

## Executive Summary

### • Macroeconomics

IMF sees Romania's CPI above 5.0% in 2011, at 3.5% in 2012.

### • Forex

The euro traded at \$1.4250 at 5:00 p.m. in New York. The EUR/RON traded at 4.2400/4.2420.

### • Money Market

RON T/N trading range at 3.84% to 4.44%.

### • Equities

#### Domestic

The BSE closed green, BET-C at +1.69% on lower volumes, with BET gaining 0.72% and BET-FI increasing 1.82%.

RASDAQ-C closed green (+0.63%) on higher volumes, while Tier I gained 1.77%, Tier II lost 1.58%.

#### Foreign

U.S. stocks drop as factory report erases rally driven by debt compromise. European stocks decline.

### • Commodities

Gold and silver down. Most other major commodities up.

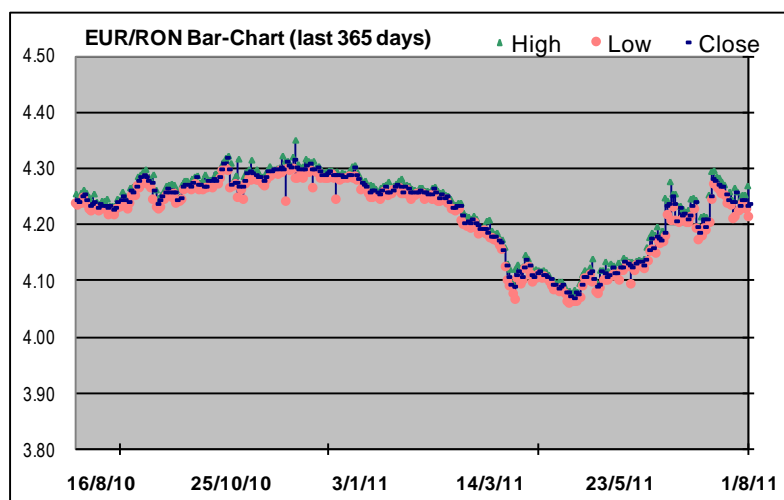
## Market Data (as of 02 August 2011)

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

### • Forex (as of 2-Aug-11)

FX Rates*	Prv. Day	Min 52W	Max 52W	Ytd	-52W
EUR/RON	4.2355	4.0601	4.3516	4.2900	4.2427
USD/RON	2.9753	2.7352	3.4200	3.2342	3.2216
CHF/RON	3.8129	3.0422	3.7024	1.2430	1.3680
100HUF/RON	1.5754	1.4742	1.6075	1.5343	1.5093

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

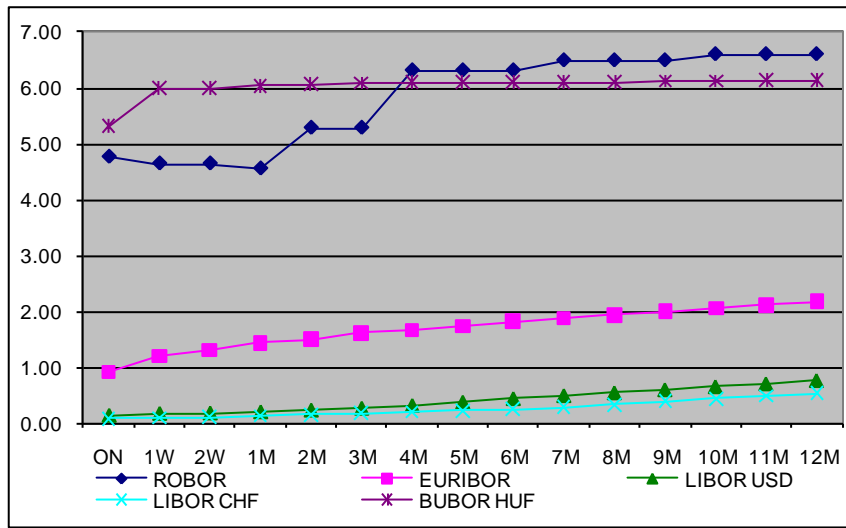


### • Money Markets (valid for 02 August 2011)

Rate	ON	1W	2W	1M	2M	3M	4M	5M	6M	7M	8M	9M	10M	11M	12M
ROBOR*	4.76	4.64	-	4.55	-	5.28	-	-	6.31	-	-	6.49	-	-	6.60
EURIBOR**	0.91	1.19	1.30	1.43	1.50	1.61	1.66	1.74	1.82	1.87	1.93	1.99	2.05	2.11	2.18
LIBOR USD	0.13	0.16	0.17	0.19	0.22	0.26	0.31	0.37	0.43	0.49	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	5.32	6.00	6.00	6.04	6.06	6.09	6.10	6.10	6.10	6.10	6.10	6.13	6.13	6.14	6.14

