

Executive Summary

• Macroeconomics

Romania's November industrial PPI rises 7.87% YoY.

• Forex

The euro traded at \$1.2943 at 5:00 p.m. in New York. The EUR/RON closed 4.3195/4.3215.

• Money Market

RON T/N trading range was 0.31% - 0.92%.

• Equities

Domestic

The BSE closed mixed, BET-C lost 0.01% on low volumes, while BET increased 0.14%, BET-FI gained 1.21%.

RASDAQ-C closed green (0.12%) on low volumes, while Tier I gained 1.62%, Tier II was flat.

Foreign

Stocks in U.S. erase earlier losses as 10-year treasury yield rises to 2%. European stocks decline on bank-capital concern.

• Commodities

Oil and gold up. Most other major commodities down or flat.

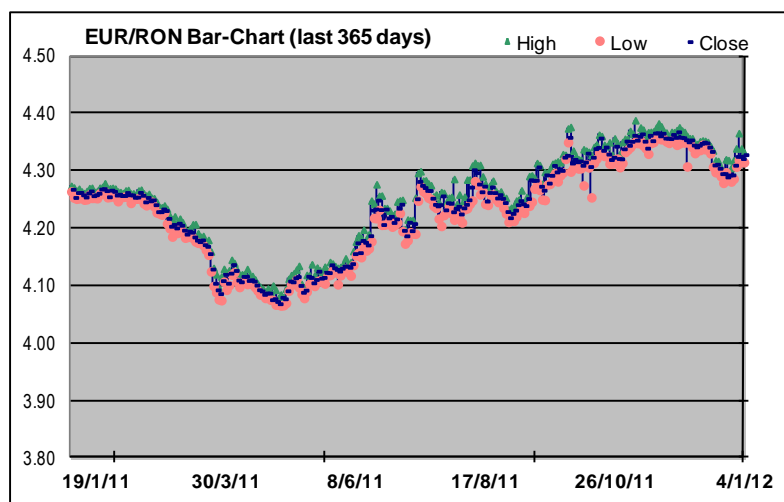
Market Data (as of 05 January 2012)

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

• Forex (as of 5-Jan-12)

FX Rates*	Prv. Day	Min 52W	Max 52W	Ytd	-52W
EUR/RON	4.3290	4.0782	4.3595	4.3271	4.2680
USD/RON	3.3422	2.7352	3.3693	3.3367	3.2362
CHF/RON	3.5527	3.1021	4.0619	3.5540	3.3581
100HUF/RON	1.3511	1.3453	1.6076	1.3745	1.5470

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

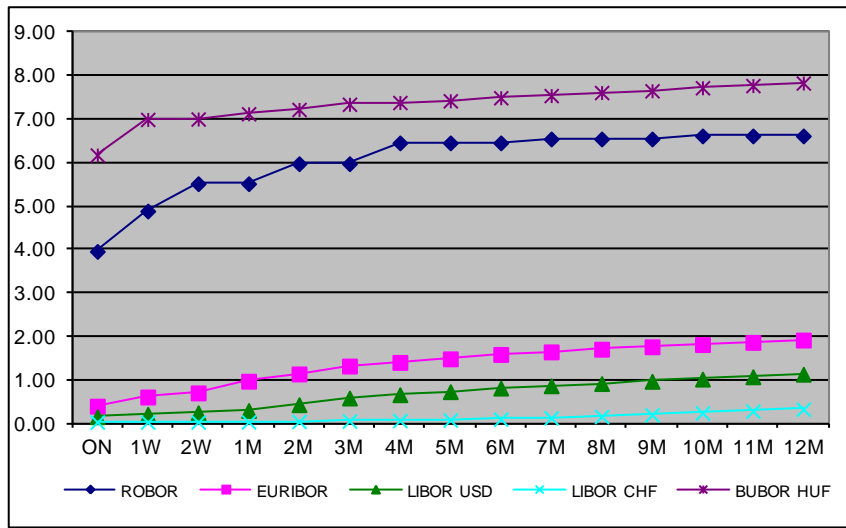


• Money Markets (valid for 05 January 2012)

