

Executive Summary

• Macroeconomics

Romania's consumer prices grow 0.42% M/M in November.

• Forex

The euro traded at \$1.3187 at 5:00 p.m. in New York. The EUR/RON closed at 4.3465/4.3485.

• Money Market

RON T/N trading range was 5.24% - 5.46%.

• Equities

Domestic

The BSE closed red, BET-C lost 0.96% on lower volumes, while BET decreased 1.12%, BET-FI dropped 0.87%.

RASDAQ-C closed green (0.33%) on lower volumes, while Tier I advanced 11.63% and Tier II 1.04%.

Foreign

Stocks fall on rating comments. European stocks retreat on Moody's review.

• Commodities

All major commodities down.

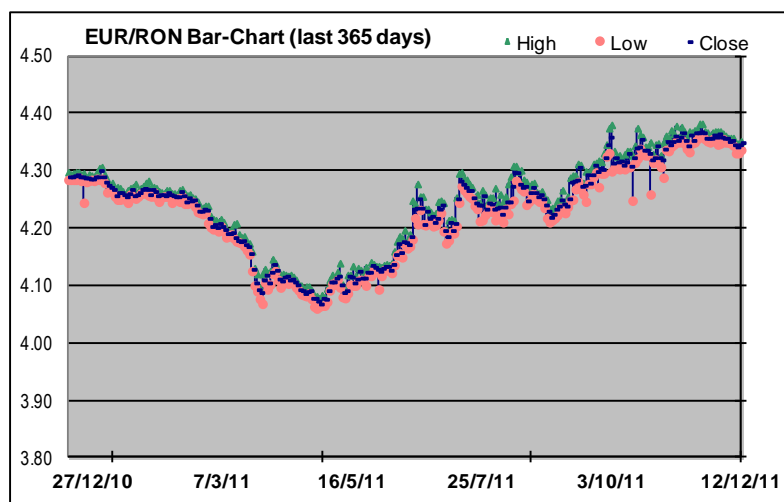
Market Data (as of 13 December 2011)

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

• Forex (as of 13-Dec-11)

FX Rates*	Prv. Day	Min 52W	Max 52W	Ytd	-52W
EUR/RON	4.3497	4.0601	4.3821	4.2900	4.2900
USD/RON	3.2949	2.7352	3.3135	3.2342	3.2062
CHF/RON	3.5249	3.1021	4.0619	3.4513	3.3159
100HUF/RON	1.4202	1.3725	1.6075	1.5343	1.5510

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

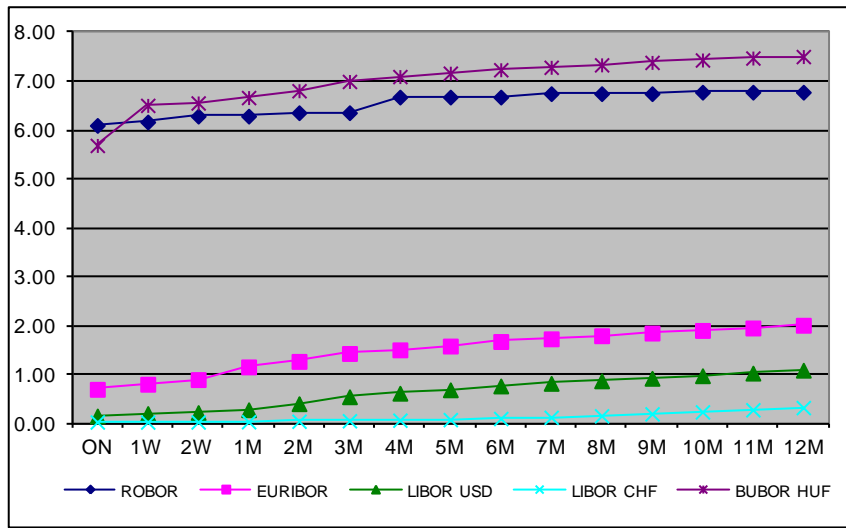


• Money Markets (valid for 13 December 2011)

