

## Executive Summary

### • Macroeconomics

U.S. long-term debt rating cut to AA+ by Standard & Poor's.

### • Forex

The euro traded at \$1.4357. The EUR/RON traded at 4.2415/4.2435.

### • Money Market

RON T/N trading range at 4.19% to 4.88%.

### • Equities

#### Domestic

The BSE closed red, BET-C at -4.81% on lower volumes, with BET losing 4.06% and BET-FI decreasing 4.25%.

RASDAQ-C closed red (-1.70%) on higher volumes, while Tier I lost 4.92%, Tier II dropped 4.26%.

#### Foreign

U.S. stocks little changed on jobs growth. European stocks post biggest weekly retreat since November 2008.

### • Commodities

Oil and corn up. Most other major commodities down.

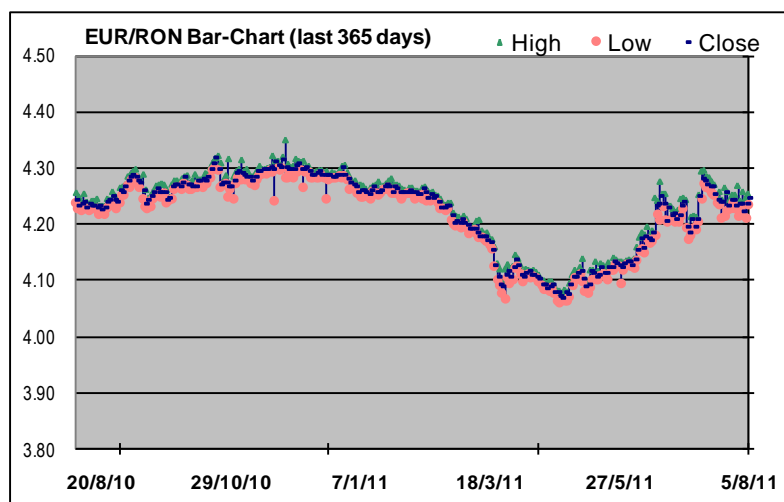
## Market Data (as of 08 August 2011)

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

### • Forex (as of 8-Aug-11)

FX Rates*	Prv. Day	Min 52W	Max 52W	Ytd	-52W
EUR/RON	4.2463	4.0601	4.3516	4.2900	4.2445
USD/RON	2.9762	2.7352	3.4200	3.2342	3.1990
CHF/RON	3.8828	3.0422	3.8745	1.2430	1.3759
100HUF/RON	1.5541	1.4742	1.6075	1.5343	1.5150

