otp Global Markets

Institutional Investor Survey Results

Investment outlook on Hungary

Respondents see EURHUF broadly stable over the next three months. OTP macro analysts' expectation for inflation dipping below 3% in early 2026 is consistent with survey results, which show the majority of respondents forecasting inflation in the 2.5–4.5% range and EURHUF stable at 375–385. This consensus implies limited imported inflation pressure and supports our view that strong HUF, muted administered price adjustments, delayed excise duty hikes and lower oil prices will reinforce disinflation.

Figure 1. What is your expectation for EUR/HUF in the next 3 months?

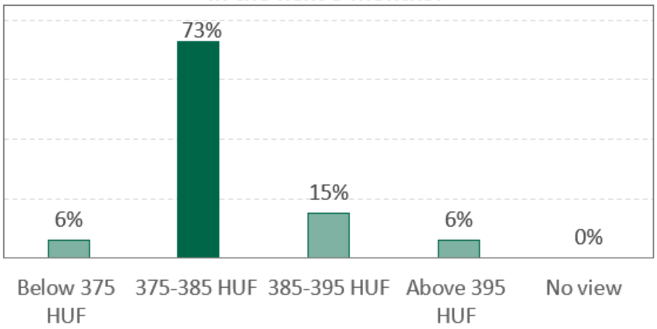
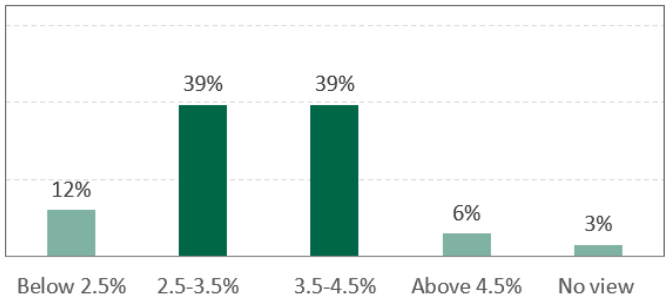
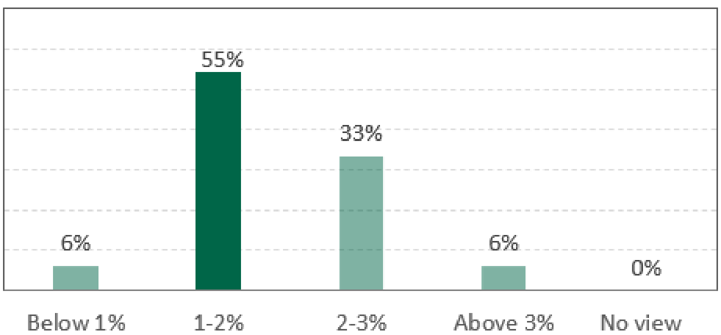


Figure 2. What is your expectation for 2026Q1 YoY HU inflation number?



A majority of respondents (55%) now anticipate 2026 GDP growth within the 1–2% range. OTP analysts in a Dec 3, 2025, note, lowered their growth forecast for 2026 from 3% to 2.3% due to weaker Q3 data, deteriorating labor market, and low savings threatening consumption, which was expected to be the main growth driver. Upside risk could come from fiscal stimulus, as the government's higher deficit target for 2025 provides room for measures that might support 2026 growth.

Figure 3. What is your expectation for 2026 YoY HU GDP number?



Institutions expect gradual NBH easing (the consensus shifting toward a 50 bps cut) with FX stability as a guiding objective, and only limited probability of a policy pivot away from the stronger-HUF regime in the near term. Carry remains attractive and HUF support persists unless growth or external shocks force a policy rethink.

