

## CEE Market Insights

### Diverging inflation developments in CEE

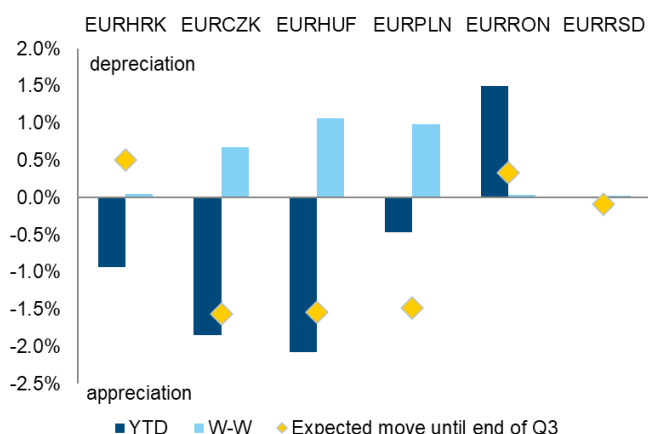
#### This week in CEE

June inflation prints will be in the spotlight this week. After the April-May peak, consumer prices are expected to have moderated a bit to 3.1% y/y and 1.8% y/y in Serbia and Croatia, respectively. Romanian inflation could have reached 3.72% year-over-year in June and is likely to remain above the NBR's target until early-2022 on energy price deregulation, higher oil price and imported inflation. Czech inflation is anticipated at 2.8% y/y (close to the upper bound of the tolerance band), reflecting the tight labor market as the key pro-inflationary factor, accompanied by some supply-side effects. Consumer prices likely grew by 2.5% y/y in Slovakia, spurred by excise taxes on tobacco and rising oil prices (from a lower base). The Polish flash CPI reading of 4.4% y/y should be confirmed, with core inflation coming in likely at a milder 3.5% y/y pace. Moreover, Romania will publish its industrial production and wage development for May. We expect industry to have risen by 42% y/y, driven by the low base from last year and flourishing foreign demand for manufacturing. Base effect also played a role in the May wage growth in Romania, which is expected just shy of 10% y/y.

Monday	Tuesday	Wednesday	Thursday	Friday
RS: CPI	CZ, RO: CPI	SK: CPI	PL: CPI	HR: CPI
RO, SK: Wages	RO: Industry	PL: Trade balance		
RO: Trade balance		RO: Current account		
RO: 2036 Bonds	HU, SI: Bills	CZ: 2029, 2032, 2036 Bonds	RO: 2026 Bonds	

#### FX market

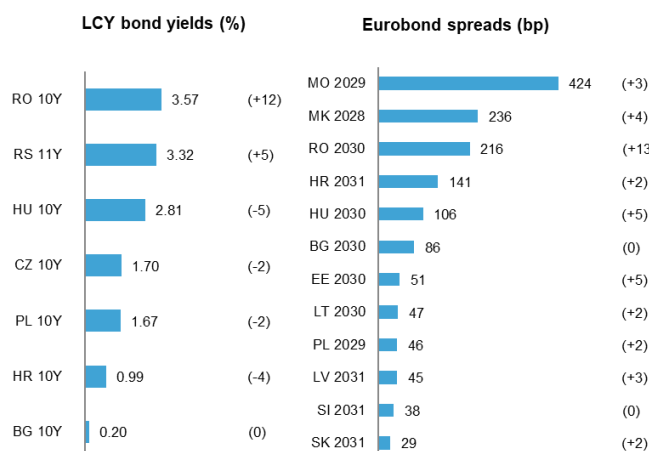
#### FX market developments



Source: Bloomberg, Erste Group Research

Over the course of the week CEE currencies weakened considerably due to both global and local factors. Growing market concerns over the impact of the Delta variant of the coronavirus on economic recovery, weighed on CEE FX. Higher than expected inflation for June, which came in at 5.3% y/y, as well as the recently inflamed conflict between the EU and Hungary, increased the pressure on the forint. The EURHUF went slightly above 358, which is the weakest since mid-May, when the central bank pledged to tighten. On the other hand, given the recent worsening of the global pandemic situation, the markets somewhat doubt whether the Czech National Bank will deliver another hike already in August, resulting in the koruna moving toward 25.8 vs. the EUR. The Polish zloty followed its regional peers as the central bank stuck to its dovish stance despite the elevated inflation forecast. Given the approaching tourist season, we expect the Croatian central bank to remain active on the market in order to keep a lid on the appreciation of the kuna.

