

Executive Summary

• Macroeconomics

S&P downgrade proves absurd as global investors make U.S. assets preferred.

• Forex

The euro traded at \$1.3046 at 5:00 p.m. in New York. The EUR/RON closed at 4.3340/4.3360.

• Money Market

RON T/N trading range was 3.40% - 3.66%.

• Equities

Domestic

The BSE closed red, BET-C dropped 0.97% on lower volumes, while BET decreased 1.19%, BET-FI lost 1.60%.

RASDAQ-C closed green (+0.22%) on higher volumes, while Tier I decreased 1.13%, Tier II dropped 0.68%.

Foreign

U.S. stocks decline amid concern about European Union Summit. European stocks decline for second week on fiscal crisis in region.

• Commodities

Oil down. All other major commodities up.

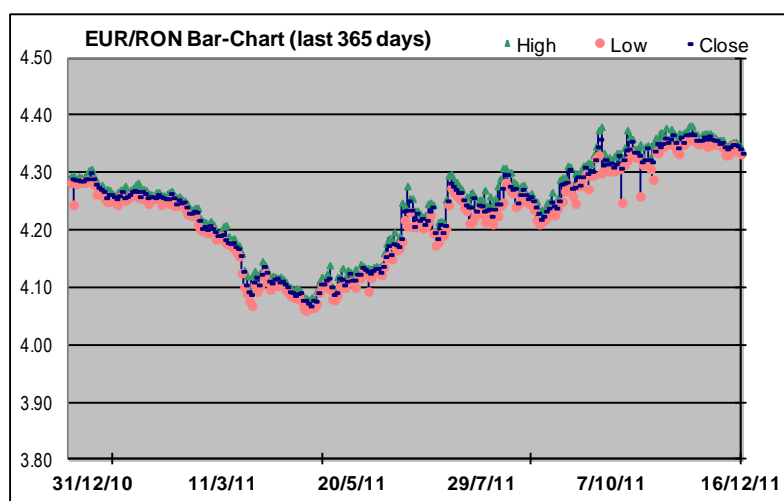
Market Data (as of 19 December 2011)

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

• Forex (as of 19-Dec-11)

FX Rates*	Prv. Day	Min 52W	Max 52W	Ytd	-52W
EUR/RON	4.3346	4.0601	4.3821	4.2900	4.2900
USD/RON	3.3311	2.7352	3.3568	3.2342	3.2616
CHF/RON	3.5499	3.1021	4.0619	3.4513	3.3600
100HUF/RON	1.4246	1.3725	1.6075	1.5343	1.5706

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

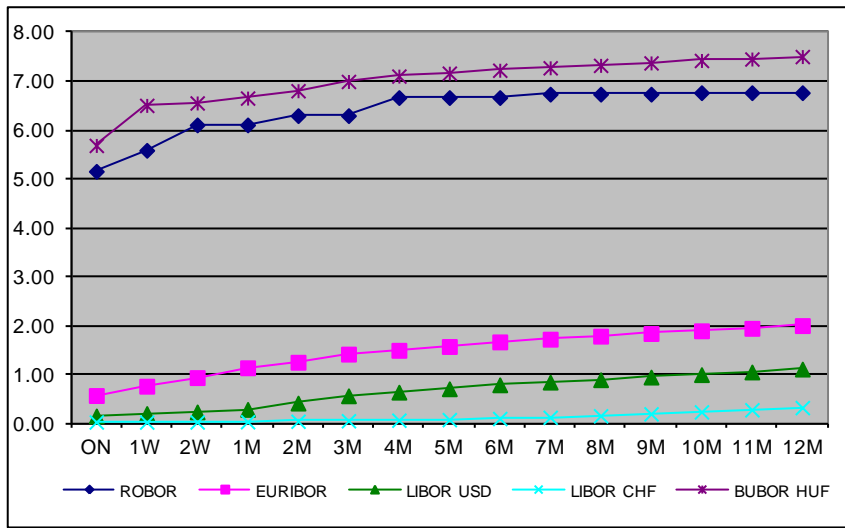


• Money Markets (valid for 19 December 2011)

