otp Global Markets

Institutional Investor Survey Results

Investment outlook on Hungary

Investor sentiment on Hungary has improved substantially since the March survey. The sharp improvement likely reflects the fading of election-related uncertainty after the April vote, as well as growing investor confidence in the new government's commitment to a more predictable macroeconomic policy mix and eurozone convergence. While the previous survey showed that 70% of respondents expected the EURHUF to remain in the 380–400 range, the latest results show a decisive shift toward HUF appreciation, with 72% now expecting the EURHUF below 360 over the next three months. Only 4% of respondents expect EURHUF to move back into the 370–380 range, while no respondents see EURHUF above 380.

Inflation expectations have moved in the same direction. 80% of respondents expect 2026 average inflation at or below 3.5%, including 44% below 3%, compared with the March survey, when most investors expected inflation in the 3.5–4.0% range or higher. The results suggest that investors have become significantly more confident in Hungary's disinflation outlook and less concerned about renewed FX-driven price pressures. The survey marks a clear reversal from the March results, when domestic political risks ahead of the April election, energy-price shocks and geopolitical uncertainty dominated investor thinking.

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

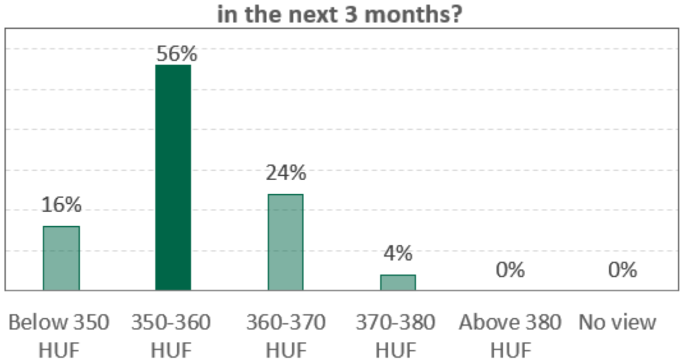
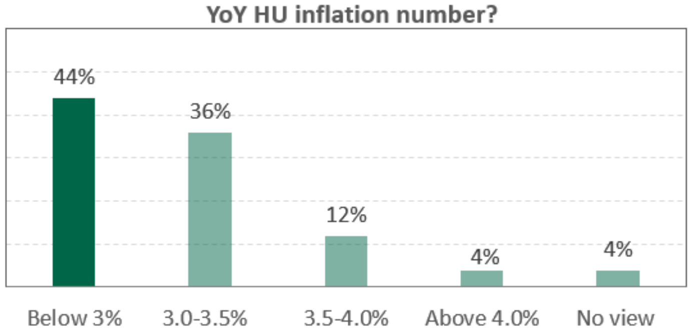
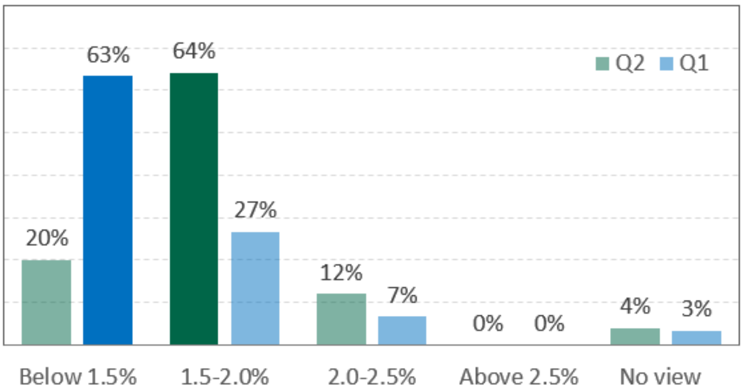


Figure 2. What is your expectation for 2026 avg YoY HU inflation number?



