

Executive Summary

• Macroeconomics

Papademos gets backing for \$4.3B of cuts.

• Forex

The euro traded at \$1.3464 per euro at 3:57p.m. in New York. The EUR/RON closed at 4.3480/4.3500.

• Money Market

RON O/N trading range was at 3.71% - 4.21%.

• Equities

Domestic

The BSE closed green, BET-C increased 0.38% on lower volumes, while BET gained 0.40%, BET-FI advanced 1.17%. RASDAQ-C closed green (+0.08%) on lower volumes, while Tier I was flat, Tier II dropped 1.30%.

Foreign

Dow closes above 13,000 for first time since '08. European stocks rise on U.S. consumer confidence report.

• Commodities

Oil down. Most other major commodities up.

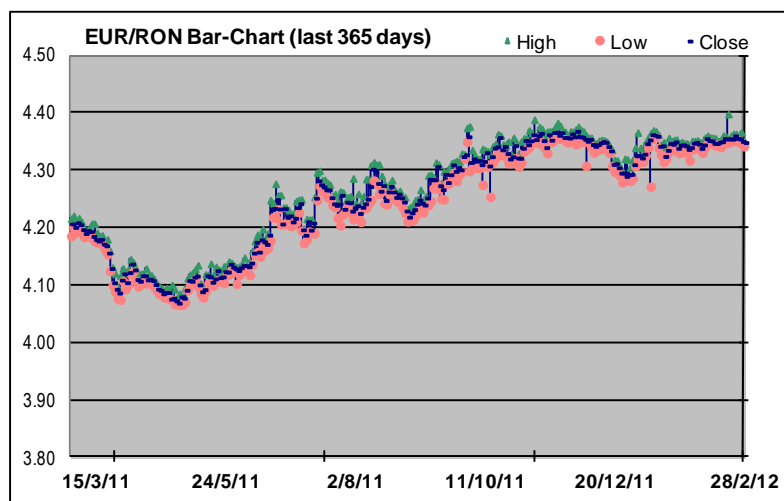
Market Data (as of 29 February 2012)

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

• Forex (as of 29-Feb-12)

FX Rates*	Prv. Day	Min 52W	Max 52W	Ytd	-52W
EUR/RON	4.3497	4.0782	4.3595	4.3271	4.2070
USD/RON	3.2331	2.7352	3.4435	3.3367	3.0479
CHF/RON	3.6083	3.1021	4.0619	3.5540	3.2813
100HUF/RON	1.4952	1.3390	1.6076	1.3745	1.5427

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

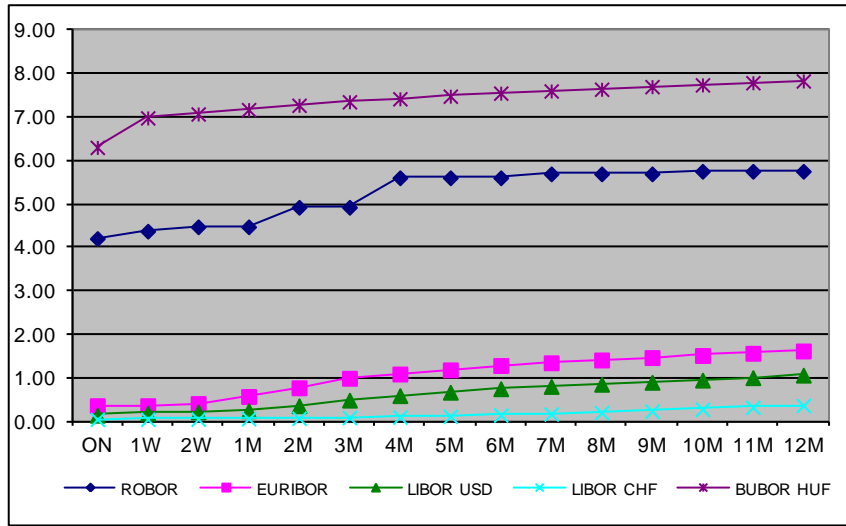


• Money Markets (valid for 29 February 2012)

