

Executive Summary

• Macroeconomics

IMF says cuts Romania's 2012 GDP growth forecast to 1.8%- 2.3%.

• Forex

The euro traded at \$1.3776 at 5:00 p.m. in New York. The EUR/RON closed at 4.3515/4.3535.

• Money Market

RON T/N trading range was 3.91%-4.08%.

• Equities

Domestic

The BSE closed green, BET-C gained 0.82% on higher volumes, while BET increased 0.93%, BET-FI advanced 3.39%.

RASDAQ-C closed green (0.12%) on lower volumes, while Tier I was flat, Tier II dropped 0.17%.

Foreign

U.S. stocks rise as ECB's Stark predicts crisis to be controlled. European stocks decline for second straight day.

• Commodities

Corn down. Most other major commodities up.

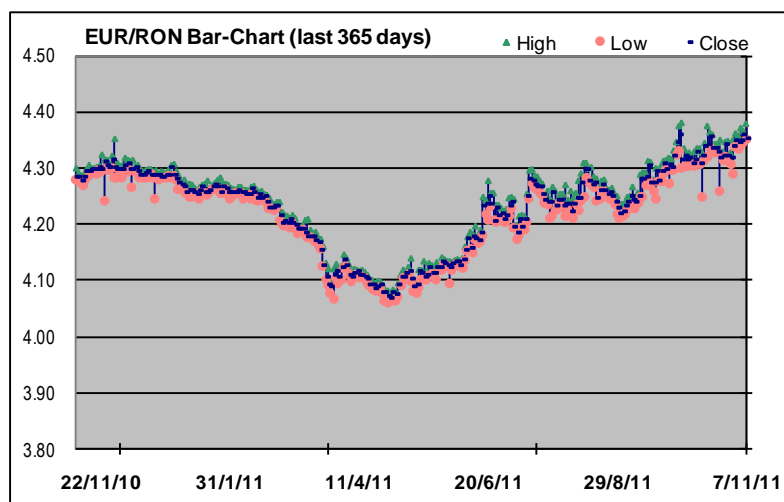
Market Data (as of 08 November 2011)

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

• Forex (as of 8-Nov-11)

FX Rates*	Prv. Day	Min 52W	Max 52W	Ytd	-52W
EUR/RON	4.3535	4.0601	4.3802	4.2900	4.2863
USD/RON	3.1676	2.7352	3.3135	3.2342	3.0750
CHF/RON	3.5160	3.1021	4.0619	3.4513	3.1892
100HUF/RON	1.4182	1.4038	1.6075	1.5343	1.5601

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

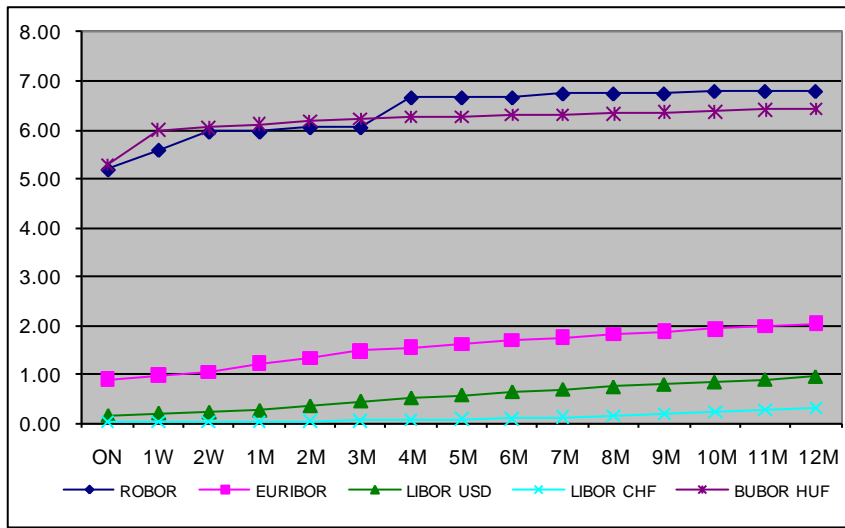


• Money Markets (valid for 08 November 2011)

Rate	ON	1W	2W	1M	2M	3M	4M	5M	6M	7M	8M	9M	10M	11M	12M
ROBOR*	5.19	5.59	-	5.96	-	6.05	-	-	6.66	-	-	6.74	-	-	6.79
EURIBOR**	0.89	0.98	1.05	1.22	1.33	1.48	1.54	1.61	1.70	1.76	1.81	1.87	1.93	1.98	2.04
LIBOR USD	0.14	0.19	0.21	0.25	0.34	0.44	0.51	0.57	0.64	0.69	0.74	0.79	0.84	0.89	0.95
LIBOR CHF	0.02	0.02	0.02	0.02	0.03	0.04	0.06	0.07	0.09	0.12	0.15	0.18	0.22	0.27	0.31
BUBOR HUF	5.29	6.00	6.05	6.11	6.18	6.22	6.26	6.26	6.31	6.31	6.33	6.36	6.38	6.41	6.43

