications, and other tax consequences, taking into account that they cannot be precisely assessed without knowing the effective tax regulations or the client's individual circumstances; and these legislative provisions as well as the circumstances may change over time.

10. This document shall not be a basis for any further analysis in relation to the financial instruments contained therein. Any reference in this document to the future distribution of a financial instrument shall be construed as indicative, preliminary and informative, and any analysis of such financial instrument is exclusively based on publicly available information listed in the respective prospectus or announcement. The content of this document shall not imply that OTP Bank acts as an agent, a fiduciary, or an advisor to, or on behalf of, any prospective purchaser of the financial instruments discussed herein.
11. For certain persons, access to the products and/or services discussed in this document may not be granted, or it may be limited. The act of preparing this document by OTP Bank, its uploading to the website, its publication may under no circumstances be considered as OTP Bank's intention to make available the product and/or service information in the prospectus to persons whom any country or state prohibits from having or obtaining the given product and/or service, including the promotion and the advertisement thereof.
12. OTP Bank maintains a conflict of interest policy and it keeps such records, and it also has requirements that regulate the transmission of bank secrets and securities secrets, which requirements shall be considered as the effective internal organizational and management solutions as well as information barriers to prevent or manage conflicts of interest.

OTP Bank has developed appropriate internal procedures for (i) the personal transactions and trading of financial analysts and other relevant persons, (ii) the physical separation of the financial analysts involved in the production of investment research and other relevant persons; moreover, information barriers have been implemented, (iii) for accepting and managing incentives and remuneration.

Please be informed that OTP Bank is entitled to deal or trade as market maker, acting in good faith and in accordance with the usual way of market-making, with the financial instruments distributed by the issuer(s) specified in this document, as well as to provide other investment activities or ancillary (investment) services, and/or other financial or ancillary financial services to the issuer and other persons.

13. Previous documents on investing in this asset or product are available on the website of OTP Research: www.otpresearch.com
14. OTP Bank (company registration number: 01-10-041-585; registered seat: Nádor utca 16., Budapest H-1051, Hungary. Supervisory authority: Magyar Nemzeti Bank (National Bank of Hungary – H-1054 Budapest, Szabadság tér 9); financial customer services: H-1013 Budapest, Krisztina krt. 39. PSZÁF licence numbers: III/41.003-22/2002 and E-III/456/2008; further information: <https://www.otpbank.hu/portal/hu/Megtakaritas/Ertekpapir/MIFID>).
All rights reserved. This document is solely owned by OTP Bank. No part of this material can be reproduced, re-used, disseminated, made available, re-published, referenced to, or inserted in other websites or services without the prior written consent of OTP Bank.
15. If you received this document from OTP Bank Plc, then it was sent to you with your previous consent. You may withdraw this permission by sending an e-mail to research@otpbank.hu or by writing a letter to 'Research Center', Hungary H-1051, Budapest, Nádor utca 21. Please refer to your name and e-mail address in both cases.
Data management registration number: NAIH-89457/2015
16. The personal data in this investment research are processed by OTP Bank. The legal basis for processing the data is the legitimate interest of OTP Bank. The detailed information about the processing of personal data and the related rights of data subjects is available [here](#).

This document was prepared on 09 July 2021.

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 than 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: 01-10-041585; 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.