

BUCHAREST STOCK EXCHANGE EVOLUTION NOVEMBER 1995 – NOVEMBER 2005

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Abstract:

Bucharest Stock Exchange was opened for transactions at the end of November 1995. Since than 10 years have passed – and the end of November 2005 marked the first decade of Bucharest Stock Exchange contemporaneous existence. But the event passed almost unnoticed, not even a press release on Bucharest Stock Exchange official site could be found. Despite this silent anniversary, the main Romanian stock market could be proud of most of its achievements in these 10 years. This paper tries to present the Bucharest Stock Exchange evolution during a decade, along with its potential for development in the years to come.

Key words: stock exchange, evolution, capitalization, indexes

1. Bucharest Stock Exchange opening

The official opening of Bucharest Stock Exchange (BVB)¹ took place in April 21, 1995. But at that time only the administrative structures were formed and several months passed before BVB could host any transactions.

BVB was, at its beginnings, a public institution, non for profit, managed by Bucharest Stock Exchange Association which included those Romanian brokerage companies fulfilling the required conditions.

Compared with its neighboring countries, BVB was among the last to open during 1995. Budapest Stock Exchange was open in 1990 and the first Bulgarian Stock Exchange opened in 1991². Prague Stock Exchange opened in November 1992 followed by Bratislava Stock Exchange which was open in April 1993.

¹ We will use the abbreviation BVB (resulting from the Romanian name of the stock exchange – Bursa de Valori Bucuresti) to avoid any confusion with Budapest Stock Exchange.

² The situation in Bulgaria was a special one: between 1991 and the beginning of 1995, 20 regional exchanges were opened. During 1995 all these exchanges were integrated under the name of Bulgarian Stock Exchange.

Among the reasons for this delay we must mention:

- the slow pace of privatization process (accelerated by the end of 1995 under the pressure of international institutions like International Monetary Fund);
- the absence of managerial culture regarding the advantages of an incorporated and listed company;
- a small number of incorporated companies willing to list their shares on a stock market;
- almost all Romanian companies ignored the possibility of issuing bonds to finance their investments;
- the laws concerning the public administration prohibited the municipalities to issue bonds until 2001;
- the T-bills were available only on the inter-bank market (between 1994 and 2000 no T-notes or T-bonds were issued due to a very high inflation rate);
- a proper law regulating the Romanian capital market was approved and enforced only in 1994 – and under this law the supervising authority for Romanian capital market - the Romanian National Securities Commission - was created. After this moment, the pace for BVB opening increased.

Despite the scarcity of securities on the market, BVB opened for transaction November 20, 1995 when 6 companies out of 8 listed companies were traded, generating 45 transactions, a volume of 905 shares and a value of 14.9 million ROL (5666.5 ECU).

Between November 20, 1995 and March 19, 1996 BVB was open for trades only one day every week. After that moment, the number of trading days increased at two per week until March 4, 1997. Between March 4, 1997 and May 5, 1997 the number of trading days at BVB was of three per week. Since May 5, 1997 BVB entered in a normal 5 trading days per week schedule. The small number of trading days per week is one of the reasons for the slow pace of BVB development during 1996.

2. Bucharest Stock Exchange evolution

Table and graphic no.1 present the evolution of BVB members and listed companies – by the end of each year.

Table no.1

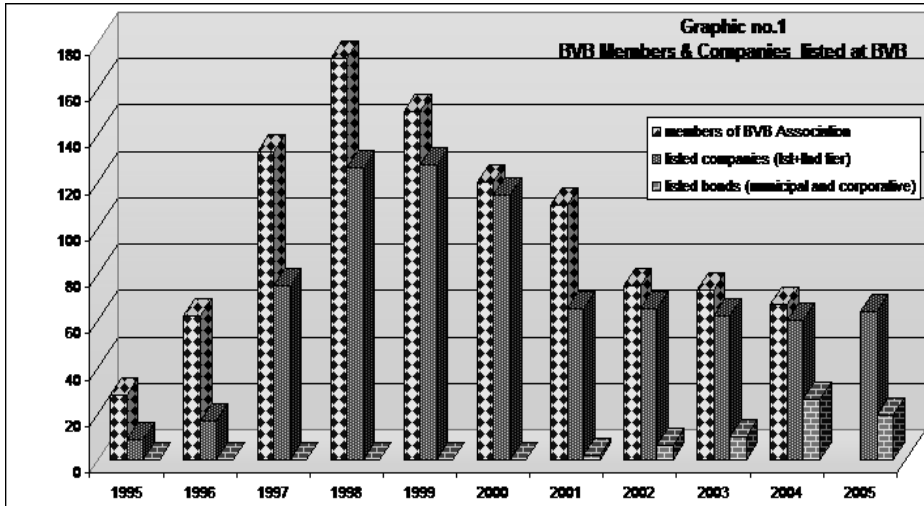
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005*
Members of Bucharest Stock Exchange Association	28	62	133	173	150	120	110	75	73	67	n/a
Listed companies ¹	9	17	75	126	127	114	65	65	62	60	64
Listed bonds (municipal and corporative)	0	0	0	0	0	0	2	6	10	26	19

Note: * November 2005

Source: BVB Annual reports for 2001, 2002, 2003 and 2004 and Summary of trades (www.bvb.ro)

The big number of brokerage firms registered between 1997 and 1999 was due to the privatization process. During the above mentioned period a lot of privatization coupon (which could be converted in shares) flooded the market. Those coupons were distributed for free for every Romanian citizen over 18 years old and the owners ignored their value. The brokerage firms tried to concentrate the coupons for their own benefits or for some (very few) educated and interested clients. When the number of coupons on the market dropped, the smaller brokerage firms were forced to close their doors. Other reasons for the decrease of brokerage firms' number were:

- the penalties, activity suspension or termination of activity imposed by Romanian National Securities Commission due to the fact that a number of brokerage firms broke the regulations and fraud their clients;
- the enforcement of new regulations (during 1998) requiring a higher level of capital, which some brokerage firms could not fulfill.



