

Executive Summary

• Macroeconomics

Moody's sees Romania's deficit in line with government target.

• Forex

The euro traded at \$1.3050 at 5:00 p.m. in New York. The EUR/RON closed at 4.2950/4.2970.

• Money Market

RON T/N trading range was 3.80% - 3.86%.

• Equities

Domestic

The BSE closed mixed, BET-C lost 0.30% on lower volumes, while BET increased 0.12%, BET-FI gained 0.98%.

RASDAQ-C closed green (1.43%) on lower volumes, while Tier I increased 1.17%, Tier II lost 1.73%.

Foreign

U.S. stocks advance amid better-than-estimated economic reports. European stocks advance as U.S. jobless claims fall.

• Commodities

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

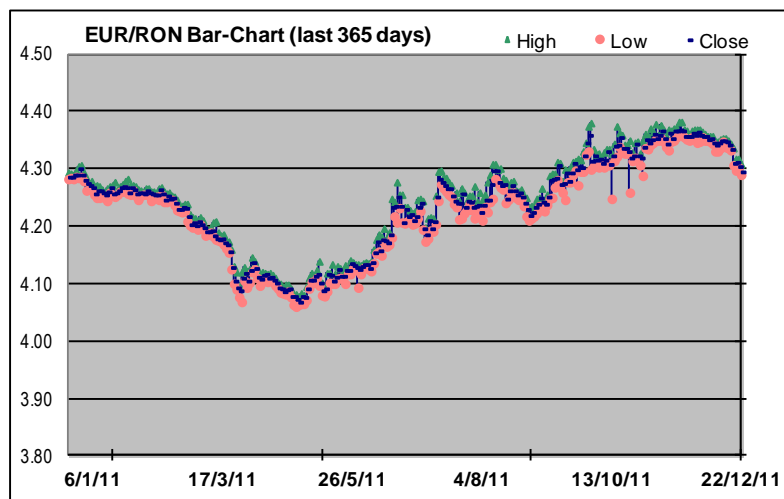
Market Data (as of 23 December 2011)

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

• Forex (as of 23-Dec-11)

FX Rates*	Prv. Day	Min 52W	Max 52W	Ytd	-52W
EUR/RON	4.2955	4.0601	4.3821	4.2900	4.2863
USD/RON	3.2906	2.7352	3.3568	3.2342	3.2690
CHF/RON	3.5151	3.1021	4.0619	3.4513	3.4043
100HUF/RON	1.4011	1.3725	1.6075	1.5343	1.5423

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

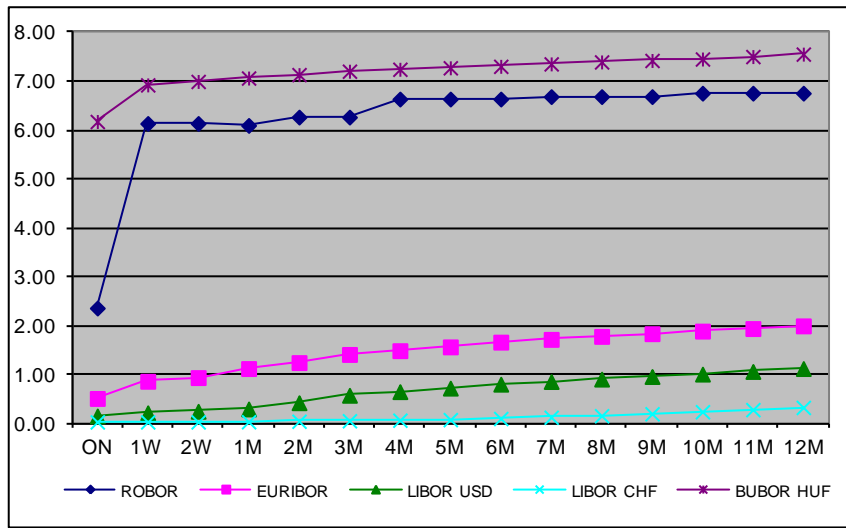


• Money Markets (valid for 23 December 2011)

Rate	ON	1W	2W	1M	2M	3M	4M	5M	6M	7M	8M	9M	10M	11M	12M
ROBOR*	2.36	6.14	-	6.10	-	6.27	-	-	6.64	-	-	6.69	-	-	6.76
EURIBOR**	0.51	0.86	0.94	1.12	1.24	1.41	1.49	1.57	1.66	1.72	1.78	1.84	1.89	1.94	2.00
LIBOR USD	0.15	0.22	0.25	0.29	0.42	0.57	0.65	0.72	0.80	0.86	0.91	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	6.18	6.93	7.00	7.07	7.14	7.21	7.25	7.28	7.31	7.36	7.40	7.43	7.46	7.51	7.56

