

## Executive Summary

### • Macroeconomics

Romania's central bank lowers 2011 inflation projection.

### • Forex

The euro traded at \$1.4179. The EUR/RON little changed at 4.2425/4.2445.

### • Money Market

RON T/N trading range at 4.78% to 5.12%.

### • Equities

#### Domestic

The BSE closed red, BET-C at -7.41% on lower volumes, with BET losing 8.39% and BET-FI decreasing 8.73%.

RASDAQ-C closed red (-2.21%) on lower volumes, while Tier I lost 3.74%, Tier II dropped 10.94%.

#### Foreign

S&P 500 extends worst slump since 2008 bear market on downgrade. European equities decline for seventh day, entering bear market.

### • Commodities

Gold, platinum and silver up. Most other major commodities down.

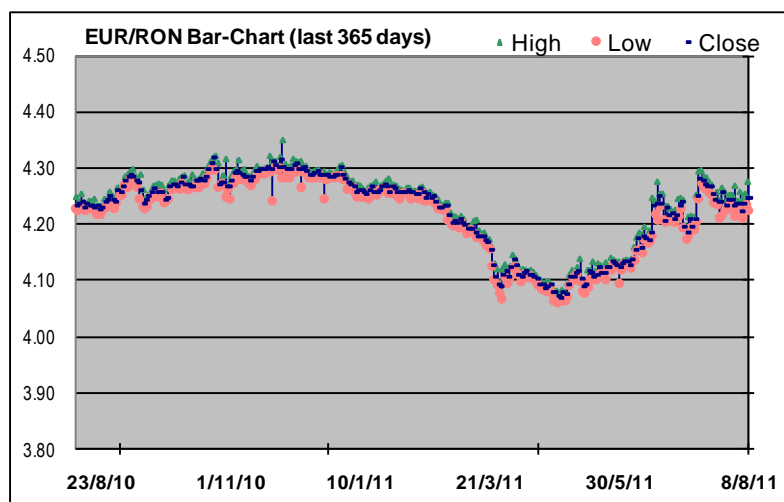
## Market Data (as of 09 August 2011)

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

### • Forex (as of 9-Aug-11)

FX Rates*	Prv. Day	Min 52W	Max 52W	Ytd	-52W
EUR/RON	4.2463	4.0601	4.3516	4.2900	4.2319
USD/RON	2.9886	2.7352	3.4200	3.2342	3.1980
CHF/RON	3.9602	3.0422	3.8745	1.2430	1.3876
100HUF/RON	1.5486	1.4742	1.6075	1.5343	1.5221

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

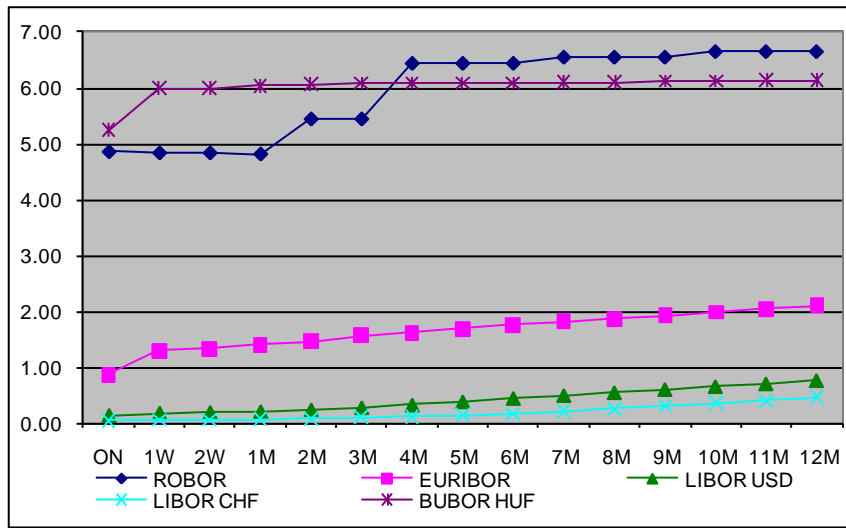


### • Money Markets (valid for 09 August 2011)

Rate	ON	1W	2W	1M	2M	3M	4M	5M	6M	7M	8M	9M	10M	11M	12M
ROBOR*	4.86	4.84	-	4.82	-	5.45	-	-	6.45	-	-	6.56	-	-	6.66
EURIBOR**	0.86	1.29	1.33	1.40	1.46	1.56	1.62	1.68	1.76	1.81	1.86	1.92	1.98	2.04	2.10
LIBOR USD	0.14	0.18	0.19	0.21	0.24	0.27	0.32	0.38	0.44	0.50	0.55	0.61	0.66	0.71	0.77
LIBOR CHF	0.04	0.05	0.05	0.07	0.08	0.10	0.12	0.14	0.16	0.21	0.25	0.30	0.35	0.40	0.45
BUBOR HUF	5.25	6.00	6.00	6.04	6.06	6.09	6.09	6.09	6.09	6.10	6.10	6.12	6.13	6.14	6.14

