

## Executive Summary

### • Macroeconomics

European leaders rule out ECB help in boosting rescue fund.

### • Forex

The euro traded at \$1.3896 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 4.59%/4.80%.

### • Equities

#### Domestic

The BSE closed green, BET-C declined 1.19% on lower volumes, while BET gained 1.39% and BET-FI increased 1.24%.

RASDAQ-C closed green (+1.26%) on higher volumes, while Tier I lost 2.84%, Tier II was flat.

#### Foreign

U.S. stocks rise as S&P sees longest weekly rally since February. Stocks in Europe post longest streak of weekly gains this year as EU meets.

### • Commodities

Oil and corn down. Most other major commodities up.

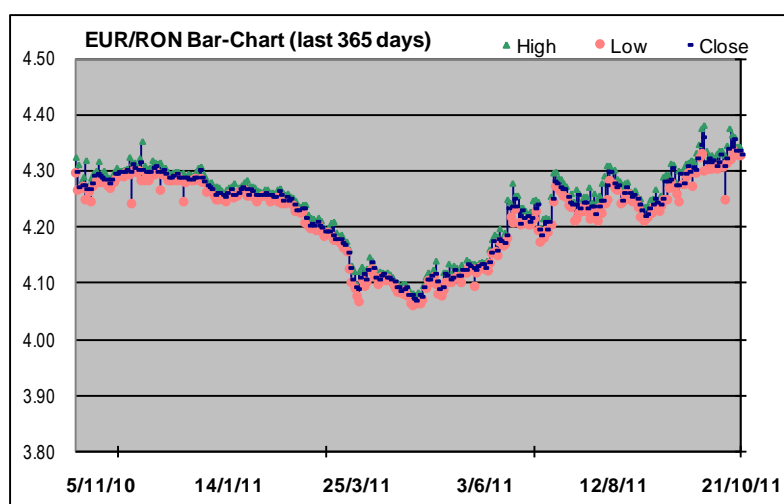
## Market Data (as of 24 October 2011)

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

### • Forex (as of 24-Oct-11)

FX Rates*	Prv. Day	Min 52W	Max 52W	Ytd	-52W
EUR/RON	4.3309	3.8285	4.3802	4.2900	4.2974
USD/RON	3.1250	2.7352	3.3135	3.2342	3.0864
CHF/RON	3.5332	3.0939	4.0619	3.4513	3.1532
100HUF/RON	1.4494	1.4348	1.6075	1.5343	1.5618

