

OTP Morning Brief

- Western Europe's stock markets ground higher as interest rate expectations eased
- Hungary's BUX underperformed
- US markets inched up amid mixed messages from central bankers and corporate earnings results
- Oil prices jumped 4% higher, from a four-month low
- International bond yields barely moved on Friday but fell sharply last week
- Hungary's yields sank on Friday, partly owing to the MNB's communication earlier in the week
- The forint weakened slightly on the last day of the week
- This week, the MNB's rate decision and international PMIs will be worth checking

20 November 2023

Western Europe's markets rose due to falling interest rate expectations; the BUX underperformed

Western Europe's stock markets closed in positive territory on Friday, and ended last week higher on growing optimism that major central banks may pursue aggressive interest rate cuts next year. The pan-European STOXX upped 1.0% on Friday, bringing the week's gain to 2.8% as bond yields fell. The interest-rate-sensitive real estate sector increased by 1.7% on Friday, but virtually all sectors of the STOXX posted gains. Commodities, the best-performing sector on Friday (+1.8%) and last week (+6.1%), was driven by the rise in copper price and the USD's weakening. The healthcare sector advanced 1.2%, as AstraZeneca, Novo Nordisk and Sanofi all grew by 0.9%–2.3%. UBS Group surged 3%, supporting the financial services index, while banks soared 1.4%. The EURO STOXX Volatility Index fell to a more-than-four-month low, reflecting investors' optimism. Germany's government bond yields fell to their lowest level in more than two months on Friday as financial markets priced in a 100 basis point rate cut from the European Central Bank until the end of 2024 – even if Robert Holzmann, the governor of Austria's central bank, reiterated that the ECB should be ready to raise interest rates again if necessary, adding that he did not expect the ECB to start cutting interest rates in the second quarter, as the markets currently assume.

In the corporate world, Sweden's Volvo reversed 11.1%, as its Chinese majority owner Geely had sold a small part of its stake at a large discount compared to the previous day's closing price. Assicurazioni Generali shed 0.6% as the nine-month earnings of Italy's leading insurer slightly missed expectations.

Bucking the international trend, Hungary's BUX slipped 1% on Friday, when all of its blue chips weighed on the index: Richter (-1.8%), Mol (-1.7%), MTelekom (-0.8%) and OTP (-0.2%) all dropped. Ending the recent two weeks' rise, the BUX subsided almost 1% last week.

US markets inched up amid mixed messages from central bankers and corporate earnings results

Wall Street's three major indices edged higher on Friday as many investors took profits after the recent growth, while Fed policymakers gave mixed signals on when interest rates cut may start. Michael Barr, the Vice Chair of the Fed for Supervision, said he believed the Fed was at or near the end of rate hikes, but San Francisco Fed President Mary Daly and Boston Fed President Susan Collins underlined the need for more evidence of cooling inflation.

In corporate news, Applied Materials slid 4% following the release of its Q3 report and news that the US Department of Justice was investigating whether the semiconductor equipment maker violated export restrictions to China.

20 November 2023

The S&P, the Nasdaq and the Dow rose for the third week in a row; these indices grew by 2-2.5% last week. The S&P and Dow had their longest weekly winning streaks since July. For the Nasdaq, this was the longest stretch of weekly gains since June.

Of the S&P's eleven key sectors, energy was the biggest gainer(+2.1%), as oil prices closed more than 4% higher. The communications services index was the biggest loser; Alphabet slid more than 1%. The second-weakest technology sector was dragged down by Microsoft (-1.7%), as ChatGPT maker OpenAI, which is backed by Microsoft, announced on Friday that its CEO was leaving. Unlike other mega-cap stocks, Amazon gained (+1.6%) on Friday. The online retailer has announced layoffs, citing changing business priorities and a greater focus on generative artificial intelligence. Gap's stock jumped 30.6% as the apparel retailer posted better-than-expected third-quarter results, thanks to improved sales of Old Navy, and lower supply costs. Shares of ChargePoint Holdings plunged 35.5% after the electric vehicle company reported worse-than-expected results. About half of the S&P's sectors closed higher on Friday.

Oil prices jumped more than 4% on Friday from the previous day's four-month low as short-sellers took profits, while US sanctions against some Russian oil suppliers also supported prices' growth.

