

ASPECTS REGARDING THE DEVELOPMENT OF BUCHAREST STOCK EXCHANGE

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Abstract: *Capital market in Romania is in a slow process of development, because the performances of the Bucharest Stock Exchange (BSE) are ranking it among the last ones in Europe. The causes of slow development of capital market and remain behind compared to other Eastern European markets are numerous and consist of: late establishment of the two parts of the capital market – stock exchange and OTC market, modest use of capital market in the privatization process of state-owned companies; compromise of investment funds after scandals with SAFI and FNI; delay reform of the pension system, withdrawal from Bucharest Stock Exchange of major companies such as Dacia Pitești, Arctic Găiești or Terapia Cluj Napoca, using bank credit as financing method of Romanian companies. Products launched by BSE must satisfy the requirements of local and foreign investors who were already accustomed to derivatives launched by the Financial and Commodities Exchange from Sibiu. In addition, Bucharest Stock Exchange should use the experience of major European and American ones that run large financial processes of innovation and launched contracts on weather, volatility indices, price indexes for real estate, etc.*

Key words: *securities, derivatives, capital markets, development, integration, and financial innovation*

JEL Classification: *G 15, G 34*

Romanian capital market – General considerations

The two segments of the capital market – Bucharest Stock Exchange and RASDAQ were established in Romania later than other countries from Central and Eastern Europe. The first regulations in this area have existed since 1990 (Law no. 15/1990 on the processing units of state in companies and Law no. 31/1990 on companies) the last law is governing the issue of shares and bonds. Given the economic and political context, the emergence and development of the capital market in our country was due to the initiation and conduct of the privatization process. Thus, Law no. 58/1991 regarding the privatization of state owned companies imposed the emergence of capital market and related legislation to allow trade, in an organized manner, of the vouchers given to the population in the Process of Mass Privatization. Although the deadline imposed by this law for adopting the law of securities and stock exchanges was 6 months; the law (no. 52/1994) was introduced in time for the Government, but it was approved by Parliament until after 2 ½ years, in 1994.

On the basis of Law no. 52/1994, the National Securities Commission, the Bucharest Stock Exchange and RASDAQ were created. With the emergence of capital market, companies can mobilize the funds available in the economy and may be financed through issues of shares and bonds, which become effective alternative funding if compared to bank credit. In addition, stock markets provide efficient allocation of funds, financial investors punishing companies characterized by lack of

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efficiency or reduced profitability. Thus, the economic situation of companies is reflected in the market price of shares listed at stock exchange and is influencing investors' interest not only for existing securities, but for shares and bonds subject to public primary offers. Some offers of bonds issued by private companies were not successful due to the high degree of indebtedness of the issuing companies. These examples illustrate the exigent operation a capital market and rational attitude of investors. In addition, stock-market indexes, calculated by the capital market institutions or brokerage firms, are important tools used by investors in evaluating the performance of securities and management of portfolios of financial securities.

Since the set up, Bucharest Stock Exchange and RASDAQ - the two fundamental institutions of capital market in Romania - have gone several steps to adapt to market requirements and international standards. As a result of progress in the field of information and communication technology (ICT), capital market activity in Romania has been computerized since the beginning of its establishment. Thus, although BSE has made initial transactions in the classical system by brokers meeting in the pit; at present, transactions are conducted in the electronic system. RASDAQ market, since its establishment, was an electronic market. Therefore, information technology and communications allowed for "burning" some development's stages of stock exchange activity in our country and the alignment with the practices of major European and American stock exchanges.

Following the trend recorded worldwide in the financial field - consolidation through mergers and acquisitions - in 2005, Bucharest Stock Exchange and RASDAQ have merged. Instead, the merger between BSE and Financial and Commodities of Sibiu has not occurred, the two exchanges trying to start some process of development on their own and collaboration with other foreign exchanges. In this respect, we mention the collaboration between BSE and the Vienna Stock Exchange, with the result of the launch ROTX index that is calculated based on 6 blue-chips listed on BSE. In this way, data from Romanian stock exchange market become accessible to Austrian and European investors.

