

Executive Summary

• Macroeconomics

ECB has capacity to support Euro area banks, Moody's says.

• Forex

The euro traded at \$1.3738 at 5:00 p.m. in New York. The EUR/RON closed at 4.3285/4.3305.

• Money Market

RON T/N trading range was 3.18%/3.39%.

• Equities

Domestic

The BSE closed mixed, BET-C advanced 0.56% on lower volumes, with BET gaining 0.96% and BET-FI decreasing 0.82%. RASDAQ-C closed red (-1.47%) on higher volumes, while Tier I lost 1.20%, Tier II decreased 3.34%.

Foreign

European stocks decline. U.S. stocks drop as Germany damps optimism over crisis.

• Commodities

Wheat and corn up. Most major commodities down.

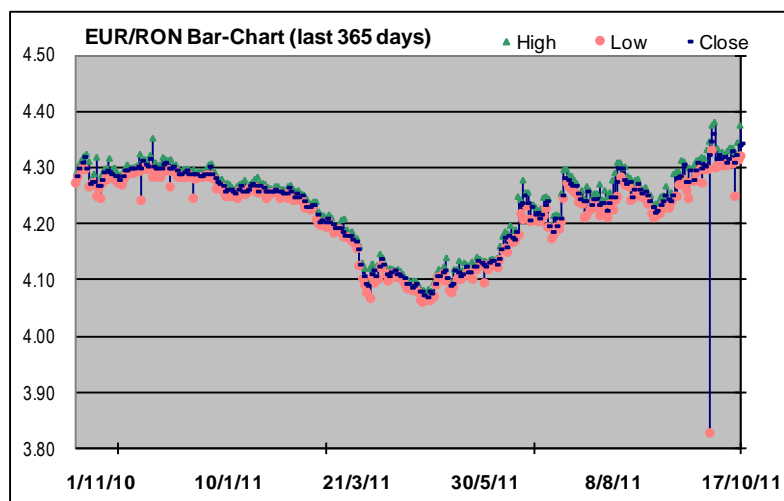
Market Data (as of 18 October 2011)

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

• Forex (as of 18-Oct-11)

FX Rates*	Prv. Day	Min 52W	Max 52W	Ytd	-52W
EUR/RON	4.3422	3.8285	4.3802	4.2900	4.2863
USD/RON	3.1516	2.7352	3.3135	3.2342	3.0647
CHF/RON	3.5104	3.0939	4.0619	3.4513	3.2048
100HUF/RON	1.4636	1.4348	1.6075	1.5343	1.5523

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

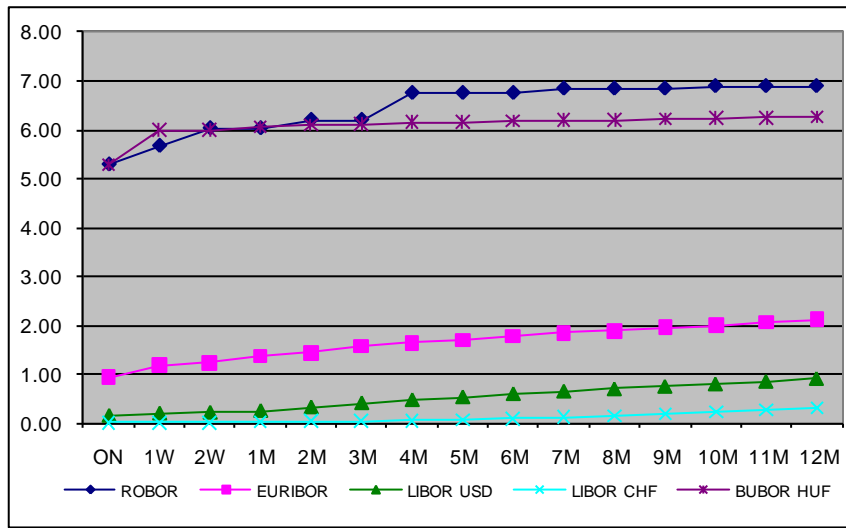


• Money Markets (valid for 18 October 2011)

Rate	ON	1W	2W	1M	2M	3M	4M	5M	6M	7M	8M	9M	10M	11M	12M
ROBOR*	5.29	5.67	-	6.03	-	6.20	-	-	6.75	-	-	6.84	-	-	6.89
EURIBOR**	0.93	1.17	1.24	1.37	1.44	1.58	1.63	1.70	1.78	1.84	1.89	1.95	2.00	2.07	2.12
LIBOR USD	0.14	0.19	0.21	0.24	0.32	0.41	0.47	0.53	0.60	0.65	0.70	0.75	0.80	0.85	0.91
LIBOR CHF	0.01	0.01	0.01	0.02	0.03	0.04	0.05	0.07	0.09	0.11	0.14	0.18	0.22	0.26	0.31
BUBOR HUF	5.29	6.00	6.00	6.06	6.10	6.12	6.15	6.15	6.18	6.20	6.20	6.23	6.24	6.25	6.26

