

Executive Summary

• Macroeconomics

IMF makes 507 million Euros available to Romania.

• Forex

The euro traded at \$1.1997 at 5:01 p.m. in New York. The EUR/RON closed at 4.3100/4.3120.

• Money Market

RON T/N trading range was 3.84% - 4.01%.

• Equities

Domestic

The BSE closed mixed, BET-C gained 0.16% on higher volumes, while BET increased 0.24%, BET-FI lost 1.60%.

RASDAQ-C closed red (-0.03%) on lower volumes, while Tier I decreased 1.03%, Tier II was flat.

Foreign

U.S. stocks slump on concern Europe failing to tame sovereign debt crisis. Most European stocks drop as Finance Ministers discuss support through IMF.

• Commodities

Oil, wheat and corn up. Most other major commodities down.

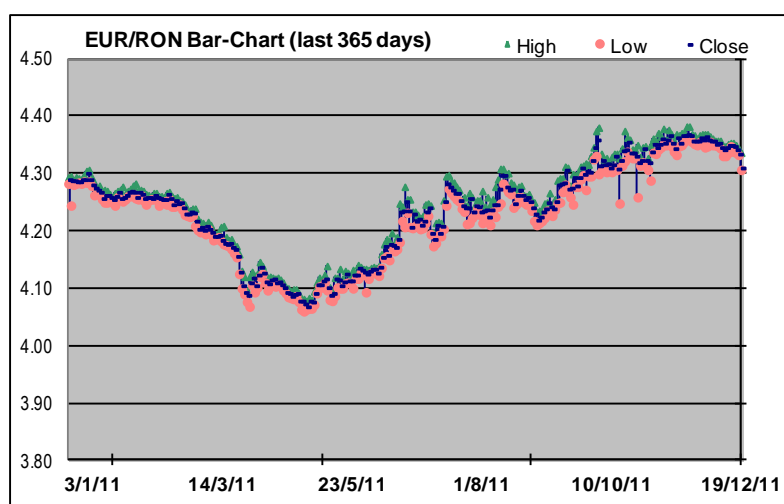
Market Data (as of 20 December 2011)

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

• Forex (as of 20-Dec-11)

FX Rates*	Prv. Day	Min 52W	Max 52W	Ytd	-52W
EUR/RON	4.3103	4.0601	4.3821	4.2900	4.2900
USD/RON	3.3124	2.7352	3.3568	3.2342	3.2690
CHF/RON	3.5358	3.1021	4.0619	3.4513	3.3866
100HUF/RON	1.4220	1.3725	1.6075	1.5343	1.5494

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

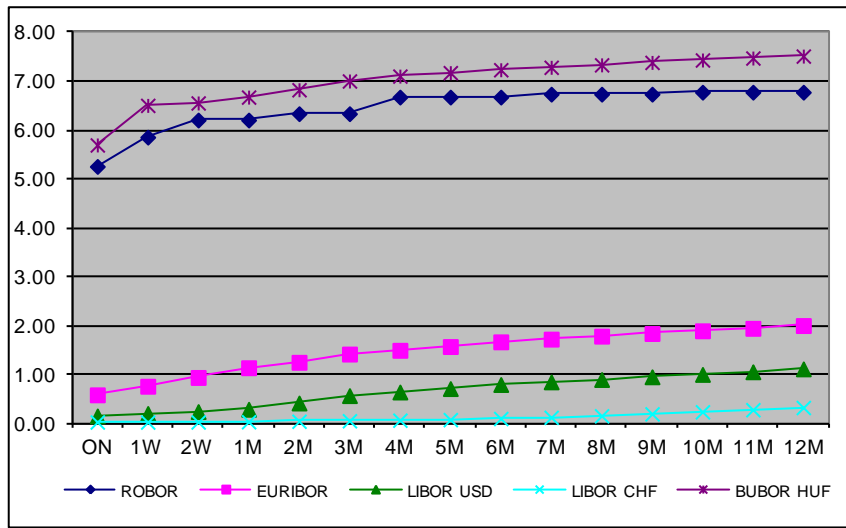


• Money Markets (valid for 20 December 2011)

Rate	ON	1W	2W	1M	2M	3M	4M	5M	6M	7M	8M	9M	10M	11M	12M
ROBOR*	5.26	5.86	-	6.21	-	6.34	-	-	6.68	-	-	6.74	-	-	6.78
EURIBOR**	0.58	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	0.24	0.29	0.42	0.57	0.64	0.71	0.79	0.85	0.90	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	0.24	0.28	0.32
BUBOR HUF	5.70	6.51	6.56	6.68	6.83	7.01	7.11	7.18	7.24	7.29	7.34	7.39	7.44	7.48	7.52

