

Executive Summary

• Macroeconomics

Romania's 11-months industrial sales rise 16.6%.

• Forex

The euro traded at \$1.2778 at 5:00 p.m. in New York. The EUR/RON closed 4.3610/4.3630.

• Money Market

RON T/N trading range was at 0.68% - 1.10%.

• Equities

Domestic

The BSE closed mixed, BET-C lost -0.36% on higher volumes, while BET was flat, BET-FI gained 0.50%.

RASDAQ-C closed red (-0.57%) on higher volumes, while Tier I lost 3.36%, Tier II declined 2.54%.

Foreign

U.S. stocks advance to five-month high amid China easing bets. European stocks gain as Alcoa loss matches estimates.

• Commodities

Wheat down. Most other major commodities up or flat.

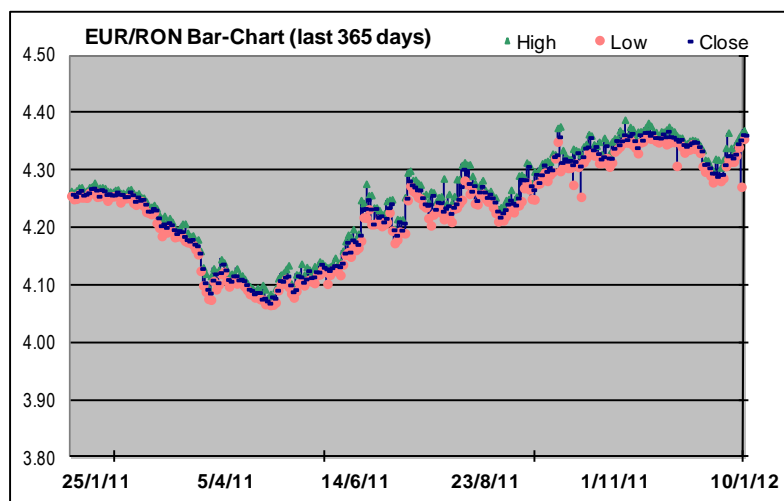
Market Data (as of 11 January 2012)

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

• Forex (as of 11-Jan-12)

FX Rates*	Prv. Day	Min 52W	Max 52W	Ytd	-52W
EUR/RON	4.3611	4.0782	4.3595	4.3271	4.2589
USD/RON	3.4141	2.7352	3.4352	3.3367	3.2830
CHF/RON	3.5964	3.1021	4.0619	3.5540	3.3648
100HUF/RON	1.4014	1.3390	1.6076	1.3745	1.5345

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

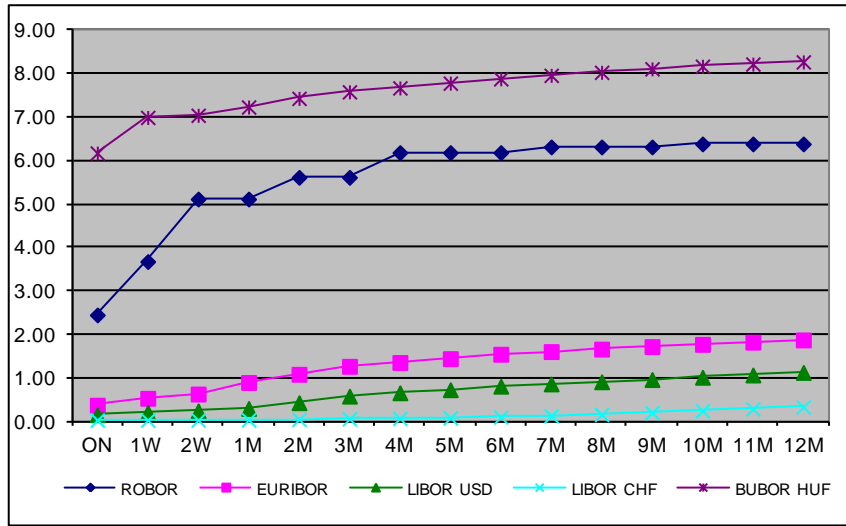


• Money Markets (valid for 11 January 2012)

Rate	ON	1W	2W	1M	2M	3M	4M	5M	6M	7M	8M	9M	10M	11M	12M
ROBOR*	2.45	3.68	-	5.12	-	5.62	-	-	6.19	-	-	6.32	-	-	6.39
EURIBOR**	0.37	0.53	0.63	0.89	1.08	1.27	1.36	1.44	1.55	1.61	1.66	1.72	1.77	1.82	1.88
LIBOR USD	0.15	0.20	0.24	0.30	0.43	0.58	0.66	0.73	0.81	0.86	0.91	0.96	1.01	1.07	1.13
LIBOR CHF	0.03	0.03	0.03	0.03	0.05	0.06	0.07	0.08	0.10	0.13	0.16	0.20	0.24	0.29	0.33
BUBOR HUF	6.18	7.00	7.05	7.24	7.44	7.59	7.68	7.79	7.89	7.97	8.04	8.12	8.18	8.23	8.28