## LCY yields, Eurobond spreads



Source: Bloomberg, Erste Group Research

## Bond market developments

Bond yields inched down on global markets as investors switched to risk-off mode due to concerns over the rising number of Delta variant COVID-19 cases. LCY 10Y yields declined also in CEE with the exception of Romania. The most pronounced yield decline could be seen in the middle of the CZBGs curve and the long end of the HBGs curve. The first could be linked to concerns over the economic risks related to the Delta variant, which the central bank downplayed in its comments when it kicked off the start of the tightening cycle. This sparked speculation regarding a delay in the next hike. The Hungarian long end definitely benefits from last week's ECB announcement of a change in the target, which will allow the ECB to keep its monetary policy accommodative for longer. Romanian yields increased despite the successful placement of two large and long-dated (9Y and 20Y) Eurobond issues. The MinFin rejected a significant portion of bids in its latest auctions, as it feels more comfortable on the financing side now and is more selective on price. Romania PM Citu forced out the finance minister from his government, which could be seen as part of an internal fight within the Liberal party ahead of the party leader election scheduled for September. PM Citu will also serve as interim finance minister.

## In case you missed

CEE: We published new [CEE Bond Market Report](#).

CEE: Solid performance of industry in [HU](#) and [SK](#) in May, while [CZ](#) disappointed due to supply-side issues.

CEE: Retail sales increased in [HU](#) and [RO](#) in May.

HU: [Inflation](#) accelerated further in June.

PL: [Central bank](#) kept key rate flat at 0.1%.

RS: [National Bank of Serbia](#) remained on hold.

RO: [Central bank](#) kept policy rate unchanged and is discussing return to normal.

## Upcoming releases in CEE

Date	Time	Country	Indicator	Period	Survey	Erste Est.	Prev.	Comment
12.Jul	8:00	RO	Trade Balance	May			-1893.6	
	8:00	RO	Wages (y/y)	May		9.8%	11.91%	Annual growth rate influenced by decrease in wages in spring of 2020, when many businesses were closed.
	9:00	SK	Wages (y/y)	May			2.30%	
	12:00	RS	CPI (y/y)	Jun	3.20%	3.10%	3.60%	We expect that inflation peaked in May and will return closer to middle of target band
	12:00	RS	CPI (m/m)	Jun			0.50%	
13.Jul	8:00	RO	Industrial Production (y/y)	May		42.00%	63.20%	Base effect associated with partial closure of industry in May last year and foreign demand for manufacturing boosted industrial production.
	8:00	RO	CPI (y/y)	Jun	3.72%	3.72%	3.75%	Inflation above NBR target until early-2022 on energy price deregulation, higher oil price and imported inflation.
	8:00	RO	CPI (m/m)	Jun		0.05%	0.5%	Deflation for food items offsets rising fuel prices in June.
	9:00	CZ	CPI (y/y)	Jun	2.80%	2.8%	2.90%	Inflation remains close to upper bound of tolerance band (3 %). Tight labor market still key pro-inflationary factor, but also some supply-side effects strengthen pro-inflationary pressures.
	9:00	CZ	CPI (m/m)	Jun	0.50%	0.50%	0.20%	Solid domestic demand, with seasonal effects and increase in prices of vegetables behind higher price levels.
14.Jul		RO	Current Account Balance (monthly)	May			-4710	
	9:00	SK	CPI (y/y)	Jun		2.50%	2.2%	Main driver is excise taxes on tobacco and rising oil prices.
	9:00	SK	CPI (m/m)	Jun		0.20%	0.80%	Higher food prices (especially fruit) and rising prices of some kinds of services are most important contributors to m/m inflation rate.
	14:00	PL	Trade Balance	May	983		1289	
15.Jul	10:00	PL	CPI (y/y)	Jun F		4.40%	4.40%	Flash reading to be confirmed. Core inflation likely dropped toward 3.5% y/y in June.
	10:00	PL	CPI (m/m)	Jun F			0.10%	
16.Jul	11:00	HR	CPI (y/y)	Jun		1.80%	2.10%	Inflation expected to slightly decelerate in June from April-May peak.
	11:00	HR	CPI (m/m)	Jun			0.10%	

