

Executive Summary

• Macroeconomics

Turkey to sign agreement for Azerbaijan gas pipeline tomorrow.

• Forex

The euro traded at \$1.3044 at 5:01 p.m. in New York. The EUR/RON closed at 4.2940/4.2960.

• Money Market

RON T/N trading range was 5.17%-5.80%.

• Equities

Domestic

The BSE closed green, BET-C gained 0.39% on higher volumes, while BET increased 0.27%, BET-FI gained 0.65%.

RASDAQ-C closed green (0.51%) on lower volumes, while Tier I increased 0.19%, Tier II lost 2.10%.

Foreign

U.S. stocks gain as durable goods orders, new-home sales signal expansion. European stocks advance as U.S. durable goods orders allay crisis concern.

• Commodities

Gold and Platinum down. Most other major commodities up.

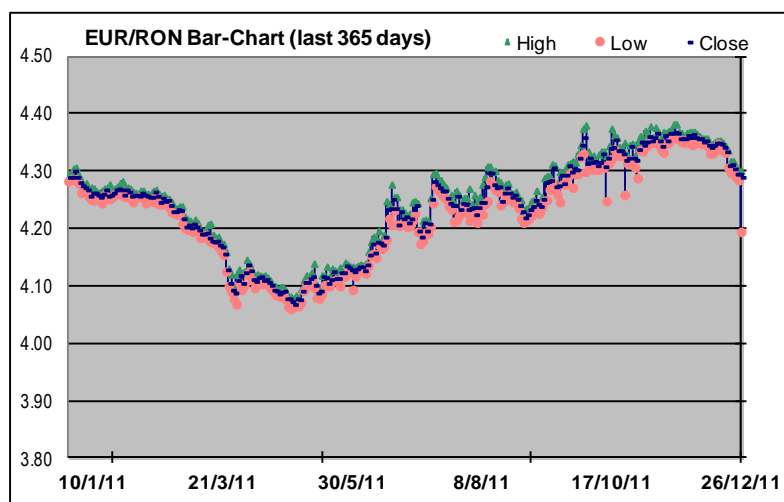
Market Data (as of 27 December 2011)

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

• Forex (as of 27-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	3.2895	2.7352	3.3568	3.2342	3.2690
CHF/RON	3.5129	3.1021	4.0619	3.4513	3.3966
100HUF/RON	1.3978	1.3725	1.6075	1.5343	1.5360

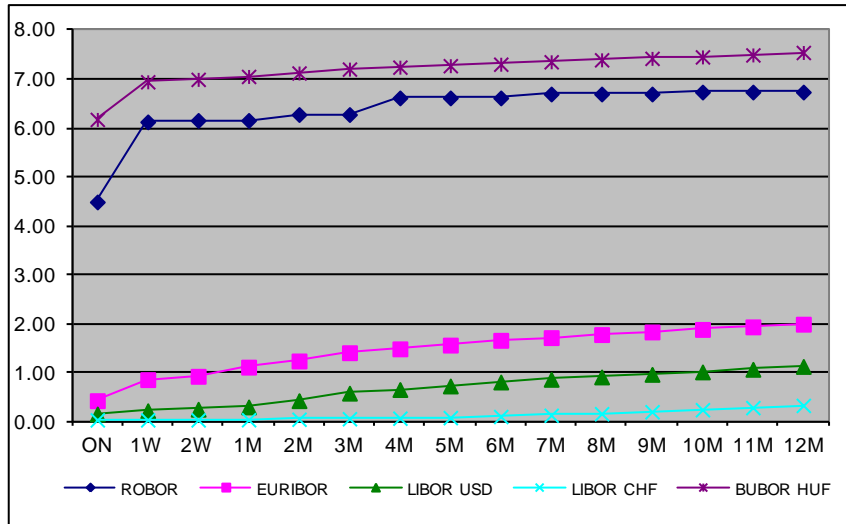
* since Bloomberg is the data source NBR rates will likely differ



• Money Markets (valid for 27 December 2011)