Figure 4. How long do you expect the NBH to maintain its current approach (stronger HUF)

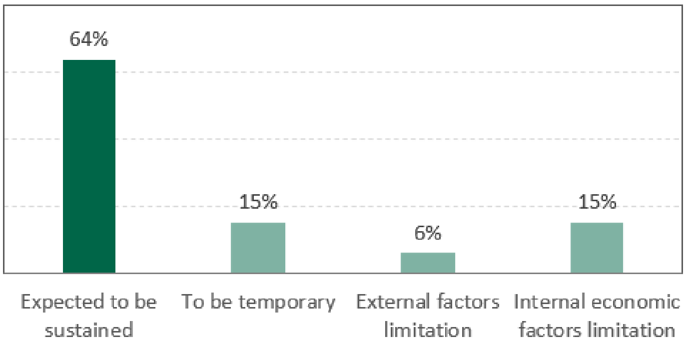
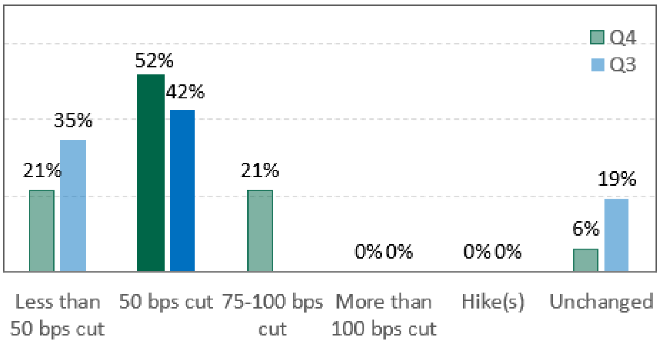


Figure 5. What is the most likely move for NBH in the next 12 months?



Fixed Income

The survey shows a clear shift toward neutrality on Max Index duration positioning as participants weigh two offsetting forces: (1) the government's decision to raise the budget deficit target, which pushed yields higher from early November and increased perceived risk, and (2) elevated purchases of government bonds by Hungarian banks to reduce extra profit tax, which supported the demand side and helped stabilize yields.

The 7–10y segment remains the most favored, supported by somewhat more attractive I-spreads, and strong – above mentioned - demand from banks, particularly for bonds with maturity after 2030 and high liquidity. Interest has shifted toward 10y+ where carry is compelling, especially for retail, though it is more illiquid. On the front end, 0–1y is less shunned now, matching the autumn uptick in bill yields. Investors foresee moderate yield compression by end-2026, with election risk limiting the downside in yields.

Figure 6. Would you be underweight or overweight Max Index on a duration basis in the next 3 months?

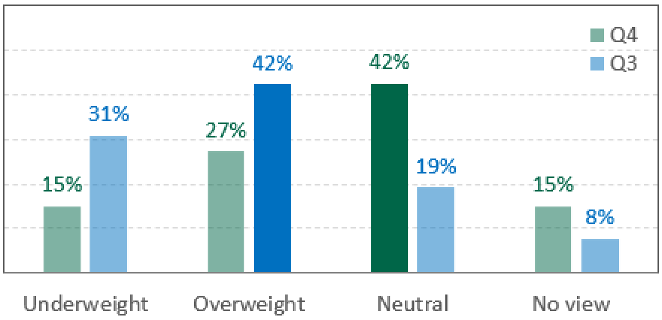


Figure 7. Where do you see HGB BM 10yr yield at the end of the year?

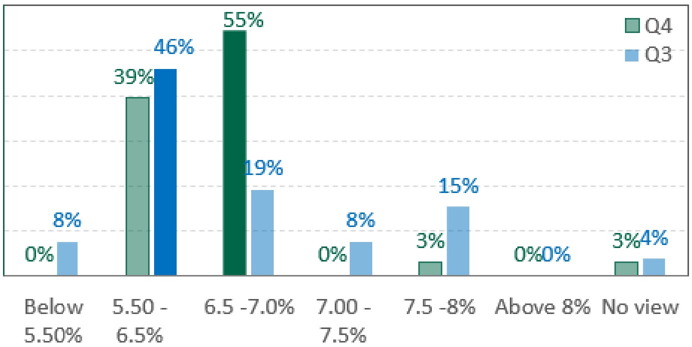


Figure 8. What segment of the Hungarian yield curve do you find the least attractive?

