

## Executive Summary

### • Macroeconomics

U.S. debt-agreement delay risks creating a Lehman-like moment, Gieve says.

### • Forex

The euro traded at \$1.4334 at 5:00 p.m. in New York. The EUR/RON traded at 4.2470/4.2490.

### • Money Market

RON T/N trading range down to 3.44% to 3.51%.

### • Equities

#### Domestic

The BSE closed mixed, BET-C at -0.10% on higher volumes, with BET gaining 0.02% and BET-FI increasing 0.05%.

RASDAQ-C closed red (-0.77%) on higher volumes, while Tier I lost 1.40%, Tier II was flat.

#### Foreign

Most European stocks decline. U.S. stocks retreat as optimism over debt compromise fades.

### • Commodities

Most major commodities down.

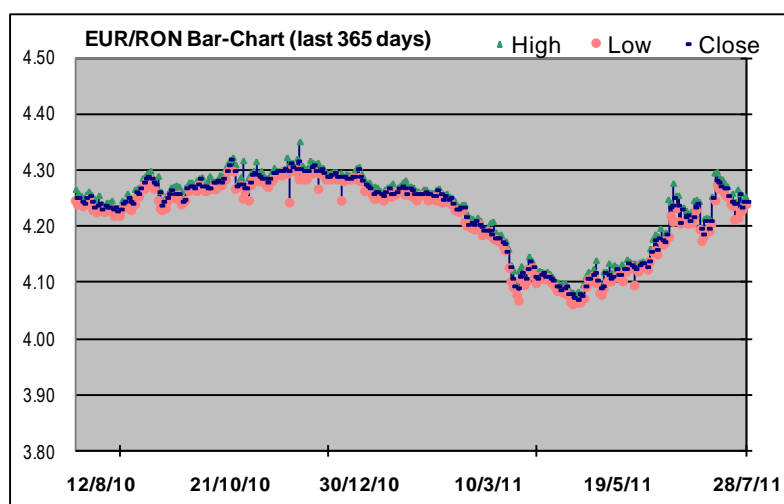
## Market Data (as of 29 July 2011)

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

### • Forex (as of 29-Jul-11)

FX Rates*	Prv. Day	Min 52W	Max 52W	Ytd	-52W
EUR/RON	4.2427	4.0601	4.3516	4.2900	4.2499
USD/RON	2.9665	2.7352	3.4200	3.2342	3.2499
CHF/RON	3.6909	3.0422	3.7024	1.2430	1.3598
100HUF/RON	1.5789	1.4742	1.6075	1.5343	1.4918

