

## Executive Summary

### • Macroeconomics

Exiting PBOC adviser urges more power for Central Bank.

### • Forex

The euro traded at \$1.3225 per euro at 5:00 p.m. in New York. The EUR/RON closed at 4.3765/4.3785.

### • Money Market

RON O/N trading range was at 2.03% - 2.53%.

### • Equities

#### Domestic

The BSE closed red, BET-C decreased 0.55% on lower volumes, while BET lost 0.49%, BET-FI dropped 0.31%.

RASDAQ-C closed green (+0.16%) on lower volumes, while Tier I was flat, Tier II advanced 0.06%.

#### Foreign

U.S. stocks fall as commodities decline on China concern. European stocks decline on China concern.

### • Commodities

Most major commodities down.

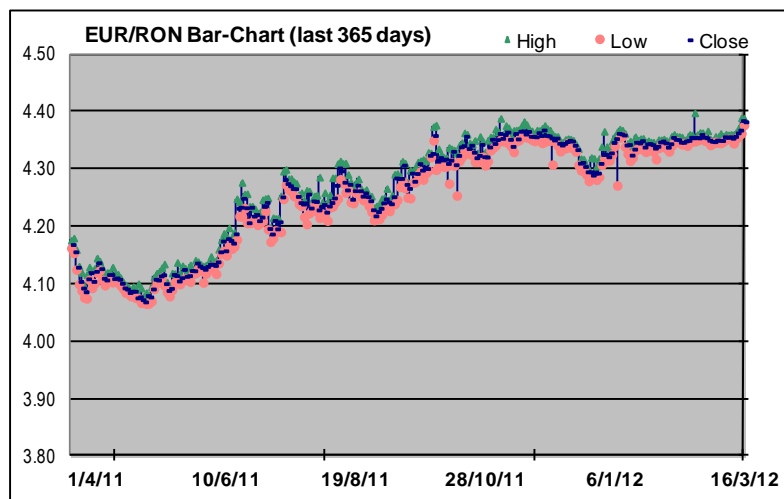
## Market Data (as of 21 March 2012)

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

### • Forex (as of 21-Mar-12)

FX Rates*	Prv. Day	Min 52W	Max 52W	Ytd	-52W
EUR/RON	4.3783	4.0782	4.3767	4.3271	4.1563
USD/RON	3.3091	2.7352	3.4435	3.3367	2.9223
CHF/RON	3.6305	3.1021	4.0619	3.5540	3.2292
100HUF/RON	1.5094	1.3390	1.6076	1.3745	1.5316

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

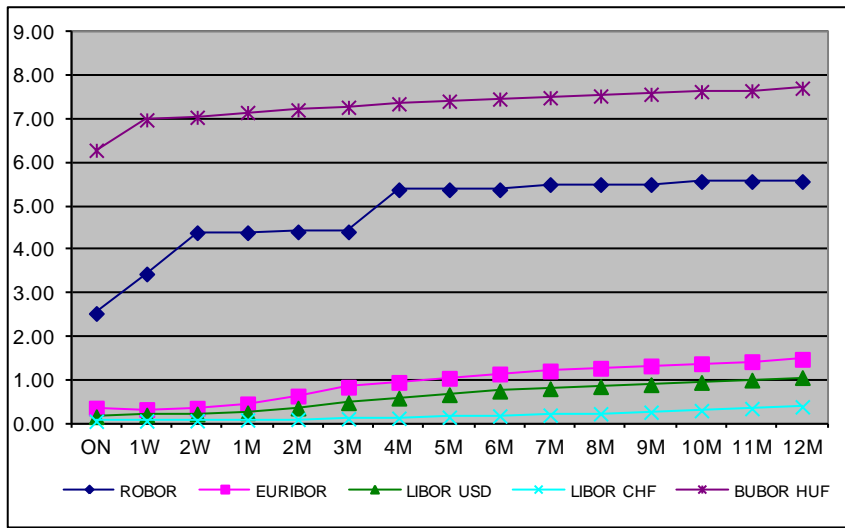


### • Money Markets (valid for 21 March 2012)

Rate	ON	1W	2W	1M	2M	3M	4M	5M	6M	7M	8M	9M	10M	11M	12M
ROBOR*	2.53	3.44	-	4.39	-	4.41	-	-	5.38	-	-	5.50	-	-	5.57
EURIBOR**	0.35	0.32	0.35	0.45	0.63	0.83	0.94	1.04	1.14	1.21	1.27	1.32	1.37	1.42	1.47
LIBOR USD	0.15	0.19	0.21	0.24	0.35	0.47	0.58	0.66	0.74	0.80	0.84	0.89	0.94	1.00	1.05
LIBOR CHF	0.05	0.05	0.06	0.08	0.09	0.10	0.12	0.14	0.17	0.19	0.22	0.26	0.29	0.34	0.38
BUBOR HUF	6.29	6.99	7.05	7.16	7.22	7.28	7.36	7.42	7.47	7.50	7.54	7.58	7.64	7.66	7.72

