

Executive Summary

• Macroeconomics

ECB balance sheet increases to record \$3.55 trillion after loans to banks.

• Forex

The euro traded at \$1.2941 at 5:01 p.m. in New York. The EUR/RON closed 4.2850/4.2870.

• Money Market

RON T/N trading range was 4.07% - 5.34%.

• Equities

Domestic

The BSE closed red, BET-C lost 0.62% on higher volumes, while BET decreased 0.83% and BET-FI 1.37%.

RASDAQ-C closed red (0.03%) on lower volumes, while Tier I closed flat, Tier II gained 2.78%.

Foreign

S&P 500 snaps five-day rally amid concern about Europe's crisis. European stocks retreat after Italian bill sale.

• Commodities

Wheat and corn up. Most other major commodities down, in front with metals and oil.

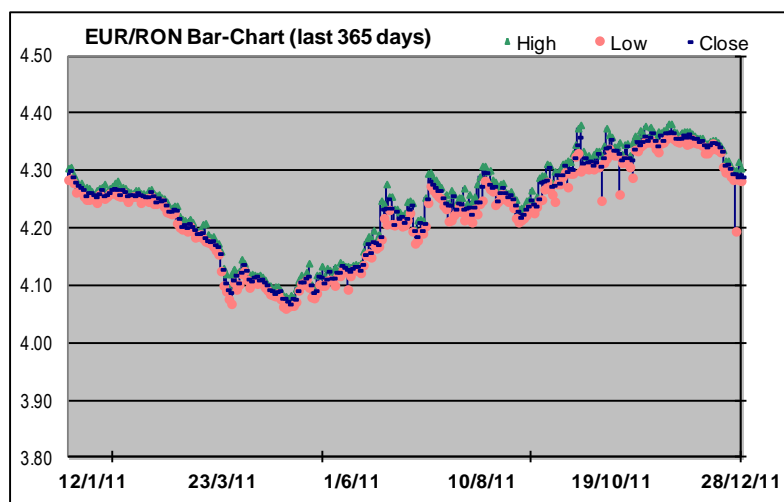
Market Data (as of 29 December 2011)

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

• Forex (as of 29-Dec-11)

FX Rates*	Prv. Day	Min 52W	Max 52W	Ytd	-52W
EUR/RON	4.2900	4.0601	4.3821	4.2900	4.3011
USD/RON	3.3156	2.7352	3.3568	3.2342	3.2595
CHF/RON	3.5170	3.1021	4.0619	3.4513	3.4324
100HUF/RON	1.3890	1.3649	1.6075	1.5343	1.5386

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

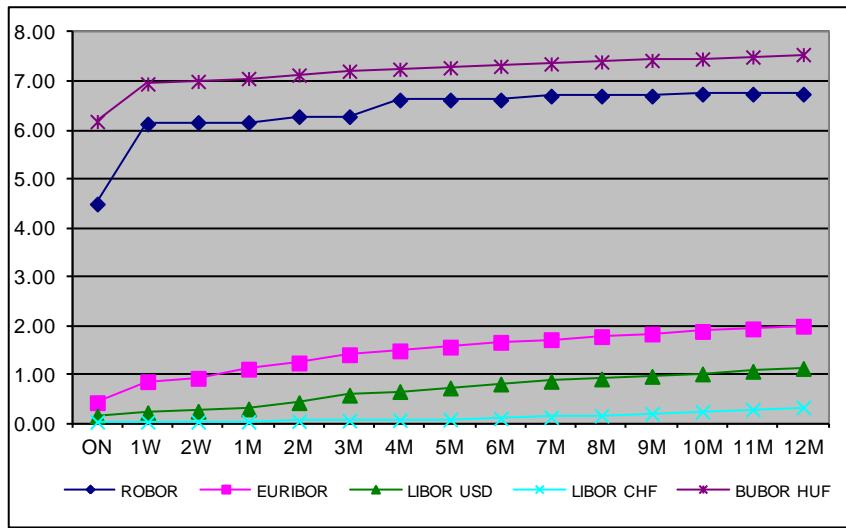


• Money Markets (valid for 29 December 2011)

Rate	ON	1W	2W	1M	2M	3M	4M	5M	6M	7M	8M	9M	10M	11M	12M
ROBOR*	4.49	6.13	-	6.16	-	6.28	-	-	6.62	-	-	6.70	-	-	6.74
EURIBOR**	0.42	0.85	0.92	1.11	1.24	1.40	1.48	1.56	1.66	1.71	1.78	1.83	1.88	1.93	1.99
LIBOR USD	0.15	0.22	0.25	0.29	0.42	0.58	0.65	0.72	0.80	0.86	0.91	0.96	1.01	1.06	1.12
LIBOR CHF	0.03	0.03	0.03	0.03	0.04	0.05	0.06	0.08	0.10	0.12	0.16	0.20	0.24	0.28	0.33
BUBOR HUF	6.18	6.95	7.00	7.06	7.13	7.21	7.25	7.28	7.31	7.36	7.40	7.43	7.46	7.50	7.55