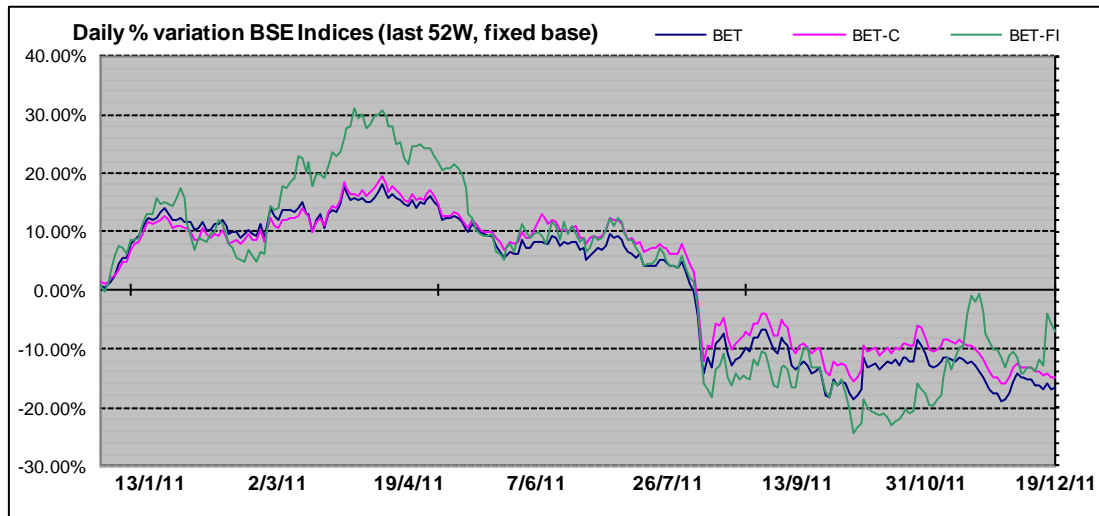
* in the chart below, values for maturities where there is no quote are proxied by the maximum of the previous and the next maturity

** 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	4,283.13	0.24	-17.94	-16.83
BET-C	2,587.34	0.16	-16.45	-15.13
BET-FI	19,312.00	-1.60	-9.92	-6.95
ROTX	7,777.10	0.50	-28.00	-26.95
Rasdaq-C	1,543.01	-0.03	-8.15	-7.31
RAQ-I	881.39	-1.03	-38.88	-46.85
RAQ-II	2,164.97	0.00	-29.17	-24.38

Foreign

Indices	Last close	1d%	Ytd%	52W%
DJIA (USD)	11,766.26	-0.84	1.70	2.39
S&P 500 (USD)	1,205.35	-1.17	-4.18	-3.10
DAX (EUR)	5,670.71	-0.54	-17.98	-18.79
FTSE 100 (GBP)	5364.99	-0.41	-10.15	-8.63
STOXX 600 (EUR)	233.75	0.02	-15.62	-15.44
BUX (HUF)	17,519.07	2.68	-17.74	-17.43

Top 5 most traded	Volume -RON	Volume - shares	Trades	Last price	1d%
FP	13,468,914	31,777,700	239	0.4244	-0.14
BRD	3,960,953	374,240	25	10.6000	0.95
BVB	2,275,771	77,805	116	28.3000	1.25
SIF3	2,008,657	3,555,000	483	0.5600	-2.61
SIF2	1,537,117	1,480,500	153	1.0350	-0.96

Trading Volumes	BVB	Rasdaq	BUSE	NYSE listed	Nasdaq	LSE	STOXX 600 *
Previous Day	7.75	0.04	44.29	14,411.05	8,173.44	3,379.23	233.75
Ytd Avg. (EUR mn)	9.33	0.54	56.81	19,790.82	11,629.16	5,223.70	259.68
MCap (EUR bn)**	15.67	2.27	15.41	3,333.58	12,361.49	2,409.30	5,829.83

* 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%
ELJ	1,688	13,500	2	0.1250	8.51
MECF	2,484	24,500	7	0.1174	6.73
VNC	8,095	121,500	24	0.0665	3.91
RRC	14,148	383,500	21	0.0379	2.43
ART	268	200	42	0.0646	2.29

Worst 5 performers	Volume -RON	Volume - shares	Trades	Last price	1d%
CMCM	681	4,000	4	0.1700	-15.00
CBC	1,200	200	1	6.0000	-13.04
COFI	256,166	8,612,100	371	0.0297	-10.54
TUFE	1,122	7,000	9	0.1515	-9.28
SRT	2,058	148,000	33	0.0140	-9.09

