

## Executive Summary

### • Macroeconomics

Spain credit rating cut by S&P on weak outlook.

### • Forex

The euro traded at \$1.3777 at 5:00 p.m. in New York. The EUR/RON closed at 4.3210/4.3230.

### • Money Market

RON T/N trading range was 3.68%/3.82%.

### • Equities

#### Domestic

The BSE closed red, BET-C declined 1.28% on lower volumes, with BET losing 1.16% and BET-FI decreasing 0.25%. RASDAQ-C closed red (-0.25%) on lower volumes, while Tier I gained 1.53%, Tier II increased 1.46%.

#### Foreign

European stocks decline from two-month high as bank shares retreat. U.S. stocks drop as JPMorgan leads banks lower.

### • Commodities

Most major commodities down.

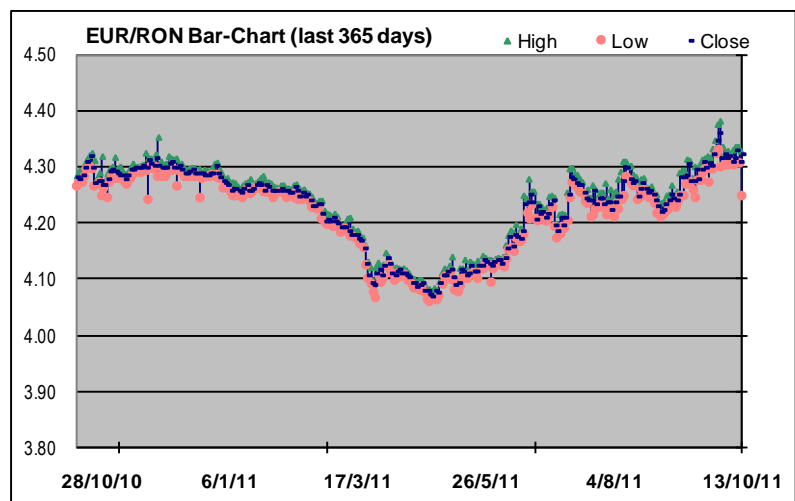
## Market Data (as of 14 October 2011)

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

### • Forex (as of 14-Oct-11)

FX Rates*	Prv. Day	Min 52W	Max 52W	Ytd	-52W
EUR/RON	4.3234	3.8285	4.3802	4.2900	4.2827
USD/RON	3.1456	2.7352	3.3135	3.2342	3.0451
CHF/RON	3.5008	3.0939	4.0619	3.4513	3.1965
100HUF/RON	1.4775	1.4348	1.6075	1.5343	1.5615

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

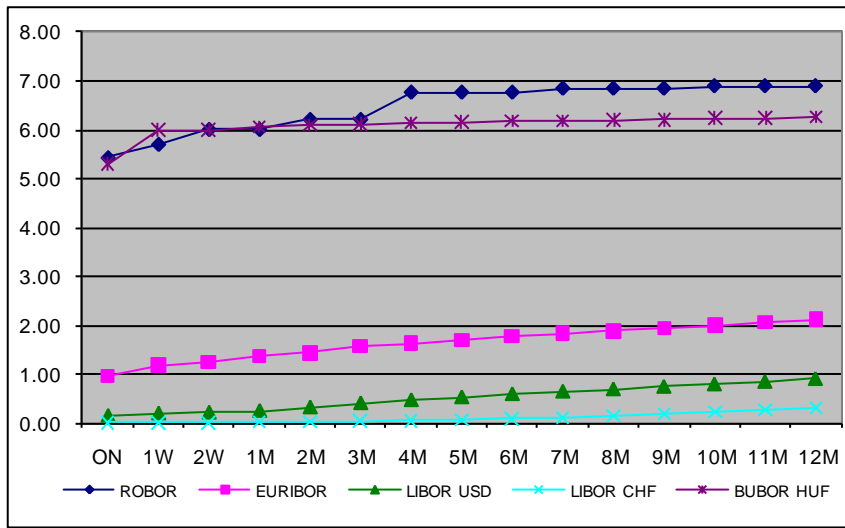


### • Money Markets (valid for 14 October 2011)

Rate	ON	1W	2W	1M	2M	3M	4M	5M	6M	7M	8M	9M	10M	11M	12M
ROBOR*	5.44	5.71	-	6.01	-	6.21	-	-	6.76	-	-	6.84	-	-	6.89
EURIBOR**	0.96	1.18	1.24	1.37	1.44	1.57	1.63	1.69	1.78	1.83	1.88	1.94	1.99	2.06	2.11
LIBOR USD	0.14	0.19	0.21	0.24	0.32	0.40	0.47	0.53	0.59	0.64	0.69	0.74	0.79	0.85	0.91
LIBOR CHF	0.01	0.01	0.01	0.02	0.03	0.04	0.05	0.06	0.08	0.11	0.14	0.18	0.22	0.26	0.31
BUBOR HUF	5.30	6.00	6.00	6.06	6.10	6.12	6.14	6.15	6.18	6.19	6.20	6.21	6.24	6.24	6.26

