

Executive Summary

• Macroeconomics

Fed says 15 of 19 banks have adequate capital in stress scenario.

• Forex

The euro traded at \$1.3084 per euro at 5:00 p.m. in New York. The EUR/RON closed at 4.3620/4.3640.

• Money Market

RON O/N trading range was at 1.63% - 2.13%.

• Equities

Domestic

The BSE closed green, BET-C increased 0.17% on lower volumes, while BET gained 0.53% and BET-FI 0.32%.

RASDAQ-C closed green (0.30%) on higher volumes, while Tier I gained 0.94%, Tier II closed flat.

Foreign

Dow rises to highest level since 2007. European stocks advance as U.S. retail sales increase.

• Commodities

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

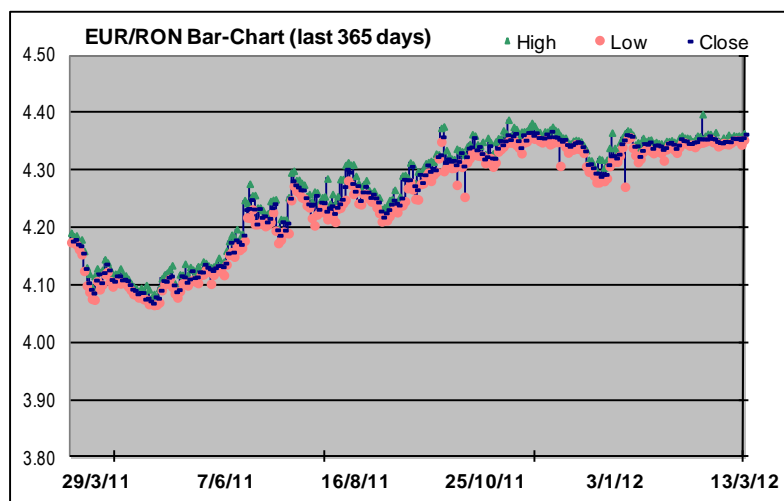
Market Data (as of 14 March 2012)

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

• Forex (as of 14-Mar-12)

FX Rates*	Prv. Day	Min 52W	Max 52W	Ytd	-52W
EUR/RON	4.3630	4.0782	4.3595	4.3271	4.1789
USD/RON	3.3289	2.7352	3.4435	3.3367	2.9878
CHF/RON	3.6182	3.1021	4.0619	3.5540	3.2336
100HUF/RON	1.4984	1.3390	1.6076	1.3745	1.5369

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

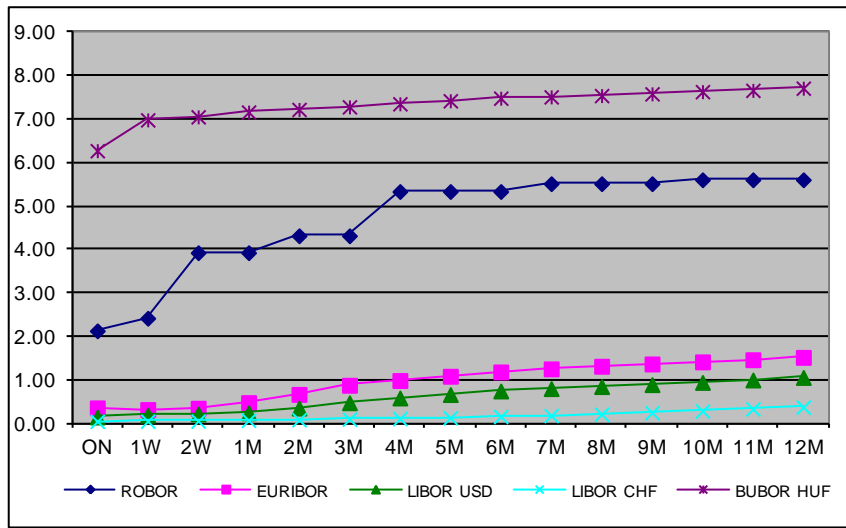


• Money Markets (valid for 14 March 2012)