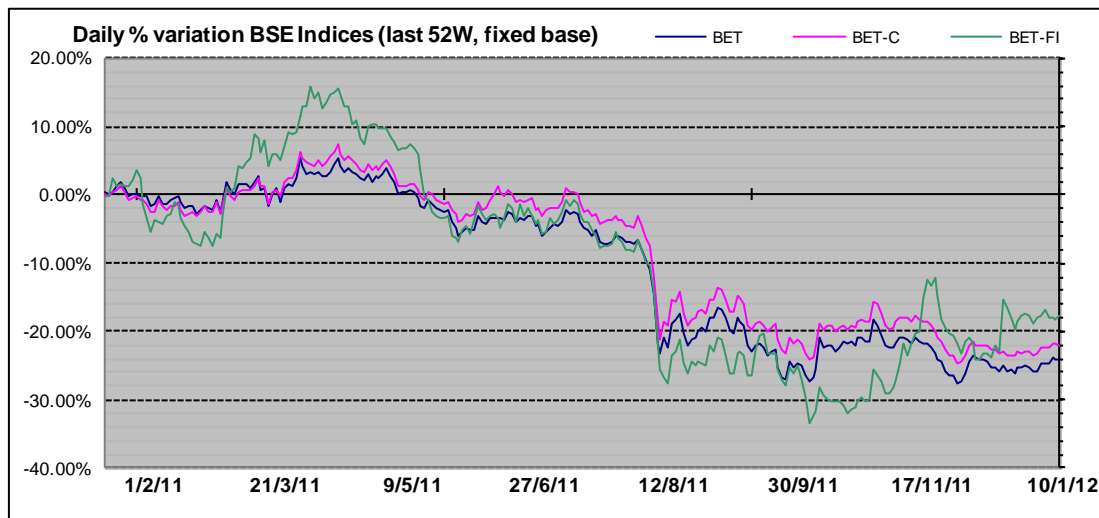
* in the chart below, values for maturities where there is no quote are proxied by the maximum of the previous and the next maturity

** 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	4,371.18	0.00	0.79	-22.31
BET-C	2,637.29	-0.38	0.61	-19.87
BET-FI	19,341.12	0.50	0.00	-14.54
ROTX	7,953.20	0.30	-1.06	-30.26
Rasdaq-C	1,580.88	-0.57	0.05	-8.49
RAQ-I	930.49	-3.36	2.38	-39.67
RAQ-II	1,941.39	-2.54	-2.54	-36.29

Foreign

Indices	Last close	1d%	Ytd%	52W%
DJIA (USD)	12,462.47	0.56	2.00	7.09
S&P 500 (USD)	1,292.08	0.89	2.74	1.76
DAX (EUR)	6,162.98	2.42	4.49	-10.12
FTSE 100 (GBP)	5696.7	1.50	2.23	-4.36
STOXX 600 (EUR)	250.82	1.79	2.57	-9.93
BUX (HUF)	17,068.69	2.40	0.56	-22.95

Top 5 most traded	Volume -RON	Volume - shares	Trades	Last price	1d%
FP	2,343,527	5,481,500	204	0.4300	0.00
SIF4	1,080,382	1,947,500	157	0.5575	0.45
SIF3	1,008,820	1,799,500	213	0.5625	0.45
SIF1	761,314	865,500	139	0.8785	0.00
SIF5	695,592	648,500	106	1.0760	0.65

Trading Volumes	BVB	Rasdaq	BUSE	NYSE listed	Nasdaq	LSE	STOXX 600 *
Previous Day	1.75	0.05	54.58	17,251.68	10,502.23	5,267.07	250.82
Ytd Avg. (EUR mn)	1.90	0.14	51.49	15,461.98	9,260.41	3,965.02	248.07
MCap (EUR bn)**	15.89	2.35	14.61	3,646.42	13,510.99	2,604.85	6,264.99

* 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%
PREH	150	100	1	1.4950	15.00
EFO	150	2,000	2	0.0750	4.90
PTR	143	500	1	0.2855	4.54
ZIM	3,300	2,000	2	1.6500	3.12
DAFR	29,444	459,500	42	0.0646	2.58

Worst 5 performers	Volume -RON	Volume - shares	Trades	Last price	1d%
SOCP	4,736	15,500	6	0.3060	-6.99
COTR	1,198	52	2	25.0000	-5.66
RTRA	941	5,500	5	0.1870	-5.08
RRC	325	8,500	7	0.0380	-5.00
AMO	2,922	215,500	20	0.0135	-2.17

