

## Executive Summary

### • Macroeconomics

Spain's rating cut by Moody's for third time since June 2010.

### • Forex

The euro traded at \$1.3742 at 5:00 p.m. in New York. The EUR/RON closed at 4.3510/4.3530.

### • Money Market

RON T/N trading range was 2.96%/3.29%.

### • Equities

#### Domestic

The BSE closed red, BET-C declined 0.94% on higher volumes, with BET losing 0.48% and BET-FI decreasing 2.03%. RASDAQ-C closed red (-0.79%) on lower volumes, while Tier I gained 2.06%, Tier II increased 2.69%.

#### Foreign

European stocks fall on debt crisis, China concern. U.S. stocks gained, sending the Standard & Poor's 500 Index to the highest level since August.

### • Commodities

Gold and platinum down. Most major commodities up.

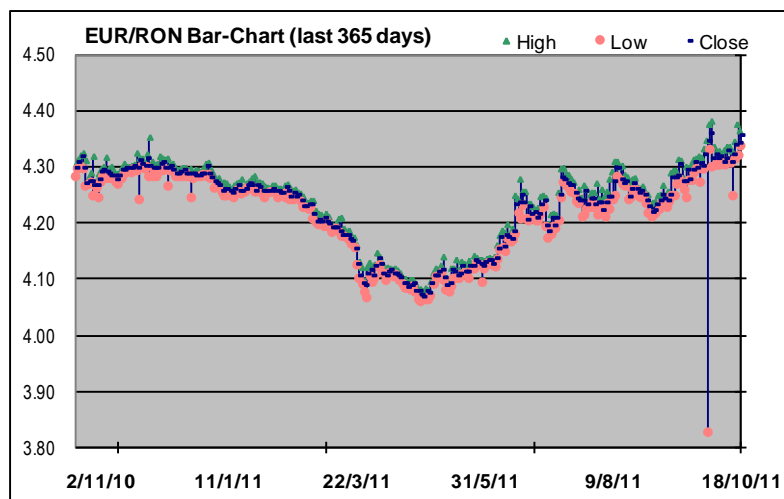
## Market Data (as of 19 October 2011)

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

### • Forex (as of 19-Oct-11)

FX Rates*	Prv. Day	Min 52W	Max 52W	Ytd	-52W
EUR/RON	4.3554	3.8285	4.3802	4.2900	4.2992
USD/RON	3.1716	2.7352	3.3135	3.2342	3.1133
CHF/RON	3.5275	3.0939	4.0619	3.4513	3.2090
100HUF/RON	1.4673	1.4348	1.6075	1.5343	1.5504

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

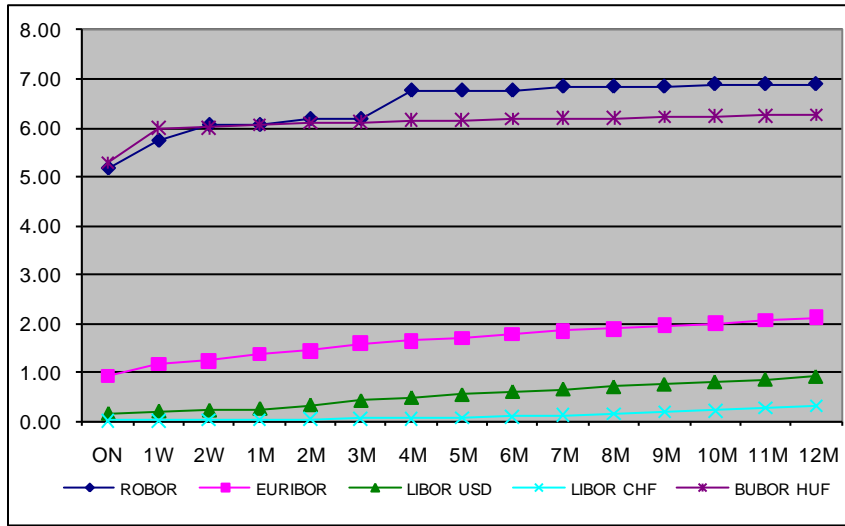


### • Money Markets (valid for 19 October 2011)

Rate	ON	1W	2W	1M	2M	3M	4M	5M	6M	7M	8M	9M	10M	11M	12M
ROBOR*	5.18	5.74	-	6.06	-	6.18	-	-	6.76	-	-	6.84	-	-	6.89
EURIBOR**	0.92	1.17	1.23	1.37	1.44	1.58	1.63	1.70	1.78	1.84	1.89	1.95	2.00	2.06	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	0.02	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	5.28	6.00	6.01	6.06	6.10	6.12	6.15	6.15	6.18	6.20	6.20	6.23	6.24	6.25	6.26

