

Executive Summary

• Macroeconomics

Romanian seven-month budget deficit widens to 11.4 billion Lei.

• Forex

The euro traded at \$1.4379. The EUR/RON closed at 4.2465/4.2485.

• Money Market

RON T/N trading range at 4.66%-5.86% .

• Equities

Domestic

The BSE closed mixed BET-C at +0.51% on higher volumes, with BET gaining 0.82% and BET-FI decreasing 0.19%.

RASDAQ-C closed red (-0.41%) on very low volumes, while Tier I lost 0.91%, Tier II dropped 0.79%.

Foreign

U.S. stocks snap three-day rally amid German selloff, unemployment report. European stocks decline.

• Commodities

Platinum down. Most other major commodities up.

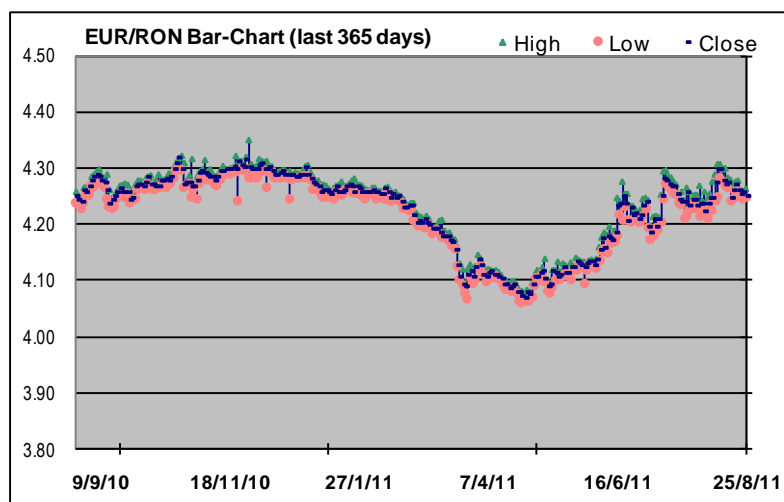
Market Data (as of 26 August 2011)

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

• Forex (as of 26-Aug-11)

FX Rates*	Prv. Day	Min 52W	Max 52W	Ytd	-52W
EUR/RON	4.2517	4.0601	4.3516	4.2900	4.2499
USD/RON	2.9595	2.7352	3.4200	3.2342	3.3456
CHF/RON	3.7200	3.0939	4.0619	1.2430	1.3023
100HUF/RON	1.5623	1.4742	1.6075	1.5343	1.4979

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

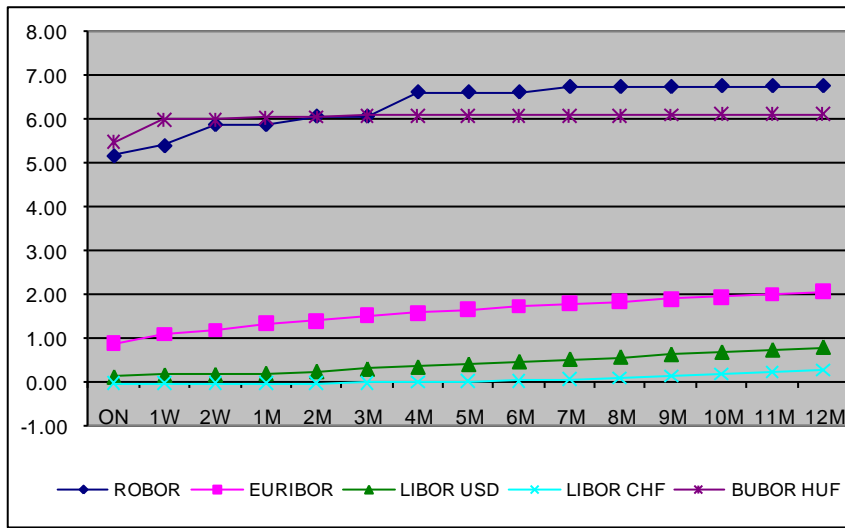


• Money Markets (valid for 26 August 2011)

