

Executive Summary

• Macroeconomics

Papademos meets creditors as 'sacrifice' looms.

• Forex

The euro traded at \$1.3028 per euro at 5 p.m. in New York. The EUR/RON closed at 4.3380/4.3400.

• Money Market

RON O/N trading range was at 2.84% - 3.34%.

• Equities

Domestic

The BSE closed red, BET-C decreased 1.15% on higher volumes, while BET lost 1.24% and BET-FI 0.40%.

RASDAQ-C closed green on lower volumes, while Tier I decreased 0.17%, Tier II gained 0.38%.

Foreign

Stocks in U.S. decline amid growing concern about Greek debt negotiations. European stocks retreat on Greece debt talks.

• Commodities

Gold and Corn down. Most other major commodities up.

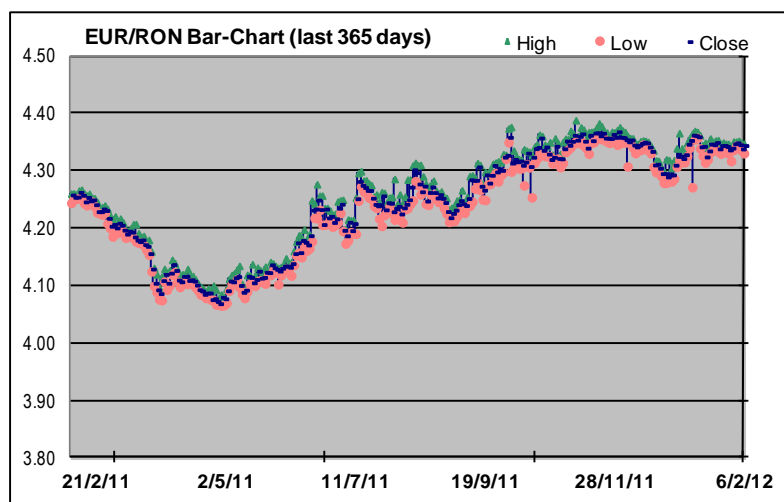
Market Data (as of 07 February 2012)

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

• Forex (as of 7-Feb-12)

FX Rates*	Prv. Day	Min 52W	Max 52W	Ytd	-52W
EUR/RON	4.3459	4.0782	4.3595	4.3271	4.2571
USD/RON	3.3091	2.7352	3.4435	3.3367	3.1437
CHF/RON	3.6000	3.1021	4.0619	3.5540	3.2847
100HUF/RON	1.4867	1.3390	1.6076	1.3745	1.5846

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

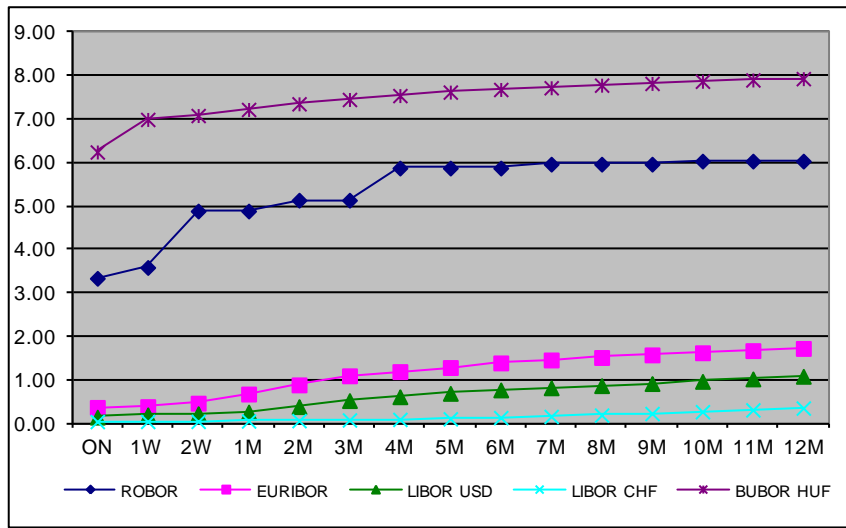


• Money Markets (valid for 07 February 2012)