Rate	ON	1W	2W	1M	2M	3M	4M	5M	6M	7M	8M	9M	10M	11M	12M
ROBOR*	3.96	4.89	-	5.52	-	5.98	-	-	6.46	-	-	6.55	-	-	6.62
EURIBOR**	0.40	0.61	0.70	0.97	1.14	1.32	1.40	1.49	1.59	1.65	1.71	1.76	1.81	1.86	1.92
LIBOR USD	0.15	0.21	0.24	0.30	0.43	0.58	0.66	0.73	0.81	0.86	0.92	0.97	1.02	1.07	1.13
LIBOR CHF	0.03	0.03	0.03	0.03	0.04	0.05	0.06	0.08	0.09	0.12	0.16	0.20	0.24	0.28	0.33
BUBOR HUF	6.18	7.00	7.01	7.13	7.23	7.35	7.39	7.43	7.50	7.55	7.62	7.66	7.73	7.78	7.84

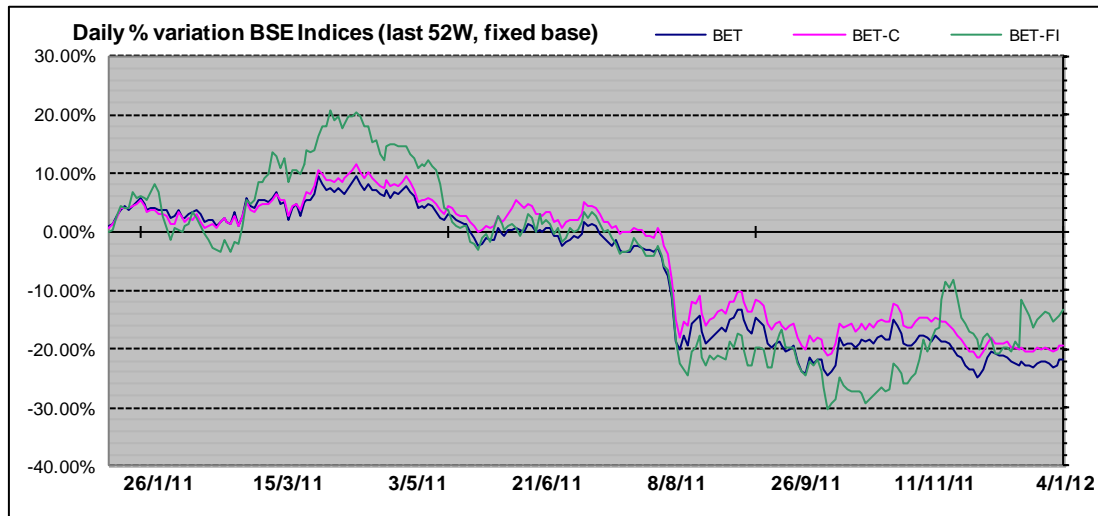
* in the chart below, values for maturities where there is no quote are proxied by the maximum of the previous and the next maturity

** 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	4,342.97	0.14	0.14	-19.90
BET-C	2,621.26	-0.01	-0.01	-17.65
BET-FI	19,575.48	1.21	1.21	-12.07
ROTX	8,078.10	0.49	0.49	-27.58
Rasdaq-C	1,581.95	0.12	0.12	-6.49
RAQ-I	923.51	1.62	1.62	-38.37
RAQ-II	1,991.98	0.00	0.00	-36.95

Foreign

Indices	Last close	1d%	Ytd%	52W%
DJIA (USD)	12,418.42	0.17	1.64	6.22
S&P 500 (USD)	1,277.30	0.02	1.57	0.56
DAX (EUR)	6,111.55	-0.89	3.61	-12.38
FTSE 100 (GBP)	5668.45	-0.55	1.73	-5.74
STOXX 600 (EUR)	249.62	-0.57	2.08	-10.97
BUX (HUF)	16,574.58	-2.44	-2.35	-24.48

Top 5 most traded	Volume -RON	Volume - shares	Trades	Last price	1d%
FP	4,507,396	10,442,500	220	0.4320	1.17
SIF5	1,516,634	1,406,000	177	1.0800	2.18
SIF3	846,325	1,474,500	215	0.5730	1.06
SNP	522,751	1,801,500	153	0.2900	0.00
EBS	383,037	6,413	103	59.2500	2.16

Trading Volumes	BVB	Rasdaq	BUSE	NYSE listed	Nasdaq	LSE	STOXX 600 *
Previous Day	2.24	0.03	10.72	15,444.63	9,082.43	4,054.19	249.62
Ytd Avg. (EUR mn)	2.24	0.03	56.03	14,830.53	8,107.35	3,211.47	248.09
MCap (EUR bn)**	16.49	2.37	13.78	3,531.88	13,136.36	2,572.69	6,223.05

