

## Executive Summary

### • Macroeconomics

Romania, IMF in negotiation on raising public wages, pensions.

### • Forex

The euro traded at \$1.3187 per euro at 2:10 p.m. in Tokyo. The EUR/RON closed 4.3380/4.3400.

### • Money Market

RON O/N trading range was at 4.19% - 3.69%.

### • Equities

#### Domestic

The BSE closed red, BET-C dropped 0.81% on lower volumes, while BET decreased 0.47%, BET-FI lost 0.66%.

RASDAQ-C closed red (-0.29%) on lower volumes, while Tier I retreated 1.29%, Tier II closed flat.

#### Foreign

U.S. stocks decline amid concern about Greek debt negotiations. European stocks fall most in six weeks.

### • Commodities

All major commodities down.

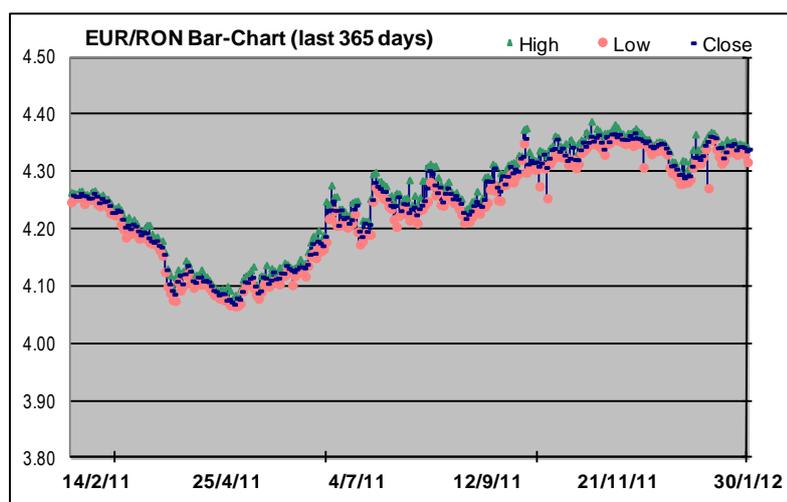
## Market Data (as of 31 January 2012)

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

### • Forex (as of 31-Jan-12)

FX Rates*	Prv. Day	Min 52W	Max 52W	Ytd	-52W
EUR/RON	4.3403	4.0782	4.3595	4.3271	4.2589
USD/RON	3.3058	2.7352	3.4435	3.3367	3.1095
CHF/RON	3.6017	3.1021	4.0619	3.5540	3.3049
100HUF/RON	1.4694	1.3390	1.6076	1.3745	1.5604