The number of listed companies grew to a maximum of 132 between November 1 and November 23, 1999. By the end of 1999, the BVB Board of Directors realized that the listed companies' quality is not very high and despite this big number, the investors were not interested in many companies. In fact, during 1998 and 1999 the average number of traded companies per day was around 70. During 2000 new regulations were enforced, requiring new (higher) limits for capital level and a higher level of disclosure for the listed companies. In August 2001, a number of 36 companies – which did not fulfill those requirements – were eliminated from the Bucharest Stock Exchange trading system. It proved to be a good decision and the investors' interest for those companies which remained in BVB list increased.

The evolution of Bucharest Stock Exchange capitalization is proving, also, that the decision to increase the listed companies' quality was a good one, as table and graphic no.2 show.

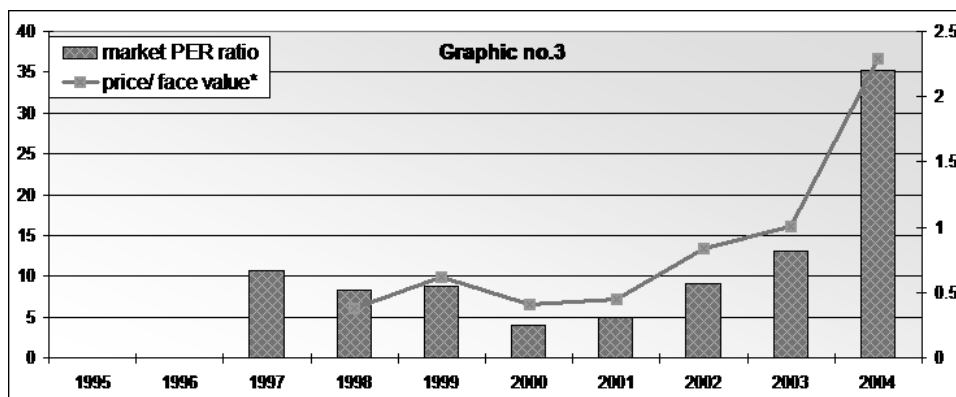
Table no.2

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Market capitalization (million ECU/ EUR)	77.61	48.53	560.28	317.32	298.09	450.51	1361.08	2646.45	2991.02	8818.82	15572.83

Source: BVB Annual reports for 2001, 2002, 2003 and 2004 and Summary of trades (www.bvb.ro)

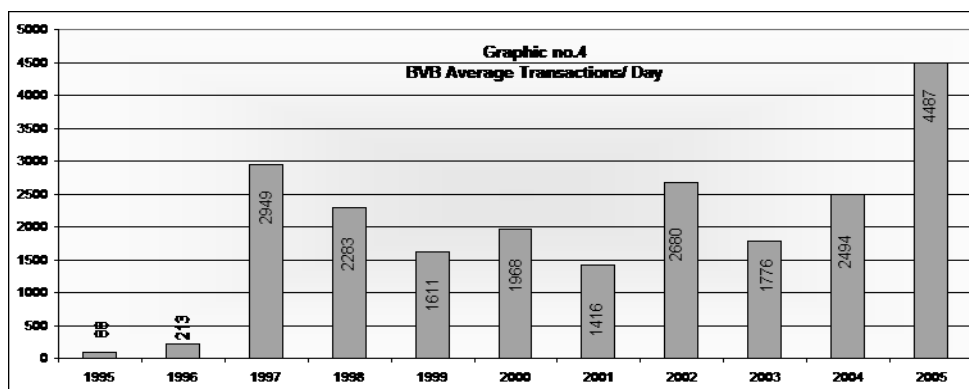
Consistent with the situation presented above, BVB capitalization during 1997 registered an important increase, but due to the problems created by the brokerage firms (frauds in transactions - mainly connected with stolen shares) generated an overall feeling of mistrust toward the capital market as a whole.

The capitalization at BVB registered an important growth since 2000 due to a spectacular increase of listed company prices. It is true that for more than 3 years the Romanian companies were undervalued, as the graphic no.3 – plotting the market PER and price/ face value ratio – shows³.

