

CHANGES AND TRENDS ARISING FROM THE BUCHAREST STOCK EXCHANGE IN THE NEED FOR THE ANALYSIS OF FINANCIAL INSTRUMENTS AT ROMPETROL WELL SERVICES PLC

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ABSTRACT

Wishing to provide responses to a number of concrete and current issues, the present paper approaches the changes and trends of the Bucharest Stock Exchange (BSE) that may contribute to a better understanding of the phenomenon that is the subject of this study. The aim is the research of the stock exchanges values, a phenomenon contrary to specialized financial theory and to existing trends in BSE and made particular in the case of Rompetrol Well Services PLC with reference to the actual situation in the financial markets. The introduction of the paper contains elements about the objective, research methodology, the novelty brought to the current study, literature also being reviewed. The first paragraph provides a description which started from the capital market, has sailed into the stock market, reaching that stage that was emphasized most, namely BSE. The case study on the analysis of financial instruments at the company Rompetrol Well Services PLC, listed on the Bucharest Stock Exchange, focuses on the study of fundamental, stock and technical analysis in order to shape a picture of the situation of the company concerned. The last paragraph of the paper settles the main changes and novelty brought by the end of 2014 and 2015 at the Bucharest Stock Exchange. On completion of the work, some conclusions were outlined, based on the ideas presented in paragraphs.

Keywords: Bucharest Stock Exchange, fundamental analysis, stock performance analysis, technical analysis, Rompetrol Well Services PLC, changes, novelty

Introduction

This paper aims to analyze the component intended to maintain scientific research in the financial or stock exchange field. Therefore the main objective of this paper is to highlight the main issues related to the functioning of BSE, on the one hand, and on the other hand to analyze the company Rompetrol Well Services PLC.

The methodology carried out by this research involved going through certain phases: documentation, observation, data collection and the actual drafting of the paper. Bibliographic documentation was critical to this because it offered the opportunity, through literature, to know the scientific heritage, the assumptions used to explain economic phenomena, the methods of analysis and assessment, the scientific findings and theories in the field. However, the approach chosen, which started from theory to arrive at practice, namely the departure from theories, concepts, models and existing methods to implementing them makes this research to be classified as based on deductive approaches, but then it moves to inductive approaches by trying to generalize the theoretical and conceptual practical issues identified by means of practical documentation which had as a really useful tool the information provided by the BSE website and the financial statements of Rompetrol Well Services PLC. The research study continued with the observation, the sampling of necessary information, the collection and systematization of data, which then could move to the last stage of methodology, namely the development of work, which consisted in dividing the work into paragraphs, shaping their content through a short summary and outlining ideas and personal contribution.

The novelty that this paper wants to highlight represents an integrating vision between financial analysis and the analysis done on the basis of specific indicators of capital market, with the search, identification and determination of specific and decisive links among those elements of performance, starting from the microanalysis performed at the company level to a broader analysis in the stock market.

1. The Bucharest Stock Exchange - the Main Stock Market in Romania

In the process of defining the concept of financial investment opinions arose that financial investment is a financial instrument carried on a financial market (capital) and / or money (bank) regulated and supervised. (Camelia Burja, 2005, p. 5)

The financial market nowadays is a reality which can be found in any modern economy. This must find itself in a continuous adaptation to the economic environment but moreover, it can greatly influence the economic environment in the country (economy) in which it is acting. (Dan Constantin Dănulețiu, Adina Elena Dănulețiu, 2008, p. 19)

We claim, according to the Dictionary of Economic Politics (Niță Dobrotă, 1999, pp. 79 – 81), the approach and interpretation that "the stock market is a public organized and specialized market where operations of buying and selling in relatively large amounts of goods more or less homogenous are performed."