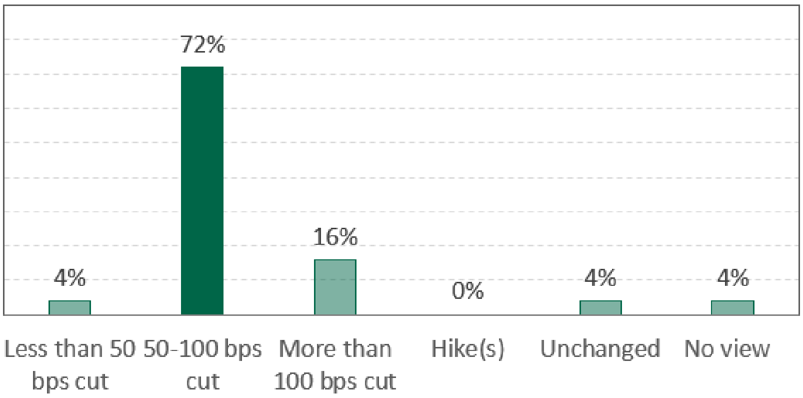
Hungarian growth expectations improved significantly compared with the March survey. The share of respondents expecting 2026 GDP growth below 1.5% fell from 63% to 20%, while 64% now expect growth in the 1.5–2.0% range. This shift is consistent with the better-than-expected Q1 GDP data: OTP's macro analysts note that GDP grew by 1.7% YoY, above both their forecast and market consensus of around 1.2% YoY. Still, the improvement should be interpreted cautiously. OTP's macro team highlights that Q1 growth may have been supported by one-off, pre-election factors, unusually high fiscal expenditures and inventory accumulation. Consumption remained strong, rising 5.5% YoY, but investment was still broadly flat and exports continued to decline. As a result, the survey points to a more constructive but still cautious growth picture.

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



Expectations for NBH policy have become much more concentrated around rate cuts. 92% of respondents expect some easing over the next 12 months, with 72% expecting 50–100 bps of cuts and 16% expecting more than 100 bps. The results are consistent with the broader improvement in Hungarian macro sentiment. Stronger HUF, lower inflation expectations and a less pessimistic GDP outlook have all increased confidence that the NBH will have room to ease. Since the survey was conducted, the NBH has already cut the base rate by 25 bps to 6.00% and signaled two further 25-basis-point cuts over the course of the summer.

Figure 4. What is the most likely move for NBH in the next 12 months?



Fixed Income

There is a shift in expectations for Hungary's neutral interest rate. In Q1, investors mostly placed the neutral rate in the 5–6% range, while a sizeable 30% expected it to be above 6%. In the latest survey, expectations moved materially lower: 44% now see the neutral rate at 4–5%. This downward shift is consistent with the broader improvement in Hungarian macro sentiment as we noted above. The new government's commitment to euro adoption and meeting the Maastricht criteria by 2030 could support a longer-term convergence story, potentially lowering Hungary's risk premium and driving gradual yield convergence toward eurozone levels.

Yield-curve expectations are also consistent with the shift toward a gradual NBH easing cycle. 32% of respondents expect bull steepening. This view reflects expectations that the NBH easing cycle will increasingly support the front end of the Hungarian curve. The very flat shape of the Hungarian yield curve continues to limit the relative attractiveness of the ultra-long segment. Although lower inflation expectations, the NBH easing cycle and the eurozone-convergence narrative provide support for longer maturities, the 10+ year segment still offers only limited additional yield compensation compared with shorter tenors, while carrying materially higher duration risk.

Figure 5. How do you assess the level of the neutral rate of interest in Hungary?

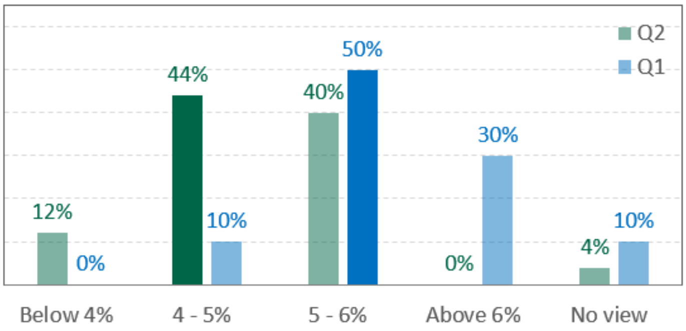


Figure 6. How do you expect the Hungarian yield curve to change in the next 3 months?