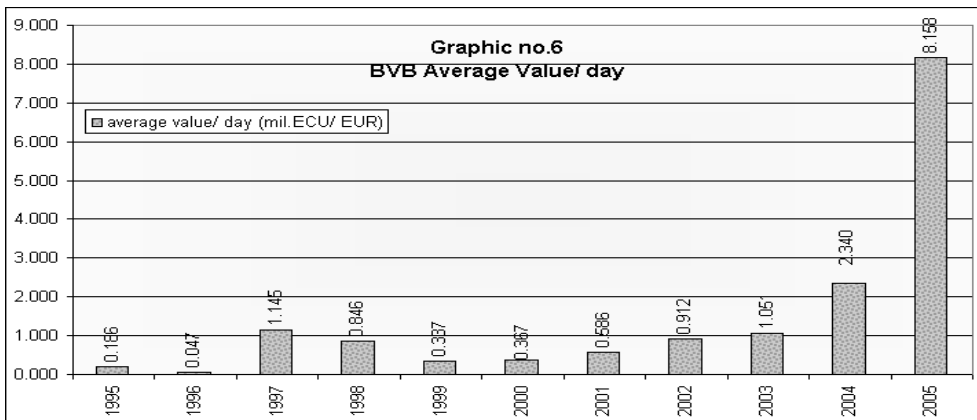
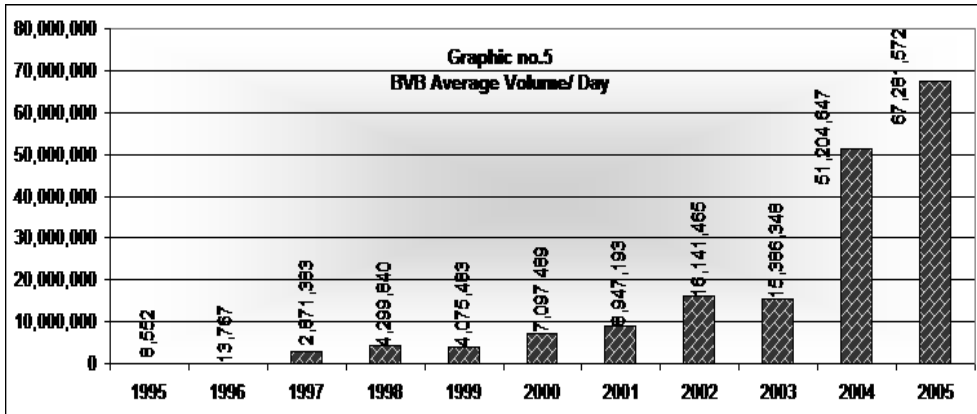


Source: BVB Annual reports for 2001, 2002, 2003 and 2004 (www.bvb.ro)

The following graphics (no.4, 5 and 6) present the evolution of average number of transactions per day, the average volume per day and the average value per day (in million ECU/ EUR).



³ In Romania, the share face value is the approximation to book value for practical reasons.



As it can be seen, the interest for the BVB listed companies increased slowly during 2000 and 2001. The year which marked the 'return' of investors was 2002, when Romania became a NATO member. The perspective of Romania's accession to European Union only maintained the investors' interest alive.

The first company fulfilling the conditions to be listed inside the Bucharest Stock Exchange first category occurred only by the end of January 1997. But after the trading at the first category started the importance of this category in BVB trading value grew as the following figures show (for the period: January 28, 1997- November 30, 2005):

- it concentrated 72.03% of total trades;
- it concentrated 68.26% of total volume;
- it concentrated 77.57% of total value.

November 1, 1999 was another important moment in BVB evolution. It marked the listing – inside the first category - of the five former privatization funds (called Private Property Funds) transformed in investment funds (closed-end funds) for which we will use the Romanian abbreviation SIFs⁴. The SIFs situation is peculiar, they concentrate a big number of shareholders, their portfolios are interesting and they managed to pay dividends every year. Due to all these reasons, the investors' interest for those investment funds increased as the years passed. Again, the figures speak for themselves (November 1, 1999 – November 30, 2005):

- SIFs concentrated 51.27% of total trades (64.81% of the first category trades);
- SIFs concentrated 35.02% of total volume (48.83% of the first category volume)
- SIFs concentrated 34.93% of total value (43.59% of the first category value).

Unfortunately, the BVB trading platform was never used for the privatization process.

The public offerings using BVB trading system were scarce too, they managed to concentrate – since 1997, when data structure made the analyze possible – only 3.67% from the total value of traded shares.

Starting with November 26, 2001 BVB diversified the listed securities by accepting to trade municipal bonds⁵. But, this market segment did not manage to attract the investors' interest at the expected level. Some Romanian analysts consider that the interest rate paid by the municipal bonds is appreciated to be very good by the investors, so they choose to keep those bonds in their portfolio. But what many Romanian analysts seems to forget is the low liquidity of those bonds (no issue was bigger than 250.000 bonds and a small number of investors which underwrite those issues). The transparency regarding municipal bonds' issues was very low due to the fact that between 2002 and 2004 the regulations concerning the public offerings was unclear and could be interpreted in various ways⁶. Only 6 municipal bond public offerings were made through BVB trading system.

⁴ The abbreviation SIF comes from Societate de Investitii Financiare, in English Financial Investment Company.

⁵ The law on public administration change and municipalities were allowed – starting with 2001 – to issue bonds.

