

## Executive Summary

### • Macroeconomics

Europe gives Euro doomsayers pause with dormant Davos sanatorium

### • Forex

The euro traded at \$1.2931 at 5:00 p.m. in New York. The EUR/RON closed 4.3455/4.3475.

### • Money Market

RON O/N trading range was at 1.67% - 2.17%.

### • Equities

#### Domestic

The BSE closed green, BET-C advanced 0.42% on lower volumes, while BET increased 0.43%, BET-FI gained 1.20%. RASDAQ-C closed red (-0.11%) on higher volumes, while Tier I declined 1.30%, Tier II gained 0.43%.

#### Foreign

U.S. stocks advance a third week on improved economic reports. European stocks post fifth weekly rally.

### • Commodities

Oil down. Most other major commodities up.

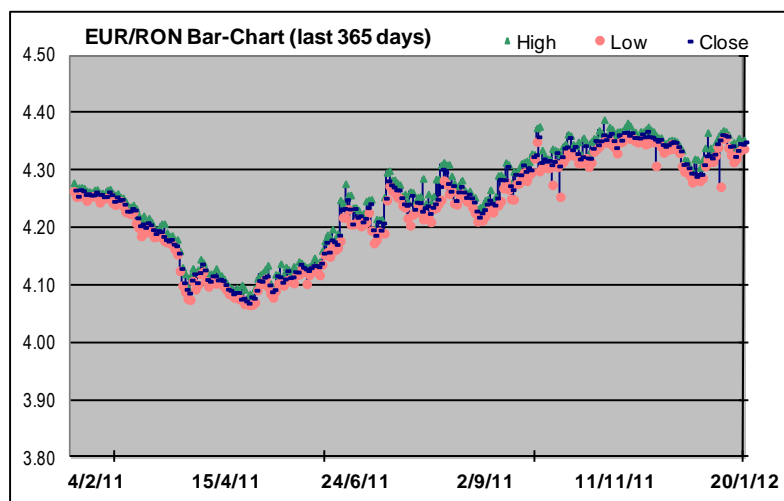
## Market Data (as of 23 January 2012)

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

### • Forex (as of 23-Jan-12)

FX Rates*	Prv. Day	Min 52W	Max 52W	Ytd	-52W
EUR/RON	4.3478	4.0782	4.3595	4.3271	4.2699
USD/RON	3.3625	2.7352	3.4435	3.3367	3.1437
CHF/RON	3.5984	3.1021	4.0619	3.5540	3.2822
100HUF/RON	1.4292	1.3390	1.6076	1.3745	1.5587

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

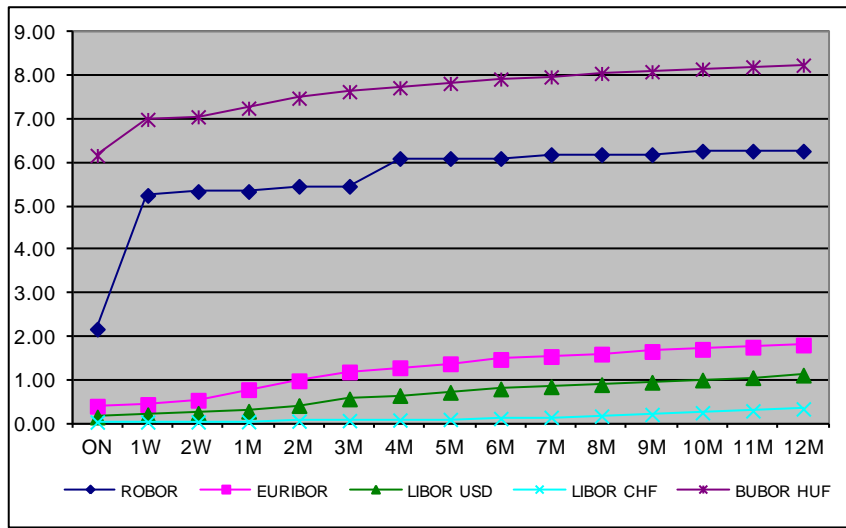


### • Money Markets (valid for 23 January 2012)

Rate	ON	1W	2W	1M	2M	3M	4M	5M	6M	7M	8M	9M	10M	11M	12M
ROBOR*	2.17	5.25	-	5.34	-	5.46	-	-	6.10	-	-	6.19	-	-	6.27
EURIBOR**	0.39	0.43	0.53	0.78	0.98	1.18	1.28	1.37	1.47	1.54	1.59	1.65	1.70	1.75	1.80
LIBOR USD	0.14	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	0.14	0.17	0.20	0.24	0.29	0.33
BUBOR HUF	6.17	7.00	7.06	7.26	7.49	7.64	7.73	7.83	7.93	7.98	8.06	8.10	8.16	8.21	8.25

