

Executive Summary

• Macroeconomics

China 4% Inflation target gives scope for relaxing energy-price controls.

• Forex

The euro traded at \$1.3217 per euro at 5:00 p.m. in New York. The EUR/RON closed at 4.3505/4.3525.

• Money Market

RON O/N trading range was at 2.37% - 2.87%.

• Equities

Domestic

The BSE closed mixed, BET-C decreased 0.49% on lower volumes, while BET gained 0.22%, BET-FI declined 0.54%.

RASDAQ-C closed red (-0.21%) on lower volumes, while Tier I dropped 3.23%, Tier II advanced 1.23%.

Foreign

S&P 500 has biggest two-day decline since January on global growth concern. Stocks drop in Europe as China cuts growth forecast.

• Commodities

Oil and corn up. Most other major commodities down.

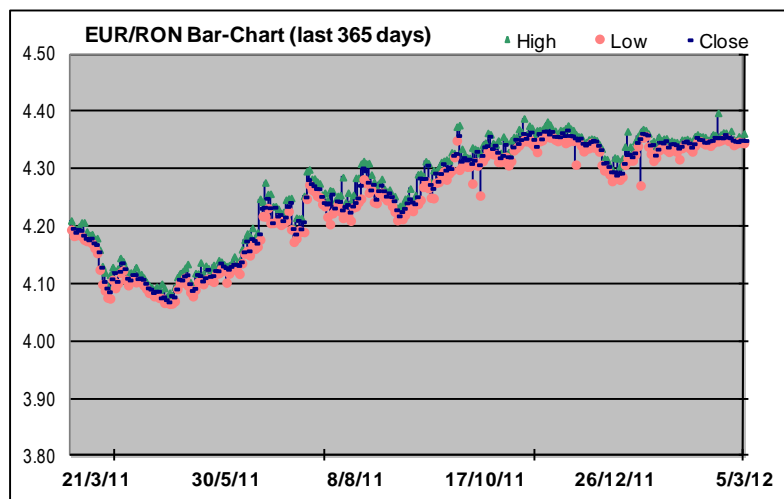
Market Data (as of 06 March 2012)

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

• Forex (as of 6-Mar-12)

FX Rates*	Prv. Day	Min 52W	Max 52W	Ytd	-52W
EUR/RON	4.3497	4.0782	4.3595	4.3271	4.1982
USD/RON	3.2895	2.7352	3.4435	3.3367	3.0057
CHF/RON	3.6070	3.1021	4.0619	3.5540	3.2467
100HUF/RON	1.4872	1.3390	1.6076	1.3745	1.5453

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

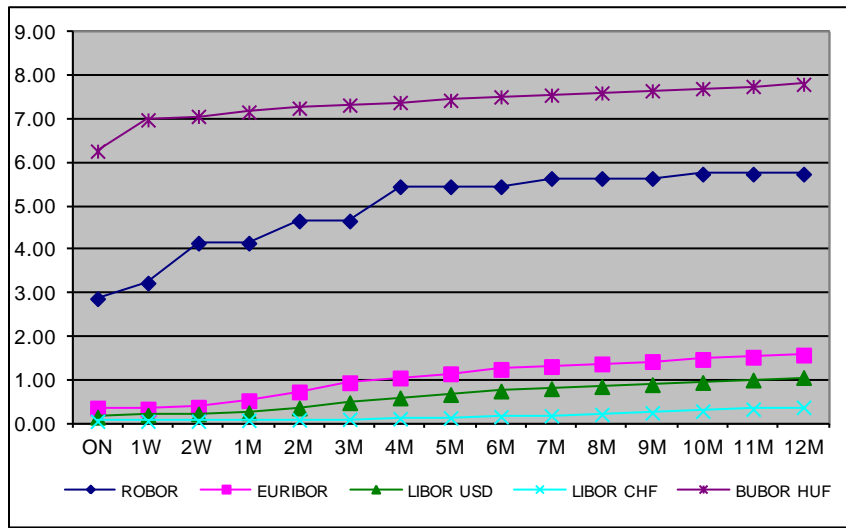


• Money Markets (valid for 06 March 2012)