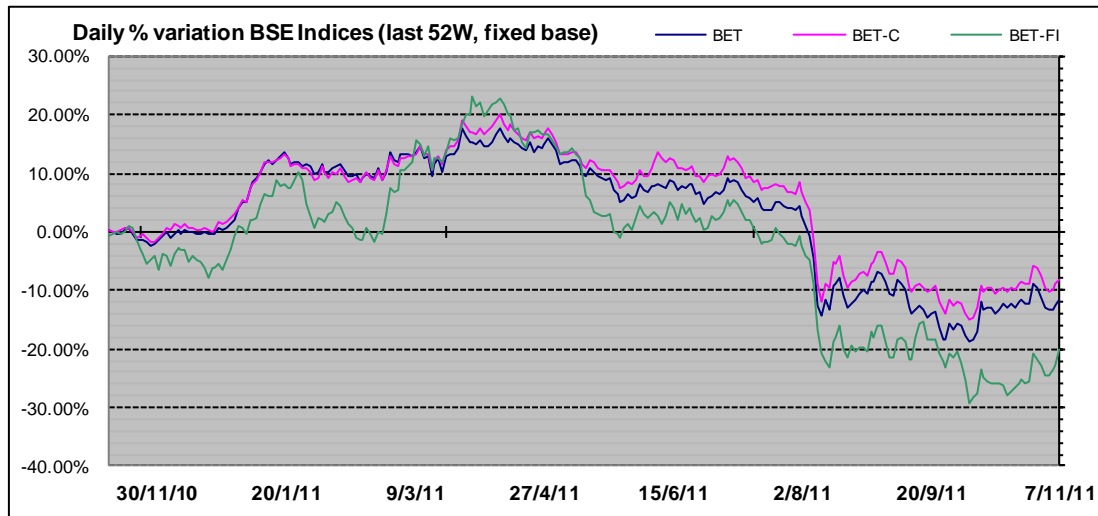
* in the chart below, values for maturities where there is no quote are proxied by the maximum of the previous and the next maturity

** 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	4,553.11	0.93	-12.77	-13.71
BET-C	2,777.34	0.82	-10.31	-10.42
BET-FI	17,665.58	3.39	-17.60	-25.10
ROTX	8,469.90	0.76	-21.59	-21.64
Rasdaq-C	1,595.90	0.12	-5.01	-7.72
RAQ-I	1,126.84	0.00	-21.85	-43.82
RAQ-II	2,270.81	-0.17	-25.71	-25.79

Foreign

Indices	Last close	1d%	Ytd%	52W%
DJIA (USD)	12,068.39	0.71	4.31	5.46
S&P 500 (USD)	1,261.12	0.63	0.26	2.88
Nasdaq-C (USD)	428.46	-0.11	-42.97	-39.04
FTSE 100 (GBP)	5510.82	-0.30	-7.71	-6.20
STOXX 600 (EUR)	238.44	-0.55	-13.93	-12.33
BUX (HUF)	16,489.31	-1.75	-22.57	-28.94

Top 5 most traded	Volume -RON	Volume - shares	Trades	Last price	1d%
FP	5,845,256	13,187,300	207	0.4440	0.00
SIF3	1,840,125	3,964,500	449	0.4800	4.30
SIF5	1,199,604	1,288,500	224	0.9700	5.84
SIF1	921,711	1,196,000	222	0.7900	5.40
SIF2	871,330	1,062,500	210	0.8600	5.39

Trading Volumes	BVB	Rasdaq	BUSE	NYSE listed	Nasdaq	LSE	STOXX 600 *
Previous Day	5.96	0.06	150.27	14,820.40	9,157.09	3,620.42	238.44
Ytd Avg. (EUR mn)	9.63	0.60	57.43	20,070.20	11,848.80	5,295.14	263.09
MCap (EUR bn)**	17.37	2.32	14.26	3,371.43	12,286.93	2,457.12	5,942.41

* 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%
BRM	455	500	1	0.9095	9.84
CMCM	171	1,000	1	0.1710	8.16
BCC	43,015	711,000	112	0.0600	6.38
SIF5	1,199,604	1,288,500	224	0.9700	5.84
BRK	31,961	50,625	42	0.0646	5.21

