



The indices of the BVB stock exchange showed negative developments (1 month). The decreases recorded were between -8.74% (BETAeRO) and -3.28% (BET-FI).

MONTHLY MARKET REPORT

ASF No. 12 - 12/23/2024

The report is realized with a reference date of November 29 2024

Summary

- In the monetary policy meeting on November 8, 2024, the National Bank of Romania decided to maintain the monetary policy interest rate at 6.50% per year.
- In Romania, the economic sentiment indicator is higher than the EU average, standing at 105.7 points in November 2024.
- Locally, the annual CPI inflation rate was 4.8% in November 2024 compared to November 2023. Significant contributions to the annual inflation rate came from the increase in food prices (+5.11%), non-food goods (+4.15%), and services (+7.56%), according to data published by INS.
- In October and November 2024, the contagion between the stock markets stabilized but remained high. The local stock market (BVB) reacted to the contagion shocks but subsequently tended to revert to its previous trend.
- The market capitalization recorded a 13% increase at the end of November 2024 compared to the end of 2023.
- According to data published by AAF, the net assets of local open-end investment funds stood at 23.2 billion lei in October 2024, a slight increase compared to the level recorded in September 2024 (22.7 billion lei).
- At the end of Q3 2024, the value of gross premiums written by insurance companies in Romania was 13.7 billion lei in the non-life insurance segment and 3.2 billion lei in the life insurance segment.

World Macroeconomic Outlook

According to the autumn 2024 economic forecast, the European Commission kept **GDP growth for the euro area at 0.8%. For the EU, the European Commission forecasts a GDP growth of 0.9% in 2024**, a slight downward revision (0.1 percentage points) from the previous forecast (Spring 2024 Economic Forecast). According to the European Commission, **Romania's gross domestic product will grow by 1.4% in 2024**, which represents a downward revision (from 3.3%: economic forecasts from the spring of 2024).

In the third quarter of 2024, seasonally adjusted GDP increased by 0.4% in the euro area and by 0.3% in the EU compared to the previous quarter, according to a preliminary estimate published by Eurostat. In the second quarter of 2024, GDP grew by 0.2% in the euro area and by 0.3% in the EU.

According to data published by **the National Institute of Statistics, locally, the gross domestic product** in the third quarter of 2024 increased slightly, compared to the second quarter of 2024. The gross domestic product recorded an increase of 1.1% compared to the same quarter of 2023 on the gross series and a decrease of 0.3% on the seasonally adjusted series.

The **National Strategy and Forecast Commission** has revised down the economic forecast for gross domestic product growth for 2024 to 2.8% according to the CNSP summer 2024 forecast (from 3.4% according to the CNSP spring 2024 forecast).

Evolution of GDP (%) and GDP forecast (%)

Region/country	Q3 2024	Q2 2024	Q1 2024	2023	Q4 2023	Q3 2023	Q2 2023	Q1 2023	European Commission		IMF	
									2024f	2025f	2024f	2025f
Eurozone	0.9	0.6	0.5	0.4	0.1	0	0.5	1.4	0.8	1.3	0.8	1.2
Germany	-0.2	-0.2	-0.1	-0.3	-0.2	-0.3	0.1	0.2	-0.1	1.7	0	0.8
Bulgaria	2.2	2.1	1.9	1.9	1.7	1.8	2	2.4	2.4	2.9	2.3	2.5
Hungary	-0.7	1.3	1.6	-0.9	0.6	0.1	-2.3	-1.4	0.6	1.8	1.5	2.9
Poland	1.7	3.6	1.7	0.1	2	0.4	-0.8	-1.2	3	3.6	3	3.5
Romania	-0.2	0.8	2	2.4	2.1	3.2	2.7	1.5	1.4	2.5	1.9	3.3

Source: Eurostat, % change compared with the same quarter of the previous year - seasonally adjusted data, EC - Autumn 2024 Economic Forecast, World Economic Outlook – October 2024, IMF

World Macroeconomic Outlook

Monetary policy interest rates

România	Eurozone	US	UK
6.50%	3.15%	4.75%	4.75%

Following the monetary policy meeting on November 8, 2024, the **National Bank of Romania decided**: to maintain the monetary policy interest rate at the level of 6.50% per year; maintaining the interest rate on the credit facility (Lombard) at 7.50% per annum and the interest rate on the deposit facility at 5.50% per annum; and maintaining the current levels of minimum mandatory reserve ratios for credit institutions' lei and foreign currency liabilities.

