

Executive Summary

• Macroeconomics

Romania's May construction output index rises 2.9% MoM, up 1.9% YoY. Industrial sales rise 20.4%.

• Forex

The euro declined to \$1.4319 at 5:00 p.m. in New York. The RON dropped to 4.2080/4.2100 per EUR.

• Money Market

RON T/N trading range at 0.34% - 0.61%.

• Equities

Domestic

The BSE closed red (BET-C at -0.55%) on lower volumes, with BET losing 0.43% and BET-FI decreasing 0.96%.

RASDAQ-C closed red (-0.40%) on higher volumes, while Tier I lost 1.21%, Tier II declined 0.84%.

Foreign

U.S. stocks rise as transport, consumer-staple shares advance. European stocks fall.

• Commodities

Oil, gold and silver up. Most other major commodities down.

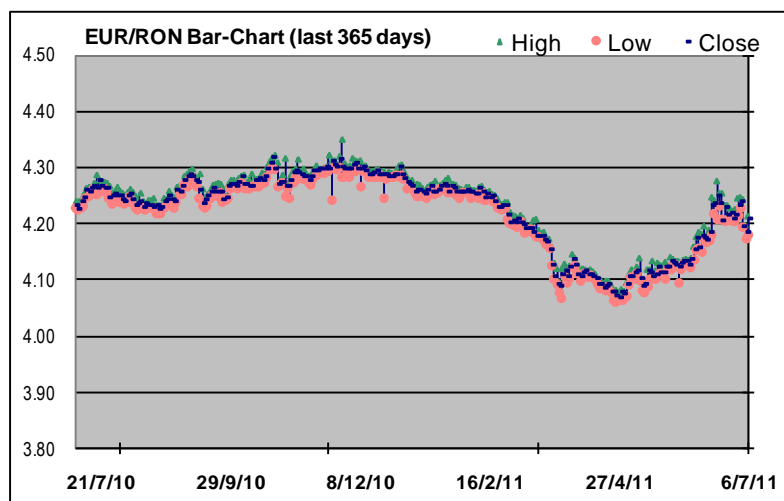
Market Data (as of 07 July 2011)

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

• Forex (as of 7-Jul-11)

FX Rates*	Prv. Day	Min 52W	Max 52W	Ytd	-52W
EUR/RON	4.2105	4.0601	4.3516	4.2900	4.2319
USD/RON	2.9377	2.7352	3.4388	3.2342	3.3580
CHF/RON	3.5022	3.0422	3.5295	1.2430	1.3267
100HUF/RON	1.5921	1.4632	1.6075	1.5343	1.4951

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

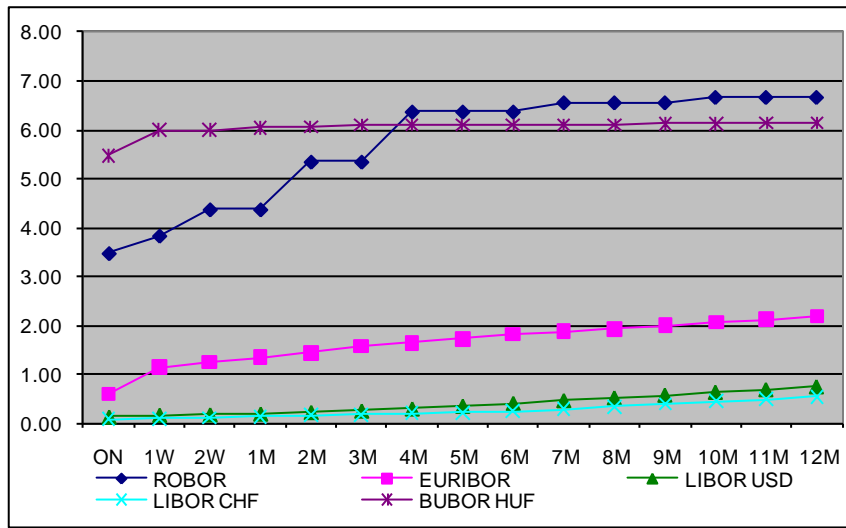


• Money Markets (valid for 07 July 2011)

