

Executive Summary

• Macroeconomics

Romania's January cons budget deficit widens to 0.17%/GDP.

• Forex

The euro traded at \$1.3458 per euro at 4:00 p.m. in New York. The EUR/RON closed at 4.3530/4.3550.

• Money Market

RON O/N trading range was at 3.93% - 4.43%.

• Equities

Domestic

The BSE closed green, BET-C increased 0.48% on lower volumes, while BET gained 0.52%, BET-FI advanced 0.90%.

RASDAQ-C closed red (-0.25%) on lower volumes, while Tier I lost 1.34%, Tier II advanced 0.04%.

Foreign

S&P 500 closes at highest since 2008. European stocks advanced.

• Commodities

Gold, platinum and silver down. Most other major commodities up.

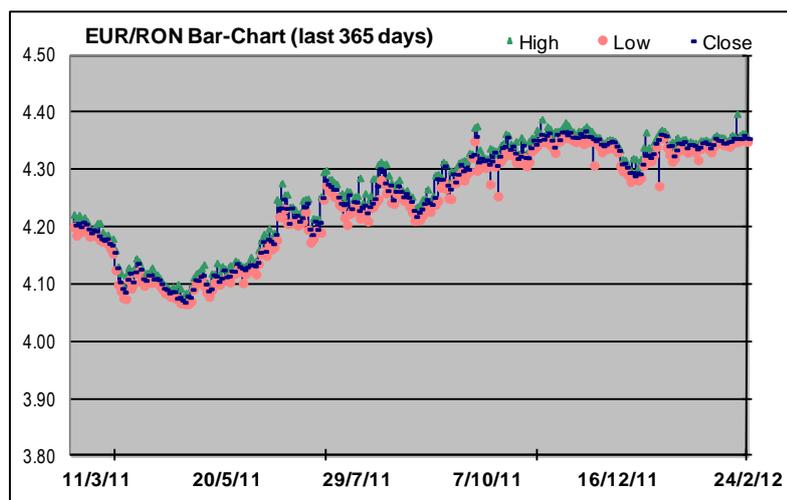
Market Data (as of 27 February 2012)

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

• Forex (as of 27-Feb-12)

FX Rates*	Prv. Day	Min 52W	Max 52W	Ytd	-52W
EUR/RON	4.3535	4.0782	4.3595	4.3271	4.2176
USD/RON	3.2352	2.7352	3.4435	3.3367	3.0656
CHF/RON	3.6171	3.1021	4.0619	3.5540	3.3022
100HUF/RON	1.4986	1.3390	1.6076	1.3745	1.5475

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

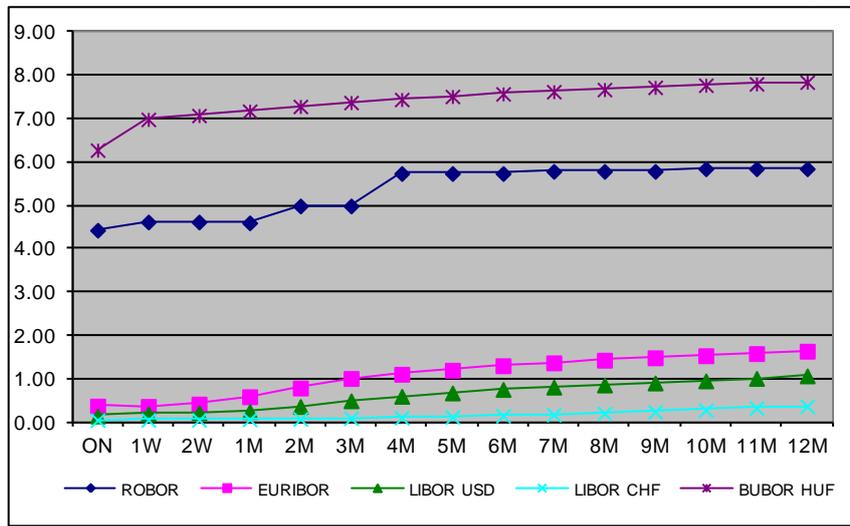


• Money Markets (valid for 27 February 2012)