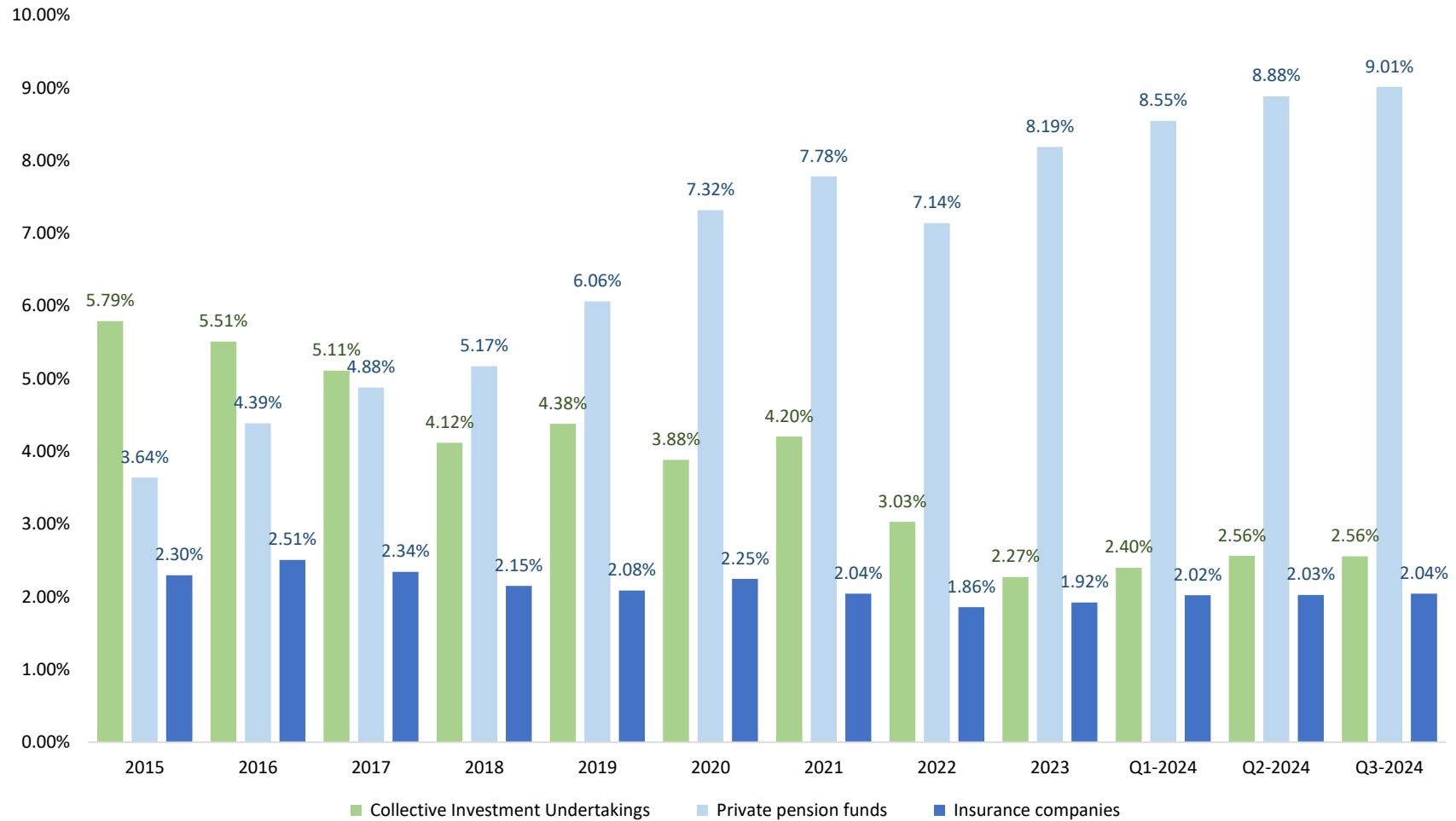
Economic Sentiment Indicator (ESI) reached 96.5 points in the European Union in November 2024, showing a slight increase compared to the previous month. In November 2024, confidence in the industrial sector increased by 1.3 points compared to the previous month. In Romania, the economic sentiment indicator is higher than the EU average, standing at 105.7 points in November 2024, unchanged from October 2024. Meanwhile, confidence in the industrial and services sectors decreased by 0.8 and 1.2 points, respectively, compared to the previous month.

According to data published by Eurostat, the **annual inflation rate in the euro area** stood at 2.2% in November 2024, up from 2% in the previous month. In November 2024, the largest contribution to the annual inflation rate in the euro area came from services (+1.74 percentage points, pp), followed by food, alcohol and tobacco (+0.53 pp), non-energy industrial goods (+0.17 pp) and energy (-0.19 pp). The lowest annual inflation rates were recorded in Ireland (0.5%), Lithuania and Luxembourg (both 1.1%). The highest annual rates were recorded in Romania (5.4%), Belgium (4.8%) and Croatia (4%).

Locally, the annual CPI inflation rate stood at 4.8% in November 2024 compared to November 2023. Significant contributions to the annual inflation rate were made by the increase in prices of food goods (+5.11%), non-food goods (+4.15%) and services (+7.56%), according to data published by the INS.

Dimension of non-bank financial sector

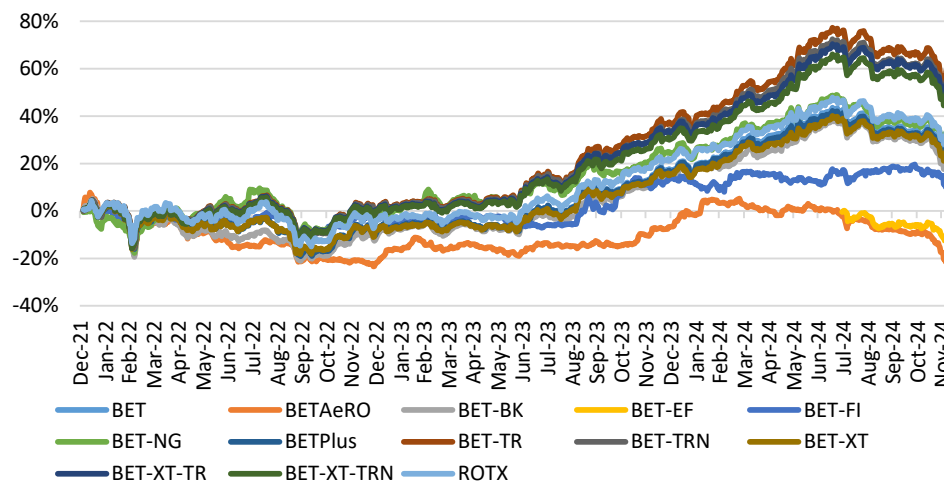
Evolution of non-banking system's assets (% of GDP*)



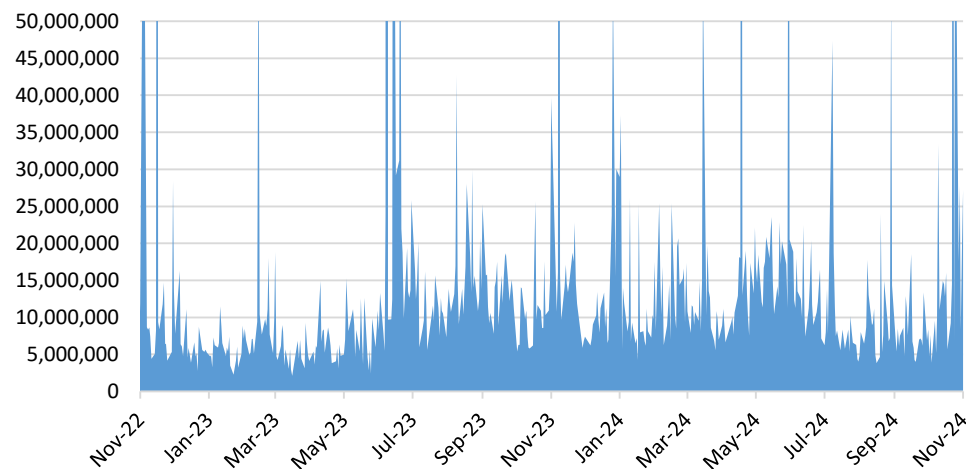
Source: NBR, ASF, NIS (*GDP gross series, sum of the last 4 quarters Q4 2023+Q1 2024+Q2 2024+Q3 2024)

Current trends in Romanian capital markets

Evolution of local stock indices



Equities traded value on BSE (EUR)



