

## Executive Summary

### • Macroeconomics

Romania's Oct construction output index falls 1.5% MoM, down 0.6% YoY.

### • Forex

The euro traded at \$1.3412 at 5:00 p.m. in New York. The EUR/RON closed at 4.3455/4.3475.

### • Money Market

RON T/N trading range was 5.26% - 5.68%.

### • Equities

#### Domestic

The BSE closed mixed, BET-C gained 0.08% on lower volumes, while BET decreased 0.18%, BET-FI advanced 0.22%. RASDAQ-C closed red (-0.09%) on lower volumes, while Tier I was flat, Tier II gained 0.48%.

#### Foreign

U.S. stocks advance amid optimism Europe will boost efforts to halt crisis. European stocks decline after Germany rejects combining Euro bailout funds.

### • Commodities

Gold up. Most other major commodities down.

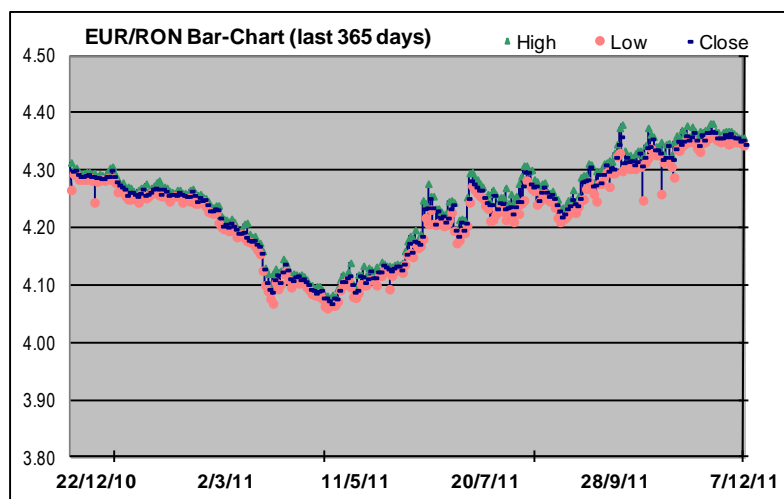
## Market Data (as of 08 December 2011)

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

### • Forex (as of 8-Dec-11)

FX Rates*	Prv. Day	Min 52W	Max 52W	Ytd	-52W
EUR/RON	4.3459	4.0601	4.3821	4.2900	4.2992
USD/RON	3.2362	2.7352	3.3135	3.2342	3.2510
CHF/RON	3.5051	3.1021	4.0619	3.4513	3.2845
100HUF/RON	1.4463	1.3725	1.6075	1.5343	1.5463

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

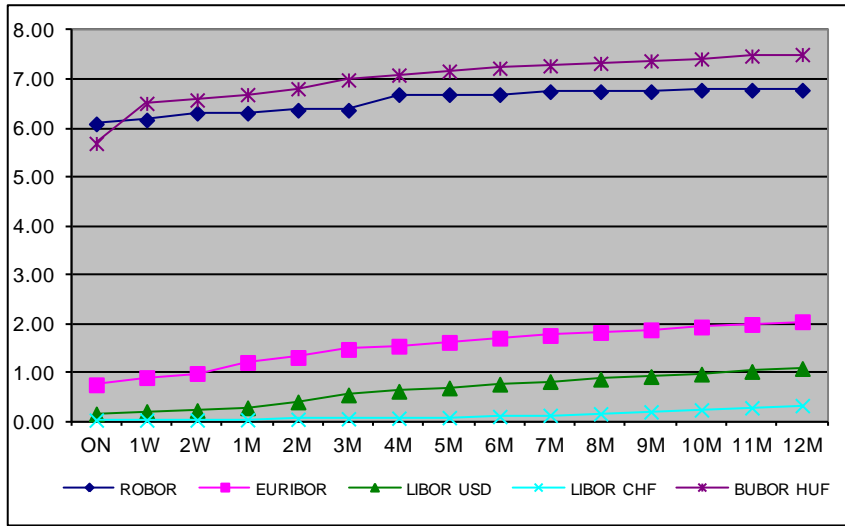


### • Money Markets (valid for 08 December 2011)

Rate	ON	1W	2W	1M	2M	3M	4M	5M	6M	7M	8M	9M	10M	11M	12M
ROBOR*	6.09	6.17	-	6.31	-	6.37	-	-	6.69	-	-	6.75	-	-	6.78
EURIBOR**	0.75	0.90	0.98	1.21	1.31	1.47	1.54	1.62	1.70	1.76	1.82	1.87	1.93	1.98	2.04
LIBOR USD	0.15	0.20	0.22	0.28	0.40	0.54	0.61	0.68	0.76	0.81	0.86	0.92	0.97	1.02	1.08
LIBOR CHF	0.03	0.03	0.03	0.03	0.04	0.05	0.06	0.08	0.10	0.12	0.15	0.19	0.23	0.28	0.32
BUBOR HUF	5.69	6.51	6.58	6.69	6.81	6.99	7.09	7.17	7.23	7.28	7.33	7.38	7.42	7.48	7.51

