

## Executive Summary

### • Macroeconomics

Romania's economy might grow 3% in 3Q compared with July-Sept 2010, says president.

### • Forex

The euro traded at \$1.4147 at 5:00 p.m. in New York. The EUR/RON closed at 4.3115/4.3135.

### • Money Market

RON T/N trading range was 4.99%/5.12%.

### • Equities

#### Domestic

The BSE closed red, BET-C declined 0.48% on lower volumes, while BET lost 0.86%, BET-FI decreased 1.16%.

RASDAQ-C closed red (-0.12%) on lower volumes, while Tier I and Tier II were flat.

#### Foreign

European stocks surge for fifth week after leaders strike debt-crisis deal. U.S. stocks advance as S&P 500 heads for best month since 1974.

### • Commodities

Oil and gold up. Most other major commodities down.

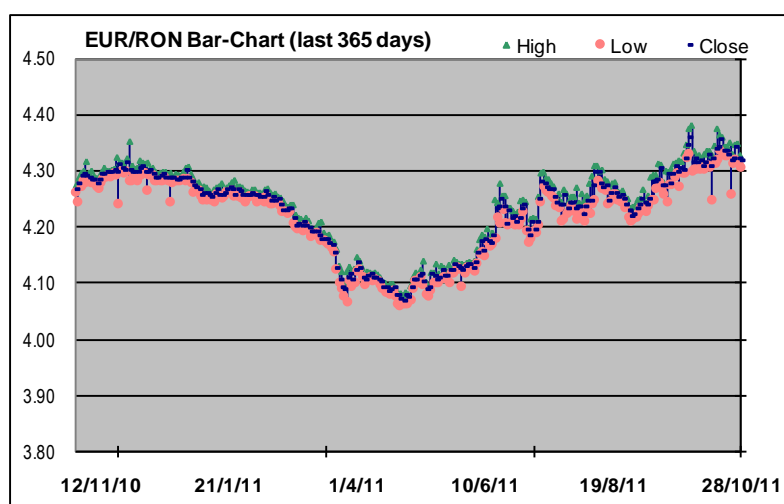
## Market Data (as of 31 October 2011)

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

### • Forex (as of 31-Oct-11)

FX Rates*	Prv. Day	Min 52W	Max 52W	Ytd	-52W
EUR/RON	4.3197	4.0601	4.3802	4.2900	4.2680
USD/RON	3.0506	2.7352	3.3135	3.2342	3.0665
CHF/RON	3.5359	3.0939	4.0619	3.4513	3.1180
100HUF/RON	1.4221	1.4211	1.6075	1.5343	1.5722

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

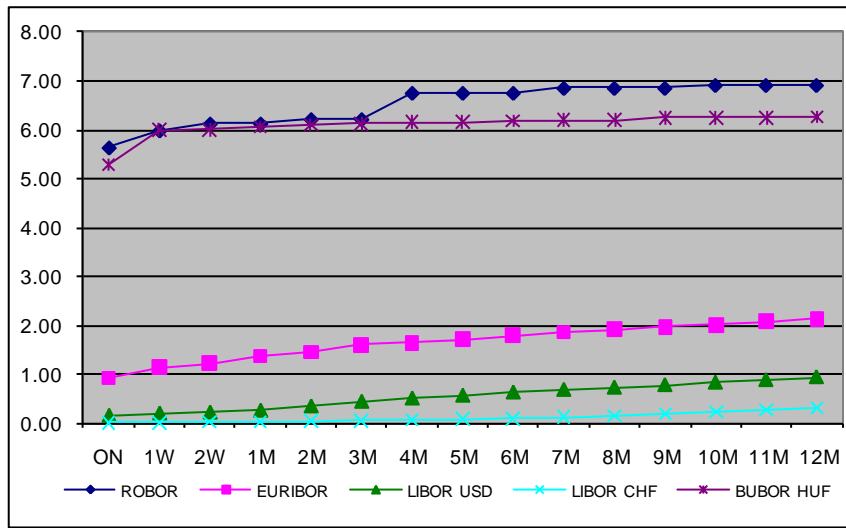


### • Money Markets (valid for 31 October 2011)

Rate	ON	1W	2W	1M	2M	3M	4M	5M	6M	7M	8M	9M	10M	11M	12M
ROBOR*	5.64	5.99	-	6.13	-	6.22	-	-	6.76	-	-	6.86	-	-	6.92
EURIBOR**	0.92	1.14	1.22	1.37	1.45	1.59	1.64	1.71	1.79	1.85	1.91	1.96	2.01	2.07	2.13
LIBOR USD	0.14	0.19	0.21	0.25	0.33	0.43	0.50	0.55	0.62	0.67	0.72	0.77	0.82	0.87	0.93
LIBOR CHF	0.01	0.01	0.02	0.02	0.03	0.04	0.06	0.07	0.09	0.12	0.15	0.18	0.22	0.26	0.31
BUBOR HUF	5.29	6.00	6.01	6.06	6.10	6.13	6.15	6.15	6.19	6.20	6.20	6.25	6.25	6.25	6.27