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

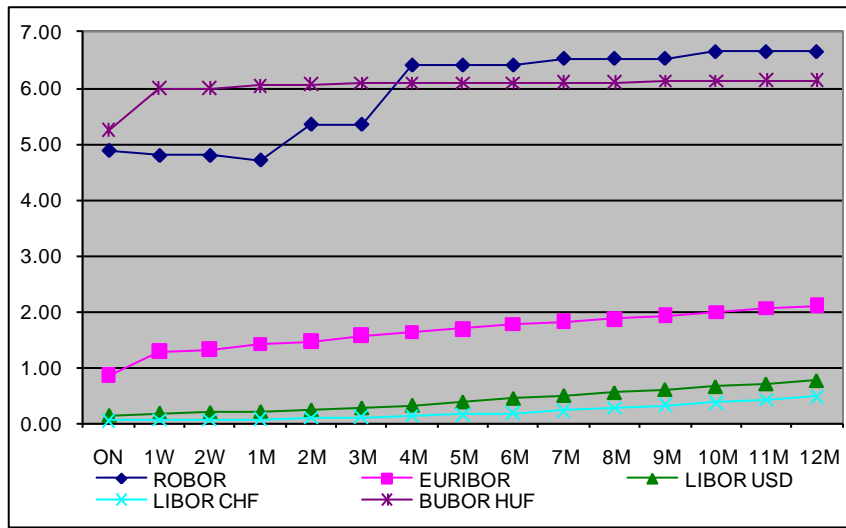


### • Money Markets (valid for 08 August 2011)

Rate	ON	1W	2W	1M	2M	3M	4M	5M	6M	7M	8M	9M	10M	11M	12M
ROBOR*	4.88	4.79	-	4.71	-	5.35	-	-	6.41	-	-	6.53	-	-	6.65
EURIBOR**	0.85	1.28	1.32	1.41	1.46	1.56	1.62	1.69	1.76	1.82	1.87	1.93	1.99	2.05	2.11
LIBOR USD	0.14	0.18	0.19	0.21	0.23	0.27	0.32	0.38	0.44	0.50	0.55	0.60	0.66	0.71	0.76
LIBOR CHF	0.04	0.05	0.06	0.07	0.09	0.10	0.13	0.15	0.18	0.22	0.27	0.31	0.36	0.42	0.47
BUBOR HUF	5.25	6.00	6.00	6.04	6.06	6.09	6.09	6.09	6.09	6.10	6.10	6.13	6.13	6.14	6.14

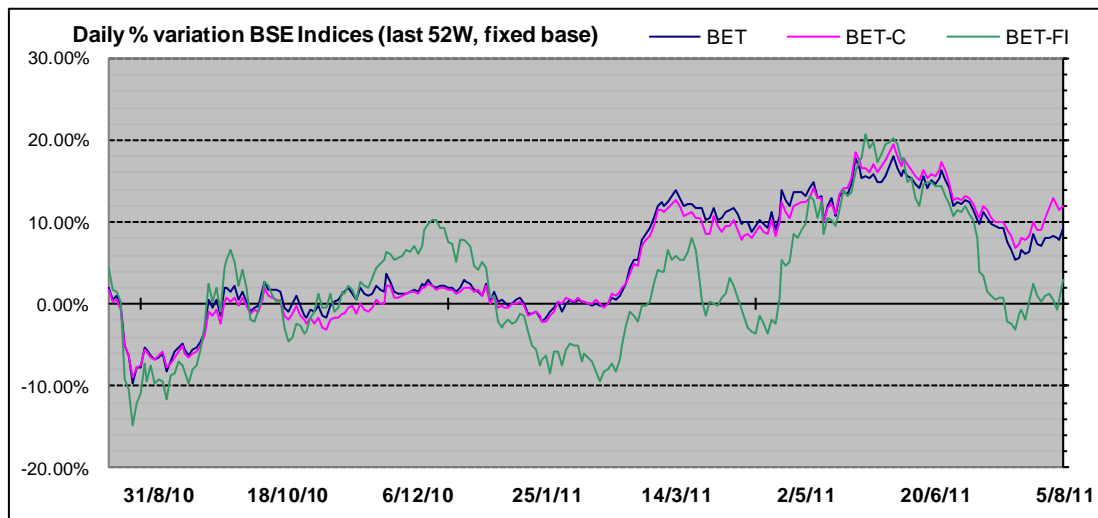
\* in the chart below, values for maturities where there is no quote are proxied by the maximum of the previous and the next maturity

\*\* 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	4,921.68	-4.06	-5.71	-6.34
BET-C	2,980.86	-4.81	-3.74	-2.57
BET-FI	20,176.88	-4.25	-5.89	-15.04
ROTX	10,106.50	-3.81	-6.44	-5.40
Rasdaq-C	1,664.42	-1.70	-0.93	-23.48
RAQ-I	1,284.72	-4.92	-10.91	-39.67
RAQ-II	2,886.13	-4.26	-5.58	-9.78

Foreign

Indices	Last close	1d%	Ytd%	52W%
DJIA (USD)	11,444.61	0.54	-1.08	7.21
S&P 500 (USD)	1,199.38	-0.06	-4.65	6.53
Nasdaq-C (USD)	475.73	-1.88	-36.67	-24.06
FTSE 100 (GBP)	6069.9	12.55	1.66	13.12
STOXX 600 (EUR)	238.88	-1.76	-13.77	-8.64
BUX (HUF)	19,733.14	-1.66	-8.02	-14.14

Top 5 most traded	Volume -RON	Volume - shares	Trades	Last price	1d%
FP	52,575,440	110,375,100	1,495	0.4750	-4.23
BRD	8,031,159	661,840	327	12.1000	-6.92
SNP	7,845,884	22,425,000	435	0.3450	-6.76
SIF5	6,703,576	5,483,500	653	1.2400	-4.62
TLV	5,571,535	5,043,000	412	1.1600	2.20