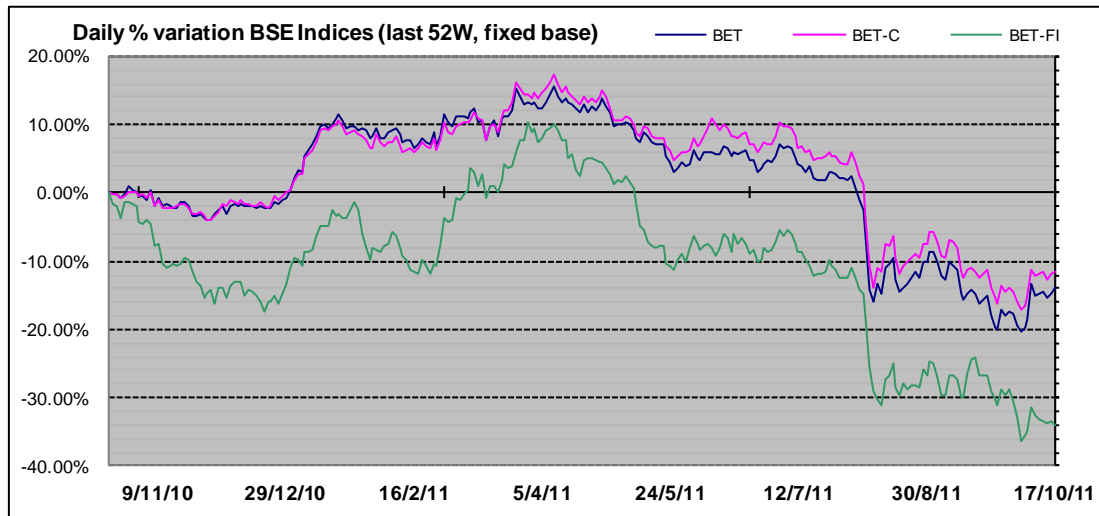
* in the chart below, values for maturities where there is no quote are proxied by the maximum of the previous and the next maturity

** 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	4,519.59	0.96	-13.41	-14.61
BET-C	2,739.45	0.56	-11.54	-12.01
BET-FI	16,295.84	-0.82	-23.99	-34.27
ROTX	8,518.40	-0.25	-21.14	-20.69
Rasdaq-C	1,545.31	-1.47	-8.02	-11.91
RAQ-I	1,071.61	-1.20	-25.68	-54.06
RAQ-II	2,091.67	-3.34	-31.57	-32.45

Foreign

Indices	Last close	1d%	Ytd%	52W%
DJIA (USD)	11,397.00	-2.13	-1.49	3.02
S&P 500 (USD)	1,200.86	-1.94	-4.53	2.10
Nasdaq-C (USD)	437.13	-4.24	-41.81	-31.58
FTSE 100 (GBP)	5436.7	-0.54	-8.95	-4.68
STOXX 600 (EUR)	236.22	-0.96	-14.73	-11.14
BUX (HUF)	17,456.33	0.04	-18.63	-25.45

Top 5 most traded	Volume -RON	Volume - shares	Trades	Last price	1d%
FP	3,433,345	7,652,000	227	0.4453	-1.70
EBS	1,500,054	20,816	344	70.4000	-5.38
TLV	1,389,706	1,433,500	89	0.9715	1.73
SIF5	889,635	1,051,500	204	0.8480	0.41
SIF3	724,892	1,719,000	305	0.4189	-0.73

Trading Volumes	BVB	Rasdaq	BUSE	NYSE listed	Nasdaq	LSE	STOXX 600 *
Previous Day	2.74	0.17	58.45	15,733.74	10,272.60	3,938.88	236.22
Ytd Avg. (EUR mn)	9.98	0.63	57.90	20,102.31	11,884.01	5,329.57	264.75
MCap (EUR bn)**	17.30	2.34	15.57	3,262.74	11,673.99	2,377.98	5,902.01

* 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	6,013	8,500	13	0.7250	14.99
ENP	520	500	2	1.0400	9.47
SPCU	612	3,500	7	0.1750	9.38
ECT	109	3,000	4	0.0360	5.26
ARS	722,820	920	4	0.9555	3.86

Worst 5 performers	Volume -RON	Volume - shares	Trades	Last price	1d%
CMF	856	500	2	1.7110	-9.95
EPT	7,667	122,500	29	0.0600	-8.40
OLT	26,532	46,000	48	0.5785	-6.69
CMP	15,383	37,500	14	0.4010	-5.42
EBS	1,500,054	20,816	344	70.4000	-5.38