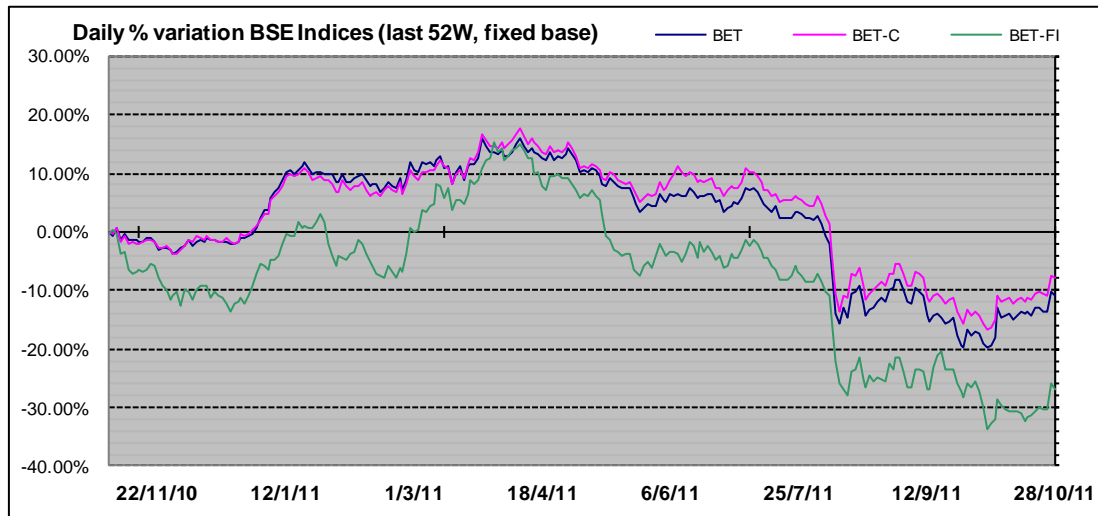
\* in the chart below, values for maturities where there is no quote are proxied by the maximum of the previous and the next maturity

\*\* 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	4,664.64	-0.86	-10.63	-11.99
BET-C	2,838.51	-0.48	-8.34	-8.41
BET-FI	17,300.64	-1.16	-19.30	-28.91
ROTX	8,793.80	-1.64	-18.59	-18.86
Rasdaq-C	1,567.61	-0.12	-6.69	-10.51
RAQ-I	1,119.89	0.00	-22.34	-44.62
RAQ-II	2,159.22	0.00	-29.36	-26.37

Foreign

Indices	Last close	1d%	Ytd%	52W%
DJIA (USD)	12,231.11	0.18	5.72	10.05
S&P 500 (USD)	1,285.09	0.04	2.16	8.56
Nasdaq-C (USD)	450.24	0.70	-40.07	-34.59
FTSE 100 (GBP)	5702.24	-0.20	-4.50	0.43
STOXX 600 (EUR)	249	-0.17	-10.11	-6.36
BUX (HUF)	17,600.07	-2.37	-17.96	-23.82

Top 5 most traded	Volume -RON	Volume - shares	Trades	Last price	1d%
FP	17,009,634	37,344,300	568	0.4550	0.22
TLV	3,473,846	3,332,500	122	1.0380	-1.05
SIF2	2,702,610	3,293,000	321	0.8050	-1.23
EBS	2,544,847	33,157	471	73.9500	-5.92
SIF5	2,331,269	2,423,000	452	0.9375	-2.24

Trading Volumes	BVB	Rasdaq	BUSE	NYSE listed	Nasdaq	LSE	STOXX 600 *
Previous Day	7.85	0.07	58.26	19,004.97	10,166.94	4,934.94	249.00
Ytd Avg. (EUR mn)	9.76	0.61	57.40	20,096.53	11,881.75	5,302.66	263.75
MCap (EUR bn)**	18.36	2.35	15.33	3,378.80	12,332.65	2,480.38	6,215.71

\* 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%
OLT	347,440	215,000	101	1.6160	14.94
UAM	220	500	1	0.4399	13.73
CMM	1,020	6,000	5	0.1700	13.71
NEP	14	1	1	13.8000	9.52
ELGS	2,855	3,000	4	0.9900	6.45

Worst 5 performers	Volume -RON	Volume - shares	Trades	Last price	1d%
ARM	1,521	16,000	3	0.0950	-8.65
PREH	2,724	1,700	6	1.6100	-7.74
EBS	2,544,847	33,157	471	73.9500	-5.92
IMP	108	500	1	0.2152	-5.61
TRP	500	1,500	2	0.3550	-5.33