Evolution and structure of the Bucharest Stock Exchange

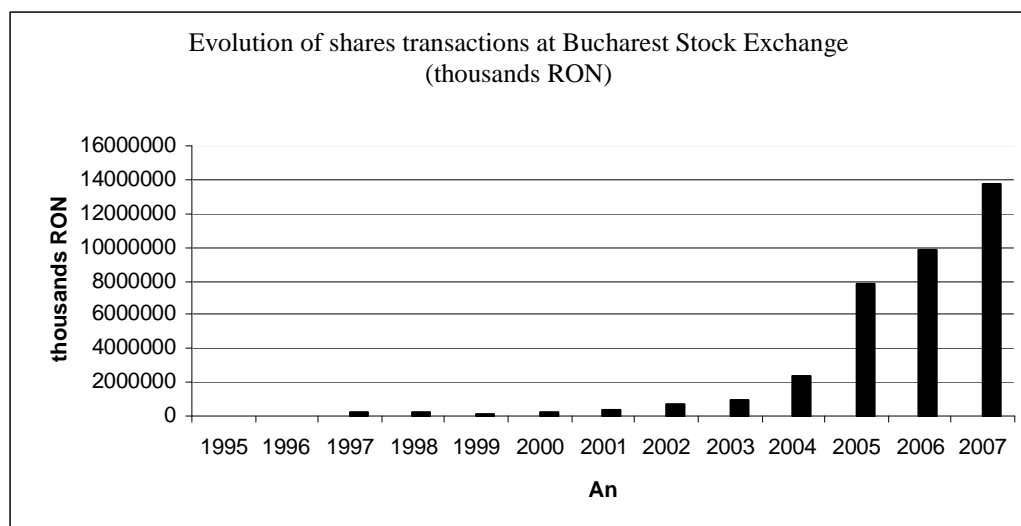
The development of the Romanian capital market is influenced both by improving legislation in this area, which was aligned to the European Union standards and the diversification of securities launched (futures contracts, options, preference rights), that are in dramatic extension. In this respect, we mention the legislative changes and the Bucharest Stock Exchange's concern for stability of the capital market, resulting in reducing the number of listed companies, withdrawing the companies that have not complied the exchange regulations. Also, in some cases, major shareholders have wanted a change in company regime, moving from an open company (listed on the exchange) in a closed society, especially in the situation of companies with foreign capital. However, the volume of transactions are conducted on an upward trend (Figure 1) in the period 1995-2007, although there have been years in which the value of transactions fell down. In this context, years 1998 and 1999 are remarked because, the decrease of GDP, influenced by the weak economic situation, put the fingerprint on stock activity (compared with 1997, the volume of transactions with shares in 1998 decreased by 5% and in 1999 by nearly 30%).

Despite oscillations on short term, we notice the boom of stock exchange's activity since 2000, the annual growth rate are impressive, especially as, during this period, the inflation cut down, and consequently the registered increase is real.

In the first phase, 1995-2001, due to permissive legislation and to the desire to win immediately, the number of brokerage companies was relatively high in relation to market requirements and criteria for their effectiveness. Subsequently, the National Securities Commission and the Bucharest Stock Exchange, in order to improve the quality of capital market, resorted to reducing the number of

brokerage companies operating in this market, excluding the inefficient ones from the point of view financial capital and intermediate transactions. This measure ensured the access to the most important component of the capital market, only the big brokerage firms, having financial resources and qualified personnel, helped to strengthen the market. Scandal of shares` theft, offence committed by some employees of brokerage firms that took advantage of the lack of information to individuals who have obtained the shares through the Mass Privatization Program, was another factor that contributed to the disappearance of many brokerage companies.

Figure 1



Source: www.bvb.ro.

Decrease in the number of intermediaries led to an increase in the volume of transactions concluded by a brokerage company. According to data presented in Table 1, one may observe not only increasing number of shares traded, but also increasing average volume of transactions and average value of a transaction intermediated by a brokerage company.