Rate	ON	1W	2W	1M	2M	3M	4M	5M	6M	7M	8M	9M	10M	11M	12M
ROBOR*	5.16	5.59	-	6.11	-	6.30	-	-	6.67	-	-	6.74	-	-	6.77
EURIBOR**	0.57	0.76	0.94	1.14	1.25	1.42	1.50	1.57	1.67	1.72	1.79	1.84	1.89	1.95	2.00
LIBOR USD	0.15	0.20	0.23	0.28	0.41	0.56	0.64	0.71	0.79	0.84	0.89	0.95	1.00	1.05	1.11
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	6.56	6.66	6.81	7.00	7.11	7.17	7.23	7.28	7.33	7.38	7.43	7.46	7.51

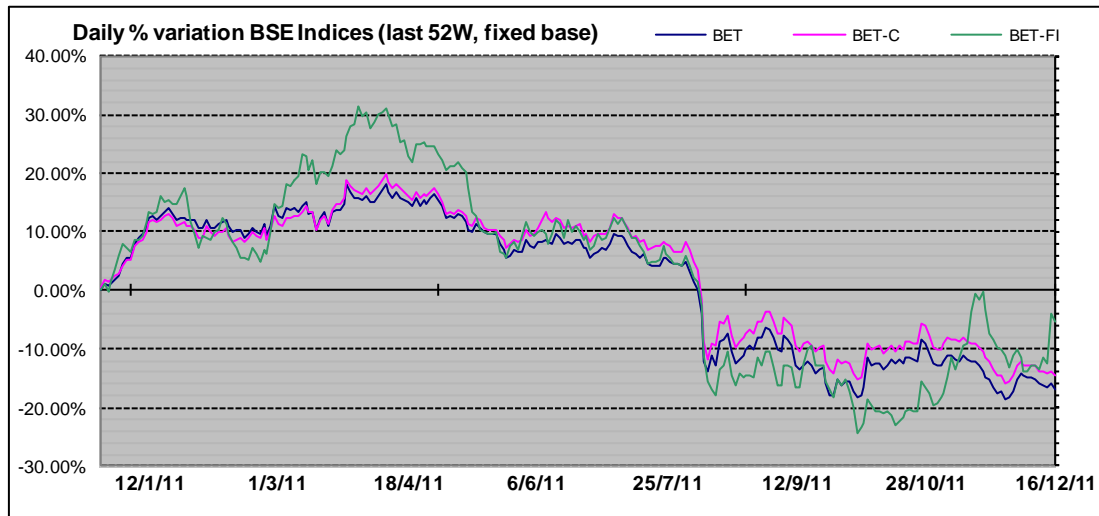
* in the chart below, values for maturities where there is no quote are proxied by the maximum of the previous and the next maturity

** 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	4,272.67	-1.19	-18.14	-16.85
BET-C	2,583.17	-0.97	-16.58	-14.91
BET-FI	19,625.34	-1.60	-8.46	-6.47
ROTX	7,738.40	-1.23	-28.36	-27.38
Rasdaq-C	1,543.51	0.22	-8.12	-8.72
RAQ-I	890.57	-1.13	-38.24	-48.71
RAQ-II	2,164.97	-0.68	-29.17	-29.24

Foreign

Indices	Last close	1d%	Ytd%	52W%
DJIA (USD)	11,866.39	-0.02	2.56	3.19
S&P 500 (USD)	1,219.66	0.32	-3.04	-1.87
DAX (EUR)	5,701.78	-0.50	-17.54	-18.83
FTSE 100 (GBP)	5387.34	-0.25	-9.78	-8.40
STOXX 600 (EUR)	233.71	-0.43	-15.63	-15.81
BUX (HUF)	17,061.48	0.22	-19.89	-19.58