- **Commodities**

Item (market)	unit	last close	1d%	Ytd%	52W%
Oil (Brent crude)	USD/barrel	109.91	-1.94	17.46	26.13
Gold (COMEX)	USD/ounce	1747.2	-0.03	23.32	29.17
Platinum (NYMEX)	USD/ounce	1651.8	0.63	-5.84	-3.46
Silver (COMEX)	USD/ounce	35.288	0.50	14.81	46.66
Wheat (CBOT)	USD/bushel	6.445	0.08	-24.24	-21.23
Corn (CBOT)	USD/bushel	6.55	0.54	18.82	20.63

- **OTP AM – Open-End Funds (as of 27-Oct-11)**

Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%
OTP AvantisRO	RON	5.6900	4.40	-13.26	-16.32
OTP Obligatiuni	RON	11.3400	0.18	12.95	12.17
OTP ComodisRO	RON	13.8100	0.03	5.29	6.91
OTP Euro Bond	EUR	10.4238	0.01	3.72	4.32

## Market Highlights (as of 28 October 2011)

- **Forex**

The euro decreased 0.5 percent to 107.28 yen at 5 p.m. New York time after rising a day before to 108.14, the highest level since Sept. 8. Europe's currency pared its weekly gain to 1.2 percent. The euro dropped 0.3 percent to \$1.4147 after earlier sliding 0.4 percent. It reached \$1.4247 on Friday, the highest level since Sept. 6. The yen rose 0.2 percent to 75.82 per dollar after appreciating yesterday to a post-World War II record of 75.66. (Bloomberg)

EUR/RON opened at 4.3245/4.3265 and strengthened to close 4.3115/4.3135. (ContiCap)

- **Money Market**

RON T/N traded at 4.99% - 5.12%. 1m moved -14.5bp, 2m -15 bp, 3m -7p, 6m -5bp, and there was no move in the 9m or 12m durations. (ContiCap)

- **Equities**

- **Domestic**

The BSE closed red (BET-C, which does not include the SIFs decreased 0.48%) on lower volumes and below this year's average volume. While BET blue chips index decreased 0.86%, BET-FI lost 1.16%.

RASDAQ-C closed red (-0.12%), while Tier I and Tier II were flat. The trading volume was lower and below 2011's average volume.

- **Foreign**

The S&P 500 rose 3.8 percent to 1,285.09, the highest since Aug. 1. It has rallied four straight weeks, the longest streak since January, and added 14 percent in October. The Dow gained 422.32 points, or 3.6 percent, to 12,231.11 last week. The Stoxx Europe 600 Index climbed 4.2 percent to 249 this past week. The gauge has surged 10 percent in October, heading for its biggest monthly advance since April 2009, amid speculation the economy will evade another recession and Europe will avoid the worst effects of the region's debt crisis. The measure has risen 16 percent from this year's low on Sept. 22. (Bloomberg)

- **Commodities**

Brent oil for December settlement slid \$2.17, or 1.9 percent, to \$109.91 a barrel on the London-based ICE Futures Europe exchange. Brent gained 0.3 percent last week. (Bloomberg)

## Latest Financial News

- **Macroeconomics**

*Romania's economy might grow 3% in 3Q compared with July-Sept 2010, says president.*

Romania's economy might grow 3% in the third quarter of the year compared with the same interval a year ago if the country's economic performance in September is not spectacularly bad, President Traian Basescu told a news conference Sunday, Romanian Mediafax reports. Speaking after a meeting with representatives of the International Monetary Fund, European Commission and the World Bank, the head of state said the most significant increases in the third quarter of 2011, considering July-August data, are registered in the agriculture sector (12%), constructions (10%) and tourism (19%). Romanian consumer prices fell for the fourth straight month in September, on cheaper food, while the annual inflation eased to 3.45%, the lowest rate in over two decades. (FocusNews)

*Romania's lalomitianu calls for wage freeze to meet budget goal.*

Romanian Finance Minister Gheorghe lalomitianu said that the country should freeze wages and pensions next year to meet its "prudent" budget goal. lalomitianu said he was currently analyzing the 2012 deficit goal because of financing problems, he said in Bucharest on Friday. (Bloomberg)

- **Forex**

*Yen drops versus Euro, Dollar as Japan intervenes for third time this year.*

The yen dropped, this morning, by the most in three years against the dollar as Japan stepped into foreign-exchange markets to weaken the currency for the third time this year after its gains to a postwar record threatened exporters. (Bloomberg)

- **Money Market**

*Romania to raise 4.5 billion Lei of government debt next month.*

Romania's government plans to raise 4.5 billion lei (\$1.5 billion) of debt next month, offering 3.7 billion lei of Treasury bills and 800 million lei of bonds, the Finance Ministry in Bucharest said in an e-mail on Friday. Romania plans to offer bonds maturing in 2013 and 2014 in November, according to the statement. (Bloomberg)