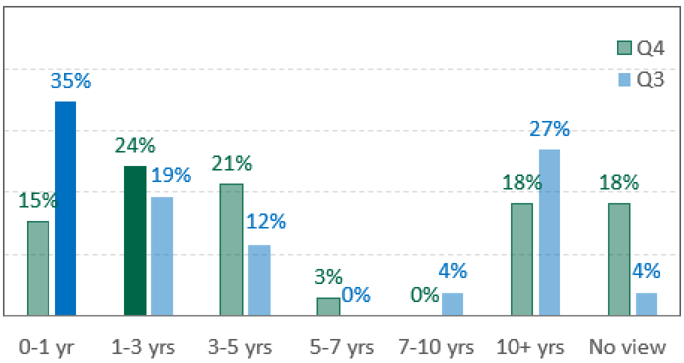


Figure 9. What segment of the Hungarian yield curve do you find the most attractive?

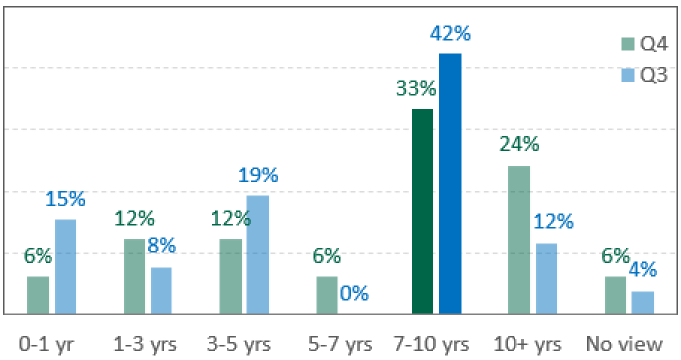


Figure 24. How do you assess the level of the neutral rate of interest in Hungary?

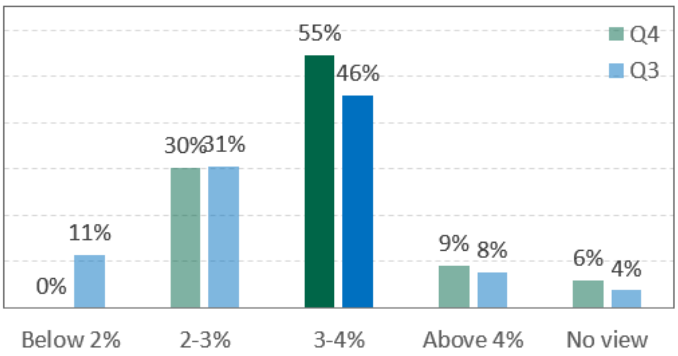
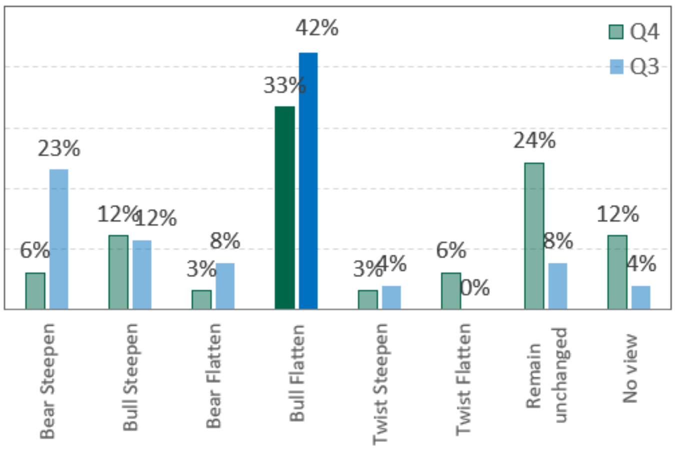


Figure 25. How do you expect the Hungarian yield curve to change in the next 3 months?



FX

Regarding regional FX: HUF is the clear top expected outperformer (42% in Q4 vs 31% in Q3), with PLN rising to 21% and CZK slipping. On the downside, RON remains the primary underperform candidate, PLN underperform risk eases, and HUF shows polarized views, top upside pick, yet 21% still see it underperform. This pattern suggests investors favor carry/policy-credibility stories in HUF, while RON is perceived as more vulnerable to macro/external risks. For HUF, the expected outperformance could also reflect positioning around the upcoming election, adding a political dimension to the carry trade narrative.

Figure 10. Which currency will outperform the most vs EUR in the region?

