otp Global Markets

Institutional Investor Survey Results

Investment outlook on Hungary

Investor expectations for the forint have become more cautious since the June survey. The largest share of respondents, 65%, now expect EUR/HUF to trade between 360 and 370 over the next three months, compared with only 24% in the previous survey. At the same time, the proportion expecting a level below 360 has fallen sharply from 72% to 29%. Nevertheless, expectations remain firmly anchored below 380. Investors continue to expect a broadly stable forint but see less scope for further appreciation from current levels.

Inflation expectations have moved moderately higher. The share of respondents expecting average inflation below 3% in 2026 declined from 44% to 18%, while 71% now forecast inflation in the 3.0–3.5% range, almost double the 36% recorded in Q2. The results reveal a notable gap between investor expectations and the NBH's latest forecast for 2026 CPI number (unchanged at 1.8%).

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

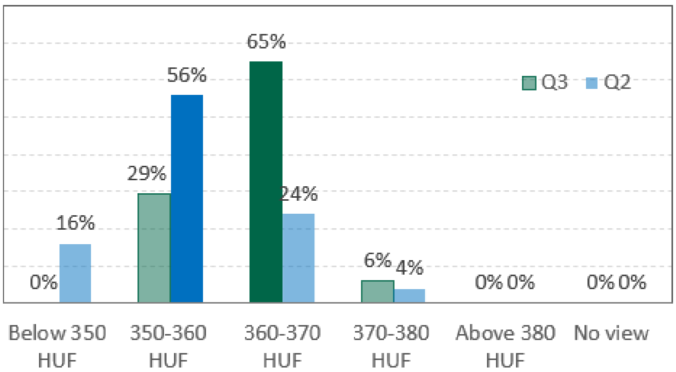
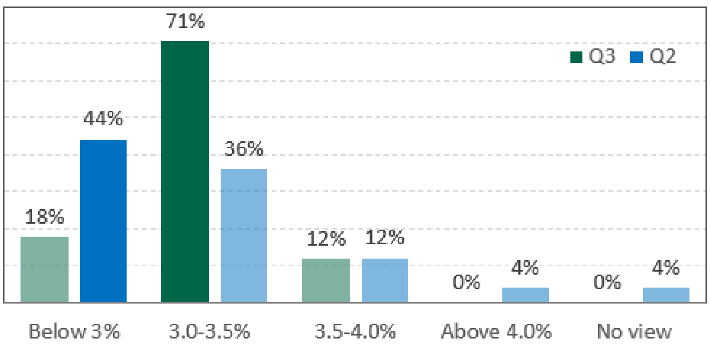


Figure 2. What is your expectation for 2026 avg YoY HU inflation number?



Following the recent rate cuts, fewer respondents expect another significant easing cycle, however a 50–100-basis-point reduction remains the most likely outcome, selected by 53% of respondents, down from 72% in Q2. Overall, 88% of respondents still expect some degree of monetary easing over the next 12 months.

Hungarian growth expectations remained broadly stable, with a modest further concentration around the 1.5–2.0% range. The latest responses show limited additional momentum. Investors appear increasingly confident that the economy can avoid another year of very weak growth, while remaining cautious about the prospects for a stronger acceleration.

Figure 3. What is the most likely move for NBH in the next 12 months?

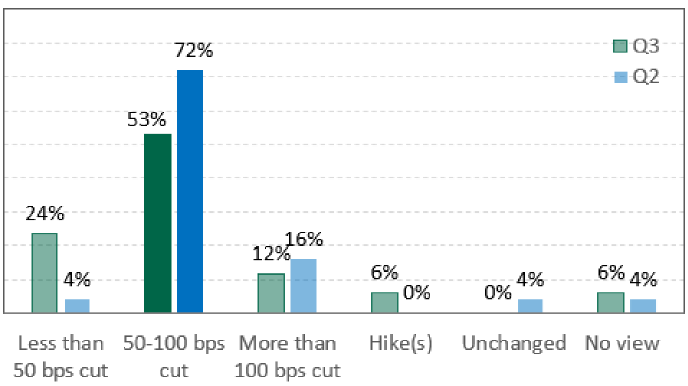
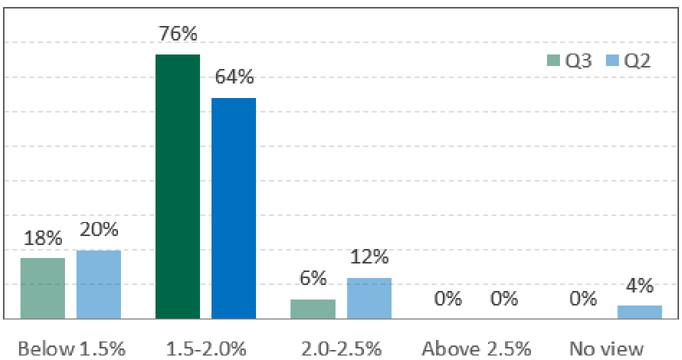


Figure 4. What is your expectation for 2026 YoY HU GDP number?