Rate	ON	1W	2W	1M	2M	3M	4M	5M	6M	7M	8M	9M	10M	11M	12M
ROBOR*	3.47	3.83	-	4.37	-	5.35	-	-	6.38	-	-	6.57	-	-	6.68
EURIBOR**	0.60	1.14	1.24	1.34	1.43	1.57	1.64	1.72	1.81	1.87	1.93	2.00	2.06	2.11	2.19
LIBOR USD	0.12	0.16	0.17	0.19	0.22	0.25	0.29	0.34	0.40	0.46	0.51	0.57	0.62	0.68	0.74
LIBOR CHF	0.07	0.09	0.11	0.13	0.15	0.18	0.20	0.22	0.24	0.29	0.33	0.39	0.44	0.49	0.54
BUBOR HUF	5.48	6.00	6.00	6.05	6.06	6.10	6.10	6.10	6.10	6.10	6.10	6.13	6.13	6.14	6.14

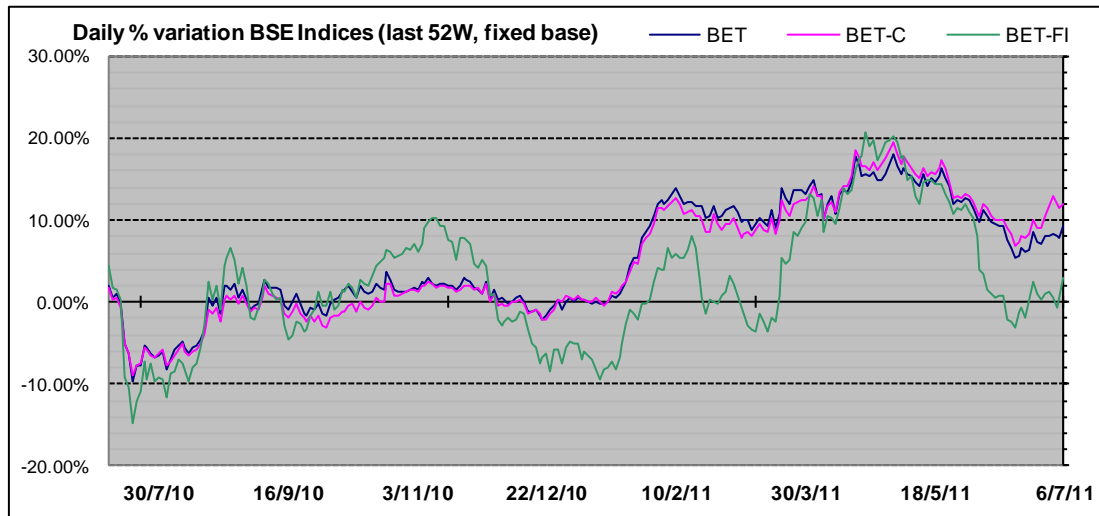
* in the chart below, values for maturities where there is no quote are proxied by the maximum of the previous and the next maturity

** 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	5,604.63	-0.43	7.38	16.40
BET-C	3,397.01	-0.55	9.70	19.72
BET-FI	23,104.54	-0.96	7.77	10.62
ROTX	11,569.40	-0.85	7.11	19.65
Rasdaq-C	1,641.54	-0.40	-2.29	-23.14
RAQ-I	1,463.89	-1.21	1.52	-31.33
RAQ-II	3,092.44	-0.84	1.17	6.31

Foreign

Indices	Last close	1d%	Ytd%	52W%
DJIA (USD)	12,626.02	0.45	9.13	29.58
S&P 500 (USD)	1,339.22	0.10	6.47	30.27
Nasdaq-C (USD)	556.67	-1.31	-25.90	-3.20
FTSE 100 (GBP)	6069.9	0.76	1.66	22.25
STOXX 600 (EUR)	274.79	-0.30	-0.80	13.19
BUX (HUF)	22,115.37	-1.17	3.08	2.81

Top 5 most traded	Volume -RON	Volume - shares	Trades	Last price	1d%
FP	28,991,990	55,362,700	709	0.5250	-0.76
TLV	2,610,033	2,113,500	113	1.2350	-1.12
BRD	1,935,758	135,730	15	14.4000	-0.55
OLT	1,394,337	620,500	320	2.2000	-0.50
SIF3	911,205	1,725,000	200	0.5230	-2.24

Trading Volumes	BVB	Rasdaq	BUSE	NYSE listed	Nasdaq	LSE	STOXX 600 *
Previous Day	11.33	0.20	61.74	16,723.04	9,688.47	4,689.92	274.79
Ytd Avg. (EUR mn)	10.28	0.60	57.74	19,312.48	11,549.73	5,393.12	278.51
MCap (EUR bn)**	27.70	2.51	22.25	3,403.10	12,633.26	2,627.71	6,898.04

