

## Executive Summary

### • Macroeconomics

Romania may get World Bank precautionary accord.

### • Forex

The euro traded at \$1.3047 at 5:05 p.m. in New York. The EUR/RON closed at 4.3035/4.3055.

### • Money Market

RON T/N trading range was 1.44% - 1.86%.

### • Equities

#### Domestic

The BSE closed green, BET-C gained 0.88% on lower volumes, while BET increased 1.10%, BET-FI gained 1.48%.

RASDAQ-C closed red (-0.31%) on higher volumes, while Tier I increased 0.58%, Tier II lost 1.51%.

#### Foreign

Stocks in U.S. advance as utilities, banks outweigh technology-led decline. European stocks decline as ECB funding fails to ease debt-crisis concern.

### • Commodities

Oil, wheat and corn up. Most other major commodities down.

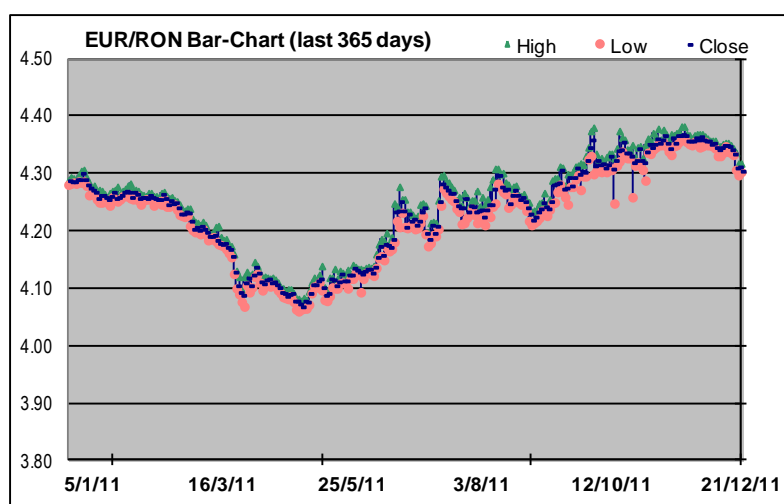
## Market Data (as of 22 December 2011)

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

### • Forex (as of 22-Dec-11)

FX Rates*	Prv. Day	Min 52W	Max 52W	Ytd	-52W
EUR/RON	4.3048	4.0601	4.3821	4.2900	4.2882
USD/RON	3.2927	2.7352	3.3568	3.2342	3.2755
CHF/RON	3.5261	3.1021	4.0619	3.4513	3.4402
100HUF/RON	1.4171	1.3725	1.6075	1.5343	1.5515

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

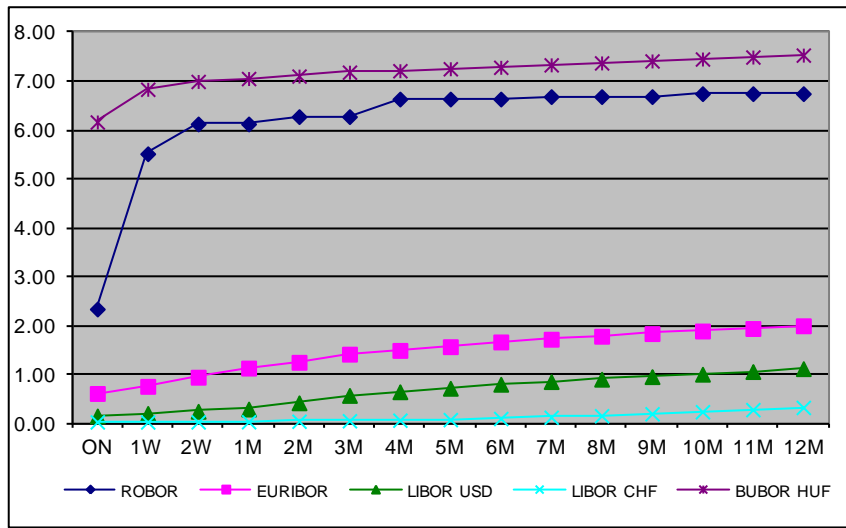


### • Money Markets (valid for 22 December 2011)

Rate	ON	1W	2W	1M	2M	3M	4M	5M	6M	7M	8M	9M	10M	11M	12M
ROBOR*	2.34	5.52	-	6.13	-	6.28	-	-	6.64	-	-	6.69	-	-	6.75
EURIBOR**	0.61	0.76	0.94	1.13	1.25	1.42	1.49	1.57	1.67	1.72	1.78	1.84	1.89	1.94	2.00
LIBOR USD	0.15	0.20	0.25	0.29	0.42	0.57	0.65	0.72	0.80	0.85	0.90	0.96	1.01	1.06	1.12
LIBOR CHF	0.03	0.03	0.03	0.03	0.04	0.05	0.06	0.08	0.10	0.12	0.16	0.20	0.24	0.28	0.33
BUBOR HUF	6.17	6.84	7.00	7.06	7.11	7.19	7.22	7.26	7.29	7.34	7.38	7.42	7.46	7.50	7.54