- **Commodities**

Item (market)	unit	last close	1d%	Ytd%	52W%
Oil (Brent crude)	USD/barrel	110.16	-1.84	17.73	27.31
Gold (COMEX)	USD/ounce	1676.6	-0.38	18.34	21.32
Platinum (NYMEX)	USD/ounce	1551.8	-0.20	-11.54	-9.30
Silver (COMEX)	USD/ounce	31.821	-1.09	3.53	30.04
Wheat (CBOT)	USD/bushel	6.2425	0.24	-26.62	-21.03
Corn (CBOT)	USD/bushel	6.405	0.08	16.19	23.95

- **OTP AM – Open-End Funds (as of 14-Oct-11)**

Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%
OTP AvantisRO	RON	5.4200	0.37	-17.38	-20.76
OTP Obligatiuni	RON	11.3000	0.00	12.55	11.44
OTP ComodisRO	RON	13.7768	0.02	5.04	7.04
OTP Euro Bond	EUR	10.4073	0.01	3.55	4.19

Market Highlights (as of 17 October 2011)

- **Forex**

The euro dropped 1 percent to \$1.3738 at 5 p.m. New York time after rising to \$1.3914, the highest level since Sept. 15. It advanced 3.8 percent last week, the most since March 2009. The shared European currency fell 1.5 percent to 105.55 yen today after touching 107.68, the highest level since Sept. 9. The dollar slid 0.5 percent to 76.83 yen. (Bloomberg)

EUR/RON opened at 4.3300/4.3320 and slightly strengthened to close at 4.3285/4.3305. (ContiCap)

- **Money Market**

RON T/N traded at 3.18% - 3.39%. On a very quiet day trading there was a marginal move lower in rates. (ContiCap)

- **Equities**

- **Domestic**

The BSE closed mixed (BET-C, which does not include the SIFs increased 0.56%) on lower volumes and still below this year's average volume. While BET blue chips index increased 0.96%, BET-FI lost 0.82%.

RASDAQ-C closed red (-1.47%) while Tier I lost 1.20%, Tier II dropped 3.34%. The trading volume was higher but still below 2011's average volume.

- **Foreign**

The S&P 500 decreased 1.9 percent to 1,200.86 at 4 p.m. New York time. The benchmark gauge for American equities rallied 6 percent last week. The Dow Jones Industrial Average retreated 247.49 points, or 2.1 percent, to 11,397. The Stoxx 600 advanced 2.8 percent last week. The gauge has still retreated 19 percent from this year's high on Feb. 17 as concern mounted that Greece will default, pushing borrowing costs higher for other indebted euro-area countries. (Bloomberg)

- **Commodities**

Crude for November delivery was at \$86.83 a barrel, 3 cents higher in electronic trading on the New York Mercantile Exchange at 1:10 p.m. London time. Earlier it gained as much as \$1.38 to \$88.18 a barrel, the highest since Sept. 16. (Bloomberg)

Latest Financial News

- **Macroeconomics**

ECB has capacity to support Euro area banks, Moody's says.

The European System of Central Banks has "very substantial" capacity to support euro area banks and sovereign debt markets, Moody's says in report. Eurosystem interventions in sovereign debt markets likely to remain limited. Eurosystem has capacity to further extend its liquidity support said Moody's. (Bloomberg)

Merkel Ally Meister says Greek writedown push must be voluntary.

Efforts to persuade banks to accept bigger writedowns on Greek bonds must remain voluntary to avoid causing turmoil in financial markets, the parliamentary finance chief of German Chancellor Angela Merkel's party said. "For us, the main motive is to stay in a controllable situation, not in a situation that sparks contagion," Michael Meister, the Christian Democratic Union parliamentary finance spokesman, said yesterday in an interview in Berlin. "If the voluntary component is removed then we could find matters spinning out of control. I believe everyone has understood this well enough." European officials led by Germany and France are pressing for banks to accept losses of as much as 50 percent on their Greek debt as part of a package to fight the euro-area debt crisis being prepared for a European Union summit on Oct. 23, people familiar with the discussion said last week. While Merkel's chief spokesman tried yesterday to damp investor expectations of a complete fix by the Brussels summit, Finance Minister Wolfgang Schaeuble said that a 21 percent voluntary writedown agreed in July needs to renegotiated to bring down Greece's debt level. (Bloomberg)

- **Forex**

Euro set to strengthen versus yen on 'oversold' signal (technical analysis).

Investors may seek to buy the euro against the yen as a momentum gauge signals the 17-nation currency has dropped at a pace fast enough to encourage a rebound, according to Shinsei Bank Ltd. The weekly and monthly stochastic oscillators are below 30, the threshold that suggests to some traders an asset's price has fallen too quickly and is poised to reverse course, said Takako Masai, general manager of the markets sub-group at Shinsei Bank. (Bloomberg)

- **Money Market**

Romania to sell bonds abroad later next month, Mediafax says.