Source: Erste Group Research

### Analyst:

Katarina Muchova  
+43 5 0100 17336  
katarina.muchova@erstegroup.com

Note: Past performance is not necessarily indicative of future results

Malgorzata Krzywicka  
+43 (0)5 0100 17338  
malgorzata.krzywicka@erstegroup.com

## Forecasts

### Government bond yields

	current	2021Q3	2021Q4	2022Q1	2022Q2
<b>Croatia 10Y</b>	0.5	0.5	0.5	0.6	0.6
spread (bps)	81	64	54	64	59
<b>Czechia 10Y</b>	1.7	1.8	1.9	2.0	2.1
spread (bps)	199	195	195	206	211
<b>Hungary 10Y</b>	2.8	2.9	3.0	3.0	3.1
spread (bps)	310	308	305	308	306
<b>Poland 10Y</b>	1.7	1.80	1.90	2.00	2.10
spread (bps)	197	194	194	204	209
<b>Romania 10Y</b>	3.6	3.5	3.5	3.5	3.6
spread (bps)	386	359	349	354	354
<b>Slovakia 10Y</b>	0.0	0.2	0.3	0.4	0.5
spread (bps)	33	29	34	39	49
<b>Slovenia 10Y</b>	0.00	0.15	0.15	0.25	0.35
spread (bps)	29	29	19	29	34
<b>Serbia 5Y</b>	2.2	2.3	2.2	2.1	2.1
spread (bps)	249	244	224	214	209
<b>DE10Y*</b>	-0.3	-0.1	0.0	0.0	0.0

\* Spreads based on Bloomberg consensus forecast

### 3M Money Market Rate

	current	2021Q3	2021Q4	2022Q1	2022Q2
<b>Czechia</b>	0.66	0.59	0.86	1.13	1.39
<b>Hungary</b>	1.06	1.35	1.50	1.50	1.50
<b>Poland</b>	0.21	0.21	0.35	0.35	0.60
<b>Romania</b>	1.51	1.60	1.60	1.65	1.65
<b>Serbia</b>	0.88	0.85	0.83	0.83	0.83
<b>Eurozone</b>	-0.54	-0.54	-0.54	-0.54	-0.54

### Real GDP growth (%)

	2019	2020	2021f	2022f
<b>Croatia</b>	2.9	-8.0	5.0	5.5
<b>Czechia</b>	2.2	-5.6	3.7	4.3
<b>Hungary</b>	4.6	-5.0	6.9	4.1
<b>Poland</b>	4.7	-2.7	4.8	5.4
<b>Romania</b>	4.1	-3.9	6.7	4.5
<b>Serbia</b>	4.2	-1.0	6.0	4.0
<b>Slovakia</b>	2.5	-4.8	4.0	4.8
<b>Slovenia</b>	3.2	-5.5	5.0	4.8
<b>CEE8 avg</b>	3.9	-4.0	5.1	4.8