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

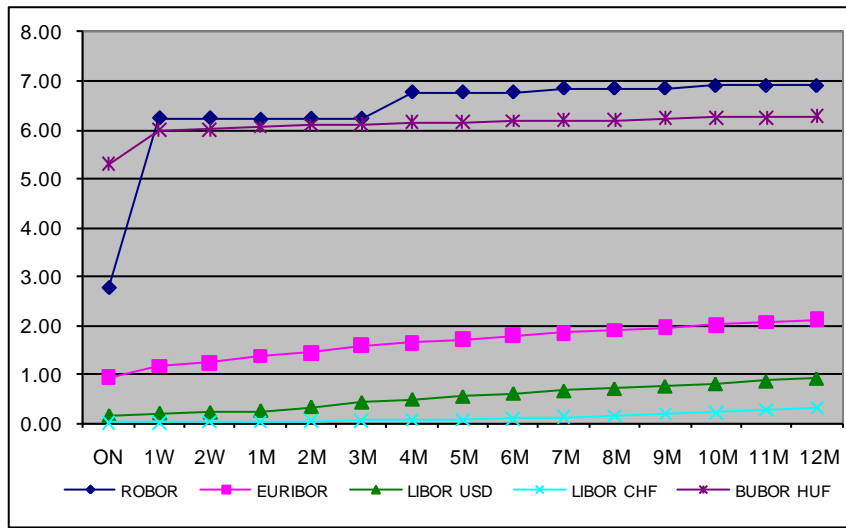


### • Money Markets (valid for 24 October 2011)

Rate	ON	1W	2W	1M	2M	3M	4M	5M	6M	7M	8M	9M	10M	11M	12M
ROBOR*	2.76	6.24	-	6.21	-	6.23	-	-	6.77	-	-	6.85	-	-	6.90
EURIBOR**	0.94	1.16	1.23	1.37	1.44	1.59	1.64	1.70	1.79	1.85	1.90	1.96	2.00	2.07	2.12
LIBOR USD	0.14	0.19	0.21	0.24	0.32	0.42	0.48	0.54	0.61	0.66	0.71	0.76	0.81	0.86	0.92
LIBOR CHF	0.01	0.01	0.02	0.02	0.03	0.04	0.06	0.07	0.09	0.11	0.15	0.18	0.22	0.26	0.31
BUBOR HUF	5.30	5.99	6.01	6.06	6.10	6.12	6.15	6.15	6.19	6.20	6.20	6.24	6.25	6.25	6.28

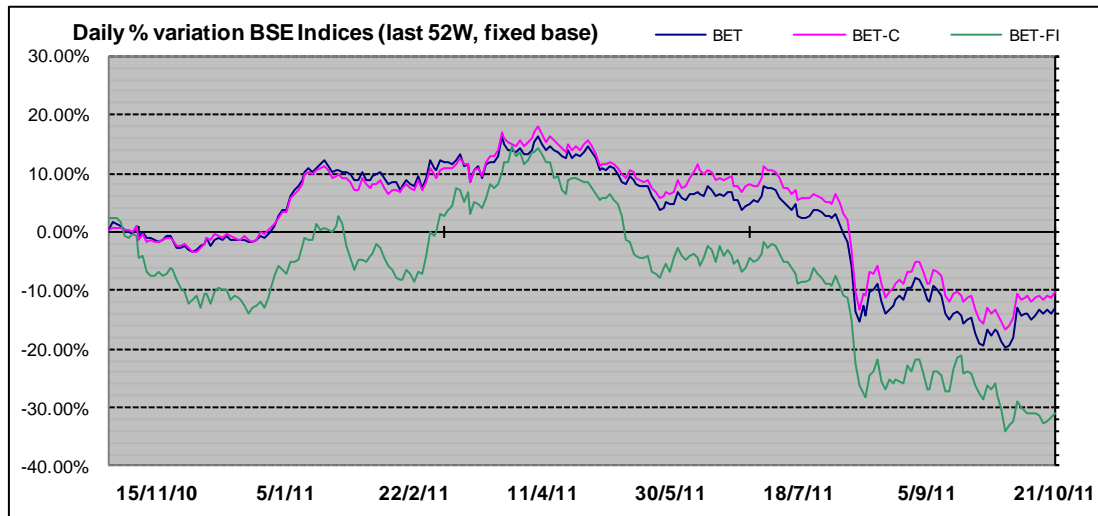
\* in the chart below, values for maturities where there is no quote are proxied by the maximum of the previous and the next maturity

\*\* 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	4,549.45	1.39	-12.84	-13.47
BET-C	2,757.07	1.19	-10.97	-11.01
BET-FI	16,421.81	1.24	-23.40	-33.52
ROTX	8,516.00	1.20	-21.16	-20.38
Rasdaq-C	1,563.79	1.26	-6.92	-10.66
RAQ-I	1,075.43	-2.84	-25.42	-56.64
RAQ-II	2,179.27	0.00	-28.70	-30.03

Foreign

Indices	Last close	1d%	Ytd%	52W%
DJIA (USD)	11,808.79	2.31	2.07	5.94
S&P 500 (USD)	1,238.25	1.88	-1.56	4.91
Nasdaq-C (USD)	443.27	2.01	-40.99	-30.01
FTSE 100 (GBP)	5488.65	1.93	-8.08	-4.68
STOXX 600 (EUR)	238.93	2.51	-13.75	-10.72
BUX (HUF)	17,423.33	1.86	-18.79	-26.38