Rate	ON	1W	2W	1M	2M	3M	4M	5M	6M	7M	8M	9M	10M	11M	12M
ROBOR*	3.34	3.59	-	4.89	-	5.14	-	-	5.88	-	-	5.97	-	-	6.04
EURIBOR**	0.37	0.38	0.46	0.67	0.89	1.09	1.19	1.29	1.39	1.46	1.52	1.58	1.63	1.67	1.73
LIBOR USD	0.14	0.20	0.22	0.26	0.38	0.52	0.61	0.69	0.77	0.82	0.87	0.92	0.97	1.02	1.08
LIBOR CHF	0.04	0.04	0.04	0.05	0.06	0.08	0.09	0.10	0.13	0.16	0.19	0.23	0.27	0.31	0.35
BUBOR HUF	6.25	7.00	7.09	7.23	7.36	7.46	7.55	7.63	7.69	7.73	7.79	7.83	7.88	7.91	7.94

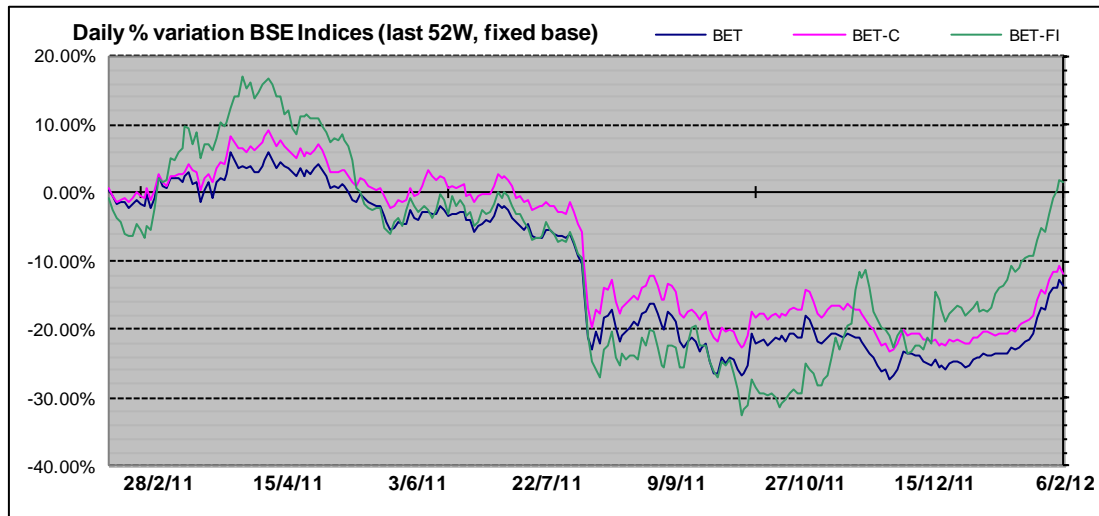
* in the chart below, values for maturities where there is no quote are proxied by the maximum of the previous and the next maturity

** 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	4,942.61	-1.24	13.97	-12.95
BET-C	2,933.02	-1.15	11.89	-11.22
BET-FI	23,657.15	-0.40	22.31	3.84
ROTX	9,580.20	-0.91	19.18	-18.86
Rasdaq-C	1,596.09	-0.07	1.01	-5.60
RAQ-I	837.87	0.00	-7.81	-44.10
RAQ-II	2,232.54	4.82	12.08	-28.85

Foreign

Indices	Last close	1d%	Ytd%	52W%
DJIA (USD)	12,845.13	-0.13	5.14	6.23
S&P 500 (USD)	1,344.33	-0.04	6.90	2.55
DAX (EUR)	6,764.83	-0.03	14.69	-6.26
FTSE 100 (GBP)	5892.2	-0.15	5.74	-1.75
STOXX 600 (EUR)	264.27	-0.12	8.07	-7.57
BUX (HUF)	19,900.88	1.20	17.24	-14.45