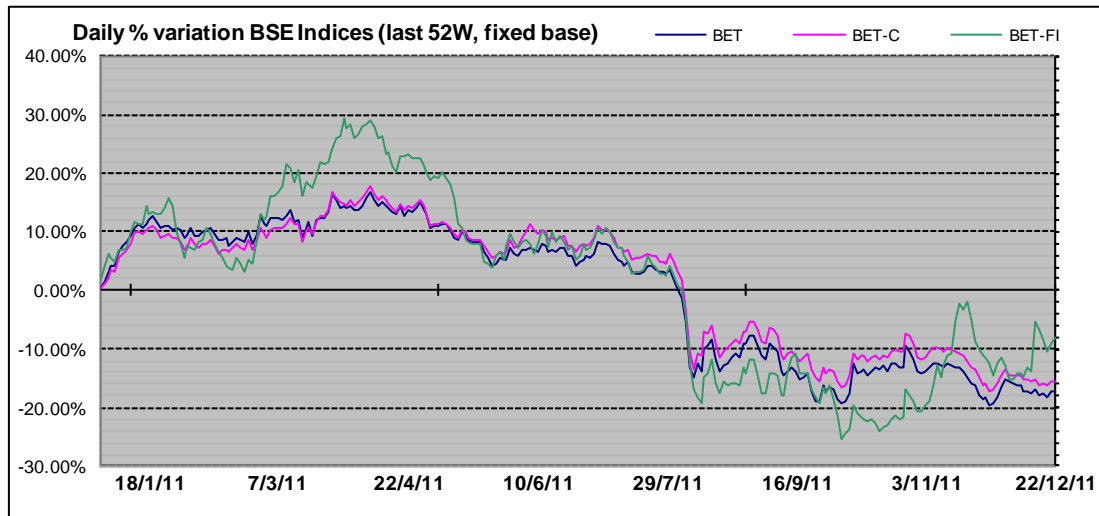
* in the chart below, values for maturities where there is no quote are proxied by the maximum of the previous and the next maturity

** 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	4,307.82	0.12	-17.47	-16.21
BET-C	2,597.09	-0.30	-16.13	-14.46
BET-FI	19,336.94	0.98	-9.80	-6.96
ROTX	7,942.30	0.06	-26.47	-25.25
Rasdaq-C	1,553.92	1.43	-7.51	-6.98
RAQ-I	896.84	1.17	-37.80	-46.43
RAQ-II	2,095.30	-1.73	-31.45	-30.90

Foreign

Indices	Last close	1d%	Ytd%	52W%
DJIA (USD)	12,169.65	0.51	5.19	5.28
S&P 500 (USD)	1,254.00	0.83	-0.31	-0.38
DAX (EUR)	5,852.18	1.05	-15.36	-17.20
FTSE 100 (GBP)	5456.97	1.25	-8.61	-8.80
STOXX 600 (EUR)	239.78	1.05	-13.44	-14.81
BUX (HUF)	17,462.51	-0.80	-18.00	-18.88

Top 5 most traded	Volume -RON	Volume - shares	Trades	Last price	1d%
FP	12,186,443	28,603,900	601	0.4260	-1.50
SIF3	1,999,337	3,598,000	378	0.5590	3.14
BRD	1,246,442	118,190	60	10.5500	-2.31
SIF2	1,199,189	1,127,000	152	1.0730	2.19
SIF5	1,157,901	1,075,000	146	1.0800	1.60

Trading Volumes	BVB	Rasdaq	BUSE	NYSE listed	Nasdaq	LSE	STOXX 600 *
Previous Day	5.88	0.03	47.54	15,834.66	7,472.11	2,973.81	239.78
Ytd Avg. (EUR mn)	9.31	0.54	56.66	19,759.39	11,600.19	5,201.27	259.35
MCap (EUR bn)**	16.15	2.29	15.11	3,413.68	12,781.03	2,467.13	5,985.14

* 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	4,505	15,000	6	0.3040	14.93
VNC	724	11,000	8	0.0689	5.19
SOCP	9,908	34,000	12	0.2900	3.57
SIF3	1,999,337	3,598,000	378	0.5590	3.14
ALR	327	317	42	0.0646	3.12