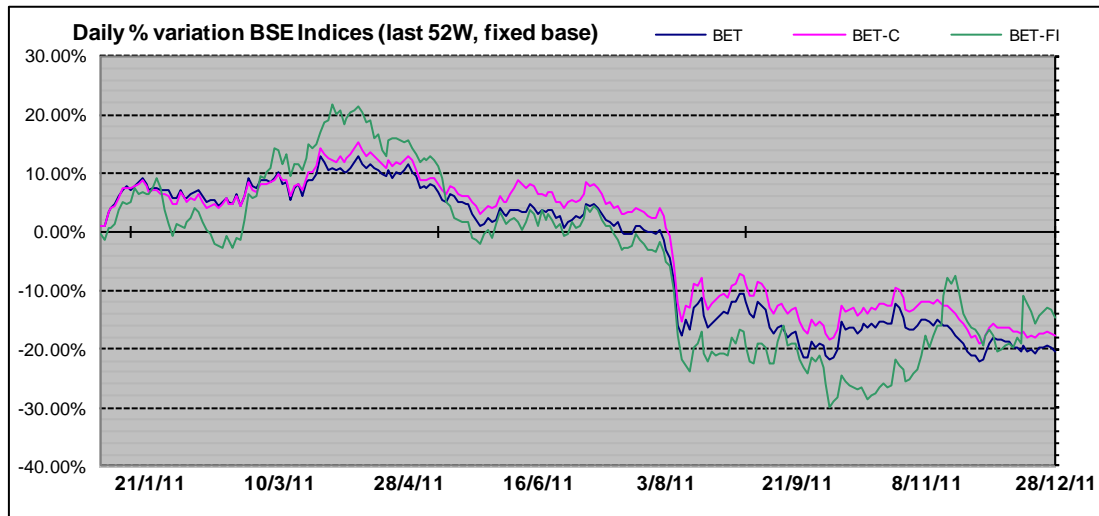
* in the chart below, values for maturities where there is no quote are proxied by the maximum of the previous and the next maturity

** 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	4,263.93	-0.83	-18.31	-17.99
BET-C	2,585.27	-0.62	-16.51	-16.04
BET-FI	19,114.16	-1.37	-10.84	-9.26
ROTX	7,929.40	-0.64	-26.59	-26.28
Rasdaq-C	1,563.63	-0.03	-6.93	-6.08
RAQ-I	914.55	0.00	-36.58	-44.59
RAQ-II	2,158.39	2.78	-29.39	-29.99

Foreign

Indices	Last close	1d%	Ytd%	52W%
DJIA (USD)	12,151.41	-1.14	5.03	4.97
S&P 500 (USD)	1,249.64	-1.25	-0.66	-0.70
DAX (EUR)	5,771.27	-2.01	-16.53	-17.22
FTSE 100 (GBP)	5507.4	-0.10	-7.76	-8.15
STOXX 600 (EUR)	240.2	-0.71	-13.29	-14.15
BUX (HUF)	17,175.01	-1.01	-19.35	-19.97

Top 5 most traded	Volume -RON	Volume - shares	Trades	Last price	1d%
FP	5,439,871	12,944,100	347	0.4204	-0.40
SIF5	1,249,656	1,189,000	214	1.0440	-2.16
SIF2	1,197,399	1,114,000	150	1.0650	-2.20
SIF3	875,030	1,547,000	225	0.5600	-1.75
TLV	198,023	227,000	35	0.8700	-0.57

Trading Volumes	BVB	Rasdaq	BUSE	NYSE listed	Nasdaq	LSE	STOXX 600 *
Previous Day	2.33	0.03	13.52	10,501.66	5,715.73	2,493.67	240.20
Ytd Avg. (EUR mn)	9.25	0.54	56.21	19,640.89	11,520.28	5,173.89	258.93
MCap (EUR bn)**	16.36	2.36	14.78	3,448.13	12,857.04	2,473.04	5,991.14

* 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%
STZ	2,541	5,500	10	0.4621	14.98
EPT	424	9,500	7	0.0500	11.11
OLT	44,663	39,500	43	1.0910	6.54
TBM	6,439	144,000	16	0.0440	4.76
BRM	6,700	8,000	42	0.0646	2.44

