

Executive Summary

• Macroeconomics

China manufacturing contraction boosts case for easing.

• Forex

The euro traded at \$1.2968 at 5:00 p.m. in New York. The EUR/RON closed 4.3440/4.3460.

• Money Market

RON O/N trading range was at 1.72% - 2.22%.

• Equities

Domestic

The BSE closed green, BET-C advanced 1.00% on higher volumes, while BET increased 0.63%, BET-FI gained 0.71%. RASDAQ-C closed green (+0.56%) on lower volumes, while Tier I was flat, Tier II lost 0.30%.

Foreign

U.S. stocks rise on earnings optimism as jobless claims plunge. European stocks rise as Spain, France sell bonds.

• Commodities

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

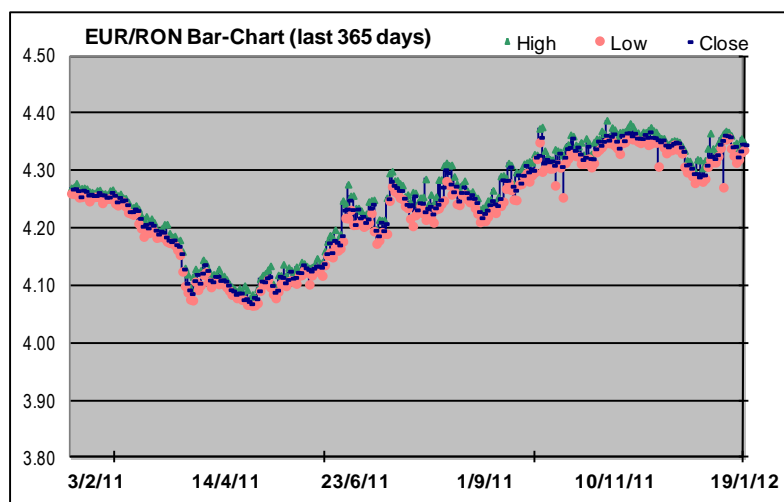
Market Data (as of 20 January 2012)

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

• Forex (as of 20-Jan-12)

FX Rates*	Prv. Day	Min 52W	Max 52W	Ytd	-52W
EUR/RON	4.3459	4.0782	4.3595	4.3271	4.2680
USD/RON	3.3613	2.7352	3.4435	3.3367	3.1696
CHF/RON	3.5977	3.1021	4.0619	3.5540	3.2833
100HUF/RON	1.4273	1.3390	1.6076	1.3745	1.5475

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

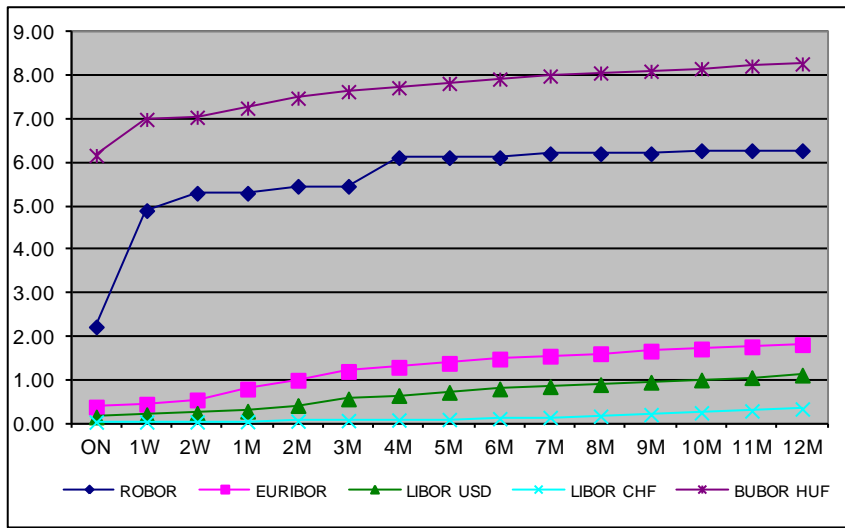


• Money Markets (valid for 20 January 2012)

Rate	ON	1W	2W	1M	2M	3M	4M	5M	6M	7M	8M	9M	10M	11M	12M
ROBOR*	2.22	4.90	-	5.30	-	5.46	-	-	6.12	-	-	6.21	-	-	6.28
EURIBOR**	0.37	0.44	0.54	0.79	0.99	1.20	1.29	1.38	1.48	1.55	1.60	1.66	1.71	1.76	1.81
LIBOR USD	0.15	0.20	0.23	0.28	0.41	0.56	0.64	0.71	0.79	0.84	0.89	0.95	1.00	1.05	1.11
LIBOR CHF	0.03	0.03	0.03	0.04	0.05	0.06	0.08	0.09	0.11	0.13	0.16	0.20	0.24	0.29	0.33
BUBOR HUF	6.17	7.00	7.05	7.26	7.49	7.64	7.73	7.83	7.93	8.00	8.07	8.11	8.17	8.23	8.28