Worst 5 performers	Volume -RON	Volume - shares	Trades	Last price	1d%
MECF	3,001	30,000	3	0.1000	-14.82
EPT	3,763	85,500	5	0.0440	-14.73
TBM	6,591	151,500	35	0.0420	-11.58
COFI	263,138	9,556,800	461	0.0250	-7.41
RMAH	727	3,500	3	0.1990	-6.97

- **Commodities**

Item (market)	unit	last close	1d%	Ytd%	52W%
Oil (Brent crude)	USD/barrel	107.89	0.17	15.35	15.09
Gold (COMEX)	USD/ounce	1610.6	-0.19	13.46	14.93
Platinum (NYMEX)	USD/ounce	1423.5	-0.35	-18.57	-17.44
Silver (COMEX)	USD/ounce	29.047	-0.69	-5.70	-2.10
Wheat (CBOT)	USD/bushel	6.2175	0.77	-27.60	-27.53
Corn (CBOT)	USD/bushel	6.175	0.16	10.42	10.66

- **OTP AM – Open-End Funds (as of 21-Dec-11)**

Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%
OTP AvantisRO	RON	5.5600	0.91	-15.24	-12.85
OTP Obligatiuni	RON	11.4400	0.00	13.94	15.44
OTP ComodisRO	RON	13.9443	0.00	6.32	6.47
OTP Euro Bond	EUR	10.4940	0.01	4.41	4.53

Market Highlights (as of 22 December 2011)

- **Forex**

The yen weakened 0.1 percent to 78.17 dollars at 5 p.m. New York time. Japan's currency fell 0.2 percent to 102.02 against the euro. The U.S. currency was little changed at \$1.3050 per euro. (Bloomberg)

EUR/RON opened at 4.3020/4.3040 and closed the day 4.2950/4.2970. (ContiCap)

- **Money Market**

RON T/N trading range was 3.80% - 3.86%. Some front end paying cares have dragged the curve higher especially in the short end with it slowly filtering through into the longer durations. 1m moved +28bp, 2m moved +9bp, 3m +6.5bp, 6m +3bp, 9m +2bp and 12m +2.5bp. (ContiCap)

- **Equities**

- **Domestic**

The BSE closed green (BET-C, which does not include the SIFs lost 0.30%) on lower volumes and still below this year's average volume. While BET blue chips index increased 0.12%, BET-FI advanced 0.98%.

RASDAQ-C closed green (1.43%), while Tier I increased 1.17%, Tier II dropped 1.73%. The trading volume was lower and below 2011's average volume.

- **Foreign**

The S&P 500 advanced 0.8 percent to 1,254 at 4 p.m. New York time, rallying 4 percent in three days. The Dow Jones Industrial Average gained 61.91 points, or 0.5 percent, to 12,169.65 yesterday. The Stoxx Europe 600 Index added 1.1 percent to 239.78 at the close in London, bringing this week's gains to 2.6 percent. The benchmark measure has rallied 12 percent from this year's low on Sept. 22 amid optimism that U.S. economic growth is holding firm and euro-area leaders are moving to stem the region's debt crisis. (Bloomberg)

- **Commodities**

Brent oil for February settlement rose 18 cents to \$107.89 a barrel on the London-based ICE Futures Europe exchange. The European contract's premium to Nymex crude narrowed to \$8.36 a barrel yesterday, the smallest differential since March 8. (Bloomberg)

Latest Financial News

- **Macroeconomics**

Moody's sees Romania's deficit in line with government target.

Moody's sees Romania deficit falling under 5% of GDP in 2011, it says in annual report on Romania. Moody's has long term rating of Baa3 on Romania, stable outlook. (Bloomberg)

- **Forex**

Dollar falls as stock gains sap demand for safety.

The dollar was set to fall against most of its 16 major peers this week as Asian shares extended a global rally, damping demand for lower-yielding assets. Australia's currency reached a two-week high versus the yen before U.S. data forecast to show spending and new-home sales increased in the world's largest economy, boosting the allure of currencies linked to global growth. South Korea's won strengthened after the central bank and Finance Ministry said they will try to reduce the currency's volatility. (Bloomberg)

- **Money Market**

Romania sells 405 mln Lei (94 mln Euro) in 10-year T-notes, yields fall.