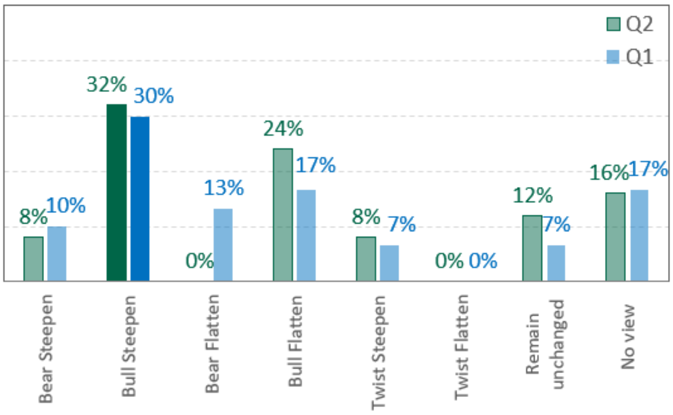


Figure 7. What segment of the Hungarian yield curve do you find the least attractive?

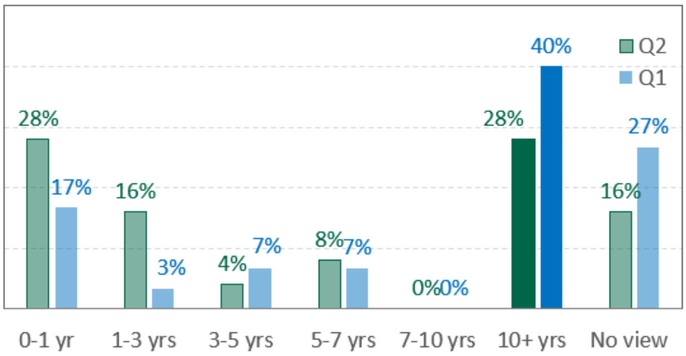


Figure 8. What segment of the Hungarian yield curve do you find the most attractive?

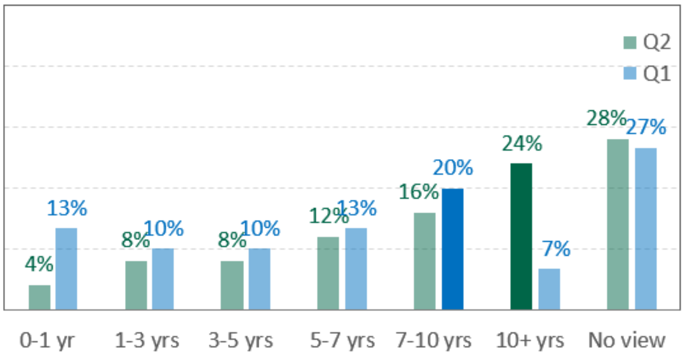


Figure 9. Would you be underweight or overweight Max Index on a duration basis in the next 3 months?

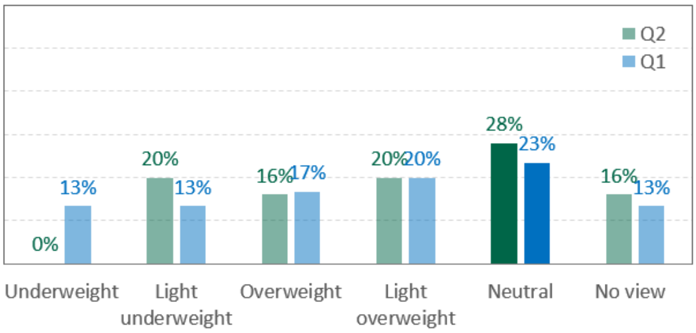
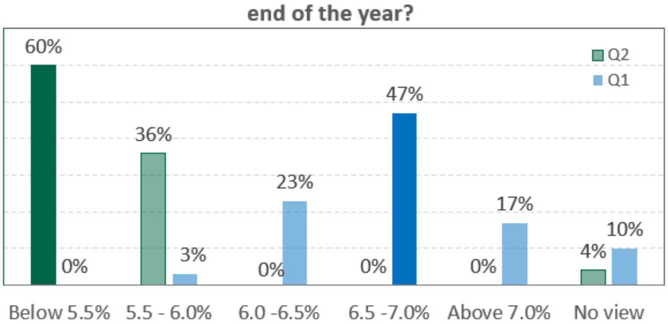


Figure 10. Where do you see HGB BM 10yr yield at the end of the year?



FX

CEE FX expectations have shifted sharply in favour of HUF. 68% of respondents now expect HUF to outperform the most versus EUR in the region, up from 30% in the March survey. At the same time, the share expecting HUF to underperform declined from 30% to 16%, showing that the previously polarized view on the forint has become much more constructive. The shift also suggests that investors are increasingly pricing a lower Hungarian risk premium and improving macro fundamentals and the new government's stated commitment to euro adoption and eurozone convergence.