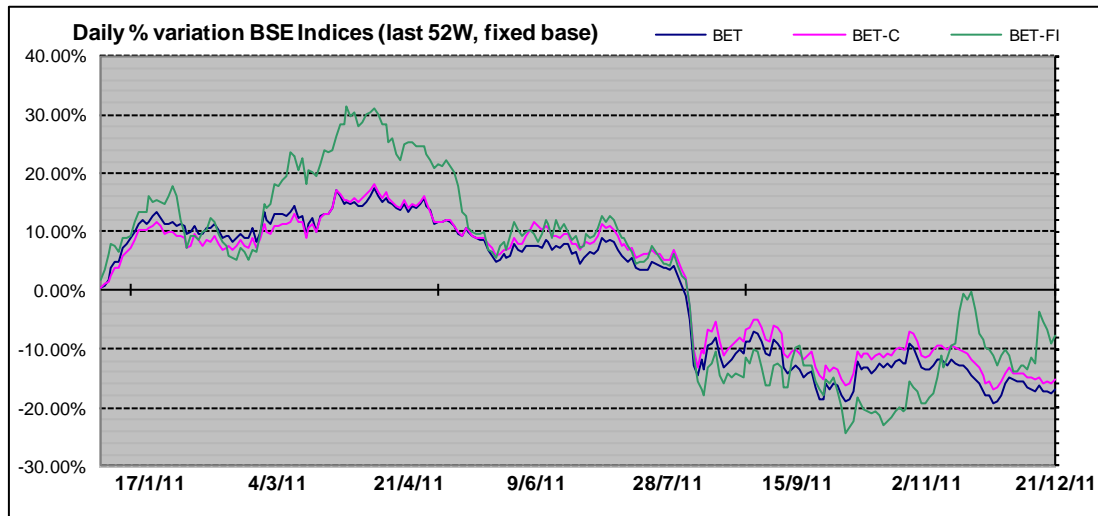
\* in the chart below, values for maturities where there is no quote are proxied by the maximum of the previous and the next maturity

\*\* 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	4,302.80	1.10	-17.56	-16.16
BET-C	2,604.90	0.88	-15.88	-13.89
BET-FI	19,149.66	1.48	-10.68	-7.63
ROTX	7,937.30	1.68	-26.52	-25.10
Rasdaq-C	1,532.05	-0.31	-8.81	-8.05
RAQ-I	886.49	0.58	-38.52	-46.57
RAQ-II	2,132.19	-1.51	-30.25	-26.34

Foreign

Indices	Last close	1d%	Ytd%	52W%
DJIA (USD)	12,107.74	0.03	4.65	4.98
S&P 500 (USD)	1,243.72	0.19	-1.13	-0.87
DAX (EUR)	5,791.53	-0.95	-16.24	-18.18
FTSE 100 (GBP)	5389.74	-0.55	-9.73	-9.44
STOXX 600 (EUR)	237.29	-0.51	-14.34	-15.59
BUX (HUF)	17,603.35	-0.27	-17.34	-16.76

Top 5 most traded	Volume -RON	Volume - shares	Trades	Last price	1d%
FP	13,920,804	32,447,300	344	0.4325	1.76
SIF3	3,382,426	6,191,000	459	0.5420	1.12
SIF5	1,485,716	1,397,500	231	1.0630	1.24
SIF2	1,110,333	1,059,000	143	1.0500	2.74
EBS	1,042,906	18,633	261	55.5000	4.52

Trading Volumes	BVB	Rasdaq	BUSE	NYSE listed	Nasdaq	LSE	STOXX 600 *
Previous Day	8.21	1.16	44.98	17,362.37	10,154.25	3,651.69	237.29
Ytd Avg. (EUR mn)	9.33	0.54	56.70	19,775.15	11,616.77	5,210.21	259.51
MCap (EUR bn)**	16.09	2.26	15.17	3,393.13	12,702.90	2,439.63	5,920.80

\* 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%
STZ	1,411	5,500	6	0.2645	15.00
EPT	26	500	1	0.0516	14.92
CEON	27	500	1	0.0548	13.93
SPCU	1,041	7,000	3	0.1488	11.80
OLT	49,282	17,501	42	0.0646	10.43