Table 1

The main stock exchange indicators in the period 1995-2007

Year	Value thousands RON	No. of companies listed	No of brokerage companies	No of shares traded	No of transactions
1995	250	9	28	42761	379
1996	1520	17	62	1141648	17768
1997	194590	76	133	593893605	609651
1998	184650	126	173	986804827	512705
1999	138915	127	150	1057558616	415045
2000	184292	114	120	1806587265	496887
2001	381277	65	110	2277454017	357577
2002	709800	65	75	4085123289	689184
2003	1006271	62	73	4106381895	440084
2004	2415044	60	67	13007587776	644839
2005	7809734	64	70	16934865957	1159060
2006	9894294	58	73	13677505261	1444398
2007	13802681	59	73	14234962355	1544891

Source: www.bvb.ro.

The development of capital market and the investors` increased interest in Romanian securities are reflected in the intensification of activity in the stock exchange and in increasing volume of transactions especially after 2000. Thus, only in the period 2000-2006 we are registering a growth of

32.5 times of the total value traded at the Bucharest Stock Exchange (listed and unlisted shares and bonds), from 93.24 million Euros to 3030.37 million Euros; the main part of these transactions are done with shares of companies listed. Intensification of transactions has increased securities prices, a fact highlighted by increase in the indicators value like PER (price earning ratio), market price/nominal value and by decrease in dividend yield, as a result of the table 2.

Table 2

Evolution of some indicators in the period 2000-2006

Year	PER	Market price / nominal value	Dividend yield
2000	3.98	0.41	7.48
2001	4.92	0.45	6.70
2002	9.12	0.84	4.97
2003	13.10	1.01	2.00
2004	35.18	2.29	1.45
2005	24.05	3.28	0.92
2006	18.03	2.72	1.72
2007	19.37	3.05	2.16

Source: www.bvb.ro.

This trend of course increases and PER values is recorded for the most traded shares from BSE, too.

Shares and preference rights

Until 2006, shares listed at the BSE were structured in two categories: second category or basic category and first category. The criteria for access to the two categories focused on elements such as capital, profitability and features regarding the companies' economic activities for a certain period of time. Subsequently, BSE introduced the PLUS or more transparency category, in an attempt to promote and develop the principles of corporate governance in our country. Companies listed in this category had to meet certain conditions with respect to information to shareholders, the rights of minority shareholders and capital increases. In one form or another, many of the provisions of the Code of transparency promoted by BSE have been taken after 2002, in the capital market law. Today, by introducing new stock exchange code, the structure of BSE was changed, and there are three categories: first, second and third.

During 1995-2007, we remark a concentration of the market, both in terms of issuing companies and brokerage companies. The concentration is higher for the shares listed in the sense that certain shares have significant weight of total transactions. Analysis of data regarding the transactions conducted at BSE shows a strong concentration level for the first category, remarking here the two banks - Transilvania Bank and the Romanian Development Bank. Also, one notes a growing interest of investors in shares issued by the two banks. In addition to these securities, one should note the interest of investors for certain blue-chips (like SNP Petrom, ALRO, Biofarm etc.) due to some events such as the privatization process, revaluation of fixed assets, capital (equity) increase through incorporation of reserves, etc.

Generally, one may notice the interest of investors for shares issued by the five financial investment companies, a fact explained by the reduced risk that accompanies these securities as a result of highly diversified portfolios held by these companies. In addition, dividends distributed fueled investors' appetite for these blue chips. All these led to an increase in average rates, with

increase of PER. In fact, among securities listed at the BSE, the shares issued by financial investment companies registered the most spectacular rate increases. This fact was reflected in the growth and the BET-FI index (based on the price of shares issued by the five financial investment companies), its variations exceeding the modification of the BET index and BET C index.

Table 3

Evolution of indexes calculated by the Bucharest Stock Exchange

Year	BET	BET C	BET FI
2000	544.72	510.81	1236.84
2001	754.85	486.07	2700.72
2002	1659.06	1103.12	6015.22
2003	2171.88	1390.38	8014.17
2004	4364.71	2829.45	17289.87
2005	6586.13	3910.88	47588.76
2006	8050.18	5025.08	63011.74
2007	9825.38	6665.47	78669.68

Source: *www.bvb.ro*.

A separate category is the unlisted companies category. The number of these companies has increased after 2000 as a result of the massive withdrawal that characterized the Bucharest Stock Exchange during this period. Given the characteristics of issuers, investors' interest in these companies fell, one of the explanations being the emergence of new investment instruments in BSE - bonds, preference rights and allocation rights (Table 4).

