

## Executive Summary

### • Macroeconomics

Fed may signal balance sheet will stay at record to counter U.S. slowdown.

### • Forex

The euro dropped to \$1.4344 at 3:42 p.m. in New York. The RON declined to 4.1330/4.1350 per EUR.

### • Money Market

RON T/N trading at 3.11%/3.25%.

### • Equities

#### Domestic

The BSE closed green (BET-C at +1.73%) on higher volumes, with BET gaining 2.01% and BET-FI increasing 1.98%.

RASDAQ-C closed green (+0.10%) on lower volumes, while Tier I gained 1.22%, Tier II advanced 1.04%.

#### Foreign

S&P 500 tumbles most since August as economic data disappoints. European stocks retreat on economy.

### • Commodities

Gold and corn up. Most other major commodities down.

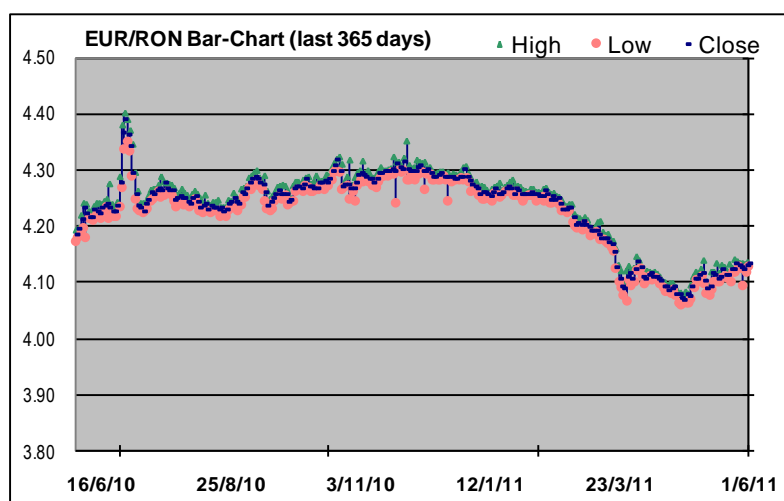
## Market Data (as of 02 June 2011)

(market info sources: Bloomberg Professional Service, www.bvb.ro, www.bse.hu)

### • Forex (as of 2-Jun-11)

FX Rates*	Prv. Day	Min 52W	Max 52W	Ytd	-52W
EUR/RON	4.1339	4.0601	4.4014	4.2900	4.1859
USD/RON	2.8727	2.7352	3.6166	3.2342	3.4153
CHF/RON	3.4144	2.9448	3.4283	1.2430	1.4148
100HUF/RON	1.5508	1.4528	1.5940	1.5343	1.5191

\* since Bloomberg is the data source NBR rates will likely differ

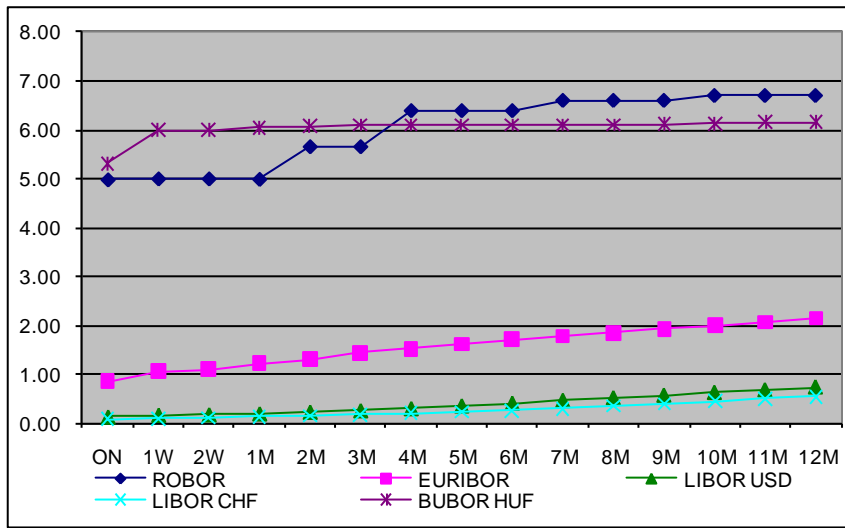


### • Money Markets (valid for 02 June 2011)

Rate	ON	1W	2W	1M	2M	3M	4M	5M	6M	7M	8M	9M	10M	11M	12M
ROBOR*	4.98	5.00	-	4.99	-	5.66	-	-	6.40	-	-	6.61	-	-	6.71
EURIBOR**	0.85	1.06	1.10	1.22	1.29	1.43	1.51	1.61	1.71	1.78	1.84	1.93	2.00	2.06	2.14
LIBOR USD	0.13	0.16	0.17	0.19	0.22	0.25	0.29	0.35	0.40	0.46	0.51	0.56	0.62	0.67	0.73
LIBOR CHF	0.07	0.09	0.10	0.13	0.15	0.18	0.20	0.22	0.25	0.29	0.34	0.39	0.44	0.49	0.54
BUBOR HUF	5.31	5.99	6.00	6.05	6.07	6.10	6.10	6.10	6.10	6.10	6.10	6.12	6.13	6.15	6.15