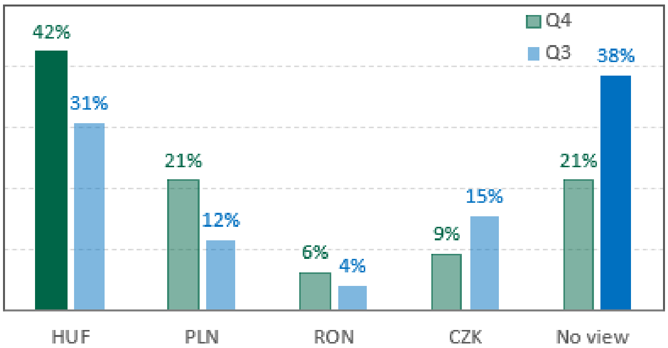
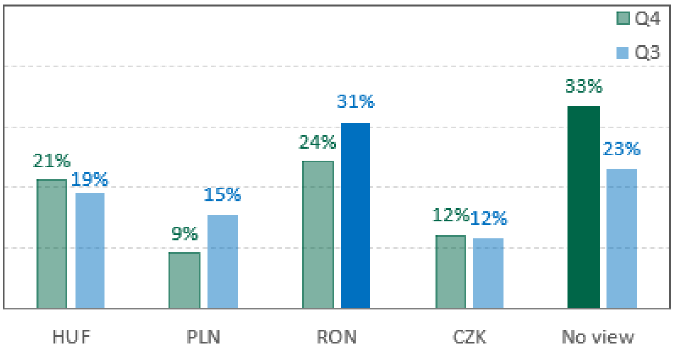


Figure 11. Which currency will underperform the most vs EUR in the region?



Election risk is moving to the center of portfolios: the survey shows it already influences decisions "significantly" (jumps to 48% from 19%). Across assets, the focus shifts toward FX (27% now see FX as most affected), while FI drops to 18% and equities remain marginal. "All of the above" rises to 45%, underscoring cross-asset spillovers.

Figure 12. Is the upcoming 2026 Hungarian parlimentary election already influencing your investment decisions?

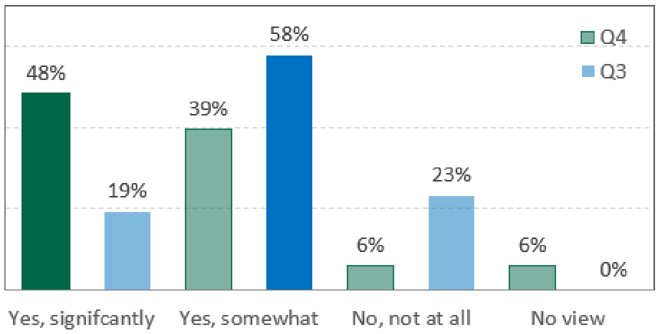
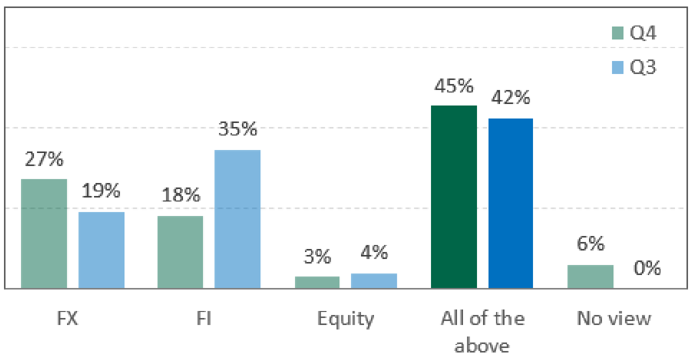


Figure 13. Which asset class will be the most influenced by the 2026 Hungarian parlimentary election?



Investment outlook for the region

Across BUX and CETOP, sentiment shifts from 2025Q3's mild pessimism to a clearly positive tilt in 2025Q4. The turn is driven by "slightly bullish" surging and "slightly bearish" collapsing. At the same time, outright bullish tails shrink and no view rises, signaling higher uncertainty and moderate conviction. The sentiment is constructive rather than euphoric. This improvement is underpinned by stronger-than-expected earnings, rising expectations for a potential Russia-Ukraine peace deal, and a supportive global market sentiment as the Fed's rate cut boosted risk appetite. For CETOP specifically, upward revisions to 2026 EPS forecasts added another layer of optimism.