Worst 5 performers	Volume -RON	Volume - shares	Trades	Last price	1d%
PREH	420	400	2	1.0500	-8.77
CMCM	175	1,000	1	0.1750	-7.89
TRP	200	1,000	1	0.2003	-4.62
RTRA	300	1,500	2	0.2000	-4.58
RPH	15,120	21,000	3	0.7200	-4.00

- **Commodities**

Item (market)	unit	last close	1d%	Ytd%	52W%
Oil (Brent crude)	USD/barrel	107.71	0.92	15.16	15.09
Gold (COMEX)	USD/ounce	1613.6	-0.25	13.67	15.03
Platinum (NYMEX)	USD/ounce	1428.5	-0.33	-18.28	-17.12
Silver (COMEX)	USD/ounce	29.249	-0.97	-5.04	-1.44
Wheat (CBOT)	USD/bushel	6.17	1.52	-28.15	-26.83
Corn (CBOT)	USD/bushel	6.165	1.57	10.24	11.33

- **OTP AM – Open-End Funds (as of 20-Dec-11)**

Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%
OTP AvantisRO	RON	5.5100	-1.08	-16.01	-13.36
OTP Obligatiuni	RON	11.4400	0.00	13.94	15.67
OTP ComodisRO	RON	13.9440	0.02	6.31	6.58
OTP Euro Bond	EUR	10.4927	0.02	4.40	4.53

## Market Highlights (as of 21 December 2011)

- **Forex**

The euro fell 0.3 percent to \$1.3047 at 5:05 p.m. in New York, after climbing as much as 0.9 percent after the ECB announcement. Europe's shared currency declined 0.1 percent to 101.85 yen. The dollar added 0.2 percent to 78.06 yen. (Bloomberg)  
EUR/RON opened at 4.3145/4.3165 and closed 4.3035/4.3055. (ContiCap)

- **Money Market**

RON T/N trading range was 1.44% - 1.86%. The curve moved 1m +11bp, 2m +7, 3m +1 with no moves further out on the curve. (ContiCap)

- **Equities**

- **Domestic**

The BSE closed green (BET-C, which does not include the SIFs gained 0.88%) on lower volumes but still below this year's average volume. While BET blue chips index increased 1.10%, BET-FI advanced 1.48%.

RASDAQ-C closed red (-0.31%), while Tier I increased 0.58%, Tier II dropped 1.51%. The trading volume was higher and much above 2011's average volume.

- **Foreign**

The S&P 500 increased 0.2 percent to 1,243.72 at 4 p.m. New York time, after dropping as much as 1 percent earlier. The Dow Jones Industrial Average gained 4.16 points, or less than 0.1 percent, to 12,107.74 yesterday. The Nasdaq Composite Index slumped 1 percent to 2,577.97. The Stoxx Europe 600 Index declined 0.5 percent to 237.29 at the close of trading. The benchmark measure rallied as much as 1.4 percent after the ECB agreed to provide three-year loans to euro-area banks to keep credit flowing to the economy, before erasing its advance two hours later. (Bloomberg)

- **Commodities**

Brent oil for February settlement on the London-based ICE Futures Europe exchange was down 23 cents at \$106.50 a barrel after rising \$1.03, or 1 percent, to \$107.76 a barrel. The European benchmark contract was at a premium of \$9.27 to New York-traded West Texas Intermediate grade. The spread widened to a record \$27.88 on Oct. 14. (Bloomberg)

## Latest Financial News

- **Macroeconomics**

*Romania may get World Bank precautionary accord.*

Romania may enter into a precautionary agreement with the World Bank in the first half of 2012, Mediafax reported yesterday, citing International Monetary Fund Mission Chief to Romania Jeffrey Franks. The eastern European country will receive about 400 million Euros (\$522 million) in the next days under the current development-policy loan from the World Bank, the Bucharest-based news service said yesterday, citing Franks. Daniel Kozak, the World Bank spokesman in Romania, declined to comment when contacted by Bloomberg News. (Bloomberg)

*U.S. faces Fitch AAA downgrade by end of 2013 unless deficit cuts are made.*

The U.S.'s AAA rating will probably be cut by Fitch Ratings by the end of 2013 unless lawmakers are able to formulate a plan to reduce the budget deficit after next year's congressional and presidential elections. "Without such a strategy, the sovereign rating will likely be lowered," New York-based Fitch said in a statement today. "Agreement will also have to be reached on raising the federal debt ceiling, which is expected to become binding in the first half of 2013." Fitch assigned a negative outlook on the U.S. in November after a congressional committee failed to agree on budget cuts. The rating firm forecast federal public-debt will exceed 90 percent of gross-domestic-product by the end of the decade unless the government addresses rising health and social security spending through tax increases or reductions in expenditures. (Bloomberg)

