

Executive Summary

• Macroeconomics

Romania's September jobless rate edges up to 4.89%.

• Forex

The euro traded at \$1.3640 at 5:00 p.m. in New York. The EUR/RON closed at 4.3290/4.3310.

• Money Market

RON T/N trading range was 4.53%/4.96%.

• Equities

Domestic

The BSE closed mixed, BET-C advanced 0.63% on lower volumes, with BET gaining 0.31% and BET-FI decreasing 0.88%. RASDAQ-C closed red (-0.96%) on higher volumes, while Tier I gained 0.04%, Tier II decreased 6.50%.

Foreign

European stocks snap four-day rally before Slovakia vote. Most U.S. stocks climb as earnings optimism offsets concerns over Europe.

• Commodities

Gold and platinum down. Most other major commodities up.

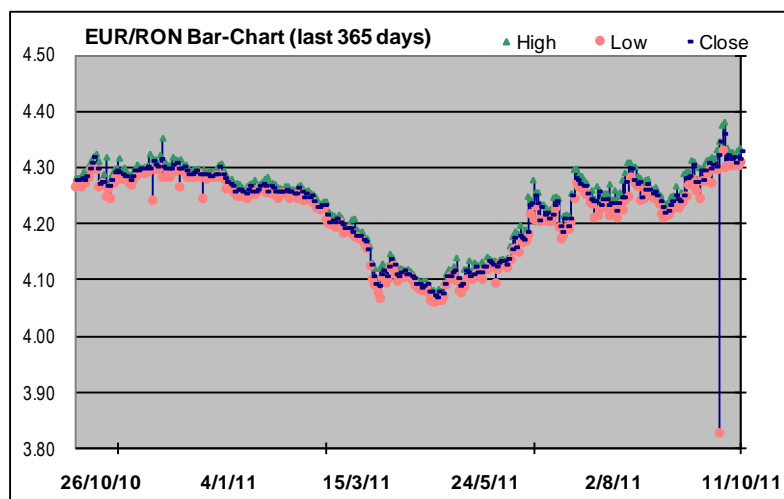
Market Data (as of 12 October 2011)

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

• Forex (as of 12-Oct-11)

FX Rates*	Prv. Day	Min 52W	Max 52W	Ytd	-52W
EUR/RON	4.3309	3.8285	4.3802	4.2900	4.2772
USD/RON	3.1746	2.7352	3.3135	3.2342	3.0845
CHF/RON	3.4978	3.0939	4.0619	3.4513	3.2216
100HUF/RON	1.4673	1.4348	1.6075	1.5343	1.5598

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

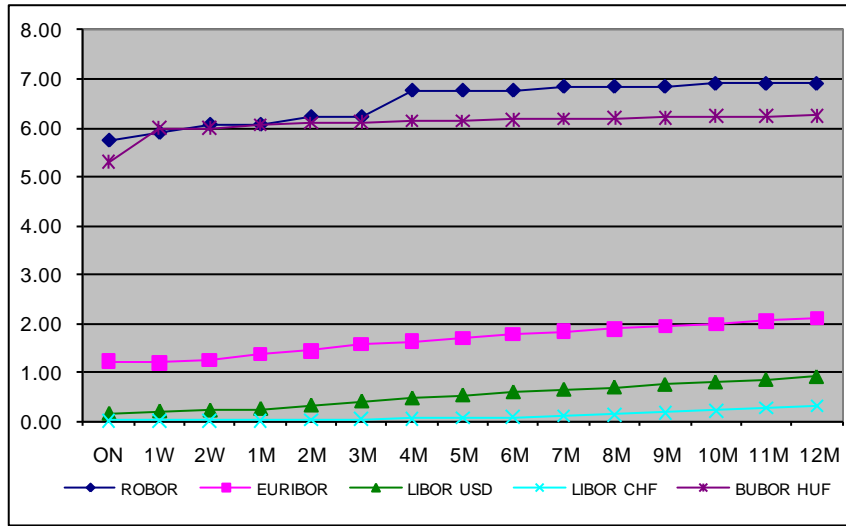


• Money Markets (valid for 12 October 2011)