Rate	ON	1W	2W	1M	2M	3M	4M	5M	6M	7M	8M	9M	10M	11M	12M
ROBOR*	2.13	2.42	-	3.93	-	4.32	-	-	5.34	-	-	5.52	-	-	5.61
EURIBOR**	0.36	0.32	0.35	0.48	0.67	0.88	0.99	1.08	1.18	1.25	1.31	1.37	1.42	1.47	1.52
LIBOR USD	0.14	0.19	0.21	0.24	0.35	0.47	0.58	0.66	0.74	0.80	0.85	0.89	0.94	1.00	1.06
LIBOR CHF	0.05	0.05	0.05	0.07	0.08	0.10	0.11	0.13	0.16	0.18	0.21	0.25	0.28	0.33	0.37
BUBOR HUF	6.28	6.99	7.06	7.17	7.23	7.29	7.36	7.43	7.49	7.52	7.55	7.59	7.64	7.67	7.72

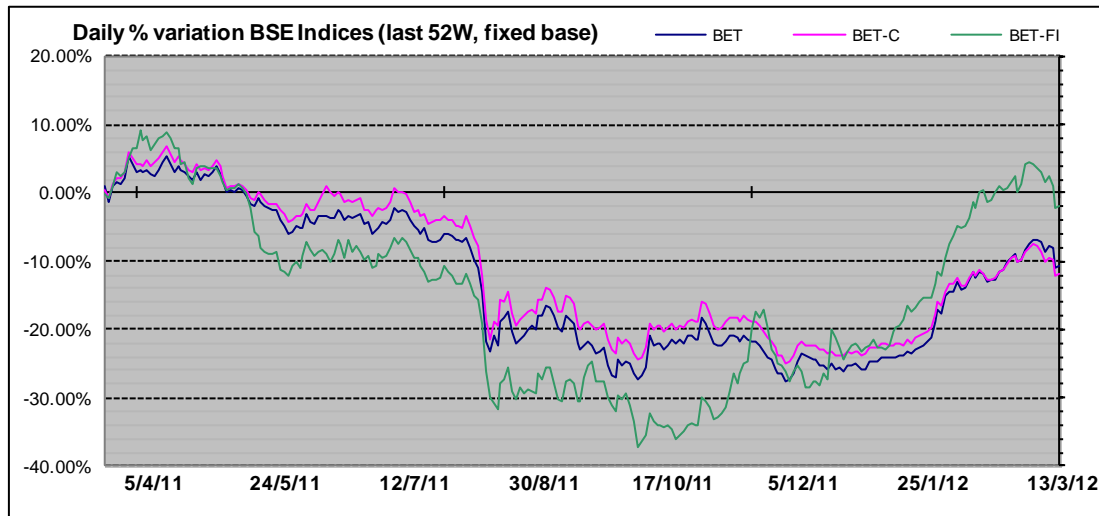
* in the chart below, values for maturities where there is no quote are proxied by the maximum of the previous and the next maturity

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(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	5,150.87	0.53	18.77	-11.26
BET-C	2,987.88	0.17	13.98	-12.86
BET-FI	24,444.84	0.32	26.39	-2.11
ROTX	9,864.50	0.44	22.72	-17.14
Rasdaq-C	1,602.75	0.30	1.43	-5.73
RAQ-I	896.31	0.94	-1.38	-39.68
RAQ-II	2,050.82	0.00	2.95	-36.97

Foreign

Indices	Last close	1d%	Ytd%	52W%
DJIA (USD)	13,177.68	1.68	7.86	9.41
S&P 500 (USD)	1,395.95	1.81	11.00	7.03
DAX (EUR)	6,995.91	1.37	18.61	0.21
FTSE 100 (GBP)	5955.91	1.07	6.88	2.18
STOXX 600 (EUR)	269.56	1.77	10.23	-2.13
BUX (HUF)	19,127.38	1.22	12.68	-13.99

Top 5 most traded	Volume -RON	Volume - shares	Trades	Last price	1d%
FP	12,011,318	21,097,300	465	0.5700	1.79
SIF4	2,216,039	2,957,500	78	0.7425	0.34
SIF3	1,810,587	2,642,500	378	0.6810	0.89
SIF2	1,034,588	780,500	190	1.3150	-1.50
SNP	1,001,656	2,564,500	237	0.3871	-0.23