"We join the economist Bogdan Ghilic-Micu, who believes that stock exchanges are "particular markets organized by the State or by private associations, under which it may enter into transactions with securities: shares, bonds, annuity treasury." (Bogdan Ghilic-Micu, 1997, p. 30)

In terms of capitalization among the top major stock exchanges of the world, we enumerate NYSE Euronext (US), Nasdaq OMX, Japan Exchange Group - Tokyo, London Stock Exchange Group, NYSE Euronext (Europe), Hong Kong Exchange, Shanghai Stock Exchange, TMX Group, Deutsche Börse, SIX Swiss Exchange (Switzerland). (Website Wall Street, the item: biggest exchanges in the world by semester)

In Romania, the Bucharest Stock Exchange occupies only a 35th position in a top of the most important 75 exchanges after developments over the course of 2014, according to statistics from "Ziarul Financiar". ("Ziarul Financiar" site, the item: top rankings of world exchanges; the year mid 35 rank of Bucharest Stock Exchange)

The Bucharest Stock Exchange, BVB abbreviated (Romanian), is a stock exchange based in Bucharest, no. 34-36, floor 14-13, Carol I Boulevard, sector 2. This is a market and a system operator authorized by the Financial Supervisory Authority (FSA – ASF in Romanian), which operates a regulated market and an alternative trading system (ATS), according to European standards. The Bucharest Stock Exchange also operates a market sector called AeRO. The operating incomes of BSE are caused primarily by the trading activity, from fees paid by participants, the fee for listing, and the sale of data to different users. (Website Wikipedia, item: BSE – Bursa de Valori Bucuresti)

If we refer to the BSE organization, it operates under its Constitutive Act, Law no. 31/1990 about companies, republished, as amended and supplemented, shortly named Law 31/1990 and Law no. 297/2004 on the capital market, as amended and supplemented, shortened to Law 297/2004, with the authorization and under the supervision of the National Securities Commission, shortened to CNVM (Regulation of organization and functioning of BVB PLC = BSE)

In terms of structure, financial securities of BSE are "legal documents issued by the State or by economic entities, with a validity of more than one year with a view to financing social economic activities" (A Complete Dictionary of market economy, p. 338) and include shares, bonds, government securities, EFT fund units, certificates.

The Bucharest Stock Exchange is managed by the Board of Governors who is in charge of the Arbitration Chamber, the Internal Audit Department, the Department of Internal Control, Counsellors, the Legal Department, the Commission for the Administration of Trading, the Board of Appeal, the Regulatory Commission for New Product Development, the Commission of Indexes, the General Manager and the Deputy General Manager. (Teodor Hada, 2015, pp. 88 - 91.)

To study a company listed on BSE in detail, we considered it appropriate to analyze the company Rompetrol Well Services PLC in financial terms. The company studied is part of a range of 100 Top issuers by capitalization.

2. Analysis of Financial Instruments in the case of Rompetrol Well Services PLC

Rompetrol Well Service is located in Ploiesti, Number 2 bis Clopotei Street, code 2000, Prahova County. With an experience of over 60 years, Rompetrol Well Services (RWS) provides technical support and oversees all ongoing services for its operations in Europe and Central Asia. Rompetrol Well Service offers a range of specialized services for oil and gas wells including Cementing, Sand Control, Stimulation, Tester, Wire Instrumentation and Columns Tubing covering an estimated market share of 40% in Romania. Services are provided to operators and oil and gas contractors, focusing on cementing, representing 62% of total revenues. Apart from Romania, the company has a branch in Kazakhstan and is currently active in Central and Eastern Europe, and Turkmenistan. The company is preparing to enter into a comprehensive development program designed for the next five years, which aims to develop new services and business in areas with high demand. (Website Petros, item: About Rompetrol Well Services)

Given the importance of the nationally and beyond analyzed company, we considered important to study it, leading to expressing an opinion about past and current financial performance of the company Rompetrol Well Service PLC.

2.1 Fundamental Analysis Required for Making Decisions

The concept of fundamental analysis "is based solely on the interpretation of indicators calculated on account of the financial statements and in fact, fundamental analysis considers all factors that can influence a stock's intrinsic value independent of whether or not listed in the financial statements of listed companies." (Victor Dragotă, 2009, p. 180)

To continue, to analyze the company Rompetrol Well Services PLC, from a fundamental perspective, using financial statements of Rompetrol Well Services PLC for the period 2007-2014, we make further analysis on the financial position and financial performance.

