

Executive Summary

• Macroeconomics

Romania's June industrial PPI rises 0.69% MoM, up 8.39% YoY.

• Forex

The euro traded at \$1.4203 at 5:00 p.m. in New York. The EUR/RON traded at 4.2370/4.2390.

• Money Market

RON T/N trading range at 4.54% to 4.62%.

• Equities

Domestic

The BSE closed red, BET-C at -1.40% on lower volumes, with BET losing 1.59% and BET-FI decreasing 1.76%.

RASDAQ-C closed green (+1.32%) on higher volumes, while Tier I gained 2.93%, Tier II lost 3.25%.

Foreign

Market erases 2011 gains on recession concern. European stocks decline.

• Commodities

Oil and platinum down. Most other major commodities up.

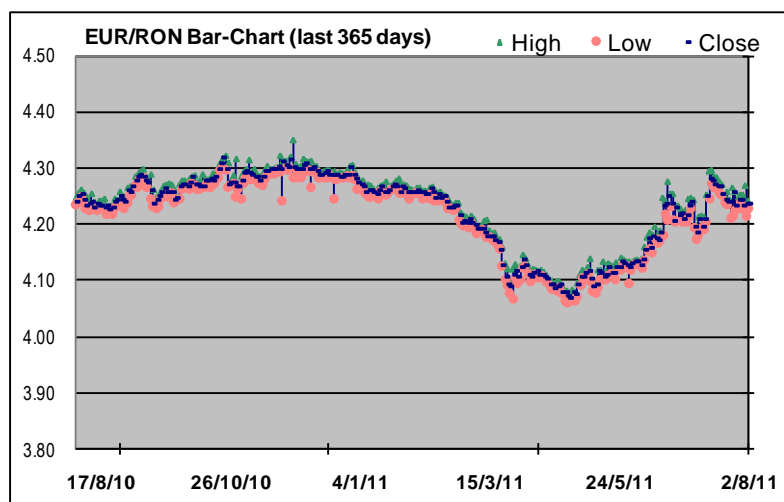
Market Data (as of 03 August 2011)

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

• Forex (as of 3-Aug-11)

FX Rates*	Prv. Day	Min 52W	Max 52W	Ytd	-52W
EUR/RON	4.2373	4.0601	4.3516	4.2900	4.2409
USD/RON	2.9833	2.7352	3.4200	3.2342	3.2072
CHF/RON	3.8966	3.0422	3.7745	1.2430	1.3729
100HUF/RON	1.5668	1.4742	1.6075	1.5343	1.5053

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

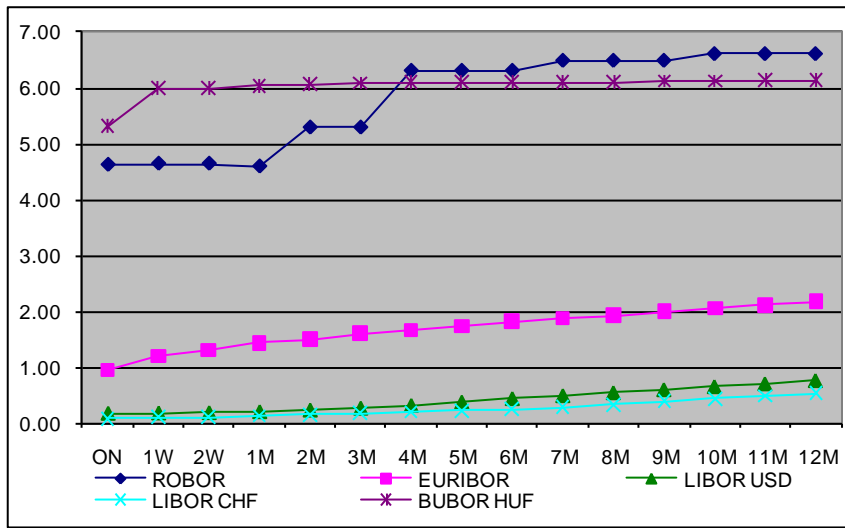


• Money Markets (valid for 03 August 2011)