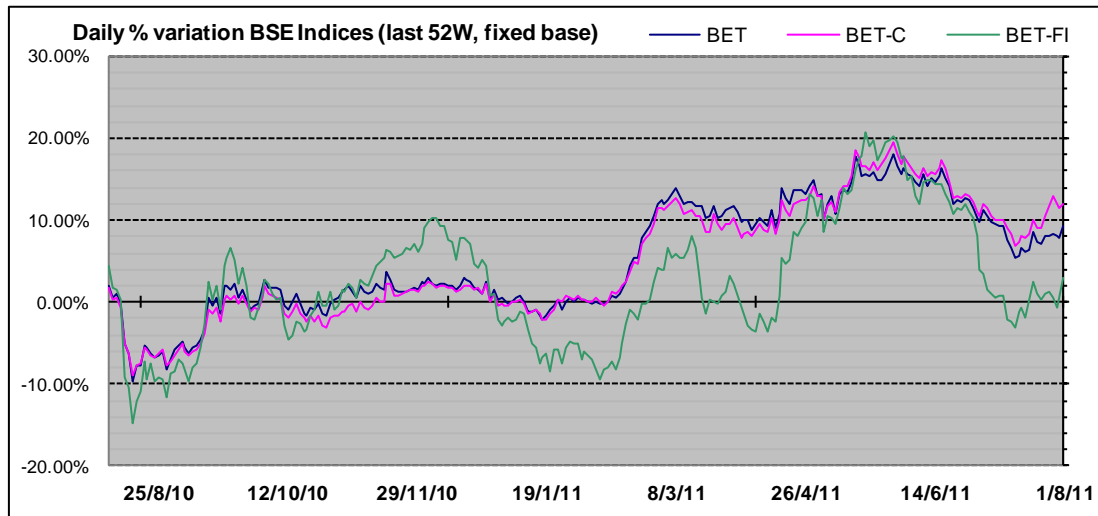
\* in the chart below, values for maturities where there is no quote are proxied by the maximum of the previous and the next maturity

\*\* 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	5,383.51	0.72	3.14	6.10
BET-C	3,276.17	1.69	5.80	10.50
BET-FI	21,982.89	1.82	2.54	-1.74
ROTX	11,153.40	0.90	3.26	7.43
Rasdaq-C	1,685.24	0.63	0.31	-22.64
RAQ-I	1,328.19	1.77	-7.89	-38.14
RAQ-II	3,070.43	-1.58	0.45	-4.13

Foreign

Indices	Last close	1d%	Ytd%	52W%
DJIA (USD)	12,132.49	-0.09	4.86	15.92
S&P 500 (USD)	1,286.94	-0.41	2.31	16.82
Nasdaq-C (USD)	528.46	-0.34	-29.65	-19.60
FTSE 100 (GBP)	6069.9	4.38	1.66	15.44
STOXX 600 (EUR)	262.02	-1.22	-5.41	2.61
BUX (HUF)	21,133.02	-2.24	-1.49	-5.09

Top 5 most traded	Volume -RON	Volume - shares	Trades	Last price	1d%
FP	24,584,596	47,743,400	491	0.5150	0.98
SIF5	1,482,524	1,093,000	187	1.3600	2.26
SIF3	1,184,988	2,371,000	202	0.5010	3.09
SIF2	769,366	633,500	114	1.2130	1.93
AMO	508,805	23,820,000	733	0.0212	9.28

Trading Volumes	BVB	Rasdaq	BUSE	NYSE listed	Nasdaq	LSE	STOXX 600 *
Previous Day	8.10	0.40	43.09	21,647.37	12,813.76	5,033.96	262.02
Ytd Avg. (EUR mn)	10.22	0.72	57.09	19,209.31	11,533.90	5,326.73	277.31
MCap (EUR bn)**	26.65	2.56	20.87	3,326.82	12,307.43	2,584.04	6,564.02

\* 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%
MEF	431	500	2	0.8625	15.00
CBC	79,443	16,200	53	5.1800	14.98
STZ	123	500	2	0.2450	13.95
AMO	508,805	23,820,000	733	0.0212	9.28
ART	8,842	4,900	21	1.8550	9.12