Rate	ON	1W	2W	1M	2M	3M	4M	5M	6M	7M	8M	9M	10M	11M	12M
ROBOR*	4.21	4.38	-	4.48	-	4.93	-	-	5.61	-	-	5.70	-	-	5.76
EURIBOR**	0.36	0.36	0.41	0.57	0.77	0.99	1.09	1.19	1.29	1.35	1.41	1.47	1.52	1.57	1.62
LIBOR USD	0.14	0.19	0.22	0.24	0.36	0.49	0.59	0.67	0.75	0.80	0.85	0.90	0.95	1.01	1.06
LIBOR CHF	0.05	0.05	0.05	0.06	0.07	0.09	0.10	0.12	0.14	0.17	0.20	0.24	0.28	0.32	0.36
BUBOR HUF	6.31	6.99	7.08	7.18	7.28	7.36	7.43	7.49	7.56	7.61	7.65	7.71	7.75	7.80	7.84

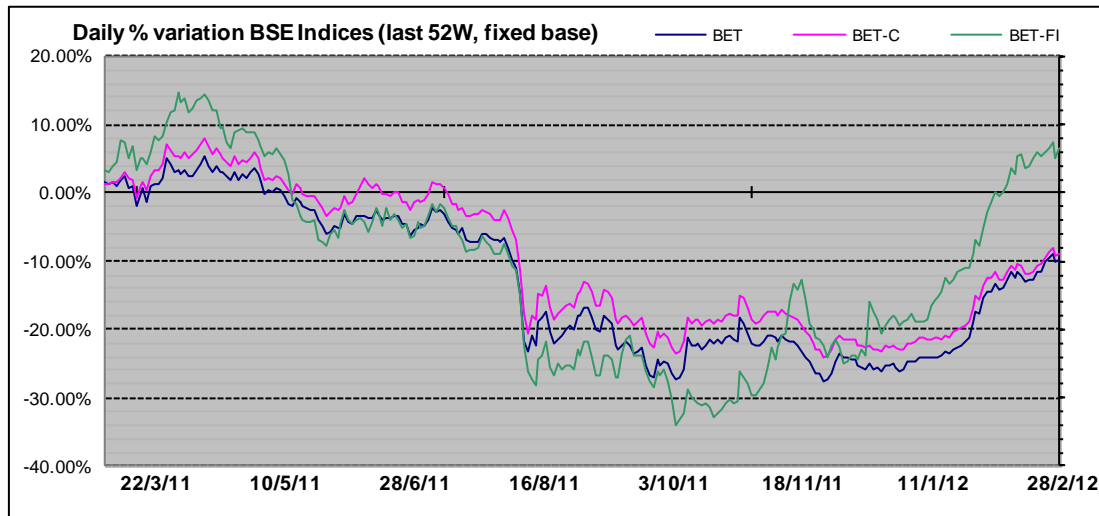
* in the chart below, values for maturities where there is no quote are proxied by the maximum of the previous and the next maturity

** 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	5,200.27	0.40	19.91	-11.33
BET-C	3,062.73	0.38	16.84	-10.24
BET-FI	25,270.53	1.17	30.65	6.23
ROTX	9,901.50	0.23	23.18	-18.21
Rasdaq-C	1,611.38	0.08	1.98	-6.13
RAQ-I	845.97	0.00	-6.92	-42.40
RAQ-II	2,073.83	-1.30	4.11	-30.81

Foreign

Indices	Last close	1d%	Ytd%	52W%
DJIA (USD)	13,005.12	0.18	6.45	6.37
S&P 500 (USD)	1,372.18	0.34	9.11	3.39
DAX (EUR)	6,887.63	0.56	16.77	-5.29
FTSE 100 (GBP)	5927.91	0.21	6.38	-1.10
STOXX 600 (EUR)	264.33	0.18	8.09	-7.73
BUX (HUF)	19,217.87	0.26	13.22	-17.01