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

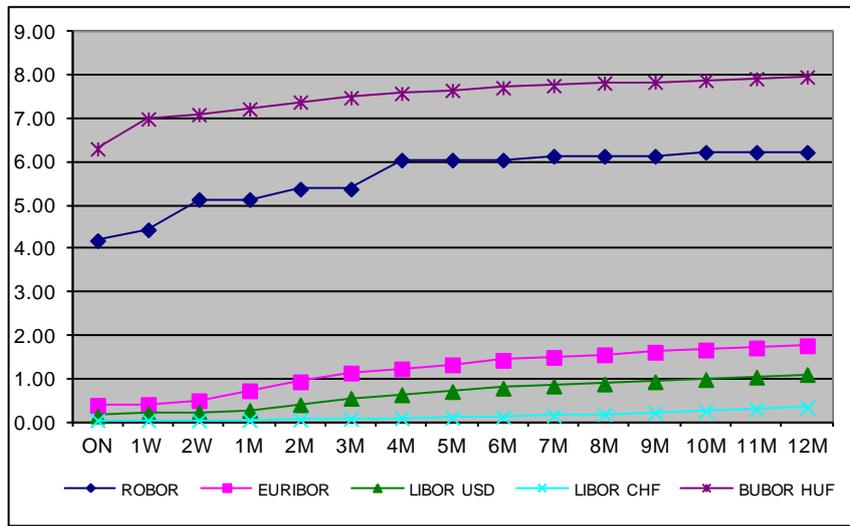


### • Money Markets (valid for 31 January 2012)

Rate	ON	1W	2W	1M	2M	3M	4M	5M	6M	7M	8M	9M	10M	11M	12M
ROBOR*	4.19	4.44	-	5.14	-	5.38	-	-	6.05	-	-	6.14	-	-	6.23
EURIBOR**	0.39	0.40	0.49	0.72	0.93	1.13	1.23	1.32	1.43	1.49	1.55	1.61	1.66	1.71	1.76
LIBOR USD	0.14	0.20	0.23	0.27	0.40	0.55	0.63	0.70	0.78	0.83	0.88	0.93	0.98	1.04	1.10
LIBOR CHF	0.04	0.04	0.04	0.04	0.05	0.07	0.08	0.10	0.12	0.15	0.18	0.22	0.26	0.30	0.34
BUBOR HUF	6.31	7.00	7.10	7.23	7.39	7.49	7.59	7.66	7.72	7.77	7.83	7.85	7.89	7.93	7.97

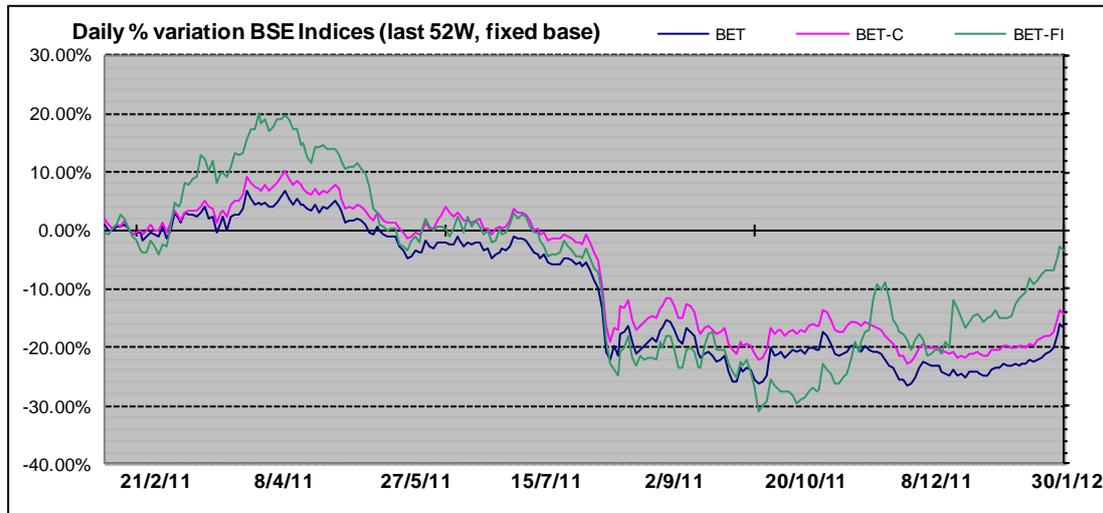
\* in the chart below, values for maturities where there is no quote are proxied by the maximum of the previous and the next maturity

\*\* 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	4,745.54	-0.47	9.42	-17.36
BET-C	2,828.35	-0.81	7.89	-15.23
BET-FI	21,927.77	-0.66	13.37	-3.43
ROTX	9,043.70	-1.32	12.51	-23.37
Rasdaq-C	1,601.66	-0.29	1.37	-8.27
RAQ-I	933.37	-1.29	2.70	-38.37
RAQ-II	2,016.51	0.00	1.23	-35.51

Foreign

Indices	Last close	1d%	Ytd%	52W%
DJIA (USD)	12,653.72	-0.05	3.57	7.02
S&P 500 (USD)	1,313.01	-0.25	4.41	2.87
DAX (EUR)	6,444.45	-1.04	9.26	-9.27
FTSE 100 (GBP)	5671.09	-1.09	1.77	-3.58
STOXX 600 (EUR)	252.52	-1.13	3.26	-9.96
BUX (HUF)	19,072.77	-1.11	12.36	-16.53