Top 5 most traded	Volume -RON	Volume - shares	Trades	Last price	1d%
FP	10,945,063	25,825,900	366	0.4250	0.47
SIF3	3,826,310	6,596,000	713	0.5750	-1.71
SIF5	3,665,964	3,226,500	436	1.1220	-1.58
BRD	2,268,421	216,070	121	10.5000	-2.51
SIF2	1,769,527	1,662,500	287	1.0450	-3.24

Trading Volumes	BVB	Rasdaq	BUSE	NYSE listed	Nasdaq	LSE	STOXX 600 *
Previous Day	6.13	0.06	77.59	36,839.42	21,005.61	7,680.84	233.71
Ytd Avg. (EUR mn)	9.34	0.55	56.86	19,812.68	11,643.21	5,231.19	259.79
MCap (EUR bn)**	15.45	2.26	14.85	3,380.43	12,536.51	2,416.30	5,783.24

* 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	2,430	400	2	6.9000	15.00
ELGS	35,584	93,000	49	0.3990	9.02
ARS	4,000	4,000	5	1.0000	7.47
PEI	18	1	1	17.5000	6.06
SOCP	2,630	5,377	42	0.0646	3.57

Worst 5 performers	Volume -RON	Volume - shares	Trades	Last price	1d%
COFI	165,350	4,923,800	293	0.0332	-14.87
ZIM	630	500	1	1.2600	-12.80
IMP	16,032	89,000	15	0.1800	-6.98
ARM	4,572	43,500	4	0.1000	-6.54
RMAH	100	500	1	0.2000	-6.54

- **Commodities**

Item (market)	unit	last close	1d%	Ytd%	52W%
Oil (Brent crude)	USD/barrel	103.35	-0.24	10.50	11.94
Gold (COMEX)	USD/ounce	1597.9	1.31	12.57	15.31
Platinum (NYMEX)	USD/ounce	1417.3	0.73	-19.21	-16.90
Silver (COMEX)	USD/ounce	29.671	1.36	-3.67	2.03
Wheat (CBOT)	USD/bushel	5.8375	0.78	-32.02	-29.43
Corn (CBOT)	USD/bushel	5.83	0.69	4.25	7.81

- **OTP AM – Open-End Funds (as of 15-Dec-11)**

Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%
OTP AvantisRO	RON	5.6500	4.44	-13.87	-11.99
OTP Obligatiuni	RON	11.4300	0.00	13.84	15.22
OTP ComodisRO	RON	13.9325	0.02	6.23	6.58
OTP Euro Bond	EUR	10.4858	0.01	4.33	4.52

Market Highlights (as of 16 December 2011)

- **Forex**

The euro gained 0.2 percent to \$1.3046 at 5 p.m. in New York, after gaining as much as 0.5 percent. It fell 2.5 percent last week, the biggest such decline since the five-day period ended Sept. 9. The shared currency rose 0.1 percent to 101.47 yen. The Japanese currency rose 0.1 percent to 77.76 per dollar. (Bloomberg)

EUR/RON opened at 4.3410/4.3430 and closed 4.3340/4.3360, seasonal remittances from returning foreign 'workers' being cited as the main reason for the RON's appreciation. (ContiCap)

- **Money Market**

RON T/N trading range was 3.40% – 3.66%. RON yields dropped lower Friday across the curve. (ContiCap)

- **Equities**

- **Domestic**

The BSE closed red (BET-C, which does not include the SIFs declined 0.97%) on lower volumes and below this year's average volume. While BET blue chips index decreased 1.19%, BET-FI lost 1.60%.

RASDAQ-C closed green (+0.22%), while Tier I decreased 1.13%, Tier II lost 0.68%. The trading volume was higher but still below 2011's average volume.

- **Foreign**

The S&P 500 fell 2.8 percent to 1,219.66, breaking a two-week streak of gains. The Dow Jones Industrial Average sank 317.87 points, or 2.6 percent, to 11,866.39 for the week. The Stoxx Europe 600 Index slid 2.8 percent to 233.71 last week. The benchmark gauge has slumped 15 percent in 2011 as the euro area's sovereign-debt crisis spread to Italy and Spain and economic growth in the U.S. slowed. (Bloomberg)

- **Commodities**

Brent oil for February settlement slipped 25 cents to \$103.35 a barrel on the London-based ICE Futures Europe exchange. (Bloomberg)

Latest Financial News

- **Macroeconomics**

S&P downgrade proves absurd as global investors make U.S. assets preferred.