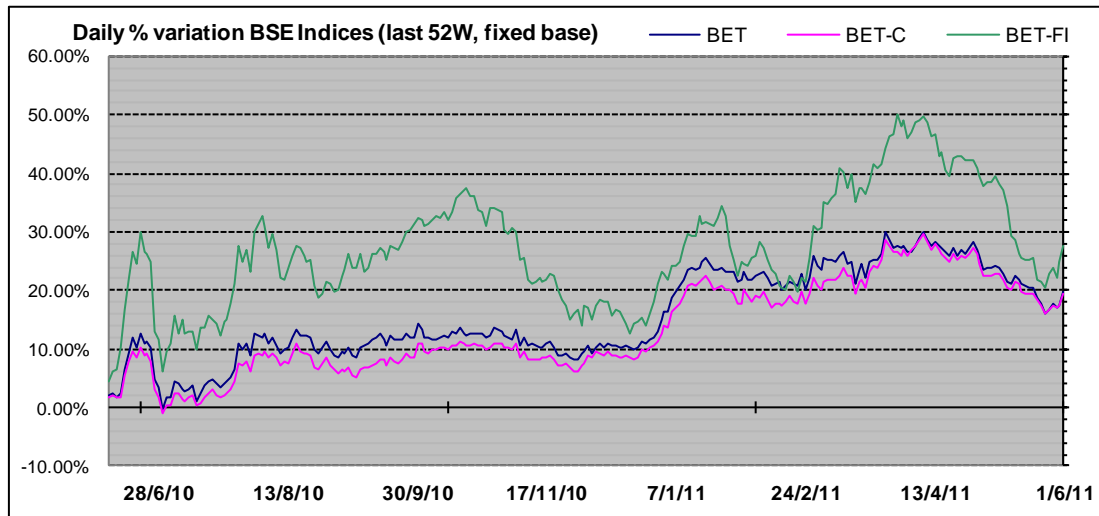
\* in the chart below, values for maturities where there is no quote are proxied by the maximum of the previous and the next maturity

\*\* EONIA for ON



(source for the graph: the last table on the page above)

Equities



(source for the graph: Bloomberg data on BSE indices)

Domestic

Indices (RON)	Last close	1d%	Ytd%	52W%
BET	5,578.76	2.01	5.89	15.14
BET-C	3,342.86	1.73	7.45	15.07
BET-FI	23,125.73	1.98	5.21	17.10
ROTX	11,421.30	1.57	5.11	14.56
Rasdaq-C	1,681.32	0.10	0.08	-24.06
RAQ-I	1,365.64	1.22	-5.29	-35.73
RAQ-II	2,893.62	1.04	-5.33	-33.50

Foreign

Indices	Last close	1d%	Ytd%	52W%
DJIA (USD)	12,290.14	-2.22	6.23	22.61
S&P 500 (USD)	1,314.55	-2.28	4.51	22.77
Nasdaq-C (USD)	646.81	-3.43	-13.90	-4.00
FTSE 100 (GBP)	6069.9	1.33	1.66	17.56
STOXX 600 (EUR)	278.38	-0.95	0.49	13.47
BUX (HUF)	23,298.34	-0.33	8.60	7.06

Top 5 most traded	Volume -RON	Volume - shares	Trades	Last price	1d%
FP	39,475,316	79,046,800	1,365	0.5020	3.29
SIF5	2,612,411	1,812,000	334	1.4400	1.34
SIF2	1,915,793	1,432,000	253	1.3360	0.53
OLT	1,782,490	1,595,000	313	1.1500	15.00
BRD	1,772,891	123,910	96	14.3400	0.99

Trading Volumes	BVB	Rasdaq	BUSE	NYSE listed	Nasdaq	LSE	STOXX 600 *
Previous Day	33.92	0.32	33.69	23,470.88	13,913.55	5,302.71	278.38
Ytd Avg. (EUR mn)	10.38	0.43	59.73	19,352.61	11,692.78	5,549.19	280.48
MCap (EUR bn)**	27.36	2.62	23.61	3,324.15	12,500.25	2,652.26	6,993.50