Trading Volumes	BVB	Rasdaq	BUSE	NYSE listed	Nasdaq	LSE	STOXX 600 *
Previous Day	26.03	0.54	115.91	39,899.58	22,184.11	9,347.38	238.88
Ytd Avg. (EUR mn)	10.43	0.71	57.56	19,506.14	11,675.17	5,381.09	276.55
MCap (EUR bn)**	23.64	2.50	19.00	3,054.33	11,312.67	2,341.32	5,955.90

\* 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	56,252	143,500	61	0.4050	9.99
RTRA	982	2,000	3	0.5200	4.21
CEON	9,070	113,500	15	0.0839	2.94
TLV	5,571,535	5,043,000	412	1.1600	2.20
AZO	775,104	986,000	174	0.8280	1.47

Worst 5 performers	Volume -RON	Volume - shares	Trades	Last price	1d%
MJM	900	1,190	3	0.7560	-14.96
COS	1,030	1,000	3	1.0000	-14.53
CBC	30,524	6,100	8	5.0000	-14.02
ROCE	1,405	7,500	10	0.1850	-13.91
PEI	943	46	4	20.5000	-13.87

- **Commodities**

Item (market)	unit	last close	1d%	Ytd%	52W%
Oil (Brent crude)	USD/barrel	109.37	1.98	16.91	26.22
Gold (COMEX)	USD/ounce	1651.8	-0.43	16.59	36.68
Platinum (NYMEX)	USD/ounce	1719.1	-0.60	-2.00	9.32
Silver (COMEX)	USD/ounce	38.211	-3.09	24.62	106.74
Wheat (CBOT)	USD/bushel	7.23	-0.34	-15.02	-8.19
Corn (CBOT)	USD/bushel	7.03	0.21	27.53	61.80

- **OTP AM – Open-End Funds (as of 4-Aug-11)**

Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%
OTP AvantisRO	RON	6.6100	-1.34	0.76	-0.30
OTP Obligatiuni	RON	11.1800	0.00	11.35	13.73
OTP ComodisRO	RON	13.6124	0.02	3.79	7.59
OTP Euro Bond	EUR	10.3225	0.01	2.71	N/A

## Market Highlights (as of 05 August 2011)

- **Forex**

The dollar weakened against the euro and yen and dropped to a record versus the Swiss franc in early Asia-Pacific trading following the S&P downgrade. The dollar fell to 77.70 yen, from 78.40 on Aug. 5. The U.S. currency depreciated to \$1.4357 to the euro, from \$1.4282. The dollar touched 74.85 Swiss centimes before trading at 75.16, from 76.74 last week. (Bloomberg)  
EUR/RON opened at 4.2435/4.2455 and closed almost flat against the euro at 4.2415/4.2435. (ContiCap)

- **Money Market**

RON T/N trading range was 4.19%/4.88%. (ContiCap)

- **Equities**

- **Domestic**

The BSE closed red (BET-C, which does not include the SIFs lost 4.81%) on lower volumes but still above this year's average volume. BET blue chips decreased 4.92% while BET-FI dropped 4.26%.

RASDAQ-C closed red (-1.70%) while Tier I decreased 4.92%, Tier II declined 4.26%. The trading volume was higher but still below 2011's average volume.

- **Foreign**

More than nine stocks fell for every four that rose on U.S. exchanges. The S&P 500 fell 0.1 percent to 1,199.38. It ranged between a loss of 2.7 percent and a gain of 1.5 percent. The benchmark gauge dropped 7.2 percent since July 29, the biggest weekly slump since November 2008. The Dow advanced 60.93 points, or 0.5 percent, to 11,444.61. The Stoxx 600 Europe Index tumbled 9.9 percent to 238.88 this past week, the gauge's lowest level in 13 months. The measure has declined 18 percent from this year's high on Feb. 17 amid mounting speculation that Europe will fail to contain its sovereign-debt crisis and that the economic recovery is faltering in the U.S.. (Bloomberg)