Top 5 most traded	Volume -RON	Volume - shares	Trades	Last price	1d%
FP	24,388,302	47,161,800	855	0.5200	-0.19
SIF5	7,104,047	5,521,000	541	1.2980	-0.92
SIF3	7,042,531	10,914,500	1,002	0.6490	-1.67
SIF2	4,061,642	2,845,500	430	1.4500	0.07
SIF4	2,868,707	4,141,500	294	0.7000	0.00

Trading Volumes	BVB	Rasdaq	BUSE	NYSE listed	Nasdaq	LSE	STOXX 600 *
Previous Day	15.07	0.15	31.25	14,563.68	9,396.68	4,546.87	264.27
Ytd Avg. (EUR mn)	8.21	0.11	55.33	16,562.87	10,261.65	4,873.36	253.34
MCap (EUR bn)**	19.74	2.38	17.96	3,831.22	13,793.41	2,710.75	6,622.76

* 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%
MJM	12	50	1	0.2400	14.29
RTRA	14,452	72,000	5	0.2240	1.82
SCD	158,669	162,000	13	0.9800	1.03
BRM	8,415	8,500	2	0.9900	1.02
RRC	4,967	122,000	42	0.0646	0.72

Worst 5 performers	Volume -RON	Volume - shares	Trades	Last price	1d%
CMCM	66	500	1	0.1320	-14.78
SPCU	5,644	28,000	10	0.1951	-11.32
ALU	322	290	4	1.1070	-7.75
ALT	7,780	243,000	32	0.0330	-5.44
ART	1,086	800	3	1.3580	-5.37

- **Commodities**

Item (market)	unit	last close	1d%	Ytd%	52W%
Oil (Brent crude)	USD/barrel	115.93	1.18	8.48	13.70
Gold (COMEX)	USD/ounce	1724.9	-0.88	9.91	26.86
Platinum (NYMEX)	USD/ounce	1626.5	0.22	16.10	-11.78
Silver (COMEX)	USD/ounce	33.75	0.00	20.90	16.07
Wheat (CBOT)	USD/bushel	6.685	1.17	2.41	-29.87
Corn (CBOT)	USD/bushel	6.4425	-0.04	-0.35	5.36

- **OTP AM – Open-End Funds (as of 3-Feb-12)**

Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%
OTP AvantisRO	RON	6.4800	1.25	15.30	-8.73
OTP Obligatiuni	RON	11.5300	0.00	0.61	5.68
OTP ComodisRO	RON	14.0526	0.02	0.63	6.49
OTP Euro Bond	EUR	10.5525	0.01	0.45	4.63

Market Highlights (as of 06 February 2012)

- **Forex**

The euro fell as much as 1 percent to \$1.3028, the steepest intraday decline since Jan. 30, and traded 0.2 percent weaker at \$1.3130 at 5 p.m. New York time. It dropped 0.3 percent to 100.51 yen after falling as much as 0.9 percent. The dollar was little changed at 76.55 yen. (Bloomberg)

EUR/RON opened at 4.3380/4.3400 and closed flat. (ContiCap)

- **Money Market**

RON O/N trading range was 2.84% - 3.34%. The FX curve moved a bit higher in the front end, probably due to some flows and because short end funding was slightly better paid. Conversely, longer tenors 6M, 9M and 12M were given a bit more aggressively resulting in a flatter curve from 1M to 12m. The moves were 1m +35.5bp, 2m +23.5bp, 3m +9bp, 6m unchanged, 9m -5bp and 12m -4bp. (ContiCap)

- **Equities**

- **Domestic**

The BSE closed red (BET-C, which does not include the SIFs decreased 1.15%) on higher volumes and above this year's average volume. While BET blue chips index lost 1.24% and BET-FI 0.40%.

RASDAQ-C closed green, while Tier I decreased 0.17%, Tier II increased 0.38%. The trading volume was lower and above 2012's average volume.

