

## Executive Summary

### • Macroeconomics

Romanian Government reaffirms 2015 Euro-adoption goal.

### • Forex

The euro traded at \$1.3806 at 6:18 a.m. in London. The EUR/RON closed at 4.3285/4.3305.

### • Money Market

RON T/N trading range was 4.22%/4.84%.

### • Equities

#### Domestic

The BSE closed red, BET-C declined 1.52% on lower volumes, while BET lost 1.82%, BET-FI decreased 1.10%.

RASDAQ-C closed green (+0.55%) on higher volumes, while Tier I gained +0.28%, Tier II advanced 5.29%.

#### Foreign

Stocks in U.S. decline amid growing concern about European crisis funding. European stocks drop, paring best month since '09.

### • Commodities

Most major commodities down.

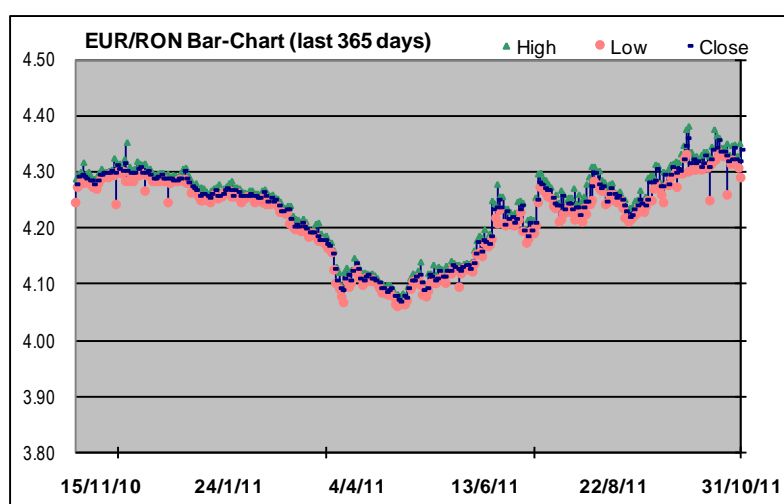
## Market Data (as of 01 November 2011)

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

### • Forex (as of 1-Nov-11)

FX Rates*	Prv. Day	Min 52W	Max 52W	Ytd	-52W
EUR/RON	4.3384	4.0601	4.3802	4.2900	4.2772
USD/RON	3.1114	2.7352	3.3135	3.2342	3.0769
CHF/RON	3.5670	3.0939	4.0619	3.4513	3.1000
100HUF/RON	1.4322	1.4171	1.6075	1.5343	1.5813

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

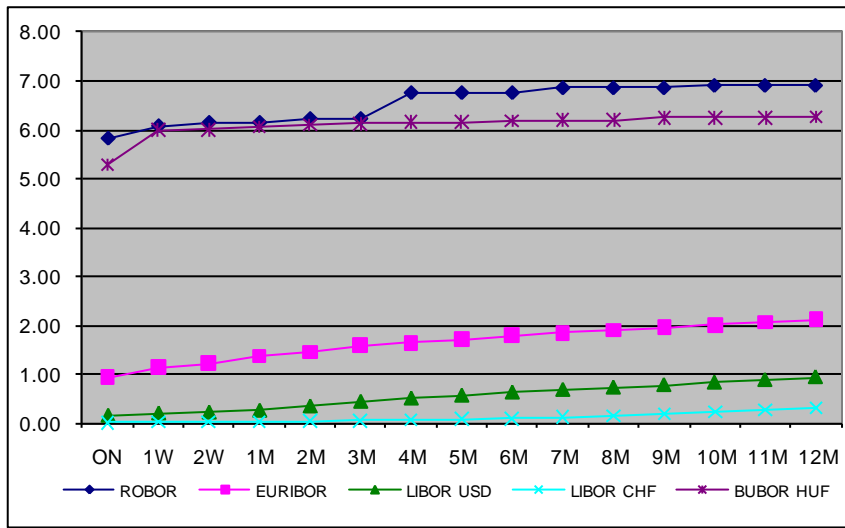


### • Money Markets (valid for 01 November 2011)

Rate	ON	1W	2W	1M	2M	3M	4M	5M	6M	7M	8M	9M	10M	11M	12M
ROBOR*	5.81	6.07	-	6.14	-	6.22	-	-	6.76	-	-	6.86	-	-	6.91
EURIBOR**	0.94	1.14	1.22	1.37	1.45	1.59	1.64	1.71	1.79	1.85	1.90	1.96	2.00	2.07	2.12
LIBOR USD	0.14	0.19	0.21	0.25	0.33	0.43	0.50	0.56	0.62	0.67	0.72	0.77	0.82	0.88	0.94
LIBOR CHF	0.01	0.02	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