Trading Volumes	BVB	Rasdaq	BUSE	NYSE listed	Nasdaq	LSE	STOXX 600 *
Previous Day	4.99	0.35	35.70	19,722.24	11,282.37	4,818.56	269.56
Ytd Avg. (EUR mn)	8.81	0.15	47.56	16,168.36	10,644.62	4,937.16	258.77
MCAp (EUR bn)**	20.25	2.38	17.35	3,972.47	14,288.17	2,698.86	6,756.64

* 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	28,634	18,700	11	1.5300	9.29
VNC	1,040	16,000	6	0.0650	4.00
BRK	64,548	578,000	26	0.1119	2.47
AMO	5,940	449,500	449,500	0.0133	2.31
ARTE	16,931	6,900	6,900	2.5500	2.00

Worst 5 performers	Volume -RON	Volume - shares	Trades	Last price	1d%
COFI	19,804	2,210,300	211	0.0089	-12.75
OLT	293,570	241,000	198	1.1990	-10.52
RTRA	205	1,000	2	0.2090	-9.13
EPT	636	14,000	9	0.0461	-7.06
SPCU	541	3,000	5	0.1810	-4.74

- **Commodities**

Item (market)	unit	last close	1d%	Ytd%	52W%
Oil (Brent crude)	USD/barrel	126.22	0.70	18.42	13.28
Gold (COMEX)	USD/ounce	1694.2	-0.33	7.95	18.39
Platinum (NYMEX)	USD/ounce	1688.75	-0.36	20.54	-5.18
Silver (COMEX)	USD/ounce	33.581	0.50	20.10	-6.33
Wheat (CBOT)	USD/bushel	6.49	-0.35	-3.31	-22.44
Corn (CBOT)	USD/bushel	6.62	0.38	1.11	11.49

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

Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%
OTP AvantisRO	RON	6.4800	-2.11	15.30	-10.87
OTP Obligatiuni	RON	11.6100	0.09	1.31	6.12
OTP ComodisRO	RON	14.1459	0.05	1.30	6.52
OTP Euro Bond	EUR	10.6005	0.03	0.90	4.71

Market Highlights (as of 13 March 2012)

- **Forex**

The dollar strengthened 0.5 percent to \$1.3084 against the euro at 5 p.m. in New York. It traded 0.9 percent stronger at 82.94 yen after touching 83.09. Japan's currency declined 0.3 percent to 108.53 versus the euro. (Bloomberg)
EUR/RON opened at 4.3555/4.3575 and closed at 4.3620/4.3640. (ContiCap)

- **Money Market**

RON O/N trading range was 1.63% - 2.13%.

- **Equities**

- **Domestic**

The BSE closed green (BET-C, which does not include the SIFs increased 0.17%) on lower volumes and below this year's average volume. While BET blue chips index increased 0.53% and BET-FI 0.32%.

RASDAQ-C closed green (0.30%), while Tier I gained 0.94%, Tier II closed flat. The trading volume was higher and above 2012's average volume.

- **Foreign**

The Standard & Poor's 500 Index added 1.8 percent to 1,395.95 at 4 p.m. New York time. The Dow advanced 217.97 points, or 1.7 percent, to 13,177.68, rising a fifth day. The Stoxx 600 (SXXP) added 1.8 percent to 269.56 at the close, after euro-area finance ministers signed off on a second bailout for Greece. The benchmark index has rallied 10 percent so far this year. (Bloomberg)

- **Commodities**

Brent crude for April settlement on the London-based ICE Futures Europe exchange gained 88 cents, or 0.7 percent, to \$126.22 a barrel, the highest settlement price in 11 months. (Bloomberg)

Latest Financial News

- **Macroeconomics**

Fed says 15 of 19 banks have adequate capital in stress scenario.