- **Foreign**

The S&P 500 decreased less than 0.1 percent to 1,344.33 as of 4 p.m. New York time, paring a decline of as much as 0.6 percent as energy companies advanced. The Dow Jones Industrial Average retreated 17.10 points, or 0.1 percent, to 12,845.13. The benchmark Stoxx 600 declined 0.1 percent to 264.27 at the close, paring an earlier drop of as much as 0.8 percent. More than three stocks retreated for every two that advanced. (Bloomberg)

- **Commodities**

Brent oil for March settlement on the London-based ICE Futures Europe exchange dropped as much as 68 cents, or 0.6 percent, to \$113.90 a barrel. The European benchmark contract was at a premium of \$17.06 to New York-traded West Texas Intermediate, the widest since Nov. 8. The spread was a record \$27.88 on Oct. 14. (Bloomberg)

Latest Financial News

- **Macroeconomics**

- *Papademos meets creditors as 'sacrifice' looms.*

Greek Prime Minister Lucas Papademos plans today to discuss with the nation's political leaders the implementation of additional fiscal measures needed to secure a second European Union-led bailout. While Papademos and the party chiefs already agreed to make further cuts this year equal to 1.5 percent of gross domestic product, they have yet to close gaps over measures demanded by creditors. European leaders raised pressure on meeting the conditions of the 130 billion-euro (\$171 billion) rescue, with German Chancellor Angela Merkel saying "time is running out." "There are fears that the Greek government will note the country has reached the limits on austerity," UBS AG currency analysts including Chris Walker in London wrote in a note to clients yesterday. "The week ahead will be extremely significant for event risk and headlines could become a dominant driver for the euro." At stake is whether Greece can win the bailout, secure a deal with private creditors and remain in the euro region. Finance Minister Evangelos Venizelos told reporters late yesterday that "failure of these talks, failure of the plan, the country's bankruptcy, means even greater sacrifice." (Bloomberg)

- *Romanian Prime Minister resigns amid protests.*

After weeks of protests, Romania's prime minister resigned Monday, the latest European leader to fall victim to a mood of public outrage over austerity measures and stagnant growth. Thousands of Romanians took to the streets across the country last month to protest austerity measures. The prime minister, Emil Boc, said Monday that he was stepping down because it is important to preserve the stability of the country. The president, Traian Basescu, immediately named the current justice minister, Catalin Predoiu, as interim prime minister. After a meeting on Monday afternoon with leaders from the main political parties, Mr. Basescu announced that he was nominating Mihai Razvan Ungureanu, a former foreign minister who now heads Romania's foreign-intelligence service, as Mr. Boc's replacement, pending parliamentary approval. Mr. Basescu said negotiations would begin Tuesday for the appointment of a new government. "The No. 1 priority of the government is the effort to improve the standard of living of the people," Mr. Basescu said. (The New York Times Company)

• Forex

Euro drops against Dollar, Yen on concern Greek bailout agreement elusive.

The euro slid the most in a week against the dollar and yen on concern Greece's political leaders will fail to reach an agreement allowing the nation to receive a second bailout from international creditors. The 17-nation currency pared losses after German Chancellor Angela Merkel and French President Nicolas Sarkozy proposed setting up a separate account for Greek debt payments to reassure creditors. Australia's currency retreated for the first time in five days before the central bank, which is expected to cut interest rates, meets tomorrow. Brazil's real fell after the central bank intervened to stem the currency's gains. "The reason the euro is not falling more rapidly and more aggressively is, even with some of the disquieting headlines that we've seen from Greece and that they still don't have a deal, there is an underlying expectation that a deal will be reached," said Nick Bennenbroek, head of currency strategy at Wells Fargo & Co. in New York. (Bloomberg)

• Money Market

Treasuries advance amid concern Greece may consider debt-default option.