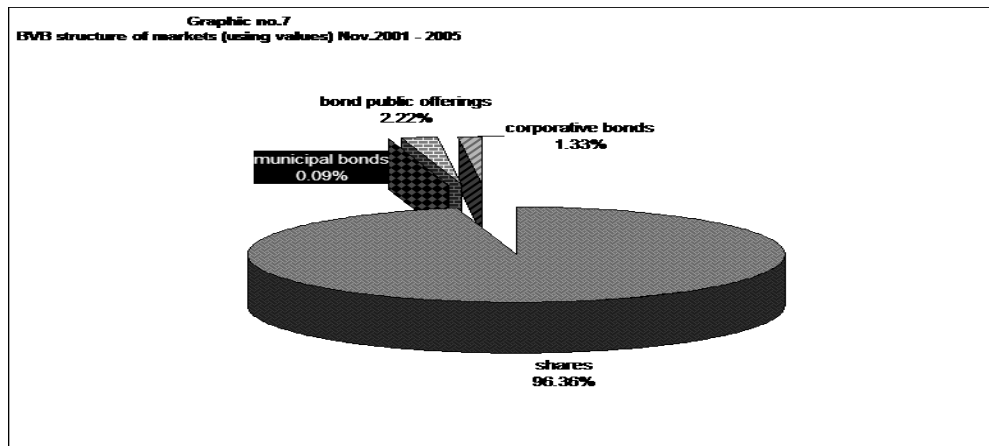
⁶ Since 2004 a new law was issued and enforced for the Romanian capital market; it requires an increased level of transparency, but during 2005 a very low number of public offerings were made (only 5 compared with 12 during 2004).

Another minus for the Romanian bond market is the absence of the yield curve and due to this situation it is almost impossible to establish the correct price for the traded bonds.

Other factor influencing the bond market at BVB is the lack of rating. There is no official rating agency in Romania and the services offered by foreign agencies are not used (the idea of rating is either ignored or perceived as too expensive). The Romanian authorities recognized the need for a rating agency, but no important steps in the direction of creating one were made.

Despite the low level of interest for the municipal bond market segment, BVB Board decided to open the market segment for corporate bonds. These bonds seemed to attract a bigger number of investors, due to their issuers (considered to be good companies, despite the lack of rating).

Graphic no.7 plots the structure of BVB markets (using total value).



For the first time – between January 17 and January 21, 2005 – rights were traded at BVB. Those rights were issued by Impact Inc. – a company regarded as a blue chip despite the fact it is traded inside the second category. During the above mentioned week, the value of traded rights concentrated around 0.75% from the total transactions' value. Despite its limited success, through this initiative BVB increased the variety of traded securities and should be regarded as a positive development.

As it can be seen, BVB struggled to diversify its market segments and to attract investors. Clearly, the market registered an important growth⁷ in the last 4 years, but there is a lot of space for other improvements.

⁷ For those interested, we must mention that a part of BVB growth was due to the change of its trading systems. The first system (and not very sophisticated) STEA was replaced by HORIZON™ between August and November 1999. The present trading system ARENA is an in-house built one.

However, some improvements are not on BVB Board hands. Since 1998 a lot of discussions and negotiations took place concerning the T-bonds listing (especially T-bills) at BVB, but year after year passed and no agreement was signed between the Ministry of Finance and Bucharest Stock Exchange. This situation only proves that the Romanian Ministry of Finance does not have a clear strategy for using the bonds and has no clear idea about the level interest rate it could pay for those bonds⁸.

Another problem for BVB is the difficulty to attract new companies to be listed. It became clear by the end of 2003⁹ that new entries are necessary. During May 2004, Romanian Government launched a program with the mission 'A Strong Stock Exchange for the future EU integration processes'¹⁰. One of this program's objectives was the listing of 7 important Romanian utility companies, but by the end of November 2005 any of those companies was listed at BVB.

Due to all those problems, combined with a volatile economy, we can consider that BVB made important steps in the last 10 years.

3. Bucharest Stock Exchange indexes

The first official index of BVB was launched in September 1997. Its name is BET (Bucharest Exchange Trading) and included in its portfolio 10 of the most liquid companies listed in the first category (concentrating over 70% of trading value). Since September 22, 1997 the BET index portfolio was modified 9 times. The last change in BET portfolio brought something new: there were included two companies from the second category due to their impact on the total BVB transactions.

The second official index of BVB is a composite one: BET-C (or Bucharest Exchange Trading – Composite) including all the traded companies (1st and 2nd category, exclusive SIFs). It was launched in April 1998. This index seems to be less popular than BET among analysts and investors.

A third official index was launched November 1, 2000 to describe the evolution of SIFs. It is the first sector index at BVB. Its name is BET-FI (or BET-Financial).

The calculation method used for all the three indexes is a capitalization weighted

⁸ For years the Ministry of Finance used the interest rate as a tool to raise funds when it pleased, and due to this kind of action, the risk free rate was not the lowest but the highest Romania. And those responsible for establishing a strategy of using T-bonds almost ignore the fact that these instruments offer to their investors the risk free rate. With such an attitude it is difficult to develop a bond market in Romania.

⁹ By the end of 2003 two of the most interesting companies listed at the first tier were redrew from BVB by their new owners, resulted from the privatization process.

¹⁰ www.bvb.ro/medianews

price base one, using the same principle of computation: capitalization weighted chained Laspeyres formula¹¹. Inside these indexes, the participation of any company participation is restricted to 25% of the total portfolio capitalization¹².

A fourth index was launched in March 2005. The new index ROTX (Romanian Traded Index) is calculated in collaboration with Wiener Boerse AG and it become an underlying asset for a derivative contract in Wien. The index should include (as the document issued at its launching stated) the most liquid blue chip stocks traded at BVB¹³. It is a capitalization-weighted price index too.

The evolution of all those indexes is plotted in the graphics no.8, 9, 10 and 11. Due to the fact that the first 3 indexes started to be calculated in EUR since February 2003, we present on the graphics only the indexes in ROL (Romanian Leu) and USD.