PLN has lost relative appeal, with its expected outperformer share falling from 30% to 8%, while RON has become the clear expected underperformer: 40% of respondents now expect RON to weaken the most versus EUR in the region, up from 10% previously. It reflects Romania-specific vulnerabilities. Domestic political uncertainty increased after the collapse of the Romanian government in May, reducing visibility on the fiscal consolidation path. The European Commission expects Romania's economy to broadly stagnate in 2026, while fiscal and current-account deficits are projected to remain elevated.

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

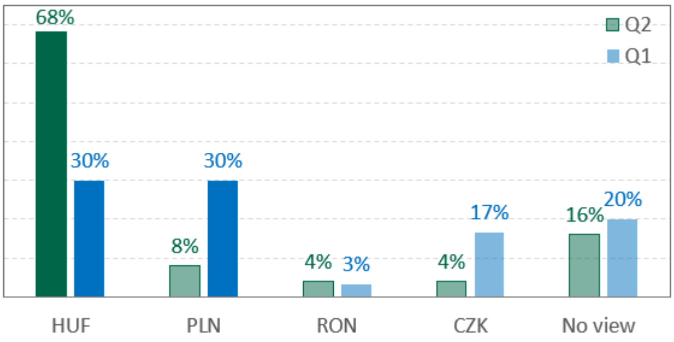
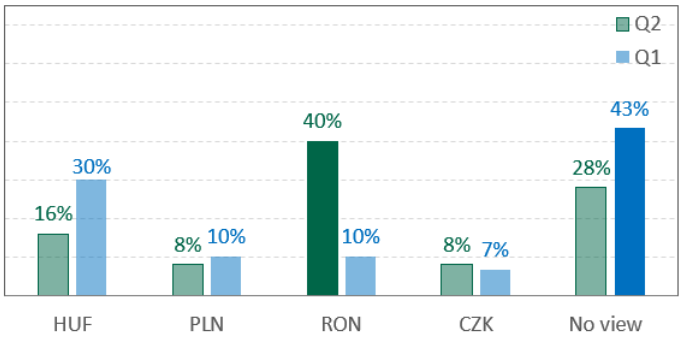


Figure 12. Which currency will underperform the most vs EUR in the region?



Investment outlook for the region

Investor sentiment toward Hungarian equities improved sharply compared with the March survey. 60% of respondents are now slightly bullish on the BUX Index, up from 23% in Q1, while bearish and slightly bearish views fell from a combined 34% to 12%. The shift likely reflects fading election-related uncertainty, lower inflation expectations and a clearer NBH easing narrative. The Hungarian market had still been trading at a meaningful discount to the region before the election, despite some narrowing, mainly due to the poor perception of domestic economic policy. The change in government could support a further decline in Hungary's equity risk premium and trigger convergence toward Poland, a market with which Hungary had moved closely for several years before 2022.

The CETOP outlook also improved, but less dramatically. The share of slightly bullish respondents rose from 27% to 40%, while bullish views increased from 7% to 16%. Regional sentiment remains more mixed, as risks are uneven across CEE – particularly due to Romania's weaker macro outlook and elevated political uncertainty. However, the normalization of energy prices could create room for a broader regional equity trade. The CEE stock market (CETOP) is expected to deliver around 25% profit growth this year, broadly comparable with the US, but without relying on AI- or technology-driven earnings momentum. This makes the region attractive in a scenario where global equity leadership broadens beyond US megacap technology.

Figure 13. What is your view on BUX Index in the next 3 months?