\* 600 stocks from 15 EU countries + Switzerland, Norway and Iceland  
 \*\* For BUSE, NYSE, NSADAQ and LSE only stock listed primarily on that specific market

Best 5 performers	Volume -RON	Volume - shares	Trades	Last price	1d%
OLT	1,782,490	1,595,000	313	1.1500	15.00
COS	633	500	2	1.2660	14.99
EPT	24,327	308,500	63	0.0799	14.14
MECF	2,688	21,000	5	0.1279	13.19
AZO	1,230,946	1,511,500	408	0.8170	7.78

Worst 5 performers	Volume -RON	Volume - shares	Trades	Last price	1d%
UCM	70	1,000	2	0.0700	-12.50
PEI	92	5	4	18.2600	-3.84
CMCM	2,176	12,500	13	0.1700	-2.86
COMI	5,497	17,500	11	0.3120	-2.50
PREH	25,506	10,900	2	2.3400	-2.09

- **Commodities**

Item (market)	unit	last close	1d%	Ytd%	52W%
Oil (Brent crude)	USD/barrel	114.53	-1.88	22.45	43.38
Gold (COMEX)	USD/ounce	1543.2	0.42	9.28	24.30
Platinum (NYMEX)	USD/ounce	1823.9	-0.55	3.97	17.25
Silver (COMEX)	USD/ounce	37.694	-1.60	23.12	101.22
Wheat (CBOT)	USD/bushel	7.5925	-2.94	-7.80	35.04
Corn (CBOT)	USD/bushel	7.585	1.47	20.78	87.17

- **OTP AM – Open-End Funds (as of 30-Jun-11)**

Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%
OTP AvantisRO	RON	7.0400	-0.42	7.32	11.39
OTP BalansisRO	RON	11.1100	0.00	10.66	16.46
OTP ComodisRO	RON	13.4588	0.05	2.61	7.52
OTP Euro Bond	EUR	10.2290	0.03	1.78	N/A

## Market Highlights (as of 01 June 2011)

- **Forex**

The euro fell 0.4 percent to \$1.4344 at 3:42 p.m. in New York. The franc rose 1.3 percent to 84.28 centimes per dollar, reaching 83.83 centimes, the strongest since at least 1971. It added 1.7 percent versus the euro, touching 1.20905, the most on record. The yen gained 0.7 percent to 80.95 per dollar, from 81.52 the day before. (Bloomberg)

EUR/RON opened at 4.1280/4.1300 and closed slightly weaker against the euro at 4.1330/4.1350. (ContiCap)

- **Money Market**

RON T/N trading range was 3.11%-3.25%. The FX curve saw rates lower again throughout as it continues to steepen with the short end put under greater pressure. (ContiCap)

- **Equities**

- **Domestic**

The BSE closed green (BET-C, which does not include the SIFs gained +1.73%) on higher volumes and much above this year's average volume. BET blue chips increased 2.01% while BET-FI advanced 1.98%.

RASDAQ-C closed green (+0.10%) while Tier I gained 1.22%, Tier II increased 1.04%. The trading volume was lower and below this year's average volume.

- **Foreign**

The S&P 500 retreated 2.3 percent to 1,314.55. The Dow Jones Industrial Average slumped 279.65 points, or 2.2 percent, to 12,290.14. The Stoxx Europe 600 Index fell 1 percent to 278.38. (Bloomberg)

- **Commodities**

Brent crude for July delivery was down 3 cents at \$116.69 a barrel on the London-based ICE Futures Europe exchange. The contract a day before increased \$2.05, or 1.8 percent, to \$116.73. Prices slid 7.3 percent in May and are 61 percent higher the past year. (Bloomberg)

## Latest Financial News

- **Macroeconomics**

*Fed may signal balance sheet will stay at record to counter U.S. slowdown.*

A wave of surprisingly weak data on the U.S. economy may spur Federal Reserve policy makers to support growth by making it clear they're in no hurry to shrink the central bank's record balance sheet. (Bloomberg)

- **Forex**

*Romanian C-bank FX reserves rise to 32.707 bn. euro at end-May.*

The foreign exchange reserves held by Romania's central bank, excluding gold, totaled 32.707 billion euro (\$47.1 billion) at the end of May, up from 32.073 billion euro a month earlier, the bank said on Wednesday. Foreign exchange inflows totaled 1.868 billion euro in May, the central bank, BNR, said in a statement. The inflows also included the appreciation of the U.S. dollar and the pound sterling against the euro with the impact of increasing the market value of the share of foreign reserves denominated in these two currencies. Outflows to foreign debt servicing and other payments totaled 1.234 billion euro in May. In May, the central bank's gold reserves remained unchanged from a month earlier at 103.7 tones. (SeeNews)