- **Commodities**

Brent oil for September settlement was at \$106.46 a barrel on the London-based ICE Futures Europe exchange after sliding as much as 2.9 percent to \$106.20. The European benchmark contract was at a premium of \$22.86 to U.S. futures, compared with a record close of \$22.67 on Aug. 2. (Bloomberg)

## Latest Financial News

- **Macroeconomics**

*U.S. long-term debt rating cut to AA+ by Standard & Poor's.*

The U.S. had its long-term debt rating cut to AA+ by Standard & Poor's, according to data from the S&P website, for the first time in history. (Bloomberg)

*Romanian Govt to keep public sector hiring frozen In 2012 - PM.*

Staff spending must not exceed 7.2% of the gross domestic product in 2012, which means hiring in the public sector will be frozen and only one in seven vacancies will be filled, said Boc during a videoconference with county prefects. According to Boc, the measure will allow for increasing public sector employees' wages in stages starting January 2012 to the level previous to wage cuts in 2010. The prime minister pointed out that, the Government will be able to hike wages only if public sector hiring is limited, Romania's economy grows by at least 3.5% and the budget deficit does not exceed 3%. (Mediafax)

- **Forex**

*G-7 seeks to avert collapse in confidence as stocks tumble.*

Group of Seven nations sought to head off a collapse in investor confidence after the U.S. sovereign-rating cut and a slump in Italian and Spanish debt intensified threats to the global economy. G-7 finance ministers and central bank governors pledged in a statement to "take all necessary measures to support financial stability and growth." Officials will inject liquidity and act against disorderly currency moves as needed, they said after a call late yesterday European time. Stocks extended declines that have wiped \$5.4 trillion off equity markets since July 26, driven investors to Treasuries and gold and rattled consumer confidence already hurt by European fiscal tightening and elevated American unemployment. (Bloomberg)

- **Money Market**

*S&P affirming U.S. short-term rating may support money markets.*

The decision by Standard & Poor's to affirm the U.S.'s short-term rating at the top A-1+ level even as it cut the long-term grade from AAA may help to stabilize money markets, according to strategists and economists. The move means money market funds won't be forced to sell Treasuries, said Mansoor Mohi-uddin, the Singapore-based chief currency strategist at UBS AG. The "impact" on money funds "appears to be limited," Philip Marey, the senior U.S. strategist at Rabobank Groep in Utrecht, Netherlands, wrote in a report to clients. (Bloomberg)

- **Equities**

- **Domestic**

*Romanian dairy Co Albalact H1 net profit falls 6.6%.*

The first-half net profit of Romanian dairy farm Albalact (ALBZ RO) fell to 2.26 million lei (\$750,000/532,200 euro) from 2.42 million lei a year earlier. (SeeNews)

*Erste may buy out BCR holders 'swiftly' if funds decide sale.*

Erste Group Bank AG (EBS RO) may "swiftly" buy out funds owning stakes in its Romanian unit if they decide to sell, a move that could improve Erste's capital ratios and secure it a bigger slice of future profits. Vienna-based Erste is in "ongoing discussions" with five Romanian funds which together own 30.1 percent of Banca Comerciala Romana SA, the country's biggest lender, Erste spokeswoman Carmen Staicu said in an e-mail on Friday. "Further progress in the present discussions depends on the decisions to be taken" by the funds, known as SIFs, which each own around 6 percent, Staicu said. "In response, we are ready to take swiftly the necessary decisions." (Bloomberg)

*Romania's Condmag H1 net profit drops sharply.*

The net profit of Romanian pipeline builder Condmag (COMI RO) dropped to 188,964 lei (\$62,700/45,000 euro) in the first half of 2011 from 3.1 million lei a year earlier, the company said on Friday. (SeeNews)

*Romania wants to pick manager by November for Tarom, rail sales.*

Romania will try to select a manager by November to oversee its planned sales of 20 percent stakes in national carrier Tarom and the state railway system, Transport Minister Anca Boagiu said on Friday in Bucharest. (Bloomberg)