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

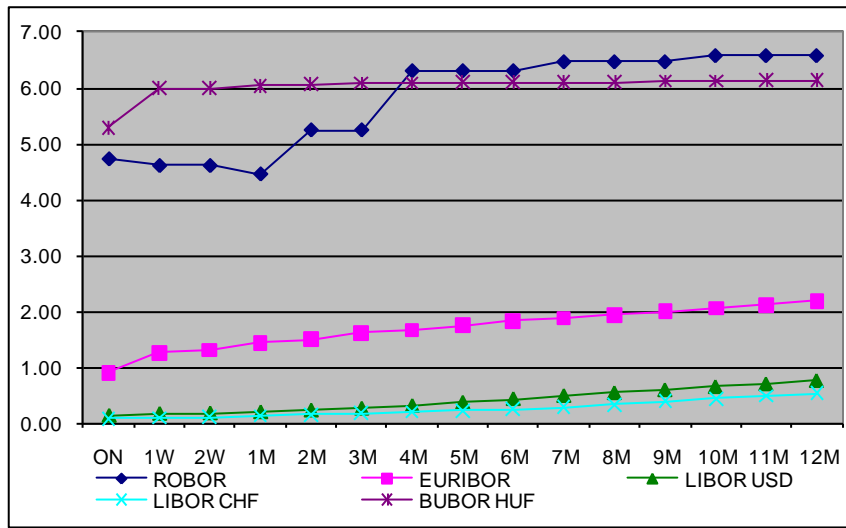


### • Money Markets (valid for 29 July 2011)

Rate	ON	1W	2W	1M	2M	3M	4M	5M	6M	7M	8M	9M	10M	11M	12M
ROBOR*	4.73	4.61	-	4.46	-	5.25	-	-	6.31	-	-	6.47	-	-	6.58
EURIBOR**	0.90	1.25	1.31	1.44	1.50	1.61	1.67	1.74	1.82	1.88	1.93	2.00	2.06	2.12	2.18
LIBOR USD	0.12	0.16	0.17	0.19	0.22	0.25	0.30	0.36	0.43	0.48	0.54	0.59	0.65	0.70	0.76
LIBOR CHF	0.07	0.09	0.11	0.13	0.15	0.18	0.20	0.22	0.24	0.29	0.33	0.38	0.44	0.49	0.53
BUBOR HUF	5.29	6.00	6.00	6.04	6.06	6.09	6.09	6.10	6.10	6.10	6.10	6.13	6.13	6.14	6.14

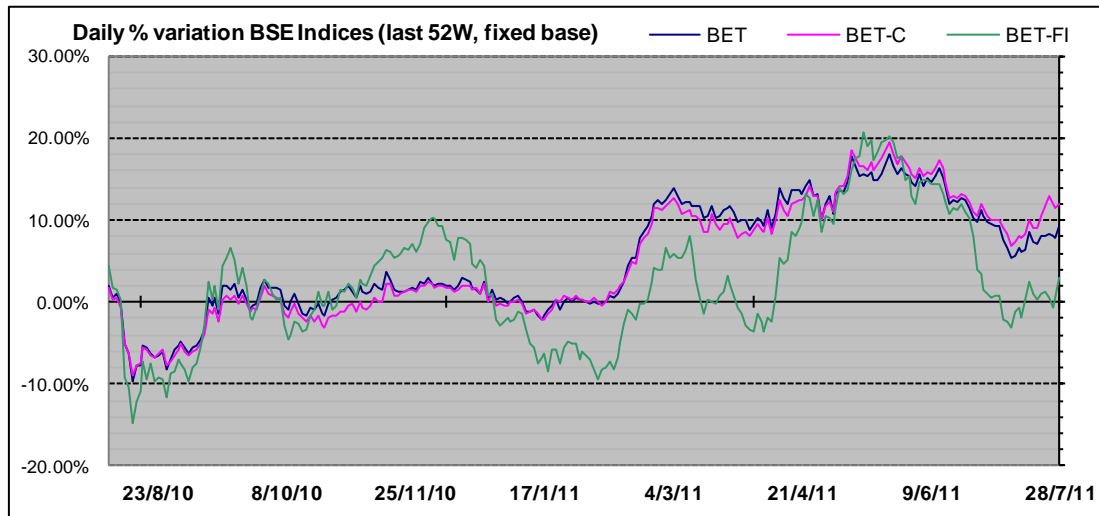
\* in the chart below, values for maturities where there is no quote are proxied by the maximum of the previous and the next maturity

\*\* 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	5,365.91	0.02	2.80	4.70
BET-C	3,226.01	-0.10	4.18	7.71
BET-FI	21,653.57	0.05	1.00	-4.48
ROTX	11,108.50	0.01	2.84	5.22
Rasdaq-C	1,668.15	-0.77	-0.71	-23.07
RAQ-I	1,389.93	-1.40	-3.61	-34.19
RAQ-II	3,067.38	0.00	0.35	-6.24

Foreign

Indices	Last close	1d%	Ytd%	52W%
DJIA (USD)	12,240.11	-0.51	5.79	16.60
S&P 500 (USD)	1,300.67	-0.32	3.40	17.59
Nasdaq-C (USD)	534.53	-0.56	-28.85	-16.40
FTSE 100 (GBP)	6069.9	3.64	1.66	14.10
STOXX 600 (EUR)	267.08	0.01	-3.59	3.84
BUX (HUF)	21,322.50	-0.45	-0.61	-5.27

Top 5 most traded	Volume -RON	Volume - shares	Trades	Last price	1d%
FP	14,677,685	28,555,900	512	0.5150	0.68
SIF5	2,835,522	2,131,000	168	1.3320	-0.52
SIF2	1,244,479	1,044,000	213	1.1860	-1.58
SNP	928,775	2,445,000	93	0.3800	-0.13
SIF3	883,913	1,802,000	209	0.4900	0.10