* 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%
UCM	413	4,500	3	0.0920	15.00
ELGS	157,071	370,000	125	0.4381	14.99
CMM	15,038	88,500	38	0.1740	12.11
ELJ	800	5,000	4	0.1600	4.58
EPT	5,015	66,500	6	0.0764	3.66

Worst 5 performers	Volume -RON	Volume - shares	Trades	Last price	1d%
CBC	738,694	117,200	15	6.1200	-15.00
RMAH	1,800	9,000	3	0.2000	-3.85
OIL	26,186	104,000	30	0.2504	-3.21
CMP	14,263	22,500	13	0.6300	-3.08
RRC	22,317	324,000	60	0.0697	-2.79

- **Commodities**

Item (market)	unit	last close	1d%	Ytd%	52W%
Oil (Brent crude)	USD/barrel	113.62	0.01	21.44	47.54
Gold (COMEX)	USD/ounce	1529.2	1.09	8.28	26.69
Platinum (NYMEX)	USD/ounce	1733.4	-0.50	-1.19	14.14
Silver (COMEX)	USD/ounce	35.916	1.43	17.13	99.38
Wheat (CBOT)	USD/bushel	6.27	-1.34	-25.25	4.54
Corn (CBOT)	USD/bushel	6.085	-0.65	10.39	50.25

- **OTP AM – Open-End Funds (as of 5-Jul-11)**

Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%
OTP AvantisRO	RON	7.2100	1.12	9.91	16.29
OTP Obligatiuni	RON	11.1400	0.00	10.96	16.89
OTP ComodisRO	RON	13.5377	0.02	3.22	7.56
OTP Euro Bond	EUR	10.2869	0.07	2.35	N/A

Market Highlights (as of 06 July 2011)

- **Forex**

The euro dropped 0.8 percent to \$1.4319 at 5 p.m. in New York, from \$1.4429 a day before, after touching \$1.4286, the lowest level since June 28. The euro slid 1 percent to 115.86 yen, from 116.97, after sliding as low as 115.55. The U.S. currency fell 0.2 percent to 80.91 yen, from 81.07. (Bloomberg)

EUR/RON opened at 4.1850/4.1870 and lost ground against the Euro to close 4.2080/4.2100. (ContiCap)

- **Money Market**

RON T/N trading range was 0.34% - 0.61%. (ContiCap)

- **Equities**

- **Domestic**

The BSE closed red (BET-C, which does not include the SIFs dropped -0.55%) on lower volumes but still above this year's average volume. BET blue chips decreased 0.43% while BET-FI lost 0.96%.

RASDAQ-C closed red (-0.41%) while Tier I decreased 1.21%, Tier II declined 0.84%. The trading volume was higher but still below 2011's average volume.

- **Foreign**

The Standard & Poor's 500 Index gained 0.1 percent to 1,339.22. The intraday move in the S&P 500 between its high and low was 0.7 percent, following a move of only 0.5 percent yesterday. The Dow Jones Industrial Average climbed 56.15 points, or 0.5 percent, to 12,626.02. Volume on U.S. exchanges totaled almost 6.1 billion at 4:53 p.m., 15 percent less than the three-month average through the day before. The benchmark Stoxx Europe 600 Index fell 0.3 percent to 274.79. (Bloomberg)

- **Commodities**

Brent crude for August settlement on London's ICE Futures Europe exchange dropped as much as \$1.70 to \$111.91 a barrel and traded at \$112.19 at 1:03 p.m. London time. The European benchmark was at a premium of \$15.99 to U.S. futures. The spread reached a record \$22.29 on June 15. (Bloomberg)

Latest Financial News

- **Macroeconomics**

Romania's May construction output index rises 2.9% MoM, up 1.9% YoY.

Romania's May construction output index rose by 2.9% month-on-month and was 1.9% higher on the year, the country's statistics board, INS, said on Wednesday. The figures are seasonally and working-day adjusted, INS said in a statement. In April the construction output index decreased by 0.3% month-on-month and was 3.7% lower on the year. In the first five months of 2011 Romania's construction output fell by 3.3% on the year. (SeeNews)

Romania's January-May industrial sales rise 20.4%.