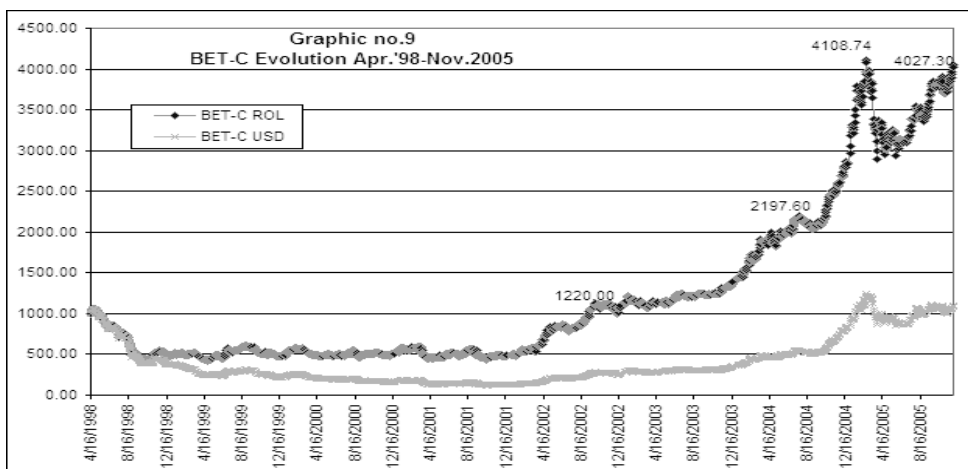
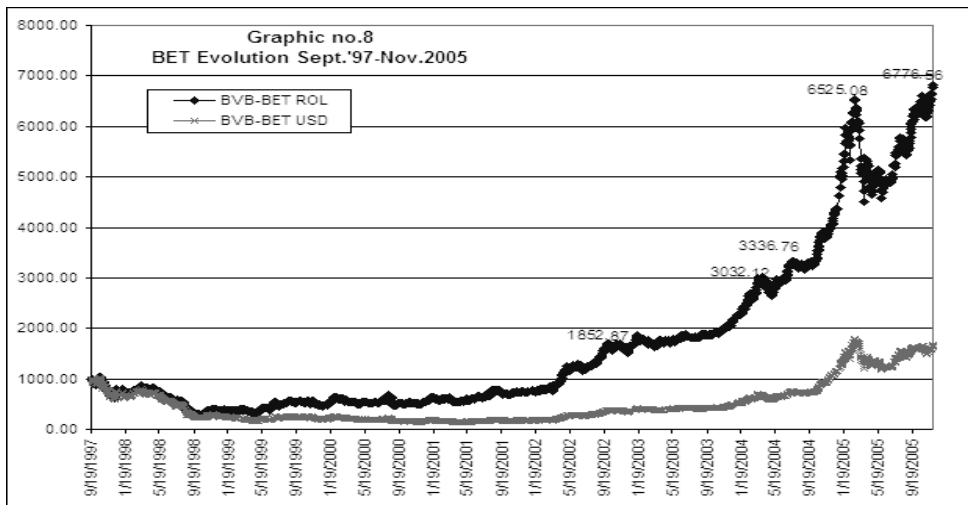
The evolution of BET and BET-C are consistent with the data presented above for the number of listed companies and BVB capitalization. After a good evolution at the end of 1997 and the first three months of 1998 for BET, and a short positive evolution for BET-C after being launched, both indexes plunged due to overall pessimism which dominated Romanian capital market after the frauds and irregularities discovered at brokerage firms' level. There were necessary 3 years, changes in laws and regulations and a proper enforcement of those laws and regulations to regain at least some of the investors' trust and interest.

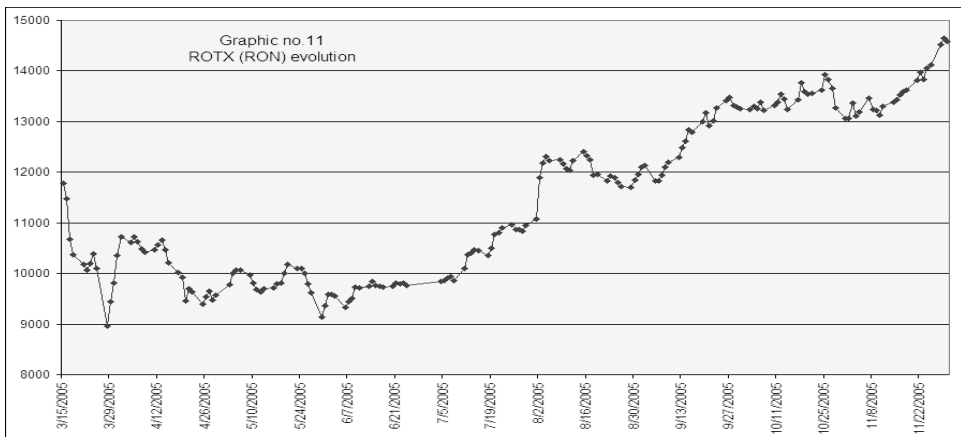
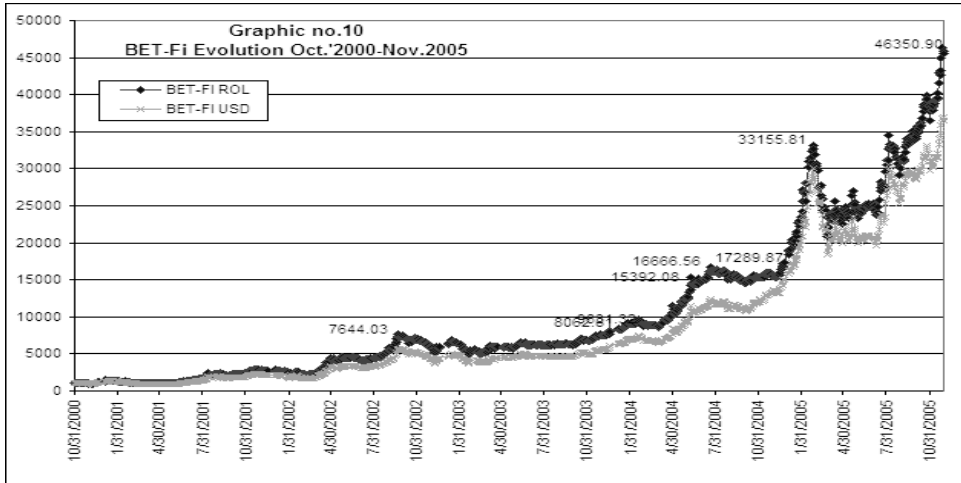
We must add that during 1998 and 2001, the pessimism was dominating not only the Romanian capital market, but the entire Romanian economy. The banking system was perceived as fragile, the economy was not growing, and the inflation rate was high. In such an atmosphere, it is difficult for any stock exchange to function.