Investors identify fiscal slippage as the key downside risk to Hungarian assets, followed by weaker global risk appetite and geopolitical or energy-supply shocks. However, allocation plans remain supportive: 47% expect to keep exposure unchanged and 24% plan a moderate increase. This suggests that fiscal credibility remains essential, although budget concerns are not yet prompting investors to reduce positions.

Figure 5. What do you consider the most important downside risk to HUN asset performance over the next 6–12 months?

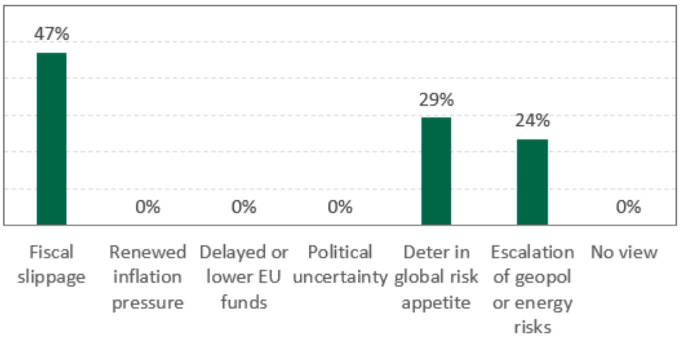
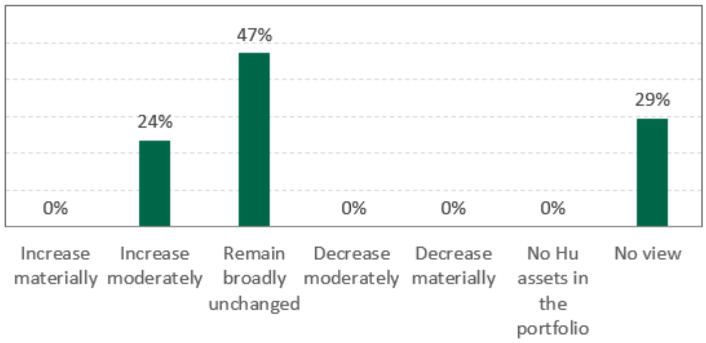


Figure 6. How do you expect your allocation to Hungarian assets to change over the next 3 months?



Fixed Income

Investors have shifted toward a modest duration overweight as higher yields offer more attractive entry points. The share favouring a light overweight rose from 20% to 35%, while 59% now expect the ten-year yield to end the year at 5.5–6.0%. The rise in yields appears to reflect changing global rate expectations and the unwinding of crowded positions in Hungarian government bonds and interest-rate swaps, rather than a deterioration in Hungary's longer-term outlook.

Hungary's longer-term convergence story, supported by the government's and the NBH's commitment to euro adoption, continues to underpin demand for duration. Bull flattening is now the dominant yield-curve expectation, selected by 47% of respondents, up from 24% in Q2, suggesting that investors expect declining risk premia and greater central-bank credibility to drive a stronger fall in long-term yields.

Figure 7. Would you be underweight or overweight Max Index on a duration basis in the next 3 months?

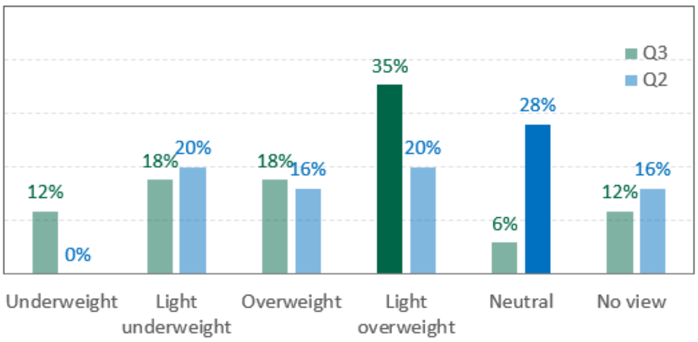


Figure 8. Where do you see HGB BM 10yr yield at the end of the year?