Worst 5 performers	Volume -RON	Volume - shares	Trades	Last price	1d%
SRT	4,089	194,000	53	0.0207	-9.61
SOCP	138	500	1	0.2752	-8.24
AMO	169,094	10,561,500	389	0.0162	-5.26
VESY	58	1,000	1	0.0580	-3.17
APC	1,412	2,000	4	0.7000	-2.78

- **Commodities**

Item (market)	unit	last close	1d%	Ytd%	52W%
Oil (Brent crude)	USD/barrel	114.56	2.31	22.43	25.99
Gold (COMEX)	USD/ounce	1791.1	1.99	26.42	27.09
Platinum (NYMEX)	USD/ounce	1658	1.76	-5.48	-6.61
Silver (COMEX)	USD/ounce	34.828	2.18	13.32	29.03
Wheat (CBOT)	USD/bushel	6.3875	0.31	-24.92	-23.75
Corn (CBOT)	USD/bushel	6.5325	-0.38	18.50	17.65

- **OTP AM – Open-End Funds (as of 4-Nov-11)**

Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%
OTP AvantisRO	RON	5.5000	0.92	-16.16	-18.28
OTP Obligatiuni	RON	11.3500	0.00	13.05	12.38
OTP ComodisRO	RON	13.8300	0.01	5.44	6.92
OTP Euro Bond	EUR	10.4336	0.01	3.81	4.37

Market Highlights (as of 07 November 2011)

- **Forex**

The euro weakened 0.3 percent to 107.53 yen at 5 p.m. New York time. The 17-nation European currency slipped 0.1 percent to \$1.3776 after falling earlier to as low as \$1.3681 and rising to \$1.3838. The dollar lost 0.2 percent to 78.05 yen. (Bloomberg)
EUR/RON opened at 4.3550/4.3570 and weakened to close at 4.3515/4.3535. (ContiCap)

- **Money Market**

RON T/N trading range was 3.91% - 4.08%. The Fx curve was mostly unchanged from Friday's close. (ContiCap)

- **Equities**

- **Domestic**

The BSE closed green (BET-C, which does not include the SIFs increased 0.82%) on higher volumes but still below this year's average volume. While BET blue chips index increased 0.93%, BET-FI gained 3.39%.

RASDAQ-C closed green (0.12%), while Tier I was flat, Tier II dropped 0.17%. The trading volume was lower and still below 2011's average volume.

- **Foreign**

The S&P 500 advanced 0.6 percent to 1,261.12 at 4 p.m. New York time, recovering from an earlier decline of as much as 1 percent. The benchmark gauge slumped 2.5 percent last week. The Dow increased 85.15 points, or 0.7 percent, to 12,068.39 yesterday. The Stoxx Europe 600 Index dropped 0.6 percent to 238.44 at the close of trading, having earlier climbed 0.3 percent and tumbled as much as 1.8 percent. (Bloomberg)

- **Commodities**

Brent oil for December settlement on the London-based ICE Futures Europe exchange was down 21 cents at \$114.35 a barrel. The premium of the European contract to New York crude was at \$18.84, after widening 7.5 percent a day before, the most since Sept. 30. The difference was a record \$27.88 on Oct. 14. (Bloomberg)

Latest Financial News

- **Macroeconomics**

IMF says cuts Romania's 2012 GDP growth forecast to 1.8%- 2.3%.

The International Monetary Fund (IMF) cut its 2012 growth forecast for Romania's economy to 1.8%-2.3%, the head of the IMF mission to Romania, Jeffrey Franks, said on Monday. IMF's previous forecast for Romania's 2012 economic growth was 3.5%. For 2011, the fund has maintained its gross domestic product (GDP) growth projection of 1.5%. "We anticipate that in 2011 the economic growth will stay at around 1.5% supported by strong growth of exports, good agricultural year and modest recovery of domestic demand," Franks told a news conference held in Romania's capital Bucharest after wrapping up the third review of a precautionary stand-by arrangement with the country. The mission also included teams from the European Commission and the World Bank. (SeeNews)

Romania's C-bank cuts end-year inflation forecasts for 2011, 2012.

