

Executive Summary

• Macroeconomics

Romanian inflation rate falls to year low as tax increase fades.

• Forex

The euro traded at \$1.4178. The EUR/RON at 4.2625/4.2645.

• Money Market

RON T/N trading range at 3.67% to 4.27%.

• Equities

Domestic

The BSE closed mixed, BET-C at +3.20% on lower volumes, with BET gaining 3.12% and BET-FI decreasing 1.51%.

RASDAQ-C closed green (+0.81%) on very high volumes, while Tier I gained 1.40%, Tier II advanced 3.31%.

Foreign

U.S. stocks slump as Dow falls to lowest level since September on Europe. European stocks drop to two-year low.

• Commodities

Most other major commodities up or flat.

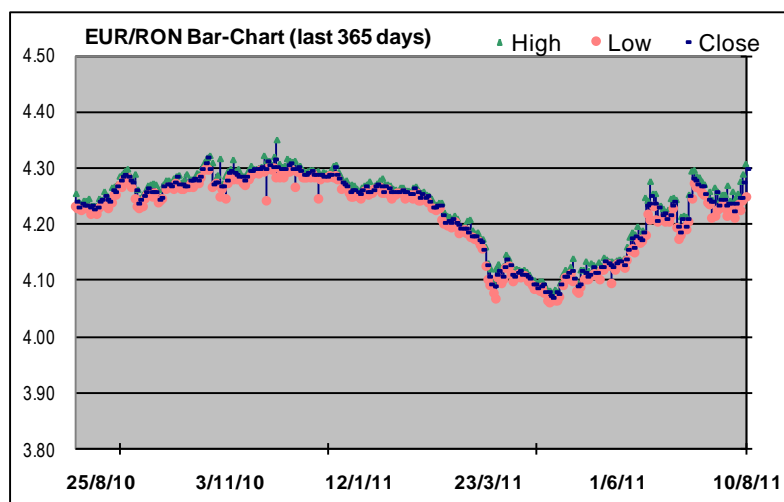
Market Data (as of 11 August 2011)

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

• Forex (as of 11-Aug-11)

FX Rates*	Prv. Day	Min 52W	Max 52W	Ytd	-52W
EUR/RON	4.2974	4.0601	4.3516	4.2900	4.2391
USD/RON	3.0321	2.7352	3.4200	3.2342	3.2906
CHF/RON	4.1452	3.0561	4.0619	1.2430	1.3626
100HUF/RON	1.5570	1.4742	1.6075	1.5343	1.5081

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

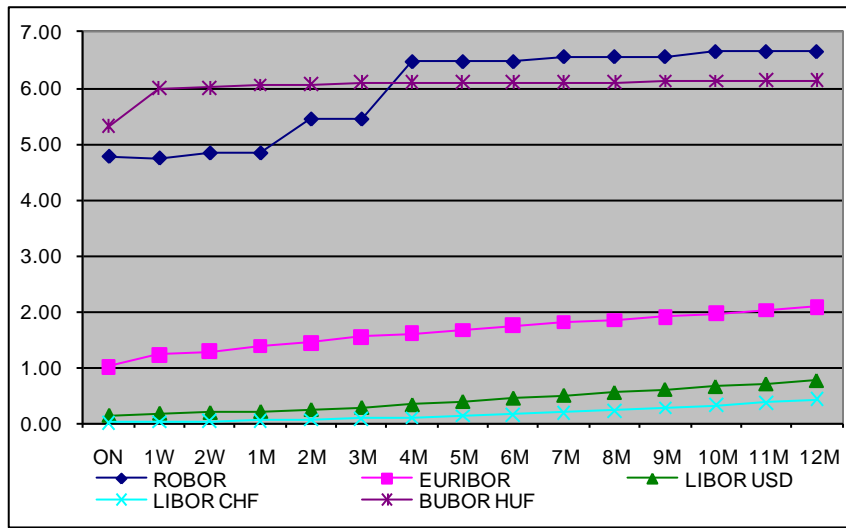


• Money Markets (valid for 11 August 2011)

Rate	ON	1W	2W	1M	2M	3M	4M	5M	6M	7M	8M	9M	10M	11M	12M
ROBOR*	4.78	4.75	-	4.84	-	5.45	-	-	6.48	-	-	6.57	-	-	6.66
EURIBOR**	1.01	1.22	1.28	1.38	1.44	1.55	1.60	1.67	1.74	1.80	1.85	1.90	1.96	2.02	2.08
LIBOR USD	0.14	0.18	0.19	0.21	0.24	0.28	0.33	0.39	0.45	0.50	0.55	0.61	0.66	0.71	0.77
LIBOR CHF	0.01	0.02	0.03	0.04	0.06	0.08	0.10	0.12	0.15	0.18	0.22	0.27	0.32	0.37	0.42
BUBOR HUF	5.31	6.00	6.01	6.05	6.07	6.10	6.10	6.10	6.10	6.10	6.10	6.12	6.13	6.14	6.14