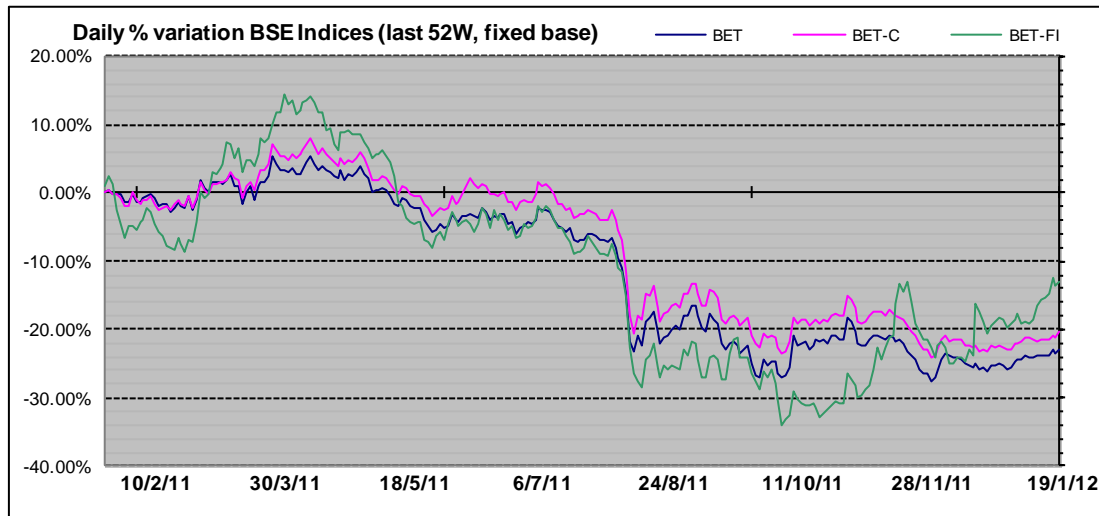
* in the chart below, values for maturities where there is no quote are proxied by the maximum of the previous and the next maturity

** 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	4,435.35	0.63	2.27	-24.29
BET-C	2,675.45	1.00	2.06	-21.83
BET-FI	20,719.79	0.71	7.13	-13.36
ROTX	8,335.80	2.64	3.70	-30.77
Rasdaq-C	1,589.37	0.56	0.59	-10.92
RAQ-I	933.66	0.00	2.73	-40.88
RAQ-II	1,911.68	-0.30	-4.03	-38.93

Foreign

Indices	Last close	1d%	Ytd%	52W%
DJIA (USD)	12,623.98	0.36	3.33	6.75
S&P 500 (USD)	1,314.50	0.49	4.52	2.54
DAX (EUR)	6,416.26	0.97	8.78	-9.41
FTSE 100 (GBP)	5741.15	0.68	3.03	-3.94
STOXX 600 (EUR)	256.57	1.22	4.92	-9.25
BUX (HUF)	18,500.01	1.93	8.99	-19.20

Top 5 most traded	Volume -RON	Volume - shares	Trades	Last price	1d%
FP	12,264,360	27,998,000	332	0.4370	0.18
TLV	2,625,806	2,883,000	138	0.9060	-0.98
EBS	2,547,873	41,284	522	63.5500	9.57
SIF2	2,265,105	1,739,500	234	1.3100	1.08
SNP	2,217,283	7,385,500	123	0.3030	2.16

Trading Volumes	BVB	Rasdaq	BUSE	NYSE listed	Nasdaq	LSE	STOXX 600 *
Previous Day	8.10	0.05	97.47	16,280.08	11,416.43	6,581.31	256.57
Ytd Avg. (EUR mn)	4.62	0.08	53.11	15,859.48	9,625.23	4,591.99	249.84
MCap (EUR bn)**	17.12	2.37	16.12	3,701.46	13,561.55	2,609.46	6,413.15

* 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%
PREH	145	100	1	1.4490	11.46
EBS	2,547,873	41,284	522	63.5500	9.57
MECF	110	1,000	1	0.1099	9.24
OLT	153,521	125,500	89	1.2290	5.86
NEP	14	1	42	0.0646	5.15

Worst 5 performers	Volume -RON	Volume - shares	Trades	Last price	1d%
EFO	9,971	137,500	11	0.0730	-4.95
ARTE	201	100	1	2.0100	-4.29
CMF	2,000	1,000	1	2.0000	-3.38
TBM	182,102	4,022,000	36	0.0460	-1.92
SRT	700	50,500	16	0.0138	-1.43