Top 5 most traded	Volume -RON	Volume - shares	Trades	Last price	1d%
FP	6,829,163	12,195,100	367	0.5610	2.00
SIF3	3,915,607	5,788,500	613	0.6765	2.50
SIF2	1,915,917	1,345,000	150	1.4170	0.00
SIF5	1,519,962	1,069,000	160	1.4150	0.35
SNP	931,088	2,271,000	174	0.4100	-0.44

Trading Volumes	BVB	Rasdaq	BUSE	NYSE listed	Nasdaq	LSE	STOXX 600 *
Previous Day	4.51	0.03	25.99	15,510.10	11,321.88	4,994.97	264.33
Ytd Avg. (EUR mn)	8.68	0.14	49.13	16,091.20	10,575.44	4,882.47	257.40
MCAp (EUR bn)**	20.58	2.41	17.38	3,803.50	13,693.62	2,668.99	6,629.84

* 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%
OLT	615,610	425,500	203	1.4470	14.93
AMO	38,932	2,789,000	72	0.0143	7.52
MECF	8,450	70,000	9	0.1250	6.38
PPL	1,050	1,000	1	1.0500	5.05
ALU	1,686	1,500	42	0.0646	3.42

Worst 5 performers	Volume -RON	Volume - shares	Trades	Last price	1d%
TRP	150,292	501,000	2	0.3000	-6.25
MJM	28	80	2	0.3440	-4.44
ARTE	4,945	1,800	8	2.7000	-3.57
COFI	16,853	1,467,100	114	0.0113	-3.42
SRT	843	57,000	7	0.0142	-3.40

- **Commodities**

Item (market)	unit	last close	1d%	Ytd%	52W%
Oil (Brent crude)	USD/barrel	121.55	-2.11	14.04	10.70
Gold (COMEX)	USD/ounce	1788.4	0.76	13.95	26.01
Platinum (NYMEX)	USD/ounce	1718.5	0.70	22.66	-4.98
Silver (COMEX)	USD/ounce	37.205	4.50	33.07	10.55
Wheat (CBOT)	USD/bushel	6.6825	2.37	-0.45	-27.80
Corn (CBOT)	USD/bushel	6.5725	1.35	0.38	5.71

- **OTP AM – Open-End Funds (as of 27-Feb-12)**

Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%
OTP AvantisRO	RON	6.6200	-0.90	17.79	-8.69
OTP Obligatiuni	RON	11.5800	0.00	1.05	5.75
OTP ComodisRO	RON	14.1114	0.05	1.05	6.54
OTP Euro Bond	EUR	10.5831	0.04	0.74	4.68

Market Highlights (as of 28 February 2012)

- **Forex**

The euro rose 0.5 percent to \$1.3464 at 3:57 p.m. in New York. It added 0.3 percent to 108.32 yen. The dollar weakened 0.2 percent to 80.48 yen. (Bloomberg)

EUR/RON opened at 4.3500/4.3520 and closed at 4.3480/4.3500. (ContiCap)

- **Money Market**

RON O/N trading range was 3.71% - 4.21%. The FX curve continued its rise higher at the front end, dragged up but the slightly higher funding. (ContiCap)

- **Equities**

- **Domestic**

The BSE closed green (BET-C, which does not include the SIFs increased 0.38%) on lower volumes and still below this year's average volume. While BET blue chips index increased 0.40%, BET-FI advanced 1.17%.

RASDAQ-C closed green (+0.08%), while Tier I was flat, Tier II dropped 1.30%. The trading volume was lower and below 2012's average volume.

- **Foreign**

The Standard & Poor's 500 Index increased 0.3 percent to 1,372.18 at 4 p.m. New York time, gaining for a fourth day, the longest streak since Jan. 23. The Dow advanced 23.61 points, or 0.2 percent, to 13,005.12. The Stoxx Europe 600 Index increased 0.2 percent to 264.33 at the close, after earlier gaining as much as 0.4 percent and losing as much as 0.5 percent. (Bloomberg)

- **Commodities**

Brent oil for April settlement dropped \$1.40, or 1.1 percent, to \$122.77 a barrel on the London-based ICE Futures Europe exchange. (Bloomberg)

Latest Financial News

- **Macroeconomics**

Papademos gets backing for \$4.3B of cuts.