Thus, with a view to calculating the rates of the financial position, we present in the table below the

key indicators of the balance sheet reflecting assets equal to liabilities. Note that for the share we gather assets, current assets and prepaid expenses and liabilities totaling equity, debts greater than one year, debts of less than one year and accrued income.

Table 1. Statement of assets and liabilities at Rompetrol Well Services (PTR)

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Indicators	Years							
	2014	2013	2012	2011	2010	2009	2008	2007
<i>Company assets</i>	85,041,234	62,144,287	64,039,443	60,340,022	59,377,773	63,859,679	58,831,119	51,589,480
<i>Current assets</i>	93,204,970	118,487,289	95,139,844	82,471,754	68,417,885	54,568,859	52,296,229	36,406,746
<i>Prepayments</i>	241,230	229,378	203,468	217,468	331,810	267,554	518,656	301,164
TOTAL ASSETS	178,487,434	180,860,954	159,382,755	143,029,244	128,127,468	118,696,092	111,646,004	88,297,390
<i>Equity</i>	161,318,657	160,807,639	141,276,156	128,436,335	117,200,142	109,523,175	102,526,961	74,638,059
<i>Debt payable in a period exceeding one year</i>	2,006,448	827,821	2,048,835	0	0	20,509	104,823	258,163
<i>Debts to be paid within a period of up to one year</i>	12,358,338	962,222	14,084,956	11,607,647	8,057,054	6,933,940	5,972,494	6,786,588
<i>Provisions</i>	2,803,991	283,272	1,972,808	2,854,884	2,723,238	2,054,775	2,648,477	6,394,003
<i>In advance income</i>	0	0	0	130,378	147,034	163,693	193,249	220,577
TOTAL LIABILITIES	178,487,434	180,860,954	159,382,755	143,029,244	128,127,468	118,696,092	111,446,004	88,297,390

Source: www.bvb.ro, symbol PTR; personal processing

Once the tie between assets and liabilities settled, we could go to determining structure rates. The table below presents only the main structure rates of the asset and liability. We mentioned that, in the analytic taking as example the rate of fixed assets, they can be broken down as follows: the rate of intangible assets, the rate of tangible assets and the rate of financial assets. Just as in this example we may proceed and determine other rates of structure. (Teodor Hada, Teodora Maria Avram, Decembrie 2013, pp. 570-579)

Table 2. Structure Rates at Rompetrol Well Services (PTR)

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Indicators	Calculation Formula	Years							
		2014	2013	2012	2011	2010	2009	2008	2007
Structure rates of company assets									
<i>1. The rate of fixed assets</i>	Company assets/Total assets x 100	47.65	34.36	40.18	42.19	46.34	53.80	52.69	58.43
<i>2. The rate of current assets</i>	Current assets/Total assets x 100	52.22	65.51	59.69	57.66	53.39	45.97	46.84	41.23
<i>3. Prepayment rates</i>	Prepayment rates/Total assets x 100	0.13	0.13	0.13	0.15	0.27	0.23	0.47	0.34
Structure rates of liabilities									
<i>1. The rate structure of global borrowing</i>	Total debts/Total liabilities x 100	8.05	9.84	10.12	8.11	6.29	5.86	5.45	7.98
<i>2. The rate of global financial autonomy</i>	Equity/Total liabilities x 100	90.38	88.91	88.64	89.80	91.47	92.27	92.00	84.53
<i>3. Provisioning rate</i>	Provisions/Total liabilities x 100	1.57	1.25	0	2.00	2.13	1.73	2.38	7.24
<i>4. In advance income rate</i>	In advance income/Total liabilities x 100	0	0	0	0.09	0.11	0.14	0.17	0.25

Source: personal processing

Using formulas presented in the table above, specific to each structure rate after which calculations were made, a new interpretation may arise at first sight specifying that structure rates of the asset present values mostly increasing and the structure rates of liability have oscillating values.