Rate	ON	1W	2W	1M	2M	3M	4M	5M	6M	7M	8M	9M	10M	11M	12M
ROBOR*	4.43	4.62	-	4.60	-	4.99	-	-	5.74	-	-	5.79	-	-	5.85
EURIBOR**	0.37	0.36	0.42	0.59	0.79	1.01	1.10	1.20	1.30	1.37	1.43	1.48	1.53	1.58	1.64
LIBOR USD	0.14	0.19	0.22	0.24	0.36	0.49	0.59	0.67	0.75	0.81	0.86	0.90	0.95	1.01	1.07
LIBOR CHF	0.04	0.05	0.05	0.06	0.07	0.09	0.10	0.12	0.14	0.17	0.20	0.24	0.28	0.32	0.36
BUBOR HUF	6.28	6.99	7.08	7.18	7.29	7.38	7.45	7.52	7.58	7.63	7.68	7.73	7.78	7.81	7.85

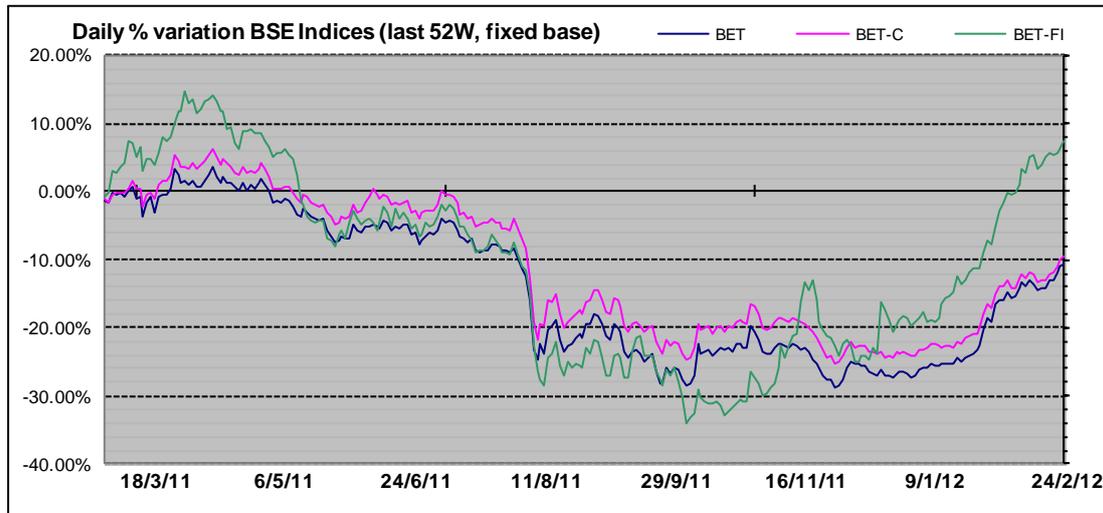
* in the chart below, values for maturities where there is no quote are proxied by the maximum of the previous and the next maturity

** 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	5,245.90	0.52	20.96	-6.45
BET-C	3,083.84	0.48	17.64	-6.24
BET-FI	25,534.51	0.90	32.02	15.79
ROTX	10,039.70	1.00	24.90	-13.87
Rasdaq-C	1,590.69	-0.25	0.67	-6.97
RAQ-I	845.97	-1.34	-6.92	-42.28
RAQ-II	2,076.43	0.04	4.24	-28.93

Foreign

Indices	Last close	1d%	Ytd%	52W%
DJIA (USD)	12,982.95	-0.01	6.26	7.58
S&P 500 (USD)	1,365.74	0.17	8.60	4.57
DAX (EUR)	6,864.43	0.81	16.38	-3.73
FTSE 100 (GBP)	5935.13	-0.05	6.51	0.26
STOXX 600 (EUR)	264.77	0.26	8.27	-5.63
BUX (HUF)	19,372.48	1.62	14.13	-14.04

Top 5 most traded	Volume -RON	Volume - shares	Trades	Last price	1d%
FP	16,450,345	29,296,100	683	0.5655	0.98
SIF2	1,329,017	918,000	92	1.4500	0.69
SIF3	1,133,631	1,694,000	211	0.6700	1.36
SNP	1,121,516	2,743,500	239	0.4150	0.85
SIF5	705,569	493,500	81	1.4400	0.84