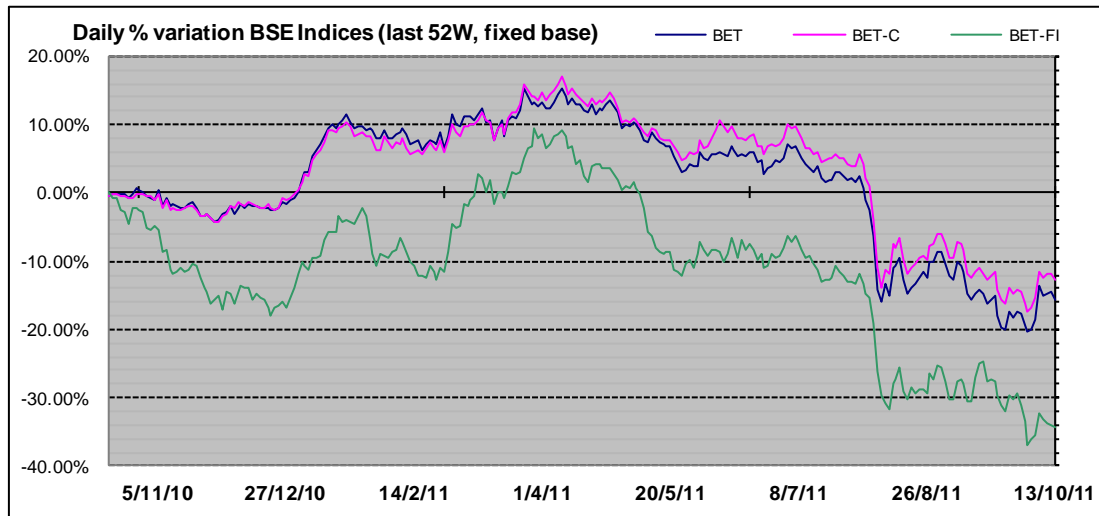
\* in the chart below, values for maturities where there is no quote are proxied by the maximum of the previous and the next maturity

\*\* 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	4,442.50	-1.16	-14.89	-15.66
BET-C	2,702.67	-1.28	-12.72	-12.62
BET-FI	16,380.28	-0.25	-23.59	-32.31
ROTX	8,490.10	-1.62	-21.40	-20.77
Rasdaq-C	1,554.62	-0.25	-7.46	-10.88
RAQ-I	1,078.94	1.53	-25.18	-53.87
RAQ-II	2,155.82	1.46	-29.47	-30.80

Foreign

Indices	Last close	1d%	Ytd%	52W%
DJIA (USD)	11,478.13	-0.35	-0.79	3.44
S&P 500 (USD)	1,203.66	-0.30	-4.31	2.17
Nasdaq-C (USD)	450.39	-0.72	-40.05	-30.38
FTSE 100 (GBP)	5403.38	-0.71	-9.51	-5.98
STOXX 600 (EUR)	236.53	-1.10	-14.62	-11.16
BUX (HUF)	17,247.09	-0.37	-19.61	-27.07

Top 5 most traded	Volume -RON	Volume - shares	Trades	Last price	1d%
FP	8,521,707	18,811,200	377	0.4520	-0.18
EBS	2,862,416	38,145	123	74.7000	-3.36
SNP	1,057,628	3,581,500	65	0.2950	-2.96
SIF5	587,362	701,500	155	0.8350	0.00
SIF3	417,119	991,500	230	0.4171	-0.69

Trading Volumes	BVB	Rasdaq	BUSE	NYSE listed	Nasdaq	LSE	STOXX 600 *
Previous Day	3.39	0.08	57.09	15,382.05	9,949.38	4,467.58	236.53
Ytd Avg. (EUR mn)	10.04	0.63	58.03	20,148.09	11,901.87	5,344.10	265.02
MCap (EUR bn)**	17.54	2.36	15.63	3,272.34	11,722.15	2,366.17	5,907.18