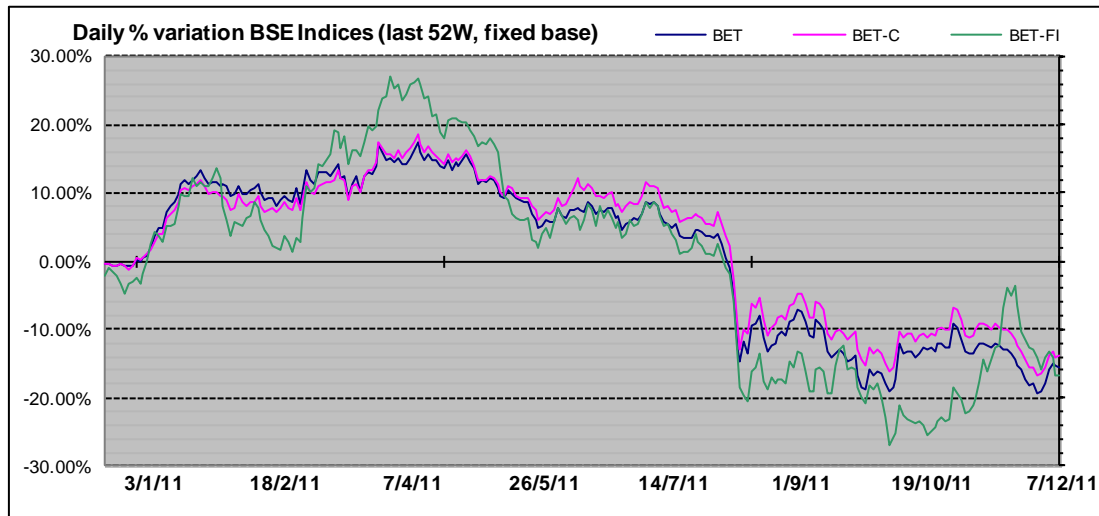
\* in the chart below, values for maturities where there is no quote are proxied by the maximum of the previous and the next maturity

\*\* 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	4,375.58	-0.18	-16.17	-15.01
BET-C	2,634.65	0.08	-14.92	-13.91
BET-FI	17,869.96	0.22	-16.65	-16.14
ROTX	8,065.10	-0.09	-25.34	-23.70
Rasdaq-C	1,588.21	-0.09	-5.46	-7.58
RAQ-I	822.50	0.00	-42.96	-52.20
RAQ-II	2,197.40	0.48	-28.11	-29.09

Foreign

Indices	Last close	1d%	Ytd%	52W%
DJIA (USD)	12,196.37	0.38	5.42	7.37
S&P 500 (USD)	1,261.01	0.20	0.25	3.04
DAX (EUR)	5,994.73	-0.57	-13.30	-14.38
FTSE 100 (GBP)	5546.91	-0.39	-7.10	-4.50
STOXX 600 (EUR)	241.44	-0.20	-12.84	-11.85
BUX (HUF)	17,209.27	-0.94	-19.19	-20.72

Top 5 most traded	Volume -RON	Volume - shares	Trades	Last price	1d%
FP	5,122,773	12,047,800	261	0.4240	0.47
BRD	2,081,198	189,200	57	11.0000	0.09
SIF3	1,276,669	2,548,000	409	0.4970	0.00
BVB	621,571	22,242	29	27.9500	1.67
SIF5	566,494	564,000	120	1.0000	0.20

Trading Volumes	BVB	Rasdaq	BUSE	NYSE listed	Nasdaq	LSE	STOXX 600 *
Previous Day	5.85	0.01	51.09	18,906.03	8,987.86	4,857.06	241.44
Ytd Avg. (EUR mn)	9.44	0.56	57.11	19,811.99	11,650.95	5,241.42	260.47
MCap (EUR bn)**	16.18	2.29	15.23	3,412.31	12,581.26	2,465.67	5,997.21

\* 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%
RTRA	4,244	21,500	3	0.2100	7.69
ARTE	2,360	1,100	4	2.1500	7.50
SRT	361	23,500	11	0.0158	6.04
UAM	220	500	1	0.4398	4.71
ALR	649	200	42	0.0646	2.81