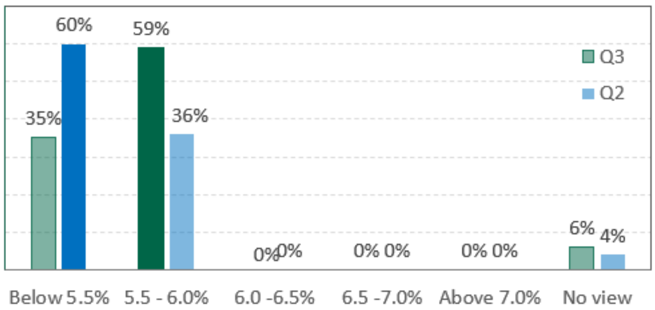


Figure 9. How do you assess the level of the neutral rate of interest in Hungary?

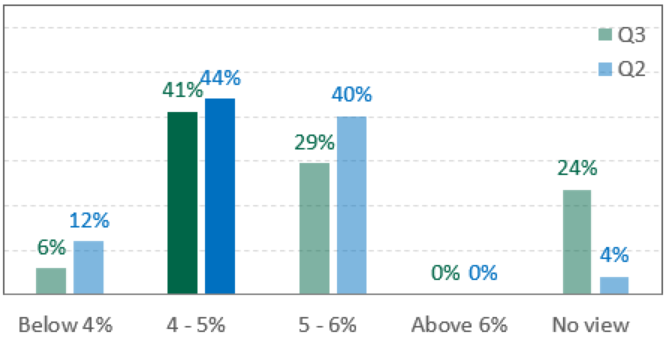


Figure 10. How do you expect the Hungarian yield curve to change in the next 3 months?

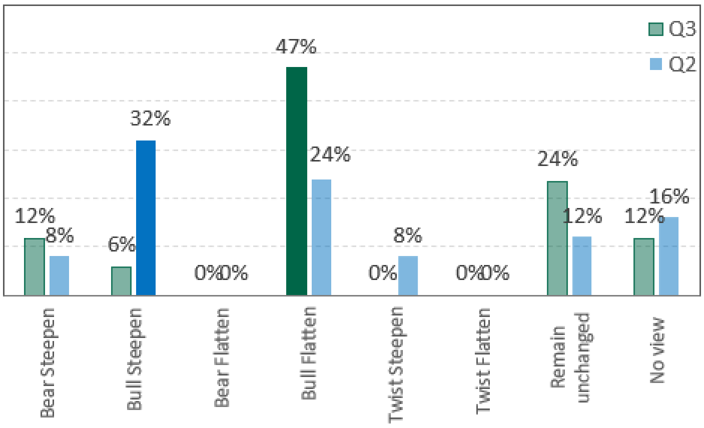


Figure 11. What segment of the Hungarian yield curve do you find the least attractive?

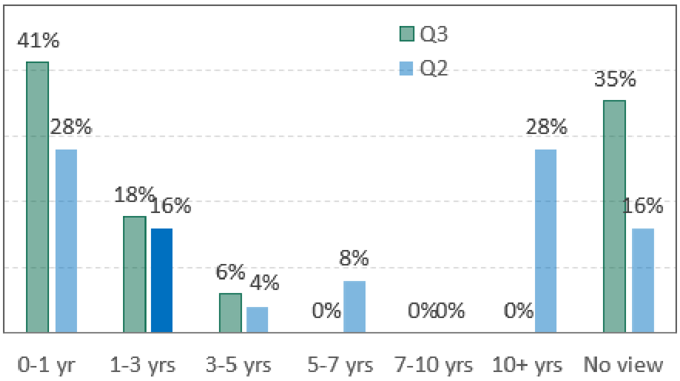
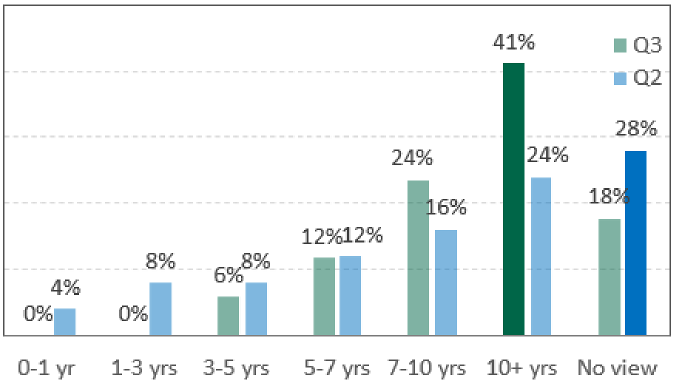


Figure 12. What segment of the Hungarian yield curve do you find the most attractive?