\* 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	7,445	133,000	49	0.0577	14.03
TUFE	259	1,500	4	0.1740	5.45
VNC	18,674	310,500	18	0.0615	4.24
ELJ	232	1,500	3	0.1550	3.33
ART	4,634	1,330	1,953	1.5100	2.72

Worst 5 performers	Volume -RON	Volume - shares	Trades	Last price	1d%
ARM	10,501	100,000	4	0.1050	-13.01
SNO	564	200	2	2.8200	-6.93
PEI	439	24	6	18.2500	-6.12
CEON	14,985	227,000	33	0.0660	-5.71
MPN	1,046	4,500	3	0.2322	-5.22

- **Commodities**

Item (market)	unit	last close	1d%	Ytd%	52W%
Oil (Brent crude)	USD/barrel	111.11	-0.22	18.78	25.93
Gold (COMEX)	USD/ounce	1668.5	-0.84	17.77	20.86
Platinum (NYMEX)	USD/ounce	1532.4	-1.42	-12.64	-10.44
Silver (COMEX)	USD/ounce	31.667	-3.42	3.03	31.37
Wheat (CBOT)	USD/bushel	6.18	-1.40	-27.36	-20.21
Corn (CBOT)	USD/bushel	6.3825	-0.39	15.78	23.15

- **OTP AM – Open-End Funds (as of 12-Oct-11)**

Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%
OTP AvantisRO	RON	5.4500	0.00	-16.92	-19.50
OTP Obligatiuni	RON	11.2900	0.00	12.45	11.89
OTP ComodisRO	RON	13.7718	0.02	5.00	7.03
OTP Euro Bond	EUR	10.4048	0.01	3.53	N/A

## Market Highlights (as of 13 October 2011)

- **Forex**

The yen appreciated 0.6 percent to 105.95 per euro at 5 p.m. in New York after sliding yesterday to 107.05, the weakest level since Sept. 9. The dollar was 0.1 percent stronger at \$1.3777 per euro after earlier gaining as much as 0.8 percent. The yen advanced 0.5 percent to 76.90 per dollar. (Bloomberg)

EUR/RON opened at 4.3055/4.3075 and weakened against the Euro along with its regional peers to close 4.3210/4.3230. (ContiCap)

- **Money Market**

RON T/N traded at 3.68% - 3.82% with the RON yields being coming a little bit softer as we come to the end of the RR period. On the other hand short term FX got paid a little bit higher. Therefore 1m went up by 0.5bp, 2m 0.5bp, 3m 14.5bp, with the longer end almost unchanged from Wednesday's close. (ContiCap)

- **Equities**

- **Domestic**

The BSE closed red (BET-C, which does not include the SIFs decreased 1.28%) on lower volumes and below this year's average volume. BET blue chips decreased 1.16%, while BET-FI lost 0.25%.

RASDAQ-C closed red (-0.25%) while Tier I gained 1.53%, Tier II gained 1.46%. The trading volume was lower and still below 2011's average volume.

- **Foreign**

The S&P 500 retreated 0.3 percent to 1,203.66 at 4 p.m. New York time, paring its loss from 1.4 percent. It had rebounded 9.8 percent from a 13-month low on Oct. 3 through a day before. The Dow Jones Industrial Average decreased 40.72 points, or 0.4 percent, to 11,478.13 yesterday. The benchmark Stoxx Europe 600 Index dropped 1.1 percent to 236.53 at the close in London. (Bloomberg)

- **Commodities**

Brent oil for November settlement on the London-based ICE Futures Europe exchange fell \$1.76, or 1.6 percent, to \$109.60 a barrel. The European benchmark crude was at a premium of \$25.49 to the U.S. contract. It reached a record of \$26.87 on Sept. 6. The more actively traded December Brent future fell \$1.20 to \$107.77. (Bloomberg)

## Latest Financial News

- **Macroeconomics**

*Romania's foreign debt rises to 96.698 Bln Euro at end-August.*

Romania's foreign debt totaled 96.698 billion euro (\$133.3 billion) at the end of August, 4.6% up from the end of 2010, the central bank said on Thursday. The end-August figure includes 75.612 billion euro in long-term and medium-term foreign debt, which is an increase of 3.7% from the end of 2010, the central bank said in a statement. The figure for the long-term and medium-term foreign debt includes government debt and privately-held debt. (SeeNews)