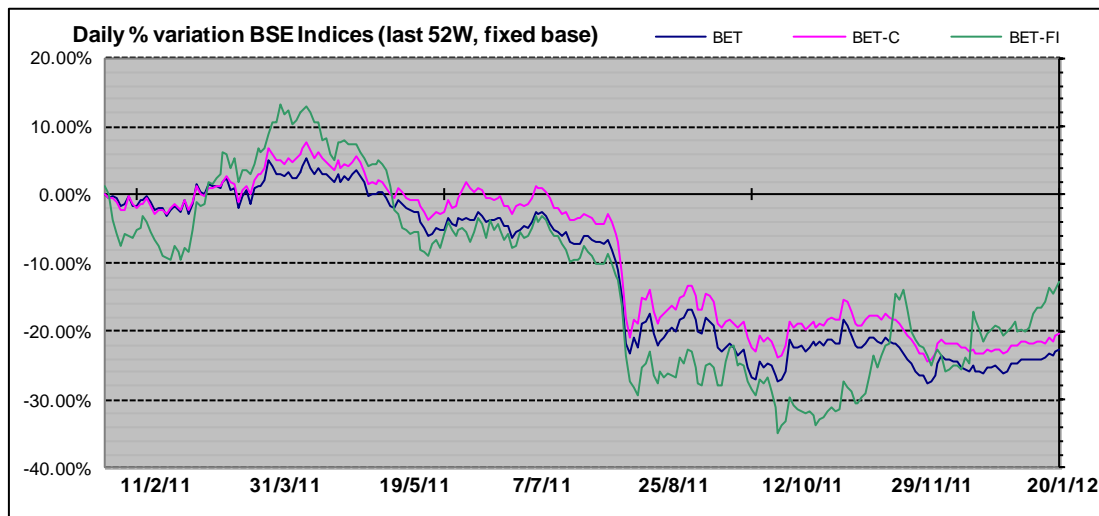
\* in the chart below, values for maturities where there is no quote are proxied by the maximum of the previous and the next maturity

\*\* 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	4,454.36	0.43	2.71	-23.31
BET-C	2,686.63	0.42	2.49	-20.96
BET-FI	20,969.39	1.20	8.42	-11.97
ROTX	8,377.80	0.50	4.22	-29.72
Rasdaq-C	1,587.56	-0.11	0.47	-10.45
RAQ-I	921.53	-1.30	1.40	-39.93
RAQ-II	1,919.92	0.43	-3.62	-38.06

Foreign

Indices	Last close	1d%	Ytd%	52W%
DJIA (USD)	12,720.48	0.76	4.12	7.59
S&P 500 (USD)	1,315.38	0.07	4.59	2.74
DAX (EUR)	6,404.39	-0.18	8.58	-8.82
FTSE 100 (GBP)	5728.55	-0.22	2.80	-2.37
STOXX 600 (EUR)	255.85	-0.28	4.63	-8.43
BUX (HUF)	18,850.62	1.90	11.05	-17.08

Top 5 most traded	Volume -RON	Volume - shares	Trades	Last price	1d%
FP	22,648,890	50,446,000	789	0.4516	3.34
SIF5	2,388,816	2,032,500	228	1.1800	0.94
SIF2	1,318,947	1,002,000	187	1.3210	0.84
SIF3	1,251,823	2,081,500	326	0.6020	-0.33
BVB	1,136,873	40,581	58	28.3900	1.39

Trading Volumes	BVB	Rasdaq	BUSE	NYSE listed	Nasdaq	LSE	STOXX 600 *
Previous Day	7.86	0.07	89.77	20,983.90	13,320.86	6,185.47	255.85
Ytd Avg. (EUR mn)	4.87	0.08	55.53	16,225.51	9,889.21	4,698.22	250.21
MCap (EUR bn)**	17.15	2.36	16.43	3,720.68	13,648.53	2,629.12	6,399.99

\* 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%
BRM	450	500	1	0.9000	7.14
SOCP	2,358	7,500	7	0.3150	5.00
ARTE	1,288	600	6	2.1100	4.98
IMP	2,028	9,500	11	0.2182	4.65
EFO	228	3,000	42	0.0646	4.11

Worst 5 performers	Volume -RON	Volume - shares	Trades	Last price	1d%
CBC	10,827	1,800	1	6.0150	-14.07
SPCU	1,443	9,000	4	0.1610	-4.73
ELGS	29,771	85,000	47	0.3425	-4.33
STZ	8,254	16,000	11	0.5135	-4.02
ART	130	100	1	1.3010	-3.56