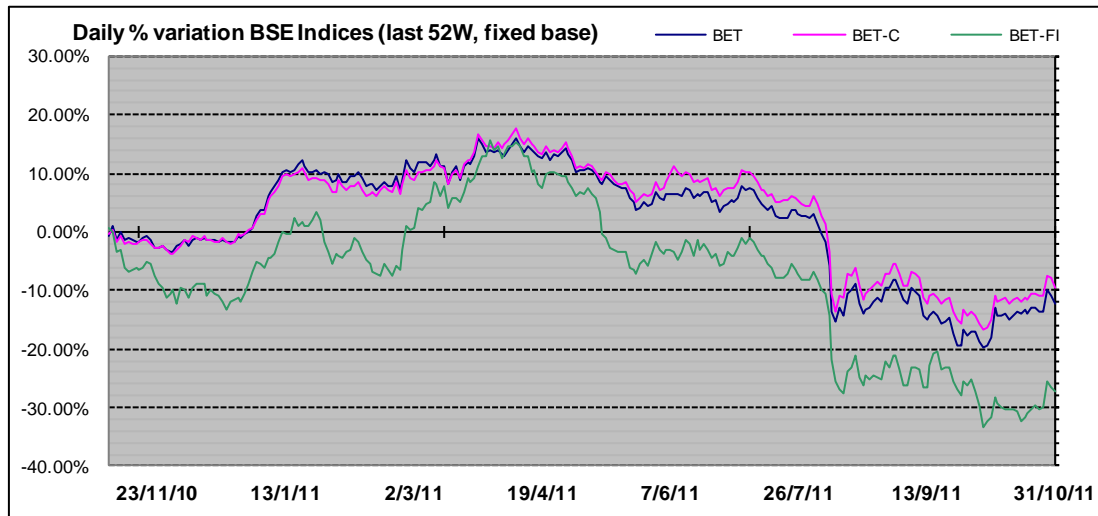
\* in the chart below, values for maturities where there is no quote are proxied by the maximum of the previous and the next maturity

\*\* 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	4,579.62	-1.82	-12.26	-13.30
BET-C	2,795.41	-1.52	-9.73	-9.79
BET-FI	17,109.55	-1.10	-20.19	-29.58
ROTX	8,613.20	-2.05	-20.26	-19.94
Rasdaq-C	1,576.30	0.55	-6.17	-9.97
RAQ-I	1,122.99	0.28	-22.12	-44.96
RAQ-II	2,273.52	5.29	-25.62	-22.15

Foreign

Indices	Last close	1d%	Ytd%	52W%
DJIA (USD)	11,955.01	-2.26	3.33	7.52
S&P 500 (USD)	1,253.30	-2.47	-0.36	5.92
Nasdaq-C (USD)	437.01	-2.94	-41.83	-37.36
FTSE 100 (GBP)	5544.22	-2.77	-7.15	-2.31
STOXX 600 (EUR)	243.48	-2.22	-12.11	-8.45
BUX (HUF)	17,600.07	0.00	-17.96	-23.96

Top 5 most traded	Volume -RON	Volume - shares	Trades	Last price	1d%
FP	10,711,709	23,768,800	290	0.4512	-0.84
BRD	4,243,751	379,000	46	11.2000	-2.35
AZO	2,742,056	2,407,000	647	1.1780	39.90
OLT	2,557,452	1,527,500	793	1.5200	-5.94
EBS	1,566,920	21,899	335	70.8000	-4.26

Trading Volumes	BVB	Rasdaq	BUSE	NYSE listed	Nasdaq	LSE	STOXX 600 *
Previous Day	5.71	0.22	0.00	21,224.32	10,629.10	5,294.28	243.48
Ytd Avg. (EUR mn)	9.74	0.61	57.40	20,101.82	11,875.87	5,302.62	263.65
MCap (EUR bn)**	17.81	2.36	15.31	3,355.39	12,192.68	2,455.67	6,069.30