Source: BVB; ASF calculations

Romanian stock indices evolution in 2024 (29.12.2023 = 100)

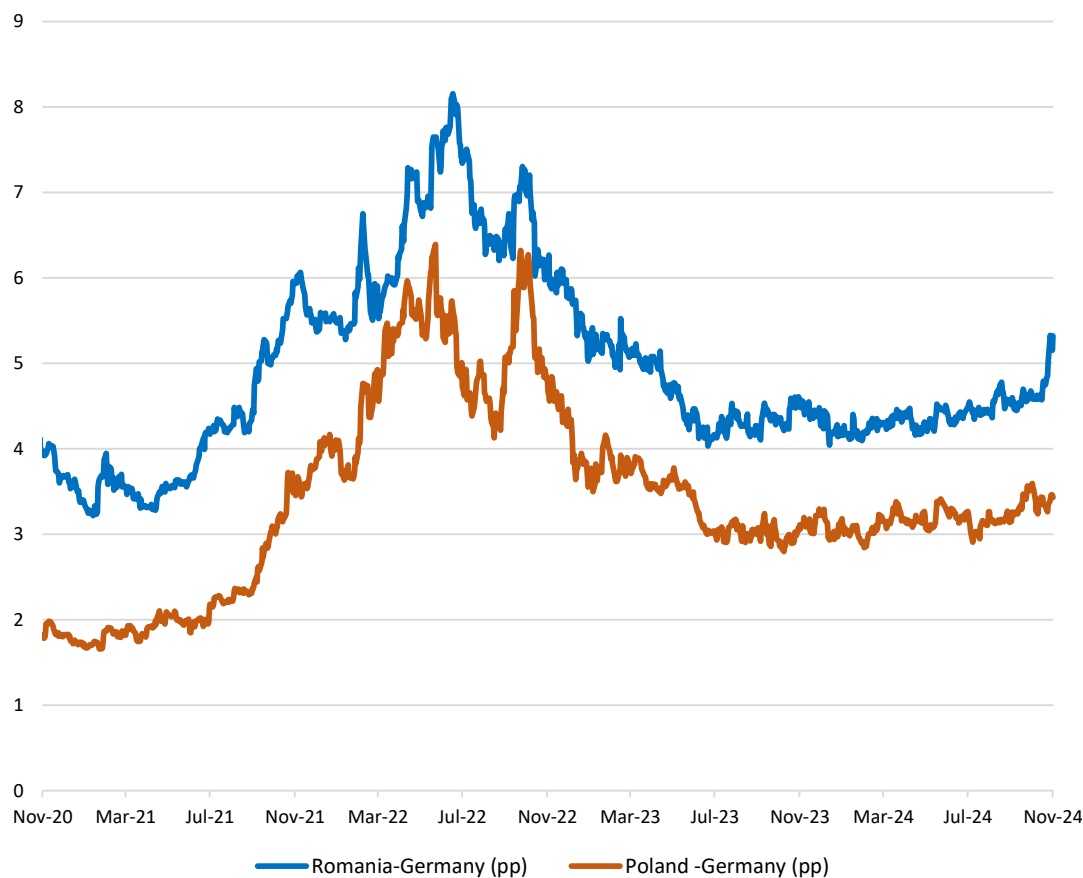
Date: 16.12.2024

BET	BET-FI	BET-NG	BET-XT
12.2%	4.3%	10.0%	13.0%
BET-BK	BETPlus	BET-TR	BET-XT-TR
11.5%	11.9%	19.8%	20.0%
BET-TRN	BET-XT-TRN	BETAeRO	ROTX
19.2%	19.4%	-8.1%	13.5%

Source: BSE data, ASF calculations (% change 12/16/2024 vs. 12/29/2023)

Macroeconomic risk in Romania: external position and market perception of sovereign risk

Government bond yields spread of Romania (10Y. LC)



The spread between Romania's 10-year euro-denominated sovereign bonds and the similar ones of Germany increased in November 2024 (5.32 pp), remaining below the values recorded during 2022. The increase in spread can be interpreted as a decrease in investor confidence in Romania's country rating.

Market risk: evolution of local and international stock indices

International and local stock indices yields

International indices	1 M	3 M	6 M
EA (EUROSTOXX)	-0.08%	-2.46%	-3.39%
FR (CAC 40)	-1.57%	-5.19%	-9.48%
DE (DAX)	2.88%	3.81%	6.10%
IT (FTSE MIB)	-2.53%	-2.79%	-3.12%
GR (ASE)	0.78%	-2.63%	-2.68%
IE (ISEQ)	-0.28%	-1.74%	-3.34%
ES (IBEX)	-0.27%	2.10%	2.82%
UK (FTSE 100)	2.18%	-1.07%	0.14%
US (DJIA)	7.54%	8.05%	16.09%
IN (NIFTY 50)	-0.31%	-4.38%	7.10%
SHG (SSEA)	1.43%	17.05%	7.75%
JPN (N225)	-2.23%	-1.14%	-0.73%

BSE Indices	1 M	3 M	6 M
BET	-6.28%	-9.94%	-7.07%
BET-FI	-3.28%	-2.38%	1.01%
BET-NG	-4.05%	-7.81%	-5.53%
BET-XT	-6.16%	-9.28%	-5.63%
BET-BK	-7.49%	-11.30%	-7.23%
BETPlus	-6.22%	-9.78%	-6.86%
BET-TR	-6.28%	-9.86%	-3.53%
BET-XT-TR	-6.17%	-9.20%	-2.57%
BET-TRN	-6.28%	-9.86%	-3.83%
BET-XT-TRN	-6.17%	-9.21%	-2.83%
BETAeRO	-8.74%	-13.72%	-18.16%
ROTX	-6.00%	-9.47%	-5.82%

The European indices recorded negative developments (1 month). The most important decrease was observed in the case of the FTSE MIB (IT: -2.53%), followed by the CAC 40 index (FR: -1.57%).

The main American and Asian indices showed mixed dynamics (1 month). The N225 (JPN: -2.23%) was the biggest decliner, while the N225 index DJIA (US: +7.54%) was the biggest gainer.