- **Commodities**

Item (market)	unit	last close	1d%	Ytd%	52W%
Oil (Brent crude)	USD/barrel	109.86	-1.52	2.80	12.85
Gold (COMEX)	USD/ounce	1664	0.57	6.20	22.60
Platinum (NYMEX)	USD/ounce	1534.88	0.84	9.56	-15.26
Silver (COMEX)	USD/ounce	31.675	3.82	13.47	14.93
Wheat (CBOT)	USD/bushel	6.105	0.78	-6.47	-31.73
Corn (CBOT)	USD/bushel	6.115	0.91	-5.41	4.62

- **OTP AM – Open-End Funds (as of 19-Jan-12)**

Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%
OTP AvantisRO	RON	5.8900	0.68	4.80	-16.10
OTP Obligatiuni	RON	11.5100	0.09	0.44	11.75
OTP ComodisRO	RON	14.0143	0.02	0.35	6.46
OTP Euro Bond	EUR	10.5309	0.01	0.24	4.57

## Market Highlights (as of 20 January 2012)

- **Forex**

The euro rose 2 percent to \$1.2931, the biggest weekly gain since Oct. 14. It reached \$1.2986 on Friday, the highest level since Jan. 4. The common currency appreciated 2.1 percent to 99.62 yen, after reaching an 11-year low of 97.04 yen Jan. 16. The dollar was little changed against the yen at 77.01. (Bloomberg)

EUR/RON opened at 4.3420/4.3440 and closed 4.3455/4.3475. (ContiCap)

- **Money Market**

RON O/N trading range was 1.67%- 2.17%. %. The curve only moved slightly over the course of the day with small adjustments being made over all the durations of the curve. 1m -2bp, 2m -4bp, 3m +2bp, 6m +3.5bp, 9m +3bp, 12m +2bp.

- **Equities**

- **Domestic**

The BSE closed green (BET-C, which does not include the SIFs advanced 0.42%) on lower volumes but still above this year's average volume. While BET blue chips index increased 0.43%, BET-FI gained 1.20%.

RASDAQ-C closed red (-0.11%), while Tier I declined 1.30%, Tier II gained 0.43%. The trading volume was higher but still below 2012's average volume.

- **Foreign**

The S&P 500 advanced 2 percent to 1,315.38 last week. It has gained 4.6 percent in 2012, the best start to a year since 1997. The Dow gained 298.42 points, or 2.4 percent, to 12,720.48 last week, reaching the highest level since July 21. The Stoxx Europe 600 Index rose 2.7 percent to 255.85 this past week. The benchmark measure slipped 0.3 percent on Jan. 20, falling from a five-month high. The gauge has climbed 4.6 percent so far in 2012 for its best start to a year since 1997. (Bloomberg)

- **Commodities**

Brent oil for March settlement fell 1.5 percent \$109.86 a barrel on the London-based ICE Futures Europe exchange. (Bloomberg)

## Latest Financial News

- **Macroeconomics**

*Europe gives Euro doomsayers pause with dormant Davos sanatorium*

European leaders heading to the home of Thomas Mann's Magic Mountain sanatorium are surprising credit-ratings companies, and the economists who agree with them, as the consensus predicts another year of trauma for the euro area. Money market lending rates have eased, economic data from Germany to France are beating analysts' estimates and Italian and Spanish bonds are rebounding after their yields reached euro-era records in November. The Bloomberg European Financial Conditions Index has risen to minus 3.5 percent, its highest since August and up from a low of minus 5.4 percent in September. That gives German Chancellor Angela Merkel and European Central Bank President Mario Draghi some room for optimism that the worst of their debt turmoil may be over as they head to Davos, Switzerland this week. That prognosis is challenged by billionaire George Soros and Nobel laureate Joseph Stiglitz, who will also be attending the World Economic Forum's annual meeting and argue that the crisis is still raging. (Bloomberg)

- **Forex**

*Draghi makes Euro favorite for most-profitable carry trades with rate cuts.*

Betting against the euro may be the most profitable trade in the foreign-exchange market as policy efforts to stave off a European recession debases the currency. Borrowing in Euros and investing in the currencies of Australia, Brazil, Mexico, South Africa and South Korea has returned 8 percent since the European Central Bank cut its benchmark interest rate on Nov. 3 for the first time in more than two years, according to data compiled by Bloomberg. So-called carry trades funded with yen have lost 0.3 percent and gained 1 percent when financed with dollars. While a debt crisis entering its third year has driven the region's shares to the cheapest levels since 2004 compared with the U.S. and the sovereign-bond market posted its biggest rally on record last month, euro bears say the currency won't rebound anytime soon to wreck carry-trade profits. With government austerity measures threatening growth, ECB President Mario Draghi may have to cut rates to prop up an economy the World Bank expects to contract. (Bloomberg)