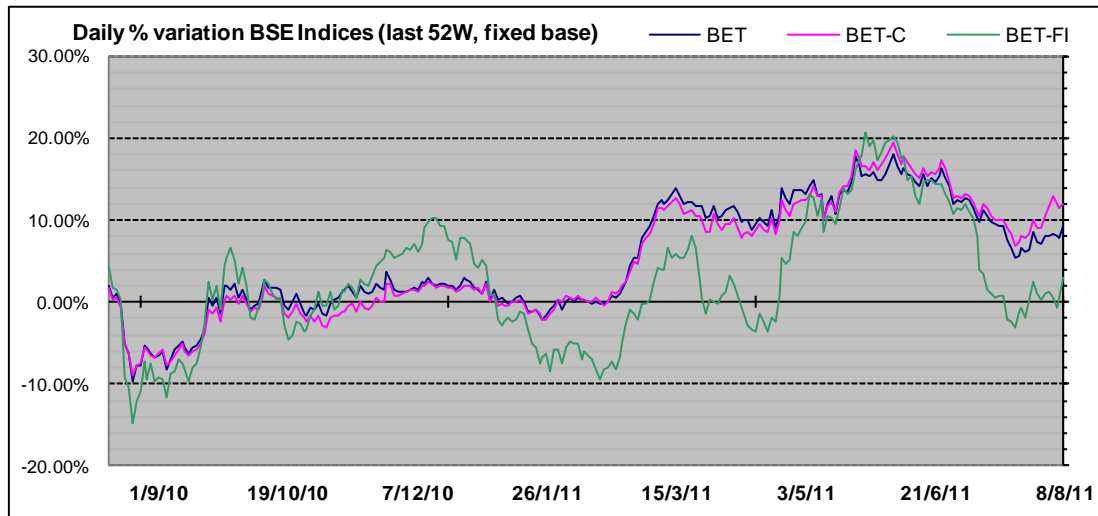
\* in the chart below, values for maturities where there is no quote are proxied by the maximum of the previous and the next maturity

\*\* 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	4,508.71	-8.39	-13.62	-12.79
BET-C	2,759.96	-7.41	-10.87	-8.99
BET-FI	18,415.61	-8.73	-14.10	-20.29
ROTX	9,326.90	-7.71	-13.65	-11.05
Rasdaq-C	1,627.70	-2.21	-3.11	-25.32
RAQ-I	1,236.63	-3.74	-14.24	-42.30
RAQ-II	2,570.30	-10.94	-15.91	-13.07

Foreign

Indices	Last close	1d%	Ytd%	52W%
DJIA (USD)	10,809.85	-5.55	-6.57	1.47
S&P 500 (USD)	1,119.46	-6.66	-11.00	-0.19
Nasdaq-C (USD)	437.71	-7.99	-41.73	-30.96
FTSE 100 (GBP)	6069.9	15.68	1.66	13.83
STOXX 600 (EUR)	228.98	-4.14	-17.34	-11.49
BUX (HUF)	19,112.42	-3.15	-10.91	-16.54

Top 5 most traded	Volume -RON	Volume - shares	Trades	Last price	1d%
FP	49,047,836	105,602,600	1,434	0.4501	-5.24
BRD	12,134,636	1,042,330	312	11.2200	-7.27
SIF5	8,549,293	7,378,000	778	1.1300	-8.87
SIF2	5,152,776	5,139,000	581	0.9700	-10.19
TLV	4,723,055	4,491,500	474	1.0200	-12.07

Trading Volumes	BVB	Rasdaq	BUSE	NYSE listed	Nasdaq	LSE	STOXX 600 *
Previous Day	22.80	0.22	95.09	41,696.16	22,488.03	7,879.97	228.98
Ytd Avg. (EUR mn)	10.52	0.70	58.31	19,650.23	11,745.38	5,397.43	276.25
MCap (EUR bn)**	21.98	2.45	18.27	2,886.78	10,637.29	2,263.53	5,739.99