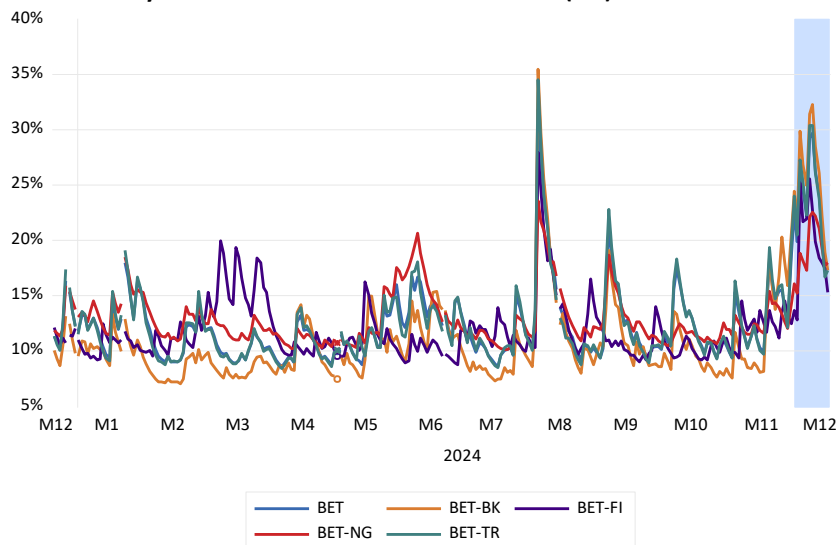
The indices of the BVB stock exchange showed negative developments (1 month). The decreases recorded were between -8.74% (BETAeRO) and -3.28% (BET-FI). BET-FI reflects the evolution of financial investment companies (SIFs) and other similar entities. BETAeRO reflects the evolution of representative companies on the AeRO market selected according to liquidity and free-float capitalization criteria.

Source: LSEG, BSE, ASF calculations

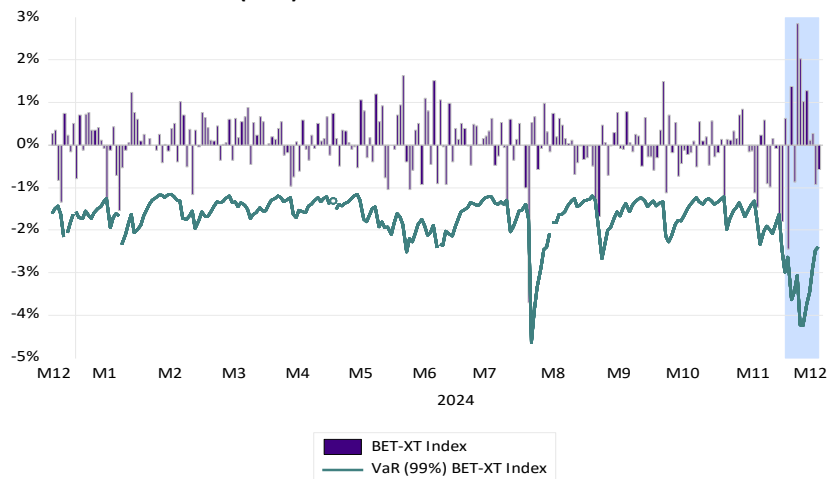
Note: 1M=11/29/2024 vs. 10/31/2024; 3M=11/29/2024 vs. 08/30/2024; 6M=11/29/2024 vs. 05/31/2024

Market risk: evolution of stock indices

The volatility of local stock market indices - GARCH (1.1)



BET-XT Index vs VaR (99%) BET-XT Index

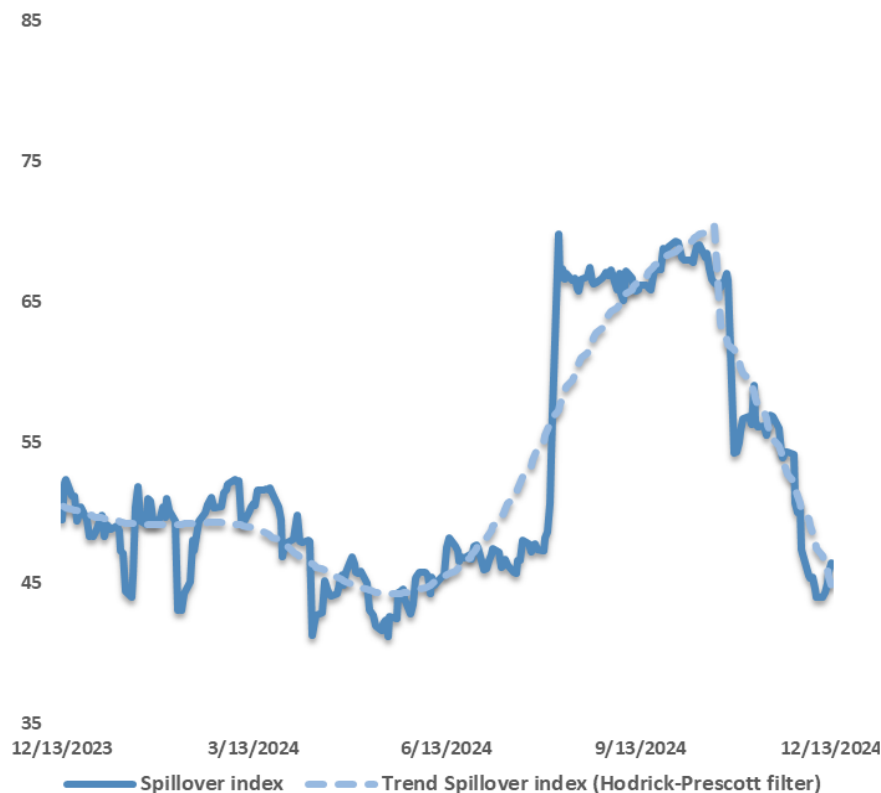


In December, the volatilities of the BET, BET-NG, BET-BK, BET-TR, and BET-FI indices exhibited a prevailing upward trajectory. These volatilities were estimated utilizing a GARCH (1,1) model.

The chart below shows the dynamics of the BET-XT index together with the evolution of Value-at-Risk for a 1% significance level (VaR at 99%) for the next day, estimated under the assumption of normal distribution. Estimates for December indicate that the VaR of the BET-XT index fluctuated in the range 2.4% - 4.2%.