Romania on Thursday sold 405 million lei (\$123 million/94 million euro) in 10-year Treasury notes, above its 300 million lei offer, as yields fell, the central bank said. The average yield in the auction was 7.25%, down from 7.65% in the previous auction held on September 22, the central bank, which sells government securities on behalf of the finance ministry, said in a statement. Bids were placed for 1.0 billion lei worth of T-notes in Thursday's auction. The average accepted price was equal to 91.2676% of par value. (SeeNews)

- **Equities**

- **Domestic**

Romanian court overturns Franklin Templeton's appointment as Fondul Proprietatea manager.

A Romanian court overturned an amendment to property restitution fund Proprietatea's (FP RO) statute that allowed Franklin Templeton to be hired as the fund's manager, Bucharest-based media reported on Thursday. The decision can be challenged at the Bucharest Court of Appeal, news agency Mediafax reported. The fund thus returns to its former statute and manager, Mediafax (www.mediafax.ro) quoted unnamed sources as saying. Fondul Proprietatea's shareholders approved on September 6, 2010, amendments to its statute regarding the fund's management. The amendments allowed the fund to be managed by an investment management company, the Romanian branch of Franklin Templeton Investment Management Limited London, instead of a supervisory board and management board, Mediafax said. One of the fund's shareholders, however, contested the legality of the decision due to the fact that the planned changes in statute had not been made public in the legal term of 30 days prior to the shareholders meeting. (SeeNews)

Romania's Hidroelectrica plans 200 mln Euro bond issue Next year.

Romanian state-owned hydropower producer Hidroelectrica plans to borrow some 200 million euro (\$261 million) from international markets next year, local media reported. Hidroelectrica has invited several investment banks interested in managing the planned bond issue to file their bids by January 5-6, TV channel Antena 3 (www.antena3.ro) quoted unnamed sources from the financial market as saying earlier this week. The bond issue will have a five-year maturity. Citibank, Deutsche Bank, UniCredit, Societe Generale, ING and Erste might be interested in managing the bond issue, the broadcaster added. (SeeNews)

Banca Transilvania to buy back 0.68% of own shares in H1'12.

Romania's Banca Transilvania [BSE:TLV] said on Thursday it plans to repurchase 12 million shares, equivalent to 0.68% of its capital, in the first half of next year. The bank plans to buy back the shares for up to 2.0 lei (\$0.61/0.465 euro) apiece, it said in a statement. The move is part of a 14 million share repurchase plan, or 0.95% of the bank's equity, approved at the lender's extraordinary general shareholders' meeting held in April. Under the same plan, it has already repurchased 2.0 million shares in October. (SeeNews)

Foreign*First Solar Inc. may attract takeover interest from GE or Siemens AG.*

First Solar Inc. (FSLR) climbed 7.4 percent to \$34.15. The largest maker of thin-film solar panels may attract takeover interest from GE or Siemens AG on the expectation that demand will grow in the \$55 billion solar power industry during the next decade as prices become more competitive with fossil fuels and other forms of electricity, according to Robert W. Baird & Co. Once worth \$25 billion, First Solar was valued this week as low as \$2.64 billion, the steepest discount to net assets since its 2006 initial public offering and cheaper than 94 percent of renewable energy equipment companies greater than \$1 billion, according to data compiled by Bloomberg. (Bloomberg)

Templeton's Mobius sees smooth North Korea leadership transition.

North Korea's leadership transition will probably be smooth and its new rulers may be willing to embrace economic reforms similar to those in China, said Franklin Templeton Investments' Mark Mobius. A regime change in the communist nation is unlikely to have "immediate substantive impact" on other North Asian financial markets, Mobius, executive chairman of Templeton Emerging Markets Group, wrote in his blog. The company is still holding on to South Korean equities, he said in an interview with Bloomberg Television today. (Bloomberg)

• Commodities*Copper traders most bullish in two months on demand outlook.*

Copper traders are the most bullish since October as global inventories at a two-year low add to signs that demand is improving. Sixteen of 28 analysts surveyed by Bloomberg expect the metal to advance next week, the first positive outlook in three weeks and the highest proportion since Oct. 14. Global copper stockpiles monitored by exchanges in London, Shanghai and New York fell 23 percent since March and this month were at the lowest level since October 2009, Bloomberg data show. European copper demand will rebound after this quarter and prices will climb 26 percent in the next 12 months, Goldman Sachs Group Inc. said Dec. 20. The European Central Bank awarded a record 489 billion Euros (\$638 billion) to euro-area banks for three years on Dec. 21 to keep credit flowing amid a debt crisis that helped wipe more than \$10 trillion from the value of equities since May and pushed copper down 22 percent this year. (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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