The situation in dynamic perspective of rates is as follows: the rate of company assets presents approximately similar values, slightly decreasing in some years of the analyzed program. It can be seen that the lowest percentage rate of fixed assets is recorded in 2013 and the highest share is observed in 2007, a value that is closest to the normal value of 60%. The rate of current assets also shows similar values, thus the rate shows increases and decreases from one year to the other. With all these, when comparing the reference period with the base period of the structure rate of current assets, there has been recorded an increase by 10.99%. The share of these rates for the analyzed company are good because as is known, the closer current assets are to 40%, the better. The prepayments situation presents a good development in the sense that they have fairly small percentage values, below 0.50%, a positive aspect for the company. Regarding the situation of liability rates, the global financial autonomy rate, respectively equities have the most significant weightings above 90% and in some years little below 90%, namely equities hold the largest share of the total. In the case of the global financial autonomy rate the situation remains constant in the sense that the values of the rate are close to each other within the eight years analyzed. The next rate in terms of the share detained is the global leverage ratio which holds the largest share in 2012. Comparing the beginning of the period analyzed to its end, in the case of that rate, we observe that the ratio is about the same. The last two structure rates of liabilities represent the rates of provisions holding a significant share only in 2007, after which, until the end of the analyzed period the influence of this rate over total liabilities was low, similar to the in advance income rate. We may note that the overall borrowing rate shows normal values in the sense that within the entire analyzed period recorded weights of the rate are under 66% and the global financial autonomy rate is over 33%.

Therefore, following the fundamental analysis of key structure rates we specify that assets that serve permanently to the analyzed financial corporation show values close to normal, as in the case of current assets, a fact which ranks the company in the productive sector. Besides structural rates of assets liability rates fall within normal values throughout the whole analyzed value.

After determining the financial position of the company Rompetrol Well Services PLC, further research presents the profit and loss account in list format only with the main indicators.

Table 3 Statement of income and expenses at Rompetrol Well Services (PTR)

Indicators	Years							
	2014	2013	2012	2011	2010	2009	2008	2007
<i>Net turnover</i>	88,034,179	111,109,482	97,677,364	95,488,935	79,196,025	68,773,160	104,860,057	87,354,241
<i>Operating revenues</i>	88,525,114	111,490,950	98,678,533	95,800,228	79,538,657	68,958,479	106,043,442	87,664,560
<i>Operating expenses</i>	80,060,525	81,816,736	75,755,627	80,204,702	65,756,118	55,687,472	79,522,077	70,620,794
<i>Operating result</i>	8,464,589	29,674,214	22,922,906	15,595,526	13,782,539	13,271,007	26,521,365	17,043,766
<i>Financial income</i>	2,927,646	3,481,464	5,029,519	4,146,441	5,356,143	4,185,645	4,014,789	4,243,575
<i>Financial expenses</i>	991,107	778,805	1,702,876	780,057	1,278,791	781,411	1,113,622	738,576
<i>Financial result</i>	1,938,539	2,702,659	3,326,642	3,366,384	4,077,352	3,404,234	2,901,167	3,504,999
<i>Total revenues</i>	91,452,760	114,972,414	103,708,052	99,946,669	84,894,800	73,144,124	110,058,231	91,908,135
<i>Total expenses</i>	81,051,632	82,595,541	77,458,503	80,984,759	67,034,909	56,468,883	80,635,699	71,359,370
<i>Gross result</i>	10,401,128	32,376,873	26,249,548	18,961,910	17,859,891	16,675,241	29,422,532	20,548,765
<i>Tax income</i>	1,544,383	4,777,854	4,196,400	3,148,580	3,305,905	3,002,445	5,252,923	3,291,060
<i>Net result</i>	8,856,745	27,599,019	22,053,148	15,813,330	14,553,986	13,672,796	24,169,609	17,257,705

Source: www.bvb.ro, symbol PTR; personal processing

The table above shows the values of income and expenses for the three-year analyzed period taken from the profit and loss account. It can be seen that the income or expenses are of three types: operational, financial and extraordinary. Note that because there are no extraordinary income and expenses, they were not included in the table.