Trading Volumes	BVB	Rasdaq	BUSE	NYSE listed	Nasdaq	LSE	STOXX 600 *
Previous Day	7.10	1.07	27.73	19,009.69	11,418.97	4,532.25	267.08
Ytd Avg. (EUR mn)	10.23	0.72	57.26	19,163.25	11,512.69	5,326.31	277.49
MCap (EUR bn)**	26.20	2.52	21.04	3,343.01	12,392.98	2,622.32	6,704.51

\* 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%
CBC	565,367	144,300	32	3.9180	15.00
OLT	41,987	27,500	32	1.5450	8.35
VNC	560	8,000	4	0.0700	4.48
PEI	4,819	196	25	25.8000	4.03
AZO	403,126	505,500	69	0.8290	2.73

Worst 5 performers	Volume -RON	Volume - shares	Trades	Last price	1d%
ARM	54	500	2	0.1075	-14.00
COTR	687	21	5	32.6500	-6.71
ALT	27,052	613,500	61	0.0440	-5.98
EFO	103	1,000	3	0.1033	-5.23
TUFE	171	1,000	3	0.1715	-4.72

- Commodities

Item (market)	unit	last close	1d%	Ytd%	52W%
Oil (Brent crude)	USD/barrel	117.36	-0.06	25.45	43.37
Gold (COMEX)	USD/ounce	1616.2	-0.07	14.07	37.89
Platinum (NYMEX)	USD/ounce	1792.4	-0.86	2.18	16.26
Silver (COMEX)	USD/ounce	39.794	-1.91	29.78	126.13
Wheat (CBOT)	USD/bushel	7.35	-1.38	-13.61	4.59
Corn (CBOT)	USD/bushel	6.8625	-0.76	24.49	61.95

- OTP AM – Open-End Funds (as of 27-Jul-11)

Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%
OTP AvantisRO	RON	6.8600	-0.87	4.57	5.21
OTP Obligatiuni	RON	11.1700	0.00	11.25	14.68
OTP ComodisRO	RON	13.5939	0.05	3.64	7.58
OTP Euro Bond	EUR	10.3132	0.01	2.62	N/A

## Market Highlights (as of 28 July 2011)

- Forex

The dollar dropped 0.4 percent to 77.67 yen at 5 p.m. in New York, from 77.98 a day before, when it fell to 77.57, the weakest since hitting a post-World War II low of 76.25 on March 17. The dollar was little changed at 80.12 Swiss centimes after touching a record low 79.90. The euro slid 0.2 percent to \$1.4334 and decreased 0.6 percent to 111.34 yen. (Bloomberg)

EUR/RON opened at 4.2440/4.2460 and closed a bit weaker against the euro at 4.2470/4.2490. (ContiCap)

- Money Market

RON T/N trading range was 3.44%/3.51% with intra day cash softening again as the half yearly tax payments appear to have been made. Short end tenors also softened on the back of the funding, in a steepening curve as the longer end remains essentially unchanged with 1m -16.5bp, 3m -21bp, 6m -15.5bp, 9m by 7.5bp and 12m unchanged. (ContiCap)

- Equities

- Domestic

The BSE closed mixed (BET-C, which does not include the SIFs lost 0.10%) on higher volumes but still below this year's average volume. BET blue chips increased 0.02% while BET-FI advanced 0.05%.

RASDAQ-C closed red (-0.77%) while Tier I decreased 1.40%, Tier II was flat. The trading volume was higher and above 2011's average volume.

- Foreign

The S&P 500 dropped 0.3 percent to 1,300.67, its lowest level for the month. The Dow slipped 62.44 points, or 0.5 percent, to 12,240.11. The Stoxx Europe 600 Index rose less than 0.1 percent to 267.08 at the close in London as three stocks dropped for every two that gained. (Bloomberg)

- Commodities

Brent oil for September settlement was at \$117.61 a barrel, up 30 cents, on the London-based ICE Futures Europe exchange. The European benchmark contract was at a premium of \$20.50 a barrel to New York futures, compared with a record close of \$22.63 on July 14. (Bloomberg)

## Latest Financial News

- Macroeconomics

*U.S. debt-agreement delay risks creating a Lehman-like moment, Gieve says.*

Former Bank of England Deputy Governor John Gieve said U.S. officials' delay in agreeing on a deal to raise the debt limit runs the risk of a disaster that would echo the collapse of Lehman Brothers Holdings Inc. (Bloomberg)