FX

Regional FX views have become less concentrated. The HUF remains the most frequently selected outperformer, but its share fell from 68% in Q2 to 41% in Q3. Meanwhile, support increased for the PLN and CZK, selected by 18% and 12% of respondents, respectively. The forint's high carry and Hungary's improving risk perception may continue to support relative performance, even if EUR/HUF remains within the 360–370 range anticipated by 65% of respondents.

The RON remains the most frequently selected laggard, although its share declined from 40% to 24%. By contrast, the share expecting the PLN to underperform rose from 8% to 24%. Overall, investors still favour the HUF on a relative basis, while Romania remains vulnerable to political uncertainty, fiscal pressures and weak domestic demand. For the PLN, fiscal imbalances and weaker relative carry may outweigh already-priced-in growth and EU investment.

Figure 13. Which currency will outperform the most vs EUR in the region?

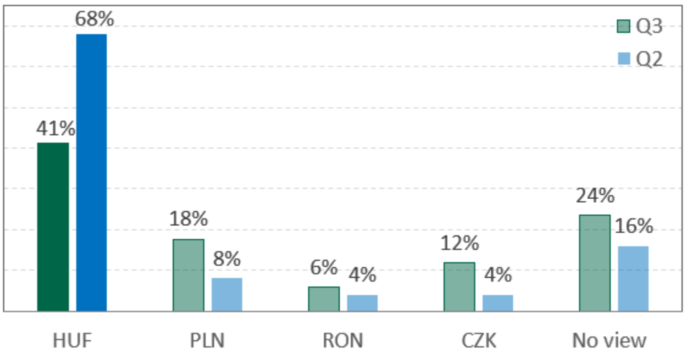
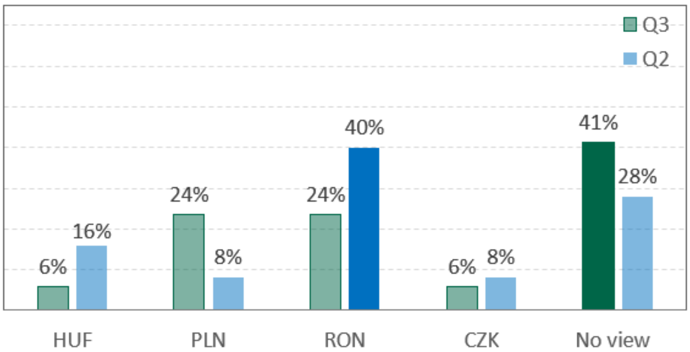


Figure 14. Which currency will underperform the most vs EUR in the region?



Investment outlook for the region

Investor sentiment toward Hungarian equities remains firmly positive, although the latest survey shows a modest reduction in conviction. The share of outright bullish responses fell from 8% to zero, while neutral views increased from 16% to 24%. The results suggest that investors continue to expect the BUX to perform well over the next three months but see less potential for a strong rally after the market's previous gains. Although the Hungarian stock market has outperformed since the April elections (BUX: +21% vs. others: +4–18%), it remains the relatively cheapest in the region. The credibility of the October medium-term budget plan will be crucial from the perspective of the investment narrative and if it dispels doubts, the convergence trade could continue.

The outlook for the broader CETOP Index has become more balanced. Slightly bullish responses increased from 40% to 47%, making this the largest category, but the share of bullish respondents fell from 16% to zero. Neutral views rose sharply from 16% to 35%, while slightly bearish responses declined from 8% to zero. This indicates that investors continue to see moderate upside for regional equities, but there is little conviction behind a more substantial market advance over the next three months.

The CEE region has been able to weather the risks posed by rising energy prices relatively steadily so far this year, supported primarily by domestic consumption and investments aided by EU funds. The CEE equity market remains significantly cheaper than Europe despite a stronger earnings outlook. Corporate profits are expected to grow by 30% this year, roughly twice the European rate, while margins are near record highs. This combination makes CEE one of the most attractive options for investors seeking inexpensive growth without direct exposure to the AI theme.