- **Commodities**

Item (market)	unit	last close	1d%	Ytd%	52W%
Oil (Brent crude)	USD/barrel	103.64	0.28	10.81	12.14
Gold (COMEX)	USD/ounce	1596.7	-0.08	12.48	14.59
Platinum (NYMEX)	USD/ounce	1413.6	-0.26	-19.42	-17.15
Silver (COMEX)	USD/ounce	28.874	-2.69	-6.26	-1.86
Wheat (CBOT)	USD/bushel	5.9975	2.74	-30.16	-28.02
Corn (CBOT)	USD/bushel	6.01	3.09	7.47	9.37

- **OTP AM – Open-End Funds (as of 16-Dec-11)**

Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%
OTP AvantisRO	RON	5.6000	-0.88	-14.63	-12.64
OTP Obligatiuni	RON	11.4300	0.00	13.84	15.34
OTP ComodisRO	RON	13.9351	0.02	6.25	6.57
OTP Euro Bond	EUR	10.4871	0.01	4.35	4.52

Market Highlights (as of 19 December 2011)

- **Forex**

The euro weakened 0.4 percent to \$1.2997 at 5:01 p.m. in New York. The dollar strengthened 0.4 percent to 78.04 yen. Europe's common currency was little changed at 101.45 yen. (Bloomberg)

EUR/RON opened at 4.3315/4.3335 and closed at 4.3100/4.3120. (ContiCap)

- **Money Market**

RON T/N trading range was 3.84% 4.01%. The front dropped off quite dramatically today seemingly due to onshore hard currency needs 1m -34bp, 2m -14bp, 3m -7.5bp, 6m -2.5bp, 9m and 12m have no moves. (ContiCap)

- **Equities**

- **Domestic**

The BSE closed mixed (BET-C, which does not include the SIFs gained 0.16%) on higher volumes but still below this year's average volume. While BET blue chips index increased 0.24%, BET-FI lost 1.60%.

RASDAQ-C closed red (-0.03%), while Tier I decreased 1.03%, Tier II was flat. The trading volume was lower and still below 2011's average volume.

- **Foreign**

The S&P 500 declined 1.2 percent to 1,205.35 at 4 p.m. New York time. The benchmark measure for American equities advanced 0.7 percent over the previous two days. The Dow Jones Industrial Average decreased 100.13 points, or 0.8 percent, to 11,766.26 yesterday. The Stoxx 600 advanced less than 0.1 percent to 233.75 at the close in London. Three stocks dropped for every two that climbed. The gauge earlier fell as much as 0.7 percent as Fitch Ratings said it may downgrade France, Spain and Italy and the death of Kim Jong Il, North Korea's leader for 17 years, increased concern about instability in the region. (Bloomberg)

- **Commodities**

Brent oil for February settlement on the London-based ICE Futures Europe exchange was at \$103.97 a barrel, up 62 cents, after declining as much as 98 cents, or 1 percent, to \$102.37 a barrel. The European benchmark contract was at a premium of \$9.97 to New York-traded West Texas Intermediate for the same month. The front-month spread was a record \$27.88 on Oct. 14. (Bloomberg)

Latest Financial News

- **Macroeconomics**

IMF makes 507 million Euros available to Romania.

The International Monetary Fund agreed to make 507 million Euros (\$659 million) available to Romania after reviewing its implementation of policies attached to a 3.6 billion-euro loan. "The authorities have indicated that they will continue treating the arrangement as precautionary and therefore do not intend to draw under it," the IMF said in an e-mailed statement today. (Bloomberg)

Romania and Hungary-countries with highest taxes for labour contract.

Employers and employees in Hungary and Romania pay the highest taxes to the state for labour contracts, representing 207% of the net salary, the lowest contributions being paid by Poland and Bulgaria, an analyses made by Accace shows. The study "Level of contributions owed to the state in Central and Eastern Europe" made in November and December in Romania, Czech Republic, Hungary, Bulgaria, Poland and Slovakia show that Hungary if the South East European country where both employer and employee pay the highest taxes to the state for a labour contract and exceed double the net salary. To compare the value of taxes owed to the state in case of individual labour contracts in the countries analysed, a net salary of 1,000 euro was taken into account. "Reported to that value, Hungary is the country where the highest contributions are paid. For an employee with a net salary of 1,000 euro total costs supported by the employer are 2,000 euro (207%). Hungary is followed by Romania (182%), Czech Republic (181%) and Slovakia (180%). A small volume of contributions is paid by Poland (168%) and Bulgaria (143%), the study shows. (ReporterNet.com)

- **Forex**

Euro may drop to 17-month low, Bank of America says (technical analysis).