Rate	ON	1W	2W	1M	2M	3M	4M	5M	6M	7M	8M	9M	10M	11M	12M
ROBOR*	6.10	6.17	-	6.29	-	6.36	-	-	6.68	-	-	6.75	-	-	6.78
EURIBOR**	0.70	0.80	0.90	1.16	1.27	1.43	1.50	1.58	1.68	1.73	1.79	1.85	1.90	1.95	2.01
LIBOR USD	0.15	0.20	0.22	0.28	0.40	0.54	0.62	0.69	0.76	0.82	0.87	0.92	0.97	1.03	1.09
LIBOR CHF	0.03	0.03	0.03	0.03	0.04	0.05	0.06	0.08	0.10	0.12	0.15	0.19	0.23	0.28	0.32
BUBOR HUF	5.69	6.51	6.56	6.67	6.81	7.00	7.10	7.17	7.24	7.29	7.34	7.39	7.44	7.48	7.51

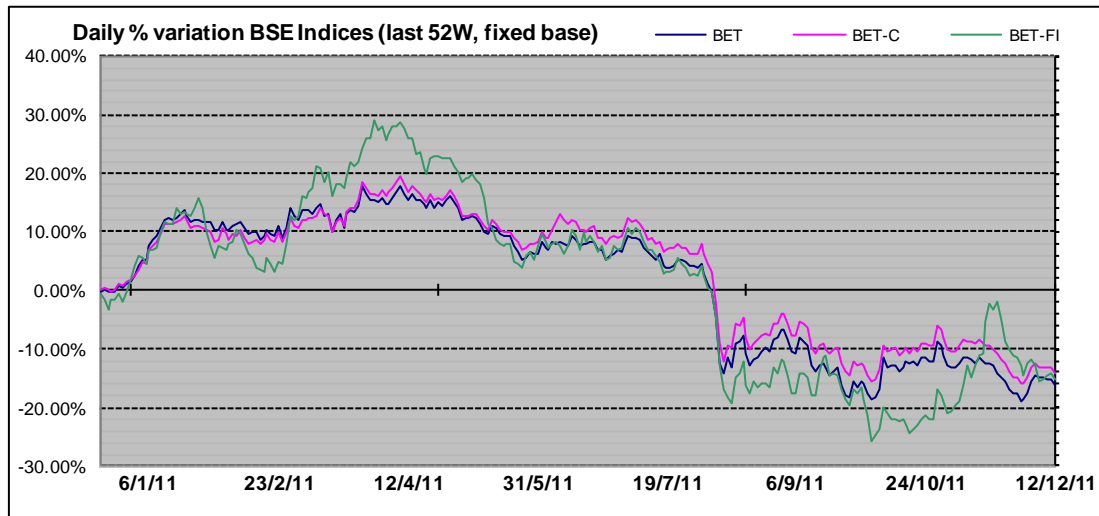
* in the chart below, values for maturities where there is no quote are proxied by the maximum of the previous and the next maturity

** 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	4,310.78	-1.12	-17.41	-16.69
BET-C	2,611.40	-0.96	-15.67	-14.66
BET-FI	17,915.32	-0.87	-16.43	-16.45
ROTX	7,851.00	-1.66	-27.32	-26.44
Rasdaq-C	1,581.57	0.33	-5.86	-8.04
RAQ-I	915.83	11.63	-36.49	-46.62
RAQ-II	2,359.06	1.04	-22.82	-18.49

Foreign

Indices	Last close	1d%	Ytd%	52W%
DJIA (USD)	12,021.39	-1.34	3.90	5.36
S&P 500 (USD)	1,236.47	-1.49	-1.70	-0.32
DAX (EUR)	5,785.43	-3.36	-16.33	-17.42
FTSE 100 (GBP)	5427.86	-1.83	-9.10	-6.62
STOXX 600 (EUR)	236.05	-1.85	-14.79	-14.53
BUX (HUF)	17,121.96	0.50	-19.60	-20.23