With the aid of indicators presented in Table. 3, further in the study we determined the rates of return. (Teodor Hada, Teodora Maria Avram, 2014, pp. 592-607)

Table 4. Rates of return at Rompetrol Well Services (PTR)

Rates of return	Calculation formula	Years							
		2014	2013	2012	2011	2010	2009	2008	2007
1. The commercial rate of return	The net result/Turnover x 100	10.06	24.84	22.58	16.56	18.38	19.88	23.05	19.76
2. The economic rate of return	The operating result/Total assets x 100	4.74	16.41	14.38	10.90	10.76	11.18	23.75	19.30
3. The financial rate of return	The net result/Equity x 100	5.49	17.16	15.61	12.31	12.42	12.48	23.57	23.12

-%-

Source: personal processing

In the table above, there were presented only the main rates of return. They can be detailed, taking as model the commercial rate, which can divide into: rate of return on commercial margin, net margin rate of return, rate of return on net operating margin, financial net margin rate of return the extraordinary net margin rate of return. It can be seen that the calculation of the rates of return were made by using the formulas set forth in the table above. Please note that all results were approximated to two decimal places.

Analyzing the dynamic rates of return, we find that the commercial rate decreases in 2014 compared to 2007 by 9.7%. The situation of economic return is somewhat the same for the analyzed period, namely it oscillates, but with a sharp decrease in the base period compared to the reference period by 14.56%. A decreasing trend is observed in the rate of financial return which has the largest share in 2007 and the lowest in 2014. Comparing the weights resulted from the calculations for the analyzed company we observe that the commercial rate holding values above normal, equal to 5%, the economic rate of return is in the permissible limit values, which are about as close to 9%, as well as the financial rate of return that record values closer to 15%.

We can say that the situation of financial performance is one conducive as in most studied cases the rates of return approach the normal levels in the industry. We believe that Rompetrol Well Services PLC should focus more on increasing revenues and less on spending so that they will not have to resort to loans, particularly because, as we have seen, this company does not have enough income from their activity, namely it can not be self-financing.

2.2 Performance Analysis of Stock Exchange

The key stock exchange performance indicators are (PER, P/BV, Divy, EPS and capitalization) (Maria Berheci, Making the Best of Financial Reporting, CECCAR Publishing House, Bucharest, 2010, pp. 462-464). Thus, for 2014 the following stock exchange indicators are presented:

- Price Earning Ratio (PER) is the return on investment in equity on account of net profits per share. PER is calculated by the formula (Teodor Hada, Ionela Cornelia Cioca, Teodora Maria Avram, Daniela Ionela Dumitrescu, 2014, pp. 107 – 108):

$PER = \text{The current price of the share at the end of 2014} / \text{Net profit per share at the end of 2014}$

$$PER_{2014} = 0.35 / 0.0318 = 11.0062$$

Where: the price of share₂₀₁₄ is determined from the formula: market capitalization on 31.12.2014 divided by the number of such shares as follows: $97,366,815 / 278,190,900 = 0.35$ lei/share

Net profit /share₂₀₁₄ = $8,856,745 / 278,190,900 = 0.0318$ net profit/share

- P/BV shows the ratio between the price per share and the price of the new shares reported in equity or net assets. In the case of the symbol PTR, equity per share is determined by the relationship:

$$P/BV_{2014} = 0.35 / 0.5798 = 0.60$$

where: $BV_{2014} = 0.5798$

- D/VY_{2014} , the rate expressing the dividend rate per share, in the case of PTR is 0.03 lei / share as compared to the potential 3.38 lei / share determined as the ratio between: $8,413,907.75 / 278,190,900 = 0.03$ lei/share and $8,413,907.75 = 8,856,745$ (the net result for the financial year 2014) - $[5\% \text{ (reserve fund)} \times 8,856,745] = 8,413,907.75$ lei.
- EPS_{2014} earnings per share which in the case of PTR = $8,856,745 / 278,190,900 = 0.0318$ lei/share
- Market capitalization expresses the value between the number of shares and the market value of a share on 31.12.2014. For PTR market capitalization on 31.12.2014 is 97,366,815 lei and dividends 0.020000.