Market Risk: Spillover Index

Spillover index



Source: LSEG, ASF calculations

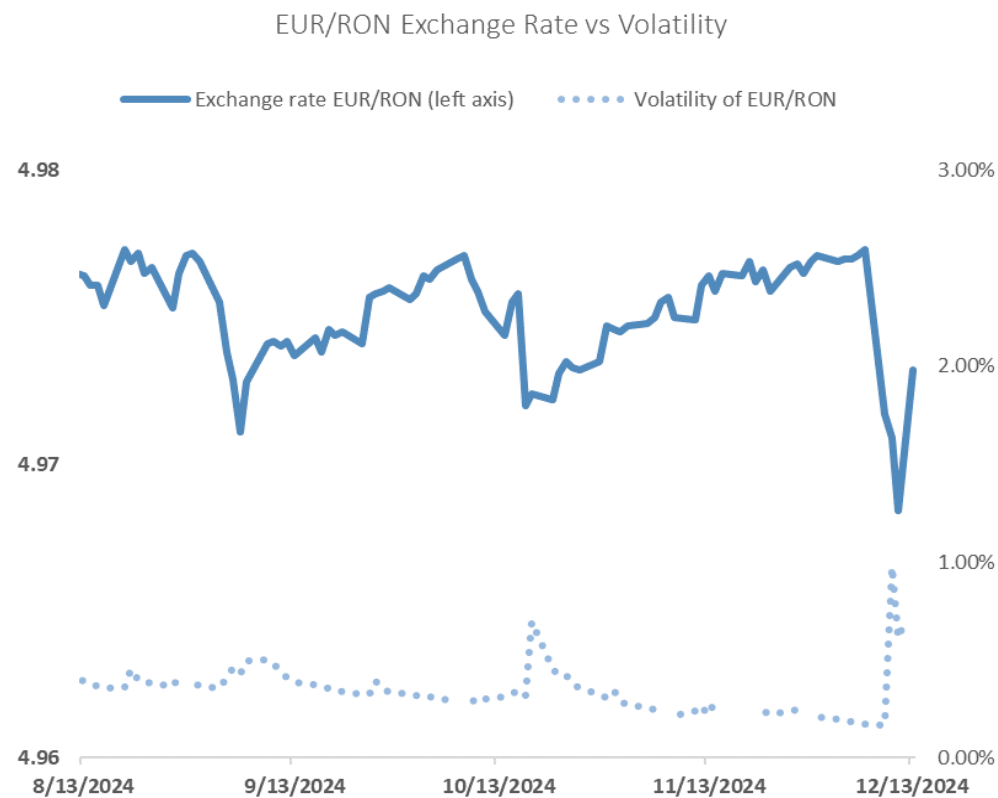
In October and November 2024, the contagion between the stock markets stabilized but remained high. The local stock market (BVB) reacted to the contagion shocks but subsequently tended to revert to its previous trend.

The chart presents a Spillover Index based on the methodology by Diebold and Yilmaz, which quantifies the extent of shock transmission of the external capital markets on the Romanian stock exchange. The plot effectively combines actual and trend analysis to capture both short-term dynamics and long-term patterns for understanding shock diffusion in financial markets. The Romanian capital market is sensitive to the same regional risk factors that influence the Austrian, Polish, Hungarian, and Bulgarian stock market returns. There is a strong link between the spillover effect and the companies' returns, since the increase in the spillover tends to diminish the returns of the companies listed on the Bucharest Stock Exchange.

Initially, the index fluctuated within a relatively narrow range, indicating stable levels of shock transmission. Around mid-2024, there is a sharp spike in the spillover index, indicating a period of heightened interconnectedness or shock propagation across European stock markets. This can be explained due to the shock transmitted in 5 August from the US markets. Following the peak in spillover, there is a significant decline corresponding to the recovery phase in the European markets. The index stabilizes at a moderately lower level toward the end of 2024.

The dashed line shows the trend of the spillover index, calculated using a Hodrick-Prescott filter. This method extracts the longer-term trend from the short-term fluctuations.

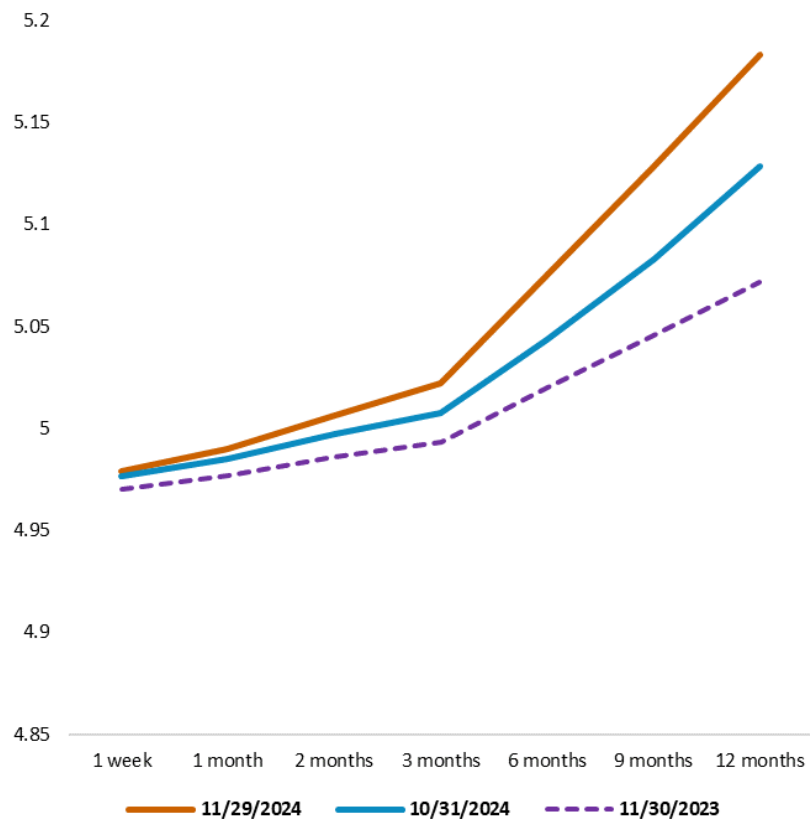
Market Risk: exchange rate volatility



In the period November-December 2024, the volatility of the EUR/RON exchange rate fluctuated up to 1% and the exchange rate appreciated around 4,975 EUR/RON. The macroeconomic climate is dominated by a declining inflation rate with a low volatility.

Market risk: Term structure of forward rate EURRON

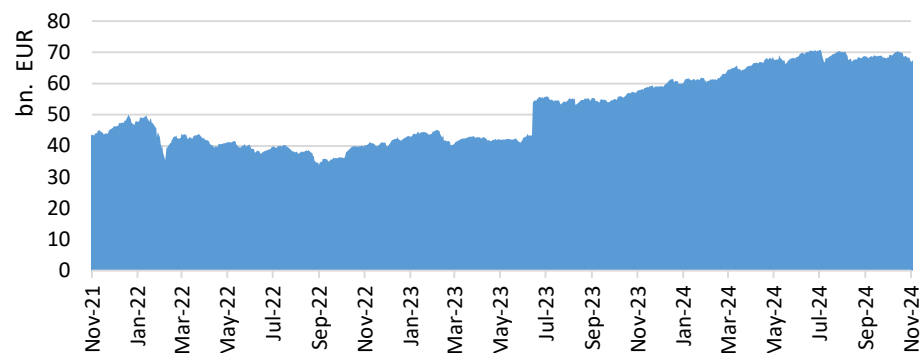
Term structure of EUR/RON forward rate



The term structure of the forward rate for the EURRON exchange rate with maturities between one week and twelve months shows the market expectations. There are expectations of EURRON appreciation for all maturities with respect to the previous month.