Rate	ON	1W	2W	1M	2M	3M	4M	5M	6M	7M	8M	9M	10M	11M	12M
ROBOR*	4.62	4.64	-	4.59	-	5.29	-	-	6.31	-	-	6.49	-	-	6.61
EURIBOR**	0.94	1.19	1.30	1.43	1.49	1.61	1.66	1.73	1.82	1.87	1.93	1.99	2.05	2.11	2.18
LIBOR USD	0.17	0.18	0.18	0.20	0.23	0.26	0.31	0.37	0.44	0.49	0.54	0.60	0.65	0.70	0.76
LIBOR CHF	0.07	0.10	0.11	0.13	0.15	0.18	0.20	0.22	0.24	0.28	0.33	0.38	0.44	0.49	0.53
BUBOR HUF	5.31	6.00	6.00	6.04	6.06	6.09	6.10	6.10	6.10	6.10	6.10	6.13	6.13	6.14	6.14

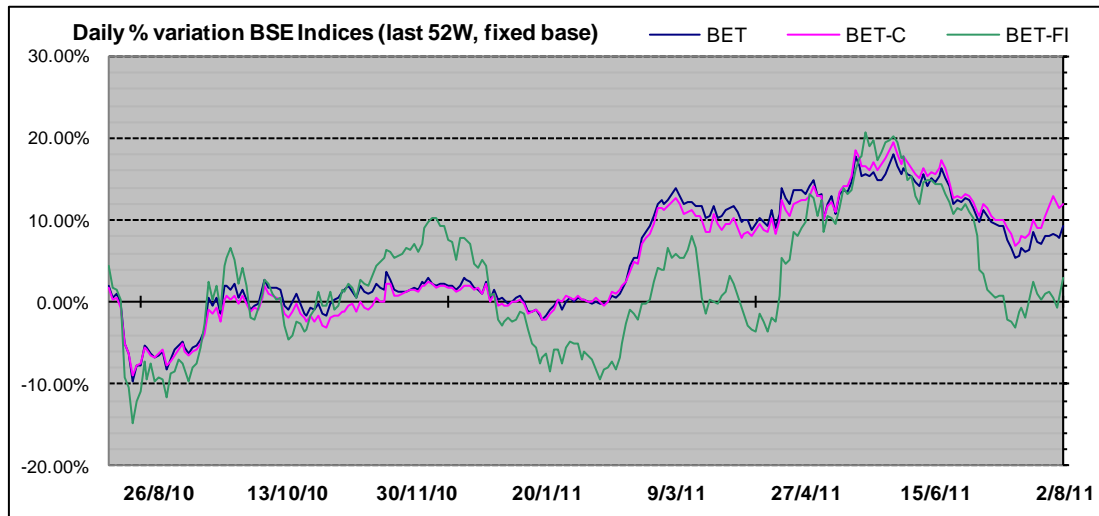
* in the chart below, values for maturities where there is no quote are proxied by the maximum of the previous and the next maturity

** 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	5,297.77	-1.59	1.50	0.94
BET-C	3,230.15	-1.40	4.31	6.01
BET-FI	21,596.99	-1.76	0.74	-8.44
ROTX	10,964.00	-1.70	1.50	2.36
Rasdaq-C	1,707.43	1.32	1.63	-21.62
RAQ-I	1,367.13	2.93	-5.19	-36.33
RAQ-II	2,970.50	-3.25	-2.82	-7.25

Foreign

Indices	Last close	1d%	Ytd%	52W%
DJIA (USD)	11,866.62	-2.19	2.57	11.17
S&P 500 (USD)	1,254.05	-2.56	-0.30	11.39
Nasdaq-C (USD)	514.78	-2.59	-31.48	-21.51
FTSE 100 (GBP)	6069.9	5.12	1.66	12.47
STOXX 600 (EUR)	256.98	-1.92	-7.23	-1.95
BUX (HUF)	20,811.31	-1.52	-2.99	-10.12

Top 5 most traded	Volume -RON	Volume - shares	Trades	Last price	1d%
FP	9,839,295	19,263,000	464	0.5110	-0.78
SIF5	1,773,289	1,333,000	166	1.3300	-2.21
SNP	1,360,404	3,557,000	87	0.3800	-1.30
EBS	1,135,748	8,204	63	138.3000	-3.22
SIF3	697,920	1,422,000	250	0.4872	-2.75