Top 5 most traded	Volume -RON	Volume - shares	Trades	Last price	1d%
FP	13,796,737	28,130,100	574	0.4920	0.29
SIF2	2,798,188	2,125,500	258	1.3150	-1.57
SIF3	2,394,489	3,974,000	352	0.6040	-0.82
SIF5	1,791,082	1,488,000	235	1.2050	-1.87
EBS	1,017,935	14,039	169	71.6500	-3.70

Trading Volumes	BVB	Rasdaq	BUSE	NYSE listed	Nasdaq	LSE	STOXX 600 *
Previous Day	7.39	0.12	46.71	15,213.99	9,436.12	4,328.30	252.52
Ytd Avg. (EUR mn)	6.64	0.09	57.12	16,278.08	10,071.37	4,653.16	251.69
MCap (EUR bn)**	18.56	2.39	17.09	3,659.01	13,363.97	2,584.76	6,325.67

\* 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	719	100	1	7.1850	14.87
MEF	4,645	3,500	3	1.4900	14.62
ELJ	3,373	30,500	6	0.1245	13.18
ECT	53	1,500	2	0.0359	9.12
RTRA	3,809	19,000	42	0.0646	8.81

Worst 5 performers	Volume -RON	Volume - shares	Trades	Last price	1d%
PPL	810	1,000	1	0.8100	-9.40
RPH	148,020	244,300	58	0.6025	-6.59
EBS	1,017,935	14,039	169	71.6500	-3.70
BRD	86,106	7,850	32	11.0000	-2.83
TEL	23,053	1,280	26	18.0000	-2.60

- **Commodities**

Item (market)	unit	last close	1d%	Ytd%	52W%
Oil (Brent crude)	USD/barrel	110.75	-0.64	3.63	10.14
Gold (COMEX)	USD/ounce	1734.4	-0.06	10.51	28.23
Platinum (NYMEX)	USD/ounce	1612.75	-0.49	15.11	-10.23
Silver (COMEX)	USD/ounce	33.527	-0.78	20.10	19.88
Wheat (CBOT)	USD/bushel	6.4475	-0.39	-1.23	-29.63
Corn (CBOT)	USD/bushel	6.3175	-1.56	-2.28	8.08

- **OTP AM – Open-End Funds (as of 27-Jan-12)**

Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%
OTP AvantisRO	RON	6.1800	1.31	9.96	-13.81
OTP Obligatiuni	RON	11.5200	0.00	0.52	5.01
OTP ComodisRO	RON	14.0348	0.02	0.50	6.47
OTP Euro Bond	EUR	10.5413	0.01	0.34	4.59

## Market Highlights (as of 30 January 2012)

- **Forex**

The yen appreciated 1 percent to 100.34 per euro at 5 p.m. in New York and touched 99.99, the lowest level since Jan. 23. The Japanese currency strengthened 0.5 percent to 76.35 per dollar, reaching 76.22. It touched 75.35 yen Oct. 31, a post- World War II low. The euro declined 0.1 percent to 1.20528 Swiss francs after sliding to 1.20405, the weakest since Sept. 19. (Bloomberg)

EUR/RON opened at 4.3380/4.3400 and closed exactly the same at 4.3380/4.3400. (ContiCap)

- **Money Market**

RON O/N trading range was 4.19% - 3.69%.

- **Equities**

- **Domestic**

The BSE closed red (BET-C, which does not include the SIFs dropped 0.81%) on lower volumes but still above this year's average volume. While BET blue chips index decreased 0.47%, BET-FI lost 0.66%.

RASDAQ-C closed red (-0.29%), while Tier I retreated 1.29%, Tier II closed flat. The trading volume was lower and above 2012's average volume.