Table 4

**Evolution of transactions with shares issued by unlisted companies
(2000-2007)**

millions euro

Year	Total value of BSE's transactions	Value of transactions with shares issued by unlisted companies	Weight of transactions with shares issued by unlisted companies
2000	93.24	0.77	0.83
2001	148.55	1.115	0.75
2002	222.67	8.18	3.67
2003	273.20	15.34	5.61
2004	667.81	3.71	0.56
2005	2193.80	25.06	1.14
2006	3030.37	4.72	0.16
2007	4395.17	19.20	0.43

Source: *Own calculation on primary data from BSE.*

Preference and allocation rights

As a novelty item, we note the trading of preference rights since 2005. The first preference rights are traded on the BSE, being issued by Impact Company from Bucharest; in the period 17-21 January 2005. About 6% of the total number of rights in circulation was traded, at prices ranging between 660 and 770 lei (ROL), closed to their theoretical value, however, which shows the interest of investors in these financial instruments. The reduced rate of trading for these securities is explained by the spread between the market value (over 6500 ROL) and the nominal value (for 2000 only ROL). Although the amount of transactions for these securities is pretty low, the listing of these preference

rights at the exchange shows the importance of capital increase for listed companies as a mechanism for financing economic activity. These rights are used to remove the effects of dilution specific to capital increase, but their trading provides information on the interest of investors in new shares issued or in speculative activities.

Allocation rights and preference rights are considered primary securities and they have a limited lifetime. The first allocation rights were traded at the BSE at the end of 2007 and they accompanied the issue of shares by Transgaz to increase capital. These rights allow for fructification of subscriptions made until the listing of shares purchased at the BSE.

Bonds

The capital market in Romania is a market of shares, while the bonds market is in a process of development, a phenomenon specific to the countries of Central and Eastern Europe. Although the legal provisions regarding bonds have been issued since 1990 (Law no. 31/1990 on companies), the first bonds issue occurred quite late and the interest in bonds has intensified since 2001. The first bond issue was made by Siderca SA Călărași, in 1997. The bonds were guaranteed (with assets of the company), registered and convertible (4 shares for a debenture), but they were not listed on any regulated capital market. The offer was successfully completed, but at the term of payment, the company had financial difficulties and failed to cover liabilities for all bond investors. The bonds matured in the course of 2000, and the company failed to repay the entire loan debt.

In 2000, International Leasing Company from Bucharest, a private company with Romanian capital, issued 88,000 guaranteed bonds (convertible, nominative and dematerialized), which brought a yield of 60% per year through interest paid quarterly. In 2002, International Leasing launched a new issue of guaranteed but nonconvertible bonds.

Table 5

Elements of bond market

Year	No of trading sessions	No of transactions	No of bonds sold	Value of bonds RON	No. of issuers	No. of new issues listed
2001	17	5	45	481	2	2
2002	247	10	59050	782679	4	2
2003	241	39	187870	17135352	10	8
2004	253	1116	530466	289794852	22	16
2005	247	394	39101	127369059	19	6
2006	248	570	3917457	985517593	19	5
2007	250	268	6.652.467	794335511	22	11

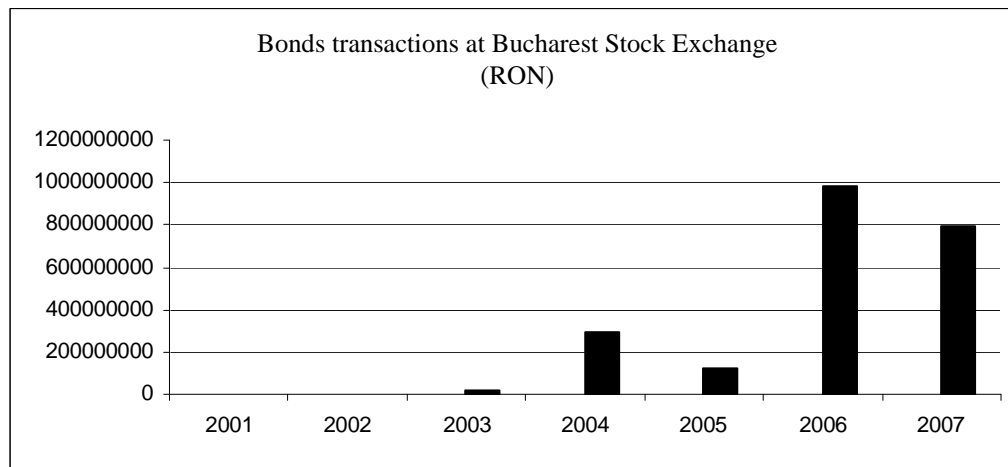
Source: www.bvb.ro.