Having barely moved on Friday, international bond yields fell sharply last week; Hungary's yields sank on Friday as well, partly owing to the MNB's previous statement

Last week, it was clearly US inflation data that moved the bond and foreign exchange markets - US interest rate expectations shifted lower following the release of a stronger-than-expected decline in CPI. The market is increasingly certain that the Fed will not be forced to raise interest rates this year, but next year the fed funds rate may be cut by as much 100 basis points, stronger than previously expected. Thus, although developed markets' bond yields barely moved on Friday, the one-month-long decline in yields (last seen in 2007), which started from the 5% peak for the ten-year dollar yield, continued throughout last week. Over the past week, long-term US bond yields eased by about 20 basis points, with the ten-year yield falling below 4.45%. Bond yields also subsided in Europe last week; Germany's 10Y Bund yield sank 15 bps, to around 2.6%. The dollar weakened against the euro by 0.5% on Friday, and more than 2% over the past week; the EUR/USD exceeded 1.09.

In Hungary, bond yields sank 3-8 basis points on Friday and by 20-25 basis points over the past week; the 10Y bond declined to 6.85%. In addition to external developments, the MNB's Vice President Barnabás Virág revealed on Thursday that the pace of monthly interest rate cuts may remain at 75 basis points not only in November, but until February 2024.

On Thursday, the ÁKK sold not only foreign currency bonds worth USD 0.5 billion at the request of investors, but seeing the exceptionally strong

20 November 2023

interest at the HUF bond auction, it also sold a record amount of bonds (worth almost HUF 250 billion).

However, the forint weakened on Friday: the EUR/HUF exceeded 379.

The week's highlights

Asia's indices traded mixed this morning: Japan's Nikkei dropped 0.5%, China's SSEC gained that much. The STOXX index future was stagnant, US index futures were slightly in the red. Crude oil prices upped 0.7% today.

On Tuesday, the MNB's Monetary Council makes rate decision. Its five 100-basis-point cuts brought down the key rate to 13% by September from the peak of 18% in May, and then the MNB shifted into lower gear, trimming the base rate by 75 basis points in October. Although the MNB has often emphasized that its interest rate policy was not in autopilot – instead, inflation and market processes (the EUR/HUF) individually determine the pace of interest rate cuts each month, the baseline scenario was that, in the absence of an unfavourable turn, the 75-basis-point pace may remain in the coming months. Moreover, in recent months, many factors have changed in the direction that would have allowed a stronger interest rate cut: America's economy and labour market began to slow down, the wild rise in dollar yields (the 10Y yield peaked at 5%) has reversed, which was supported by October's lower-than-expected inflation data. In Hungary, the third-quarter GDP data turned out weaker than expected, inflation dropped to the single-digit territory sooner than had been hoped, the current account surplus is almost at 2% of GDP, and the forint strengthened to multi-month high, once again trading below 380. This has sparked market rumours about an interest rate cut of up to 100 basis points. Finally, deputy governor Barnabás Virág dispelled the uncertainty by announcing that the interest rate may drop by 75 basis points in November, and this pace may remain in place until February. This conveyed new information because the market had priced in 75-basis-point reductions for November and, increasingly, for December as well, but expected only 50-basis-point cuts by the first quarter of 2024.

This week, the purchasing managers' indices (PMIs) for November will be in focus in both the euro area and the USA. Back in October, the composite PMI for the eurozone showed that the health of the entire economy slightly deteriorated further (from 47.2 points to 46.5), as both the manufacturing and the service components worsened. The composite index has been pointing to recession for five months, while the manufacturing component has been below the 50 mark for more than a year. If the Sentix investor confidence index (the November data for which are already available) is a good precursor for PMIs, there may be a slight improvement in PMIs by November, but the index will definitely remain in recession territory. In addition, November's consumer confidence data can also provide guidance on consumption, the largest component of the euro area's GDP. The picture on that is also mixed, as real wages have already started to pick up in recent months, which is

20 November 2023

favourable for households, but unemployment has also risen and, confidence indices suggest that employment prospects have deteriorated, which is unwelcome news for consumers.