*Spain credit rating cut by S&P on weak outlook.*

Spain's credit rating was cut for the third time in three years by Standard & Poor's as slowing growth and rising defaults threaten banks and undermine efforts to contain Europe's sovereign-debt crisis. The ranking was reduced by one level to AA-, S&P's fourth-highest investment grade, with the outlook remaining negative, the rating company said in a statement yesterday. Fitch Ratings downgraded Spain to the same level on Oct. 7, when the company also cut its rating on Italy. (Bloomberg)

- **Forex**

*Euro holds loss versus Yen as S&P downgrades Spain; Singapore Dollar gains.*

The euro held a decline from yesterday against the yen after Spain's credit rating was cut by Standard and Poor's, stoking concern Europe's debt crisis will spread. The downgrade will "keep the pressure on the negative aspects of the European story," said Imre Speizer, a strategist in Auckland at Westpac Banking Corp., Australia's second-largest lender. "The euro had a decent drop. A month out and longer, I see it below \$1.3150." (Bloomberg)

- **Money Market**

*Treasuries maintain gain as Spain rating cut spurs demand for safer assets.*

Treasuries held gains from yesterday after Spain had its long-term sovereign-debt rating cut by Standard & Poor's, increasing investor appetite for the relative safety of U.S. government securities. (Bloomberg)

- **Equities**

- **Domestic**

*Serbian grid operator to build link to Romania's Transelectrica.*

Elektromreza Srbija, Serbia's national grid operator, signed a preliminary agreement with its Romanian counterpart, Transelectrica SA (TEL RO), to develop a high-voltage power line between the neighboring countries. The 140-kilometer (87-mile) link connecting Pancevo, just east of Belgrade and Resita, in western Romania, may cost as much as 70 million Euros (\$96.1 million) to build. The 70 kilometers on the Serbian side may cost between 25 million Euros and 30 million Euros, said Milos Milankovic, the general manager of state-owned Elektromreza, or EMS. (Bloomberg)

*Romania's Proprietatea appeals court ruling on Romgaz donation to state.*

Romania's restitution fund Proprietatea (FP RO) has filed for an extraordinary appeal against a court decision declaring legal a donation made by gas producer Romgaz to the state, the fund's manager said on Thursday. In November, Romgaz's shareholders approved a 400 million lei (\$128 million/93 million euro) donation to the state budget. The Romanian government holds 85% of the company and Proprietatea owns a 14.99% stake. Fondul Proprietatea filed a request with the Alba Iulia court of appeal to cancel the decision but the court rejected the request on June 1. The first hearing of the extraordinary appeal, filed with

the Alba Iulia court of appeal, is scheduled on October 26, Fondul Proprietatea's manager, Franklin Templeton Investment Management Limited, said in a statement. (SeeNews)

*Romania's Teraplast to raise credit limit by 1.11 Mln Euro.*

Romanian producer of building materials Teraplast (TRP RO) said it wants to raise the limit of a line of credit contracted with local lender BRD (BRD RO) by 1.11 million euro (\$1.5 million) to 3.3 million euro. Teraplast will ask its shareholders' approval on the move at a general shareholders meeting due on November 17, it said in a statement on Wednesday. The original contract for the credit line, worth 2.185 million euro, was signed with BRD in April last year. (SeeNews)

**Foreign***Oesterreichische Volksbanken sees 2011 loss of EU500 Mln-EU750 Mln.*

Oesterreichische Volksbanken-Aktiengesellschaft forecasts a loss ranging from EU500 million to EU750 million on the consolidated group level, driven by "significant writedowns," it said in a statement. (Bloomberg)

*VIX tumbles most in 19 years as profits calm equities.*

Corporate profits are calming U.S. stocks more than any time in 19 years, reducing the cost of insurance against losses at the same time investors gain confidence in European efforts to solve the debt crisis. The Chicago Board Options Exchange Volatility Index fell 28 percent in the six trading sessions before New York-based Alcoa Inc. posted results, a record drop before the start of earnings season, according to data since January 1993 compiled by Bloomberg. The VIX, as the benchmark measure of U.S. equity derivatives is known, has fallen 6.6 percent since Alcoa's earnings trailed analyst estimates Oct. 11. (Bloomberg)

**• Commodities***Corn may decline on concerns slowing global economic growth to hurt demand.*

Corn may decline for a third day to trim a weekly gain amid concerns that Europe's debt crisis may slowdown the global economy, reducing demand for the grain. Soybeans decreased. "The outlook for corn and grains as a whole do not look bright," Han Sung Min, a senior trader at Seoul-based Korea Exchange Bank Futures Co., said by phone today. "The market can even turn more bearish going forward as we don't know when the macro-economic situation will stabilize." (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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