The development of bond market after 2000 and issuers' desire to attract many investors took to the listing of bonds at the BSE. While insignificant at first, the exchange bonds known increases in value and share of total transactions conducted on BSE.

Among the issuers of corporate bonds, it is noted increasing interest of financial institutions for this form of financing. Thus, some banks and leasing companies – Reconstructions and Development Bank, Raiffeisen Bank, Finansbank, BCR Leasing, International Leasing, TBI Leasing have used the bond loans to finance their activities. Year 2004 is a reference year for the bond market because the issuance of the three banks was above 56 million euros, compared to the total amount of 32 municipal

issues before in Romania, namely 26 million euros. However, the three banks have attracted more funds in 2004, compared with total funding attracted by local governments (9.2 million euros).

Figure 2



Source: www.bvb.ro

The year 2001 brought a premiere in the Romanian capital - municipal bonds issue. Thus, the town of Predeal is the first issuer of municipal bonds in the history of modern capital market. They offered for sale 50,000 bonds (nominal, dematerialized and nonconvertible), with a nominal value of ROL 1.000.000. The selling price of the bonds was equal to nominal value. The destination of funds was to arrange new ski runs. Predeal initiative was followed by other municipalities such as Mangalia (the destination of funds was related to the arrangement of pedestrian alley among sea wall in the southern area and start building of sport class for a high school called Callatis), Sebeş (which intended to extend and rehabilitate sewerage system), Bacău (loan being used for strengthening and modernization of the Bacovia Theater), Alba Iulia (the objective being to finance the partial rehabilitation of the sewerage system); Zalău (for the achievement of the investment project "Modernization of water"), Cluj-Napoca (the bonds being issued to supplement the existing funds for modernization of Maramureş street, bridge over the Lomb creek and "Michael the Brave" public market), Târgu-Mureş (has used the funds to finance the investment project "Modernizing the Gheorghe Doja street").

The vast majority of these bond loans had the same consultant, namely VMB Partners, that explains the similarities on the terms of the offer prospectus:

- bonds are registered, dematerialized and non-convertible;
- issuer guarantees with the full tax power according to the law and prospectus; guarantee agreements are recorded in the Archives of the Real Guaranties, and the bond creditors` claims have priority over any subsequent claims of third parties to the local public administration;
- issuer pledges to repay debt and to pay interest and fees related to debt only from the local public administration incomes, and the government do not have any obligation to pay this debt;
- the issue is „al pari”, namely the sale price is equal to the nominal value;
- the interest rate is variable and is calculated quarterly according to formula $(BUBID\ BUBOR +) / 2 + a\ margin\ of\ 0,1- 3\%$;

- bond loan is reimbursed in half-yearly or quarterly installments equal;
- in the first stage of bonds market, period of maturity was low, being, in general, 18-24 months; the consolidation of the capital market and investors interest for bonds have led to the increase in the period of maturity (15-20 years);
- after concluding the public offer, the bonds are listed and traded on the Bucharest Stock Exchange;
- the sale of bonds was made usually through banks like the Romanian Commercial Bank and the Reconstruction and Development Bank;
- bond redemption takes place at face value.

Municipal bonds are considered attractive securities to investors, because they offer higher yields on government securities by 2-3%. In addition, this high yield is accompanied by a small risk because of the issuer's type and guaranties offered by the issuer. Most of the bonds were subscribed by legal persons - either by banks or by mutual funds. The low interest shown by individual investors can be explained by the lack of economic culture, but also by reduced liquidity of these securities, which manifested in spite of their listing at the Bucharest Stock Exchange.