Top 5 most traded	Volume -RON	Volume - shares	Trades	Last price	1d%
FP	6,527,860	15,330,800	316	0.4200	-1.64
SIF3	1,652,395	3,322,000	328	0.4940	-1.20
SIF1	553,074	648,500	76	0.8500	-1.05
SIF5	530,066	522,500	74	1.0110	0.00
EBS	437,173	8,034	201	53.2500	-4.23

Trading Volumes	BVB	Rasdaq	BUSE	NYSE listed	Nasdaq	LSE	STOXX 600 *
Previous Day	3.45	0.03	40.52	15,298.14	8,956.20	3,804.52	236.05
Ytd Avg. (EUR mn)	9.38	0.55	57.01	19,766.37	11,620.12	5,229.28	260.20
MCap (EUR bn)**	15.70	2.29	14.97	3,407.11	12,524.71	2,426.34	5,854.73

* 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%
COTR	2,174	96	8	28.7000	14.80
ELGS	210,937	514,000	202	0.4300	14.51
CBC	53,166	7,700	6	6.5000	8.15
TBM	23,277	480,500	86	0.0484	7.80
SPCU	880	6,000	42	0.0646	6.83

Worst 5 performers	Volume -RON	Volume - shares	Trades	Last price	1d%
EFO	2,566	36,000	15	0.0700	-11.95
IMP	1,713	9,500	10	0.1806	-8.74
SNO	1,571	600	6	2.5500	-5.90
EBS	437,173	8,034	201	53.2500	-4.23
BRM	410	500	1	0.8200	-3.53

- **Commodities**

Item (market)	unit	last close	1d%	Ytd%	52W%
Oil (Brent crude)	USD/barrel	107.26	-1.25	14.63	17.78
Gold (COMEX)	USD/ounce	1668.2	-2.83	17.52	19.23
Platinum (NYMEX)	USD/ounce	1486.9	-1.91	-15.24	-11.65
Silver (COMEX)	USD/ounce	31.002	-3.88	0.65	7.31
Wheat (CBOT)	USD/bushel	5.9425	-0.29	-30.80	-28.75
Corn (CBOT)	USD/bushel	5.94	-0.04	6.21	10.51

- **OTP AM – Open-End Funds (as of 9-Dec-11)**

Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%
OTP AvantisRO	RON	5.4600	-0.18	-16.77	-15.35
OTP Obligatiuni	RON	11.4200	0.00	13.75	15.01
OTP ComodisRO	RON	13.9156	0.02	6.10	6.69
OTP Euro Bond	EUR	10.4779	0.01	4.25	4.50

Market Highlights (as of 12 December 2011)

- **Forex**

The euro fell 1.5 percent to \$1.3187 at 5 p.m. in New York, touching the lowest level since Oct. 4. The currency slid 1.1 percent to 102.76 yen. The dollar advanced 0.4 percent to 77.94 yen. (Bloomberg)

EUR/RON opened at 4.3440/4.3460 and closed the day at 4.3465/4.3485. (ContiCap)

- **Money Market**

RON T/N trading range was 5.24% - 5.46%. The curve experienced an overall shift downwards with more significant moves in the shorter end. 1m -25bp, 2m -25.5, 3m -18bp, 6m -14bp, 9m -10bp and 12m -7bp. (ContiCap)

- **Equities**

- **Domestic**

The BSE closed red (BET-C, which does not include the SIFs decreased 0.96%) on lower volumes and still below this year's average volume. While BET blue chips index decreased 1.12%, BET-FI dropped 0.87%.

RASDAQ-C closed green (0.33%), while Tier I gained 11.63% and Tier II 1.04%. The trading volume was lower and still below 2011's average volume.