Trading Volumes	BVB	Rasdaq	BUSE	NYSE listed	Nasdaq	LSE	STOXX 600 *
Previous Day	4.12	0.44	68.37	23,681.91	13,319.33	5,810.19	256.98
Ytd Avg. (EUR mn)	10.18	0.71	57.17	19,239.13	11,545.80	5,329.97	277.18
MCap (EUR bn)**	26.05	2.57	20.28	3,262.00	12,069.00	2,558.32	6,440.83

* 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%
ELGS	84,213	239,000	110	0.3685	14.94
CBC	51,109	8,600	14	5.9500	14.86
MPN	125	500	2	0.2499	8.65
ARM	8,439	72,000	5	0.1170	6.36
VESY	3,577	57,000	8	0.0630	4.48

Worst 5 performers	Volume -RON	Volume - shares	Trades	Last price	1d%
MJM	105	100	2	1.0450	-14.97
PEI	635	26	7	24.0000	-9.43
MEF	2,400	3,000	2	0.8000	-7.25
ECT	3,529	90,500	3	0.0382	-6.83
RTRA	251	500	2	0.5020	-6.34

- **Commodities**

Item (market)	unit	last close	1d%	Ytd%	52W%
Oil (Brent crude)	USD/barrel	116.46	-0.30	24.49	35.77
Gold (COMEX)	USD/ounce	1644.5	1.41	16.07	37.65
Platinum (NYMEX)	USD/ounce	1793.5	-0.06	2.24	11.94
Silver (COMEX)	USD/ounce	40.092	1.99	30.75	115.76
Wheat (CBOT)	USD/bushel	7.5875	5.27	-10.81	-0.03
Corn (CBOT)	USD/bushel	7.1575	4.37	29.84	66.16

- **OTP AM – Open-End Funds (as of 1-Aug-11)**

Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%
OTP AvantisRO	RON	6.9000	0.73	5.18	4.70
OTP Obligatiuni	RON	11.1800	0.09	11.35	13.97
OTP ComodisRO	RON	13.6052	0.05	3.73	7.57
OTP Euro Bond	EUR	10.3188	0.09	2.67	N/A

Market Highlights (as of 02 August 2011)

- **Forex**

The Swiss currency climbed to 1.0823 per euro at 5 p.m. in New York, up 3 percent. It advanced 2.8 percent to 76.22 centimes per dollar. Against sterling, it reached 1.2423. The euro declined 0.3 percent to \$1.4203 after depreciating to as low as \$1.4151. It weakened 0.4 percent to 109.58 yen. Japan's currency gained 0.1 percent to 77.15 per dollar, from 77.21 the day before. (Bloomberg)

EUR/RON opened at 4.2330/4.2350 to close out slightly weaker at 4.2370/4.2390. (ContiCap)

- **Money Market**

RON T/N trading range was 4.54% to 4.62% with funding seeing firmer rates and the rest of the curve flattening with 1m +33bp 3m +24bp, 6m +16.5bp, 1y +1bp. (ContiCap)

- **Equities**

- **Domestic**

The BSE closed red (BET-C, which does not include the SIFs lost 1.40%) on lower volumes and below this year's average volume. BET blue chips decreased 1.59% while BET-FI dropped 1.76%.

RASDAQ-C closed green (+1.32%) while Tier I increased 2.93%, Tier II dropped 3.25%. The trading volume was higher but still below 2011's average volume.

- **Foreign**

The S&P 500 fell 2.6 percent to 1,254.05, dropping for a seventh straight day in its longest slump since 2008. Dow dropped 265.87 points or 2.19% to 11,860.60 points. The Stoxx Europe 600 Index retreated 0.4 percent, extending its slump from this year's high to more than 10 percent. (Bloomberg)

- **Commodities**

Brent for September settlement declined as much as \$1.28 to \$115.53 a barrel on the London-based ICE Futures Europe exchange. The European benchmark contract was at a premium of \$22.19 a barrel to New York futures, compared with a record close of \$22.63 on July 14. (Bloomberg)

Latest Financial News

- **Macroeconomics**

Romania's June industrial PPI rises 0.69% MoM, up 8.39% YoY.

Romania's June producer price index (PPI) for the industrial sector rose by 0.69% month-on-month and was 8.39% higher on the year, the country's statistics board, INS, said on Tuesday. In May, the PPI fell by a monthly 0.28% and increased by an annual 7.95%. (SeeNews)

Moody's, Fitch affirms U.S. ratings while warning of downgrades.

