

## Executive Summary

### • Macroeconomics

Draghi says weaponry working after ECB postpones 'Armageddon'.

### • Forex

The euro traded at \$1.2814 at 5:00 p.m. in New York. The EUR/RON closed 4.3460/4.3480.

### • Money Market

RON T/N trading range was at 0.50% - 0.85%.

### • Equities

#### Domestic

The BSE closed mixed, BET-C gained 0.35% on higher volumes, while BET lost 0.04%, BET-FI gained 1.05%.

RASDAQ-C closed green (+0.39%) on lower volumes, while Tier I lost 2.44%, Tier II was flat.

#### Foreign

U.S. stocks rise amid lower borrowing costs at Europe auctions. European stocks decline.

### • Commodities

Wheat, corn and oil down. Most other major commodities up.

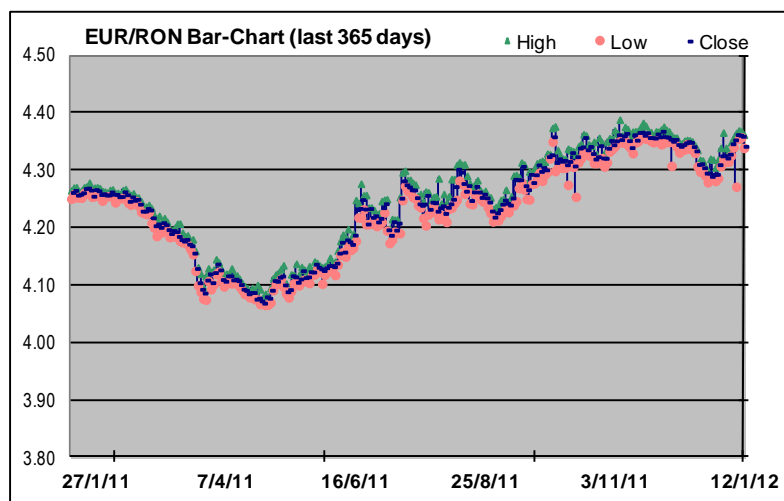
## Market Data (as of 13 January 2012)

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

### • Forex (as of 13-Jan-12)

FX Rates*	Prv. Day	Min 52W	Max 52W	Ytd	-52W
EUR/RON	4.3422	4.0782	4.3595	4.3271	4.2608
USD/RON	3.3829	2.7352	3.4435	3.3367	3.1908
CHF/RON	3.5901	3.1021	4.0619	3.5540	3.3148
100HUF/RON	1.4097	1.3390	1.6076	1.3745	1.5525

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

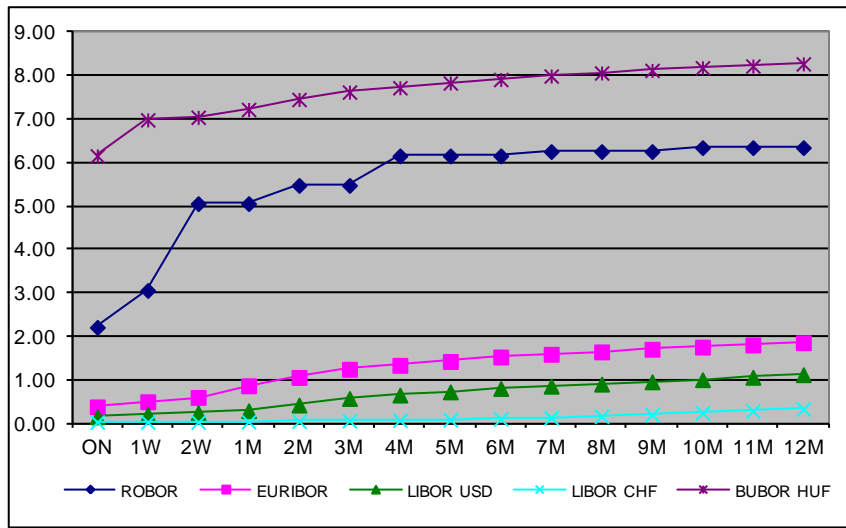


### • Money Markets (valid for 13 January 2012)

Rate	ON	1W	2W	1M	2M	3M	4M	5M	6M	7M	8M	9M	10M	11M	12M
ROBOR*	2.21	3.06	-	5.06	-	5.48	-	-	6.16	-	-	6.26	-	-	6.35
EURIBOR**	0.38	0.50	0.60	0.86	1.06	1.25	1.34	1.42	1.53	1.59	1.65	1.71	1.76	1.81	1.86
LIBOR USD	0.15	0.20	0.24	0.29	0.42	0.57	0.65	0.72	0.80	0.85	0.90	0.96	1.00	1.06	1.12
LIBOR CHF	0.03	0.03	0.03	0.04	0.05	0.06	0.07	0.08	0.10	0.13	0.16	0.20	0.24	0.29	0.33
BUBOR HUF	6.16	6.99	7.05	7.23	7.46	7.63	7.73	7.84	7.92	8.00	8.07	8.13	8.19	8.23	8.28