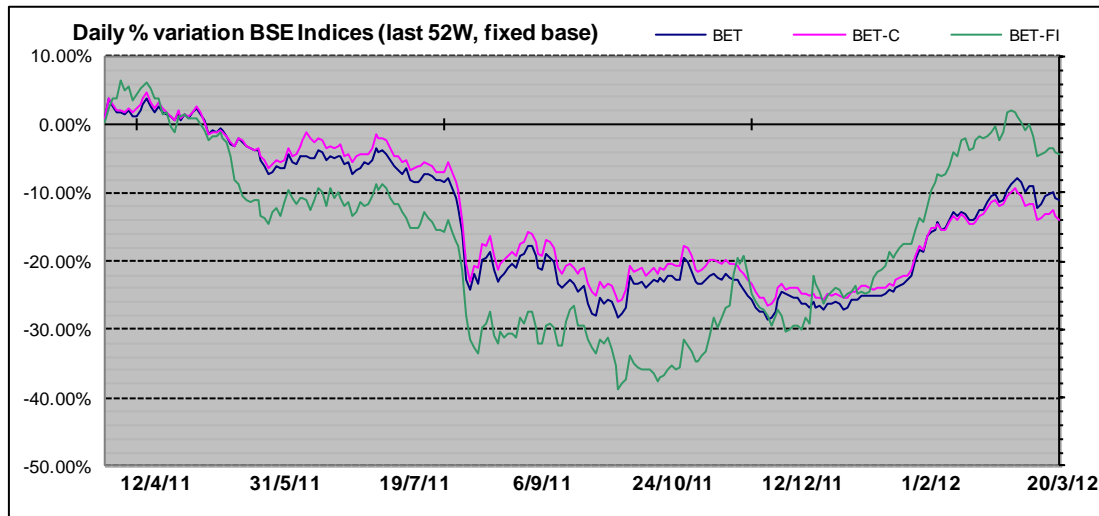
\* in the chart below, values for maturities where there is no quote are proxied by the maximum of the previous and the next maturity

\*\* 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	5,191.90	-0.49	19.71	-8.76
BET-C	2,982.19	-0.55	13.76	-11.56
BET-FI	24,435.92	-0.31	26.34	-1.25
ROTX	9,986.80	-0.68	24.24	-14.65
Rasdaq-C	1,594.17	0.16	0.89	-5.75
RAQ-I	782.75	0.00	-13.87	-45.77
RAQ-II	2,038.20	0.06	2.32	-36.58

Foreign

Indices	Last close	1d%	Ytd%	52W%
DJIA (USD)	13,170.19	-0.52	7.80	11.06
S&P 500 (USD)	1,405.52	-0.30	11.76	9.87
DAX (EUR)	7,054.94	-1.39	19.61	5.86
FTSE 100 (GBP)	5891.41	-1.17	5.73	3.03
STOXX 600 (EUR)	268.97	-1.14	9.99	0.50
BUX (HUF)	19,232.77	-0.14	13.31	-13.21

Top 5 most traded	Volume -RON	Volume - shares	Trades	Last price	1d%
FP	5,460,546	9,416,300	189	0.5800	-0.26
SIF3	1,825,332	2,713,000	341	0.6705	-0.74
SIF2	1,128,151	855,500	115	1.3290	0.68
SIF5	1,123,251	827,000	60	1.3600	0.00
SIF4	849,658	1,197,000	115	0.7100	-1.39

Trading Volumes	BVB	Rasdaq	BUSE	NYSE listed	Nasdaq	LSE	STOXX 600 *
Previous Day	3.53	0.14	26.88	14,320.78	10,223.02	5,235.26	268.97
Ytd Avg. (EUR mn)	8.59	0.15	47.11	16,511.64	10,891.73	5,033.29	259.82
MCap (EUR bn)**	20.33	2.33	17.57	3,960.04	14,146.98	2,686.54	6,737.93

\* 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%
EPT	368	9,500	3	0.0420	9.09
ART	1,060	700	3	1.5150	7.37
APC	27,561	36,000	17	0.7900	5.33
ELJ	70	500	1	0.1400	5.26
ELGS	3,499	11,500	12	0.3079	2.29

Worst 5 performers	Volume -RON	Volume - shares	Trades	Last price	1d%
CEON	7,016	148,500	13	0.0500	-5.30
SOCP	4,838	17,500	5	0.2750	-5.17
OLT	78,827	71,000	67	1.0900	-4.39
ELMA	186,939	811,000	103	0.2300	-4.13
CMP	16,408	40,000	17	0.4100	-2.38