Rate	ON	1W	2W	1M	2M	3M	4M	5M	6M	7M	8M	9M	10M	11M	12M
ROBOR*	5.18	5.41	-	5.89	-	6.08	-	-	6.63	-	-	6.75	-	-	6.77
EURIBOR**	0.89	1.11	1.20	1.35	1.42	1.54	1.60	1.67	1.75	1.80	1.85	1.91	1.96	2.02	2.09
LIBOR USD	0.14	0.19	0.20	0.22	0.27	0.32	0.36	0.42	0.48	0.54	0.58	0.64	0.69	0.74	0.80
LIBOR CHF	-0.02	-0.02	-0.02	-0.01	-0.01	0.01	0.01	0.03	0.05	0.08	0.11	0.15	0.20	0.24	0.29
BUBOR HUF	5.49	6.01	6.00	6.05	6.06	6.09	6.09	6.09	6.09	6.09	6.09	6.11	6.12	6.13	6.13

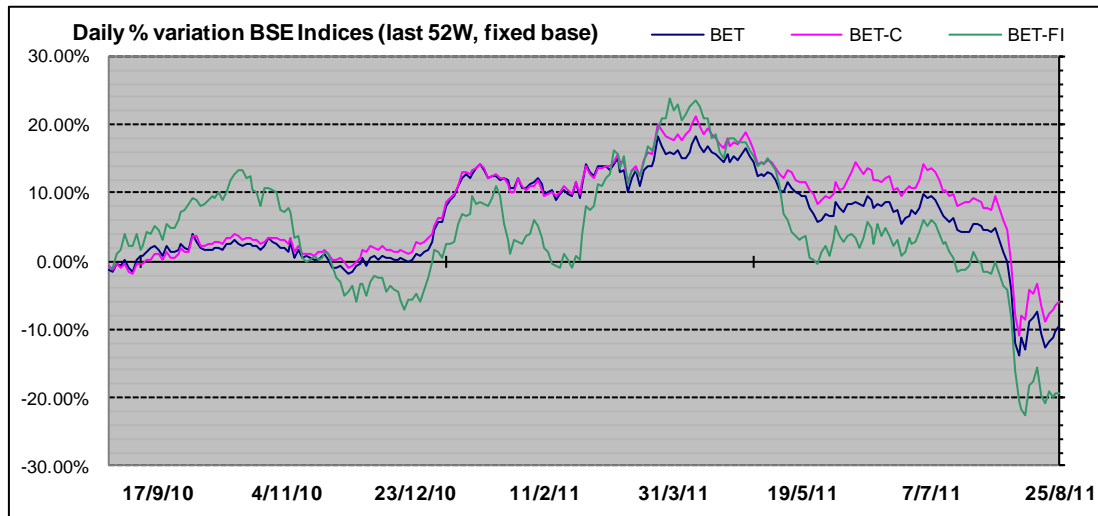
* in the chart below, values for maturities where there is no quote are proxied by the maximum of the previous and the next maturity

** 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	4,643.99	0.82	-11.03	-8.79
BET-C	2,817.99	0.51	-9.00	-5.46
BET-FI	17,718.69	-0.19	-17.35	-17.70
ROTX	9,283.60	1.15	-14.06	-9.19
Rasdaq-C	1,603.41	-0.41	-4.56	-25.46
RAQ-I	1,220.47	-0.91	-15.36	-41.98
RAQ-II	2,694.67	-0.79	-11.84	-19.88

Foreign

Indices	Last close	1d%	Ytd%	52W%
DJIA (USD)	11,149.82	-1.51	-3.63	10.83
S&P 500 (USD)	1,159.27	-1.56	-7.84	9.85
Nasdaq-C (USD)	494.86	-1.20	-34.13	-14.52
FTSE 100 (GBP)	6069.9	16.60	1.66	18.80
STOXX 600 (EUR)	227.07	-1.18	-18.03	-8.27
BUX (HUF)	17,772.67	-1.27	-17.16	-18.26

Top 5 most traded	Volume -RON	Volume - shares	Trades	Last price	1d%
FP	19,467,022	42,659,900	438	0.4536	-0.35
BRD	5,218,465	465,910	43	11.3000	1.53
SIF5	1,546,590	1,535,000	217	1.0000	-0.10
SIF3	1,217,646	2,825,000	145	0.4300	0.00
TLV	707,821	656,000	28	1.0800	1.31

Trading Volumes	BVB	Rasdaq	BUSE	NYSE listed	Nasdaq	LSE	STOXX 600 *
Previous Day	7.41	0.05	51.09	20,222.00	11,086.73	5,195.07	227.07
Ytd Avg. (EUR mn)	10.68	0.73	59.22	20,086.89	11,898.39	5,435.83	272.74
MCap (EUR bn)**	20.86	2.43	17.19	2,911.02	10,848.91	2,261.79	5,658.03