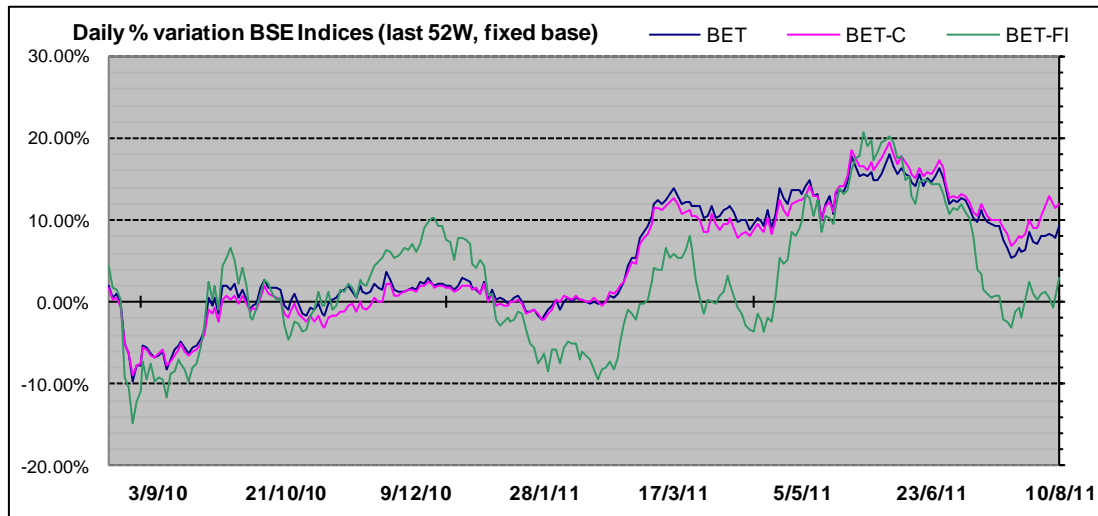
* in the chart below, values for maturities where there is no quote are proxied by the maximum of the previous and the next maturity

** 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	4,557.70	3.12	-12.68	-11.66
BET-C	2,752.11	3.20	-11.13	-9.22
BET-FI	17,243.35	-1.51	-19.57	-25.17
ROTX	9,264.60	2.54	-14.23	-11.33
Rasdaq-C	1,597.30	0.81	-4.92	-26.60
RAQ-I	1,237.40	1.40	-14.19	-41.29
RAQ-II	2,605.28	3.31	-14.77	-13.44

Foreign

Indices	Last close	1d%	Ytd%	52W%
DJIA (USD)	10,719.94	-4.62	-7.34	0.71
S&P 500 (USD)	1,120.76	-4.42	-10.90	-0.03
Nasdaq-C (USD)	451.14	-2.39	-39.95	-30.41
FTSE 100 (GBP)	6069.9	17.52	1.66	12.90
STOXX 600 (EUR)	223.5	-3.75	-19.32	-14.02
BUX (HUF)	17,381.28	-6.75	-18.98	-22.88

Top 5 most traded	Volume -RON	Volume - shares	Trades	Last price	1d%
FP	44,463,924	98,366,100	1,481	0.4401	1.76
SIF5	6,961,978	6,348,500	765	1.0200	-3.77
TLV	3,795,008	3,549,500	336	1.0620	3.51
SIF3	3,736,184	9,063,500	872	0.3950	-1.25
SNP	3,688,357	11,316,000	485	0.3230	2.54

Trading Volumes	BVB	Rasdaq	BUSE	NYSE listed	Nasdaq	LSE	STOXX 600 *
Previous Day	20.54	6.64	129.47	36,038.03	19,822.81	8,397.47	223.50
Ytd Avg. (EUR mn)	10.71	0.74	59.17	19,899.51	11,862.77	5,444.57	275.64
MCap (EUR bn)**	21.37	2.39	16.61	2,903.12	10,685.02	2,222.68	5,584.11

* 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%
MECF	223	2,000	3	0.1150	15.00
CBC	13,074	2,300	10	5.6850	14.96
OLT	172,219	152,000	94	1.1530	14.96
TUFE	6,965	43,000	18	0.1670	14.93
ARM	98	1,000	2	0.0975	14.71

Worst 5 performers	Volume -RON	Volume - shares	Trades	Last price	1d%
MJM	191	350	5	0.5470	-14.93
SIF1	2,072,690	2,586,000	427	0.7505	-3.78
SIF5	6,961,978	6,348,500	765	1.0200	-3.77
NEP	14	1	2	13.8000	-3.50
SIF2	2,974,129	3,094,000	467	0.9000	-3.23