Rate	ON	1W	2W	1M	2M	3M	4M	5M	6M	7M	8M	9M	10M	11M	12M
ROBOR*	5.73	5.89	-	6.06	-	6.22	-	-	6.77	-	-	6.85	-	-	6.91
EURIBOR**	1.22	1.19	1.25	1.37	1.44	1.57	1.63	1.69	1.77	1.83	1.88	1.94	1.99	2.05	2.11
LIBOR USD	0.14	0.19	0.21	0.24	0.31	0.40	0.46	0.52	0.59	0.64	0.69	0.74	0.79	0.84	0.90
LIBOR CHF	0.00	0.01	0.01	0.01	0.02	0.03	0.05	0.06	0.08	0.10	0.13	0.17	0.21	0.26	0.31
BUBOR HUF	5.30	6.00	6.00	6.06	6.10	6.12	6.14	6.14	6.17	6.18	6.20	6.21	6.24	6.24	6.25

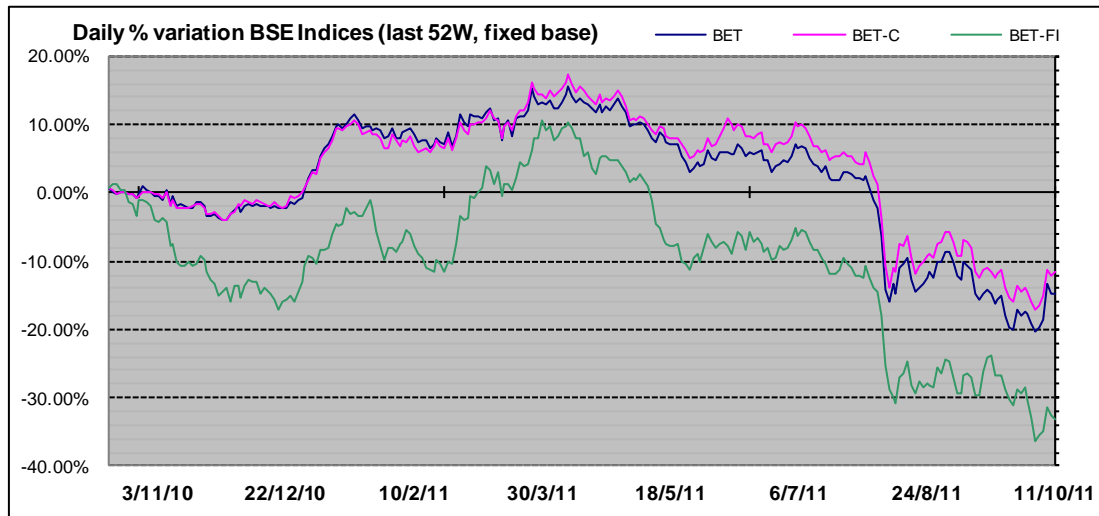
* in the chart below, values for maturities where there is no quote are proxied by the maximum of the previous and the next maturity

** 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	4,484.46	0.31	-14.08	-14.29
BET-C	2,732.27	0.63	-11.77	-11.37
BET-FI	16,483.15	-0.88	-23.11	-31.91
ROTX	8,625.80	0.27	-20.14	-18.54
Rasdaq-C	1,559.65	-0.96	-7.16	-10.78
RAQ-I	1,056.74	0.04	-26.72	-54.77
RAQ-II	2,166.50	-6.50	-29.12	-30.84

Foreign

Indices	Last close	1d%	Ytd%	52W%
DJIA (USD)	11,416.30	-0.15	-1.33	3.69
S&P 500 (USD)	1,195.54	0.05	-4.96	2.59
Nasdaq-C (USD)	452.58	1.90	-39.75	-28.33
FTSE 100 (GBP)	5395.7	-0.06	-9.64	-4.88
STOXX 600 (EUR)	235.28	-0.28	-15.07	-10.61
BUX (HUF)	17,012.74	1.17	-20.70	-27.69

Top 5 most traded	Volume -RON	Volume - shares	Trades	Last price	1d%
FP	11,863,553	26,214,700	387	0.4507	0.22
SIF5	1,134,638	1,324,500	317	0.8405	-1.70
EBS	771,847	9,765	211	78.0000	0.00
SIF2	575,799	769,500	186	0.7400	-0.27
SIF3	537,460	1,262,500	226	0.4249	-0.05

Trading Volumes	BVB	Rasdaq	BUSE	NYSE listed	Nasdaq	LSE	STOXX 600 *
Previous Day	3.86	0.10	42.59	15,279.99	9,491.58	3,495.16	235.28
Ytd Avg. (EUR mn)	10.11	0.64	58.03	20,179.01	11,916.09	5,353.19	265.29
MCap (EUR bn)**	17.90	2.36	15.27	3,260.64	11,742.12	2,358.43	5,874.51