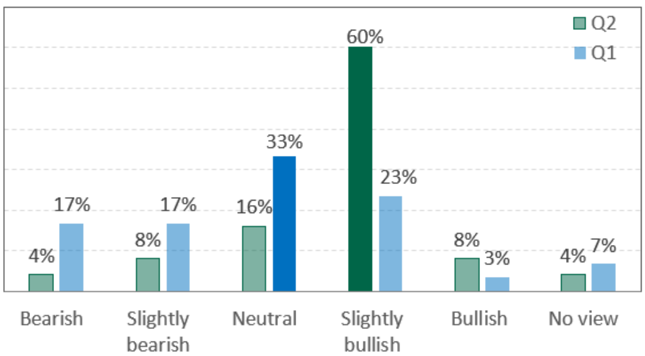
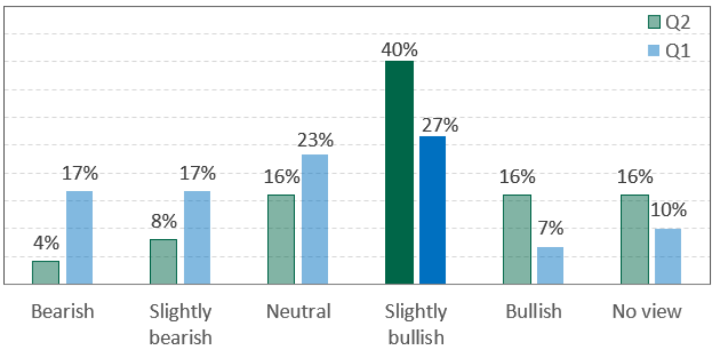


Figure 14. What is your view on CETOP Index in the next 3 months?



Country-level CETOP expectations also show a major shift in favour of Hungary. 40% of respondents now expect Hungary to outperform the most over the next three months, up from 18% in Q1, making it the clear top pick in the region. This is consistent with the improvement in BUX sentiment, stronger HUF expectations, lower inflation expectations and the fading of April election-related uncertainty. By contrast, Poland has lost its previous leadership position. In Q1, 41% of respondents expected Poland to outperform, but this share has now dropped to 17%. Romania remains the most frequently named underperformer among individual countries. This fits with the broader concerns around Romania.

Figure 15. Which CETOP country will outperform most in the next 3 months?

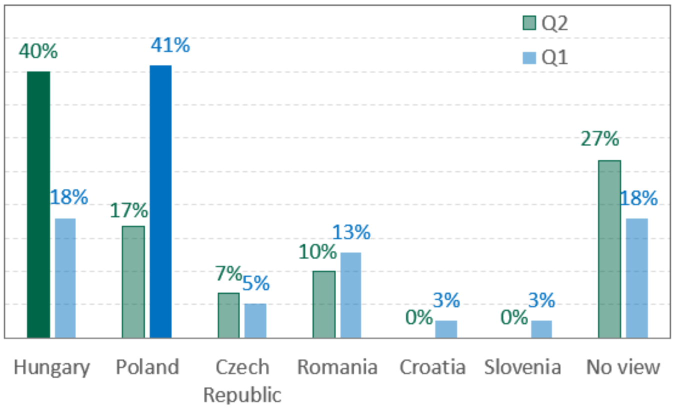


Figure 16. Which CETOP country will underperform most in the next 3 months?

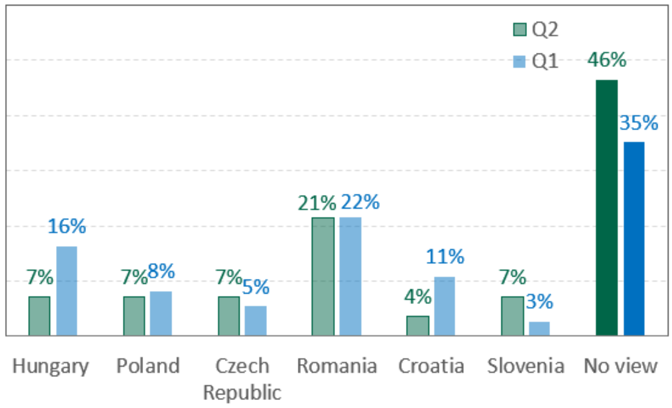
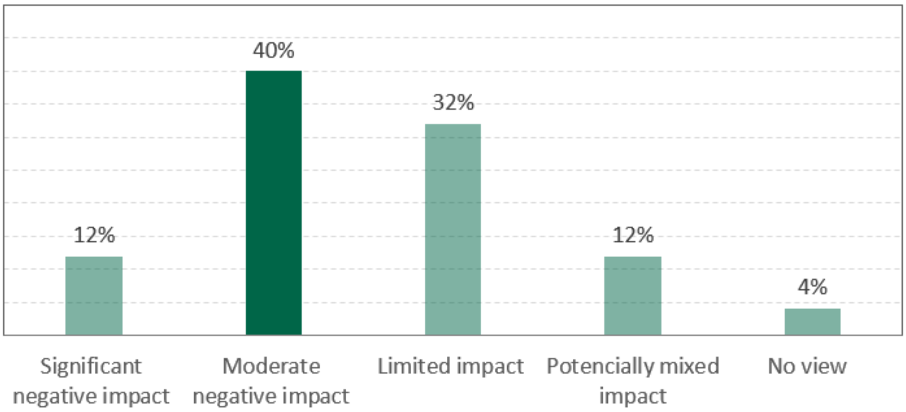


Figure 17. How do you expect geopolitical risks in the Middle East to affect the CEE economic and market outlook over the next 12 months?