Top 5 most traded	Volume -RON	Volume - shares	Trades	Last price	1d%
FP	3,743,519	8,501,500	196	0.4401	-0.52
EBS	923,803	13,702	243	68.5000	1.56
SIF1	809,467	1,080,500	166	0.7550	2.65
SIF2	752,529	1,019,000	119	0.7385	1.30
SIF5	738,320	859,000	146	0.8650	2.00

Trading Volumes	BVB	Rasdaq	BUSE	NYSE listed	Nasdaq	LSE	STOXX 600 *
Previous Day	2.26	0.07	33.58	23,718.78	12,913.46	4,516.88	238.93
Ytd Avg. (EUR mn)	9.85	0.62	57.48	20,092.84	11,886.80	5,312.01	264.21
MCap (EUR bn)**	17.45	2.33	15.43	3,272.00	11,946.18	2,396.97	5,967.80

\* 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%
CBC	4,968	1,200	5	4.1400	15.00
OLT	321,042	400,000	101	0.8055	14.99
SRT	14,314	598,000	54	0.0240	14.83
CMF	960	500	2	1.9200	11.30
BRK	82,233	9,396	136	0.1318	5.52

Worst 5 performers	Volume -RON	Volume - shares	Trades	Last price	1d%
ROCE	88	500	2	0.1769	-4.38
ELGS	7,103	7,500	9	0.9200	-4.02
MPN	465	2,000	4	0.2310	-1.70
BVB	30,207	1,110	65	27.0500	-1.64
SPCU	1,648	10,500	11	0.1550	-1.27

- **Commodities**

Item (market)	unit	last close	1d%	Ytd%	52W%
Oil (Brent crude)	USD/barrel	109.56	-0.18	17.09	27.77
Gold (COMEX)	USD/ounce	1636.1	1.44	15.48	22.55
Platinum (NYMEX)	USD/ounce	1509.2	1.26	-13.97	-11.79
Silver (COMEX)	USD/ounce	31.193	3.01	1.49	33.81
Wheat (CBOT)	USD/bushel	6.32	0.20	-25.71	-17.60
Corn (CBOT)	USD/bushel	6.4925	-0.04	17.78	24.20

- **OTP AM – Open-End Funds (as of 20-Oct-11)**

Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%
OTP AvantisRO	RON	5.3600	-0.37	-18.29	-21.75
OTP Obligatiuni	RON	11.3100	0.00	12.65	11.32
OTP ComodisRO	RON	13.7906	0.02	5.14	6.94
OTP Euro Bond	EUR	10.4148	0.01	3.63	4.25

## Market Highlights (as of 21 October 2011)

- **Forex**

The yen appreciated 0.7 percent to 76.29 versus the dollar at 5 p.m. in New York after touching a record high 75.82. The euro rose 0.8 percent to \$1.3896, extending its weekly gain to 0.1 percent. The euro rose 0.1 percent to 105.97 yen. (Bloomberg)

EUR/RON opened at 4.3335/4.3355 and slightly strengthened for the third day in a row to close at 4.3290/4.3310. (ContiCap)

- **Money Market**

RON T/N traded at 4.59% - 4.80%. (ContiCap)

- **Equities**

- **Domestic**

The BSE closed green (BET-C, which does not include the SIFs gained 1.19%) on lower volumes and still below this year's average volume. While BET blue chips index increased 1.39%, BET-FI advanced 1.24%.

RASDAQ-C closed green (+1.26%), while Tier I lost 2.84%, Tier II was flat. The trading volume was higher but still below 2011's average volume.