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

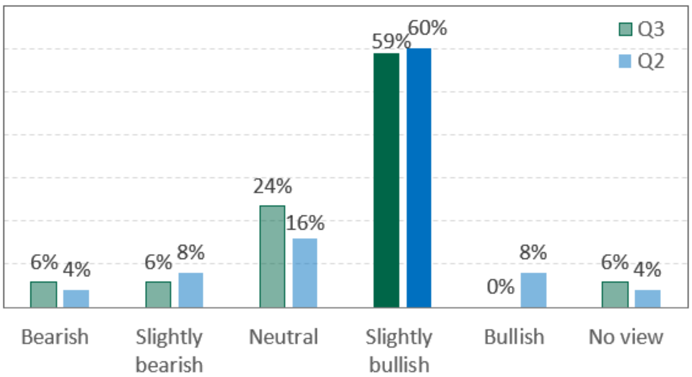
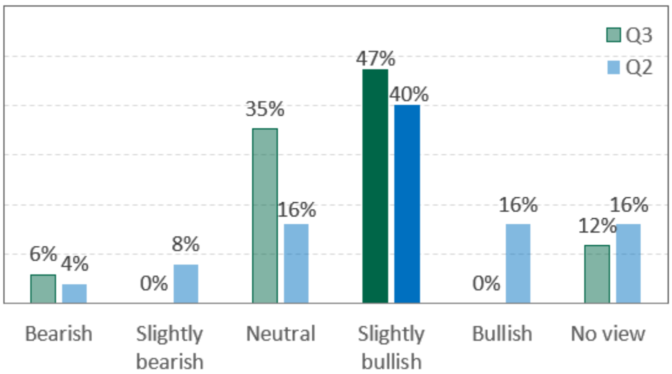


Figure 16. What is your view on CETOP Index in the next 3 months?



Country-level expectations continue to favour Hungary, although conviction has softened slightly. Some 35% of respondents expect Hungary to outperform over the next three months, down from 40% in Q2, while Poland's share increased from 17% to 20%. Romania remained unchanged at 10%. Romania has become the clear underperformance consensus, selected by 48% of respondents, up sharply from 21% in Q2. This reflects persistent concerns about the country's fiscal position, political uncertainty and the impact of fiscal adjustment on domestic demand.

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

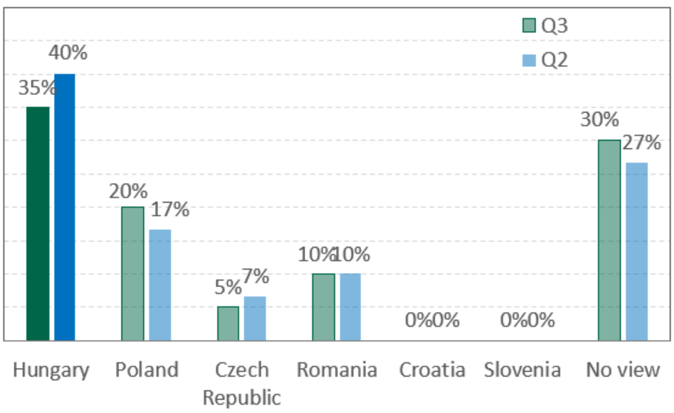
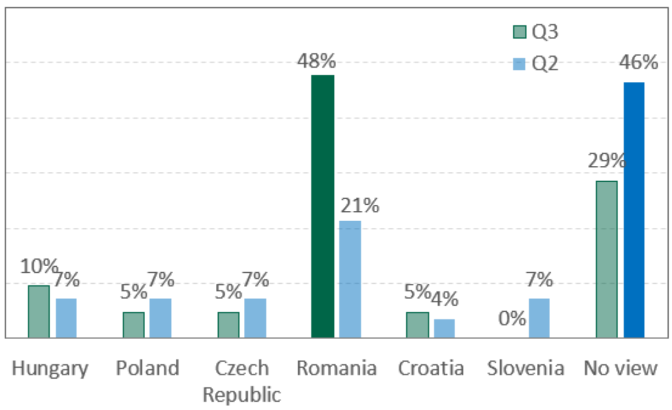


Figure 18. Which CETOP country will underperform most in the next 3 months?



Global investment outlook

Global equity views remain selective, with US equities attracting the strongest support: 44% of respondents have a buy view, compared with 22% on the sell side. Views on EU equities are more divided, while half of respondents favour EM equities. CEE equities also show mixed sentiment, with 30% holding a positive view and 29% recommending a sell. Risk appetite has weakened among respondents with funds under direct control. While 18% are taking more risk than their benchmark and another 18% are running similar risk, 29% are positioned more defensively, up from 16% in Q2.