Investor sentiment shows Financials remain the clear favorite. The most notable change is the rise in interest toward Healthcare and Communications. Healthcare attractiveness increased from 8% to 15%, while Communications rose from 0% to 11%, suggesting that investors are increasingly looking for defensive growth and more stable earnings visibility. The underperformance side is more mixed. The largest share of respondents still selected No view at 24%, suggesting limited conviction on which sector should lag. Real estate remains the most frequently cited underperformer at 13%, broadly unchanged from 12% in Q1, reflecting continued caution toward rate-sensitive assets.

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

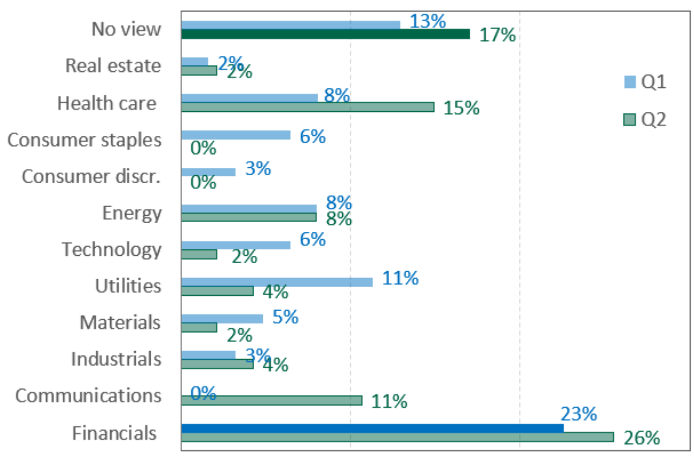
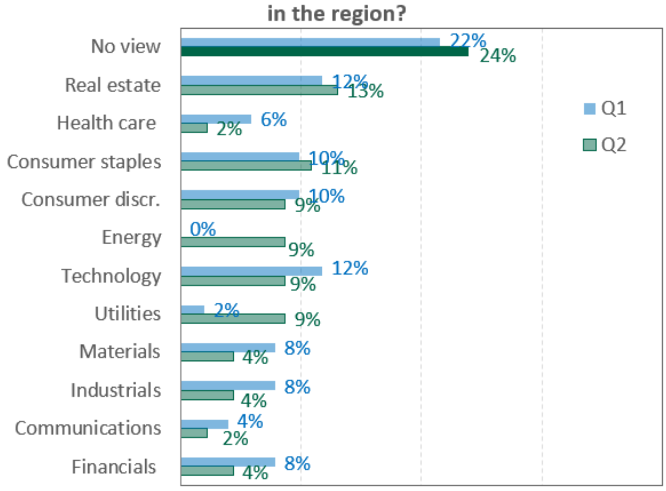


Figure 19. Which sector(s) do you think will underperform in the region?



Global investment outlook

Across regions, investors still show a cautious-to-neutral bias, but the distribution of responses indicates a more selective risk-taking environment than in the previous survey. US equities stand out with the strongest positive balance, as 34% of respondents have a buy view, while sell responses remain limited. CEE equities also remain relatively well supported, with 29% buy responses, although the region continues to show more polarisation, with 26% of respondents still assigning a sell view. By contrast, conviction remains weaker toward EU equities and EM equities, where hold and no-view responses dominate.

Compared with last quarter, the overall risk-taking picture has become less negative. The share of respondents taking higher-than-benchmark risk remained unchanged at 20%, while the share taking lower-than-benchmark risk declined from 30% to 16%. This suggests that, among investors with active risk exposure, the defensive shift seen in the previous survey has partly reversed. Overall, the results point to a measured improvement in risk appetite, with investors selectively adding exposure mainly in US and CEE equities, while maintaining a cautious stance toward broader global equity risk.