The offer of bonds listed at the BSE increased by listing bonds issued by two international financial institutions, namely the International Bank for Reconstruction and Development (IBRD) and the European Investment Bank (EIB). These listings show the confidence of these institutions in the Romanian capital, which will contribute to the increased interest of foreign investors for financial instruments, traded on the BSE.

Currently, at the Bucharest Stock Exchange bonds issued by 23 operators are listed: 4 local financial institutions (BCR, Carpathian International Leasing Bank and ProCredit Bank), 17 municipalities and 2 international financial institutions. The highest value of loan debt is recorded in the case of the Romanian Commercial Bank, the European Investment Bank and the International Bank for Reconstruction and Development.

Treasury securities (Treasury Bills and Treasury bonds), long traded through the electronic system administered by the National Bank of Romania, have been quoted since August 2008 at the Bucharest Stock Exchange.

Futures contracts

Given the importance of speculative transactions and hedging in economic field, at the end of 2007 and early 2008, BSE has launched futures contracts based on indexes (BET and BET-C), shares (issued by the five financial investment companies, Transelectrica, Transilvania Bank, Transgaz and Erste Bank) and currency (euros and U.S. dollars). For now, futures transactions are modest.

Conclusions

The Bucharest Stock Exchange is in a process of development and consolidation. In a period characterized by globalization and regional integration, the Bucharest Stock Exchange should intensify cooperation with stock exchanges from the European area and should think at regional cooperation strategy. Regional integration is a phenomenon particularly intense on the European continent, which is generated by the desire of European stock exchanges to counterbalance the power of strong American stock exchanges, the regional economic integration and the use of a single currency in European Union. Moreover, there are some signs of cooperation between stock exchanges on both

continents, the result of the most spectacular being the set up of NYSE Euronext Group. However, in the field of commodities and stock exchanges, the efforts are being made to harmonize legislation, and international and regional organizations try to intensify the cooperation between the market actors.

For the moment, in the region of Central and Eastern Europe, echoes of financial integration are weak, the trend is the cooperation between stock exchanges in the region. The first steps have been taken by the Wiener Börse has launched a CECE family of indices that reflect the movement of blue chips listed on the stock exchanges from Central and Eastern Europe. Moreover, continuing the tradition of cooperation with exchanges in the region, the Wiener Börse has signed cooperation agreements with various stock exchanges in the region. At the end of 2006 an agreement was also signed with BSE so that the transactions made by the Romanian stock exchange are available in Vienna and vice versa. Based on the agreement of cooperation signed, Vienna stock exchange offered advice to Romanians in order to launch futures contracts on BSE.

From its establishment, BSE has signed agreements with various European stock exchanges or from other continents (Thessaloniki Exchange, Athens, London or Tokyo). In August 2007, BSE and the Stock Exchange of Cyprus signed also a cooperation agreement for mutual listing of the most important securities on the two markets. In fact, international institutions recommended intensifying regional cooperation in view of the common characteristics and dimensions of the stock exchanges from South-Eastern Europe. "Such cooperation could help the harmonization of direct links between the various stock exchanges or the development of a common negotiating platform."

For now, we can not talk about integration between any exchanges in Central and Eastern Europe, but only a modest cooperation. Possibilities exist since countries in the region are EU members, have a harmonized legislation and have similar dimensions. In addition, there are models that can be followed successfully - or integrated exchanges like Eurex and Euronext.

It is known that the exchange is a highly sensitive barometer of the economy and the stock market indexes reflect not only the capital market indices but also the economy evolution. BSE is on the rise and changes to be correlated with the evolution of the economy as a whole. According to annual reports, favorable developments of the stock market indexes were supported almost exclusively by the decline in yields of alternative financial investments (deposits in U.S. dollars or in foreign currency and Treasury securities); full capitalization of the growth potential offered by this context has not been possible, preserving a rigid market architecture".

Developing and strengthening of the Romanian capital market has been achieved not only through the efforts of authorities, but also by the Romanian companies that are using capital markets to finance economic activity by launching public primary or initial offers for shares and bonds. Unfortunately, bank credit continues to be in Romania the main form of financing economic activity.