Figure 19. Current investment outlook (next 3 months)

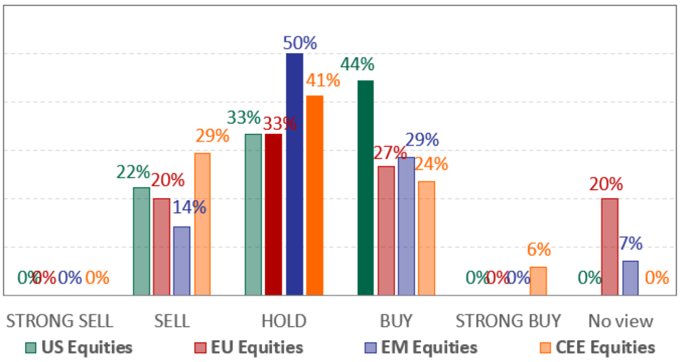
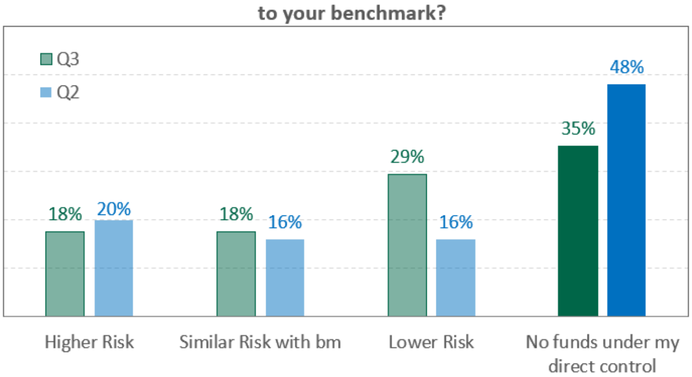


Figure 20. What level of risk are you currently taking relative to your benchmark?



EUR/USD expectations have shifted lower. Although the 1.15–1.20 range remains the largest category, its share fell from 68% in Q2 to 47%, while the proportion expecting EUR/USD between 1.10 and 1.15 rose from 16% to 41%. The change is consistent with a sharp reassessment of the US monetary-policy outlook. Some 76% of respondents expect 25–50 basis points of rate hikes over the next 12 months, while a further 12% anticipate more than 50 basis points of tightening.

The Fed subsequently raised rates by 25 basis points to 3.75–4.00% and indicated that further tightening could follow, as persistent inflation and resilient growth allow policymakers to maintain a restrictive stance. Higher US rates and Treasury yields support the dollar.

Figure 21. What is your expectation for EURUSD at the end of the next 3 months?

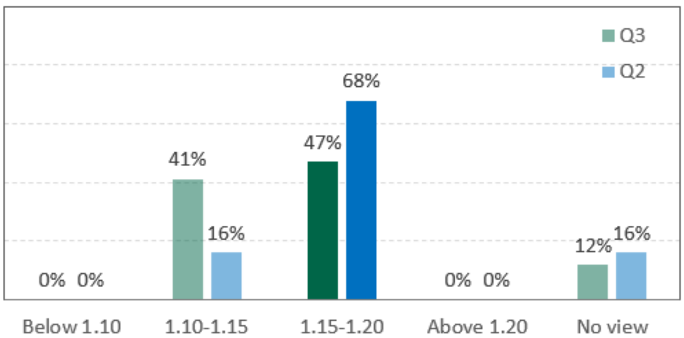
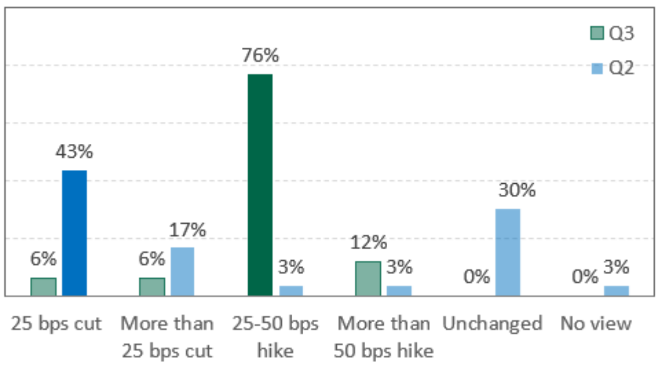


Figure 22. How many Fed cuts/hikes do you expect for the next 12 months?



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2026.09.28.