- **Commodities**

Item (market)	unit	last close	1d%	Ytd%	52W%
Oil (Brent crude)	USD/barrel	113.28	0.74	5.49	17.72
Gold (COMEX)	USD/ounce	1631.5	1.46	4.13	17.64
Platinum (NYMEX)	USD/ounce	1464.75	2.72	4.55	-15.90
Silver (COMEX)	USD/ounce	29.815	3.59	6.81	2.36
Wheat (CBOT)	USD/bushel	6.3975	-0.31	-1.99	-25.57
Corn (CBOT)	USD/bushel	6.52	0.00	0.85	17.27

- **OTP AM – Open-End Funds (as of 9-Jan-12)**

Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%
OTP AvantisRO	RON	5.6000	-0.36	-0.36	-17.40
OTP Obligatiuni	RON	11.4900	0.09	0.26	13.20
OTP ComodisRO	RON	13.9911	0.05	0.19	6.46
OTP Euro Bond	EUR	10.5180	0.04	0.12	4.56

Market Highlights (as of 10 January 2012)

- **Forex**

The dollar fell 0.1 percent to \$1.2778 per euro at 5 p.m. in New York after weakening 0.4 percent yesterday. It depreciated earlier today to \$1.2818, the least since Jan. 5. The yen declined 0.1 percent to 98.19 per euro. The dollar was unchanged at 76.85 yen. (Bloomberg)
EUR/RON opened at 4.3565/4.3585 and closed the day 4.3610/4.3630. (ContiCap)

- **Money Market**

RON T/N trading range was 0.68% - 1.10%. With 1.2 billion over the initial offering being sold at Monday's bond auction, there was slightly less RON than expected in the market resulting in marginally higher levels for funding. (ContiCap)

- **Equities**

- **Domestic**

The BSE closed mixed (BET-C, which does not include the SIFs lost 0.36%) on higher volumes but still below this year's average volume. While BET blue chips index closed flat, BET-FI advanced 0.50%.

RASDAQ-C closed red (-0.57%), while Tier I dropped 3.36%, Tier II lost 2.54%. The trading volume was higher but still below 2012's average volume.

- **Foreign**

The S&P 500 climbed 0.9 percent to 1,292.08 at 4 p.m. New York time. The index rose to the highest level since July 29, a week before the U.S. was stripped of its AAA credit rating by S&P. The Dow gained 69.78 points, or 0.6 percent, to 12,462.47. The Stoxx Europe 600 Index advanced 1.8 percent to 250.82 at the close, erasing Monday's 0.5 percent drop. The gauge advanced in the first week of 2012 as economic reports around the world added to optimism the global economy can withstand the euro-area's debt crisis. (Bloomberg)

- **Commodities**

Brent oil for February settlement on the London-based ICE Futures Europe exchange climbed as much as \$1.56, or 1.4 percent, to \$114.01 a barrel. The European benchmark contract was at a \$10.51 premium to New York-traded West Texas Intermediate grade. The spread was a record \$27.88 on Oct. 14. (Bloomberg)

Latest Financial News

- **Macroeconomics**

Romania's 11-months industrial sales rise 16.6%.

Romania's industrial sales rose by an annual 16.6% through November, the National Statistics Institute, INS, said on Tuesday. In November alone, industrial sales were up 1.1% month-on-month and 9.6% higher than a year earlier. (SeeNews)

- **Forex**

Euro will fall to \$1.20 on debt crisis, funding difficulties, Nordea says.

Investors should bet the euro will weaken against the dollar as European governments struggle to raise funds and leaders race to implement new budget rules, according to Nordea Bank AB. Strategists including Jonas Thulin in Stockholm advised selling the 17-nation currency at \$1.2779, and buying it back after it has depreciated to \$1.20. Investors should exit the trade if the euro strengthens to \$1.3820, they wrote. "The question is not if you are bearish on the single currency, but rather, are you bearish enough?" the strategist wrote in a note sent to clients yesterday. (Bloomberg)

- **Money Market**

Germany would gain from Euro bonds promoting budget discipline, Rehn says.

Germany, which opposes joint bond sales by euro-area governments to tackle the debt crisis, would benefit from such a step provided it were underpinned by "rock-solid" budget discipline, said European Union Economic and Monetary Affairs Commissioner Olli Rehn. Rehn said common debt issuance by the euro area's 17 nations could create a large, liquid market for bonds to rival U.S. Treasuries as a safe haven. German Chancellor Angela Merkel opposes the creation of euro bonds -- also called "stability bonds" -- to help Greece, Portugal and other distressed euro nations lower borrowing costs. "Stability bonds can provide substantial benefits also for countries with currently high credit standing," Rehn told a European Parliament group yesterday in Brussels. "Yet there are serious challenges to make them work." (Bloomberg)

- **Equities**

- **Domestic**

Romanian Antitrust Council fined oil companies 3% of sales.