¹¹ See www.bvb.ro/indicieng4.pdf

¹² See www.bvb.ro/indicieng4.pdf

¹³ See www.bvb.ROTX_RULES_ENGLISH.pdf





The correlation coefficient between the daily returns of BET and BET-C indexes¹⁴ is 0.840836. It could be considered a moderately strong relationship. R-squared is 70.7006% and the movement of BET return explains over 70% of the variability in BET-C return, which is not a surprise, due to the fact that BET portfolio is included in BET-C portfolio; it should not be forgotten that BET portfolio concentrates those companies responsible for around 70% of total trades at BVB.

The correlation coefficient between the daily returns of BET and BET-FI indexes¹⁵ is 0.440805, describing a relatively weak relationship between the indexes.

¹⁴ Using the BET and BET-C values calculated in ROL (Romanian national currency).

¹⁵ Using the BET and BET-C values calculated in ROL (Romanian national currency).

R-squared indicates that BET return explains 19.4309% of the variability in BET-FI return. This result confirms that SIFs prices' evolution has a weak connection with the prices' evolution of the other company prices listed inside the first category.

As it could be expected, the correlation coefficient between the daily returns of BET-C and BET-FI indexes¹⁶ is 0.437000 and describes a relatively weak relationship between those indexes. R-squared indicates that BET-C return explains 19.0969% of the variability in BET-FI return. This result confirms that SIFs prices' evolution has a weak connection with the prices' evolution listed at BVB.

For all the three indexes, using a confidence level of 99%, the relationship is statistically significant.

4. Bucharest Stock Exchange performances

Table no.3 shows the BVB performances (using indexes) in comparison with the average inflation rate reported by Romanian National Bank and in comparison with the average interest rate for bank deposits. During 1998, 1999 and 2000 the performances registered by those who invested at BVB were poor. The return at BVB increased during 2001 and passed over – for the first time – the inflation rate and the average interest rate for bank deposits. Exceptional returns were registered - for the first category, through BET, and for both categories, through BET-C – during 2002 and 2004. For BET-FI – concentrating SIFs (investment funds) evolution – exceptional performances were registered for 2001, 2002, 2003 and 2004, confirming investors' great interest for these BVB listed companies.

Table no.3

	1998	1999	2000	2001	2002	2003	2004	2005 ²
Inflation rate (%)	59.1	45.8	45.7	34.5	22.5	15.3	11.9	9.1 ³
Market dividend yield (%)	10.66	7.84	7.48	6.7	4.97	2.00	1.45	n/a
Average interest rate for bank deposits (%)	38.3	45.4	32.4	26.2	18.4	10.8	11.3	6.9
BET annual return (%)	-49.4	15.21	18.25	35.71	117.52	27.13	93.15	34.60
BET-C annual return (%)		-4.99	7.39	-6.47	124.02	22.62	98.29	24.95
BET-FI annual return (%)				109.92	113.14	24.72	106.94	99.63

Source: BVB Annual reports for 2001, 2002, 2003 and 2004 (www.bvb.ro) and Romanian National Bank (www.bnro.ro)

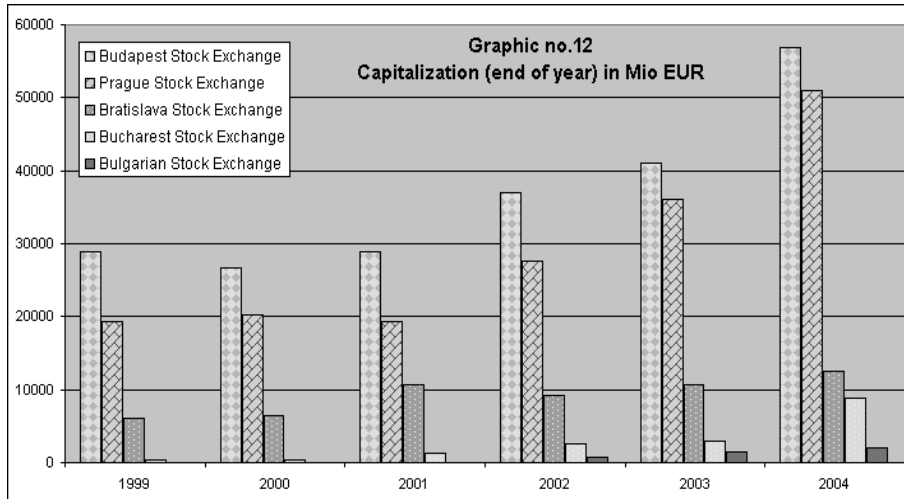
¹⁶ Using the BET and BET-C values calculated in ROL (Romanian national currency).