Four months after Standard & Poor's stripped the U.S. of its AAA credit rating and said the world's biggest economy was no longer the safest of borrowers, dollar-denominated financial assets are doing nothing but appreciating. Demand for American assets is increasing as consumer confidence, manufacturing and employment show the U.S. is strengthening as Europe struggles to save its currency union and the developed world weakens. U.S. gross domestic product will expand 2.19 percent next year, compared with 1.55 percent for the Group of 10 nations, Bloomberg surveys of economists show. (Bloomberg)

- **Forex**

Dollar rises after North Korea TV says leader dies.

The dollar rose against most major peers, this morning, after North Korean state television said national leader Kim Jong Il died, spurring concern instability may increase in the region and boosting demand for the U.S. currency as a haven. The South Korean won tumbled to a two-month low as an official at the defense ministry in Seoul said the nation hasn't observed any changes in North Korea's military posture. The yen dropped against the dollar for the first time in three days amid concern a destabilization of the Korean peninsula will dim the outlook for Japan's economy and security. The euro slid before France and Spain sell bills this week amid concern the region's largest nations will have their credit ratings cut. (Bloomberg)

- **Money Market**

Draghi indicates ECB won't step up bond purchases to halt European Crisis.

European Central Bank President Mario Draghi damped expectations that the bank will step up bond purchases to tame the sovereign debt crisis, saying it can't overstep its mandate. The ECB is resisting pressure to increase its bond buying, saying governments need to find a lasting solution to the debt crisis. The central bank has instead focused on helping the banking sector and will this week offer financial institutions in the 17-nation euro area unlimited three-year loans. Draghi said it's up to banks to decide what to do with the money. (Bloomberg)

- **Equities**

- **Domestic**

Romania says Tarom 20% stake sale to be completed in 4 months.

Romania plans to complete the sale of a 20 percent stake in its air carrier Tarom SA in four months, after it selected Swiss Capital SA and Carpatica Invest SA to manage the Bucharest Stock Exchange sale, the country's transport ministry said in an e-mailed statement on Friday. (Bloomberg)

Transelectrica cuts '11 gross profit forecast by 40%.

Romanian power grid operator Transelectrica (TEL RO) said it cut by 40% its forecast for this year's gross profit to 25 million lei (\$7.5 million/5.8 million euro). Shareholders will vote on the revised budget at a general shareholders' meeting due on January 19, Transelectrica said in a statement. The company's gross profit nearly doubled to 21.7 million lei last year. (SeeNews)

Foreign*Intel cut its forecast for fourth-quarter revenue.*

Intel tumbled 7.1 percent to \$23.23 last week, pacing declines with technology companies which had the second-biggest decline as a group in the S&P 500. The world's largest maker of semiconductors cut its forecast for fourth-quarter revenue (INTC), saying supply shortages for hard drives are prompting computer producers to cut orders for other components. (Bloomberg)

First Solar Inc. reduced profit estimates for this year and 2012.

First Solar Inc., the world's largest maker of thin-film solar panels, had the biggest decline in the S&P 500, falling 30 percent to \$31.91. The company reduced profit estimates (FSLR) for this year and next and said it will cut about 100 jobs as it closes a California research center. (Bloomberg)

• Commodities*Coffee falls to one-year low as inventories gain.*

Coffee fell to a one-year low as inventories monitored by ICE Futures U.S. climbed for the seventh straight week. Sugar advanced, and cocoa dropped. Stockpiles of coffee monitored by ICE have jumped 20 percent since Nov. 1 to 1.53 million bags. Arabica futures in New York have dropped 11 percent this year after surging 77 percent in 2010. "Warehouse stockpiles are higher, and that may be keeping buyers at bay," Sterling Smith, an analyst at Country Hedging in St. Paul, Minnesota, said in a telephone interview. (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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