Trading Volumes	BVB	Rasdaq	BUSE	NYSE listed	Nasdaq	LSE	STOXX 600 *
Previous Day	5.65	0.04	29.08	12,855.02	8,573.06	5,988.47	264.77
Ytd Avg. (EUR mn)	8.83	0.14	50.41	16,142.09	10,568.49	4,890.24	257.07
MCap (EUR bn)**	20.85	2.38	17.50	3,771.97	13,633.97	2,666.98	6,644.44

* 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%
PPL	12,666	13,000	16	0.9995	7.36
PTR	89,087	297,000	36	0.3165	5.50
IMP	230	1,000	1	0.2300	4.03
TBM	719	14,500	15	0.0519	3.59
RMAH	115	500	42	0.0646	2.69

Worst 5 performers	Volume -RON	Volume - shares	Trades	Last price	1d%
TRP	9,830	30,000	9	0.3200	-5.88
CEON	1,040	20,000	4	0.0518	-4.07
ARS	1,017	1,000	2	1.0170	-4.06
MECF	1,948	17,500	4	0.1120	-3.45
ROCE	4,827	29,500	5	0.1600	-2.44

- **Commodities**

Item (market)	unit	last close	1d%	Ytd%	52W%
Oil (Brent crude)	USD/barrel	125.47	1.50	17.71	15.09
Gold (COMEX)	USD/ounce	1776.4	-0.55	13.19	24.65
Platinum (NYMEX)	USD/ounce	1713	-0.58	22.27	-3.87
Silver (COMEX)	USD/ounce	35.42	-0.61	26.68	7.32
Wheat (CBOT)	USD/bushel	6.4125	0.04	-4.47	-27.38
Corn (CBOT)	USD/bushel	6.44	0.23	-1.64	7.78

- **OTP AM – Open-End Funds (as of 23-Feb-12)**

Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%
OTP AvantisRO	RON	6.6500	0.15	18.33	-5.00
OTP Obligatiuni	RON	11.5700	0.00	0.96	7.13
OTP ComodisRO	RON	14.1018	0.02	0.98	6.55
OTP Euro Bond	EUR	10.5780	0.01	0.69	4.67

Market Highlights (as of 24 February 2012)

- **Forex**

The euro rose 0.6 percent to \$1.3458, the highest level in more than two months, as it strengthened against 11 of 16 major peers at 4:00 p.m. in New York. The yen weakened against all 16 major peers, falling for the seventh straight day versus the euro. (Bloomberg)

EUR/RON opened at 4.3560/4.3580 and closed 4.3530-4.3550. (ContiCap)

- **Money Market**

RON O/N trading range was 3.93% - 4.43%. The RON curve had minor adjustments throughout the day, but only by a basis point or 2 on a rather quiet day trading. (ContiCap)

- **Equities**

- **Domestic**

The BSE closed green (BET-C, which does not include the SIFs increased 0.48%) on lower volumes and still below this year's average volume. While BET blue chips index gained 0.52%, BET-FI increased 0.90%.

RASDAQ-C closed green (-0.25%), while Tier I lost 1.34%, Tier II advanced 0.04%. The trading volume was lower and still below 2012's average volume.

- **Foreign**

The Standard & Poor's 500 Index closed at the highest level since June 2008. The Standard & Poor's 500 Index increased 0.2 percent to 1,365.74 after earlier rallying as much as 0.4 percent. The Dow Jones Industrial Average slipped 1.74 points to 12,982.95, retreating from an almost four-year high. More than two shares climbed for each that dropped in the Stoxx Europe 600 Index. (Bloomberg)

- **Commodities**

Brent oil for April settlement gained \$1.85, or 1.5 percent, to end the session at \$125.47 a barrel on the London-based ICE Futures Europe exchange. It was the highest settlement since April 29. (Bloomberg)

Latest Financial News

- **Macroeconomics**

Romania's January cons budget deficit widens to 0.17%/GDP.