In the process of developing the capital market, we should emphasize the importance of private initiatives, coming from the various entities operating on the capital market. In this respect, we should mention the activity of Vanguard Brokerage Company that launched the first indices on the Romanian market in 1996, a year before the launch of official BET index. The following year, the stock exchange from Sibiu launched its own index named BMS I that was used as the base for futures contracts until the emergence of BET index in September 1997.

Another brokerage company - Intercapital Invest, displeased with the BSE index, launched its own index TRX, which becomes an important tool of analysis for individual and institutional

investors. Complaints of the brokerage company's specialists focused on big weights of companies with large capitalization in basket indices like SNP Petrom, Transilvania Bank and Rompetrol Refining; omission of the financial investment companies in BET-C index (so, BSE does not have a composite index covering all shares listed) and dividends distributed by listed companies.

Given the predominant speculative side of activities conducted at BSE, portfolio investors are interested and respecting the principles of corporate governance in companies which are minority shareholders. An OECD report on corporate governance prepared for our country in 2001 highlighted many problems facing minority shareholders. The most troubling areas in applying the principles of corporate governance were the role of the supervisory board and reduced protection of shareholders, which placed Romania the 7th of 10 in a ranking compiled in 2000 by SG Emerging Markets Equity Research.

In the report prepared in 2005 by the Foreign Investors Council of Romania, there is valued progress in the field of corporate governance and capital market, but certain aspects need improvement: the distribution of dividends, cumulative voting, the role of auditors, etc. Furthermore, it requires developing a National Code on Corporate Governance, in this way Romania will cope with practices specific to the European Union. So far, the Institute of Corporate Governance was established, its mission is a proper training of managers, members of the Management Board and other persons involved. Corporate governance is particularly important because, according to specialists, it has direct implications for the process of attracting capital, investing funds and thus for economic growth.

With all these combined efforts of state institutions, brokerage firms and companies, the Romanian capital market and its main component - BSE - are among the last in European top and made small annual progress comparative with Bulgarian or Belgrade Stock Exchanges.

Table 6

European Stock Exchanges ranking (millions USD)

Exchange	Domestic market capitalization 2007	Domestic market capitalization 2006
Athens Exchange	264,960.8	208,256.1
Bucharest Stock Exchange	30,642.0	25,235.0
Bratislava Stock Exchange	6,911.3	5,831.4
Budapest Stock Exchange	46,195.6	41,934.5
Bulgarian Stock Exchange	21,667.7	10,325.0
Cyprus Stock Exchange	29,474.3	16,157.8
Euronext	4,222,679.8	3,712,680.8
Istanbul Stock Exchange	286,571.7	162,398.9
Ljubliana Stock Exchange	28,794.0	15,180.7
London Stock Exchange	3,851,705.9	3,794,310.3
Prague Stock Exchange	68,913.2	44,372.1
Warsaw Exchange	211,620.2	151,809.0
Wiener Borse	236,448.4	199,121.0

Source: World Federation of Exchanges, <http://www.world-exchanges.org/publications/EQUITY107.xls>; <http://www.world-exchanges.org/publications/OTHER%20MARKET107.xls>

The causes of slow development of capital market are numerous and consist of: late establishment of the two parts of the capital market (Bucharest Stock Exchange and RASDAQ), modest use of capital market in the privatization process of state-owned companies; compromise of

investment funds after the scandals of SAFI and FNI; delayed reform of the pension system, the withdrawal of major companies such as Dacia Pitești, Arctic Găiești or Terapia Cluj-Napoca from the stock exchange and companies are mainly based on bank credit as financing method.

Potential development of Bucharest Stock Exchange consists in introducing options contracts on indices, stock and bonds and by the launch of structured products such as warrants or exchange traded funds (ETF). The offer of products has to meet the requirements of local and foreign investors who are already accustomed to derivatives launched by the Financial and Commodities Exchange of Sibiu. In addition, BSE should inspire from major European and American exchanges that run large financial processes of innovation and launch contracts on weather, volatility indices, price indices for real estate market, etc.

In conclusion, BSE is now growing, thus providing effective alternatives for financing local companies and attractive investment opportunities for Romanian and foreign investors. However, if compared to other European stock exchanges, BSE's offer is modest in terms of quality and quantity of products.

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