Figure 20. Current investment outlook (next 3 months)

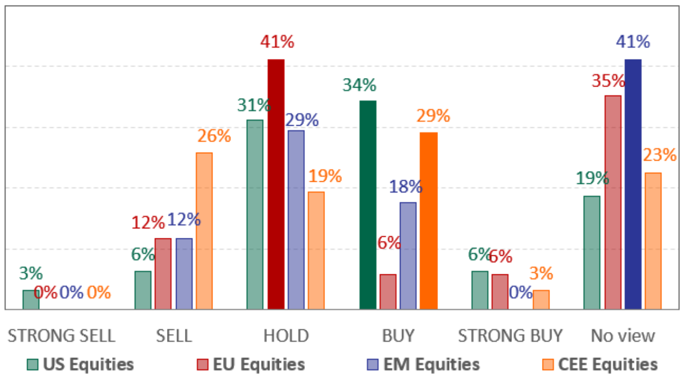
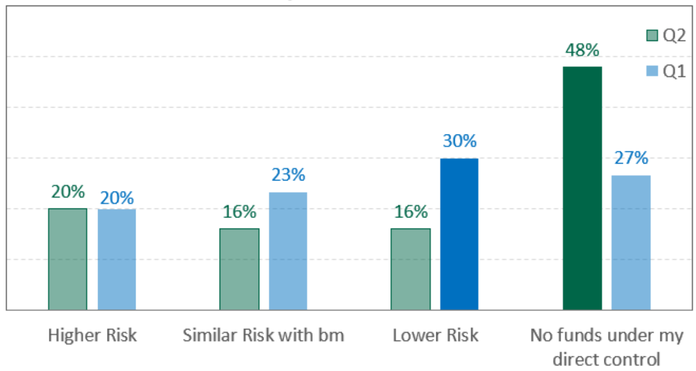


Figure 21. What level of risk are you currently taking relative to your benchmark?



68% of respondents expect EURUSD to end the next three months between 1.15 and 1.20, up from 53% in Q1, making this the clear consensus view. At the same time, the share expecting EURUSD in the 1.10–1.15 range declined from 33% to 16%, while no respondents expect a move below 1.10 or above 1.20.

Fed expectations have shifted in a more hawkish direction compared with the previous survey. The share of respondents expecting unchanged Fed rates increased from 30% to 44%, making it the largest category, while 20% now expect hikes, up sharply from only 3% in Q1. At the same time, expectations for rate cuts have declined. Overall, investors have meaningfully scaled back expectations for Fed easing and now assign a higher probability to a prolonged pause or even renewed tightening. This more hawkish Fed outlook helps explain why EURUSD expectations remain capped below 1.20.

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

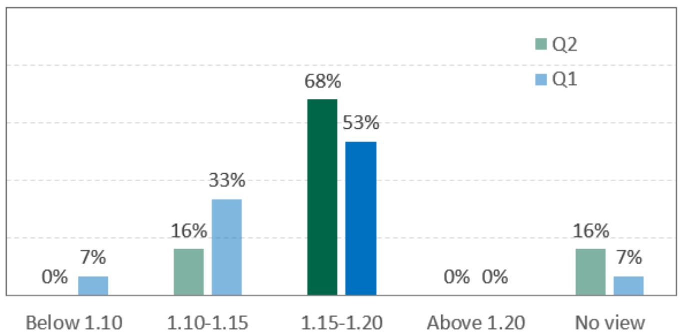
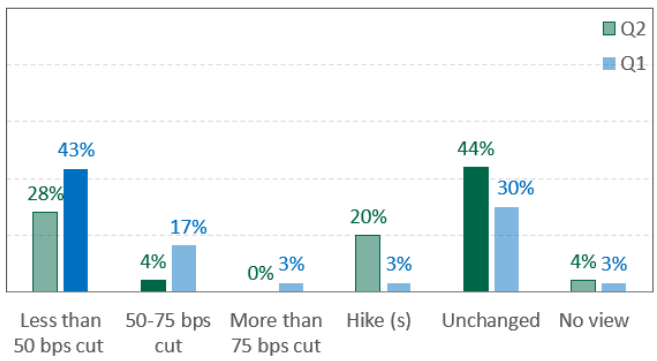


Figure 23. How many Fed cuts/hikes do you expect for the next 12 months?



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Over 25 financial professionals, active in CEE markets, with above EUR 6.5bn assets under direct control, contributed to our survey, which was closed by June 12, 2026, 17:00 (CET).

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