To verify that the performance of calculations was correct, we present in the following table the stock exchange indicator values found on the website of the Bucharest Stock Exchange, symbol PTR.

Table 5. Stock exchange indicators for Rompetrol Well Services PLC in 2014

Capitalizare	97.366.815,00
PER	10,99
P/BV	0,60
EPS	0,03
DIVY	3,38
Dividend (2014)	0,020000

Source: www.bvb.ro, symbol PTR

We also note that the total number of shares is 278,190,900 lei with a nominal value equal to 0.1000 to; the capital equals to 27,819,090.00; the average trading price was of 0.3963 lei.

The administrators of Rompetrol Well Services, controlled by the Kazakh KazMunaiGaz group propose the distribution of a gross dividend of 0.02 lei per title out of the last year profit, the shareholders pursuing to collect 5.5 million lei. ("Ziarul Financiar" website, the item: Rompetrol Well Services gives shareholders a dividend of 55 billion Lei)

2.3 The technical, necessary tool for players of Bucharest Stock Value

The concept of technical analysis can be regarded as "the process of studying the history of courses of financial instruments in an effort to determine probable future courses. Technicians, specialists in technical analysis, start either from the premise that prices and volumes of traded financial instruments reflect all information that influence the supply and demand for such instruments." (Teodor Hada, 2014, p. 203)

By accessing the Website Bucharest Stock Exchange we present the evolution of the share for a period of six consecutive years (2010 - 2015) by way of automatic generation displayed in electronic format on the BSE website.

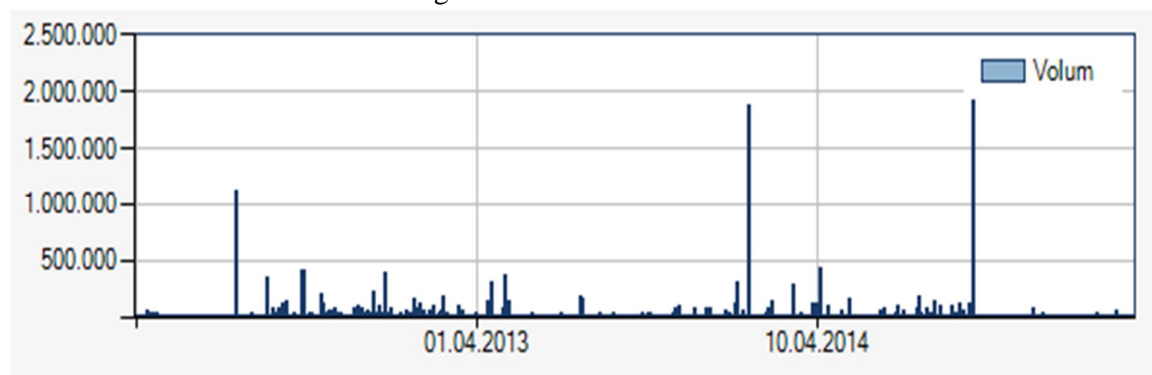
Chart 1. Evolution of the shares in Rompetrol Well Services PLC



Source: www.tradeville.eu/actiuni/actiuni-PTR

What can be seen in the chart above is the development of actions outlined by using the line. This chart does not take into consideration the data of the profit and loss account, others being drivers of the course. It is also to be noted that the highest trading price in the past six years was registered on 10.07.2014, with a value close to 0.57 lei, while the lowest value was registered on 26.06.2012 with a price of 0.24 lei. The prices shown are expressed per share. Just as was observed in the case of most indicators calculated for fundamental analysis the graph presented has oscillating values of prices, which increased more in the second period, namely starting with the end of 2010, but in the current period we observe that the price of the shares held by Rompetrol Well Services shows steep decline, which should be analyzed to see where it comes from and act accordingly.