- **Foreign**

The S&P 500 declined 1.5 percent to 1,236.47 at 4 p.m. New York time, after rising 8.3 percent over the previous two weeks. The Dow Jones Industrial Average fell 162.87 points, or 1.3 percent, to 12,021.39. The benchmark Stoxx Europe 600 Index lost 1.9 percent to 236.05 at the close of trading, extending this year's decline to 14 percent. (Bloomberg)

- **Commodities**

Brent oil for January settlement lost as much as \$1.62, or 1.5 percent, to \$107 a barrel on the London-based ICE Futures Europe exchange before recovering to \$108.09, down 53 cents. (Bloomberg)

Latest Financial News

- **Macroeconomics**

Romania's consumer prices grow 0.42% M/M in November.

Romania reported on Monday a monthly inflation of 0.42% in November, compared to 0.64% in the previous month. Annual inflation decelerated to 3.44% last month from 3.55% in October, Romania's statistics office INS said in a statement. The average monthly inflation was 0.3% in the January-November period, down from 0.7% a year earlier. Food prices were up 0.54% on the month in November, mainly due to a 3.91% jump in the prices of fresh and canned vegetables and a 7.2% rise in egg prices. Non-food prices increased by a monthly 0.24% in November, lifted by a 0.92% rise in electricity, gas and central heating prices and a 0.37% increase in footwear prices. (SeeNews)

Moody's says Romanian banking system under pressure.

The Romanian banking system is largely dependent on the economic and financial market dynamics of the euro area and as such, the escalation of the European banking and sovereign debt crisis negatively affect the Romanian banking system, says Moody's Investors Service in a new Special Comment published yesterday. Moody's believes that the crisis will affect Romania's banking system through (i) a weakening demand for exports and a slowdown in foreign direct investment (FDI); (ii) the high level of foreign-currency (FX) lending in the system, accounting for over than 60% of total loans; and (iii) a potential weakening of parent banks' commitment to their operations in the country. These transmission mechanisms will likely reduce funding availability, weaken asset quality, increase losses and pressure capital; which, in turn, may increasingly exert pressure on bank ratings in Romania. We expect that the weakening operating environment will cause asset quality to deteriorate, or at the very least remain under significant pressure. Non-performing loans could rise further if the local currency weakens, as it would expose foreign-currency borrowers to a higher debt servicing burden. A significant proportion of these borrowers have no FX revenue. (Info-Prod)

- **Forex**

Dollar reaches two-month high versus Euro on rating-cut concern.

The dollar reached a two-month high against the euro, this morning, before three European nations and the region's bailout fund sell bills amid speculation Standard & Poor's may cut sovereign credit ratings in the common currency area. Fitch Ratings and Moody's Investors Service said yesterday that a European Union summit last week offered little help in ending the region's debt crisis. (Bloomberg)

- **Money Market**

Romania sells 1.4 bln lei (322 mln Euro) in 11-months T-bills, yields fall.

Romania sold 1.4 billion lei (\$427 million/322 million euro) 11-month Treasury bills in an auction on Monday, above the 1.2 billion lei on offer, the central bank said. The average yield fell to 6.6% from 6.82% achieved at the previous auction on October 24, the central bank, which sells government securities on behalf of the finance ministry, said in a statement. Bids were placed for 3.2 billion lei worth of government debt. The average accepted price was equal to 94.2304% of par. (SeeNews)

Romania needs to borrow 16bn Euros to cover 2012 fiscal deficit.

President Traian Basescu says Romania must borrow 16 billion Euros in 2012, off the domestic and foreign markets, in order to 'roll' the previous debts. 'The difference from 1.9 to 2.4 per cent budget deficit must be borrowed, as well as the amount covering the 1.9 per cent deficit. Loans interest rates on the international markets at present stand at approximately 8 per cent. Therefore this makes a loan inoperable because of the extremely high cost of the credit. Think about the fact that because of the contamination concerning what happened in Greece, what happened or is happening in Italy, Romania had its credit default swap increased from 180 in summer to 458 in the past week. The intention is to borrow as less as possible. We already have to borrow 13.5 billion Euros in order to roll the previous debts. The 1.9 per cent deficit represents other 2.5 billion, which means Romania must borrow 16 billion Euros next year from the domestic and foreign markets,' Traian Basescu said in a statement made at the Cotroceni Palace on Sunday [11 December]. (BBC)

• Equities

Domestic

Romania picks PwC to manage Oltchim stake sale.