Rate	ON	1W	2W	1M	2M	3M	4M	5M	6M	7M	8M	9M	10M	11M	12M
ROBOR*	2.87	3.23	-	4.15	-	4.66	-	-	5.45	-	-	5.64	-	-	5.74
EURIBOR**	0.35	0.33	0.37	0.52	0.72	0.93	1.04	1.14	1.24	1.31	1.37	1.42	1.47	1.52	1.57
LIBOR USD	0.14	0.19	0.22	0.24	0.35	0.47	0.58	0.66	0.74	0.80	0.85	0.89	0.94	1.00	1.05
LIBOR CHF	0.05	0.05	0.05	0.07	0.08	0.09	0.11	0.12	0.15	0.17	0.20	0.24	0.28	0.33	0.37
BUBOR HUF	6.27	6.99	7.07	7.17	7.26	7.33	7.39	7.44	7.52	7.56	7.61	7.66	7.71	7.76	7.81

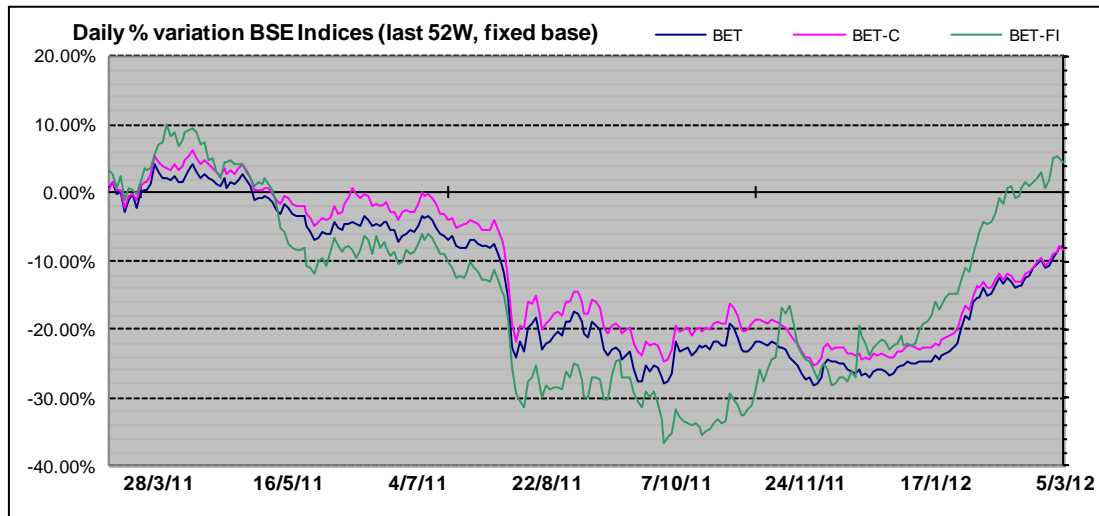
* in the chart below, values for maturities where there is no quote are proxied by the maximum of the previous and the next maturity

** 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	5,371.63	0.22	23.86	-8.10
BET-C	3,128.31	-0.49	19.34	-8.09
BET-FI	25,882.19	-0.54	33.82	5.93
ROTX	10,317.50	-0.29	28.35	-14.17
Rasdaq-C	1,615.92	-0.21	2.27	-5.58
RAQ-I	832.56	-3.23	-8.39	-44.13
RAQ-II	2,069.01	1.23	3.87	-36.40

Foreign

Indices	Last close	1d%	Ytd%	52W%
DJIA (USD)	12,962.81	-0.11	6.10	6.52
S&P 500 (USD)	1,364.33	-0.39	8.49	3.27
DAX (EUR)	6,866.46	-0.79	16.41	-4.35
FTSE 100 (GBP)	5874.82	-0.61	5.43	-1.93
STOXX 600 (EUR)	265.56	-0.62	8.60	-5.80
BUX (HUF)	19,005.86	-1.57	11.97	-17.13