- **Commodities**

Item (market)	unit	last close	1d%	Ytd%	52W%
Oil (Brent crude)	USD/barrel	106.68	4.01	14.04	24.68
Gold (COMEX)	USD/ounce	1784.3	2.37	25.94	47.80
Platinum (NYMEX)	USD/ounce	1771.7	0.87	1.00	15.27
Silver (COMEX)	USD/ounce	39.327	3.81	28.26	114.67
Wheat (CBOT)	USD/bushel	7.1925	2.20	-15.46	-1.54
Corn (CBOT)	USD/bushel	6.885	0.00	24.90	59.01

- **OTP AM – Open-End Funds (as of 9-Aug-11)**

Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%
OTP AvantisRO	RON	5.6500	-3.91	-13.87	-14.52
OTP Obligatiuni	RON	11.1900	0.00	11.45	14.18
OTP ComodisRO	RON	13.6238	0.02	3.87	7.58
OTP Euro Bond	EUR	10.3286	0.01	2.77	N/A

Market Highlights (as of 10 August 2011)

- **Forex**

The Japanese currency strengthened 1.5 percent against the euro to 108.97 at 5 p.m. in New York. The yen rose 0.1 percent to 76.86 per dollar and touched 76.35, approaching the post-World War II high of 76.25 that it reached on March 17. The franc fell 0.8 percent to 72.66 centimes per dollar, down from an all-time high of 70.71 centimes yesterday. It rose 0.6 percent to 1.0300 per euro after reaching a record 1.0075 on Tuesday. The dollar gained 1.4 percent to \$1.4178 per euro. (Bloomberg)

EUR/RON opened 4.2490/4.2510 and along with regional peers lost ground vs the EUR to close 4.2625/4.2645. (ContiCap)

- **Money Market**

RON T/N trading range was 3.67% - 4.27%. The RON yield curve steepened from 1m to 12m. 1m closed 32 points lower and 12m 10 bp lower. (ContiCap)

- **Equities**

- **Domestic**

The BSE closed mixed (BET-C, which does not include the SIFs gained 3.20%) on lower volumes but still above this year's average volume. BET blue chips increased 3.12% while BET-FI dropped 1.51%.

RASDAQ-C closed green (+0.81%) while Tier I increased 1.40%, Tier II gained 3.31%. The trading volume was higher and much above 2011's average volume.

- **Foreign**

The S&P 500 fell 4.4 percent to 1,120.76. The benchmark gauge jumped 4.7 percent yesterday as the Federal Reserve said it would keep borrowing costs at an all-time low and was prepared to use a range of tools to bolster the economy. The Dow declined 519.83 points, or 4.6 percent, to 10,719.94. About 15 billion shares changed hands at 4:15 p.m., almost twice the three-month average, Bloomberg data show. The benchmark Stoxx Europe 600 Index slid 3.8 percent to 223.5. (Bloomberg)

- **Commodities**

Brent oil for September settlement gained \$3.66, or 3.6 percent, to \$106.23 a barrel on the London-based ICE Futures Europe exchange. (Bloomberg)

Latest Financial News

- **Macroeconomics**

Romania plans to cut budget deficit to 2.2%/GDP in 2014.

Romania plans to cut its budget deficit to 2.2% of gross domestic product (GDP) in 2014 from 4.4% expected this year, the country's Finance Minister Gheorghe Ialomitianu said on Wednesday. The government targets a budget deficit of 3.0% for 2012 and 2.5% for 2013, according to the fiscal strategy for 2012-2014 approved by the cabinet on Wednesday, Ialomitianu told reporters after the government meeting. The strategy was discussed with the International Monetary Fund, the European Commission and the World Bank, he added. (SeeNews)

Romanian inflation rate falls to year low as tax increase fades.

Romania's inflation rate dropped in July for a second month in a row as the harvest cut food costs and the effect of a government tax-increase waned. The rate fell to 4.85 percent from 7.9 percent in June, the lowest since June 2010, the National Statistics Institute in Bucharest said yesterday in an e-mailed statement. The decline exceeded the median forecast of nine economists surveyed by Bloomberg of 5.3 percent. Prices fell 0.35 percent on the month. (Bloomberg)

- **Forex**

Yuan strengthens beyond 6.4 per Dollar for first time since 1993.