The resilience of the largest U.S. financial firms when tested against a recession more severe than the last one shows regulators have succeeded in pushing banks to build fortress-like balance sheets. The Fed yesterday said 15 of 19 banks would be able to maintain capital levels above a regulatory minimum in an "extremely adverse" economic scenario, even while continuing to pay dividends and repurchasing stock. Those results were due to scrutiny by the Fed on capital payouts over the past three years, the central bank said. Regulators, empowered by the Dodd-Frank Act and goaded by criticism for failing to spot the subprime mortgage debacle, have redesigned their approach to bank supervision. They now place greater emphasis on systemic risk as they seek to avoid a repeat of the crisis that resulted in a \$245 billion taxpayer bailout of banks through the Troubled Asset Relief Program. "Any bank that remains adequately capitalized under these acute stress scenarios is not just strong but also darn-near impregnable," said Karen Shaw Petrou, a managing partner at Federal Financial Analytics, a Washington research firm, whose clients have included Wells Fargo & Co. (WFC) "What's a bank for is at the heart of this question: Is it to be Fort Knox?". (Bloomberg)

Merkel says Europe is 'good way' up mountain, not over it.

German Chancellor Angela Merkel said that European efforts to resolve the debt crisis are making progress, even as "imbalances" in euro-area economies show that the task is far from complete. "We've come a good way along the mountain path, but we're not completely over the mountain," Merkel told reporters in Rome late yesterday after talks with Italian Prime Minister Mario Monti. "I suspect that in the next few years there will continue to be new mountains -- there won't be a celebratory event in which we say we're over the mountain and now we can sit among the trees and say that we've done it." Merkel praised Monti's "bold" efforts since taking office on Nov. 16 to overhaul Italy's economy, which include 20 billion Euros in austerity measures and steps to deregulate services amid surging Italian bond yields that threatened to rip apart the currency region. Aided by European Central Bank liquidity measures, Italian 10-year borrowing costs have fallen to 4.89 percent from a euro-era record of 7.26 percent on Nov. 25. Monti, a former European Union competition commissioner, said Italy has "arrested" the crisis though not yet overcome it. "Italy still has homework to do," he said. Italy prefers to rely on its "own strengths" rather than seek any external aid during the worst moments of the crisis. (Bloomberg)

- **Forex**

Euro may reach 112.80 yen on Elliott Wave (technical analysis).

The euro may strengthen to 112.80 yen by May, its highest level in more than seven months, according to Sumitomo Mitsui Banking Corp., citing trading patterns. The 17-nation euro bottomed against the yen in January, according to Daisuke Uno, chief strategist at the unit of Sumitomo Mitsui Financial Group Inc. (8316), Japan's second-largest bank by market value. "The euro-yen is in the middle of the fifth wave of the multi-month upward cycle," which is projected to end around April, Uno said, referring to Elliott Wave Theory which says market swings follow a predictable five-stage structure. The euro traded at 108.62 yen as of 11:35 a.m. in Tokyo from 108.53 yesterday in New

York, after having risen more than 11 percent over the past two months. The euro on Jan. 16 touched 97.04 yen, the lowest since December 2000, and rallied to 102.21 on Jan. 26, the first wave in the Elliott cycle, according to Uno. The common currency's retracement to 99.25 yen on Feb. 1 was in the second wave of the cycle and its rebound to 109.93 yen on Jan. 27, the third wave, he said. The fourth wave was completed on March 6 when the euro dropped to 105.65 yen. (Bloomberg)

• **Money Market**

Bernanke keeps easing option while signaling economy improving.

Federal Reserve Chairman Ben S. Bernanke is keeping additional easing on the policy-making table even after upgrading his view on the U.S. expansion. Stocks rose and Treasuries fell after the Federal Open Market Committee yesterday improved its outlook for growth, reducing expectations the central bank will begin a third round of bond buying. At the same time, the FOMC reiterated in a post-meeting statement that the joblessness rate is "elevated" and "significant downside risks" remain. Even after the most robust six-month period of job growth since 2006, unemployment persists at 8.3 percent and Bernanke is holding to his plan to keep the benchmark interest rate close to zero through at least late 2014. "The way the statement was crafted was to keep their options open," said Stephen Stanley, chief economist at Pierpont Securities LLC in Stamford, Connecticut. "What they're trying to tell us is 'Hey, don't change your policy outlook because we're not ready to say things have changed enough'" that no more stimulus is needed. (Bloomberg)

• **Equities**

Domestic

Romania opens Transelectrica share sale at 13% price discount.