### Public debt (% of GDP)

	2019	2020	2021f	2022f
<b>Croatia</b>	72.8	88.7	87.2	84.3
<b>Czechia</b>	31.2	38.1	44.4	46.8
<b>Hungary</b>	65.5	80.4	77.7	76.0
<b>Poland</b>	45.6	57.5	57.0	55.0
<b>Romania</b>	35.3	47.3	49.6	50.8
<b>Serbia</b>	52.1	57.4	59.1	58.4
<b>Slovakia</b>	48.2	60.3	63.5	63.5
<b>Slovenia</b>	65.6	80.8	79.7	76.3
<b>CEE8 avg</b>	45.9	57.4	58.3	57.7

### FX

	current	2021Q3	2021Q4	2022Q1	2022Q2
<b>EURHRK</b>	7.49	7.53	7.53	7.53	7.48
<b>EURCZK</b>	25.77	25.35	25.25	25.14	24.98
<b>EURHUF</b>	355.69	350.00	350.00	350.00	350.00
<b>EURPLN</b>	4.55	4.48	4.45	4.42	4.38
<b>EURRON</b>	4.93	4.94	4.98	4.99	5.03
<b>EURRSD</b>	117.54	117.50	117.60	117.55	117.50
<b>EURUSD</b>	1.19	1.18	1.20	1.20	1.20

### Key Interest Rate

	current	2021Q3	2021Q4	2022Q1	2022Q2
<b>Croatia</b>	0.05	0.05	0.05	0.05	0.05
<b>Czechia</b>	0.50	0.50	0.75	1.00	1.25
<b>Hungary</b>	0.90	1.35	1.50	1.50	1.50
<b>Poland</b>	0.10	0.10	0.25	0.25	0.50
<b>Romania</b>	1.25	1.25	1.25	1.25	1.25
<b>Serbia</b>	1.00	1.00	1.00	1.00	1.00
<b>Eurozone</b>	0.00	0.00	0.00	0.00	0.00

### Average inflation (%)

	2019	2020	2021f	2022f
<b>Croatia</b>	0.8	0.1	1.7	1.6
<b>Czechia</b>	2.8	3.2	3.1	2.4
<b>Hungary</b>	3.4	3.3	4.3	3.2
<b>Poland</b>	2.3	3.4	4.0	3.5
<b>Romania</b>	3.8	2.7	3.7	3.0
<b>Serbia</b>	1.9	1.6	2.5	2.7
<b>Slovakia</b>	2.7	1.9	1.6	1.8
<b>Slovenia</b>	1.6	0.0	1.3	1.5
<b>CEE8 avg</b>	2.7	2.8	3.4	2.9

### C/A (%GDP)

	2019	2020	2021f	2022f
<b>Croatia</b>	2.8	-0.8	0.6	0.4
<b>Czechia</b>	-0.3	3.2	0.7	0.3
<b>Hungary</b>	-0.5	-0.1	-0.1	0.1
<b>Poland</b>	0.5	3.5	2.1	1.2
<b>Romania</b>	-4.9	-5.2	-5.9	-5.4
<b>Serbia</b>	-6.9	-4.3	-3.5	-3.6
<b>Slovakia</b>	-2.7	-2.7	-1.6	-0.9
<b>Slovenia</b>	5.6	7.1	6.3	5.5
<b>CEE8 avg</b>	-0.8	0.9	0.0	-0.4