- **Foreign**

The S&P 500 climbed 1.1 percent to 1,238.25, the highest since Aug. 3, and has risen three straight weeks. It has surged 13 percent since Oct. 3, when it closed within 1 percent of a bear market, or 20 percent plunge, from its high in April. The Dow Jones Industrial Average rose a fourth straight week, gaining 164.30 points, or 1.4 percent, to 11,808.79. The Stoxx Europe 600 Index advanced 0.2 percent to 238.93 last week, with energy, personal goods and retail industries gaining the most. (Bloomberg)

- **Commodities**

Brent crude on the ICE Futures Europe exchange reversed earlier gains of as much as 1.9 percent. December-settlement Brent fell 20 cents to \$109.56. (Bloomberg)

## Latest Financial News

- **Macroeconomics**

*European leaders rule out ECB help in boosting rescue fund.*

European leaders ruled out tapping the European Central Bank's balance sheet to boost the region's rescue fund and outlined plans to aid banks, inching toward a revamped strategy to contain the Greece-fueled debt crisis. Europe's 13th crisis-management summit in 21 months also explored how to strengthen the International Monetary Fund's role. The leaders excluded a forced restructuring of Greek debt, sticking with the tactic of enticing bondholders to accept losses to help restore the country's finances. "Work is going well on the banks, and on the fund and the possibilities of using the fund, the options are converging," French President Nicolas Sarkozy told reporters at the Brussels summit yesterday. "On the question of Greece, things are moving along. We're not there yet." (Bloomberg)

- **Forex**

*Euro strategists draw line at \$1.34 as Merkel seeks rescue.*

Foreign-exchange strategists have ceased cutting forecasts for the euro as European government officials intensify efforts to end the region's crisis and traders pare bets for a collapse in the currency. Between Sept. 12 and Oct. 6 the median year-end estimate of more than 40 analysts surveyed by Bloomberg tumbled to \$1.35 from \$1.43. It has ranged between \$1.34 and \$1.35 since then. (Bloomberg)

- **Money Market**

*Romanian Central Bank may adjust conditions prudently, Popa says.*

Romania's central bank may adjust monetary conditions "gradually and prudently" on slowing inflation, Deputy Governor Cristian Popa said. Policy makers have room "to adjust broad monetary conditions," including the monetary policy rate, reserve-requirement ratios and variations in the exchange rate, as inflation slows to about 3 percent next year, within the bank's target band of 2 percent to 4 percent, Popa said in an interview in Warsaw on Friday. It's "likely that we'll want to adjust monetary conditions gradually and prudently." Eastern European central banks have kept rates on hold on expectations inflation will slow and economies will weaken because of slowing economic growth in western Europe, the region's main importer of goods. The Banca Nationala a Romaniei kept the European Union's main rate at 6.25 percent for an 11th meeting on Sept. 29, refraining from a cut that would spur capital outflows and weaken the leu. (Bloomberg)

- **Equities**

- **Domestic**

*Fondul Proprietatea says 2012 profit may double on dividends.*

Romanian property restitution fund Fondul Proprietatea SA (FP RO) said its profit may double next year as revenue rises because of higher dividend payouts. The fund, managed by Franklin Templeton Investment Management Ltd., forecast net profit to rise to 442.5 million lei (\$142 million) in 2012 from an estimated profit of 207 million lei this year, according to a document posted on its website after 5 p.m. on Friday. The fund initially published the budget proposal at around 3:30 p.m. Shareholders will vote on the plan on Nov. 23. "The budget is based on the assumption that the fund won't buy stakes in other companies in 2012, won't sell any of the stakes in its portfolio and won't take part in share capital increases," according to the document. (Bloomberg)

*Bucharest-listed real estate fund NEPI plans to raise 40 Mln Euro in rights issue.*

Real estate fund New Europe Property Investments (NEPI RO), listed on the Bucharest bourse, said on Friday it plans to raise 40 million euro (\$55 million) in rights offer. NEPI shareholders will be offered 16.14242 new shares for every 100 ordinary shares they own. The subscription price for rights offer shares is 2.8 euro apiece, the fund said in a statement. The proceeds from the rights offer are expected to be used to fund potential acquisitions which NEPI is in the process of negotiating. Should the acquisitions not be completed, the process from the rights offer will be used to repay existing borrowings. (SeeNews)