The euro may drop to the weakest level in almost a year and a half after breaking through its low from October, according to Bank of America Corp. The euro is poised to fall to as low as \$1.2510, a level last reached in July 2010, after trading below \$1.3146, the lowest reached in October, said MacNeil Curry, head of foreign- exchange and interest-rates technical strategy at Bank of America in New York. The shared currency needs to reach and break through the \$1.2901-\$1.2859 range before dropping to \$1.2533 and then the lower level, he said. "The trend is clearly still to the downside, and that break through the October lows reaffirms that downtrend," Curry said in a telephone interview. "If you look at the extremes in sentiment positioning, a squeeze higher would not be surprising, but there you need to be a seller of strength." (Bloomberg)

• **Money Market**

Romania sells 1.7 bln Lei (393 mln Euro) in 1-year T-bills, yields fall.

Romania sold 1.7 billion lei (\$511 million/393 million euro) one-year Treasury bills in an auction on Monday, above the 1.3 billion lei on offer, the central bank said. The average yield fell to 6.55% from 6.65% achieved at the previous auction on November 28, the central bank, which sells government securities on behalf of the finance ministry, said in a statement. Bids were placed for 3.7 billion lei worth of government debt. The average accepted price was equal to 93.7948% of par. (SeeNews)

Constancio says ECB's three-year loans to banks may get significant demand.

European Central Bank Vice President Vitor Constancio predicted "significant" demand for three-year loans that the institution will make tomorrow to keep credit flowing during the debt crisis. The ECB will offer banks unlimited cash for three years at its benchmark rate of 1 percent to encourage lending and stave off a credit crunch. It has also loosened rules on the collateral banks can use to obtain the loans so that they can borrow more. (Bloomberg)

• **Equities**

Domestic

Romania's Cernavoda N-plant temporarily shuts down reactor.

Romania's sole nuclear power plant Cernavoda shut down earlier on Monday the second of its two 700 megawatt reactors due to a demineralised water leak, the plant's operator, Nuclearelectrica, said. The reactor was shut down at 0930 local time (0730 GMT) and will be reconnected to the grid once it is repaired and undergoes the necessary tests and checks, Nuclearelectrica said in a statement. All nuclear safety systems at the plant are working properly, it added. (SeeNews)

Moody's places SocGen Romanian unit ratings under review for downgrade.

Global rating agency Moody's said it has placed the Baa2/Prime-2 long-term and short-term local ratings of Societe Generale's Romanian unit BRD under review for downgrade. Moody's has also taken rating actions on the Czech, Greek, and Russian subsidiaries of Societe Generale following the recent downgrade of the French parent's long-term ratings to A1, the agency said in a statement on Friday. Moody's has placed BRD's foreign currency deposit ratings at Baa3/Prime-3 with stable outlook. The unit has a standalone bank financial strength rating (BFSR) of D (mapping to Ba2) with stable outlook. (SeeNews)

Foreign

South Korea's biggest investor bought stocks after Kim's death.

South Korea's National Pension Service, the nation's biggest investor, bought stocks yesterday when the Kospi index fell the most in more than five weeks following the death of North Korean leader Kim Jong Il. National Pension doesn't see further steep declines in equities, Kim Hee Seok, head of the fund's investment-strategy division, said by phone today. KB Asset Management Co., a unit of South Korea's second-largest financial services group, is buying futures on the nation's bonds, betting losses after Kim's death won't last. Stocks may become attractive if they fall further on geopolitical risk, according to Franklin Templeton Investment Trust Management Co. in Seoul. (Bloomberg)

AT&T Inc. abandoned a \$39 billion takeover bid for T-Mobile USA.

AT&T Inc. (T US): The second-largest U.S. wireless operator abandoned a \$39 billion takeover bid for T-Mobile USA after underestimating opposition from regulators, thwarting its ambitions to become the biggest U.S. wireless carrier, ahead of Verizon Wireless. (Bloomberg)

• **Commodities**

Gold gains as drop below \$1,600 spurs purchases, offsetting Dollar's climb.

Gold climbed, trimming the first quarterly decline since 2008, as the recent drop to the lowest level in almost three months lured buyers, tempering the effect of a stronger dollar. Immediate-delivery bullion rose as much as 0.5 percent to \$1,601.70 an ounce, and traded at \$1,597.18 at 12:30 p.m. in Singapore. The metal fell 0.3 yesterday and 6.6 percent last week as the dollar rallied against the euro. The February- delivery contract climbed 0.2 percent to \$1,599.60 on the Comex. "Gold below \$1,600 is very attractive to investors who still believe in the longer-term uptrend," said Yang Shandan, senior trader at Cinda Futures Co., rated second in a Futures Daily and Securities Times poll of China gold analysts. "The dollar will remain a key driver of near term prices." (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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