Worst 5 performers	Volume -RON	Volume - shares	Trades	Last price	1d%
ZIM	630	500	1	1.2600	-12.50
COFI	15,328	330,900	36	0.0440	-8.14
PREH	115	100	1	1.1500	-8.00
ELGS	365,007	778,500	366	0.4390	-7.58
ART	2,212	1,600	7	1.3800	-7.07

- **Commodities**

Item (market)	unit	last close	1d%	Ytd%	52W%
Oil (Brent crude)	USD/barrel	109.53	-1.16	17.06	19.57
Gold (COMEX)	USD/ounce	1744.8	0.75	22.92	22.65
Platinum (NYMEX)	USD/ounce	1522	-0.13	-13.24	-11.19
Silver (COMEX)	USD/ounce	32.627	-0.36	5.92	8.61
Wheat (CBOT)	USD/bushel	6.005	-2.04	-30.07	-27.54
Corn (CBOT)	USD/bushel	5.9275	-0.63	5.99	11.42

- **OTP AM – Open-End Funds (as of 6-Dec-11)**

Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%
OTP AvantisRO	RON	5.4600	-1.62	-16.77	-14.29
OTP Obligatiuni	RON	11.4100	0.00	13.65	15.25
OTP ComodisRO	RON	13.9079	0.02	6.04	6.65
OTP Euro Bond	EUR	10.4739	0.01	4.21	4.48

## Market Highlights (as of 07 December 2011)

- **Forex**

The euro rose 0.1 percent to \$1.3412 at 5 p.m. in New York after falling as much as 0.4 percent. The 17-nation currency was little changed at 104.18 yen. The Japanese currency gained 0.1 percent to 77.68 per dollar. (Bloomberg)

EUR/RON opened at 4.3510/4.3530 and slinked downwards to close 4.3455/4.3475. (ContiCap)

- **Money Market**

RON T/N trading range was 5.26% - 5.68%. With no sign of the funding easing anytime soon the short end moved slightly higher again. 1m moved +12bp and 2m +3bp with no moves in the longer durations. (ContiCap)

- **Equities**

- **Domestic**

The BSE closed mixed (BET-C, which does not include the SIFs increased 0.08%) on lower volumes and below this year's average volume. While BET blue chips index decreased 0.18%, BET-FI gained 0.22%.

RASDAQ-C closed red (-0.09%), while Tier I was flat, Tier II advanced 0.48%. The trading volume was lower and below 2011's average volume.

- **Foreign**

The S&P 500 climbed 0.2 percent to 1,261.01 at 4 p.m. New York time, after dropping as much as 1.1 percent earlier. The benchmark gauge for American equities advanced 1.1 percent over the previous two sessions. The Dow rose 46.24 points, or 0.4 percent, to 12,196.37. The benchmark Stoxx Europe 600 Index retreated 0.2 percent to 241.44 at the close in London, after earlier gaining as much as 1.2 percent. (Bloomberg)

- **Commodities**

Brent oil for January settlement dropped \$1.28, or 1.2 percent, to end the session at \$109.53 a barrel on the London-based ICE Futures Europe exchange. (Bloomberg)

## Latest Financial News

- **Macroeconomics**

*Basescu says Romanian borrowing costs are 'extremely expensive'.*

Romania's President Traian Basescu said any borrowing cost that exceeds a 7 percent interest rate is "extremely expensive" for the country, which is paying a "hard bill for the delays" in solving the euro region's sovereign debt crisis. (Bloomberg)

*Romania's Oct construction output index falls 1.5% MoM, down 0.6% YoY.*

Romania's October construction output index fell by 1.5% month-on-month and was 0.6% lower on the year, the country's statistics board, INS, said on Wednesday. The figures are seasonally-and working-day adjusted, INS said in a statement. In September, the construction output index rose by 1.3% month-on-month and was up by 2.2% on the year. In the first ten months of 2011, Romania's construction output edged down by 0.7% on the year. (SeeNews)

- **Forex**

*Ruble weakens against target basket for fifth day after elections tension.*

The ruble depreciated for a fifth day against the central bank's target dollar-euro basket after hundreds of arrests at anti-government protests late yesterday. Russia's currency lost 0.3 percent to 36.0475 against the basket at the close in Moscow after dropping 0.3 percent to 41.85 per euro and 31.2999 per dollar. Ruble bonds due July 2015 fell for a second day, pushing the yield up seven basis points, or 0.07 percentage point, to 7.85 percent. Police said they detained about 300 people yesterday at an unsanctioned rally in downtown Moscow to protest the results of Dec. 4 parliamentary elections. "We could expect the market perception towards Russia to be rather negative until the end of the election campaign" in March, Nikolay Podguzov, head of fixed-income strategy at VTB Capital in Moscow, said by e-mail. "It's not about the facts. Western media prefer to present these kinds of event in Russia in a most sensational way." (Bloomberg)