Liquidity indicators on Romanian Stock Exchange

Market capitalization



The market capitalization recorded a 13% increase at the end of November 2024 compared to the end of 2023.

During November 2024, the 3 most traded companies on BSE were Hidroelectrica (H2O: 40.7%), Banca Transilvania (TLV: 9.5%) and OMV Petrom (SNP: 9.2%).

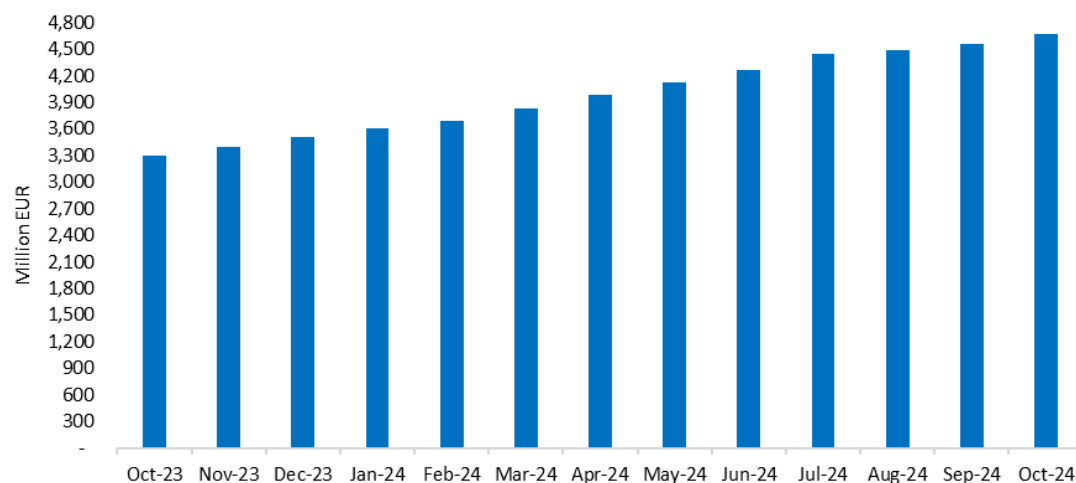
The BSE's Most Traded Companies during November 2024 (Only the Main Segment)

Symbol	Main Market		Deal		Total	
	Value (EUR)	%	Value (EUR)	%	Value (EUR)	%
H2O	87,576,230	36.99%	37,881,490	77.28%	125,457,720	40.73%
TLV	29,360,228	12.40%	-	0.00%	29,360,228	9.53%
SNP	27,914,123	11.79%	370,947	0.76%	28,285,071	9.18%
AQ	3,673,461	1.55%	-	0.00%	22,966,065	7.46%
SNG	13,791,943	5.82%	-	0.00%	13,791,943	4.48%
BRD	8,552,360	3.61%	-	0.00%	8,552,360	2.78%
TEL	1,419,284	0.60%	6,977,894	14.23%	8,397,177	2.73%
SNN	8,244,226	3.48%	-	0.00%	8,244,226	2.68%
EL	7,227,351	3.05%	-	0.00%	7,227,351	2.35%
FP	6,891,595	2.91%	-	0.00%	6,891,595	2.24%
TTS	6,654,481	2.81%	-	0.00%	6,654,481	2.16%
EVER	1,673,142	0.71%	-	0.00%	4,587,129	1.49%
ONE	1,938,713	0.82%	1,909,787	3.90%	3,848,500	1.25%
M	3,747,948	1.58%	-	0.00%	3,747,948	1.22%
DIGI	3,682,492	1.56%	-	0.00%	3,682,492	1.20%
Top 15 Total						91.46%

Sursa: BNR, BVB, ASF

Evoluția fondurilor de investiții autorizate în România

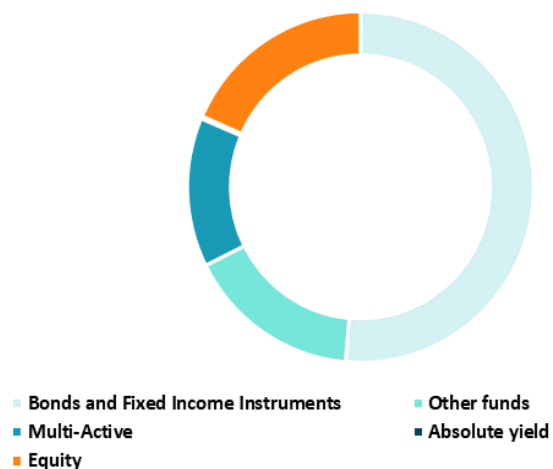
Evolution of net assets of open-end investment funds



According to data published by AAF, net assets of open-end investment funds (OeIF) stood at EUR 4.67 billion in October 2024, up compared to the previous month (EUR 4.56 billion).

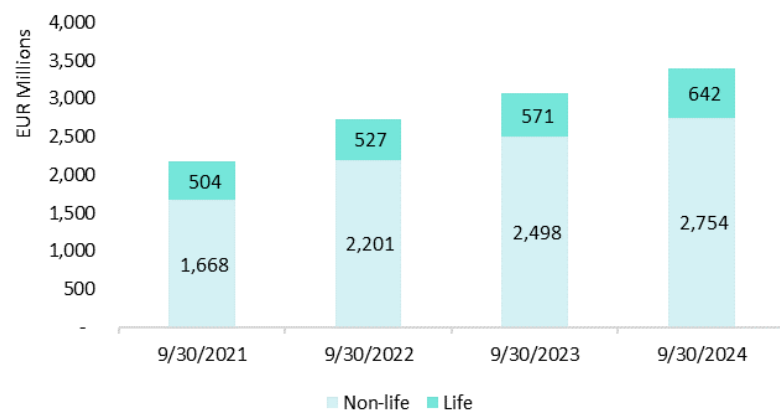
In October 2024, open-end bond and fixed income instruments funds hold the largest share in total net assets of OeIF (around 51%), while equity funds have a market share of approximately 18%.