- **Commodities**

Item (market)	unit	last close	1d%	Ytd%	52W%
Oil (Brent crude)	USD/barrel	111.55	0.80	4.38	13.31
Gold (COMEX)	USD/ounce	1654.5	-0.33	5.60	19.71
Platinum (NYMEX)	USD/ounce	1522.13	-0.11	8.65	-17.03
Silver (COMEX)	USD/ounce	30.509	-0.11	9.29	5.55
Wheat (CBOT)	USD/bushel	6.0575	2.28	-7.20	-31.90
Corn (CBOT)	USD/bushel	6.06	2.11	-6.26	5.12

- **OTP AM – Open-End Funds (as of 18-Jan-12)**

Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%
OTP AvantisRO	RON	5.8500	-0.17	4.09	-16.43
OTP Obligatiuni	RON	11.5000	0.00	0.35	11.87
OTP ComodisRO	RON	14.0121	0.02	0.34	6.46
OTP Euro Bond	EUR	10.5296	0.01	0.23	4.57

Market Highlights (as of 19 January 2012)

- **Forex**

The euro rose 0.8 percent to \$1.2968 at 5 p.m. in New York after climbing earlier to \$1.2971, the strongest level since Jan. 4. The 17-nation currency appreciated 1.2 percent to 99.99 yen and touched 100.06 yen, the strongest since Jan. 4. The dollar rose 0.4 percent to 77.11 yen. (Bloomberg)

EUR/RON opened at 4.3445/4.3465 and closed the day at 4.3440/4.3460. (ContiCap)

- **Money Market**

RON O/N trading range was 1.72%- 2.22%. The curve moved 1m -2bp, 2m -4bp, 3m +2bp, 6m +3.5bp, 9m +3bp and 12m +2bp.

- **Equities**

- **Domestic**

The BSE closed green (BET-C, which does not include the SIFs advanced 1.00%) on higher volumes and still above this year's average volume. While BET blue chips index increased 0.63%, BET-FI gained 0.71%.

RASDAQ-C closed green (+0.56%), while Tier I was flat, Tier II dropped 0.30%. The trading volume was lower and still below 2012's average volume.

- **Foreign**

The S&P 500 added 0.5 percent to 1,314.50 at 4 p.m. New York time. The Dow Jones Industrial Average gained 45.03 points, or 0.4 percent, to 12,623.98. The Nasdaq-100 Index rose 0.7 percent to 2,441.70, the highest level since 2001. The Stoxx 600 gained 1.2 percent to 256.57 at the close of trading, the highest since Aug. 2. The gauge has advanced 4.9 percent in 2012, the best start to a year since 1989, as reports around the world added to optimism that the economy is strengthening. (Bloomberg)

- **Commodities**

Brent oil for March settlement advanced 84 cents, or 0.8 percent, to \$111.50 a barrel on the London-based ICE Futures Europe exchange. The European benchmark contract's premium to West Texas Intermediate futures was at \$9.58, compared with \$9.90 a day before and a record \$27.88 on Oct. 14. (Bloomberg)

Latest Financial News

- **Macroeconomics**

China manufacturing contraction boosts case for easing.

A Chinese purchasing managers' index signaled manufacturing may contract for a third month as a slowing economy boosts the case for the government to further loosen credit controls. The preliminary January reading of 48.8 for the gauge, released by HSBC Holdings Plc and Markit Economics today, compares with a final 48.7 number for December. The dividing line between contraction and expansion is 50. International Monetary Fund Managing Director Christine Lagarde joined global officials today in warning that the world economy is decelerating and faces "significant and urgent challenges." China has allowed its five biggest banks to boost first-quarter lending and may relax capital requirements, people with knowledge of the matter said. "We expect more policy easing to stabilize growth and the next reserve ratio cut is likely to be delivered in the coming weeks," said Qu Hongbin and Sun Junwei, Hong Kong-based economists for HSBC. "Demand is likely to remain relatively subdued for the coming months," which may weigh on output and employment growth, they said. The data imply growth in industrial output of about 11 percent to 12 percent in the coming months and economic growth of about 8 percent in the first quarter, the analysts estimate. (Bloomberg)

- **Forex**

Buy Euro against Swiss Franc on Central Bank's 1.20 ceiling, Lloyds says.