* 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%
TBM	80,430	1,226,500	142	0.0649	8.35
EBS	500,819	4,870	45	103.1000	2.79
ALR	1,515	400	3	3.7800	2.16
SNP	642,233	2,055,500	108	0.3130	1.82
SPCU	1,690	2,127	2,532	0.1902	1.71

Worst 5 performers	Volume -RON	Volume - shares	Trades	Last price	1d%
OLT	125,967	97,500	65	1.2400	-8.28
ELGS	5,975	11,000	21	0.5360	-7.59
BRM	2,166	3,000	7	0.7205	-6.43
EFO	4,685	51,500	10	0.0900	-6.25
ZIM	1,950	1,500	3	1.3000	-4.41

- **Commodities**

Item (market)	unit	last close	1d%	Ytd%	52W%
Oil (Brent crude)	USD/barrel	110.62	0.43	18.26	39.48
Gold (COMEX)	USD/ounce	1763.2	0.34	24.45	40.97
Platinum (NYMEX)	USD/ounce	1822.4	-0.21	3.89	19.31
Silver (COMEX)	USD/ounce	40.793	4.06	32.72	112.22
Wheat (CBOT)	USD/bushel	7.8775	1.35	-7.41	12.02
Corn (CBOT)	USD/bushel	7.435	0.07	34.88	72.01

- **OTP AM – Open-End Funds (as of 24-Aug-11)**

Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%
OTP AvantisRO	RON	5.7600	0.52	-12.20	-10.56
OTP Obligatiuni	RON	11.2100	0.00	11.65	15.57
OTP ComodisRO	RON	13.6576	0.02	4.13	7.55
OTP Euro Bond	EUR	10.3480	0.01	2.96	N/A

Market Highlights (as of 25 August 2011)

- **Forex**

The euro fell 0.2 percent to \$1.4379 at 5 p.m. in New York, from \$1.4414 the day before. It touched \$1.4328, the lowest level since Aug. 19, after gaining earlier as much as 0.4 percent. The 17-nation currency strengthened 0.4 percent to 111.38 yen, from 110.96. The dollar gained 0.6 percent to 77.46 yen, from 76.98 yen. (Bloomberg)

EUR/RON opened at 4.2530/4.2550 and ron closed stronger against the euro at 4.2465/4.2485. (ContiCap)

- **Money Market**

RON T/N trading range moved higher to 4.66%/5.86% driven by an onshore need for cash as corporate budget payments were a bit higher than expected. The forward curve remained very illiquid with 1m +33bp, 3m +21bp, 6m +8bp and 12m -5bp. (ContiCap)

- **Equities**

- **Domestic**

The BSE closed mixed (BET-C, which does not include the SIFs gained 0.51%) on higher volumes but still below this year's average volume. BET blue chips increased 0.82% while BET-FI decreased 0.19%.

RASDAQ-C closed red (-0.41%) while Tier I decreased 0.91%, Tier II declined 0.79%. The trading volume was very low and much below 2011's average volume.

- **Foreign**

The S&P 500 fell 1.6 percent to 1,159.27. The benchmark gauge rallied 4.8 percent during the previous three days. The Dow Jones Industrial Average declined 170.89 points, or 1.5 percent, to 11,149.82. The DAX retreated 1.7 percent to 5,584.14 at the 5:30 p.m. close in Frankfurt. The benchmark gauge earlier plunged as much as 4 percent as volume in futures jumped to a quarter of the daily average between 3:45 p.m. and 4:15 p.m. A total of 50,000 contracts changed hands during the period, data compiled by Bloomberg showed. The Euro Stoxx 50 Index of the euro-area's biggest companies lost 1 percent to 2,216.7. (Bloomberg)

- **Commodities**

Brent oil for October settlement on the London-based ICE Futures Europe exchange traded at \$110.32 a barrel, up 17 cents. The European benchmark contract was at a premium of \$25.12 to U.S. futures, down from a record \$26.21 on Aug. 19. (Bloomberg)

Latest Financial News

- **Macroeconomics**

Romanian seven-month budget deficit widens to 11.4 billion Lei.

Romania's seven-month budget deficit widened to 11.4 billion lei from 11.3 billion lei at the end of June, the Finance Ministry said yesterday in an e-mailed statement. The January-July shortfall was equal to 2.09 percent of gross domestic product, the ministry said. (Bloomberg)

- **Forex**

Yuan too weak on 'any objective gauge,' Australia's Stevens says.