5. Bucharest Stock Exchange and other stock exchanges in the region

Graphic no.12 presents Bucharest Stock Exchange capitalization in comparison with the capitalization of Budapest Stock Exchange, Prague Stock Exchange, Bratislava Stock Exchange and Bulgarian Stock Exchange (data was not available between 1999 and 2001).

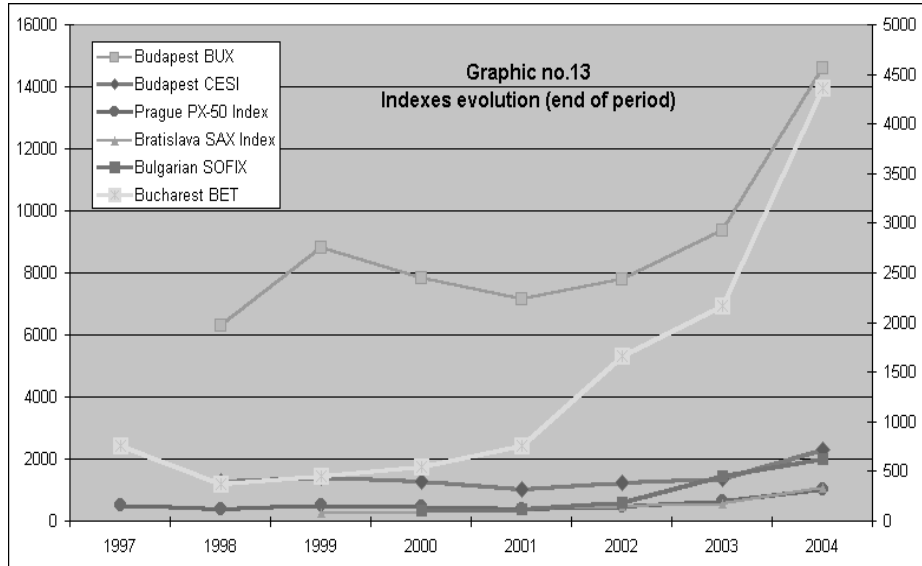
Between 1999 and 2001 BVB capitalization was very low, compared with the other three stock exchanges. Only by the end of 2004, BVB capitalization reached a figure which can be compared with Bratislava Stock Exchange capitalization.

Despite its achievement at national level, this graphic show that BVB must make further efforts to reach a level of capitalization comparable with stock exchanges from the neighboring countries. It is true that for Budapest, Prague and Bratislava the capitalization includes all the market segments (mainly shares and bonds) and the bond sectors has an important contribution to the capitalization figures. In comparison, for Bucharest Stock Exchange the market capitalization is reported only for the traded shares segment, but as graphic no.7 shows, the importance of bond sector is very low and its capitalization is not reported (for now).



Graphic no.13 plots the main indexes evolution at Budapest, Prague, Bratislava, Bucharest stock exchanges and for Bulgarian Stock Exchange. From this point of view, the BVB evolution was spectacular and comparable with Budapest Stock Exchange index BUX, leaving well behind Prague, Bratislava or Bulgarian Stock

Exchange. From the performances point of view, BVB could become interesting for international investors.



We were not able to find data about the market liquidity regarding all the above mentioned stock exchanges, so the comparison is incomplete. Indexes' evolution describes Bucharest Stock Exchange as an interesting market, but the information offered by capitalization indicates caution for any investment on this stock exchange.

6. Problems faced by Bucharest Stock Exchange during its evolution

The main problems Bucharest Stock Exchange had to deal with – during those 10 years – were:

- The scarcity of good issuers mainly during 1996-2001. The problem of new entries is, still, not solved due to the fact that in many cases (utility companies and banks) the decision are taken at political level and the economic aspects are ignored in favor of individual or group interests. The privatization process of the last two banks owned by the Romanian state and for the utility companies should be completed in 2006 and a change in this situation should be expected.
- The lack of transparency and disclosure at listed companies' level due to an inexplicable fear of listed companies' boards to offer information. During 2001

BVB started a campaign to encourage the transparency at listed companies' level and created a virtual category¹⁷ –called 'plus' - where the companies with a high level of transparency could be included. To this category only one company was promoted during 2002; since than no other listed company fulfill the conditions for the virtual category indicating a higher level of transparency. The level of transparency for Romanian company is in a close correlation with the accounting system used at national level. In 1993 Romania switched from the old accounting system – in place before 1989 – to a new accounting system based on the French accounting model. By the end of 1990s it was clear that the implemented accounting system – adapted to many particularities of the Romanian economy – did not offer enough information. For several years the implementation of International Accounting Standards was taken into consideration, but the IAS no.29 Financial Reporting in Hyperinflationary Economies was ignored. Again, the information offered by the Romanian companies' financial statements was not accurate. Since 2004, due to the perspective of Romanian accession to European Union, new accounting regulations were issued in correlation European directives in this field. Unfortunately, this new change would be slow, a lot of Romanian specialists in accounting are not familiar with the financial securities and a lot of confusion is dominating the translation of European directives. Due to this situation, the transparency is – again – under question and will have to wait a little bit longer until it will reach the level required by international investors.