### Unemployment (%)

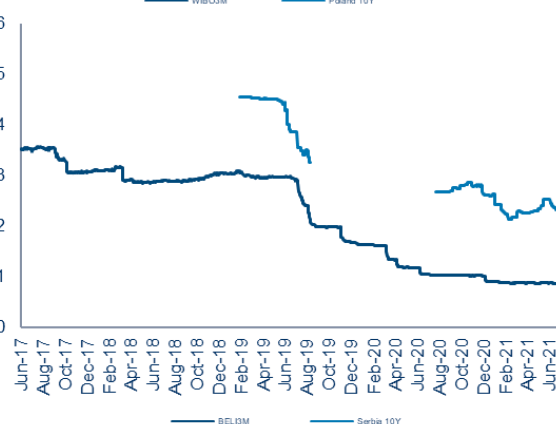
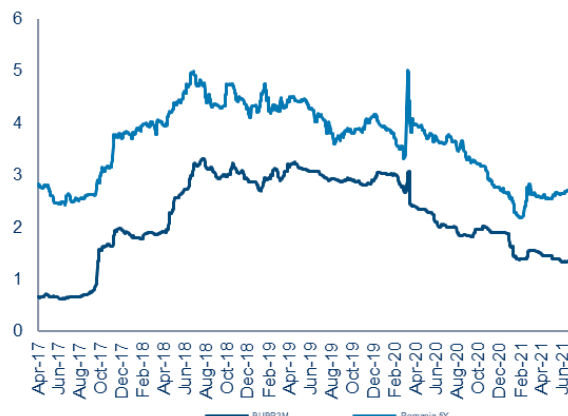
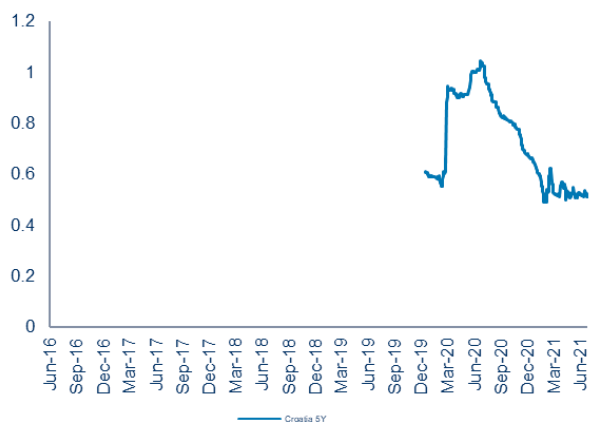
	2019	2020	2021f	2022f
<b>Croatia</b>	6.6	7.5	7.5	6.7
<b>Czechia</b>	2.0	2.6	3.3	2.7
<b>Hungary</b>	3.4	4.2	4.2	3.8
<b>Poland</b>	5.4	5.9	6.2	5.9
<b>Romania</b>	3.9	4.9	5.9	6.1
<b>Serbia</b>	10.4	9.0	8.9	8.5
<b>Slovakia</b>	5.8	6.7	7.0	6.0
<b>Slovenia</b>	4.4	5.0	5.0	4.8
<b>CEE8 avg</b>	4.6	5.2	5.6	5.3

### Budget Balance (%GDP)

	2019	2020	2021f	2022f
<b>Croatia</b>	0.3	-7.4	-4.2	-3.0
<b>Czechia</b>	0.3	-6.2	-7.2	-3.5
<b>Hungary</b>	-2.1	-8.1	-7.1	-5.5
<b>Poland</b>	-0.7	-7.0	-4.5	-3.2
<b>Romania</b>	-4.4	-9.2	-7.8	-5.4
<b>Serbia</b>	-0.2	-8.0	-6.5	-3.0
<b>Slovakia</b>	-1.3	-6.1	-6.0	-4.0
<b>Slovenia</b>	0.5	-8.4	-7.0	-4.5
<b>CEE8 avg</b>	-1.2	-7.4	-6.0	-3.9

Source: Bloomberg, Erste Group Research

## Appendix



Source: Bloomberg, Erste Group Research

# Erste Group Research

## CEE Market Insights

### 12 July 2021

#### Group Research

**Head of Group Research**  
Friedrich Mostböck, CEFA +43 (0)5 0100 11902

**CEE Macro/Fixed Income Research**  
Head: Juraj Kotian (Macro/FI) +43 (0)5 0100 17357  
Katarzyna Rzentarzewska (Fixed income) +43 (0)5 0100 17356  
Małgorzata Krzywicka (Fixed income, Poland) +43 (0)5 0100 17338  
Katarína Muchova +43 (0)5 0100 17336

**Croatia/Serbia**  
Alen Kovac (Head) +385 72 37 1383  
Mate Jelić +385 72 37 1443  
Ivana Rogić +385 72 37 2419

**Czech Republic**  
David Navrátil (Head) +420 956 765 439  
Jiri Polansky +420 956 765 192  
Michal Skorepa +420 956 765 172