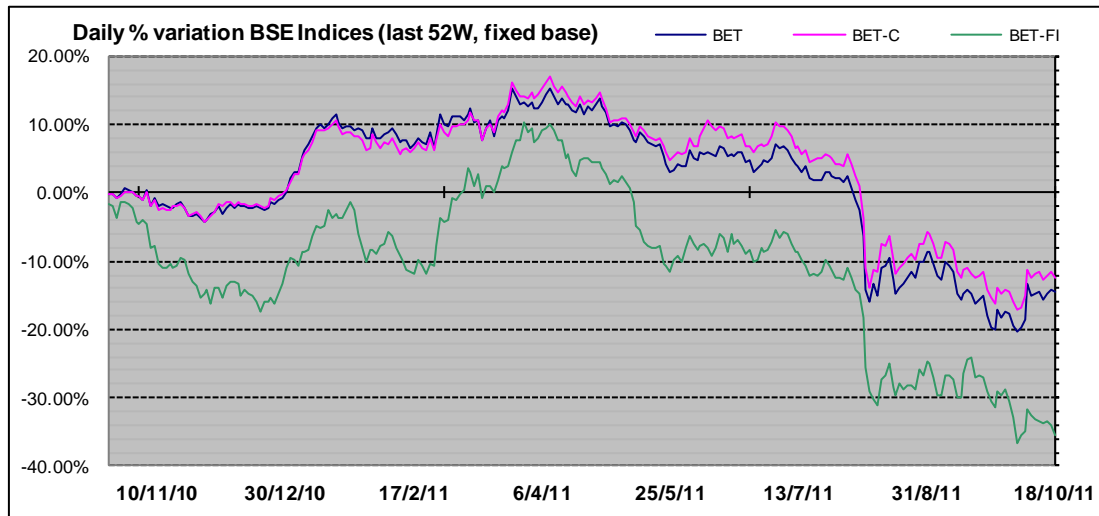
\* in the chart below, values for maturities where there is no quote are proxied by the maximum of the previous and the next maturity

\*\* 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	4,497.67	-0.48	-13.83	-14.48
BET-C	2,713.68	-0.94	-12.37	-12.50
BET-FI	15,964.80	-2.03	-25.53	-35.91
ROTX	8,446.20	-0.85	-21.81	-20.86
Rasdaq-C	1,533.09	-0.79	-8.75	-12.61
RAQ-I	1,093.67	2.06	-24.15	-53.12
RAQ-II	2,147.91	2.69	-29.73	-30.63

Foreign

Indices	Last close	1d%	Ytd%	52W%
DJIA (USD)	11,577.05	1.58	0.06	3.89
S&P 500 (USD)	1,225.38	2.04	-2.58	3.43
Nasdaq-C (USD)	447.53	2.38	-40.43	-29.88
FTSE 100 (GBP)	5410.35	-0.48	-9.39	-5.78
STOXX 600 (EUR)	235.33	-0.38	-15.05	-11.74
BUX (HUF)	17,386.69	-0.40	-18.96	-25.72

Top 5 most traded	Volume -RON	Volume - shares	Trades	Last price	1d%
FP	7,441,867	16,985,300	347	0.4375	-1.75
EBS	1,601,062	23,446	400	68.8000	-2.27
SIF1	947,636	1,321,000	224	0.7150	-2.05
SIF3	821,806	2,009,500	283	0.4089	-2.39
SIF5	485,905	587,000	142	0.8290	-2.24

Trading Volumes	BVB	Rasdaq	BUSE	NYSE listed	Nasdaq	LSE	STOXX 600 *
Previous Day	3.23	0.06	41.54	19,829.65	12,062.89	4,057.63	235.33
Ytd Avg. (EUR mn)	9.94	0.63	57.82	20,100.97	11,884.89	5,323.31	264.61
MCap (EUR bn)**	17.01	2.30	15.47	3,312.67	11,906.15	2,355.99	5,882.86

\* 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	9,532	11,500	10	0.8335	14.97
OIL	18,296	106,500	35	0.1750	2.88
SNP	462,162	1,505,000	118	0.3091	0.68
BRD	106,220	9,350	59	11.4000	0.18