Greece's Parliament ratified a 3.2 billion-euro (\$4.3 billion) package of spending cuts to the 2012 budget, taking Prime Minister Lucas Papademos one step closer to the country securing a rescue package to avert financial collapse. A total of 202 lawmakers voted in favor of the law and 80 against, Acting Parliament Speaker Grigoris Niotis said in remarks carried live on state-run Vouli TV yesterday after a roll-call vote. The vote is to be followed today by another that legislates permanent changes to pension funds and health-care spending, measures demanded by the European Union and International Monetary Fund in return for the 130 billion-euro lifeline. European governments moved toward a second rescue of Greece on Feb. 21, calculating that the cost of a fresh bailout, which includes a writedown of about 100 billion Euros of Greek debt, is a price worth paying to prevent a financial collapse that could shatter the euro area. (Bloomberg)

- **Forex**

Euro may advance to 200-Day moving average of \$1.3722: (technical analysis).

The euro may rise toward its 200-day moving average of \$1.3722, Bank of Tokyo-Mitsubishi UFJ Ltd. said, citing trading patterns. Lines tracking the 17-nation currency's 5- and 21-day moving averages versus the dollar are both pointing up, signaling a bullish trend for the euro in the long term, according to Teppei Ino, an analyst in Tokyo at the unit of Japan's largest financial group. The last time the euro traded at \$1.3722 was on Nov. 14. The euro may first fall toward the 90-day moving average of \$1.3243 if it's unable to rise above \$1.3509, the 38.2 percent retracement of the common currency's slide from the May 4 high of \$1.4940 to the Jan. 13 low of \$1.2624, Ino said, citing the Fibonacci chart. The euro may be poised for a downward correction in the short term because the recent appreciation has been "rapid," he said. "If the euro is unable to rise above the \$1.35 level in the near term, it's likely to test lower because its appreciation has been rapid," Ino said. (Bloomberg)

- **Money Market**

Romania reopens 10-year Dollar bond sale at lower yield.

Romania sold more 10-year dollar-denominated bonds four weeks after it raised \$1.5 billion in its first sale of debt in the U.S., taking advantage of falling yields. The country raised \$750 million in the reopening of bonds due 2022 priced to yield 6.45 percent, the Bucharest-based Finance Ministry said in an e-mailed statement. The initial yield for the notes that drew \$3.2 billion in bids was set at around 6.5 percent, lower than the 6.875 percent for the bonds sold last month. The dollar-bond sale is part of a medium-term note program valued at 7 billion Euros (\$9.4 billion) that's designed to help the government sell debt quickly anytime as it seeks to benefit from lower borrowing costs as the European sovereign-debt crisis eases. (Bloomberg)

Romania to sell 2.3 billion Lei in treasury bills in March.

Romania's Finance Ministry plans to raise 5 billion lei in treasuries in March, of which 2.3 billion lei will be in six-month and one-year bills and 2.7 billion lei will be in two-, five- and 10-year bonds, according to an e-mailed statement yesterday. (Bloomberg)

• **Equities**

Domestic

Erste close to filling EBA capital gap as profit beats estimates.

Erste Group Bank AG, eastern Europe's second-biggest lender, is close to filling its capital shortfall after fourth-quarter net income rose 4 percent, beating analysts' estimates predicting a decline. Erste narrowed the capital shortfall determined by the European Banking Authority to 166 million Euros (\$224 million) by the end of 2011, from 743 million Euros three months earlier, the Vienna-based bank said in an e-mailed statement today. That brings its capital ratio to 8.9 percent under EBA rules, close to the 9 percent it has to reach by June 30. Net income rose to 254.1 million Euros in the three months ended Dec. 31, from 244.9 million Euros a year earlier, driven by a rise in net interest income and a decline in provisions for bad loans, Erste said. That compares to an average estimate of 228 million Euros in a Bloomberg survey of 11 analysts. (Bloomberg)

Fondul Proprietatea calls for shareholders' vote on Warsaw offer.