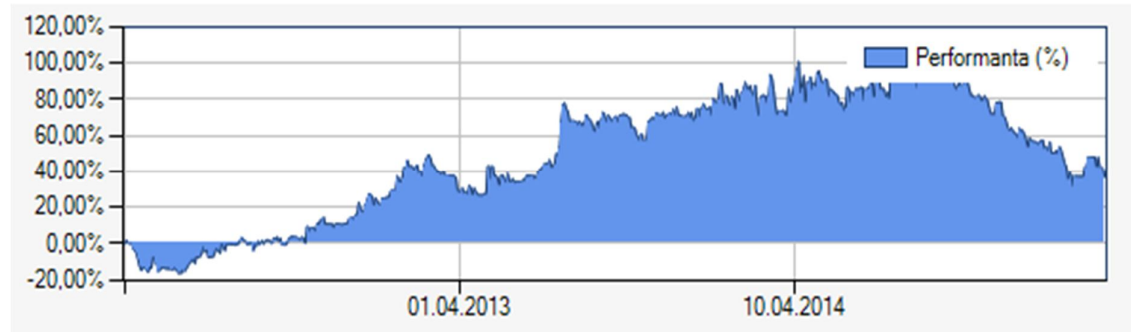
Chart 2. Evolution of trading volume



Source: www.bvb.ro, symbol PTR

Regarding the development of trading volume in the last three years, we find this records low values, only on 15.10.2014 managing to overcome the threshold of 2,000,000 shares. One can see a high volume of trading on 27.01.2014 and where around 1,800,000 shares were traded and on 11.08.2012 where the number of traded shares reached 1,200,000 shares. These are the highest levels of trading and represent a high value compared to the rest of the analyzed period, where the trading volume did not exceed 500,000 shares.

Chart 3. Evolution of Performance



Source: www.bvb.ro, symbol PTR

An unfavorable situation may be seen in the case of the evolution of performance according to the title of Chart 3 which can be viewed as an evolution of continuous non-performing in 2012. The situation has improved, however starting with the beginning of 2013 and the best performance was recorded on 15.04.2014, with a percentage equal to 130.00%.

Thus, Rompetrol Well Services PLC operating in the field of oil and gas, as a result of the fundamental stock exchange analysis made by its three branches and as a result of its stock exchange and technical performances marked an evolution and a downward trend, reporting us to the main indicators of the analyzed financial statements, but also to the price of shares.

3. Current Changes and Novelties at BSE

Europe's economic prospects are slightly better now. The drop in oil prices and a weaker euro is an excellent stimulus for the European economy. It will take still much work to be able to provide jobs, so necessary for millions of people.

Over time on BSE there appeared various changes, some major, some less major. The most important changes in the BSE in 2014 and 2015 are:

- The Bucharest Stock Exchange expands the daily trading by 30 minutes until 18:30, starting with May 21 2015. The extension applies to equity markets, ETF and fund units. The change aims aligning the program to other major European exchanges. (Website Conso, item: BVB (BSE) expands its program)
- The FSA approved of a number of amendments proposed by BSE with the code BVB - Market Operator aiming to increase the visibility and the value traded for shares admitted to trading on the regulated market. (Website 1asig.ro, the item: ASF has approved of a number of amendments to the code BVB-Market Operator)

The most important changes are:

- ✓ Issuers can communicate and are urged to transmit current reports during the trading session;
- ✓ Financial instruments will not be suspended from trading on the day of carrying the General Assembly of Shareholders, to the issuer;
- ✓ Replacing the categories 1, 2 and 3 for shares with Premium and Standard categories;
- ✓ New provisions regarding the application of the Code of Corporate Governance.

Other changes brought to the BSE (BVB) Code aimed at restructuring the regulated market by replacing the categories 1, 2 and 3 for shares with nine new categories - Premium and Standard.