The yuan strengthened beyond 6.4 per dollar for the first time in 17 years, supported by the Federal Reserve's pledge to keep interest rates at a record low and signs China will use currency gains to help rein in inflation. The currency rose 0.36 percent to 6.3948 per dollar as of 1:47 p.m. in Shanghai, its biggest jump in nine months, according to the China Foreign Exchange Trade System. It touched 6.3938, the strongest level since the country unified official and market exchange rates at the end of 1993. The central bank's reference rate was boosted 0.27 percent to 6.3991. (Bloomberg)

- **Money Market**

Money markets elude U.S. rating-cut carnage: BGOV Barometer.

Improvements in bank balance sheets made after the peak of the financial crisis in 2008 helped cushion short-term money markets this week as government credit risk pummeled stock markets around the world. The BGOV Barometer shows two-year U.S. interest-rate swap spreads narrowed to 0.26 percentage point yesterday. The decline in spreads was a sign of calm in money markets even as global equities plunged after Standard & Poor's downgraded Treasury debt to AA+ and as European sovereign credits have been tarnished by budget and debt crises. Two-year swap spreads, representing the difference between swap rates and Treasuries, reached 1.65 percentage points in October 2008 after the collapse of Lehman Brothers Holdings Inc. (Bloomberg)

• Equities

Domestic

Transelectrica posts 1st-half profit on higher consumption.

Transelectrica SA, the Romanian power-grid operator, said it turned to profit in the first half of the year, as the company cut costs and an industry-driven economic recovery boosted electricity demand. Transelectrica reported net income of 178.6 million lei (\$59 million) in the first half compared with a loss of 58.1 million lei, the Bucharest-based company said in a filing to the capital's stock exchange. Revenue rose 13 percent to 1.44 billion lei, while costs dropped 8.3 percent to 1.22 billion lei. The first-half "profit was mainly the result of additional revenue stemming from higher electricity consumption, but also from a diminished volume of expenses," according to the statement. (Bloomberg)

OMV is in talks with Romania on renewing licenses, CEO says.

OMV AG, central Europe's biggest oil company, is in talks with the Romanian government on renewing its exploration licenses in the country. Chief Executive Officer Gerhard Roiss will be meeting with Romania's President Traian Basescu in Bucharest today to discuss the issue, he told reporters in Vienna yesterday. The Romanian licenses, which OMV holds via OMV Petrom SA, are due to expire in September and were granted to Petrom before it was sold to Austria's OMV in 2004. A failure to renew the licenses or a renewal delay would have "a material adverse effect on Petrom's business, results of operations and financial condition," OMV said May in its prospectus of a planned share sale. (SeeNews)

Stake of 9.2% in Romania's Conpet trades for 27.1 Mln Lei (6.4 Mln Euro).

A stake of 9.2% in Romanian majority state-owned oil pipeline operator Conpet [BSE:COTE] was traded for 27.1 million lei (\$9.1 million/6.4 million euro) on the market RASDAQ on Wednesday, bourse data showed. The equity stake changed hands in a single transaction at a price of 34 lei per share, RASDAQ data showed. The parties to Wednesday's deal were not disclosed. (SeeNews)

Bucharest bourse H1 net profit nearly triples.

The Bucharest Stock Exchange [BSE:BVB] said it posted a net profit of 12.5 million lei (\$4.2 million/2.9 million euro) in the first half of 2011 compared to 4.38 million lei a year earlier. (SeeNews)

Foreign

Societe Generale denies 'rumors,' seeks probe as shares drop.

Societe Generale SA, France's second-largest bank, denied "all market rumors" and asked the nation's market watchdog for an investigation after speculation France's creditworthiness was in doubt sent the shares tumbling. The lender's performance in July and early August shows it will be able to post "solid" results in the future, Paris-based Societe Generale said in a statement after the market closed yesterday. The bank asked France's Autorite des Marches Financiers to open a probe into the origin of speculation that is "extremely harmful to the interests of its shareholders." (Bloomberg)

Vietnam may approve longer trading hours for main exchange.

Vietnamese regulators may approve the nation's main stock exchange to lengthen its trading hours, a possible new measure to bolster the worst-performing stock market in the Asia Pacific region this year. The State Securities Commission has agreed in principle for the Ho Chi Minh City Stock Exchange to extend its hours from Feb. 20 into the afternoon, Le Hai Tra, standing member of the Ho Chi Minh City Stock Exchange's board of directors, said in a telephone interview yesterday. (Bloomberg)

• Commodities

CME increases gold margins as investors drive record rally.

CME Group Inc., the world's largest futures market, raised the margins on gold contracts by 22 percent after prices surged to a record on increased haven demand amid a deepening rout in global equities. The initial-margin requirement, or the minimum amount of cash that speculators must keep on deposit, will rise to \$7,425 per contract from \$6,075 from the close of business today, CME said in a statement. The margin for hedging will also increase 22 percent, rising to \$5,500 from \$4,500, it said. (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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Thursday, 11 August 2011

OTP Bank – Daily Markets Report

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