Top 5 most traded	Volume -RON	Volume - shares	Trades	Last price	1d%
SIF3	17,974,328	24,820,500	1,738	0.7165	3.09
FP	5,551,412	9,293,100	531	0.5950	-1.65
SIF2	3,117,852	2,225,500	169	1.4150	0.35
SIF4	2,350,954	3,054,500	164	0.7700	-0.71
SIF5	1,574,375	1,114,500	165	1.4200	0.00

Best 5 performers	Volume -RON	Volume - shares	Trades	Last price	1d%
CBC	1,470	200	2	7.4000	10.28
ROCE	907	5,500	3	0.1648	6.32
TLV	1,059,296	1,003,500	235	1.0800	3.75
EFO	700	9,000	7	0.0780	3.72
SIF3	17,974,328	24,820,500	1,738	0.7165	3.09

Trading Volumes	BVB	Rasdaq	BUSE	NYSE listed	Nasdaq	LSE	STOXX 600 *
Previous Day	8.15	0.15	22.88	14,802.31	10,526.24	4,893.95	265.56
Ytd Avg. (EUR mn)	8.91	0.15	47.36	16,200.34	10,679.10	4,926.35	258.14
MCap (EUR bn)**	21.44	2.41	17.13	3,826.34	13,833.09	2,708.33	6,664.48

* 600 stocks from 15 EU countries + Switzerland, Norway and Iceland
 ** For BUSE, NYSE, NSADAQ and LSE only stock listed primarily on that specific market

Worst 5 performers	Volume -RON	Volume - shares	Trades	Last price	1d%
RTRA	3,225	16,000	10	0.2100	-10.18
PPL	500	500	1	1.0000	-9.91
TUFE	713	4,500	6	0.1580	-5.95
SIF1	1,094,600	914,500	230	1.1950	-3.47
OLT	30,224	23,000	29	1.3000	-2.99

- **Commodities**

Item (market)	unit	last close	1d%	Ytd%	52W%
Oil (Brent crude)	USD/barrel	123.8	0.12	16.15	9.45
Gold (COMEX)	USD/ounce	1703.9	-0.35	8.57	18.47
Platinum (NYMEX)	USD/ounce	1663	-2.15	18.70	-9.73
Silver (COMEX)	USD/ounce	33.695	-2.40	20.51	-4.24
Wheat (CBOT)	USD/bushel	6.72	-0.37	0.11	-27.53
Corn (CBOT)	USD/bushel	6.6075	0.88	0.92	5.55

- **OTP AM – Open-End Funds (as of 2-Mar-12)**

Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%
OTP AvantisRO	RON	6.7500	0.30	20.11	-5.99
OTP Obligatiuni	RON	11.5900	0.00	1.13	6.33
OTP ComodisRO	RON	14.1214	0.02	1.12	6.58
OTP Euro Bond	EUR	10.5878	0.01	0.78	4.70

Market Highlights (as of 05 March 2012)

- **Forex**

The yen strengthened 0.3 percent to 81.56 per dollar at 5 p.m. in New York, after touching 81.87, matching the weakest since May. Japan's currency rose 0.2 percent to 107.79 per euro. The 17-nation currency rose 0.1 percent to \$1.3217. (Bloomberg)
EUR/RON opened at 4.3485/4.3505 and closed slightly weaker at 4.3505/4.3525. (ContiCap)

- **Money Market**

RON O/N trading range was 2.37% - 2.87%. The forward curve was 10 basis points lower in 1m, 4bp in 2m. The rest of the curve was unchanged. (ContiCap)

- **Equities**

- **Domestic**

The BSE closed mixed (BET-C, which does not include the SIFs decreased 0.49%) on lower volumes and below this year's average volume. While BET blue chips index increased 0.22%, BET-FI dropped 0.54%.

RASDAQ-C closed red (-0.21%), while Tier I dropped 3.23%, Tier II gained 1.23%. The trading volume was lower and just above 2012's average volume.