- **Money Market**

*German bunds rise after five-year note sale; Italian, Spanish bonds fall.*

German bonds gained, with five-year yields falling to the lowest in two weeks, as demand rose at a sale of the notes and an official said the nation rejects plans to combine the current and permanent euro-area rescue funds. Five-year securities snapped a two-day decline after investors submitted bids for 2.1 times the 4.09 billion Euros (\$5.5 billion) of debt sold, up from 1.5 times at the previous auction. Portugal's bonds advanced for a fifth day as borrowing costs fell at an auction of three-month bills. Italian and Spanish bonds declined as the German official's comments damped optimism European leaders will agree on a plan to combat the debt crisis at a summit this week. (Bloomberg)

## • Equities

### Domestic

*S&P cuts Romania's Transgaz L/C ratings to 'BB+', outlook stable.*

Global rating agency Standard&Poor's said on Wednesday it lowered its local currency long-term corporate credit rating on Romanian gas transmission company Transgaz (TGN RO) to 'BB+' from 'BBB-', following a similar action on the local currency long-term sovereign credit rating on Romania. The company's 'BB+' foreign currency rating was affirmed. The outlook is stable, S&P said in a statement. Last week, the agency lowered Romania's local-currency long-and short-term ratings to 'BB+/B' from 'BBB-/A-3' following a revision of the agency's methodology and assumptions for sovereign ratings. The ratings on Transgaz are underpinned by Standard & Poor's view of the company's strong monopoly position, relatively predictable cash flows from regulated transmission activities, and robust credit metrics. (SeeNews)

*Romanian Court rules against set-up of energy holdings Electra, Hidroenergetica.*

Romanian law firm Popovici Nitu & Asociatii said it has obtained an irrevocable judgment for Romanian property restitution fund Proprietatea against the creation of two energy holdings, Electra and Hidroenergetica. Romania had planned to overhaul the country's energy sector by setting up the two megastructures, which would have incorporated most of the country's power generation capacities. Fondul Proprietatea owns stakes in Romanian companies from the electricity generation, oil and gas production, power and gas distribution and transmission sectors. "During the last 12 months, Fondul Proprietatea, represented by Popovici Nitu & Asociatii, obtained four favorable preliminary injunctions against Hidroelectrica SA, Nuclearelectrica SA, Complexul Energetic Turceni SA and Complexul Energetic Rovinari SA, thus suspending the shareholders' decisions whereby the creation of Electra and Hidroenergetica has been approved," Popovici Nitu & Asociatii said in a press release on Monday. (SeeNews)

### Foreign

*Fourth-quarter earnings forecast reduced for NYSE Euronext.*

NYSE Euronext (NYX) fell 3.9 percent to \$27.28. Raymond James Financial Inc. reduced its fourth-quarter earnings forecast for the owner of the New York Stock Exchange to 49 cents a share from 57 cents, citing lower trading volume. (Bloomberg)

*ICAP shares cut to "equal weight" from "overweight".*

ICAP, the biggest broker of transactions among banks, fell 4.4 percent to 350.4 pence. The stock was cut to "equal weight" from "overweight" at Morgan Stanley. (Bloomberg)

## • Commodities

*Romania's 10-mo energy output rises 1.9%, imports up 5.3%.*

Romania's energy output rose by 1.9% in the ten months through October with imports increasing by 5.3%, the National Statistics Institute (INS) said on Wednesday. Romania's energy production totalled 19.47 million tonnes of oil equivalent (TOE), while imports reached 9.617 million TOE through October, INS said in a statement. A TOE is the rounded-off amount of energy that would be produced by burning one metric tonne of crude oil. (SeeNews)

*Wheat prices shredded with near-record crop boosting reserves.*

The biggest slump in wheat prices in three years may have further to go as expanding harvests from Russia to Canada bolster inventories to the most in a decade. The U.S. Department of Agriculture will predict tomorrow a 3.4 percent gain in stockpiles to 202.89 million metric tons by June, according to the average of 16 analyst estimates compiled by Bloomberg. Prices that fell 35 percent from a 29-month high of \$9.1675 a bushel in February will drop 11 percent more to \$5.30 in the next 12 months, Credit Suisse Group AG forecasts. Global food costs tracked by the United Nations have declined 9.1 percent from a record in February, helping to contain inflation as economic growth slows. Corn and soybeans are also tumbling after farmers responded to record-high prices by planting more crops. Combined output of wheat, corn and soy will jump 3.4 percent to a record 1.8 billion tons this season, 32 percent more than a decade ago, the USDA said last month. (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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**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.