Worst 5 performers	Volume -RON	Volume - shares	Trades	Last price	1d%
COFI	7,148	294,800	83	0.0240	-5.88
ALU	980	1,000	4	0.9800	-3.92
ART	670	500	1	1.3400	-3.46
BRK	43,852	403,000	90	0.1080	-3.14
APC	11,681	18,000	3	0.6300	-2.93

- **Commodities**

Item (market)	unit	last close	1d%	Ytd%	52W%
Oil (Brent crude)	USD/barrel	107.56	-1.56	15.00	13.82
Gold (COMEX)	USD/ounce	1564.1	-1.97	10.19	10.15
Platinum (NYMEX)	USD/ounce	1384	-3.45	-20.83	-21.26
Silver (COMEX)	USD/ounce	27.234	-5.24	-11.59	-11.08
Wheat (CBOT)	USD/bushel	6.5125	1.01	-24.16	-24.67
Corn (CBOT)	USD/bushel	6.425	1.46	14.89	13.77

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

Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%
OTP AvantisRO	RON	5.6200	-0.18	-14.33	-12.32
OTP Obligatiuni	RON	11.4600	0.09	14.14	15.29
OTP ComodisRO	RON	13.9569	0.07	6.41	6.46
OTP Euro Bond	EUR	10.5017	0.05	4.49	4.54

Market Highlights (as of 28 December 2011)

- **Forex**

The euro dropped 0.9 percent to 100.86 yen at 5:01 p.m. in New York. It touched 100.73 yen, the lowest level since 2001. The shared currency fell 1 percent to \$1.2941, touching \$1.2912, the least since Jan. 11. The dollar was little changed at 77.90 yen. (Bloomberg)

EUR/RON opened at 4.2925/4.2945 and closed 4.2850/4.2870. (ContiCap)

- **Money Market**

RON T/N trading range was 4.07% - 5.34%. The front end moved lower due to the funding dropping off and this affected longer durations also. 1m -41.5bp, 2m -20.5bp, 3m -14.5bp, 6m -4.5bp, 9m -5 bp and 12m -4bp. (ContiCap)

- **Equities**

- **Domestic**

The BSE closed red (BET-C, which does not include the SIFs lost 0.62%) on higher volumes and below this year's average volume. While BET blue chips index decreased 0.83%, BET-FI lost 1.37%.

RASDAQ-C closed red (0.03%), while Tier I closed flat, Tier II gained 2.78%. The trading volume was lower and below 2011's average volume.

- **Foreign**

The S&P 500 retreated 1.3 percent to 1,249.64 at 4 p.m. New York time. The benchmark gauge erased its 2011 gain and fell below its average price of the past 200 days. (SPX) The Dow Jones Industrial Average slid 139.94 points, or 1.1 percent, to 12,151.41 yesterday. The Stoxx Europe 600 Index dropped 0.7 percent to 240.20 at the close in London. The gauge rallied 2 percent in the previous three sessions as investors turned attention from the debt crisis to U.S. data that showed the recovery in the world's largest economy is gathering pace. (Bloomberg)

- **Commodities**

Brent oil for February settlement fell \$1.71, or 1.6 percent, to end the session at \$107.56 a barrel on the London-based ICE Futures Europe exchange. (Bloomberg)

Latest Financial News

- **Macroeconomics**

ECB balance sheet increases to record \$3.55 trillion after loans to banks.

The European Central Bank's balance sheet soared to a record 2.73 trillion Euros (\$3.55 trillion) after it lent financial institutions more money last week to keep credit flowing to the economy during the debt crisis. Lending to euro-area banks jumped 214 billion Euros to 879 billion Euros in the week ended Dec. 23, the Frankfurt-based ECB said in a statement today. The balance sheet increased by 239 billion Euros in the week and was 553 billion Euros higher than three months ago. The euro weakened and stocks fell, halting a five-day advance in the Standard & Poor's 500 Index, as the announcement highlighted risks from Europe's debt crisis. "The market reaction is slightly incomprehensible," said Jens Kramer, an economist NordLB in Hanover. "After that record liquidity injection it would follow that the balance sheet would swell. Seeing the figure in black and white, and the fear of what would happen to the ECB if a country defaulted, may have spooked the market." The ECB last week awarded 523 banks three-year loans totaling a record 489 billion Euros to encourage lending to companies and households and prevent a credit shortage. Barclays Capital estimates the loans injected 193 billion Euros of new money into the system, with 296 billion Euros accounted for by maturing loans. So far, banks are parking the money back at the ECB. Overnight deposits at the central bank increased to an all-time high of 452 billion Euros yesterday. (Bloomberg)

- **Forex**

Euro falls to decade low versus Yen on ECB balance sheet, Italy debt sales.