* 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%
EPT	101	2,000	2	0.0506	15.00
TRP	115	500	1	0.2303	14.98
PREH	1,015	900	2	1.1500	9.52
EFO	1,220	16,000	7	0.0770	6.94
RPH	218	300	42	0.0646	5.65

Worst 5 performers	Volume -RON	Volume - shares	Trades	Last price	1d%
SOCP	4,936	15,000	5	0.3150	-8.56
SNO	520	200	1	2.6000	-7.80
COFI	65,718	2,775,300	209	0.0219	-7.59
TBM	345	7,500	8	0.0439	-5.79
BCC	13,119	235,000	31	0.0542	-4.41

- **Commodities**

Item (market)	unit	last close	1d%	Ytd%	52W%
Oil (Brent crude)	USD/barrel	113.7	1.40	5.89	20.41
Gold (COMEX)	USD/ounce	1612.7	0.76	2.93	15.93
Platinum (NYMEX)	USD/ounce	1419	-0.49	1.28	-19.31
Silver (COMEX)	USD/ounce	29.097	-1.61	4.23	-2.25
Wheat (CBOT)	USD/bushel	6.5	-1.07	-0.42	-24.72
Corn (CBOT)	USD/bushel	6.585	0.00	1.86	19.35

- **OTP AM – Open-End Funds (as of 30-Dec-11)**

Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%
OTP AvantisRO	RON	5.6200	0.36	-14.33	-14.33
OTP Obligatiuni	RON	11.4600	0.00	14.14	14.26
OTP ComodisRO	RON	13.9648	0.03	6.47	6.47
OTP Euro Bond	EUR	10.5056	0.01	4.53	4.54

Market Highlights (as of 04 January 2012)

- **Forex**

The euro fell 0.8 percent to \$1.2943 at 5 p.m. in New York after rising to \$1.3077 a day before, the highest level since Dec. 28. The common currency depreciated 0.9 percent to 99.29 yen. It dropped to 98.66 yen on Jan. 2, the weakest since December 2000. The dollar was little changed at 76.72 yen. (Bloomberg)

EUR/RON opened at 4.3170/4.3190 and closed the day at 4.3195/4.3215. (ContiCap)

- **Money Market**

RON T/N trading range was 0.31% - 0.92%. The curve shifted downwards with the more significant moves occurring in the shorter durations and lessening as we moved down the curve. 1m moved -71bp, 2m -42bp, 3m -29bp, 6m -21.5bp, 9m -15bp and 12m -10bp. (ContiCap)

- **Equities**

- **Domestic**

The BSE closed mixed (BET-C, which does not include the SIFs lost 0.01%) on low volumes. While BET blue chips index increased 0.14%, BET-FI gained 1.21%.

RASDAQ-C closed green (0.12%), while Tier I gained 1.62%, Tier II closed flat. The trading volume was very low.

- **Foreign**

The Standard & Poor's 500 Index rose less than 0.1 percent to 1,277.30 at 4 p.m. in New York after losing 0.7 percent earlier. The Dow Jones Industrial Average climbed 21.04 points, or 0.2 percent, to 12,418.42. The Stoxx Europe 600 Index fell 0.6 percent to 249.62 at the close in London, snapping a four-day rally. The measure rose to the highest level since Aug. 3 a day before after a report showed that U.S. manufacturing expanded in December at the fastest pace in six months. The gauge lost 11 percent last year. (Bloomberg)

- **Commodities**

Brent oil for February rose \$1.57, or 1.4 percent, to settle at \$113.70 a barrel on the London-based ICE Futures Europe exchange. (Bloomberg)

Latest Financial News

- **Macroeconomics**

Romania's economy grows by nearly 2.0% in 2011, tops target - TV.

Romanian Prime Minister Emil Boc said on Wednesday the country's economy expanded by nearly 2.0% in 2011, above the 1.5% target, local media reported. The country met its consolidated budget deficit target of 4.4% of gross domestic product (GDP) in 2011, as agreed with the International Monetary Fund, private broadcaster Antena 3 (www.antena3.ro) quoted Boc as saying. "In 2012, jobs and investments represent the most important priority of the government," Boc said. He added that Romania targets an absorption rate of European funds of at least 20% in 2012. (SeeNews)

Romania's November industrial PPI rises 7.87% YoY.