- Commodities

Item (market)	unit	last close	1d%	Ytd%	52W%
Oil (Brent crude)	USD/barrel	124.12	-1.26	16.75	12.53
Gold (COMEX)	USD/ounce	1647	-1.22	4.94	15.57
Platinum (NYMEX)	USD/ounce	1655.88	-1.47	18.19	-3.85
Silver (COMEX)	USD/ounce	31.834	-3.40	13.86	-9.11
Wheat (CBOT)	USD/bushel	6.425	-1.49	-4.28	-24.77
Corn (CBOT)	USD/bushel	6.475	-2.41	-1.11	5.54

- OTP AM – Open-End Funds (as of 19-Mar-12)

Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%
OTP AvantisRO	RON	6.5000	-0.61	15.66	-9.09
OTP Obligatiuni	RON	11.6200	0.00	1.40	6.61
OTP ComodisRO	RON	14.1610	0.03	1.40	6.56
OTP Euro Bond	EUR	10.6181	0.08	1.07	4.85

## Market Highlights (as of 20 March 2012)

- Forex

The dollar climbed 1.1 percent to 81.72 cents versus New Zealand's currency at 5 p.m. in New York. It strengthened 1.2 percent to \$1.0480 per Australian dollar. The euro dropped 0.1 percent to \$1.3225 after earlier weakening as much as 0.5 percent. The dollar gained 0.4 percent to 83.70 yen. (Bloomberg)

EUR/RON opened at 4.3780/4.3800 and closed at 4.3765/4.3785. (ContiCap)

- Money Market

RON O/N trading range was 2.03% - 2.53%.

- Equities

- Domestic

The BSE closed red (BET-C, which does not include the SIFs decreased 0.55%) on lower volumes and below this year's average volume. While BET blue chips index decreased 0.49%, BET-FI dropped 0.31%.

RASDAQ-C closed green (+0.16%), while Tier I was flat, Tier II advanced 0.06%. The trading volume was lower and below 2012's average volume.

- Foreign

The S&P 500 retreated 0.3 percent to 1,405.52 at 4 p.m. New York time, after the benchmark measure yesterday advanced to the highest level since May 2008. The Dow Jones Industrial Average declined 68.94 points, or 0.5 percent, to 13,170.19 yesterday. The Stoxx Europe 600 Index retreated 1.1 percent to 268.96 at the close for the benchmark measure's biggest drop since March 6. The gauge has still gained 10 percent this year as the European Central Bank disbursed 1 trillion Euros (\$1.3 trillion) to the region's lenders. (Bloomberg)

- Commodities

Brent oil for May settlement fell \$1.65 to \$124.06 a barrel on the London-based ICE Futures Europe exchange. The European benchmark contract was at a premium of \$16.57 to New York futures for the same month. (Bloomberg)

## Latest Financial News

- Macroeconomics

*Exiting PBOC adviser urges more power for Central Bank.*

Xia Bin, a departing adviser to China's central bank, urged more autonomy for the monetary authority as the country prepares to free up interest rates and increase the yuan's role as an international currency. The People's Bank of China "should be given more power in the areas of some short-term and specific monetary policy adjustment and operations," Xia, 60, said in an interview in Hong Kong yesterday, a week after his two-year term ended. There is "large room for improvement in how decisions are made," he told Bloomberg Television. The state researcher joins organizations including the World Bank and economists at Deutsche Bank AG and UBS AG who have urged China to increase central bank independence and transparency. While U.S. and European counterparts operate separately from other parts of the government, major moves in China such as interest-rate adjustments are decided by the State Council, or Cabinet. A World Bank report last month said that "further moves to improve the independence of the central bank and to increase the transparency of monetary policy decision making would be essential to support greater international acceptance" of the yuan as a reserve currency. China also plans to give markets a bigger role in setting interest rates. (Bloomberg)

- Forex

*Euro gains after Greece bailout vote, before German PMI data.*

The euro advanced against the dollar, this morning, and reached a four-month high versus the yen after Greece won parliamentary approval for a new international bailout, boosting demand for European assets. The 17-nation currency rose against most major peers before reports tomorrow forecast to show an expansion of services and factory output in Germany, Europe's largest economy. The dollar weakened before Federal Reserve Chairman Ben S. Bernanke tells Congress that financial strains in Europe have eased, according to testimony prepared for delivery today. Demand for the yen was limited before data tomorrow projected to show Japanese exports declined for a fifth month. (Bloomberg)