\* 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%
AZO	2,742,056	2,407,000	647	1.1780	39.90
AMO	185,349	10,594,500	369	0.0173	10.19
COMI	476,586	2,378,000	44	0.2138	6.90
CMF	2,405	1,500	3	1.6000	6.67
CEON	69	1,000	2	0.0696	5.30

Worst 5 performers	Volume -RON	Volume - shares	Trades	Last price	1d%
ELGS	2,223	2,500	3	0.8725	-11.87
CBC	1,590	300	1	5.3000	-11.67
OIL	15,428	82,000	29	0.1850	-7.27
SRT	4,161	170,000	51	0.0249	-7.09
OLT	2,557,452	1,527,500	793	1.5200	-5.94

- **Commodities**

Item (market)	unit	last close	1d%	Ytd%	52W%
Oil (Brent crude)	USD/barrel	109.56	-0.32	17.09	26.91
Gold (COMEX)	USD/ounce	1725.2	-1.26	21.77	26.13
Platinum (NYMEX)	USD/ounce	1607.6	-2.68	-8.36	-6.04
Silver (COMEX)	USD/ounce	34.354	-2.65	11.77	38.78
Wheat (CBOT)	USD/bushel	6.2825	-2.52	-26.15	-22.98
Corn (CBOT)	USD/bushel	6.47	-1.22	17.37	19.37

- **OTP AM – Open-End Funds (as of 28-Oct-11)**

Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%
OTP AvantisRO	RON	5.6400	-0.88	-14.02	-17.42
OTP Obligatiuni	RON	11.3400	0.00	12.95	12.06
OTP ComodisRO	RON	13.8123	0.02	5.31	6.90
OTP Euro Bond	EUR	10.4251	0.01	3.73	4.32

## Market Highlights (as of 31 October 2011)

- **Forex**

The euro dropped 0.4 percent to \$1.3806 as of 6:18 a.m. in London, this morning, from a day before in New York, when it sank 2 percent, the sharpest slide since August 2010. The 17-nation euro slipped 0.5 percent to 107.82 yen. The dollar was at 78.11 yen from 78.17 yesterday when it touched 79.53, the highest since Aug. 4. (Bloomberg)

EUR/RON opened at 4.3215/4.3235 and weakened to close the day at 4.3285/4.3305. (ContiCap)

- **Money Market**

RON T/N traded at 4.22% - 4.84%. 1m moved -32 bp, 2m - 19bp, 3m -17.5 bp, 6m -9.5bp, 9m -10bp, 12m -9bp. RON rates moved lower yesterday with the decreased demand for funding from onshore. (ContiCap)

- **Equities**

- **Domestic**

The BSE closed red (BET-C, which does not include the SIFs decreased 1.52%) on lower volumes and below this year's average volume. While BET blue chips index decreased 1.82%, BET-FI lost 1.10%.

RASDAQ-C closed green (+0.55%), while Tier I increased 0.28%, Tier II advanced 5.29%. The trading volume was higher but still below 2011's average volume.

- **Foreign**

The S&P 500 dropped 2.5 percent to 1,253.30, erasing its 2011 gain and capping the biggest decline since Oct. 3. The benchmark gauge for U.S. equities rose 11 percent in October, the best month since 1991, snapping a five-month retreat. The Dow Jones Industrial Average lost 276.10 points, or 2.3 percent, to 11,955.01 yesterday. The Stoxx Europe 600 Index slid 2.2 percent to 243.48 at the close, paring its monthly gain to 7.7 percent, the largest advance in more than two years. (Bloomberg)

- **Commodities**

Brent oil for December settlement dropped 35 cents, or 0.3 percent, to \$109.56 a barrel on the London-based ICE Futures Europe exchange. (Bloomberg)

## Latest Financial News

- **Macroeconomics**

*Romanian Government reaffirms 2015 Euro-adoption goal.*

The Romanian government reaffirmed its euro-adoption goal of 2015 following a meeting yesterday with central bank officials, it said in an e-mailed statement from Bucharest. (Bloomberg)

*China PMI drops to lowest in almost 3 years.*

A Chinese manufacturing index dropped to the lowest level since February 2009, bolstering the case for fiscal or monetary loosening to support the expansion of the world's second-biggest economy. The Purchasing Managers' Index fell to 50.4 in October from 51.2 in September, the China Federation of Logistics and Purchasing said in a statement today. That was lower than any of 16 economist estimates in a Bloomberg News survey that had a median forecast of 51.8. A reading above 50 indicates expansion. (Bloomberg)