- **Foreign**

The S&P 500 decreased 0.3 percent to 1,313.01 at 4 p.m. New York time. The benchmark index for American equities trimmed a decline of as much as 1.2 percent. The Dow Jones Industrial Average retreated 6.74 points, or 0.1 percent, to 12,653.72. The Stoxx Europe 600 index retreated 1.1 percent to 252.52 at the close of trading, the largest slide since Dec. 14. The benchmark gauge has still rallied 18 percent from its Sept. 22 low as the U.S. economy maintained its recovery and speculation grew that the euro area will contain the sovereign-debt crisis. (Bloomberg)

- **Commodities**

Brent oil for March settlement was at \$111.23 a barrel, down 23 cents, on the London-based ICE Futures Europe exchange. The European benchmark contract's premium to West Texas Intermediate futures was at \$12.13, compared with \$11.90 on Jan. 27 and a record \$27.88 on Oct. 14. (Bloomberg)

## Latest Financial News

- **Macroeconomics**

*EU nears confrontation over Greek rescue.*

European governments moved toward a confrontation over a second rescue package for Greece, just as a dimming fiscal outlook in Portugal opened a new front in the debt crisis. Euro leaders left a Brussels summit late yesterday with no accord over how to plug Greece's widening budget hole and German Chancellor Angela Merkel voicing frustration with the Athens government's failure to carry out an economic makeover. "Greece's debt sustainability is especially bad," Merkel told reporters. "You have to find a way through more action by the Greek government, more contributions by private creditors, for example, in order to close this gap." Bargaining with Greece over a debt writedown and its economic management overshadowed efforts to point the way out of the financial crisis. EU chiefs agreed to speed the setup of a full-time 500 billion-euro (\$654 billion) rescue fund and signed off on a German-inspired deficit-control treaty. (Bloomberg)

*German retail sales unexpectedly declined in December amid outlook on debt.*

German retail sales unexpectedly declined in December as consumers' Christmas-shopping frenzy was damped by uncertainty about the economic outlook. Sales, adjusted for inflation and seasonal swings, declined 1.4 percent from November, when they fell 1 percent, the Federal Statistics Office in Wiesbaden said today. Economists forecast a gain of 0.8 percent, the median of 24 estimates in a Bloomberg News survey showed. Sales (GRFRINYY) fell 0.9 percent from a year ago. The statistics office said retail sales were 0.9 percent higher in 2011 than in 2010. "The economy should pick up in the second quarter," said Gerd Hassel, an economist at BHF Bank AG in Frankfurt, who forecasts a 0.5 percent expansion in 2012. "Private consumption will continue to boost growth this year, albeit at weaker pace than in 2011 because increases in employment and wages will be more moderate." The decline in German unemployment to its lowest since 1992 may slow as companies struggle to find workers for 1 million open jobs amid a shrinking population, Labor Minister Ursula von der Leyen said in an interview on Jan. 25. (Bloomberg)

- **Forex**

*Dollar may fall to S\$1.2385 on break of moving average; (technical analysis).*

The dollar may decline toward the lowest level in three months against its Singapore counterpart after falling below the 200-day moving average, Forecast Pte. said, citing technical patterns. The greenback may approach a key support level at S\$1.2385, said Winston Tang, a technical analyst at Forecast. The currency touched its 200-day moving average versus Singapore's dollar on Jan. 26, data compiled by Bloomberg show. "The close below the 200-day average should boost the downside," Singapore-based Tang said. The dollar may "reach S\$1.2385 in less than a week," he said. (Bloomberg)

## • Money Market

*Greek government bonds held by ECB are 'of course' at risk, Nowotny says.*

European Central Bank Governing Council member Ewald Nowotny said that Greek government bonds the ECB acquired in the secondary market are "of course" at risk, according to an interview with Austrian state radio ORF. "One off course has to say openly that there's a risk regarding Greece, however the current discussion is about a participation of the private sector and that of course doesn't include the ECB," Nowotny told ORF. (Bloomberg)