- The frauds made by brokerage companies during 1997 and 1999 which generated a lack of trust among investors. We must add that a lot of opportunist entered in the financial service sector. Their level of knowledge regarding the intimate mechanisms of the capital market was very low, they gave bad advices (conscious or not) and a lot of small investors lost their money adding more momentum to the lack of trust generated by frauds.
- The legislative frame was relatively unstable between 1995 and 2004. The main law concerning the Romanian capital market between 1994 and 2002 (Law no.52/ 1994) was completed with many regulations issued by Romanian National Securities Commission. These regulations changed with a very rapid pace and it was difficult to keep track with the latest changes. In 2002 the old law was replaced with a series of laws which needed to be completed with supplementary regulations. But by the end of 2002 it was announced that the laws should be replaced by a new law – correlated with the European Union directives concerning capital markets and financial services. As a

¹⁷ The companies included in 'plus' category are not listed separately, but in the summary of trade their symbol receive the sign (+) and the color for the data concerning them become blue.

consequence, between 2002 and 2004 the confusion regarding the legislative framework reached a high level. The actual law concerning Romanian capital market (Law no.297/ 2004) is working and the supplementary regulations were enforced since July 2005. It is supposed to ensure a more stable legal environment but only the years to come would confirm this.

- The individual investors' level of education in Romania is very low and their number on the market is estimated to be around 30.000 but no official figure is available¹⁸. They tend to follow rumors and friend advices in search for a quick and easy gain. This situation it is not a surprise since the number of independent investment advisors is very low. Due to the change in regulations, by the end of 2004 only 5 independent investment advisors were certified at national level. The advices offered by the brokers could be used, but the Romanian brokerage companies do not have the sophistication of their western counterparts. More than often these brokerage companies do not have analysts and account managers because they are expensive and because the number of clients do not justify their presence.
- The absence of the yield curve which did not (and still does not) allow the calculations of the risk premiums for the listed companies and for the portfolios which could be created by investing at BVB.
- The two crises which affected the Romanian mutual fund market in 1996 and 2000. In both cases big frauds were discovered and those crises had a big influence on small investors' perception of Romanian capital market as a hole. Another effect – institutional investors like mutual fund management companies should redrew - for several years - from the Romanian capital market due to the lack of funds.

Despite these problems, Bucharest Stock Exchange managed to keep the quality of the listed companies, eliminated from its members those brokerage companies with problems and step by step diversified its market segments, even if some of them did not reach – yet – the expected level of development.

The foreign investors' interest toward Bucharest Stock Exchange was proven when the Memorandum of Understanding was signed between Bucharest Stock Exchange and Wiener Boerse AG for their future cooperation. It was establish, also, that the index ROTX (Romanian Traded Index) – on Romanian listed companies – would be launched in the first quarter of 2005. The launching took place and the ROTX index evolution is presented in graphic no.11.

¹⁸ We must mention that the general trend among Romanian people is to spend their money for general goods and the investments are almost ignored.

7. Bucharest Stock Exchange perspectives

May 22, 2003 Bucharest Stock Exchange and RASDAQ Electronic Exchange¹⁹ announce their future merger to form ‘the most performing capital market in the region for a successful integration process of Romania in European Union’²⁰.

Due to change in regulations, the next important step toward the announced merger was made only in January 10, 2005 when the decision of Bucharest Stock Exchange incorporation was taken. The process was long and the final decision about the merger between BVB and RASDAQ was reached November 30, 2005.

This merger would bring new market sectors at BVB – including a ‘new market’ sector for young small and medium sized companies. The future structure of the new BVB is still not clear (no public announcements were made). We hope that in the near future the investors would find out the information they need.

During 2004 another announcement was made – BVB is supposed to include in its structure a derivative market which function in Sibiu. Again, it is not clear how and when this derivative market would become part of BVB.

The new Bucharest Stock Exchange²¹ which would emerge from these announced mergers should be a complex and diversified market, offering a variety of shares, bonds and hedging instruments. Unfortunately, for the moment, the lack of transparency – concerning its future structure - is not in its favor.

In the years to come, in order to enhance its position, Bucharest Stock Exchange must launch a professional PR campaign – which was not among its goals in the last few years, despite several attempts to promote its services.

And to complete the picture, Bucharest Stock Exchange needs to develop its co-operation with the stock exchanges in the region, mainly with the stock exchanges in the neighboring countries because a common trading platform would only be a competitive advantage on the integrated European capital market.

Literature

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Annual Report (2000) Bratislava Stock Exchange

¹⁹ Rasdaq Electronic Exchange was created in November 1996 as an OTC market to allow the trading of privatized companies which did not fulfill the conditions to be listed at BVB. Unfortunately, due to a big number of companies admitted and its lack of transparency, this OTC market had a negative image in front of Romanian investors.

²⁰ www.bvb.ro/medianews

²¹ Bucharest Stock Exchange would keep its name.

Annual Report (2001) Bratislava Stock Exchange
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www.bse-sofia.bg – the official site of Bulgarian Stock Exchange

www.bvb.ro – the official site of Bucharest Stock Exchange

www.pse.cz – the official site of Prague Stock Exchange