Worst 5 performers	Volume -RON	Volume - shares	Trades	Last price	1d%
UAM	774	2,000	2	0.3868	-14.99
PREH	672	400	2	1.6800	-13.40
ELJ	541	4,000	3	0.1350	-12.90
ENP	455	500	1	0.9100	-12.50
CMF	4,160	2,500	4	1.5000	-12.33

- **Commodities**

Item (market)	unit	last close	1d%	Ytd%	52W%
Oil (Brent crude)	USD/barrel	111.15	0.90	18.79	25.75
Gold (COMEX)	USD/ounce	1652.8	-1.42	16.66	19.57
Platinum (NYMEX)	USD/ounce	1540.7	-0.72	-12.17	-9.95
Silver (COMEX)	USD/ounce	31.831	0.03	3.57	29.42
Wheat (CBOT)	USD/bushel	6.2525	0.16	-26.51	-20.27
Corn (CBOT)	USD/bushel	6.44	0.55	16.83	24.63

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

Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%
OTP AvantisRO	RON	5.4100	-0.18	-17.53	-20.91
OTP Obligatiuni	RON	11.3000	0.00	12.55	11.44
OTP ComodisRO	RON	13.7835	0.05	5.09	7.09
OTP Euro Bond	EUR	10.4112	0.04	3.59	4.23

## Market Highlights (as of 18 October 2011)

- **Forex**

The euro appreciated 0.1 percent to \$1.3742 at 5:31 p.m. in New York after earlier rising 0.6 percent. The euro gained 0.1 percent to 105.56 yen. Japan's currency was little changed at 76.83 versus the dollar after advancing as much as 0.3 percent. (Bloomberg)  
EUR/RON opened at 4.3370/4.3390 and weakened to close at 4.3510/4.3530. (ContiCap)

- **Money Market**

RON T/N traded at 2.96% - 3.29%. (ContiCap)

- **Equities**

- **Domestic**

The BSE closed red (BET-C, which does not include the SIFs lost 0.94%) on higher volumes but still below this year's average volume. While BET blue chips index decreased 0.48%, BET-FI lost 2.03%.

RASDAQ-C closed red (-0.79%) while Tier I gained 2.06%, Tier II advanced 2.69%. The trading volume was lower and still below 2011's average volume.

- **Foreign**

The S&P 500 added 2 percent to 1,225.38 at 4 p.m. New York time, erasing preview's drop. The benchmark gauge rose to the highest level since Aug. 3, two days before S&P stripped the U.S. of its AAA credit rating. The Dow Jones Industrial Average gained 180.05 points, or 1.6 percent, to 11,577.05. The benchmark Stoxx Europe 600 Index slipped 0.4 percent to 235.33 at the close of trading. (Bloomberg)

- **Commodities**

Brent oil for December settlement rose 99 cents, or 0.9 percent, to \$111.15 a barrel on the London-based ICE Futures Europe exchange. The spread between the December Brent and Nymex crude contracts narrowed to \$22.62 from a record high of \$27.88 on Oct. 14. (Bloomberg)

## Latest Financial News

- **Macroeconomics**

*Spain's rating cut by Moody's for third time since June 2010.*

Spain's credit rating was cut for the third time since June of last year by Moody's Investors Service as Europe's debt crisis threatens to engulf the nation. Moody's yesterday reduced its ranking to its fifth-highest investment grade, cutting it by two levels to A1 from Aa2, with the outlook remaining negative. Standard & Poor's downgraded Spain on Oct. 14 to its fourth-highest investment grade, and Fitch Ratings cut it to the same level on Oct. 7, the day it also downgraded Italy. (Bloomberg)

- **Forex**

*Euro advances versus Dollar as debt concern eases before European summit.*

The euro advanced against the dollar before European Union leaders hold a summit on Oct. 23 to deal with the region's debt crisis. "The mentality of the market is that they want to believe that we will get a resolution," in Europe, said Tim Waterer, a currency dealer at CMC Markets in Sydney. "The euro will find support." (Bloomberg)

- **Money Market**

*French-German yield spread expands to widest since 1992 on rating concern.*

France's 10-year bond yield climbed to the highest compared with Germany's in almost 20 years after Moody's Investors Service said the nation's Aaa credit rating is under pressure due to the regional debt crisis. French securities also fell along with those from Greece and Spain after reports showed China's economic growth slowed and German investor confidence worsened, fueling speculation the global recovery is losing momentum. France's financial strength has waned because of the financial crisis, New York-based Moody's said yesterday. The euro-area's second-largest economy is a guarantor of the European Financial Stability Facility regional bailout fund. (Bloomberg)