Worst 5 performers	Volume -RON	Volume - shares	Trades	Last price	1d%
ELGS	5,157	15,500	21	0.3206	-5.71
ALT	10,742	246,500	28	0.0420	-4.55
OLT	92,623	55,500	67	1.6160	-4.27
SPCU	1,008	4,000	3	0.2510	-3.46
IMP	912	2,500	5	0.3628	-1.95

- **Commodities**

Item (market)	unit	last close	1d%	Ytd%	52W%
Oil (Brent crude)	USD/barrel	116.81	0.06	24.86	39.67
Gold (COMEX)	USD/ounce	1621.7	-0.58	14.46	35.91
Platinum (NYMEX)	USD/ounce	1794.6	0.52	2.30	13.81
Silver (COMEX)	USD/ounce	39.309	-1.99	28.20	116.47
Wheat (CBOT)	USD/bushel	7.2075	0.70	-15.28	-1.17
Corn (CBOT)	USD/bushel	6.8575	2.54	24.40	58.28

- **OTP AM – Open-End Funds (as of 29-Jul-11)**

Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%
OTP AvantisRO	RON	6.8500	0.00	4.42	5.22
OTP Obligatiuni	RON	11.1700	0.00	11.25	14.68
OTP ComodisRO	RON	13.5987	0.02	3.68	7.58
OTP Euro Bond	EUR	10.3094	-0.05	2.58	N/A

## Market Highlights (as of 01 August 2011)

- **Forex**

The dollar gained 1 percent to \$1.4250 per euro at 5 p.m. in New York, from \$1.4398 June 29. Japan's currency fell 0.6 percent to 77.21 yen per greenback after earlier appreciating to 76.30, the strongest level since March. The yen gained 0.5 percent to 110.03, from 110.54, against the 17-nation currency. The franc advanced 0.2 percent to 78.36 centimes per dollar and reached a record 77.31 centimes. The Swiss currency climbed 1.3 percent to 1.1165 per euro and touched a record 1.1028. (Bloomberg)

EUR/RON opened at 4.2440/4.2460 and closed a bit stronger against euro at 4.2400/4.2420. (ContiCap)

- **Money Market**

RON T/N trading range was 3.84%-4.44%. The rest of the FX curve steepened as the short end saw yields higher with the longer end unchanged with 1m +17bp, 3m +6.5bp, 6m +3bp and 9m and 12m unchanged. (ContiCap)

- **Equities**

- **Domestic**

The BSE closed green (BET-C, which does not include the SIFs gained 1.69%) on lower volumes and below this year's average volume. BET blue chips increased 0.72% while BET-FI advanced 1.82%.

RASDAQ-C closed green (+0.63%) while Tier I increased 1.77%, Tier II dropped 1.58%. The trading volume was higher but still below 2011's average volume.

- **Foreign**

The S&P 500 lost 0.4 percent to 1,286.94 after climbing 1.2 percent in the first hour of trading and then sinking as much as 1.4 percent. The Dow Jones Industrial Average retreated 10.75 points, or 0.1 percent, to 12,132.49 today after rising 139 points and falling as much as 145 points. The Stoxx Europe 600 Index fell 1.2 percent to 262.02. (Bloomberg)

- **Commodities**

Brent for September settlement gained 7 cents to \$116.81 a barrel on the London-based ICE Futures Europe exchange. The European benchmark contract was at a \$21.92 premium to New York futures, down from a record \$22.63 on July 14, based on closing prices. (Bloomberg)

## Latest Financial News

- **Macroeconomics**

*IMF sees Romania's CPI above 5.0% in 2011, at 3.5% in 2012.*

The International Monetary Fund said on Monday it sees Romania's inflation this year at above 5.0%, exceeding the central bank's target. The fund expects inflation to decline to about 3.5% in 2012. Inflation has started to slow down and the IMF expects that this decrease will continue in the next months on the back of good harvest, the head of an International Monetary Fund mission to Romania, Jeffrey Franks, told a news conference held in Bucharest, wrapping up the second review of the country's stand by arrangement with the fund. (SeeNews)