- Money Market

*S&P cuts City of Bucharest to 'BB', withdraws ratings.*

Standard&Poor's Ratings Services said on Tuesday it lowered its long-term issuer credit ratings on the Romanian capital Bucharest to 'BB' from 'BB+' and subsequently withdrew them. At the time the rating was withdrawn, the outlook was negative, the ratings agency said in a statement. Standard&Poor's Ratings Services also said in the statement: "[...] The downgrade reflected what we consider to be unresolved uncertainty surrounding the city's large refinancing and foreign currency exposure associated with the bullet repayment on its 500 million euro [\$661.3 million] Eurobond that falls due in 2015, as well as regarding the city's future debt and liquidity policies. The ratings were also constrained by Bucharest's "developing and unbalanced" institutional framework, as well as its liquidity situation, which we viewed as weak. Nevertheless, the ratings were underpinned by Bucharest's position as Romania's administrative, financial, and economic center, and the city's very high operating budget surplus. (SeeNews)

• **Equities**

**Domestic**

*OMV Petrom analyzes Romania shale gas exploration potential.*

OMV Petrom SA, Romania's biggest oil company, is analyzing the potential for shale-gas exploration in the eastern European country. Petrom, majority owned by Austria's OMV AG, will decide on the next steps based on the results of a preliminary assessment and Romanian and European legislation, Chief Executive Officer Mariana Gheorghe said yesterday in a live chat on hotnews.ro. OMV Petrom will update its business strategy throughout 2021 by mid-year, she said. The government is weighing the possibility of adopting a law for shale-gas production because Romania lacks adequate regulations, Prime Minister Mihai-Razvan Ungureanu said on March 14. Chevron Corp., which has licenses to explore three blocks in Romania to search for unconventional oil and gas reserves, plans to begin shale-gas drilling in the country later this year. Romania may have a "significant potential" for developing shale-gas fields, according to Alexandru Patruti, head of the national Mineral Resources Agency. (Bloomberg)

**Foreign**

*Microsoft says Windows phone to pass Apple in China on cost.*

Microsoft Corp., the world's largest software maker, said its Windows Phone operating system will propel it past Apple Inc. in China's smartphone market as its partners release devices costing as little as \$158. Passing Apple is an "interim goal" as the company's longer-term objective is to supplant Google Inc.'s Android as the local market leader, Simon Leung, Microsoft's chairman and chief executive officer for the Greater China region, told reporters in Beijing today. He didn't give a time frame for reaching the targets. "We will continue to drive the price down," Leung said. "Our goal is number one. Having a goal to be number two is not really a goal." China is poised to become the world's biggest smartphone market in 2012, making it crucial for manufacturers and sellers in the battle for sales. (Bloomberg)

*Hancock may sell 30% of iron ore project to equity partners.*

Hancock Prospecting Pty, controlled by Asia's richest woman Gina Rinehart, may sell about 30 percent of its Roy Hill iron ore project in Western Australia to equity partners. "Major equity partners have formally committed to the project," Barry Fitzgerald, executive general manager carbon steel materials for Perth-based Hancock said today at a conference without providing further details. "We may sell about 30 percent but that may change." Marubeni Corp., Japan's biggest copper producer, is in talks to buy a 12.5 percent stake in Roy Hill, valued at more than \$1 billion, the Wall Street Journal reported March 16, without saying where it got the information. South Korea's Posco, the world's third-biggest steelmaker, in January agreed to pay 1.78 trillion won (\$1.6 billion) to raise its stake in Roy Hill to 15 percent from 3.8 percent. Korea's STX Group bought a 1.25 percent stake in the project in February 2010 and may boost that to 5 percent, it said at the time. (Bloomberg)

• **Commodities**

*Gold may decline below \$1,600 on Fibonacci (technical analysis).*

Gold may decline below \$1,600 an ounce as prices remain "under pressure" beneath the March 12 high of about \$1,717, according to technical analysis by Commerzbank AG. If the metal drops below the March low of about \$1,634, it may slide to about \$1,625, a 61.8 percent retracement of the rally since late December, one of the levels singled out in so-called Fibonacci analysis. Prices may then fall to the October lows of about \$1,604 and \$1,596, the bank said. "The medium-term top in the spot gold price remains in place with further weakness expected to be seen in the coming months," Axel Rudolph, an analyst at Commerzbank in London, said in a report yesterday. "Further downside remains on the books" while prices are below the March 12 high, he said. (Bloomberg)

*Iron ore to drop as China growth slows, biggest shipper says.*

Iron ore may decline 8.5 percent this year as global output increases and growth in Asian steel production slows, according to a government forecaster in Australia, the world's biggest exporter. Prices may average about \$140 a metric ton in 2012 from \$153 last year, the Bureau of Resources and Energy Economics said in a report today. Shipments from Australia may climb 12 percent to 493 million tons in 2012, it said. Steel output growth in China has slowed as the fastest-growing major economy puts greater focus on consumers rather than building projects, BHP Billiton Ltd. (BHP), the world's biggest mining company, said yesterday. Shares in Vale SA (VALE3), the largest iron-ore producer, fell the most in a week after BHP's comments. While China's near-term growth is slowing, iron-ore output significantly lags consumption, Rio Tinto Group (RIO) said yesterday (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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