- BSE launched on December 15, 2014 the new site with technology of the latest generation, optimized for viewing on desktop and tablet, which brings a varied content of statistics and trading data, an interface easy to use for products and services offered by BSE and numerous functionalities. (Website Capital, item: BSE website relaunched today). Representative novelties have lately occurred on BSE for the Romanian stock market, thinking that this permanently helps current knowledge on the stage of the phenomenon analyzed. Among the most important news issued by the end of 2014 and until present we have the following contents:
- Based on Law no. 151 of 22 October 2014 the Board of Directors / directorates, the companies whose shares have been traded on RASDAQ market or on the market of unquoted shares shall agree and take the necessary steps to conduct extraordinary general meetings of shareholders within 120 days from the entry into force of the law so that shareholders debate the situation created by the lack of legal frameworks for RASDAQ market and in order for them to take a decision on conducting the company's legal actions necessary for the admission to the trading of shares in the company on a regulated market or trading them in an alternative trading system. According to the Regulation no. 17 of 28 November 2014, on the legal status of the shares traded on RASDAQ market or on the unlisted securities market, it is stated that if the extraordinary general meeting of shareholders approved the initiation of steps for the admission to trading on a regulated market, companies whose shares they traded on RASDAQ market or on the unlisted securities market are to deposit with the FSA the application for approval of the prospectus for the admission to trading on a regulated market within the period provided by Law 151 of 2014.
- The AeRO market was created from the need to provide entrepreneurs with an alternative to financing for development and is a dedicated segment of equity securities (shares) in the alternative trading system managed by the Bucharest Stock Exchange. (AeRO Guide. BVB Market for Equities, 2015)
- BSE launched on April 30, 2015 the web version of their trading platforms Arena-XT. This is one of the Bucharest Stock Exchange solutions for investors to be connected with infrastructure changes at BSE by using Direct Market Access of the Bucharest Stock Exchange and the trading platform. (Website BSE, item: Press communication)
- Greece continues to adversely affect European stocks. On 27 June 2015, the creditors did not reach an agreement to refinance the Greek State, a fact which led to lower stock indexes up to 2% on European exchanges, including BSE, beginning with June 29, 2015. (website: Financiare (Financial), item: Greece continues to adversely affect European stocks)
- Romania could enter the category of emerging markets in 2017, but the effects of capital market reforms will see faster by attracting foreign investment. Bank lending will be more restricted because of the new Basel III rules and the stock exchange must become a real financing tool of economy. (Website "Ziarul Financiar", item: BSE entering the league of emerging markets where it rolls funds of 1,400 billion)

Therefore, the last period brought various changes and news on BSE with which investors can formulate an opinion on how the stock market is and last but not least what are the forecasts for stock exchange indexes in the near future.

Conclusions

Through the research conducted we conclude that the changes and trends occurring on the Bucharest Stock Exchange represent all the processes employed in the practice of investing in the stock market. Achieving research objectives has allowed us to validate the research hypothesis, namely: Rompetrol Well Services PLC, assessed on the basis of annual financial statements, recorded a downward trend during the period.

Changes in international financial markets recently prompted significant changes across the global economy. We can say that most of the changes that have occurred on the global economy lately have been due to innovations in the financial sector. In these conditions, stock markets should ensure and represent the stabilizing factor in financial terms.

The BSE has a decisive influence on the stock market in Romania, this being reflected in financial securities that can be traded on the Romanian market.

The analysis of the position and performance of the company Rompetrol Well Services PLC in terms of indicators calculated based on the income statement aimed at the perspective of their ability to obtain profit in the difficult economic context of the period after 2007, coupled with the increased economic demands which Romanian companies have to face as a result of Romania's accession to the European Union structures. The analysis of financial performance on the basis of rates of return indicated that Rompetrol Well Services PLC recorded profit for the period 2007-2015. Stock performance analysis and technical analysis of the studied trading company strengthens the overall analysis that was performed and the fundamental analysis provides information which can not be identified.

The last part of the research highlighted the innovations that appeared lately, both in terms of organization and functioning. Besides the novelty, we found that there appeared some changes that we described briefly.

The opinions resulted from the conducted research, from the perspective of personal contribution, led to determining a clear and updated picture of the elements specific to BSE made by companies listed and traded on the Bucharest Stock Exchange and particularly for Rompetrol Well Services PLC which operates in the oil industry, information which has been synthetically presented.

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