**Hungary**  
Orsolya Nyeste +361 268 4428

**Romania**  
Ciprian Dascalu (Head) +40 3735 10108  
Eugen Sinca +40 3735 10435  
Dorina Ilasco +40 3735 10436  
Iulian George Misu +40 758484043

**Slovakia**  
Maria Valachyova (Head) +421 2 4862 4185  
Matej Hornak +421 902 213 591

**Major Markets & Credit Research**  
Head: Gudrun Egger, CEFA +43 (0)5 0100 11909  
Ralf Burchert, CEFA (Sub-Sovereigns & Agencies) +43 (0)5 0100 16314  
Hans Engel (Global Equities) +43 (0)5 0100 19835  
Margarita Grushanina (Austria, Quant Analyst) +43 (0)5 0100 11957  
Peter Kaufmann, CFA (Corporate Bonds) +43 (0)5 0100 11183  
Heiko Langer (Financials & Covered Bonds) +43 (0)5 0100 85509  
Stephan Lingnau (Global Equities) +43 (0)5 0100 16574  
Carmen Riefler-Kowarsch (Financials & Covered Bonds) +43 (0)5 0100 19632  
Rainer Singer (Euro, US) +43 (0)5 0100 17331  
Bernadett Povazsai-Römhild, CEFA (Corporate Bonds) +43 (0)5 0100 17203  
Elena Stetelov, CIIA (Corporate Bonds) +43 (0)5 0100 19641  
Gerald Walek, CFA (Euro, CHF) +43 (0)5 0100 16360

**CEE Equity Research**  
Head: Henning Eßkuchen +43 (0)5 0100 19634  
Daniel Lion, CIIA (Technology, Ind. Goods&Services) +43 (0)5 0100 17420  
Michael Marschallinger, CFA +43 (0)5 0100 17906  
Nora Nagy (Telecom) +43 (0)5 0100 17416  
Christoph Schultes, MBA, CIIA (Real Estate) +43 (0)5 0100 11523  
Thomas Unger, CFA (Banks, Insurance) +43 (0)5 0100 17344  
Vladimira Urbankova, MBA (Pharma) +43 (0)5 0100 17343  
Martina Valenta, MBA +43 (0)5 0100 11913

**Croatia/Serbia**  
Mladen Dodig (Head) +381 11 22 09178  
Anto Augustinovic +385 72 37 2833  
Magdalena Dolenc +385 72 37 1407  
Davor Spoljar, CFA +385 72 37 2825

**Czech Republic**  
Petr Bartek (Head) +420 956 765 227  
Marek Dongres +420 956 765 218  
Jan Safranek +420 956 765 218

**Hungary**  
József Miró (Head) +361 235 5131  
András Nagy +361 235 5132  
Tamás Pletser, CFA +361 235 5135

**Poland**  
Tomasz Duda (Head) +48 22 330 6253  
Cezary Bernatek +48 22 538 6256  
Konrad Grygo +48 22 330 6254  
Emil Poplawski +48 22 330 6252  
Marcin Gornik +48 22 330 6251