- **Foreign**

The S&P 500 retreated 0.4 percent to 1,364.33 at 4 p.m. New York time, dropping 0.7 percent in two days. The Dow Jones Industrial Average decreased 14.76 points, or 0.1 percent, to 12,962.81. The Nasdaq Composite Index dropped 0.9 percent to 2,950.48. About 6.1 billion shares changed hands on U.S. exchanges, or 9 percent below the three-month average. The Stoxx Europe 600 Index retreated 0.6 percent to 265.56 at the close, paring last week's 0.9 percent advance. The benchmark measure earlier slid as much as 1 percent. The Stoxx 600 has rallied 8.6 percent this year as U.S. economic reports beat estimates and investors speculated that policy makers will contain the euro region's sovereign-debt crisis. (Bloomberg)

- **Commodities**

Brent oil for April settlement was at \$124.24 a barrel, up 59 cents, on the ICE Futures Europe exchange in London. The European benchmark's premium to West Texas Intermediate widened to \$17.58 a barrel from last week's close of \$16.95. (Bloomberg)

Latest Financial News

- **Macroeconomics**

China 4% Inflation target gives scope for relaxing energy-price controls.

China set a 2012 target for inflation that's higher than economists' forecasts, leaving room for fiscal and monetary stimulus and an easing of government controls on the cost of resources such as energy. Premier Wen Jiabao yesterday unveiled a goal of about a 4 percent increase in the consumer price index, the same target as last year. By comparison, analysts at Bank of America Corp. forecast 3.5 percent and those at Goldman Sachs Group Inc. predict 3.1 percent. The gauge rose 5.4 percent in 2011. China is moving to more market-oriented methods of setting prices to spur energy conservation by letting consumers bear a bigger portion of costs. Wen yesterday pledged pre-emptive fine-tuning of economic policy, a shift from a year ago, when his main warning was on inflation, a "tiger" he said would be tough to recapture if allowed free. The government "wants to push forward energy price reform and wants the room for that to happen," said Li Wei, a Shanghai-based economist for Standard Chartered Plc (STAN), the U.K. bank that earns most of its profit in Asia. Li forecast 2 percent inflation this year. The 4 percent inflation goal is "conservative," and the full-year rate may be about 3 percent, Li Daokui, an academic adviser to China's central bank, told reporters today. (Bloomberg)

- **Forex**

Euro declines against Yen before European GDP.

The euro declined for a fifth day, this morning, against the yen before a report forecast to show the region's economy shrank in the fourth quarter, adding to signs the currency bloc's debt crisis is hampering growth. The dollar strengthened against most of its 16 major counterparts after Federal Reserve Bank of Dallas President Richard Fisher said yesterday he opposes additional bond purchases, which may debase the world's reserve currency. The Australian dollar fell to the lowest in more than a week after Reserve Bank of Australia Governor Glenn Stevens said there's scope to cut borrowing costs if demand weakens, following the the bank's decision to keep interest rates unchanged today. (Bloomberg)

- **Money Market**

Romania sells 1.57 bln Lei (360.7 mln Euro) in 2-year T-notes, yields fall.

Romania sold on Monday 1.57 billion lei (\$475.6 million/360.7 million euro) worth of two-year Treasury notes, above its 900-million-lei offer, the finance ministry said. The average yield was 5.99%, down from 6.36% achieved in the previous auction held on February 20, the ministry said in a statement posted on its website. Bids were placed for 3.54 billion lei worth of government debt. The average accepted price was equal to 99.8995% of par. (SeeNews)

• **Equities**

Domestic

SIF 5 Oltenia plans to pay 73% higher 2011 gross dividend.

Romanian investment fund SIF 5 Oltenia said on Monday it plans to pay a gross dividend of 0.13 lei (\$0.4/0.3 euro) per share for 2011, up from the 0.075 lei payout for 2010. The fund's shareholders are expected to vote on the proposal at a general meeting scheduled for April 26, SIF 5 Oltenia said in a statement. The fund said it plans to allocate for dividend payment 75.4 million lei out of the 83.4 million lei net profit earned in 2011. (SeeNews)

Erste has \$198 million gain, capital boost in hybrid buyback.