Open-end investment funds' market share by Fund Type and Net Asset (October 2024)

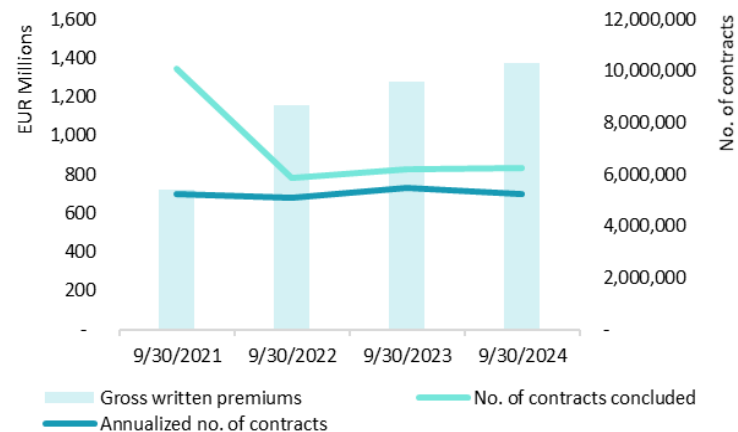


Specific developments in the insurance market in Romania

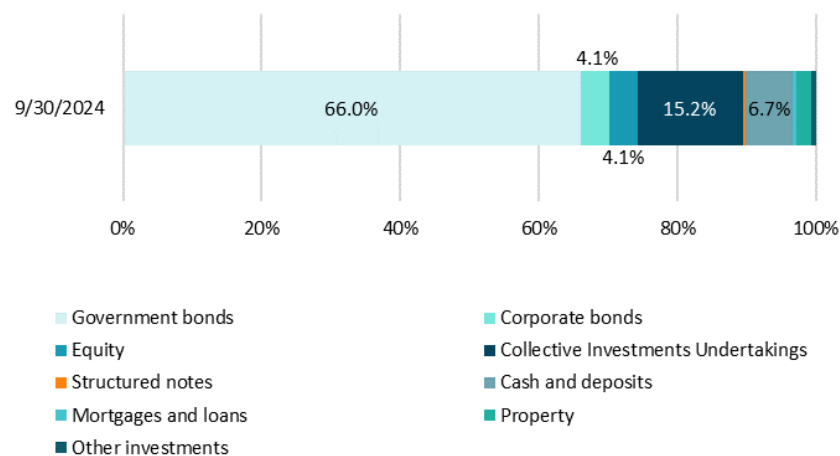
Gross written premiums (total)