* 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%
ARM	2,774	23,000	3	0.1207	14.95
TRP	1,164	3,500	5	0.3390	9.35
RRC	10,640	220,000	55	0.0480	6.90
TGN	409,859	1,964	136	212.7500	4.29
TUFE	1,449	155	2	0.1610	3.87

Worst 5 performers	Volume -RON	Volume - shares	Trades	Last price	1d%
ZIM	2,525	1,000	3	2.5500	-10.53
ELGS	1,320	2,000	5	0.6315	-8.35
PPL	905	1,000	3	0.9000	-8.07
SPCU	242	1,500	3	0.1610	-5.29
CMP	16,600	41,000	18	0.4035	-5.06

- **Commodities**

Item (market)	unit	last close	1d%	Ytd%	52W%
Oil (Brent crude)	USD/barrel	110.73	1.63	18.38	26.23
Gold (COMEX)	USD/ounce	1661	-0.59	17.24	21.76
Platinum (NYMEX)	USD/ounce	1518.8	-0.41	-13.42	-7.90
Silver (COMEX)	USD/ounce	31.998	0.06	4.11	36.05
Wheat (CBOT)	USD/bushel	6.6075	8.05	-22.33	-15.80
Corn (CBOT)	USD/bushel	6.45	6.61	17.01	25.49

- **OTP AM – Open-End Funds (as of 10-Oct-11)**

Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%
OTP AvantisRO	RON	5.4500	2.44	-16.92	-19.14
OTP Obligatiuni	RON	11.2900	0.00	12.45	13.81
OTP ComodisRO	RON	13.7670	0.07	4.96	7.26
OTP Euro Bond	EUR	10.4022	0.05	3.50	N/A

Market Highlights (as of 11 October 2011)

- **Forex**

The euro was little changed at \$1.3640 at 5 p.m. in New York after sliding 0.6 percent earlier yesterday and climbing 2 percent a day before in the biggest gain since July 2010. The shared currency reached \$1.3699 yesterday, the highest level since Sept. 21. The euro unchanged at 104.58 yen. The dollar was unchanged at 76.65 yen. (Bloomberg)

EUR/RON opened at 4.3125/4.3145 and weakened against the Euro to close at 4.3290/4.3310. (ContiCap)

- **Money Market**

RON T/N traded unchanged at 4.53% - 4.95%. 1m moved a little higher as funding still refuses to edge lower. (ContiCap)

- **Equities**

- **Domestic**

The BSE closed mixed (BET-C, which does not include the SIFs increased 0.63%) on lower volumes and below this year's average volume. BET blue chips increased 0.31%, while BET-FI lost 0.88%.

RASDAQ-C closed red (-0.96%) while Tier I gained 0.04%, Tier II lost 6.50%. The trading volume was higher but still below 2011's average volume.

- **Foreign**

The S&P 500 added 0.1 percent to 1,195.54. The benchmark gauge traded within a 1 percent range between its high and low level for the day, the narrowest since July 26. The Dow Jones Industrial Average retreated 16.88 points, or 0.2 percent, to 11,416.30 yesterday. The benchmark Stoxx Europe 600 Index slipped 0.3 percent to 235.28 at the close of trading, having earlier retreated as much as 1.2 percent. (Bloomberg)

- **Commodities**

Brent oil for November settlement declined 0.5 percent to \$108.42 on the London-based ICE Futures Europe exchange. The European benchmark contract was at a premium of \$23.46 to New York crude, compared with a record of \$26.87 on Sept. 6. (Bloomberg)

Latest Financial News

- **Macroeconomics**

Romania's September jobless rate edges up to 4.89%.

Romania's September unemployment rate rose slightly to 4.89% from 4.87% a month earlier, the government's employment agency, ANOFM, said on Tuesday. In September, the northeastern county of Vaslui registered the highest unemployment rate in the country, of 9.12%, ANOFM said in a statement. The average unemployment rate in Romania rose to 7.6% last year from 6.3% in 2009. Romania's workforce is estimated at 9.3 million out of a population of 21.5 million. (SeeNews)

Romanian CPI falls to 21-year low, makes room for rate cut.