## • Equities

### Domestic

*Romanian flag carrier Tarom plans to cut losses by 26% in 2012.*

Romanian state-owned flag carrier Tarom plans to cut its loss to 187.24 million lei (\$57 million/43.2 million euro) this year from 252.18 million lei in 2011, local media reported on Sunday. Tarom cut its loss by 24.16% last year from 332.5 million lei in 2010, news agency Mediafax reported. Romania has recently lowered its expectations regarding the sale of a 20% stake in Tarom, estimating to raise up to 7.4 million euro (\$9.7 million), less than half the initial projection, due to the fact that the airline is still very much affected by the global financial crisis, local media has reported quoting a document drafted by the Romanian transport

ministry earlier this year. Tarom also sees its loss shrinking further to 122.29 million lei in 2013 and 60.58 million in 2014, Mediafax said quoting a draft budget of the company. (SeeNews)

*ArcelorMittal Romanian plant to raise cap by 78.1 Mln Lei (18 Mln Euro).*

The shareholders of Romanian steel pipe producer ArcelorMittal Tubular Products Iasi (RO TPRO) have approved a 78.1 million lei (\$23.7 million/18 million euro) capital hike to finance its debts, the company said. The share capital will be raised to 241 million lei from 162.9 million lei via a rights issue, the company said in a statement. It will issue some 31.2 million new shares at a price of 2.5 lei each, equal to their face value. ArcelorMittal Tubular Products will use the fresh capital to repay loans taken out to finance a new production line and secure working capital. ArcelorMittal Tubular Products Holding B.V. held 96.33% of the Romanian company at the end of 2011, according to the data from the central depository. (SeeNews)

*Romania's Romgaz says starts Nat Gas imports.*

Romania's state-owned gas producer Romgaz started to import natural gas on January 28 to meet the higher demand triggered by freezing temperatures, the company said on Sunday. "A fall in temperatures in some regions of Romania has caused a significant increase in natural gas consumption," Romgaz said in a statement. It added that production is maxed out at its gas fields. Most of the natural gas extracted by Romgaz is sold to local gas suppliers E.ON Romania and GDF Suez Romania. Local daily Adevarul reported on Sunday that Romgaz is paying \$500 (380 euro) per 1,000 cubic meters for the natural gas imported from Russia, a price three times higher than the domestic gas price. Romania is facing freezing temperatures since last week, when heavy snow blocked many roads mainly in southern part of the country. (SeeNews)

### Foreign

*Staples Inc. was cut to "sell" from "neutral" by Goldman Sachs.*

Staples Inc. (SPLS) declined 4.9 percent to \$15.23. The world's largest office products company was cut to "sell" from "neutral" by Goldman Sachs, which cited a "tough" outlook for the global printing segment. (Bloomberg)

*Nabors Industries Ltd. may be a takeover candidate.*

Nabors Industries Ltd. (NBR) gained 3.5 percent, the most in the S&P 500, to \$18.56. Traders in the options market are betting the world's largest land-drilling contractor may be a takeover candidate after the departure of its 81-year-old chief executive officer. In the past two weeks, calls priced 10 percent above Nabors' stock rose the most in 18 months versus puts on one-month contracts, signaling traders are anticipating an acquisition, said JonesTrading Institutional Services LLC. (Bloomberg)

## • Commodities

*Silver powering 20 million homes as supply surplus subsides.*

Record industrial demand for silver and resurging investor interest is diminishing a supply surplus, driving the metal used in everything from solar panels to batteries into its best start to a year in almost three decades. Manufacturers will use 15,415 metric tons, 2.5 percent more than in 2011 and reducing the glut by 41 percent to 3,297 tons, Barclays Capital estimates. Investors may buy 2,000 tons through exchange-traded products, after selling 1,300 tons last year, Morgan Stanley predicts. Prices will average \$37.50 an ounce in the fourth quarter, 12 percent more than now, the median estimate in a Bloomberg survey of 13 analysts shows. The metal rallied 24 percent since closing at an 11-month low in December, entering a bull market on mounting confidence that another global recession will be avoided even as the World Bank and International Monetary Fund cut their growth forecasts. Prices had plunged 44 percent in eight months, making it the most volatile of any metal tracked by Bloomberg, as expansion slowed from Europe to China, crimping demand for commodities. (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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