The euro fell to a decade low versus the yen amid concern the European Central Bank will continue to inject cash into the financial system to stave off a credit crunch from the region's debt crisis. "The ECB, for the foreseeable future, will not drain liquidity once per month as it always has done," said Robert Rennie, Sydney-based chief currency strategist at Westpac Banking Corp., Australia's second-largest lender. "It gives you greater confidence that this is more formal quantitative easing. Both on an outright and a cross basis, the risks still do lie to the downside for the euro." (Bloomberg)

- **Money Market**

Italy to tap markets with \$11 billion sale of bonds as Monti eyes growth.

Italy will sell as much as 8.5 billion Euros (\$11 billion) in bonds today, one day after borrowing costs plunged at an auction of shorter-maturity debt. The Treasury in Rome will sell bonds maturing in 2014, 2018, 2021 and 2022. Italy yesterday sold 9 billion Euros of 179-day bills to yield 3.251 percent, down from 6.504 percent at the last auction on Nov. 25, after the European Central Bank offered unlimited three-year loans to euro-area banks last week. The ECB's measures "have clearly helped" and yesterday's sale augurs well for today's "more challenging auction of longer-term paper," Nicholas Spiro, managing director of Spiro Sovereign Strategy in London, said in an e-mail.

Today's auction results are expected shortly after 11 a.m. in Rome. Prime Minister Mario Monti convened a Cabinet meeting yesterday to outline his government's next measures to boost economic growth and may offer details at a press conference scheduled for noon in Rome today. The economy contracted 0.2 percent in the third quarter and probably also shrank in the three months through December, meaning Italy may have entered its fourth recession since 2001. (Bloomberg)

• Equities

Domestic

Romania's Alro sees 2011 net profit at \$76 million.

Romanian smelter Alro SA (ALR RO) said it sees 2011 net profit at \$76 million and 2011 total revenue at \$843 million, according to a filing yesterday to the Bucharest stockexchange. (Bloomberg)

Rompertol Group to spend \$2.8 mln on dragging in Romania's Midia Port.

Dutch-based Rompetrol Group said on Wednesday that its Midia Marine Terminal will conduct dragging operations worth 2.8 million dollars (2.1 million euro) in the Romanian Black Sea port of Midia in the first half of next year to facilitate the transit of oil tankers. The dragging operations will be performed in partnership with the National Company of Sea Port Management Constanta, Rompetrol Group said in a statement. "The project is part of Rompetrol Group's strategy of increasing the processing capacity of Petromidia refinery up to 5.0 million tonnes of raw material, that it is going to be finalised in 2012 and will provide the development of transit capacity of finished products through Midia Port", Midia Marine Terminal general manager, Ioan Taus, said in the statement. (SeeNews)

Foreign

RZB to sell up to \$784 million in capital to close EBA Gap.

Raiffeisen Zentralbank Oesterreich AG, the closely held parent of Austria's Raiffeisen Bank International AG, will raise as much as 600 million Euros (\$783 million) of capital to help plug a gap identified by regulators. RZB, which is controlled by eight regional cooperative banks, will sell non-voting participation capital to its owners after investors backed the plan at a meeting in Vienna yesterday, the company said in a statement. RZB also gained approval to issue as many as 3.1 million new shares to redeem existing participating capital. RZB, whose main asset is a 79 percent stake in eastern Europe's third-biggest lender Raiffeisen, needs 2.1 billion Euros of additional capital to meet the 9 percent minimum capital target set by the European Banking Authority. Yesterday's sale will allow RZB to swap into common stock other forms of capital that aren't recognized as such by the EBA. (Bloomberg)

• Commodities

Gold posts longest slump since 2009.

Gold fell, capping the longest slump since October 2009, and silver tumbled to a three-month low as Europe's deepening debt crisis drove commodities and stocks lower. The euro dropped to an 11-month low against the dollar as lending to financial institutions sent the European Central Bank's balance sheet to a record high. The Standard & Poor's GSCI index of 24 raw materials and the MSCI World Index of equities were poised for the biggest declines in two weeks. Platinum approached the lowest since November 2009, and palladium dropped almost 3 percent. The ECB said lending to euro-area banks jumped 214 billion Euros (\$276.9 billion) to 879 billion in the week ended Dec. 23, bolstering credit to the economy during the fiscal turmoil. Gold has slumped 19 percent from a record \$1,923.70 an ounce on Sept. 6, partly on sales to cover losses in other markets. About \$10 trillion has been erased from global equities (MXWD) since May. (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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