Figure 14. What is your view on BUX Index in the next 3 months?

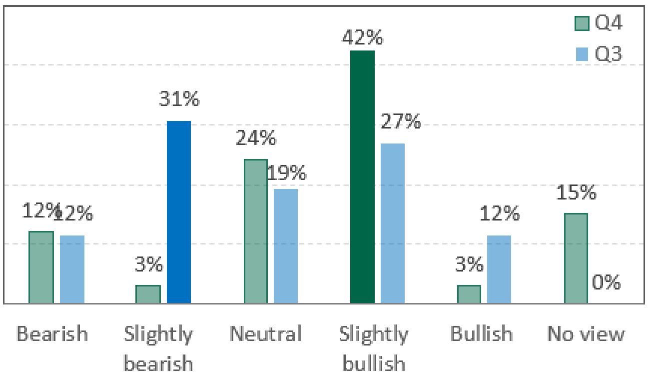
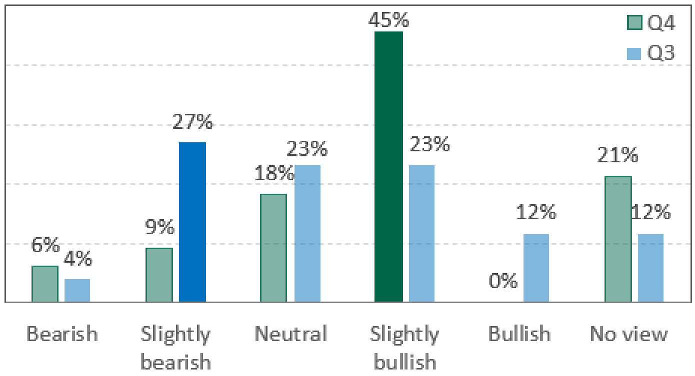


Figure 15. What is your view on CETOP Index in the next 3 months?



Respondents taking higher risk relative to benchmark in equities, and favoring EM and CEE exposures over the next 3 months. Institutional sentiment on CETOP country performance shows a clear rotation in expectations. Poland strengthens as the top pick for outperformance, rising from 24% in Q3 to 31% in Q4, while Hungary also gains traction. The shift toward Poland reflects supportive factors like strong earnings across sectors, resilient macro fundamentals, and a sharp rebound in bank stocks following the August tax shock. Despite the introduction of a higher bank tax, investors reassessed the sector as valuations looked attractive and profitability remained robust. Conversely, Romania emerges as the key underperformance candidate, jumping from 9% to 26%, while bearish views on Poland collapse. The negative tilt toward Romania reflects its relatively weak economic outlook, the strong rally in the BET index in recent quarters, and thin liquidity compared to peers, all of which make the Romanian market less attractive for investors in the short term.

Figure 16. Which CETOP country will outperform most in the next 3 months?

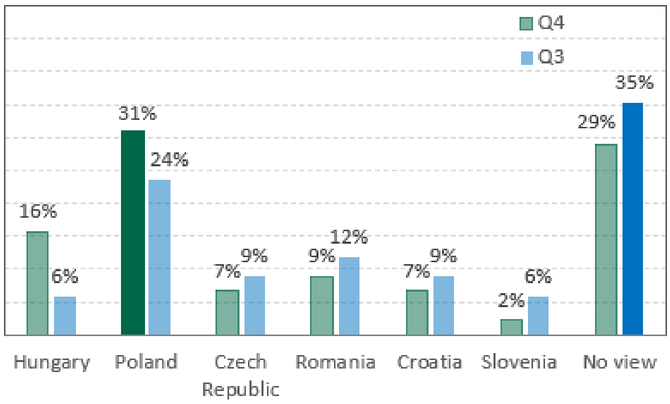
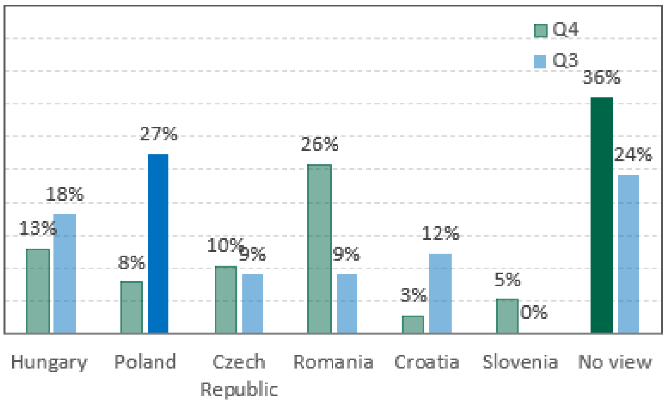