Investors should buy the euro against the Swiss franc in a bet the Swiss National Bank will maintain its ceiling of 1.20 against the 17-nation currency, according to Lloyds Capital Markets. The SNB on Sept. 6 imposed the ceiling versus the euro and resumed purchases of foreign currencies to protect exports and ward off the risk of recession. The rate has been trending down since early December, when it touched 1.2444 francs, and Lloyds said signs of economic weakness and a lack of inflation will help the SNB maintain the ceiling. "That the SNB have unlimited supply of francs makes their commitment credible as long as they don't feel it is having negative economic effects," Adrian Schmidt and Jennifer Hau, currency strategists at Lloyds in London, wrote in a note to investors. "Swiss inflation is negative, so there should be little concern of inflationary impact." The Lloyds analysts recommended buying three-month forward contacts on the euro against the franc at 1.2068, with a target of gaining to 1.2325. They suggested a stop-loss order at 1.990 to protect investors if the market moves against the trade. (Bloomberg)

- **Money Market**

Romania sells 436 mln Lei (100 mln Euro) in 5-year T-notes, yields down.

Romania on Thursday sold 436 million lei (\$129.4 million/100 million euro) in five-year Treasury notes, above its offer of 300 million lei, the central bank said. The average yield was 7.0%, down from 7.35% at the last auction when bids were accepted held on August 4, the central bank, which sells government securities on behalf of the finance ministry, said in a statement. Bids were placed for 1.41 billion lei worth of government debt in Thursday's auction. The average accepted price was equal to 96.3946% of par. (SeeNews)

• Equities

Domestic

Erste jumps to 2-month high after Treichl comment.

Erste Group Bank AG increased to its highest in more than two months in Czech trading after Chief Executive Officer Andreas Treichl said the Vienna-based bank will reach a new capital ratio requirement of 9 percent by June. The shares jumped 5.7 percent to 367.9 koruna at the end of trading in Prague, its highest close since Nov. 14, leading a 1.7 percent rally for the PX company gauge. In Vienna, Erste's home market, the stock surged 7.3 percent to 14.65 Euros. In Bucharest, Erste rose 9.56% to 63.55 RON/share. A possible rating downgrade of Erste by Standard & Poor's after Austria lost its AAA status last week will have "little effect" on the company, Treichl told reporters Wednesday in Prague. Central and eastern Europe is well-placed to weather the euro area's debt crisis and grow in years ahead, Treichl said, adding he sees growth opportunities for Erste across the region. (Bloomberg)

Alro may suspend production on power supply shortage.

Romanian aluminum smelter Alro said on Thursday it is considering operational restructuring and suspension of production due to reduced energy supplies from local drought-affected hydro power company Hidroelectrica. "The company is analysing different options, including operational restructuring and a temporary halt of less efficient production capacities, if it is unable to provide the electricity its needs at economically viable prices," Alro said in a statement. In late September, state-owned Hidroelectrica, citing the force majeure clauses on its supply contract, said it would cut energy deliveries by up to 30% because of the drought. Hidroelectrica currently supplies 50% of the electricity consumed by Alro. The company said it has bought significant amounts of electricity on the spot market at high prices. (SeeNews)

Foreign

EBay Inc. sales and profit topped analysts' estimates.

EBay Inc. (EBAY) jumped 3.9 percent to \$31.51. The largest Internet marketplace reported sales and profit that topped analysts' estimates, buoyed by a campaign to promote its expanded retail offerings and broader use of the PayPal online- payments service. (Bloomberg)

Technology sector results.

Some of the largest technology companies reported results after the market closed yesterday. Intel Corp. (INTC), the biggest chipmaker, predicted revenue that may top estimates. International Business Machines Corp., the largest computer-services provider, and Microsoft Corp. (MSFT), the biggest software maker, reported earnings that beat forecasts. Google Inc. (GOOG), owner of the most popular Internet search engine, reported revenue that fell short of analysts' projections. Intel rose 0.4 percent to \$25.73, while IBM (IBM) added 2.5 percent to \$185.01, and Microsoft jumped 1.8 percent to \$28.62 at 5:09 p.m. New York time. Google tumbled 8.5 percent to \$585.26 after the close of regular trading. (Bloomberg)

• Commodities

Copper bears retreating as prices rebound the most since 2009.

Copper traders are the least bearish in a month after the commodity had its best start to a year since 2009 and stockpiles tracked by the world's biggest metals exchange were poised to slump to the lowest in 3 1/2 years. Fourteen of 30 analysts surveyed by Bloomberg expect the metal to decline next week, the lowest proportion since Dec. 23. Three were neutral. Prices reached a four-month high of \$8,428.50 a metric ton today, taking this year's advance to 10 percent. Inventories (LSCA) tracked by the London Metal Exchange are already the smallest since December 2010 and existing orders to withdraw metal may reduce that to the lowest since July 2009. (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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