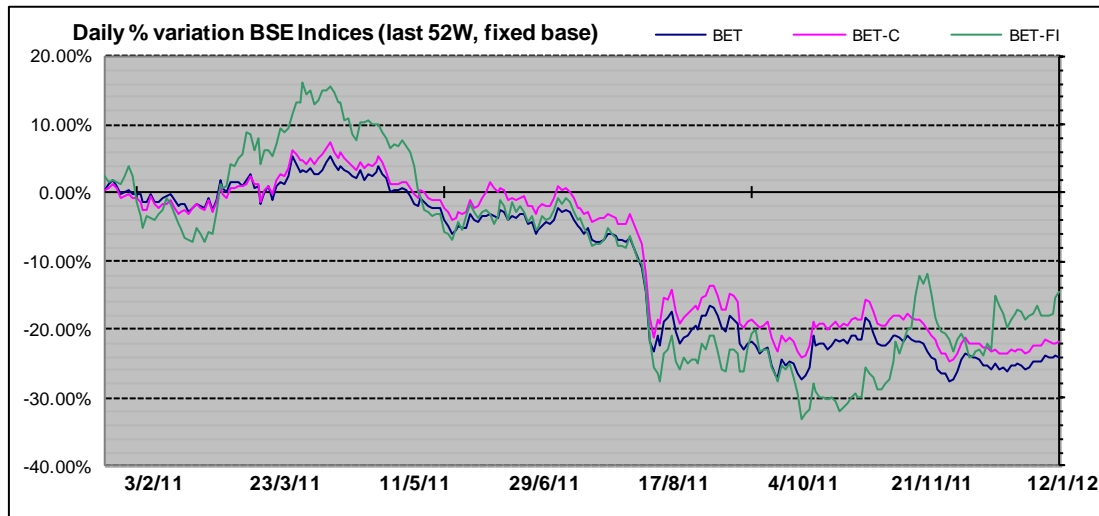
\* in the chart below, values for maturities where there is no quote are proxied by the maximum of the previous and the next maturity

\*\* 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	4,376.58	-0.04	0.91	-24.00
BET-C	2,641.84	0.35	0.78	-21.89
BET-FI	20,060.22	1.05	3.72	-14.71
ROTX	8,012.60	0.47	-0.32	-31.69
Rasdaq-C	1,592.02	0.39	0.76	-7.94
RAQ-I	956.05	-2.44	5.20	-37.44
RAQ-II	2,016.35	0.00	1.22	-34.35

Foreign

Indices	Last close	1d%	Ytd%	52W%
DJIA (USD)	12,471.02	0.17	2.07	6.09
S&P 500 (USD)	1,295.50	0.23	3.01	0.74
DAX (EUR)	6,179.21	0.44	4.76	-12.58
FTSE 100 (GBP)	5662.42	-0.15	1.62	-6.42
STOXX 600 (EUR)	249.5	-0.17	2.03	-12.70
BUX (HUF)	17,030.52	1.62	0.33	-24.25

Top 5 most traded	Volume -RON	Volume - shares	Trades	Last price	1d%
FP	11,087,164	25,830,000	361	0.4270	-0.67
SIF2	4,361,122	3,606,000	424	1.2150	3.85
SIF3	2,911,734	4,965,000	602	0.5825	1.30
SIF1	2,441,007	2,602,000	323	0.9215	-0.27
SIF5	2,438,967	2,171,000	305	1.1240	2.09

Trading Volumes	BVB	Rasdaq	BUSE	NYSE listed	Nasdaq	LSE	STOXX 600 *
Previous Day	6.63	0.03	44.04	15,590.17	8,919.22	6,061.33	249.50
Ytd Avg. (EUR mn)	3.24	0.11	49.58	15,437.61	9,238.58	4,282.20	248.40
MCap (EUR bn)**	16.19	2.37	14.67	3,656.79	13,495.94	2,569.65	6,237.68

\* 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%
CBC	3,065	400	4	7.6700	14.99
SPCU	2,468	15,000	6	0.1640	13.10
TBM	3,318	68,500	23	0.0517	8.84
COFI	70,618	3,051,100	317	0.0236	8.26
RPH	145	200	42	0.0646	8.25