Romania's November producer price index (PPI) for the industrial sector rose by 0.42% month-on-month and was 7.87% higher on the year, the country's statistics board, INS, said on Wednesday. In October, the PPI rose by a monthly 0.36% and increased by an annual 8.35%. (SeeNews)

- **Forex**

Euro approaches 11-year low versus Japanese Yen before French bond sales.

The euro approached an 11-year low against the yen, this morning, before France sells bonds today on concern the region's governments and banks will struggle to raise funds. The 17-nation currency slumped against 12 of 16 major peers after Greek Prime Minister Lucas Papademos warned his nation may face economic collapse as soon as March. The Australian and New Zealand dollars weakened against the greenback as Asian stocks (MXAP) fell, ending a two-day rally and sapping demand for higher-yielding assets. Gains in the dollar were limited before reports forecast to show service industries in the U.S. expanded in December and companies boosted payrolls. "There will be steady pressure on the euro in terms of rolling over existing debt and issuing new debt," said Sean Callow, a senior currency strategist at Westpac Banking Corp. in Sydney, Australia's second-largest lender. "There's really been nothing that would make you want to even play for an interim bounce in the euro." (Bloomberg)

- **Money Market**

Romania may lower rates for second time on inflation slowdown.

Romania's central bank will lower its benchmark interest rate for a second consecutive meeting on expectations inflation will slow further, a survey of economists showed. The Banca Nationala a Romaniei will cut its main interest rate to a record-low 5.75 percent from 6 percent, according to the median estimate of nine out of 13 economists polled by Bloomberg. One forecast a half-point cut, while three expect no change. A decision is will probably be announced today after 11 a.m. in Bucharest. Romanian policy makers unexpectedly resumed easing in November, dropping the rate by a quarter-point after the slowest inflation in two decades gave them room to aid an economic recovery in the country, home to carmaker Dacia SA. (Bloomberg)

France takes market pulse with bond sale as AAA rating decision looms.

France plans to sell as much as 8 billion Euros (\$10.4 billion) of debt today in the country's first test this year of investor appetite for its bonds as credit companies threaten to cut the nation's AAA rating. "It's going to be a tough one," said Michael Leister, a fixed-income strategist at DZ Bank AG in Frankfurt. "The rating is an evergreen topic. France has been suffering since the second half of December against its AAA peers. But given the importance of the signal from this first auction, I guess it will go alright." (Bloomberg)

• Equities

Domestic

Porto Petrol exits chemicals producer Sinteza.

Romanian fuel retailer Porto Petrol sold its entire stake of 51.89% in local chemicals producer Sinteza (STZ RO) for 19.9 million lei (\$6.0 million/4.6 million euro), data from the Bucharest bourse showed. Porto Petrol sold its 34.3 million Sinteza shares on the bourse to local company Chempark Invest on December 30. The shares changed hands at 0.581 lei each. In regular trading, Sinteza's stock was trading flat at 0.52 lei by 1004 GMT on Wednesday. (SeeNews)

Foreign

Banco Santander SA sold new stock month to bolster capital.

Banco Santander SA (SAN) slid 3.9 percent to 5.79 Euros as new stock sold last month to bolster capital at Spain's biggest lender started trading in Madrid. Santander raised 1.94 billion Euros in December by swapping non-listed preferred securities sold to retail customers in 2009 for newly-issued stock that can be accounted as core capital. (Bloomberg)

UniCredit share sale discount because of crisis, CEO tells Sole.

UniCredit SpA sold new shares at a 43 percent discount because of a deepening in the sovereign debt crisis, Chief Executive officer Federico Ghizzoni told Il Sole 24 Ore in an interview. UniCredit agreed with the arrangers of the rights offer to adapt the share price to the market conditions, the CEO said, adding that he expects other banks raising money to comply with the European regulators to do the same. UniCredit shares fall 6.9% in Italian trading, this morning. (Bloomberg)

• Commodities

Oil trades near 8-month high as Iran tension counters Europe debt crisis.

Oil traded near the highest price in almost eight months in New York as speculation that sanctions against Iran will curb crude supplies countered concern that Europe's debt crisis will worsen and slow demand. "What we're seeing is a fundamental tug-of-war, if you like, between two competing forces," Ric Deverell, head of commodities research for Credit Suisse Group AG said in a Bloomberg Television interview, referring to Europe's sovereign debt crisis and Iran. "We have the oil market in a volatile range at the moment that's likely to persist for some time." (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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