Romania plans to sell bonds in either the U.S. or Europe in the second half of November, Mediafax reported, citing Deputy Finance Minister Bogdan Dragoi. "Right now the U.S. looks more interesting because of the volume and the preference for longer maturities," the newswire in Bucharest quoted him as saying. "But considering the market conditions, we will decide where we issue the bonds once we have the documents ready." (Bloomberg)

Romania sells 800 mln Lei (185 mln Euro) in 2-year T-notes.

Romania sold its entire offer of 800 million lei (\$255 million/185 million euro) two-year Treasury notes in an auction on Monday, the central bank said. The average yield was 7.4%, the central bank, which sells government securities on behalf of the finance ministry, said in a statement. Romania has not issued two-year T-notes in the past few years. Bids were placed for 1.48 billion lei worth of government debt. The average accepted price was equal to 97.4891% of par. (SeeNews)

- **Equities**

- **Domestic**

Romania gets single bid for contract to manage Tarom IPO - media.

A consortium comprising Romania's Carpatica Invest and Swiss Capital is the only bidder in the tender to manage the initial public offering of 20% of flag carrier Tarom on the Bucharest bourse, news agency Mediafax quoted unnamed capital market sources as saying on Monday. The bid deadline expired at 1300 GMT on Monday. The bids will be opened at 0700 GMT on Tuesday, the Transport Ministry, which organised the tender, said earlier. (SeeNews)

Prodvinalco to pay lower 2010 dividend.

Romanian wine maker Prodvinalco (VAC RO) said on Monday it will pay a gross dividend of 0.231867 lei (\$0.074/0.053 euro) per share for 2010, down from 0.26085 lei paid for 2009. Shareholders approved the dividend proposal at a general meeting held on Friday, Prodvinalco said in a statement. The company reported a net profit of 2.3 million lei last year, down from 7.5 million lei for 2009, data from Romania's Finance Ministry showed. (SeeNews)

Ropharma plans to borrow up to 2.0 mln Euro.

Romanian drug distributor Ropharma (RPH RO) said it will seek its shareholders' approval to contract a medium-term loan of up to 2.0 million euro (\$2.8 million) from ING Bank. Shareholders will vote on the proposal at a general meeting due on November 21, Ropharma said in a statement late on Friday. It did not say what it will use the money for. Ropharma also said its shareholders will vote on a planned merger via absorption with local companies Helios, Romanita-Farm, Europharm Trading 7, Plantago, Drops Farm, Ergo-Farm and Farmacia Tesa. (SeeNews)

- **Foreign**

Belgium's rescue of Dexia unit faces in-depth probe by EU.

The European Commission opened an in-depth probe into Belgium's takeover of Dexia SA's local consumer-lending unit while granting temporary approval for the rescue. Dexia will be broken up after Belgium agreed earlier this month to pay 4 billion Euros (\$5.5 billion) for the Belgian retail banking division and to guarantee 60 percent of a so-called bad bank to be set up for Dexia's troubled assets. EU regulators said their probe will check whether the price paid for Dexia Bank Belgium includes a state subsidy and whether the aid meets EU rules. The Brussels-based commission approved the payment pending the result of the investigation saying it "acknowledges that the measure is necessary to preserve financial stability," it said in an e-mailed statement from Brussels yesterday. (Bloomberg)

Goldman Sachs buys stake in Chi-X Global.

Goldman Sachs Group Inc., Getco LLC, Morgan Stanley and two other firms bought equal stakes in Chi-X Global Holdings LLC, the operator of equity markets in Canada and Japan owned by Instinet Inc. (Bloomberg)

- **Commodities**

Copper declines for second day as China grows at slowest pace in two years.

Copper slumped for a second day as China's economy grew at the slowest pace in two years and Germany doused expectations of a breakthrough in Europe's debt crisis at this weekend's summit. All base metals declined. (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 that 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

Mihaela Alexandru, Treasury Deputy Director / mihaela.alexandru@otpbank.ro / +40 21 307.58.09;
Alina Onica, Chief of Foreign Exchange / alina.onica@otpbank.ro / +40 21 307.58.09;
Virginia Baldovin, Chief of MM and Fixed Income / virginia.baldovin@otpbank.ro / +40 21 307.58.09;
Alina Vrabioiu, Senior Sales Dealer / alina.vrabioiu@otpbank.ro / +40 21 307.58.09;
Tania Fantana, Sales Dealer / tania.fantana@otpbank.ro / +40 21 307.58.09;
Irina Ananiese, Sales Dealer / irina.ananiese@otpbank.ro / +40 21 307.58.09;
Silviu Enache, Capital Markets Director / Silviu.enache@otpbank.ro / +40 21 307.58.27;
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.