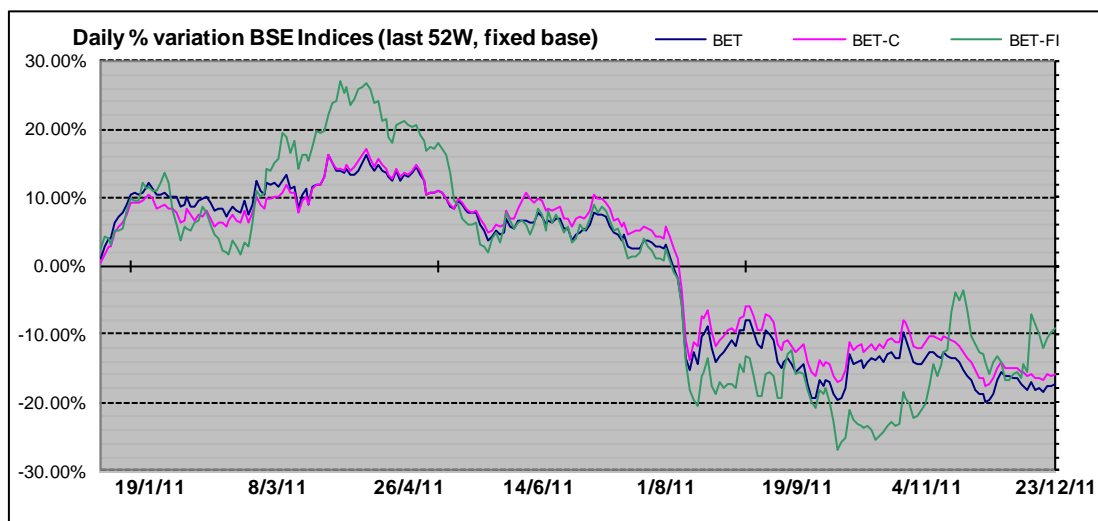
Rate	ON	1W	2W	1M	2M	3M	4M	5M	6M	7M	8M	9M	10M	11M	12M
ROBOR*	4.49	6.13	-	6.16	-	6.28	-	-	6.62	-	-	6.70	-	-	6.74
EURIBOR**	0.42	0.85	0.92	1.11	1.24	1.40	1.48	1.56	1.66	1.71	1.78	1.83	1.88	1.93	1.99
LIBOR USD	0.15	0.22	0.25	0.29	0.42	0.58	0.65	0.72	0.80	0.86	0.91	0.96	1.01	1.06	1.12
LIBOR CHF	0.03	0.03	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	6.95	7.00	7.06	7.13	7.21	7.25	7.28	7.31	7.36	7.40	7.43	7.46	7.50	7.55

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



(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	4,319.56	0.27	-17.24	-16.72
BET-C	2,607.09	0.39	-15.81	-15.24
BET-FI	19,463.18	0.65	-9.21	-7.05
ROTX	8,002.50	0.76	-25.92	-25.30
Rasdaq-C	1,561.81	0.51	-7.04	-6.83
RAQ-I	898.56	0.19	-37.69	-46.29
RAQ-II	2,051.20	-2.10	-32.89	-32.36

Foreign

Indices	Last close	1d%	Ytd%	52W%
DJIA (USD)	12,294.00	1.02	6.26	6.23
S&P 500 (USD)	1,265.33	0.90	0.59	0.68
DAX (EUR)	5,878.93	0.46	-14.97	-16.70
FTSE 100 (GBP)	5512.7	1.02	-7.68	-8.06
STOXX 600 (EUR)	241.86	0.87	-12.69	-14.16
BUX (HUF)	17,504.54	0.24	-17.81	-18.38

Top 5 most traded	Volume -RON	Volume - shares	Trades	Last price	1d%
FP	4,908,179	11,540,200	267	0.4231	-0.68
SIF5	2,061,253	1,906,500	188	1.0800	0.00
SIF3	1,850,362	3,261,500	362	0.5700	1.97
SIF2	968,343	889,000	128	1.0900	1.58
SIF4	621,645	1,086,000	117	0.5750	2.50

Trading Volumes	BVB	Rasdaq	BUSE	NYSE listed	Nasdaq	LSE	STOXX 600 *
Previous Day	9.27	0.01	25.39	9,490.85	4,664.72	1,009.34	241.86
Ytd Avg. (EUR mn)	9.31	0.54	56.54	19,718.48	11,572.56	5,184.57	259.21
MCap (EUR bn)**	16.36	2.30	15.11	3,413.68	12,781.03	2,467.13	6,030.87

* 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%
MECF	58	500	1	0.1150	15.00
STZ	5,062	14,500	11	0.3495	14.97
CEON	2,391	43,500	3	0.0590	7.47
TBM	616	14,000	13	0.0450	7.14
EFO	271	3,500	42	0.0646	6.97

Worst 5 performers	Volume -RON	Volume - shares	Trades	Last price	1d%
RPH	99,737	141,400	18	0.6900	-4.17
BVB	9,964	344	32	28.9700	-2.62
ALU	5,036	5,130	6	0.9800	-1.90
OLT	3,619	3,500	6	1.0300	-0.96
ROCE	507	3,000	1	0.1690	-0.82