Reserve Bank of Australia Governor Glenn Stevens said the yuan is undervalued using "any objective gauge," three days after Japan said the Group of 20 nations should discuss the Chinese currency. "It would be beneficial to the global economy and indeed beneficial to the Chinese people for there to be more flexibility," Stevens said today, answering lawmakers' questions in Melbourne. He said that he believes the Chinese central bank "would do more on this immediately if it were their call, but it isn't. Exchange-rate regimes are a government decision." Japanese Finance Minister Yoshihiko Noda called for a stronger yuan this week and said he wanted to discuss the topic with G-20 counterparts. (Bloomberg)

- **Money Market**

Romania sells 226.5 Mln Lei (53 Mln Euro) in 10-year T-notes, yields rise.

Romania on Thursday sold 226.5 million lei (\$77 million/53 million euro) in 10-year Treasury notes, below its 400 million lei offer, as yields rose, the central bank said. The average yield in the auction was 7.59%, up from 7.46% in the previous auction held on July 21, the central bank, which sells government securities on behalf of the finance ministry, said in a statement. Bids were placed for 566.5 million lei worth of T-notes in Thursday's auction. The average accepted price was equal to 88.9428% of par value. (SeeNews)

- **Equities**

- **Domestic**

Romania's SIF 3 Transilvania to decide on BCR stake move in October.

Romanian regional investment fund SIF 3 Transilvania (SIF3 RO) said on Thursday it has called a general shareholders' meeting in October to take a decision on whether to sell or list its 6.0% stake in local bank BCR. Earlier this month, Romanian media reported that Erste Bank Group, which controls 69.4% of BCR, had offered to buy a combined 30.1% stake in BCR from Romania's five regional investment funds. SIF 5 Oltenia, SIF 4 Muntenia and SIF 2 Moldova have already scheduled general shareholders' meetings for September to decide on listing or selling their stakes in BCR. Only SIF 1 Banat Crisana has said it would not discuss the issue. (SeeNews)

Exxon, Petrom to spend \$150 million in Black Sea, Mediafax says.

Exxon Mobil Corp. and OMV Petrom SA (SNP RO) may spend about \$150 million in the first drilling of a deep-water well in the Black Sea, scheduled for as early as this year, Mediafax reported, citing a director at Exxon's Romanian unit. Exxon and Petrom, which together hold exploration licenses for an oil and gas block in the Black Sea, may invest between \$3 billion and \$10 billion to operate the block if the testing proves to be successful, Mediafax cited Ian Fischer, a director at Exxon Mobil Exploration and Production Romania SA, as saying. (Bloomberg)

Foreign

Vienna Bourse sees potential for IPOs this year if market better.

Vienna Stock Exchange Co-Chief Executive Officer Michael Buhl says there may be as many as two initial public offerings at Austrian in September or October if the market improves. "Companies are looking for windows of opportunity," Buhl said in an interview in Bucharest yesterday. "They might come in October or in September, they might not come at all if the market conditions are not better or stable." Buhl, who declined to identify the companies potentially listing, said that the IPOs would be for more than a hundred million euros each. The manager told reporters in February that he anticipated one to two IPOs in the first half and two more in the second. (Bloomberg)

Volksbanken may face nationalization.

Oesterreichische Volksbanken AG, the Austrian lender that failed Europe's stress test, may face nationalization after a writedown on Greek debt and the delay of an asset sale thwarted its profit target. Volksbanken, Austria's fourth-biggest bank, will miss this year's goal of at least 100 million euros (\$144 million) in net income because of Greek government debt writedowns, Chief Executive Officer Gerald Wenzel told journalists in Vienna. It may fail to pay the interest due on 1 billion euros of state aid, giving Austria the option to swap the aid into equity. "We have an agreement with the Republic to pay back 300 million euros of the capital and to pay the full 9.3 percent dividend this year," Wenzel said. "If that doesn't happen, there is an option to swap." (Bloomberg)

Commodities

Global aluminum demand outpacing production, prices unresponsive.

Global primary aluminum demand has risen 4.3% so far this year, outpacing the 2.8% increase in production through June. Aluminum prices have failed to respond to the bullish data and are currently at their lowest levels of the year. Rising Chinese exports could pressure prices, while global supply discipline could counter this trend. (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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