*Romania sees Q2 GDP growth at 0.3%-0.4% Q/Q, '11 CPI at 4.8% - media.*

Romania's government estimates a 0.3%-0.4% quarterly economic growth in the second quarter of this year and an inflation rate of 4.8% in 2011, below the central bank's forecast of 5.1%, Bucharest-based news agency Mediafax reported. These figures mean the country's gross domestic product (GDP) increased by almost 1.5% in the second quarter of 2011, compared to the same period of 2010, Mediafax quoted sources close to the matter as saying. Romania's statistics bureau will release on August 16 data about Romania's economic performance in the second quarter of the year. (seeNews)

- **Forex**

*Franc climbs to Euro, Dollar, Pound records amid U.S. downgrade concern.*

The Swiss franc strengthened to records against the dollar, pound and euro as concern that U.S. government debt will be downgraded stoked demand for the haven currency. Switzerland's currency strengthened against all of its 16 major peers tracked by Bloomberg before the scheduled vote on the U.S. debt-ceiling limit in Congress yesterday. Standard and Poor's said in July that it may cut the U.S. debt rating if there isn't a "credible" plan to reduce the deficit. (Bloomberg)

- **Money Market**

*Romanian C-bank FX reserves fall to 32.68 bn. Euro at end-July.*

The foreign exchange reserves held by Romania's central bank, excluding gold, totaled 32.680 billion euro (\$47 billion) at the end of July, down from 34.402 billion euro a month earlier, the bank said on Monday. Foreign exchange inflows totaled 1.372 billion euro in July, representing changes in the finance ministry's accounts, changes in the foreign exchange reserve requirements of the credit institutions, and income from the management of foreign exchange reserves, the central bank said in a statement. Outflows to foreign debt servicing and other payments totaled 3.094 billion euro in July. The figure includes interest and principal payments on foreign currency public debt, changes in the foreign exchange reserve requirements of the credit institutions, outflows from the European Commission's account, the bank said. In July, the central bank's gold reserves remained unchanged from a month earlier at 103.7 tonnes. (SeeNews)

*Romania may need to raise rates later in year, IMF's Frank says.*

Romania's central bank may have to raise interest rates this year to counter possible energy-price increases, said Jeffrey Franks, the International Monetary Fund's mission chief for the country. The central bank should keep a bias toward tightening monetary policy even as inflation is expected to slow after the effect of last year's tax increase wanes, Franks said yesterday in an interview in Bucharest. It also should refrain from reducing the amount of foreign currency banks are required to hold because it "would be unwise at the moment," he said. "The early indications that we get from inflation for July seem to be quite good, so pressure has eased a bit," Franks said. "We would still advise the central bank to keep a tightening bias, to be prepared to go up rather than down, but the key is to see what happens in July and August." (Bloomberg)

## • Equities

### Domestic

*Romania's SIF 2 Moldova H1 net profit falls 40%.*

The first-half net profit of Romanian investment fund SIF 2 Moldova (SIF2 RO) fell to 34 million lei (\$11.6 million/8.04 million euro) from 57 million lei a year earlier, the fund said on Monday. (SeeNews)

*IMF: Romania to put 15 companies under private management.*

However, a definitive number is yet to be established, Franks told a news conference in Bucharest yesterday. "It is the IMF's recommendation that the largest state-owned companies which are not up for privatization should be placed under private management," he said. In an interview for MEDIAFAX later Monday, Franks said the list of the 15 companies will include nuclear company Nuclearelectrica, hydropower generator Hidroelectrica, as well as railway companies CFR Marfa, CFR Calatori and CFR Infrastructura. (Mediafax)

### Foreign

*HSBC's 30,000 bring announced 2011 EU bank job cuts over 65,000.*

HSBC's 30,000 announced job cuts brings planned European bank headcount reduction to 230,000 since 2007, with Lloyds' 15,000 the largest single cull. Forecast 2011 revenue for the top 25 banks is 51 billion Euros, almost identical to 2007. Forecast net income of 90 billion is some 25% below 2007, highlighting pressure for further cuts. (Bloomberg)

*Barclays Plc. may report first-half net income of 1.3 billion pounds.*

Barclays Plc (BARC LN), the U.K.'s second-largest lender may report first-half net income of 1.3 billion pounds (\$2.1 billion), according to the average of 11 estimates compiled by Bloomberg. The stock fell 2.7 percent to 217 pence. (Bloomberg)

## • Commodities

*China increases primary aluminum production to record in June.*

Primary aluminum production in China reached a record 1.56 million metric tons in June, a 9.8% yoy increase, and the fifth consecutive month of gains. Newly added smelting capacity has contributed to the increase as state owned enterprises strive to hit output targets and private companies respond to rising demand. (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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