• **Commodities**

• **OTP AM – Open-End Funds (as of 22-Dec-11)**

Item (market)	unit	last close	1d%	Ytd%	52W%
Oil (Brent crude)	USD/barrel	107.96	0.06	15.43	14.51
Gold (COMEX)	USD/ounce	1606	-0.29	13.14	15.17
Platinum (NYMEX)	USD/ounce	1423	-0.04	-18.60	-17.21
Silver (COMEX)	USD/ounce	29.084	0.13	-5.58	-1.80
Wheat (CBOT)	USD/bushel	6.22	0.04	-27.57	-27.59
Corn (CBOT)	USD/bushel	6.195	0.32	10.77	10.82

Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%
OTP AvantisRO	RON	5.6000	0.72	-14.63	-12.50
OTP Obligatiuni	RON	11.4500	0.09	14.04	15.42
OTP ComodisRO	RON	13.9464	0.02	6.33	6.47
OTP Euro Bond	EUR	10.4953	0.01	4.43	4.53

Market Highlights (as of 26 December 2011)

• **Forex**

The euro fell 0.1 percent to \$1.3044 at 5:01 p.m. New York time. It touched \$1.2946 on Dec. 14, the weakest since January. The U.S. currency depreciated 0.1 percent to 78.09 yen. The euro dropped 0.2 percent to 101.86 yen. (Bloomberg)

EUR/RON opened at 4.2960/4.2980 and after losing gains made mid morning closed only marginally stronger at 4.2940/4.2960. (ContiCap)

• **Money Market**

RON T/N trading range was 5.17-5.80%. RON implied yields were left unchanged on the quietest of days. (ContiCap)

• **Equities**

Domestic

The BSE closed green (BET-C, which does not include the SIFs gained 0.39%) on higher volumes and still below this year's average volume. While BET blue chips index increased 0.27%, BET-FI advanced 0.65%.

RASDAQ-C closed green (0.51%), while Tier I increased 0.19%, Tier II dropped 2.10%. The trading volume was lower and below 2011's average volume.

Foreign

The S&P 500 (SPX) increased 0.9 percent to 1,265.33 on December 23th. The Dow Jones Industrial Average gained 124.35 points, or 1 percent, to 12,294, the highest since July 27, when a political battle about the U.S. debt ceiling was leading stocks on seven-day decline. The Stoxx Europe 600 Index rose 0.9 percent to 241.83 at the close in London. The gauge has advanced 3.5 percent last week and rebounded 13 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 was trading at \$107.76 a barrel, 13 cents lower, on the London-based ICE Futures Europe exchange. (Bloomberg)

Latest Financial News

• **Macroeconomics**

Turkey to sign agreement for Azerbaijan gas pipeline tomorrow.

Turkey and Azerbaijan will sign a memorandum of understanding tomorrow, establishing a consortium that will build a pipeline to ship natural gas from the BP Plc- operated Shah Deniz field to Europe via Anatolia. State Oil Co. of Azerbaijan, or Socar, Turkey's state-owned pipeline operator Botas Boru Hatlari ile Petrol Tasima AS and oil firm Turkiye Petrolleri AO will be the founding members of the organization, which may add more international oil and gas companies going forward, the Turkish Energy Ministry said today in an e-mailed statement. The Trans-Anatolia pipeline is planned to be completed by 2017, when the second phase of Shah Deniz starts producing gas, Turkish Energy Minister Taner Yildiz said on Nov. 18. It's too early to provide a cost for the project, he said when asked about Socar's estimate of as much as \$6 billion, according to state-run Anatolia news agency. (Bloomberg)

• **Forex**

Dollar index holds decline before U.S. confidence, manufacturing reports.

The Dollar Index held losses from last week before U.S. data forecast to show consumer confidence rose to the most since July and regional manufacturing gauges increased, reducing demand for haven assets. The Dollar Index, which tracks the greenback against the currencies of six major U.S. trading partners, slid 0.1 percent to 79.843 as of 7:10 a.m. in London, having lost 0.2 percent last week. The euro was little changed at 101.81 yen. The 17- nation currency traded at \$1.3070 from \$1.3061. The dollar lost 0.1 percent to 77.89 yen. (Bloomberg)

• **Money Market**

Treasuries advance as European debt concern boosts demand for safer assets.