Treasuries rose, with the yield on the 30-year bond dropping from almost the highest level in more than a week, amid concern Greece may default on its debt. The yield on the 10-year note fell after a report that Greece's Prime Minister Lucas Papademos requested the country's finance ministry to prepare a document on the implications of a Greek default. Treasuries fell earlier before an auction of \$32 billion in three-year notes tomorrow. The Federal Reserve purchased \$1.8 billion in long-term Treasuries today. "The odds of a Greek default have been increased as of late," said Kevin Flanagan, a Purchase, New York-based fixed-income strategist for Morgan Stanley. "Anytime you get those negative headlines, it provides a bid to Treasuries." The 10-year note yield declined two basis points, or 0.02 percentage point, to 1.91 percent at 4:59 p.m. in New York, according to Bloomberg Bond Trader prices. The 2 percent securities due in November 2021 rose 1/8, or \$1.25 per \$1,000 face amount, to 100 26/32. The 30-year bond yield lost two basis points to 3.1 percent after earlier reaching 3.14 percent. On Feb. 3 the yield touched 3.16 percent, the most since Jan. 25. (Bloomberg)

• Equities

Domestic

Romania may delay share sales this year, IMF Mission chief says.

Romania may delay the sale of shares in a few state owned companies this year because the high number of approvals needed from authorities means it is taking longer than anticipated, Jeffrey Franks, the International Monetary Fund mission chief to the country said. The Balkan nation, which failed to sell a minority stake in OMV Petrom SA in July because of market turmoil, will also try to sell interests in other companies before reviving the Petrom sale, Franks said in an interview in Bucharest yesterday. "There have been a couple of cases where the reforms are not going as quickly as anticipated and we will have to move some companies further down the list of privatization," Franks said. "It's not a question of lack of commitment. We always knew that the agenda for reforms of state-owned companies is extremely ambitious and there will be some delays." Franks declined to name those companies affected. Romania, which secured a 5 billion-euro (\$6.5 billion) precautionary accord from the IMF and the European Union, pledged to sell 15 percent holdings in power-grid operator Transelectrica SA and natural gas companies Transgaz SA and Romgaz SA this year as well as majority stakes in chemicals producer Oltchim SA and mining company Cupru Min SA. It will also seek to sell 10 percent of hydro-power generator Hidroelectrica SA and nuclear-power operator Nuclearelectrica SA this year. (Bloomberg)

Foreign

Walt Disney Co. was raised to "buy" from "neutral".

Walt Disney Co. gained 1.2 percent to \$40.46. The world's biggest theme-park operator was raised to "buy" from "neutral" at Davenport & Co. by equity analyst Michael Morris. The 12-month share-price estimate is \$46. (Bloomberg)

Air France-KLM hit by labor unions stake in France.

Air France-KLM (AF) Group dropped 4.1 percent to 5.12 Euros as labor unions went on strike in France. The stoppage, involving pilots, flight attendants and ground workers, will run through Feb. 9. as unions protest against a bill to go before France's senate that would force every employee planning to strike to give 48 hours' notice. The measure would help the airline assess how future strikes would affect passengers. (Bloomberg)

• Commodities

Farmers plan biggest crops since 1984.

U.S. farmers will plant the most acres in a generation this year, led by the biggest corn crop since World War II, taking advantage of the highest agricultural prices in at least four decades. They will sow corn, soybeans and wheat on 226.9 million acres, the most since 1984, a Bloomberg survey of 36 farmers, bankers and analysts showed. The 2.5 percent gain means an expansion the size of New Jersey, as growers target fields left fallow last year and land freed up from conservation programs. Crop prices, some of which reached the highest averages ever in 2011, bolstered the economies of Midwest growing states, sent net farm income up 28 percent to \$100.9 billion and pushed the value of farmland to a record \$2,350 an acre, the U.S. Department of Agriculture estimates. Global food costs are down 11 percent from a peak a year ago as grain output rises from China to Canada, United Nations data show. "There is unlikely to be any ground that won't be planted this year," said Todd Wachtel, a 40 year-old who farms about 5,700 acres in Altamont, Illinois, and plans to expand his corn fields by 21 percent when seeding begins in early April. "Farmers know that they have to plant more when prices are high because they may not last." (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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