*Bonds beating U.S. stocks over 30 years for first time since 19th century.*

The biggest bond gains in almost a decade have pushed returns on Treasuries above stocks over the past 30 years, the first time that's happened since before the Civil War. Long-term government bonds have gained 11.5 percent a year on average over the past three decades, beating the 10.8 percent increase in the S&P 500, said Jim Bianco, president of Bianco Research in Chicago. Investors seeking safety following the collapse of Lehman Brothers Holdings Inc. in September 2008 fueled demand for debt and upended the notion that equities rising along with corporate growth must offer the best gains. (Bloomberg)

## • Equities

### Domestic

*Romania launches sale of its largest copper mine.*

Romania launched the sale of its biggest copper mine Cupru Min SA Abrud via a tender, the government's industry privatisation office (OPSPI) said on its website. OPSPI, which set a Jan. 17 deadline to submit bids, said it aimed to sell 100 percent in the mine which sits on about 60 percent of the European Union member's copper reserves, some 900,000 tones. It said the auction will be held on Jan. 18. Deputy economy minister Claudiu Stafie had said last month he hoped the privatisation would be wrapped up by the end of this year and that the ministry has received 10 letters of intent from investors willing to participate. A government strategy paper showed earlier this year that Bucharest aimed originally to sell a stake in Cupru Min on the Bucharest stock exchange. (Reuters)

*Erste aims to fill \$1 billion gap without taking state aid.*

Erste Group Bank AG (EBS RO) will avoid state aid "at all cost" as eastern Europe's second-biggest bank plugs a 750 million-euro (\$1 billion) capital shortfall caused by a third-quarter loss. Erste estimates the gap widened from the 59 million Euros calculated by the European Banking Authority for June 30 after the Vienna-based bank posted a quarterly loss of 1.49 billion Euros on writedowns and charges, Chief Executive Officer Andreas Treichl said on a conference call Friday. "The next tranche of state capital will be substantially less friendly -- I will avoid this at all cost," said Treichl, when asked if he would seek support from the Austrian government following a capital injection in 2009. Erste can fill the gap with retained earnings over the next three quarters, he said. Erste needs the extra funds to meet an EBA requirement for banks to hold 9 percent in core capital after sovereign-debt writedowns by the middle of next year. (Bloomberg)

### Foreign

*BP ends supply contracts with OMV's Schwechat refinery.*

BP Plc has canceled supply contracts with OMV AG's Schwechat refinery in Austria, Trend magazine reported, citing unidentified people familiar with the deal. BP aims to get better conditions or completely change the supplier, the Vienna-based magazine said in a prerelease of an article that will be published today. BP is Schwechat's biggest purchaser of fuel after OMV itself and in the past took as much as 58 percent of diesel produced for external market participants, according to the report. Italy's Eni SpA may also be in talks with Schwechat for better conditions, the magazine said. (Bloomberg)

*Merck beats analysts' estimates.*

Merck KGaA jumped 14 percent after the Germany drugmaker reported third-quarter profit of 226.6 million Euros, beating analysts' estimates because of growth at the Merck Serono pharmaceutical and Millipore equipment businesses. (Bloomberg)

*Renault rallies on revenue increase.*

Renault, France's second-biggest carmaker, surged 15 percent. A 12 percent increase in third-quarter revenue to 9.75 billion Euros beat projections on higher demand for the Sandero model in Brazil and Russia. (Bloomberg)

## • Commodities

*Gold declines from five-week high in N.Y. amid renewed Europe debt concern.*

Gold declined from a five-week high on renewed concerns that Europe's debt crisis will hamper global growth, damping prospects for commodity demand. "Fresh fears about Italy are pushing all commodities, including gold, lower," Frank McGhee, the head dealer at Integrated Brokerage Services LLC in Chicago, said in a telephone interview. "We are also witnessing some profit taking." Gold futures for December delivery fell less than 0.1 percent to settle at \$1,747.20 an ounce at 1:45 p.m. on the Comex in New York, halting a rally that began Oct. 20. Prices climbed 6.8 percent this week, the most since January 2009. (Bloomberg)



## LEGEND

"Min / Max 52W" = Minimum / Maximum value recorded in the past 52 weeks "Ytd" (Year to date) = quotation in the first trading day of the year;

"Last close / price" = the closing price for the last trading session before the issue date of this report "Ytd%" (Year to date %) = cumulative % increase/decrease since the end of the previous year;

"MCap" = Market capitalization;

"52W%" = cumulative % increase/decrease during the past 52 weeks; "1d%" = % increase/decrease between Last close and the closing price of the day before the Last close date

weeks;

"Ytd Avg." = average value since the beginning of the current year "BuSE" = Budapest Stock Exchange



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