Moody's Investors Service and Fitch Ratings affirmed their AAA credit ratings for the U.S. while warning that downgrades were possible if lawmakers fail to enact debt reduction measures and the economy weakens. The outlook for the U.S. grade is now negative, Moody's said in a statement yesterday after President Barack Obama signed into law a plan to lift the nation's borrowing limit and cut spending following months of wrangling between Democratic leaders and Republican lawmakers. (Bloomberg)

- **Forex**

Swiss Franc climbs most since 1975 on growth concern.

The Swiss franc gained the most in more than 36 years against a basket of nine developed-nation currencies tracked by Bloomberg on concern the U.S. economic recovery is in jeopardy and Europe's debt crisis will worsen. (Bloomberg)

- **Money Market**

NBR will most likely leave the key rate unchanged at 6.25%.

The NBR will most likely leave the key rate unchanged at 6.25% at today's board meeting. Jeffrey Franks, IMF mission chief to Romania, commented once again on possible monetary policy tightening saying that the NBR may have to raise interest rates this year to counter possible energy-price increases but these comments are not in line with the dovish tone of the NBR governor (who recently suggested that inflation might even fall below 4% in September). Franks was also quoted saying a cut in hard currency reserve requirements "would be unwise at the moment". (ContiCap)

- **Equities**

- **Domestic**

Romania's Impact Developer & Contractor sells 1.0 mil. Euro in assets.

Romanian real estate company Impact Developer & Contractor (IMP RO) on Tuesday said it has sold two property assets for a total of 1.0 million euro (\$1.42 million), excluding Value Added Tax. The company has sold a 919 square meter building and a plot of land with an area of 693 square meters in the northern part of Romania's capital Bucharest, it said in a press release. (SeeNews)

Transgaz unions file lawsuit against gas company on dividends.

The unions of Transgaz SA (TGN RO), Romania's state-owned natural-gas transmission operator, filed a lawsuit against the company, demanding 10 percent of the 2010 profit for the employees, the company said in a statement to the Bucharest Stock Exchange. The unions are asking for the annulment of a general shareholders meeting on June 10, when the company approved a dividend payment of 339 million lei (\$114 million), representing 90 percent of last year's profit. Transgaz employees have the right to receive a percentage from the company's profit, according to the collective labor agreement, the unions said in the statement. (Bloomberg)

Foreign*Birinyi advises holding stocks with scotch after S&P's drop.*

The seven-day slide that wiped out the 2011 gain in the Standard & Poor's 500 Index is no reason to sell stocks, said Laszlo Birinyi, one of the first investors to recommend buying when the bull market began in 2009. Growing concern that the U.S. economy is faltering has erased \$1.07 trillion from American equities in less than two weeks, according to data compiled by Bloomberg. The S&P 500 plunged 2.6 percent yesterday, posting its biggest one-day loss in a year and giving the index the longest losing streak since October 2008, the depths of the financial crisis caused by Lehman Brothers Holdings Inc.'s bankruptcy. (Bloomberg)

Emerging stocks poised for 'ominous' drop (technical analysis).

An "ominous" head-and-shoulders pattern has formed over the MSCI Emerging Markets Index, which may foreshadow declines that will take it to the lowest level in almost a year, according to Auerbach Grayson & Co. Investors should sell stocks of developing nations except for Russia, South Korea and Indonesia, Richard Ross, global technical strategist at Auerbach Grayson, said in a note to clients dated July 29. (Bloomberg)

Commodities*Asia diesel to rally as Taiwan halt cuts supply (energy markets).*

Asian refiners are poised to make the biggest profit in three months turning crude into diesel as a plant shutdown in Taiwan curbs supplies and adds a premium on exports to Europe. The return from processing crude into diesel, known as the crack spread, may climb to at least \$22 a barrel above Asian benchmark Dubai crude this month, according to the median estimate of six traders and analysts surveyed by Bloomberg News. The difference, a measure of refining profit, jumped 9.9 percent to \$19.93 on Aug. 1 after Formosa Petrochemical Corp. suspended exports indefinitely following a fire at its Mailiao refinery. (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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