- **Forex**

*Franc falls after Finance Minister says capital controls are considered.*

The franc fell against the euro and the dollar after Finance Minister Eveline Widmer-Schlumpf said a panel is considering measures, including capital controls and negative interest rates, to weaken the Swiss currency. The franc fell against the majority of its 16 major peers tracked by Bloomberg after Widmer-Schlumpf said the panel is considering negative interest rates, a levy on transactions and restrictions on the movement of Swiss and foreign currencies, at a hearing in the Swiss parliament's lower house today. The Swiss National Bank resisted pressure from exporters to further curb the strength of the currency at its quarterly policy meeting on Dec. 15. "The government and the central bank there are still very much focused on limiting Swiss franc strength and they clearly want to see a weaker" currency, said Brian Dolan, chief currency strategist at FOREX.com, a unit of online currency trading firm Gain Capital in Bedminster, New Jersey. (Bloomberg)

## • Money Market

*European banks devour ECB emergency funds to refinance most debt due 2012.*

European banks borrowed enough cash from the European Central Bank at its first three-year offering to refinance almost two-thirds of the debt they have maturing next year amid concern that markets will remain frozen. The 523 euro-area lenders took a record 489 billion Euros (\$638 billion) from the Frankfurt-based central bank in 1,134-day loans today, more than economists' median estimate of 293 billion Euros in a Bloomberg News survey. That equals about 63 percent of the European bank debt maturing in 2012, according to Goldman Sachs Group Inc. analysts. (Bloomberg)

## • Equities

### Domestic

*Hidroelectrica completes 75 mln Euro power plant.*

Romanian hydropower producer Hidroelectrica has completed a 75 million euro (\$97.8 million) power plant on the Olt river in southern Romania, the company said. The plant, located in Robesti, has an installed capacity of 27.1 megawatts and will produce 74.6 gigawatt hours of electricity per year, Hidroelectrica said in a statement. The power plant is part of company's five power production facilities in the Cornetu Avrig section on the Olt river, the company said. (SeeNews)

*Romania's Teraplast sells tile production line for 1.0 mln Euro.*

Romanian producer of building materials Teraplast (TRP RO) said on Wednesday its shareholders approved the sale of a tile production line for 1.0 million euro (\$1.3 million). The production line together with the adjacent land plots was sold to local company Teracota Bistrita, Teraplast said in a statement. Teracota Bistrita will pay the first tranche, worth 105,000 euro, by January 15. It will pay the rest in 60 monthly payments of 15,000 euro each starting April, 2012. (SeeNews)

*Romania's TAROM 11-months passenger numbers fall 3.2% - AEA.*

Romanian state-owned flag carrier TAROM boarded 1.76 million passengers in January-November, down 3.2% from a year ago, the Association of European Airlines said. TAROM's passenger load factor was 60.5% in January-November, down 0.3 percentage points from a year ago, the Association of European Airlines (AEA) said in a report posted on its website on Tuesday. In November alone, traffic fell by 1.5% on the year to 153,200 passengers, while the load factor was up 5.8 percentage points to 60.7%. AEA is the association of 35 European airlines which transport a combined 380 million passengers and 6.2 million tonnes of cargo each year. They operate 2,670 aircraft serving 650 destinations in 167 countries with combined 11,100 flights a day. (SeeNews)

### Foreign

*Nike Inc.'s second-quarter profit topped analysts' estimates.*

Nike Inc. (NKE) rallied 2.9 percent to \$96.35. The world's largest sporting-goods company reported second-quarter profit that topped analysts' estimates as sales of running shoes surged in North America. (Bloomberg)

*Lufthansa sells BMI to IAG at loss after agreed price cuts.*

International Consolidated Airlines SA reached a binding agreement to buy Deutsche Lufthansa AG's BMI unit, it said in a regulatory filing today. (Bloomberg)

## • Commodities

*Gold drops as banks' rush for ECB lending program strengthens the Dollar.*

Gold declined as stronger-than-forecast demand for European Central Bank loans raised concern that the region's debt crisis remains uncontained, boosting the dollar and damping demand for alternative assets. "A recently stronger U.S. dollar against the euro disappointment that the ECB has not mounted a more aggressive purchase program for the bonds of more highly indebted euro-zone countries and lack of further Fed measures have recently pressured gold prices," Patricia Mohr, an economist and commodity-market specialist at Scotia Capital, wrote in a report. (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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