- Forex

*Brazilian real falls for a second straight day on U.S., Europe debt crises.*

Brazil's real declined for a second day as debt concerns in the U.S. and Europe and a new tax on investments in foreign-exchange derivatives in the South American country sapped demand for the currency. (Bloomberg)

- Money Market

*Greek bondholders may shun rescue as potential losses top 21%: Euro Credit.*

Greek bondholders may resist pressure to reinvest in the nation's securities as part of a bailout agreement as potential losses exceed the 21 percent estimated by the Institute of International Finance. (Bloomberg)

- Equities

- Domestic

*Erste second-quarter profit misses estimates on loan losses.*

Erste Group Bank AG (EBS RO), eastern Europe's second-biggest lender, said second-quarter profit rose 8.8 percent, missing analysts' estimates, as money set aside for bad loans didn't decline as much as expected. Net income climbed to 235.7 million Euros (\$338 million) from 216.7 million Euros a year earlier, the Vienna-based bank said today in an e-mailed statement. That compares to an average estimate of 258 million Euros in a Bloomberg survey of 14 analysts. Provisions for bad debt fell 13 percent to 479.9 million Euros, missing the average estimate of 462 million Euros in the survey. Erste said it expected risk costs in the second half of the year to be below the first half group-wide, while they would "remain elevated" in Romania and rise in Hungary. (Bloomberg)

*BCR's first-half profit falls on bad loans, low credit demand.*

Banca Comerciala Romana SA, Romania's largest bank by assets, said its first-half profit fell 68 percent from the same period of 2010, citing "relatively high" bad-loan costs. Net income dropped to 158 million lei (\$53.4 million) from 488.5 million lei in the same period of last year, the Bucharest-based bank said today in an e-mailed statement. Net-interest income, or the difference between money paid on deposits and earnings on loans, declined 14 percent to 1.6 billion lei from 1.9 billion because of low demand for credits. Provisions for bad loans stood at 17.9 percent of lending. (Bloomberg)

*Romania's Banca Transilvania H1 net profit seen rising 89.3% - Reuters poll.*

The first-half net profit of Romania's Banca Transilvania (TLV RO) is seen rising 89.3% on the year boosted by low base effect and smaller provisions, an analyst poll by Reuters indicated on Thursday. The blue-chip bank's net profit is seen at 62.8 million lei (\$21.1 million/14.8 million euro), according to an average estimate in a survey of nine banks and brokerages, against 33.2 million in the first half of last year, Reuters (www.reuters.com) said. Provisions are seen at an average 314.2 million lei in the first half, the poll also showed. Banca Transilvania is expected to release its first-half results on August 1. (SeeNews)

*Romania's BRD Bank H1 net profit seen down 35.5% - Reuters poll.*

Romanian bank BRD (BRD RO) is seen posting a 35.5% fall in its first-half net profit due to an increase in provisions for bad loans, a Reuters poll of eight analysts indicated on Thursday. BRD, a unit of France's Societe Generale, will report its first-half financial results on August 1. The lender is expected to have earned 236.8 million lei (\$80.2 million/55.8 million euro) in January-June, compared to a net profit of 366.9 million lei in the year-ago period, Reuters reported. (SeeNews)

**Foreign***BASF SE, profit missed estimates.*

BASF sank 4.2 percent to 63.09 Euros for its biggest drop in a year. The chemical company reported second-quarter profit that fell short of analysts' estimates, held back by a weaker U.S. dollar and shrinking margins. Ebit was little changed at 2.24 billion Euros. (Bloomberg)

*Finmeccanica SpA lowered its 2011 revenue prediction.*

Finmeccanica SpA (FNC), which produces commercial and military aircraft, tumbled 17 percent to 5.76 Euros for the largest retreat in the Stoxx 600. The company lowered its 2011 revenue prediction to 17.5 billion Euros to 18 billion Euros. Finmeccanica had forecast sales this year of 18.3 billion Euros to 19 billion Euros. (Bloomberg)

**Commodities***Corn imports by China may gain to record on state re-stocking, Hog Herds.*

China, the second-biggest corn consumer, may boost imports of the grain to a record 6 million metric tons in the year beginning Oct. 1 to replenish stockpiles and as demand for feed grows, according to Yigu Information Consulting Ltd. (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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