Romania's Fondul Proprietatea called for a shareholders' meeting on April 4 to approve "in principle" a secondary offering on the Warsaw Stock Exchange, according to a statement sent to the Bucharest Stock Exchange today. (Bloomberg)

Romania's Hidroelectrica mulls bond issue worth up to 300 mln Euro - media.

Romanian state-owned hydropower producer Hidroelectrica mulls issuing bonds worth up to 300 million euro (\$403.4 million), local media reported on Tuesday. "We are diversifying our financing sources because since 2009 loans have become harder to get and more expensive," financial daily Ziarul Financiar quoted Hidroelectrica's director general Dragos Zachia as saying. "A new method is bourse listing, but we also mull issuing bonds, which would allow us to attract 200-300 million euro for five years," he added. Hidroelectrica plans to complete by 2015 ten energy projects with an estimated value of 470 million euro. The power plants will have a combined installed capacity of 300 megawatts (MW), Zachia added. (SeeNews)

Romania's Artego plans to pay 138% higher 2011 gross dividend.

Romanian rubber products maker Artego [BSE:ARTE] said on Tuesday it plans to pay a gross dividend of 0.2381 lei (\$0.07/0.05 euro) per share for 2011, up from 0.1 lei paid for 2010. The company plans to allocate 2.37 million lei out of its 4.35 million lei 2011 net profit for the dividend payment, Artego said in a statement. The dividend proposal will be put to a vote at an April 2 general shareholders' meeting. Artego's preliminary net profit rose to 4.35 million lei in 2011 from 2.28 million lei a year earlier. (SeeNews)

Foreign

Holcim profit rises on higher demand; expects progress this year.

Holcim Ltd., Switzerland's largest cement maker, said fourth-quarter profit increased on demand for cement and aggregates and the company predicted further progress in 2012 as construction in Latin America and Asia gathers pace. Operating earnings before interest and taxes, depreciation and amortization rose 5.3 percent to 987 million francs (\$1.33 billion) in the quarter, the company said in a statement today. Sales rose 3.9 percent to 5.28 billion francs, the first time revenue advanced in six quarters, beating the average estimate for 4.93 billion francs in a survey of analysts by Bloomberg. Operating Ebitda will rise this year, the Jona, Switzerland-based company said in the statement. Operating Ebitda in 2011 fell 0.2 percent on a comparable basis, meaning Holcim met its forecast for that measure to be "close to last year's level." (Bloomberg)

Standard Chartered profit climbs to record for eighth year.

Standard Chartered Plc, the U.K.'s second-largest bank by market value, said profit last year climbed 12 percent, marking its eighth annual record earnings, on growth in corporate and consumer banking. Net income rose to \$4.85 billion from \$4.33 billion a year earlier, the London-based bank said today in a statement. That compared with the \$4.75 billion median estimate of 26 analysts surveyed by Bloomberg. Standard Chartered, which focuses on faster-growing markets in Asia, the Middle East and Africa, had a return on equity of 12.5 percent in the first half, surpassing the profitability of its four biggest U.K. competitors. The lender, which added about 1,600 people last year, in December pledged to hire more in 2012 as competitors including HSBC Holdings Plc and Royal Bank of Scotland Group Plc eliminate jobs. (Bloomberg)

• **Commodities**

Oil rises from one-week low on economic outlook; heads for monthly advance.

Oil advanced from the lowest price in almost a week in New York on speculation that fuel demand will increase amid signs of economic recovery and concern that tension with Iran threatens global crude supplies. "The U.S. economy is one of moderate growth, we seem to be consistently getting that picture," Ric Spooner, a chief market analyst at CMC Markets in Sydney, said in a telephone interview today. "The Iranian situation is still there and is likely to limit the extent of any downside." (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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