Romania's competition council fined five oil companies, including OMV Petrom SA and Rompetrol Group NV, about 880 million lei (\$258 million), or 3 percent of their 2010 sales, for breaching antitrust rules. The probe showed that Petrom, Rompetrol and the Romanian units of Lukoil OAO, MOL Hungarian Oil and Gas Plc and Eni SpA colluded on the withdrawal from the market of Eco-Premium, an unleaded gasoline pre-mixed with lead substitute, Bogdan Chiritoiu, the head of the Competition Council, said in a press conference in Bucharest

yesterday. "The companies may have withdrawn that specific gasoline from the market due to lack of demand and high production costs but they shouldn't have talked about this with each other," Chiritoiu said. "Petrom received a higher fine because it initiated the talks and had aggravating circumstances, while Rompetrol got a lower one because it didn't participate in the talks, but didn't report its competitors' wrongdoing." The Competition Council has been investigating the energy market over the past two years and still has to complete a probe regarding a possible "cartel scheme" in setting fuel prices, Chiritoiu said. (Bloomberg)

Erste may replace Romanian unit head in first quarter, ZF says.

Erste Group Bank AG may replace Dominic Bruynseels, the chief executive officer of its Romanian unit Banca Comerciala Romana SA, by the end of the first quarter, Ziarul Financiar reported yesterday, citing unidentified bank industry people. Bruynseels, whose four-year chief executive term ends in August, will probably be replaced with another international banker, the newspaper said, quoting the unnamed people. Banca Comerciala Romana doesn't comment on rumors, said Ionut Stanimir, a spokesman for the Bucharest-based bank, when contacted by Bloomberg News by phone. (Bloomberg)

Foreign

Too-big-to-fail bank definition may be expanded by regulators.

Global regulators may expand the definition of a too-big-to-fail financial firm, signing up domestic lenders, clearing houses and insurers to capital rules designed for the world's biggest banks. The "framework should be in place for domestically systemically important banks by the end of the year," Mark Carney, chairman of the Financial Stability Board, said yesterday after a meeting of the group in Basel, Switzerland. Deutsche Bank AG, BNP Paribas SA and Goldman Sachs Group Inc. were among 29 banks subject to the so-called capital surcharge on globally systemic financial institutions drawn up by the FSB in November. Banks will have to boost reserves by 1 to 2.5 percentage points above minimum levels agreed on by international regulators. "The world contains a whole slew of institutions like that which are not systemic on a global level but are on a national level," Simon Gleeson, regulatory lawyer at Clifford Chance LLP, said in a telephone interview. "The institution most interesting in this regard is Erste Bank," he said. "The more you look at it the more you think it's systemically important to Hungary." (Bloomberg)

European stocks not cheap enough at 1987 level.

European stocks may have to underperform further before their valuations entice investors, even after dropping to their lowest level compared with U.S. equities since 1987, according to a BNP Paribas SA strategist. European stocks trade at a 25 percent discount to U.S. stocks on earnings over the last 12 months, according to BNP Paribas. The discount reached 38 percent in February 2009, 39 percent in July 2008 and 43 percent in September 2002. The Stoxx Europe 600 Index has fallen to its lowest relative to the Standard & Poor's 500 Index since the European gauge's data started 25 years ago. "The uncertainty in Europe is so severe that we would rather avoid taking advantage of this discount until it is much closer to the valuation extreme it has reached on several previous occasions," said Orrin Sharp-Pierson, an equity strategist for BNP Paribas in London. "In a world of fundamentals slowly having their way over volatility, we still expect the S&P to outperform European indices." (Bloomberg)

Goodyear Tire & Rubber Co. is experiencing softness in global demand.

Goodyear Tire & Rubber Co. tumbled 8.3 percent to \$14.01. The largest U.S. tiremaker said it's experiencing softness in global demand. Sales of replacement tires in North America, where Goodyear got 44 percent of its revenue in 2010, fell about 3 percent in last year's final quarter, Chief Financial Officer Darren Wells said at an investor conference yesterday in Detroit. (Bloomberg)

• Commodities

U.S. winter wheat extends gain from 97-year low as glut looms.

U.S. farmers, the world's biggest wheat exporters, probably planted the most winter grain in three years, expanding acreage from a century-low reached in 2009 just as a global supply glut swells to its biggest in a decade. About 41.02 million acres, an area bigger than Illinois, were sown from September to November, 0.9 percent more than a year earlier, according to the average of 16 analyst estimates compiled by Bloomberg. That will add to world inventories set to rise 4 percent to 207.7 million metric tons, the most since 2000, the survey showed. Winter wheat accounts for 74 percent of the U.S. crop, and the government gives its first estimate today. (SeeNews)



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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