Erste Group Bank AG, eastern Europe's second-biggest lender, said it has agreed to buy back 828.3 million Euros (\$1.1 billion) of hybrid securities to boost net income and capital. The lender will book a gain of about 150 million Euros on the transaction because it repurchased the securities below face value, spokeswoman Hana Cygonkova said in an e-mail. Erste agreed to redeem preference shares and subordinated debt. European banks are adjusting their capital structures to be ready for new regulations designed to force them to hold bigger cushions against losses. Erste's offer targeted securities whose qualification as core capital is being phased out by bank regulators. The Vienna-based lender offered a premium of between 5 percent and 10 percent of the notes' market price before the announcement. Erste repurchased an aggregated 496 million Euros of four series of preference shares and of a perpetual subordinated note. It also bought back 332.4 million Euros of the 800 million Euros outstanding of a subordinated note due 2017, a so-called lower Tier 2 bond, it said. (Bloomberg)

Foreign

Goldman Sachs's soured stock bets led to Asian loss in 2011.

Goldman Sachs Group Inc. lost money in Asia last year for the first time since 2008 as the Wall Street firm's stock investments in the region, led by a holding in China's biggest bank, backfired. A 46 percent decline in Asia revenue compared with 2010 was driven by markdowns on the company's stakes in public equities, the firm disclosed in its annual 10-K filing with the U.S. Securities and Exchange Commission. The bank lost \$103 million in the region, compared with a \$2.08 billion profit a year earlier, according to the New York-based company. The figures illustrate how losses in Goldman Sachs's Investing & Lending unit, which makes so-called principal investments with the company's own money, can surpass the bank's revenue from working with clients. Goldman Sachs bankers in Asia won first place among equity underwriters and takeover advisers last year, according to data compiled by Bloomberg. (Bloomberg)

Silver calls at highest since 2010 on economic recovery.

Options traders are the most bullish in 16 months on an exchange-traded fund tracking silver, this year's best-performing metal, betting it will continue its rally as the global economy recovers. The ratio of calls to buy the iShares Silver Trust versus puts to sell rose to 1.88-to-1 on March 5 and touched 1.93 on Feb. 24, the highest level since October 2010, according to data compiled by Bloomberg. Traders pushed the price of calls that pay should the exchange-traded fund rise 10 percent last week to the highest level since April versus puts betting on a decline of the same size, data on 30-day contracts show. (Bloomberg)

• **Commodities**

Speculative wagers on crops reach 5-month high.

Speculators increased bets on higher agricultural prices to a five-month high on mounting concern that a South American drought will curb supplies of soybeans, corn and sugar at a time of record global demand. A measure of speculative positions across 11 farm goods jumped 26 percent to 607,721 futures and options in the week ended Feb. 28, U.S. Commodity Futures Trading Commission data show. Corn bets increased the most in eight weeks, and sugar holdings climbed to the highest since August. Wagers on higher soybean prices rose to a five-month high. Hedge funds and other speculators are the most bullish on commodities since September as sanctions on Iran over its nuclear program disrupt oil supplies and weather damages crops in South America. Producers were already struggling to keep up with demand from a global population that surpassed 7 billion people last year, with consumption now boosted by signs that economic growth is accelerating. (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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OTP BANK SALES & TRADING –Treasury & Capital Markets Directorates

Mihaela Alexandru, Treasury Deputy Director / mihaela.alexandru@otpbank.ro / +40 21 307.58.09;
Alina Onica, Chief of Foreign Exchange / alina.onica@otpbank.ro / +40 21 307.58.09;
Virginia Baldovin, Chief of MM and Fixed Income / virginia.baldovin@otpbank.ro / +40 21 307.58.09;
Alina Vrabioiu, Senior Sales Dealer / alina.vrabioiu@otpbank.ro / +40 21 307.58.09;
Tania Fantana, Sales Dealer / tania.fantana@otpbank.ro / +40 21 307.58.09;
Irina Ananiese, Sales Dealer / irina.ananiese@otpbank.ro / +40 21 307.58.09;
Silviu Enache, Capital Markets Director / Silviu.enache@otpbank.ro / +40 21 307.58.27;
Alexandru Ilisie, Equities Trader, alexandru.ilisie@otpbank.ro / +40 21 307.58.27;
Alexandru Teodor Tibuleac, Equities Trader alexandru.tibuleac@otpbank.ro / +40 21 307.58.27.