In the USA, the October gauge of composite PMI remained above the imaginary line that separates contraction from expansion, as the manufacturing industry also caught up with the service sector, up to the 50-point level. Optimism about the future of the manufacturing industry is at its strongest since April, largely because new manufacturing orders picked up in October, for the first time in six months. Meanwhile, the prospects in the services sector did not deteriorate either. November's PMIs are not expected to show significant changes compared to the previous month's data. The October reading of durable goods orders is also due; in the previous month, it increased steeply but that primarily reflected the surge in demand for passenger aircraft, so a sharp month-on-month fall seems more likely.

20 November 2023

	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	4514	0.1	17.6	VIX	13.8	-3.6	-36.3	WTI	75.89	4.1	-5.4
	DOW	34947	0.0	5.4	US 2Y	4.91	6.5	50.4	Brent	80.61	4.1	-6.2
	Nasdaq Comp.	14125	0.1	35.0	US 10Y	4.44	-0.4	61.0	TTF Natural Gas	45.0	-1.9	-39.2
	DAX	15919	0.8	14.3	GER 2Y	2.96	1.3	23.3	Gold	1980.01	0.0	8.5
	CAC40	7234	0.9	11.7	GER 10Y	2.59	0.1	2.7	EUR/USD	1.0909	0.5	1.9
	FTSE 100	7504	1.3	0.7	PT10Y	3.25	2.3	-32.2	EUR/GBP	0.8758	0.2	-1.0
	FTSE MIB	29498	0.8	24.4	IT 10Y	4.37	1.8	-33.8	EUR/NOK	11.7951	-0.6	12.4
	Stoxx600	455.8	1.0	7.3	SP 10	3.60	1.5	-5.6	USD/CAD	1.3720	-0.3	1.2
	- Banks	162	1.4	15.2	iTRAXX	69.7	-2.5	-22.6	AUD/USD	0.6509	0.6	-4.5
	Nikkei 225	33430	-0.5	28.1	JPY 2Y	0.04	0.0	0.9	USD/JPY	149.64	-0.7	14.1
SSEC	3069	0.5	-0.7	JPY 10Y	0.75	-0.7	32.7	GBP/USD	1.2463	0.4	3.0	
Regional	RTS	1122	-0.6	15.6	RUS10	12.0	-0.1	15.9	EUR/CZK	24.489	0.1	1.4
	WIG20	2228	0.5	24.3	POL 10	5.5	0.3	-20.3	EUR/PLN	4.39	0.4	-6.5
	PX50	1384	0.0	15.2	CZ10	4.4	0.0	-14.0	EUR/RON	4.969	0.0	0.5
Hungary	BUX	57011	-1.0	30.2	3M DKJ	7.96	1.0	-436	EUR/HUF	379.17	0.7	-5.1
	OTP	13880	-0.2	37.3	1Y	8.18	-2.0	-564	USD/HUF	347.40	0.1	-7.0
	MOL	2812	-1.7	8.1	3Y	7.41	-8.0	-330	CHF/HUF	392.58	0.6	-3.2
	MTelekom	608	-0.8	79.4	5Y	6.79	-7.0	-294	PLN/HUF	86.30	0.3	0.7
	Richter	8730	-1.8	5.2	10Y	6.85	-8.0	-213	GBP/HUF	432.54	0.4	-4.3