- **Equities**

- **Domestic**

*Alro to cut electrolytic aluminum production on energy supply glitches.*

Romanian aluminum smelter Alro (ALR RO) said on Tuesday it will cut its production of electrolytic aluminum due to reduced energy supplies it is getting from local drought-affected hydro power company Hidroelectrica. In late September, state-owned Hidroelectrica called the force majeure clauses on its supply contracts because of drought and said it would cut energy deliveries by up to 30%. Alro said in a statement it plans to make up for the drop in electrolytic aluminum production with aluminum waste processing. The planned cut will not affect, however, its targets for processed aluminum production. The company added that it was also considering cost cuts in a bid to improve efficiency. (SeeNews)

*Romania's SIF1 may sign Erste agreement in November, CEO says.*

SIF Banat-Crisana SA (SIF1 RO) shareholders probably will approve on Nov. 4 an agreement to sell a minority stake in Banca Comerciala Romana SA, Romania's largest bank, to Erste Group Bank AG (EBS RO), Chief Executive Officer Ioan Cuzman said. The fund, also known as SIF1, is one of four Romanian investment funds known as SIFs that agreed to sell their 24.1 percent stake in BCR to Erste for cash and shares worth 435 million Euros (\$596 million). SIF1 plans to sign the agreement "immediately after shareholders' approval," Cuzman said in an interview in Bucharest yesterday. "I am very confident that we'll receive the positive vote of our shareholders to sign this agreement," Cuzman said. "Probably all the SIFs will get a bonus from Erste, on top of the announced amount, because the bank didn't pay dividends." (Bloomberg)

*Erste's Treichl probed by FMA on swap accounting, guidance.*

Erste Group Bank AG (EBS RO) and its chief executive officer Andreas Treichl are being probed by Austria's financial supervisor over derivatives accounting and because the bank said it will make a loss less than two weeks after Treichl publicly forecast a profit. The national supervisor is examining if the lender broke

Austria's banking law in the past by accounting for credit default Swaps off-balance sheet and at purchase prices, Klaus Grubelnik, spokesman of the Finanzmarktaufsicht authority, or FMA, said in a telephone interview. The other probe concerns suspicions that Treichl manipulated markets when he said he expected a profit in an interview with Reuters on Sept. 29, Grubelnik said. (Bloomberg)

*Alro to select gas-fired plant constructor in 2011, chief says.*

Alro SA (ALR RO), a Romanian smelter, plans to select a constructor for its gas-fired power plant by the end of the year, the company's Chief Executive Officer Gheorghe Dobra said yesterday in Bucharest. Construction works for the plant with a capacity of 255 megawatts will take about three years, Dobra said. (Bloomberg)

## Foreign

*Hospira falls after cutting annual forecast on plant costs.*

Hospira Inc., a maker of generic injectable drugs, declined the most ever after the company reduced its annual earnings forecast to reflect costs to improve manufacturing at a North Carolina factory. Hospira slid 21 percent to \$29.51 at 4 p.m. New York time, the biggest drop since the company spun off from Abbott Laboratories and shares began trading May 3, 2004. The Lake Forest, Illinois-based company expects adjusted earnings for the year of \$2.95 to \$3.05 a share, less than the analysts' consensus estimate of \$3.91. (Bloomberg)

*Bank puts drop most in S&P 500 as profits cut pessimism (options).*

The cost of options protecting against losses in financial companies is falling faster than any other industry as earnings reassure investors that banks and brokerages will avoid a repeat of 2008. Three-month puts on the Financial Select Sector SPDR Fund cost 10.15 points more than calls, according to Bloomberg data on implied volatility. The price relationship known as skew has narrowed 16 percent since Oct. 3, the most among nine ETFs tracking Standard & Poor's 500 Index industries, as the gauge jumped 11 percent. Results from Bank of America Corp., Citigroup Inc. and JPMorgan Chase & Co. are reducing pessimism after concern Europe's debt crisis would spread sent price-to-book ratios on financial companies to the lowest level since April 2009. (Bloomberg)

## • Commodities

*Sugar shortages extend across Europe as global glut expands.*

At a time when the world is facing its biggest sugar glut in at least four years, trade barriers mean the European Union is contending with a second consecutive annual shortage. "We can't buy sugar in the EU because there isn't any," said James Lambert, chief executive officer of Northallerton, England-based R&R Ice Cream Plc, Europe's largest private-label producer. "Anything like fizzy drinks, ice cream and bakery products is going to rise dramatically." (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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