Romania picked PricewaterhouseCoopers Management Consultants to manage the sale of a majority stake in chemical company Oltchim (OLT RO), the country's economy ministry said on Monday. The ministry said in a statement the offer filed by PwC Management Consultants was better than the other two bids received in the tender, filed by two consortia - KPMG Romania/White & Case Pachtu SCA and Taylor-DeJongh/SNR Denton. (SeeNews)

EBRD mulls lending up to 30 mln Euro to Romania's BRD Bank for energy efficiency projects.

The European Bank for Reconstruction and Development said it is considering lending to Romanian bank BRD (BRD RO) up to 30 million euro (\$40 million) to support energy efficiency projects of local small and medium-sized enterprises and municipalities. The SME Energy Efficiency Facility is worth up to 20 million euro, while the Municipality Energy Efficiency Facility is of up to 10 million euro, the EBRD said on its website on Friday. Both loan facilities are pending final review on February 28. (SeeNews)

Rompetrol Group says it will restart Libyan operations soon.

Rompetrol Group NV, Romania's second-biggest oil company, said it would restart its operations in Libya "in the following period." The company announced the news in an e-mailed statement yesterday. (Bloomberg)

Romania to sell 15% of Romgaz by end-June 2012.

Romania plans to sell a 15% stake in local gas producer Romgaz by the end of June next year, local media reported. The deadline is included the latest letter of intent negotiated with the International Monetary Fund, news agency Mediafax (www.mediafax.ro) said. Last month, Romania invited companies interested in managing the initial public offering of the Romgaz stake to hand in their bids by December 29. Romania owns 85% of Romgaz, while property restitution fund Proprietatea holds the remainder. (SeeNews)

Foreign

Zoomlion biggest short on bets China building binge to slow.

Short sellers have never been so sure that Zoomlion Heavy Industry Science & Technology Co., China's second-biggest maker of construction equipment, will drop as building slows and customers fall behind on payments. Speculators lifted bets against Zoomlion to 22 percent of shares outstanding last month, the highest proportion on record and the most among Hong Kong-traded stocks tracked by Data Explorers. Bearish wagers increased even after the stock tumbled as much as 47 percent this year to an all-time low on Sept. 26. (Bloomberg)

Bank puts decline at fastest rate since 2008 in S&P 500 (options).

Options traders drove down the cost of protecting against losses in shares of the biggest U.S. banks at the fastest rate in almost four years as European leaders worked to contain the debt crisis. Puts to sell Bank of America Corp., Citigroup Inc., JPMorgan Chase & Co., Wells Fargo & Co., Goldman Sachs Group Inc. and Morgan Stanley on Dec. 9 cost an average 1.16 times calls, according to data compiled by Bloomberg. The price relationship known as skew dropped to 1.15 on Dec. 8 after retreating 8.3 percent, the most since March 2008, from a four-year high of 1.26 reached on Oct. 27. (Bloomberg)

• Commodities

Trailing gas demand signals China import boom (energy markets).

China's ranking as the biggest energy consumer and the least reliant on natural gas for power generation among the world's leading economies is raising the prospect of an import boom as it seeks to cut pollution. Demand in China may more than triple this decade, with consumption for electricity generation increasing more than fourfold, according to the International Energy Agency. Gas currently accounts for less than 1 percent of the nation's power generation, compared with 23 percent in the U.S., the only country with a larger economy, and 48 percent in Russia, according to Bloomberg rankings based on World Bank data. (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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