Romania's industrial sales rose by an annual 20.4% through May, the National Statistics Institute, INS, said on Wednesday. In May alone, industrial sales were up 10.3% month-on-month and 17.3% higher than a year earlier. (SeeNews)

- **Forex**

Switzerland's Franc gains as Portugal downgrade by Moody's weighs on Euro.

The Swiss franc rose against the euro after Moody's Investors Service cut Portugal's credit rating to junk, stoking demand for the safest assets. Switzerland's currency gained against all but three of 16 major peers tracked by Bloomberg. The Swiss government said yesterday that the currency was in a "phase of overvaluation," and the central bank may act if a "worsening of the situation" threatens the nation's growth. Portugal's downgrade prompted a selloff in bonds from Europe's most indebted countries. (Bloomberg)

- **Money Market**

Ministry of Finance plans to issue today RON 500 mil. in T-bonds.

Today the Ministry of Finance is scheduled to issue RON 500 mil. in 3 year T-bond. (ContiCap)

Trichet fights war on two fronts as second ECB rate increase of 2011 looms.

European Central Bank President Jean- Claude Trichet is fighting a war on two fronts as he seeks to contain price pressures while the Greek crisis threatens to blow the euro area apart. (Bloomberg)

- **Equities**

- **Domestic**

Fondul Proprietatea may seek Warsaw listing first quarter.

Fondul Proprietatea SA (FP RO) plans to list shares on the Warsaw Stock Exchange as Romania's 4 billion-euro (\$5.7 billion) property-restitution fund seeks to attract new investors. The listing may take place in the first quarter of next year and may be for as much as 10 percent of existing shares, according to a statement. Warsaw won against Vienna and London, which also were on the shortlist, Franklin Templeton Investment Management Limited said in the statement in its capacity of sole administrator and fund manager of Fondul. (Bloomberg)

Two courts of Cluj: The Rasdaq can not be a "regulated market"

Two courts of Cluj have determined that the legal status of the Rasdaq market does not allow it to be considered as a regulated market, ruling in favor of the minority shareholders of a company, who were asking for their right to make an exit, according to law firm "Zamfirescu Racoți Predoiu". The two minority shareholders, who own about 10% of a company listed on the Rasdaq, Arta Culinara Cluj-Napoca (ARCU RO), went to court, after the company refused to buy back their shares, when they expressed their intention to exit the company, as they did not approve of the company's plans to merge with another company. (Bursa)

Romania to sell stake in Petrom in July, could raise EUR 610 million through secondary offer.

Romania will sell a 9.84 percent stake in oil and gas company Petrom (symbol SNP) in a public offer between July 11 and 22, at a maximum price of RON 0.46 per share, according to an announcement from Renaissance Capital investment bank. Petrom's shares were trading at RON 0.4 on the Bucharest Stock Exchange. Romania will sell 5.5 billion Petrom shares, most of which destined for institutional investors, while only 15 percent will target retail investors. The Romanian state could thus raise a maximum of EUR 610 million from this public offer. Brokerage companies BT Securities, EFG Eurobank Securities, Romcapital and CEC Bank will intermediate the subscription. (BusInsider)

Foreign*OTP may bid against Sberbank for Volksbanken Unit, RIA reports.*

OTP Bank Nyrt., Hungary's largest lender, may bid against OAO Sberbank to buy VBI, the Eastern European unit of Oesterreichische Volksbanken AG, RIA Novosti reported, citing OTP Chairman Sandor Csanyi. OTP is interested in VBI to expand in central and eastern Europe, RIA said, citing Csanyi. (Bloomberg)

European banks.

Banco Espírito Santo, Portugal's biggest publicly traded bank by market value, slumped 5.7 percent to 2.46 euros while Banco Comercial Portugues, the second-largest, sank 6.9 percent to 36.7 euro cents. UniCredit SpA (UCG), Italy's biggest bank, dropped 7.1 percent to 1.40 euros, the largest decline in more than a year. Spain's Banco Santander SA (SAN) retreated 2.1 percent to 7.85 euros. "The fear of contagion to much bigger economies than the Greek one looms, as Spain and Italy face elevated debt levels and bleak economic outlook," said Anita Paluch, a sales trader at ETX Capital in London. (Bloomberg)

Commodities*Copper fees may stay high on Japan quake, falling China imports, JX says.*

Processing fees to turn copper ore into refined metal will remain at high levels next year after an earthquake in Japan shut smelting capacity and China imported less of the raw material, according to Japan's top smelter. (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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