Romania's inflation rate fell more than expected in September to the lowest level in two decades as a bumper harvest lowered food prices, giving policy makers scope to cut the European Union's highest borrowing costs. Inflation slowed to 3.45 percent, within the central bank's target, from 4.25 percent in August, the National Statistics Institute in Bucharest said yesterday in an e-mailed statement. The decline exceeded the median forecast of 4 percent by 11 economists surveyed by Bloomberg. Prices fell 0.2 percent on the month. Central banks in eastern Europe including Romania have kept rates on hold in past months on expectations inflation will slow and economies will weaken because of a deceleration of growth in western Europe, the main importer of goods from the region. (Bloomberg)

- **Forex**

Swiss Franc needs to decline to avoid 'serious' harm, Swisscom chief says.

The Swiss franc is still overvalued and needs to weaken further in order to prevent "serious" damage to Switzerland's economy, the chief executive officer of Swisscom AG (SCMN) said. The company, Switzerland's largest phone operator, lowered its full-year targets in August because of the franc's strength, which is sapping sales from its Italian Fastweb SpA unit. "It's unimaginable that the Swiss franc stays at these levels over the next couple of years." Carsten Schlöter, CEO of Bern-based Swisscom, said in an interview yesterday. "It cannot be as it would seriously hurt the Swiss economy." (Bloomberg)

- **Money Market**

Juncker didn't mean that Greece's haircut may exceed 60%, spokesman says.

Luxembourg Prime Minister Jean-Claude Juncker didn't mean to signal in an Austrian television interview that haircuts on Greece could exceed 60 percent, a spokesman said. Juncker instead meant that haircuts could exceed the 21 percent already agreed in July, said Guy Schuller, a spokesman for the Luxembourg government, by telephone yesterday. Asked yesterday to comment on speculation that losses to investors will exceed 21 percent and may instead be between 50 percent and 60 percent, Juncker told Austrian television "we're talking about even more." He didn't comment further in the interview. (SeeNews)

• Equities

Domestic

S&P revises Erste's outlook to negative, affirms 'A/A-1' ratings.

Standard & Poor's Ratings Services revised the outlook on Erste Group Bank AG to negative from stable and affirmed the lender's 'A/A-1' long- and short-term counterparty credit ratings. "The outlook revision to negative reflects the risk of Erste's financial profile deteriorating as a result of the weakening operating conditions in Hungary and the delayed economic recovery in Romania," S&P analysts Pierre Gautier and Markus Schmaus said in a statement yesterday. "Hungary and Romania together accounted for about 15 percent of Erste's exposure at default at year-end 2010." (Bloomberg)

Fitch places Erste's viability rating of 'a-' on watch negative.

Erste Group Bank AG's "a-" viability rating was put on watch negative by Fitch Ratings yesterday, while the ratings company left the lender's long-term debt rating unchanged at "A" with a stable outlook. (Bloomberg)

Foreign

Volksbank plans to increase capital at its unit in Romania.

Volksbanken AG plans to increase capital at its Romanian unit by as much as 200 million Euros, the chief of the subsidiary said. The increase may be completed by the end of this year, Johann Lurf told reporters in Bucharest yesterday. (Bloomberg)

VIX puts most since 2009 on bet S&P 500 to extend gain (options).

Traders are placing more bets than any time since 2009 that the Chicago Board Options Exchange Volatility Index will fall, a sign they expect concern about Europe's credit crisis to recede and the Standard & Poor's 500 Index to rally. There are 101 puts to sell the VIX for every 100 calls, according to data compiled by Bloomberg. That's up from 70 on Sept. 22. Yesterday's largest trade was for November 25 puts, which pay if futures on the VIX, which derives its value from S&P 500 options, fall 25 percent through the end of next month. Pledges by German Chancellor Angela Merkel and French President Nicolas Sarkozy to do "everything necessary" to ensure European banks have enough capital are helping build confidence in equity markets. Increased speculation the VIX will fall follows a 9.2 percent retreat in the gauge this week and a 3.5 percent gain in the S&P 500. (Bloomberg)

• Commodities

Corn extends biggest gain in more than a year as wheat, soybeans decline.

Corn increased, extending the largest advance in 16 months, on signs last month's 23 percent slump may have attracted buyers seeking to rebuild stockpiles. December delivery corn added as much as 1.2 percent to \$6.525 a bushel on the Chicago Board of Trade, after jumping 6.6 percent yesterday, the biggest closing gain for a most-active contract since June 30, 2010. It traded at 6.48 a bushel at 11:15 a.m. Singapore time, narrowing the decline from this year's high of \$7.93 reached on June 9 to 18 percent. (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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