Romania had a consolidated budget gap of 1.0 billion lei (\$309 million/230 million euro) in 2011, equivalent to 0.17% of the gross domestic product (GDP) projected for the year, the finance ministry said on Friday. The deficit widened from 0.1% of GDP in January 2011. Consolidated budget revenue totalled 16.3 billion lei in January, up by 11.3% on the year, the ministry said in a statement. Spending rose 10.6% on the year to 15.3 billion lei. Romania's government targets a budget shortfall of 1.9% of GDP this year. The country's 2011 budget deficit shrank to 4.35% of GDP from 6.5% of GDP in 2010 and was in line with the target of 4.4% of GDP agreed with the International Monetary Fund. (Bloomberg)

- **Forex**

Yen gains versus major peers as Asian stocks drop.

The yen advanced versus all 16 of its most-traded counterparts, this morning, as Asian stocks declined, boosting demand for haven assets. The Japanese currency rose 0.2 percent to 108.97 per euro as of 6:38 a.m. in London. It gained 0.1 percent to 81.09 per dollar. The MSCI Asia Pacific Index of shares fell 0.7 percent. (Bloomberg)

- **Money Market**

Draghi's unlimited loans are no panacea for banks.

European Central Bank President Mario Draghi's success in quelling a bond-market rout across the euro region's periphery masks a failure by the region's banks to bolster their capital. The ECB will offer a second round of unlimited three-year funds on Feb. 29. Firms will seek 470 billion Euros (\$629 billion), approaching the 489 billion euro take-up by 500 banks at the first long-term refinancing operation on Dec. 21, the median estimate of 28 analysts surveyed by Bloomberg show. (Bloomberg)

- **Equities**

- **Domestic**

Erste Group may return to fourth-quarter profit after writedowns.

Erste Group Bank AG, eastern Europe's second-biggest lender, probably returned to profit in the fourth quarter, leaving behind writedowns and charges as its underlying business held up. Erste probably swung to net income of 228 million Euros (\$292 million) in the three months ended Dec. 31 after a net loss of 1.49 billion Euros in the third quarter and net income of 245 million Euros a year earlier, according to the average estimate of 11 analysts surveyed by Bloomberg. The bank is due to report results Feb. 29 at 7:30 a.m. Net interest income, Vienna-based Erste's biggest revenue source, may have risen by 5 percent from a year earlier to 1.41 billion Euros, the average estimate showed. Provisions for bad loans probably rose by 7 percent, while fee and commission income shrank by 3 percent. (Bloomberg)

Foreign

Poland sells PGE utility stake in biggest deal since June.

Poland sold a stake in PGE SA, the country's largest power utility, for 2.52 billion zloty (\$814 million), raising the most from asset sales in eight months to help finance the budget deficit. The Treasury Ministry sold 131 million shares, or a 7 percent stake, to institutional investors at 19.2 zloty a share, it said on its website Friday. The transaction was the biggest state sale since the 5.4 billion-zloty initial public offering of coal producer Jastrzebska Spolka Weglowa SA in June. (Bloomberg)

Frontier stocks lose in best rally since '91 as growth slows.

The best start to a year for stocks in two decades is leaving the smallest markets behind, a sign of reduced investor confidence in the least-developed economies. All nine of the world's worst-performing equity indexes this year are in frontier countries, where the average stock-market value of \$30 billion is about 95 percent less than in emerging nations. While the MSCI All-Country World Index jumped 11 percent, gauges in Bangladesh and Sri Lanka sank at least 8 percent as interest rates increased. Nigeria's stock index fell 1.1 percent after union strikes and attacks by Islamic militants. Frontier-nation stocks trade at the lowest valuations since at least 2008 versus emerging-market shares. Falling valuations reflect concern that growth in the smallest economies, which expanded about 20 percent slower than larger developing nations on average during the past three years, won't accelerate in 2012. (Bloomberg)

Commodities

Bullish futures exceed 1 million first time in 2012.

Bullish commodities futures rose above 1 million contracts for the first time in five months as U.S. growth prospects improved and Goldman Sachs Group Inc. predicted further price gains. Hedge funds and money managers boosted combined net-long positions across 18 U.S. futures and options by 7.3 percent to 1.03 million contracts in the week ended Feb. 21, Commodity Futures Trading Commission data show. That's the highest since Sept. 13. Bullish wagers on gold climbed to a five-month high, and bets on crude oil rose to the most since May. The Standard & Poor's GSCI Spot Index of 24 commodities capped its biggest weekly increase of the year last week, touching a nine-month high on Feb. 24. (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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