**Romania**  
Caius Rapanu +40 3735 10441

#### Group Markets

**Head of Group Markets**  
Oswald Huber +43 (0)5 0100 84901

**Group Markets Retail and Agency Business**  
Head: Christian Reiss +43 (0)5 0100 84012

**Markets Retail Sales AT**  
Head: Markus Kaller +43 (0)5 0100 84239

**Group Markets Execution**  
Head: Kurt Gerhold +43 (0)5 0100 84232

**Retail & Sparkassen Sales**  
Head: Uwe Kolar +43 (0)5 0100 83214

**Corporate Treasury Product Distribution AT**  
Head: Christian Skopek +43 (0)5 0100 84146

#### Fixed Income Institutional Sales

**Group Securities Markets**  
Head: Thomas Einramhof +43 (0)50100 84432

**Institutional Distribution Core**  
Head: Jürgen Niemeier +49 (0)30 8105800 5503

**Institutional Distribution DACH+**  
Head: Marc Frieberthshäuser +49 (0)711 810400 5540  
Bernd Bollhof +49 (0)30 8105800 5525  
Andreas Goll +49 (0)711 810400 5561  
Mathias Gindele +49 (0)711 810400 5562  
Ulrich Inhofner +43 (0)5 0100 85544  
Sven Kienzie +49 (0)711 810400 5541  
Rene Klasen +49 (0)30 8105800 5521  
Christopher Lampe-Traupe +49 (0)30 8105800 5523  
Karin Rattay +43 (0)5 0100 84118  
Michael Schmotz +43 (0)5 0100 85542  
Klaus Vosseler +49 (0)711 810400 5560

**Slovakia**  
Šarlota Šipulová +421 2 4862 5619  
Monika Směliková +421 2 4862 5629

**Institutional Distribution CEE & Insti AM CZ**  
Head: Antun Burić +385 (0)7237 2439  
Jaromir Malak +43 (0)5 0100 84254

**Czech Republic**  
Head: Ondrej Čech +420 2 2499 5577  
Milan Bartoš +420 2 2499 5562

**Institutional Asset Management Czech Republic**  
Head: Petr Holeček +420 956 765 453  
Petra Maděrová +420 956 765 178  
Martin Peřina +420 956 765 106  
David Petráček +420 956 765 809  
Blanca Weinerová +420 956 765 317  
Petr Valenta +420 956 765 140

**Croatia**  
Head: Antun Burić +385 (0)7237 2439  
Zvonimir Tukač +385 (0)7237 1787  
Natalija Zujic +385 (0)7237 1638

**Hungary**  
Head: Peter Csizmadia +36 1 237 8211  
Gábor Bálint +36 1 237 8205  
Ádám Szönyi +36 1 237 8213

**Romania and Bulgaria**  
Head: Ruxandra Lungu +40 373516562

**Group Institutional Equity Sales**  
Head: Brigitte Zeitlberger-Schmid +43 (0)50100 83123  
Werner Fürst +43 (0)50100 83121  
Josef Kerekes +43 (0)50100 83125  
Cormac Lyden +43 (0)50100 83120

**Czech Republic**  
Head: Michal Řízek +420 224 995 537  
Jiří Fereš +420 224 995 554  
Martin Havlan +420 224 995 551  
Pavel Krabička +420 224 995 411

**Poland**  
Head: Jacek Jakub Langer +48 22 538 62 65  
Tomasz Galanciak +48 22 538 62 12  
Przemysław Nowosad +48 22 538 62 66  
Stepien Grzegorz +48 22 538 62 11  
Wysocki Wojciech +48 22 538 62 17

**Croatia**  
Damir Eror +385 (0)72 37 2836

**Hungary**  
Nandori Levente +36 1 23 55 141  
Krisztian Kandik +36 1 23 55 162  
Balasz Zankay +36 1 23 55 156

**Romania**  
Liviu Avram +40 3735 16569

**Group Fixed Income Securities Markets**  
Head: Goran Hoblaj +43 (0)50100 84403

**FISM Flow**  
Head: Aleksandar Doric +43 (0)5 0100 87487  
Margit Hraschek +43 (0)5 0100 84117  
Christian Kienesberger +43 (0)5 0100 84323  
Ciprian Mitu +43 (0)5 0100 85612  
Bernd Thaler +43 (0)5 0100 84119  
Zsuzsanna Toth +36-1-237 8209