\* 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%
PREH	13,236	6,100	7	2.3100	5.00
VESY	9,063	164,500	9	0.0625	4.17
ELJ	1,317	9,000	8	0.1520	3.40
ART	25,611	14,900	38	1.7000	3.03
APC	340	500	2	0.6795	2.95

Worst 5 performers	Volume -RON	Volume - shares	Trades	Last price	1d%
COMI	67,455	293,500	80	0.2250	-15.00
BVB	974,466	31,138	240	28.0600	-14.97
MJM	64	100	2	0.6430	-14.95
DAFR	190,631	2,496,500	198	0.0740	-14.94
OLT	102,615	85,000	78	1.1800	-14.80

- **Commodities**

Item (market)	unit	last close	1d%	Ytd%	52W%
Oil (Brent crude)	USD/barrel	103.74	-5.15	10.89	20.80
Gold (COMEX)	USD/ounce	1713.2	3.72	20.92	41.06
Platinum (NYMEX)	USD/ounce	1723.6	0.26	-1.74	9.73
Silver (COMEX)	USD/ounce	39.38	3.06	28.43	111.33
Wheat (CBOT)	USD/bushel	6.9475	-3.91	-18.34	-4.50
Corn (CBOT)	USD/bushel	6.86	-2.42	24.44	55.73

- **OTP AM – Open-End Funds (as of 5-Aug-11)**

Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%
OTP AvantisRO	RON	6.3700	-3.63	-2.90	-3.92
OTP Obligatiuni	RON	11.1800	0.00	11.35	13.73
OTP ComodisRO	RON	13.6145	0.02	3.80	7.58
OTP Euro Bond	EUR	10.3237	0.01	2.72	N/A

## Market Highlights (as of 08 August 2011)

- **Forex**

The yen appreciated 0.8 percent to 77.77 per dollar at 5 p.m. in New York, from 78.40 on Aug. 5, and climbed 1.5 percent to 110.26 per euro, from 111.97. The franc gained 2.3 percent to 1.0705 per euro and reached a record 1.0618. It traded at 75.50 centimes per dollar, up 1.6 percent, after earlier touching a record high 74.83. The dollar strengthened 0.7 percent against the 17-nation currency to \$1.4179. (Bloomberg)

EUR/RON opened at 4.2425/4.2445 and closed out flat against the euro. (ContiCap)

- **Money Market**

RON T/N trading range was 4.78%/5.12%. (ContiCap)

- **Equities**

- **Domestic**

The BSE closed red (BET-C, which does not include the SIFs lost 7.41%) on lower volumes but still above this year's average volume. BET blue chips decreased 8.39% while BET-FI dropped 8.73%.

RASDAQ-C closed red (-2.21%) while Tier I decreased 3.74%, Tier II declined 10.94%. The trading volume was lower and still below 2011's average volume.

- **Foreign**

The S&P 500 retreated 6.7 percent to 1,119.46 at 4 p.m. in New York. The gauge slumped 11 percent in three days, the most since November 2008, and fell to the lowest since September. The Dow Jones Industrial Average declined 634.76 points, or 5.6 percent, to 10,809.85. The benchmark Stoxx Europe 600 Index dropped 4.1 percent to 228.98 at the 4:30 p.m. close in London, for its biggest retreat since March 2009. (Bloomberg)

- **Commodities**

Brent crude for September settlement on the London-based ICE Futures Europe exchange decreased \$5.63, or 5.2 percent, to settle at \$103.74 a barrel. The European benchmark contract was at a \$22.43 premium to U.S. futures, near the record \$22.67 spread based on settlement prices Aug. 2. (Bloomberg)

## Latest Financial News

- **Macroeconomics**

*Romania's central bank lowers 2011 inflation projection.*

The National Bank of Romania has revised its inflation projection in 2011 from 5.1 percent to 4.6 percent, said the bank's governor Mugur Isarescu on Monday. The central bank also adjusted the inflation forecast for 2012 to 3.5 percent from 3.6 percent. "Data for inflation are starting to look better and we hope for substantial improvements at least during the summer," said Isarescu while presenting the quarterly report on inflation. He noted that in May and June there was an "extremely strong" correction at volatile prices and the persistent demand deficit contributed to a lower inflation. In May the central bank raised inflation forecast for this year from 3.6 percent to 5.1 percent and that of next year from 3.2 percent to 3.6 percent. According to the bank's prediction, the inflation rate would fall to 5 percent or even below in September and hold steady by the end of year. (Xinhua)