- **Money Market**

*EU Finance Ministers meet on crisis solution as Greek debt swap unresolved.*

European officials will forge ahead today with crafting a long-term plan to tackle the region's debt crisis, as banking and government negotiators continue trying to reach an agreement that will lighten Greece's debt burden. European Union finance ministers will meet in Brussels to discuss new budget rules, a financial firewall to protect indebted states and a Greek debt swap, with EU leaders racing to cobble together a firm rescue response in the coming weeks. Meanwhile, cash-strapped Greece and private bondholders said they had made progress in talks over the weekend in Athens. As investors ignored this month's euro-area downgrades by Standard & Poor's and last week sent the single currency to its first gain in seven weeks, leaders including German Chancellor Angela Merkel are set on exploiting the momentum to lock in a final response to the crisis and hold the euro-area together. (Bloomberg)

## • Equities

### Domestic

*Vimetco appoints Romanian smelter Alro's general manager as CEO.*

Dutch-based aluminium producer Vimetco said on Friday it has appointed the general manager of Romanian aluminum smelter Alro, Gheorghe Dobra, as CEO. Vimetco also said it has appointed Dobra executive member of the board of directors. The company took the decision at an extraordinary general meeting of shareholders held on January 16. "Dobra will hold the position for the period starting on the day of the meeting and ending on the date of the annual general meeting of the shareholders of the company, to be held in 2012," Vimetco added. (SeeNews)

*Banca Transilvania's CEO resigns, names Franklin as interim.*

The chief executive officer of Romania's Banca Transilvania SA, Robert Rekkers, resigned, the bank said in an e-mailed statement on Friday. Banca Transilvania appointed Peter Franklin as interim delegated manager, according to the statement. (Bloomberg)

### Foreign

*Google Inc. fourth-quarter revenue and profit missed estimates.*

Google Inc. (GOOG), owner of the most popular Internet search engine, slumped 6.2 percent to \$585.99 as fourth-quarter revenue and profit missed estimates. Chief Executive Officer Larry Page is moving into new markets to ignite growth outside Google's traditional search-based business. That effort contributed to an 8 percent drop in the average price Google gets when users click an ad, because it charges less for ads on mobile devices and in emerging markets, said Herman Leung, an analyst at Susquehanna Financial Group. (Bloomberg)

*Europe stocks cheapest to U.S. since 2004 as economies decouple.*

European equity valuations have fallen to the lowest levels since 2004 compared with the U.S., as economic forecasts between the two regions diverge by the most since 1998. The Stoxx Europe 600 Index trades at 1.43 times book value, or assets minus liabilities, after falling 11 percent last year. That compares with 2.14 for the Standard & Poor's 500 Index, according to data compiled by Bloomberg. The European gauge has been at least 30 percent cheaper for 69 straight days, the longest stretch in seven years. Economists forecast U.S. gross domestic product will expand 2.3 percent in 2012, compared with a 0.2 percent contraction in Europe. Bulls say the gap provides the opportunity to buy bargains because profits among companies in the Stoxx 600 will rise an average of 9.8 percent in the next two years, bolstered by the growing American economy. U.S. GDP grew twice as fast as the euro zone in 2003 when equities began a five-year bull market. Bears say budget deficits will keep both regions from rebounding and that a recession in Europe will lead to losses everywhere. (Bloomberg)

## • Commodities

*Food waste denounced by ministers as almost 1 billion people go hungry.*

Food waste was denounced by farm ministers and policy makers gathered in Berlin as almost 1 billion people in developing countries go hungry. Consumers in rich countries dispose of 220 million metric tons of food waste every year, equal to the entire food output of sub-Saharan Africa, Jose Graziano da Silva, the director general of the United Nations' Food and Agriculture Organization, told 64 agriculture ministers meeting in Berlin over the weekend. "We must change our way of thinking, we must have more education, we must have discussion about best-before dates," German Agriculture Minister Ilse Aigner said. "Every food item thrown away is wasted." One third of the food produced in the world every year is lost or wasted, amounting to 1.3 billion metric tons, according to Graziano da Silva. As many as 925 million people faced hunger worldwide in 2010, based on the FAO's most recent estimate. (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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