## Foreign

*Rio, Mitsubishi bid A\$1.49 billion for rest of Coal & Allied.*

Rio Tinto Group, the world's second-biggest mining company, and Mitsubishi Corp. offered A\$1.49 billion (\$1.55 billion) for the shares in Coal & Allied Industries Ltd. they don't own to take the coal miner private. Rio and Mitsubishi, which own stakes of 75.7 percent and 10.2 percent respectively, made an initial offer of A\$122 a share, 34 percent more than the Brisbane-based company's closing price of A\$91, Coal & Allied said today in a statement. The bid values Coal & Allied at A\$10.6 billion, the company said. (Bloomberg)

*Record cash shows S&P 500 finances beat U.S. after rating falls.*

The combination of the past two weeks' \$1.94 trillion equity wipeout, record cash levels and rising dividends means the Standard & Poor's 500 Index is offering comparable values to Treasuries. The plunge since July 22 has erased 11 percent from the benchmark gauge for American equities as Congress and President Barack Obama battled over the deficit and borrowing limits that prompted S&P to downgrade the U.S. government's AAA credit rating for the first time. At the same time, 10-year Treasuries have returned 3.6 percent as investors sought the refuge of government bonds, pushing yields down 40 basis points to 2.56 percent, according to data compiled by Bloomberg. While the U.S. government is running record deficits, chief executive officers have more money than ever after boosting cash for 10 straight quarters to \$963.3 billion, 58 percent more than in December 2007 near the start of the credit crisis, S&P data show. (Bloomberg)

## Commodities

*Tokyo rice halted after first Futures trading since 1939.*

Rice futures in Tokyo surged in their first trading on the bourse since 1939, triggering a suspension of trade, on concern radiation from the stricken Fukushima nuclear plant may spread to crops and curb supply. No deals were concluded on the Tokyo Grain Exchange after prices hit 18,500 yen per 60 kilograms from the opening, compared with the bourse's reference price of 13,500 yen. The surge triggered trade to be suspended. The bourse set a 600-yen daily maximum price limit, with an initial circuit breaker level of 300 yen. (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



## DISCLAIMER

- This report is issued for information purposes only and should not be interpreted as a suggestion, an invitation or an offer to enter into any transaction. Also it is not and should not be considered a recommendation for investment in financial instruments according to C.N.V.M. Regulations no. 15/2006 and 32/2006.
- This report is not intended to influence in any way or to be considered a substitute to research and advice centered on the specific investment objectives and constraints of the recipient (including tax concerns) therefore investors should obtain individual financial advice.
- The issuer of this report does not claim that the information presented herein is perfectly accurate or complete. However it is based on sources available to the public and widely believed to be reliable. Also the opinions and estimates presented herein reflect a professional subjective judgment at the original date of publication and are therefore subject to change thereafter without notice. Furthermore there can be no guarantees that any market developments will unfold as forecasted.
- OTP Bank Romania SA may have issued reports that are different or inconsistent with the information expressed within this report and is under no obligation to update or keep current the information contained herein.
- This document is intended only for the direct and sole use of the selected customers of OTP Bank Romania SA. Any form of reproduction or redistribution to any other person than the intended recipients, including publication in whole or in part for any purpose, must not be made without the express agreement of OTP Bank Romania SA.
- Please note that the Internet is not a secure environment and OTP Bank Romania SA does not accept any liability for any loss caused by the result of using this report in a form altered or delayed by the willful or accidental interception, corruption or virus infection.

## OTP BANK SALES & TRADING –Treasury & Capital Markets Directorates

Silviu Enache, Capital Markets Director / silviu.enache@otpbank.ro / +40 21 307.58.27  
 Mihaela Alexandru, Chief of Sales / mihaela.alexandru@otpbank.ro / +40 21 307.58.09  
 Alina Onica, Chief of Foreign Exchange / alina.onica@otpbank.ro / +40 21 307.58.09  
 Tania Fantana, FX Dealer / tania.fantana@otpbank.ro / +40 21 307.58.09  
 Irina Ananiese, Junior Dealer / irina.ananiese@otpbank.ro / +40 21 307.58.09  
 Alexandru Ilisie, Equities Trader, alexandru.ilisie@otpbank.ro / +40 21 307.58.27  
 Alexandru Teodor Tibuleac, Equities Trader alexandru.tibuleac@otpbank.ro / +40 21 307.58.27