Worst 5 performers	Volume -RON	Volume - shares	Trades	Last price	1d%
PPL	1,633	2,000	3	0.8160	-15.00
PREH	741	500	4	1.4500	-14.20
EPT	2,340	51,000	11	0.0458	-9.49
MECF	307	3,000	4	0.1100	-5.98
BCC	67,583	1,311,000	151	0.0526	-4.19

- **Commodities**

Item (market)	unit	last close	1d%	Ytd%	52W%
Oil (Brent crude)	USD/barrel	111.26	-0.87	3.61	14.03
Gold (COMEX)	USD/ounce	1647.7	0.49	5.16	17.83
Platinum (NYMEX)	USD/ounce	1498.75	0.28	6.98	-16.79
Silver (COMEX)	USD/ounce	30.124	0.78	7.91	1.09
Wheat (CBOT)	USD/bushel	6.05	-5.62	-7.32	-30.48
Corn (CBOT)	USD/bushel	6.115	-6.14	-5.41	7.80

- **OTP AM – Open-End Funds (as of 11-Jan-12)**

Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%
OTP AvantisRO	RON	5.6800	1.07	1.07	-17.32
OTP Obligatiuni	RON	11.4900	0.00	0.26	12.65
OTP ComodisRO	RON	13.9968	0.02	0.23	6.48
OTP Euro Bond	EUR	10.5206	0.01	0.14	4.57

## Market Highlights (as of 12 January 2012)

- **Forex**

The euro climbed 0.8 percent to \$1.2814 at 5 p.m. in New York. It reached \$1.2845, the highest since Jan. 5, after falling to \$1.2662 yesterday, the lowest since September 2010. The 17-nation currency rose 0.7 percent to 98.36 yen after gaining as much as 0.9 percent earlier. The dollar slipped 0.1 percent to 76.76 yen and touched 76.67 yen, the lowest level since Jan. 5. (Bloomberg)

EUR/RON opened at 4.3580/4.3600 and closed the day at 4.3460/4.3480. (ContiCap)

- **Money Market**

RON T/N trading range was 0.5%- 0.85%. The curve moved significantly left yesterday 1m -25bp, 2m -25bp, 3m -24.5bp, 6m -22bp, 9m -16bp and 12m -11bp. (ContiCap)

- **Equities**

- **Domestic**

The BSE closed mixed (BET-C, which does not include the SIFs advanced 0.35%) on higher volumes and above this year's average volume. While BET blue chips index lost 0.04%, BET-FI gained 1.05%.

RASDAQ-C closed green (+0.39%), while Tier I lost 2.44%, Tier II was flat. The trading volume was lower and still below 2012's average volume.

- **Foreign**

The S&P 500 rose 0.2 percent to 1,295.50 at 4 p.m. New York time, erasing a decline of as much as 0.5 percent. The benchmark gauge for American equities gained 1.4 percent in four days to the highest since July 28. The Dow Jones Industrial Average added 21.57 points, or 0.2 percent, to 12,471.02 yesterday. The Stoxx Europe 600 Index fell 0.2 percent to 249.50 at the close in London. The gauge had earlier advanced as much as 0.9 percent after Spain and Italy sold debt, raising their targeted amounts at lower yields. The benchmark measure has still advanced 2 percent since the beginning of this year as economic reports around the world added to optimism the global economy can withstand the euro area's debt crisis. (Bloomberg)

- **Commodities**

Brent oil fell 98 cents, or 0.9 percent, to \$111.26 a barrel on the London-based ICE Futures Europe exchange. It traded as high as \$115.12, the most since Nov. 9, before dropping as low as \$110.31. (Bloomberg)

## Latest Financial News

- **Macroeconomics**

*Draghi says weaponry working after ECB postpones 'Armageddon'.*

European Central Bank President Mario Draghi says his strategy for battling Europe's debt crisis is starting to work. The ECB's massive injection of cash into the financial system last month is beginning to lubricate seized credit markets and there are "tentative signs" of economic stabilization in the euro area, Draghi said in Frankfurt yesterday. While "substantial downside risks" remain, he pointed to falling yields on Italian and Spanish debt this week. That may mitigate the need for further interest rate cuts in the short term and muffle calls for the ECB to step up its government bond purchases. While the 17-nation euro region is still in danger of sliding into recession after the debt crisis spread to Italy and Spain, driving up borrowing costs and hurting the export markets of stronger economies such as Germany, recent data suggest the worst may be over. "The ECB can be rightly justified in saying that the Armageddon we were facing toward the end of last year does seem to have been addressed," said James Nixon, chief European economist at Societe Generale SA in London. (Bloomberg)