Romania's central bank said on Monday it cut its end-year inflation forecasts for 2011 and 2012 to 3.3% and 3.0%, respectively. The central bank, BNR, had previously projected 4.6% inflation for the end of this year and 3.5% for end-2012. "It is possible [inflation] to be around 2.0% or even lower in March," the central bank's governor Mugur Isarescu said during the presentation of the bank's quarterly inflation report. Romania's September consumer prices fell by 0.21% month-on-month due to cheaper food products. Annual inflation decelerated to 3.45% in September, within the central bank's end-year target band, from 4.25% in August. BNR is targeting end-year inflation of 3.0% with one percentage point variation band on either side in 2011 and 2012. (SeeNews)

- **Forex**

Italy may withdraw from currency, Deutsche Bank's Konstam says: Tom Keene.

A European recession brought on by global leaders' failure to stem the sovereign-debt crisis may spur Italy and other euro members to leave the 17-nation currency, according to Deutsche Bank AG's Dominic Konstam. "Do they want to go through a very deep recession almost imposed upon them by the failure to resolve this financial crisis?" Konstam, global head of rates research in New York, said in a Bloomberg Television interview on "Surveillance Middy" with Tom Keene. "Or are they going to be saying, 'Look, we could go back to the way we used to be, which is where we had our own currency and were able to run more moderate interest rates and have strong growth.' That's the real challenge for Italy." (Bloomberg)

- **Money Market**

Romania sells 999.95 mln Lei (230 mln Euro) in 1-year T-bills, yields fall.

Romania sold 999.95 million lei (\$315 million/230 million euro) worth of one-year Treasury bills, in line with its 1.0 billion lei offer, in an auction on Monday, the central bank said. The average yield went down to 6.64% from 6.76% in an auction held on September 12, the central bank, which sells government securities on behalf of the finance ministry, said in a statement. Bids were placed for 2.8 billion lei worth of government debt. The average accepted price was equal to 93.7095% of par. (SeeNews)

European banks selling sovereign bonds may worsen debt crisis.

BNP Paribas SA and Commerzbank AG are unloading sovereign bonds at a loss, leading European lenders in a government-debt flight that threatens to exacerbate the region's crisis. Banks are selling debt of southern European nations as investors punish companies with large holdings and regulators demand higher reserves to shoulder possible losses. The European Banking Authority is requiring lenders to boost capital by 106 billion Euros after marking their government debt to market values. The trend may undermine European leaders' efforts to lower borrowing costs for countries such as Greece and Italy while generating larger writedowns and capital shortfalls. (Bloomberg)

• **Equities**

Domestic

Romania to sell majority stakes in Oltenia, Hunedoara, IMF says.

Romania plans to sell majority stakes in newly formed energy companies Oltenia SA and Hunedoara SA, Jeffrey Franks, the International Monetary Fund's mission chief to Romania, said yesterday at a press conference in Bucharest. Romania also plans to sell majority stakes in Olchim SA (OLT RO), Cupru Min SA and some units of Electrica SA. (Bloomberg)

Romanian helicopter maker IAR 9-months net profit drops 72%.

Romanian helicopter maker IAR (IARV RO) said on Monday its nine-month net profit dropped 72% to 2.5 million lei (\$793,000/574,200 euro). (SeeNews)

Romania's Artego January-September net profit sinks.

The net profit of Romanian rubber products maker Artego (ARTE RO) in the first nine months of the year dropped to 690,000 lei (\$218,000/158,000 euro) from 3.35 million lei a year earlier, the company said. (SeeNews)

Foreign

Jefferies Group Inc. cut gross holdings in sovereign securities of Portugal, Italy, Ireland, Greece and Spain.

Jefferies Group Inc. (JEF) added 1.4 percent to \$12.24. The New York-based firm cut gross holdings in sovereign securities of Portugal, Italy, Ireland, Greece and Spain by almost 50 percent since last week's close of trading, to show how easily it can reduce funds at risk. Jefferies slumped 18 percent last week as Egan-Jones Ratings Co. downgraded the firm's debt, citing large "sovereign obligations" relative to equity. (Bloomberg)

Bayer AG won approval to prevent strokes in people with atrial fibrillation.

Bayer AG (BAYN) advanced 2.5 percent to 46.03 Euros after its blood thinner Xarelto won approval in the U.S. to prevent strokes in people with atrial fibrillation, an irregular heartbeat that affects more than 2 million Americans. (Bloomberg)

• **Commodities**

Oil trades near a three-month high on U.S. supply and European crisis outlook.

Oil traded near the highest in three months in New York as signs of shrinking crude supplies in the U.S. countered concern that Europe will struggle to contain its debt crisis. "There is the potential for some improvement in stability in Greece and Italy and perhaps for both countries to forge more of a reliable consensus to do something constructive in improving the economic situation," said Ric Spooner, a chief market analyst at CMC Markets in Sydney. "That's fed through to a lot of the risk markets, including oil." (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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