*Fondul Proprietatea delays secondary listing on Warsaw bourse.*

The manager of Romanian property restitution fund Proprietatea (FP RO) said on Friday it will delay the fund's secondary listing on the Warsaw stock market due to regulatory obstacles. The secondary listing was initially planned for the first quarter of next year. "Given our stated desire to combine the secondary listing

with an offering of up to 10 percent of the Fund's existing shares, we have been considering various methods to accumulate the shares for offering, including acquiring shares by tender offer, by buyback, or by other means," Proprietatea's manager, U.S.-based Franklin Templeton Investments, said in a statement. "The feasibility of some of these methods is dependent on interpretation of some aspects of Romanian law and regulation which have not been widely examined in practice, due to the current stage of development of the Romanian market." The fund manager added it is in talks with Romania's capital market regulator, CNVM, to reach a solution. "From CNVM's initial feedback, it appears that there are more potential obstacles than we envisaged, but these discussions are ongoing and we remain committed to working with CNVM to reach a constructive outcome which will lead to further development of the Romanian market." (SeeNews)

*OMV Petrom gas, oil production declined 1.6% in third quarter.*

OMV Petrom SA (SNP RO), Romania's largest oil company, said third-quarter oil and natural-gas production declined 1.6 percent from the previous three months. Output fell to 184,000 barrels of oil equivalent a day from 187,000 in the second quarter as "new wells could not fully compensate outages caused by bad weather," the Bucharest-based company's majority owner, OMV AG, said Friday in a statement. Third-quarter gas sales volumes dropped 20 percent to 840 million cubic meters from 1.05 billion cubic meters in the previous quarter as higher import prices weakened margins in Romania, according to the statement. (Bloomberg)

**Foreign***S&P 500 futures rise on signs of faster economic growth in Asia.*

U.S. stock futures climbed, erasing an earlier loss, as Asian equities rallied on signs of stronger growth in China and Japan, the region's two biggest economies. Standard & Poor's 500 futures expiring in December rose 0.3 percent to 1,239.30 at 1:22 p.m. in Tokyo. The contract earlier lost as much as 0.7 percent. The MSCI Asia Pacific Index jumped 2.5 percent after Japan's exports increased faster than estimated and an indicator of Chinese manufacturing activity rose to its highest level in five months. (Bloomberg)

*Sprott fund buys energy with commodities at recession valuation.*

Chemical, metal and agricultural companies around the world have fallen to valuations whose only precedent came in the last recession. Commodity producers in the MSCI All-Country World Index lost 21 percent since the second quarter and trade for 10.6 times reported income, cheaper than 96 percent of days since 1995, according to data compiled by Bloomberg. In Canada, where stocks get more value from producers of fuels and minerals than any other major developed market, losses in energy shares are exceeding oil prices for the first time in 17 years. "It has everything to do with fear and little to do with actual fundamentals," Sprott Inc.'s Eric Nuttall, whose Sprott Energy Fund is up 16 percent this month, said of oil stocks. "When people are in a fear-driven mode, fundamentals can be irrelevant in the short term. Eventually, the stock market will always be fundamentals-driven." (Bloomberg)

**• Commodities***China's steel prices decline most since 2008 global crisis.*

Chinese steel prices plunged the most last week since the 2008 global economic crisis, signaling mills may further cut production of the alloy used in automobiles and construction and reduce demand for iron ore. Hot-rolled coil, a benchmark steel product, dropped 8.8 percent in the week ended Oct. 21, the biggest drop since the week ended Oct. 17, 2008, according to Beijing Antaike Information Development Co. Chinese benchmark prices of iron ore, used in steelmaking, fell for a 10th day at the end of last week. Prices in the world's biggest steelmaking nation started to slump at the end of August as a slowing global economy cuts demand in countries including India. (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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