Figure 17. Which CETOP country will underperform most in the next 3 months?



Investor sentiment shows Financials remain the clear favorite, rising to 23% from 19%, while Consumer Discretionary and Consumer Staples gain small traction. On the underperformance side, Energy continues to lead risk perceptions despite easing, while bearish views on Financials fall sharply, reinforcing their relative strength.

Figure 18. Which sector(s) are attractive in the region?

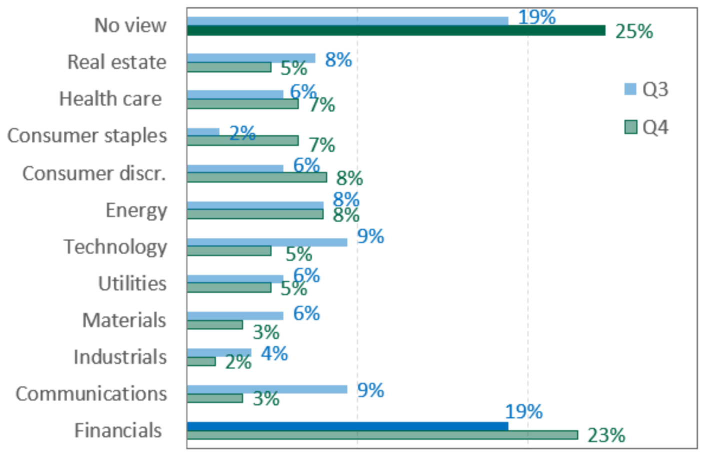
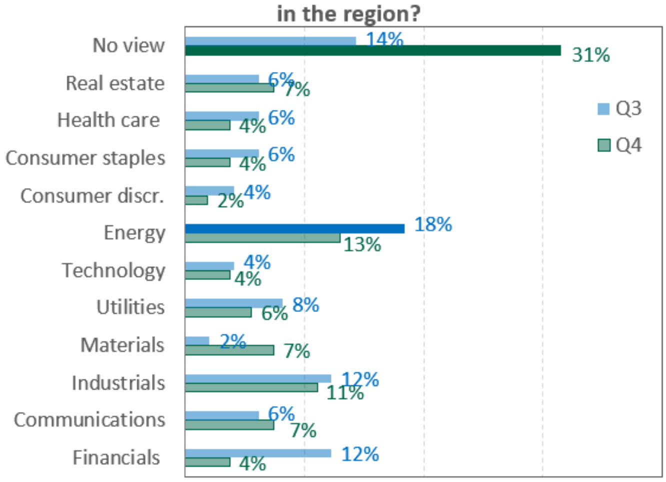


Figure 19. Which sector(s) do you think will underperform in the region?



Global investment outlook

Over the next three months, institutions favor EM/CEE over the US, with Europe in the middle. Investors are most cautious about US equities, constructive but measured regarding Europe. Risk appetite is strongest in EM and CEE, after the October Trump-Xi meeting helped de-escalate several issues, reducing geopolitical risk. As we head into 2026, market participants mostly expect dollar weakness, which can drive preference for ex-US markets. This environment supports capital allocation toward EM and CEE, reinforcing their relative appeal compared to the US.

Institutional investors are tilting more aggressively above benchmark risk in Q4, signaling increased confidence or willingness to capture upside, while neutral risk positioning declines significantly. Respondents taking higher risk relative to benchmark, indicating a move away from neutral positioning. This shift is supported by the Fed's December rate cut, which eased financial conditions, while growth outlook has not deteriorated meaningfully.