Romania begins selling a minority stake in power utility Transelectrica SA, offering a 13 percent discount to lure investors in eastern European assets after last year's failed stake sale in OMV Petrom SA. The Balkan nation, which plans to sell minority stakes in six energy companies this year, opens the subscription period today for 15 percent of the grid operator at a minimum price of 14.9 lei (\$4.50) per share, 13 percent below the last closing market price, and a maximum price of 19.2 lei, it said yesterday. Investors have until March 27 to submit bids. (Bloomberg)

Romania's railway co calls tenders for consultancy services.

Romanian state-owned railway company CFR has launched two tenders for consultancy services worth a combined 143.3 million lei (\$43.2 million/33 million euro), a tender notices showed. The first contract, worth 111.6 million lei, envisages consultancy services for the management of construction works on two railway stretches, Coslariu-Simeria and Coslariu-Sighisoara, CFR said in the tender notice posted on public procurement portal e-licitatie.ro. The deadline for placing bids for the 67-month contract is April 26. (SeeNews)

Russia's Mechel halts production at Romanian plant.

Russian steel producer Mechel said it has temporarily halted smelting production at one of its Romanian plants due to technical reasons. One of Ductil Steel Otelu Rosu plant's electric arc furnace was halted on March 10, Mechel said in a statement on Sunday. "As a result of a malfunction in the technological process, slag and steel went through the inner protective coating, with damage to the furnace and auxiliary communications," Mechel said. It added that the plant's experts are currently working out a complex of measures to eliminate the effects of the malfunction. Mechel entered the Romanian market in 2002. Besides Ductil Steel Otelu Rosu, it owns local metallurgical companies Mechel Campia Turzii, Mechel Targoviste, Ductil Steel Buzau, Laminorul and Mechel Reparatii Targoviste. (SeeNews)

Foreign

UniCredit was raised to outperform from neutral at Exane BNP Paribas.

UniCredit advanced 3.9 percent to 4.05 Euros. Italy's largest lender was raised to outperform from neutral at Exane BNP Paribas, which said it is "less concerned" about the risk of any more worsening of the bank's Italian loan book. (Bloomberg)

VIX hits five-year low on rally as futures gap widens.

The price of options to protect U.S. equities against losses plunged to the lowest level in almost five years yesterday amid the best annual start for the Standard & Poor's 500 Index since 1991. Futures traders are betting the cost of hedging will rebound. The Chicago Board Options Exchange Volatility Index, known as the VIX, slipped as much as 11 percent to 13.99, the lowest intraday level since June 2007, and closed at 14.80, according to data compiled by Bloomberg. August futures on the index closed at 26.55, a record high versus the volatility gauge. Rising retail sales and an upgrade to the U.S. Federal Reserve's economic assessment pushed the S&P 500 to its highest level since June 2008. The widening gap between VIX futures and the underlying index show options traders are concerned share prices already reflect future economic growth, Chad Morganlander, who helps oversee about \$120 billion in client assets at Florham Park, New Jersey-based Stifel Nicolaus & Co., said in a phone interview yesterday. (Bloomberg)

• **Commodities**

Gold seen heading for 12th annual advance on investor hoarding.

Gold is poised for a 21 percent gain in 2012, extending its bull market to 12 consecutive years, as investors hoard record amounts and central banks expand reserves for the first time in a generation. Bullion may rise to \$1,897 an ounce in New York by Dec. 31 from \$1,566.80 at the end of 2011, based on the average of 14 respondents in a survey at the Bloomberg Link Precious Metals Conference yesterday in New York. The rally that began in 2001 is the longest since at least 1920 in London, including a 10 percent gain last year. Demand has strengthened as Europe seeks to contain its debt crisis, China's economic expansion slows, and governments from the U.S. to the U.K. keep interest rates at all-time lows to shore up growth. Central banks have been net buyers for three straight years, the longest stretch since 1973, World Gold Council data show. Holdings (.GLDTONS) in exchange-traded funds backed by the metal reached a record 2,410.2 metric tons yesterday, data compiled by Bloomberg show. (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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