- **Forex**

*Euro falls on bets ECB will signal interest-rate cuts.*

The euro fell versus the dollar and yen on speculation an economic slowdown in the region will pressure the European Central Bank to consider cutting interest rates. "It certainly is a worry just how weak the European economy is," said Joseph Capurso, a currency strategist in Sydney at Commonwealth Bank of Australia, the nation's biggest lender. A European interest-rate cut "may happen next year. In the short term, you could certainly see euro falling further towards the \$1.35 region." (Bloomberg)

- **Money Market**

*Gross says additional Fed easing programs to push longer yields higher.*

Bill Gross, manager of the world's biggest bond fund at Pacific Investment Management Co., said the additional easing programs hinted at by Federal Reserve officials will push yields on longer-term Treasuries higher. More quantitative easing suggested by Fed officials including Vice Chairman Janet Yellen is likely to push the central bank's objective for inflation to above 2 percent, which will cause investors to demand higher yields on longer-term Treasuries, Gross wrote. Investors should buy "safe haven" maturities of under 10 years and in equity markets focus on dividend-producing stocks, Gross added. (Bloomberg)

- **Equities**

- **Domestic**

*Sif 3 shareholders approve minority stake sale in BCR to Erste.*

Shareholders of SIF Transilvania SA (SIF3 RO), a Romanian investment fund, approved the sale of a minority stake in Banca Comerciala Romana SA to Erste Group Bank AG (EBS RO) as part of a buyout agreement, according to a filing to the Bucharest Stock Exchange. The fund will get cash for about 136 million BCR shares and will swap 515 million BCR shares with Erste shares, it said. (Bloomberg)

*Romania's SIF 3 Transilvania January-September net profit quadruples.*

Romanian investment fund SIF 3 Transilvania (SIF3 RO) said on Monday its net profit rose four times on the year to 119.08 million lei (\$38.6 million/27.5 million euro) in the first nine months of 2011. (SeeNews)

*Romania's Artego gets regulatory nod to move to bourse's second-tier segment.*

Romanian rubber products maker Artego (ARTE RO) said it received permission from the country's capital market regulator to move to the second-tier segment of the Bucharest bourse from the RASDAQ market. The company provided no further details in its statement issued last week. Artego will trade on the second-tier segment its 9,949,377 shares with a face value of 2.5 lei (\$0.81/0.58 euro) each, bourse data showed. (SeeNews)

*Ameropa Holding could buy Romania's largest fertilizers producer Azomures Targu Mures.*

Swiss group Ameropa Holding could buy Eurofert and Azomures Holding, the two companies that hold 75.9 percent share in the Romanian Azomures Targu Mures (AZO RO), Romania's largest fertilizers producer. "Azomures became aware of the fact that shareholders of Eurofert and Azomures Holdings are currently engaged in negotiations with Ameropa Group, negotiations that are in a relatively advanced stage, and that could be or not completed through the takeover of the Eurofert and Azomures holding companies by Ameropa Group," shows the report submitted by Azomures at the Bucharest Stock Exchange (BVB). Eurofert and Azomures Holding are currently owned by a Turkish group of investors. (Romania Business Insider)

**Foreign***Stocks beat all investments with biggest monthly rally since '09.*

The best month in stocks since 2009 pushed equities past bonds, commodities and the dollar for the first time in a year after European leaders took action to contain the debt crisis. Share values rose by about \$4.5 trillion as the MSCI All-Country World Index jumped 11 percent on speculation the global economy will avoid a recession, according to data compiled by Bloomberg. The Standard & Poor's GSCI Total Return Index of commodities climbed 9.8 percent. Bonds worldwide lost 0.5 percent, Bank of America Corp. data through Oct. 28 show. The Dollar Index fell 2.6 percent, the most since April. (Bloomberg)

*According to La Stampa, UniCredit SpA plans to raise 6 billion Euros to 8 billion Euros.*

UniCredit SpA (UCG) slipped 5.7 percent to 84.8 euro cents as La Stampa reported that Italy's largest bank plans to raise 6 billion Euros to 8 billion Euros. The newspaper didn't say where it got the information. A UniCredit official declined to comment. (Bloomberg)

**Commodities***Crude falls a third day on China manufacturing slowdown, European debt.*

Oil dropped for a third day in New York on speculation commodity demand will falter as Chinese manufacturing slows and European leaders struggle to contain the region's debt crisis. (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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