Respondents show a tight consensus for EURUSD around 1.15-1.20 in the next three months, with very small tail risks (≤4% see moves above 1.20 or below 1.10). On Fed policy, views have converged around 50-100 bps of cuts over the next 12 months (85%), which is broadly in line with what the market is currently pricing.

Figure 20. Current investment outlook (next 3 months)

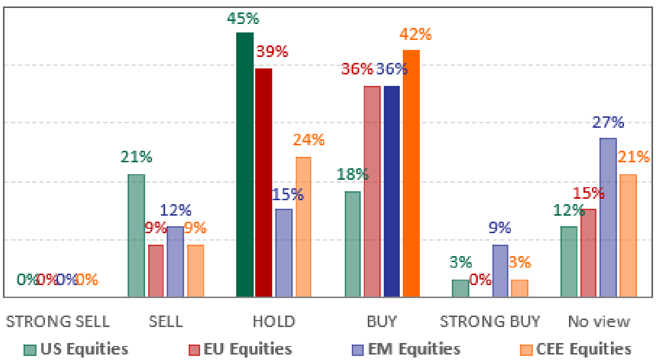


Figure 21. What level of risk are you currently taking relative to your benchmark?

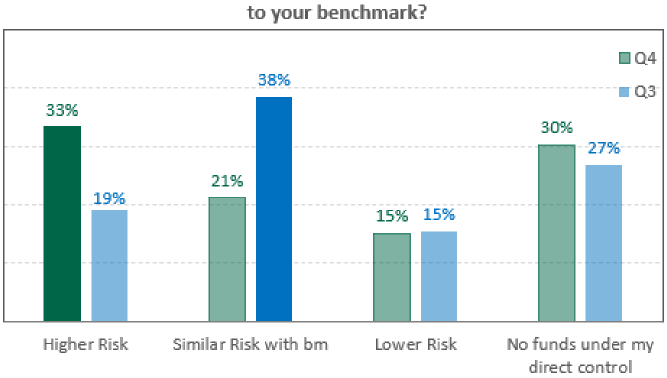


Figure 22. What is your expectation for EURUSD at the end of the next 3 months?

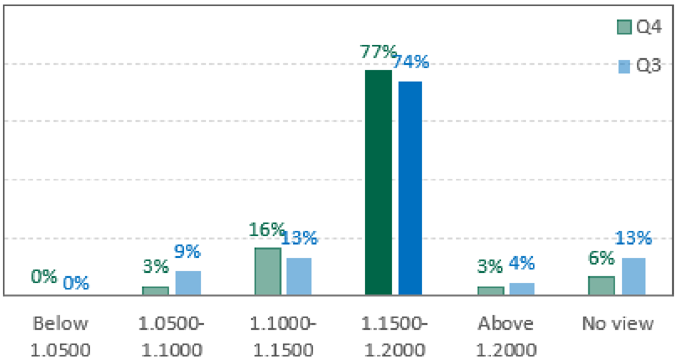
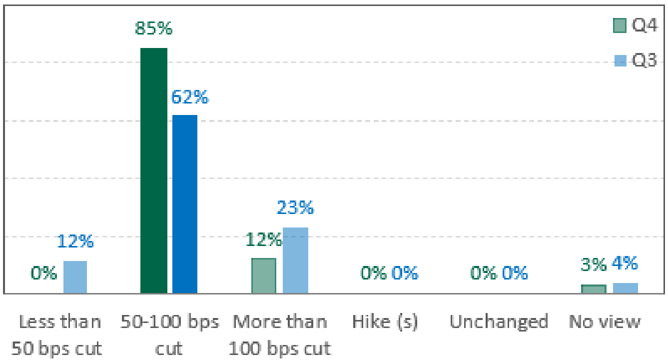


Figure 23. How many Fed cuts/hikes do you expect for the next 12 months?



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Over 30 financial professionals, active in CEE markets, with above EUR 6.5bn assets under direct control, contributed to our survey, which was closed by December 5, 2025, 17:00 (CET).

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