Treasuries advanced before Italy auctions 20 billion Euros (\$26 billion) of debt this week as the country faces a potential credit-rating cut, supporting demand for the relative safety of U.S. bonds. U.S. government debt has returned 8.9 percent in 2011, set for the biggest annual gain since 2008, according to an index compiled by Bank of America Merrill Lynch. A “few” Bank of Japan board members said financial-market turmoil from the European debt crisis and the yen’s appreciation were increasing risks for growth, according to minutes of last month’s board meeting published today in Tokyo. “It’s certain that Europe will enter a recession,” said Hiromasa Nakamura, a senior investor in Tokyo at Mizuho Asset Management Co., which oversees the equivalent of \$42 billion. “That’s a positive factor for Treasuries.” Ten-year Treasury yields fell two basis points to 2 percent as of 6:57 a.m. in London, according to Bloomberg Bond Trader prices. The 2 percent security due November 2021 added 6/32, or \$1.88 per \$1,000 face amount, to 99 31/32. (Bloomberg)

Romania wants to raise as much as 16 billion Lei in 1st quarter.

Romania seeks to raise between 14 billion lei and 16 billion lei in debt from the domestic market in the first quarter of next year, the country’s Finance Ministry said on its website on Friday, last week. The ministry plans to sell 2.5 billion Euros in international bonds next year, depending on market conditions, and aims to finance half of its 2012 budget deficit by tapping the domestic market, the Bucharest-based ministry said. It needs to refinance 52.4 billion lei in maturing debt in 2012. (Bloomberg)

• **Equities**

Domestic

Some 65.75 mln shares of Romania's Proprietatea trade for 28 mln Lei (6.5 mln Euro).

Some 65.75 million shares, equal to 0.48% of the share capital of Romania’s Fondul Proprietatea (FP RO), changed hands for 28 million lei (\$8.5 million/6.5 million euro) on the Bucharest bourse on Friday, stock exchange data showed. The shares traded in two block deals at a price of 0.425 lei each, data from the Bucharest Stock Exchange indicated. The parties to the deals were not disclosed. Blue chip Fondul Proprietatea, set up in 2005, was designed to compensate pre-communist owners whose property cannot be restored in its original form. It owns stakes in companies from the electricity, oil and gas sectors. (SeeNews)

Romania picks KPMG to evaluate Posta Romana.

Romania has selected the local unit of international consultancy KPMG to evaluate state-controlled postal operator Posta Romana prior to its privatization, the communications ministry said on Friday. KPMG Romania’s 48,360 lei (\$15,000/11,000 euro) offer was better than the only other bid, which was filed by Preciss Consulting, the ministry said in a statement. KPMG will have to present the evaluation report by January 20. Romania said last month it will pick by the end of January a tie-up made of an investment bank and a law firm that will advise the country on Posta Romana’s privatization. The consortium will have to select a strategic investor which will get a minority stake in the postal operator by raising its capital. Romania’s communication ministry holds 75% of the postal operator, while property restitution fund Proprietatea owns the remaining 25%. (SeeNews)

Romania's Mecanica Ceahlau prelim 2011 net profit seen more than tripling.

Romanian farming equipment manufacturer Mecanica Ceahlau (MECF RO) said its preliminary net profit for this year is seen at 7.27 million lei (\$2.2 million/1.7 million euro) up from the 2.2 million reported for 2010. The 2011 preliminary net profit is 10 times higher than the budgeted figure of 777,045 lei, Mecanica Ceahlau said in a statement on Thursday. (SeeNews)

Foreign

Federal regulators approved the purchase of Qualcomm's airwaves by AT&T.

AT&T, the largest U.S. phone company, rallied 0.7 percent to \$29.87. Federal regulators approved its \$1.93 billion purchase of Qualcomm’s airwaves three days after AT&T dropped its plan to buy T-Mobile USA Inc. (Bloomberg)

Bayer AG's four of its drugs in development may become blockbusters.

Bayer AG increased 6.9 percent. The company said that four of its drugs in development may become blockbusters, ultimately contributing 5 billion Euros to annual revenue. (Bloomberg)

• **Commodities**

Oil trades near two-week high on speculation U.S. recovery to boost demand.

Oil traded near the highest settlement in two weeks amid speculation the U.S. economy will continue to recover, bolstering demand for raw materials in the world’s biggest crude consumer. Futures were little changed after gaining 6.6 percent last week, the most since the five days ending Oct. 28. Reports today may show U.S. consumer confidence improved to a five-month high and home prices in 20 cities declined at a slower pace. Financial markets from Hong Kong to the U.K. and the U.S. were closed for holidays yesterday. “Economic indicators, especially in the U.S., are improving,” said Tetsu Emori, a commodity fund manager at Astmax Co. in Tokyo, who forecasts oil will trade “more or less” at the \$100-level in coming months. (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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