- **Forex**

*Australian Dollar drops below parity for first time since March.*

The Australian dollar dropped below parity with the U.S. currency for the first time in five months as prices tumbled for stocks and commodities amid concern fiscal crises in the U.S. and Europe will slow global growth. The currency slid for a ninth day, the longest losing streak since exchange controls ended in 1983, as traders bet the central bank will cut the developed world's highest benchmark rate 178 basis points over 12 months, according to a Credit Suisse Group AG index. The Aussie is this month's worst performer against the greenback among 16 major counterparts. (Bloomberg)

- **Money Market**

*Romania sells 699.96 Mln Lei (164.9 Mln Euro) in 1-year T-bills, yields rise.*

Romania sold almost entirely its offer of 700 million lei (\$233.9 million/ 164.9 million euro) worth of one-year Treasury bills in an auction on Monday as yields rose, the central bank said. The average yield grew to 6.34% from 6.18% in the previous auction held on July 18, the central bank, which sells government securities on behalf of the finance ministry, said in a statement. Bids were placed for 1.23 billion lei worth of government debt. The average accepted price was equal to 93.9689% of par. (SeeNews)

- **Equities**

- **Domestic**

*Romania's Oltchim to cut output in August on capital shortage.*

Oltchim SA (OLT RO), a Romanian chemical company, said it will cut output to 30 percent of installed capacity in August because it can't finance its working capital, the company said in a statement to the Bucharest Stock Exchange today. (Bloomberg)

*Romania's Electroaparataj H1 net profit rises 5.6%.*

Romanian electrical equipment manufacturer Electroaparataj (ELJ RO) said its net profit rose 5.6% to 1.69 million lei (\$564,600/398,200 euro) in the first half of 2011. (SeeNews)

*Romania's TMK Artrrom swings to 59.6 Mln Lei (14.1 Mln Euro) net profit in H1.*

Romanian steel tube maker TMK Artrrom (ART RO) swung to a 59.6 million lei (\$20 million/14.1 million euro) net profit in the first half of 2011 from 62.7 million lei net loss a year earlier, the company said. (SeeNews)

**Foreign***Bear market engulfs Dow Transports as Russell 2000 loses 25%.*

Declines in smaller companies and transportation stocks yesterday brought losses since their 2011 peaks to more than 20 percent, signs that investors anticipate another U.S. recession. The Russell 2000 Index plunged 8.9 percent, the biggest drop since December 2008, bringing its decrease since April 29 to 25 percent. The losses were led yesterday by MGIC Investment Corp. and General Maritime Corp., which slid more than 39 percent. The Dow Jones Transportation Average slipped 7 percent, marking a 22 percent retreat from its high on July 7, as Con-Way Inc. and Ryder System Inc. slumped 12 percent. Analysts say the declines may foreshadow a contraction because trains, truckers, airlines and smaller companies are considered barometers for the economy. Dow Theory, developed by Wall Street Journal co-founder Charles Dow in the 1800s, says transportation companies lose business before gross domestic product slows. (Bloomberg)

*Eike Batista loses \$5 billion in week as Brazilian energy startups tumble.*

Eike Batista, the richest man in Brazil, has lost about \$5.8 billion in the past week after his energy and mining startups plunged amid the worst rout in the nation's equity market since the 2008 financial crisis. The value of his stock holdings has fallen 26 percent since Aug. 1 to 26.6 billion reais (\$16.5 billion), according to data compiled by Bloomberg and EBX Group Ltd., the holding company for most of his assets. (Bloomberg)

**Commodities***Oil supply rises in survey on reserves, imports (energy markets)*

U.S. crude oil supplies rose for a third week, the longest stretch of gains in three months, as the government released barrels from the Strategic Petroleum Reserve and imports increased, a Bloomberg News survey showed. Inventories advanced 1.5 million barrels, or 0.4 percent, to 356.5 million in the seven days ended Aug. 5, according to the median of eight analyst estimates before a weekly Energy Department report tomorrow. All of the respondents projected a stockpile gain. The U.S. government has released 32 percent of the oil sold from its reserves, or SPR, as part of an International Energy Agency effort to make up for supplies lost because of the armed conflict in Libya. (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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