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

Sources: Refinitiv, OTP Research

20 November 2023

Date	Cd.	Event/Data	Period	Fact	Cons.	Prev.
2023 11. 20.	16 : 00	US	Leading index (MoM, %)	Oct	-0.7	-0.7
	21. 14 : 00	HU	Interest rate decision (%)	Nov	11.5	12.25
	16 : 00	US	Existing home sales (annualized monthly, '000s)	Oct	3910	3960
	19 : 15	DE	Lecture by ECB board member Isabel Schnabel		-	-
	20 : 00	US	FOMC Minutes	Nov	-	-
	22. 14 : 30	US	Durable goods orders (MoM, %)	Oct	-3.0	4.6
	14 : 30	US	Initial jobless claims ('000s)	weekly	225	231
	14 : 30	US	Continuing jobless claims ('000s)	weekly		1865
	16 : 00	EZ	Consumer confidence (point)	Nov	-17.5	-17.9
	23. 8 : 30	HU	Gross wages (YoY, %)	Sept		15.2
	9 : 15	FR	HCOB Manufacturing PMI (points)	Nov	43.0	42.8
	9 : 15	FR	HCOB Service PMI (points)	Nov	45.7	45.2
	9 : 30	DE	HCOB Manufacturing PMI (points)	Nov	41.3	40.8
	9 : 30	DE	HCOB Service PMI (points)	Nov	48.5	48.2
	10 : 00	EZ	HCOB Manufacturing PMI (points)	Nov	43.4	43.1
	10 : 00	EZ	HCOB Service PMI (points)	Nov	48.0	47.8
	10 : 30	UK	S&P Global Manufacturing PMI (points)	Nov	45.0	44.8
	10 : 30	UK	S&P Global Service PMI (points)	Nov	49.7	49.5
	12 : 00	TR	Interest rate decision (%)	Nov		35.0
	13 : 30	EZ	ECB Minutes	Oct	-	-
	21 : 30	PT	Speech ECB board member Isabel Schnabel		-	-
	24. 0 : 30	JP	core-CPI (YoY, %)	Oct	3.0	2.8
	0 : 30	JP	CPI (YoY, %)	Oct		3.00
	8 : 00	DE	GDP (detailed, QoQ, %)	Q3	-0.1	-0,1*
	8 : 30	HU	Unemployment rate (%)	Oct		4.1
	10 : 00	DE	IFO Economic sentiment index (points)	Nov	87.4	86.9
	11 : 00	EZ	C. Lagarde and J. Nagel participate in a town hall (Bundesbank)		-	-
	15 : 45	US	S&P Global Manufacturing PMI (points)	Nov	49.7	50.0
	15 : 45	US	S&P Global Service PMI (points)	Nov	50.4	50.6

* preliminary data

Sources: Refinitiv, OTP Research

20 November 2023

Gergely Tardos

Chief Economist

tardosg@otpbank.hu

Mihály Kovács

Economist

Mihaly.Andras.Kovacs@otpbank.hu

Global Markets Team

Zsigmond Csillag

Head of Department

+36 1 288 7556

Zsigmond.Csillag@otpbank.hu

Csaba Szemán

Deputy Head of Department

+36 1 288 7554

Csaba.Szeman@otpbank.hu

Csinszka Kis-Böndi

+36 1 288 7578

Csinszka.Kis-Bondi@otpbank.hu

Botond Varga

+36 1 288 7552

Botond.Varga@otpbank.hu

Tamás Szabó

+36 1 288 7512

Tamas.Szabo.1@otpbank.hu

Frigyes Soós

+36 1 288 7571

SoosF@otpbank.hu

Ottó Izbéki

+36 1 288 7521

otto.izbeki@otpbank.hu

Sándor Andrási

+36 1 288 7559

Sandor.Andrasi@otpbank.hu

Bálint Torda

+36 1 288 7562

Balint.Torda@otpbank.hu

Balázs Péntek

+36 1 288 7577

balazs.pentek@otpbank.hu

20 November 2023

Institutional Sales Desk

Attila Preisz

Head of Department

+36 1 288 7526

Attila.Preisz@otpbank.hu

Zoltán Ballai

Deputy Head of Department

+36 1 288 7545

Zoltan.Ballai@otpbank.hu

Kitti Palásthy

+36 1 288 7574

Kitti.Palasthy@otpbank.hu

Péter Nagy

+36 1 288 7551

Peter.Nagy.4@otpbank.hu

Judit Kornis

+36 1 288 7548

Judit.Kornis@otpbank.hu

Markets Corporate Sales Desk

János Imrei

Head of Department

+36 1 288 7544

Janos.Imrei@otpbank.hu

**Orsolya Edit
Kovács-Gyimóti**

Deputy Head of Department

+36 1 288 7542

KovacsGyE@otpbank.hu

Borbála André

+36 1 288 7541

Borbala.Sarolta.Andre@otpbank.hu

Nóra Ilona Gordos

+36 1 288 7559

Nora.Ilona.Gordos@otpbank.hu

István Fodor

+36 1 288 7555

Istvan.Fodor.1@otpbank.hu

Péter Huck

OTP Trader

+36 1 288 7543

Peter.Huck.2@otpbank.hu

**Flóra Zsófia
Margaritsz**

+36 1 288 7558

Flora.Zsofia.Margaritsz@otpbank.hu

20 November 2023

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.

20 November 2023

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.
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 'OTP Research', Hungary H-1051, Budapest, Nádor utca 16. 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 20 November 2023.

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.

20 November 2023

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 <mailto: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.