**Poland:**  
Pawel Kielek +48 22 538 6223

Michał Jarmakowicz +43 50100 85611

**Group Fixed Income Securities Trading**  
Head: Goran Hoblaj +43 (0)50100 84403

**Group Equity Trading & Structuring**  
Head: Ronald Nemec +43 (0)50100 83011

**Business Support**  
Bettina Mahoric +43 (0)50100 86441

**Disclaimer**

This publication was prepared by Erste Group Bank AG or any of its consolidated subsidiaries (together with consolidated subsidiaries "Erste Group") independently and objectively as other information pursuant to the Circular of the Austrian Financial Market Authority regarding information including marketing communication pursuant to the Austrian Securities Supervision Act. This publication serves interested investors as additional source of information and provides general information, information about product features or macroeconomic information without emphasizing product selling marketing statements. This publication does not constitute marketing communication pursuant to Art. 36 (2) Austrian Securities Supervision Act as no direct buying incentives were included in this publication, which is of information character. This publication does not constitute investment research pursuant to § 36 (1) Austrian Securities Supervision Act. It has not been prepared in accordance with legal requirements designed to promote the independence of investment research and it is not subject to the prohibition on dealing ahead of the dissemination of investment research. The information only serves as non-binding and additional information and is based on the level of knowledge of the person in charge of drawing up the information on the respective date of its preparation. The content of the publication can be changed at any time without notice. This publication does not constitute or form part of, and should not be construed as, an offer, recommendation or invitation to subscribe for or purchase any securities, and neither this publication nor anything contained herein shall form the basis of or be relied on in connection with or act as an inducement to enter into any contract or inclusion of a security or financial product in a trading strategy. Information provided in this publication are based on publicly available sources which Erste Group considers as reliable, however, without verifying any such information by independent third persons. While all reasonable care has been taken to ensure that the facts stated herein are accurate and that the forecasts, opinions and expectations contained herein are fair and reasonable, Erste Group (including its representatives and employees) neither expressly nor tacitly makes any guarantee as to or assumes any liability for the up-to-dateness, completeness and correctness of the content of this publication. Erste Group may provide hyperlinks to websites of entities mentioned in this document, however the inclusion of a link does not imply that Erste Group endorses, recommends or approves any material on the linked page or accessible from it. Neither a company of Erste Group nor any of its respective managing directors, supervisory board members, executive board members, directors, officers or other employees shall be in any way liable for any costs, losses or damages (including subsequent damages, indirect damages and loss of profit) howsoever arising from the use of or reliance on this publication. Any opinion, estimate or projection expressed in this publication reflects the current judgment of the author(s) on the date of publication of this document and do not necessarily reflect the opinions of Erste Group. They are subject to change without prior notice. Erste Group has no obligation to update, modify or amend this publication or to otherwise notify a reader thereof in the event that any matter stated herein, or any opinion, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate. The past performance of securities or financial instruments is not indicative for future results. No assurance can be given that any financial instrument or issuer described herein would yield favorable investment results or that particular price levels may be reached. Forecasts in this publication are based on assumptions which are supported by objective data. However, the used forecasts are not indicative for future performance of securities or financial instrument. Erste Group, its affiliates, principals or employees may have a long or short position or may transact in the financial instrument(s) referred to herein or may trade in such financial instruments with other customers on a principal basis. Erste Group may act as a market maker in the financial instruments or companies discussed herein and may also perform or seek to perform investment services for those companies. Erste Group may act upon or use the information or conclusion contained in this publication before it is distributed to other persons. This publication is subject to the copyright of Erste Group and may not be copied, distributed or partially or in total provided or transmitted to unauthorized recipients. By accepting this publication, a recipient hereof agrees to be bound by the foregoing limitations. This document is only made to or directed at investment professionals (as that term is defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial promotion) Order 2005 ("FPO")) or to persons for whom it would otherwise be lawful to distribute it. Accordingly, persons who do not have professional experience in matters relating to investments should not rely on this document.

© Erste Group Bank AG 2021. All rights reserved.

**Published by:**

**Erste Group Bank AG**  
**Group Research**  
**1100 Vienna, Austria, Am Belvedere 1**  
**Head Office: Wien**  
**Commercial Register No: FN 33209m**  
**Commercial Court of Vienna**

Erste Group Homepage: [www.erstegroup.com](http://www.erstegroup.com)