- **Forex**

*Euro strengthens versus Dollar, Yen after ECB says credit crunch averted.*

The euro strengthened against the dollar and the yen as Italy prepared to sell bonds and after European Central Bank President Mario Draghi said policy makers have averted a credit shortage. (Bloomberg)

- **Money Market**

*Romania sells RON 917.17 mln 2014 bonds, yields down.*

Romania sold a more than planned 917 million lei (\$266.72 million) in 3-year treasury bonds on Thursday, with the average accepted yield at 6.95 percent, from 7.48 percent at a previous November 17 tender, central bank data showed. Debt managers had planned to sell 500 million. Yields have fallen steadily at debt tenders in recent months and analysts have said they would fall further in the first quarter, helped by two consecutive interest rate cuts to 5.75 percent by the central bank since November. (Reuters)

*ECB holds rate steady as crisis respite gives room to pause cuts.*

The European Central Bank held interest rates steady after two straight cuts as signs of respite from the sovereign debt crisis gave it scope to pause. ECB policy makers meeting in Frankfurt kept the benchmark interest rate at a record low of 1 percent, as predicted by 47 of 53 economists surveyed by Bloomberg News. With the euro area on the brink of a second recession in three years, some signs of economic resilience have given the ECB room to assess the impact of its stimulus to date, which includes injecting a record amount of cash into the banking system. The central bank may be pressed back into action soon if looming budget cuts and a credit shortage prove too powerful for the economy to withstand. (Bloomberg)

## • Equities

### Domestic

*Fondul Proprietatea seeks to lift Romanian block of Warsaw offer.*

Fondul Proprietatea is trying to persuade the Romanian stock market regulator to lift its rejection of the Romanian property restitution fund to hold a secondary share offering on the Warsaw Stock Exchange this year. Franklin Templeton Investment Management Ltd., the fund's manager, wants "for now" to list Fondul Proprietatea's share in Warsaw in the first half of the year, Fondul head Greg Konieczny said in an interview in Bucharest on Wednesday. The regulator blocked the plan to buy back a 10 percent stake from the Bucharest Stock Exchange and list it in Warsaw after ruling it violated market regulations. Franklin Templeton in November delayed a shareholder vote on the listing, meant to attract new investors to the fund, which has a net asset value of 14.4 billion lei (\$4.2 billion), and boost the share price on the Romanian bourse. "I am optimistic the secondary listing will happen sometime this year," Konieczny said. "There have been some delays but we hope we'll make some progress in discussions. It's a matter of interpreting the regulation." (Bloomberg)

*Romania announces timetable for selling company stakes, FP says.*

Romania undertook to start the process of selling stakes in 19 state-controlled companies by the end of the year, Fondul Proprietatea SA, a minority shareholder in the companies, said in a filing to the Bucharest Stock Exchange. The legally binding undertaking to sell on the stock exchange stakes in companies such as Hidroelectrica SA, Nuclearelectrica SA, Romgaz SA and Posta Romana SA was posted in the country's Official Journal, according to the filing. Fondul Proprietatea, managed by Franklin Templeton Investment Management Ltd., said the 19 companies account for more than 51 percent of the fund's net asset value. (Bloomberg)

### Foreign

*RBS to cut 3500 jobs over the next three years.*

RBS advanced 5.6 percent to 23 pence. Britain's biggest government-owned lender will cut 3,500 jobs at its investment bank over the next three years as it exits its unprofitable cash equities and mergers advisory operations. RBS said it will sell or close the units, along with its corporate broking and equity capital markets operations. The bank also said it cut a further 2,000 positions in the second half of last year. (Bloomberg)

*Novartis sees \$900 million charge on Rasilez, to cut jobs.*

Novartis AG plans to book a \$900 million charge as it reassesses the sale potential of its Rasilez drug and said it will cut 1,960 jobs in the U.S. to prepare for the expiry of a patent on its Diovan medicine. The restructuring will lead to a charge of \$160 million in the first quarter and annual savings of \$450 million by 2013, the Basel-based company said today in a statement. The \$900 million charge will be booked in the fourth quarter. Novartis said it's also taking a \$160 million charge in the fourth quarter to terminate programs on elinorel and oral calcitonin. (Bloomberg)

## • Commodities

*Romania exports 14,248 tonnes maize to South Africa.*

South Africa imported 14,248 tonnes of yellow maize from Romania in the beginning of this year, the South African Grain Information Service (SAGIS) said. The maize was imported in the week from December 31 to January 6, SAGIS said in a statement posted on its website on Wednesday. The Romanian agriculture ministry said earlier the country's maize crop rose 26% in 2011 to 11.4 million tonnes, short of earlier estimates. (SeeNews)



### 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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