*Pound falls as economic data weakens bets on Bank of England rate increase.*

The pound weakened and gilts rose as traders cut bets on an increase in central bank interest rates after a manufacturing index fell to a 20-month low and U.K. mortgage approvals dropped to the least in four months. (Bloomberg)

- **Money Market**

*Romania registers EUR 7 bn. MTN program in Luxembourg.*

Romania has registered its euro medium-term financing program (EMTN – Euro Medium Term Note), worth up to EUR7 billion, with the Luxembourg stock exchange. Next Monday will see the start in London of the road show to present the program, as well as the first issue, which could reach between EUR1 billion and EUR1.5 billion. The road show, aiming to take the pulse of the markets and to inform investors, will take place between June 6th and June 10th and, in addition to London, will include European financial centers such as Amsterdam, Frankfurt, Munich and Paris. (ZF)

*Treasuries drop on concern yields at 2011 low to sap demand before auction.*

Treasuries fell, snapping their biggest gain in two months, on speculation yields at the lowest level this year will cut demand as the U.S. prepares to announce the size of three auctions set for next week. (Bloomberg)

## • Equities

### Domestic

*Proprietatea Fund: Romania's biggest privatization at 50% discount.*

The reduction of the Romanian state's stake in Fondul Proprietatea (FP RO) to less than 33% transfers control over the investment fund's EUR4 billion assets into the hands of private investors, who have bought shares at half their value in the last three years. The reduction of the Romanian state's stake in Fondul Proprietatea (FP.RO) to less than 33% transfers control over the investment fund's EUR4 billion assets into the hands of private investors, who have bought shares at half their value in the last three years. Thus, the state ends the biggest privatization in Romanian history, which started with the setting up of the fund in 2005, without completely solving the problem that the fund was created to solve, the fair compensation of people who were stripped off their assets by the communist regime. (ZF)

*Avicola Brasov wants to take out a production loan of 40 million lei.*

On July 4th, the company Avicola Brasov (AVLE RO) will submit to its shareholders for approval the plan of taking out a loan of 40 million lei in order to support the company's production, according to a press release that the company sent to the Bucharest Stock Exchange. The company of Brasov, which is controlled by Ioan Popa, the owner of the Transavia Alba Iulia group, ended the first quarter of the year with a profit of 2.8 million lei, up from 397,000 lei YOY. (Bursa)

*SIF Transilvania to pay out dividends between September 1st and October 28th.*

SIF Transilvania (SIF3 RO) announces that the payment of dividends distributed out of the company's net profit for 2010 will be made gradually between September 1st and October 28th, 2011. The payment will be made via postal money order or bank transfer. The amount of the gross dividend per share is 0.0300 lei, of which the dividend tax will be withheld, according to the tax rate effective at the time of the dividend payout. (Bursa)

### Foreign

*Indian equities to lag behind emerging market peers, Morgan Stanley says.*

Indian stocks will continue to lag behind emerging-market equities as rising borrowing costs and inflation squeeze profits, Morgan Stanley said. (Bloomberg)

*NYSE Euronext may bid for LCH.Clearnet with Markit Group, Niederauer says.*

NYSE Euronext Chief Executive Officer Duncan Niederauer said he's working with Markit Group Ltd. on a bid for LCH.Clearnet Group Ltd., owner of the world's largest swaps clearinghouse. (Bloomberg)

## • Commodities

*Billionaire Deripaska joins Russia grain rush as export sales ban ends.*

Billionaire Oleg Deripaska's farm in southern Russia is preparing to join the surge in grain exports that will come a month from now as the government lifts a ban on shipments that contributed to a doubling of wheat prices. (Bloomberg)



### LEGEND

“Min / Max 52W” = Minimum / Maximum value recorded in the past 52 weeks  
 “Last close / price” = the closing price for the last trading session before the issue date of this report  
 “MCap” = Market capitalization;  
 “52W%” = cumulative % increase/decrease during the past 52 weeks;  
 “Ytd Avg.” = average value since the beginning of the current year

“Ytd” (Year to date) = quotation in the first trading day of the year;  
 “Ytd%” (Year to date %) = cumulative % increase/decrease since the end of the previous year;  
 “1d%” = % increase/decrease between Last close and the closing price of the day before the Last close date  
 “BuSE” = Budapest Stock Exchange



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