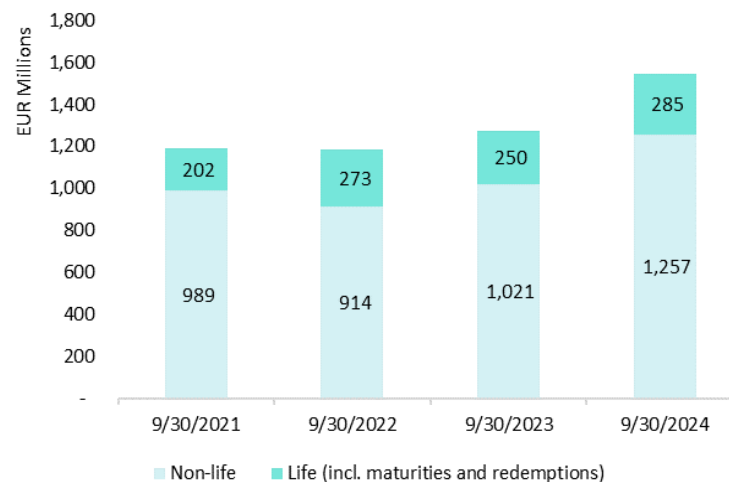
MTPL gross written premiums*



Investment structure of insurance companies

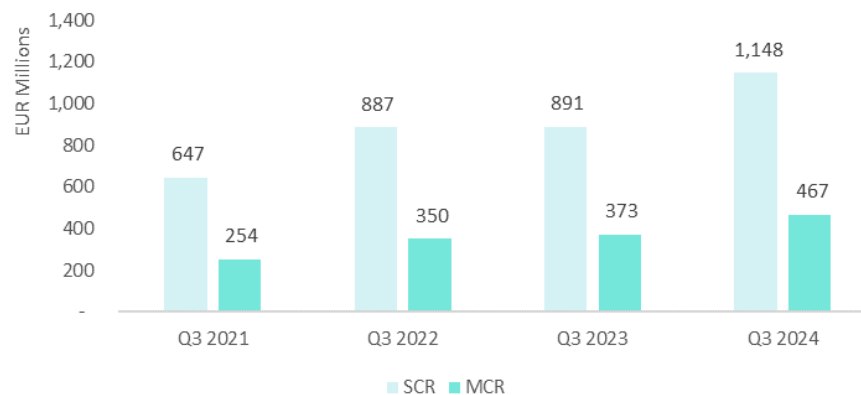


Gross claims paid**

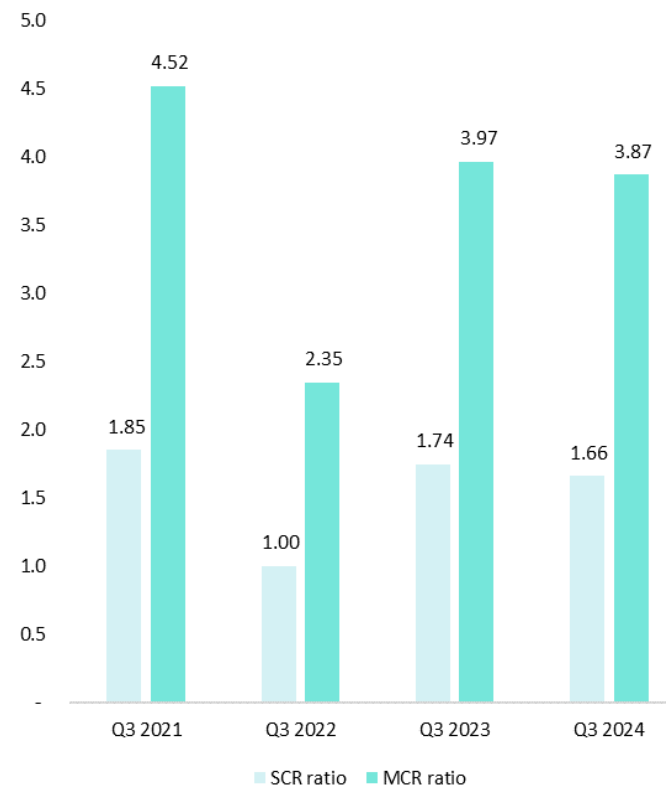


Specific developments in the insurance market in Romania

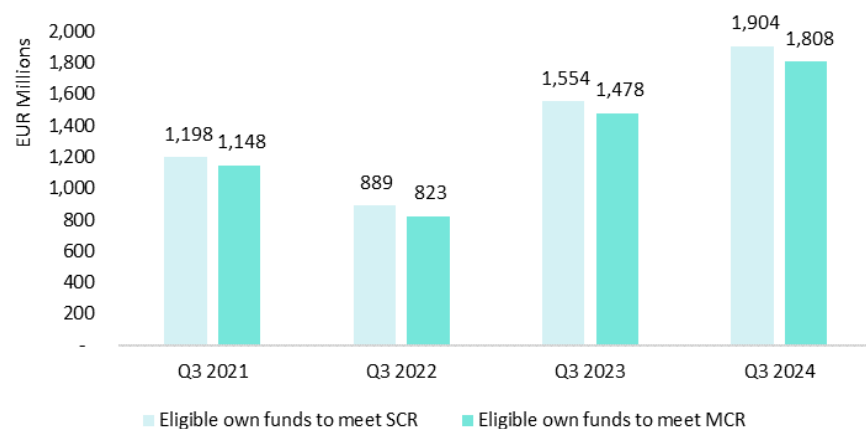
Evolution of capital requirements (SCR and MCR)



SCR and MCR ratio

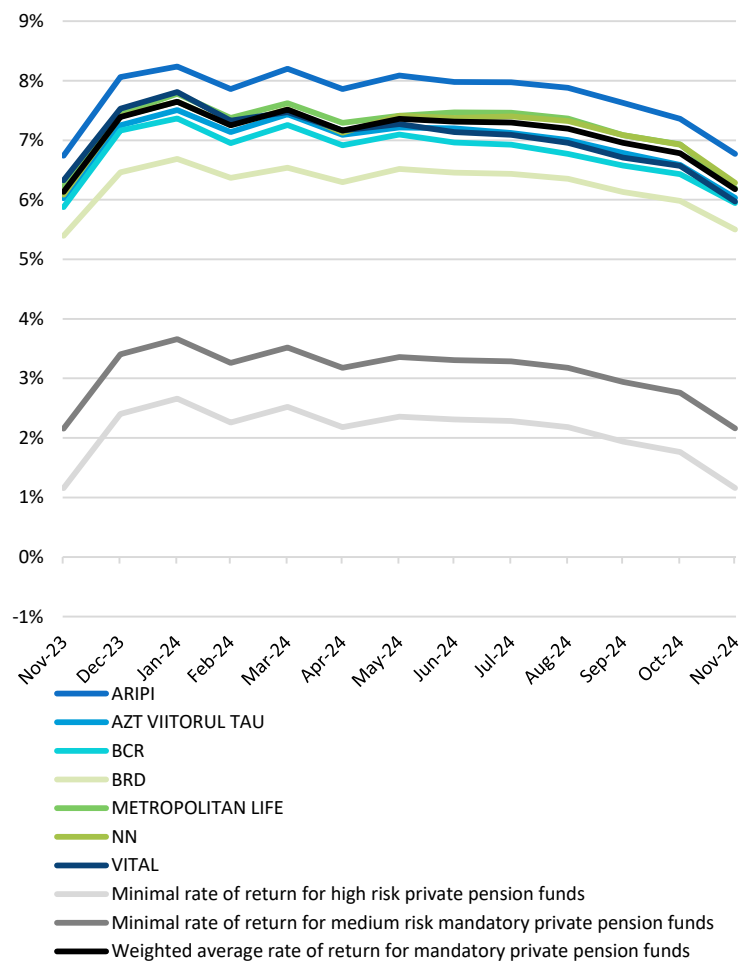


Total eligible own funds to meet the SCR and total eligible own funds to meet the MCR



Specific developments in the mandatory private pension funds sector (2nd Pillar):

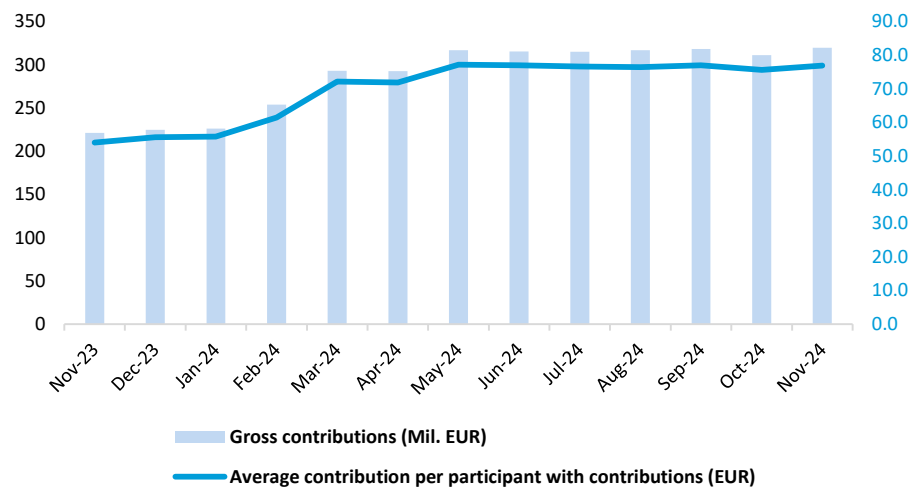
Rate of return for mandatory pension funds



Total assets (EUR), number of participants and return rates 29-Nov-24

Mandatory pension fund	Total Assets (EUR)	Participants (persons)	Annualized 60 months return rate
ARIP	2,757,379,676	888,538	6.7728%
AZT VIITORUL TAU	6,238,560,648	1,691,671	6.0337%
BCR	2,174,956,220	794,965	5.9444%
BRD	1,327,675,544	581,582	5.5017%
METROPOLITAN LIFE	4,189,797,004	1,140,130	6.1954%
NN	10,077,147,916	2,115,570	6.2871%
VITAL	3,042,711,522	1,051,004	5.9710%
Total	29,808,228,529	8,263,460	

Evolution of gross contributions (EUR)



Source: ASF

Specific developments in the mandatory private pension funds sector (2nd Pillar):

Mandatory pensions funds' aggregate portfolio

29 November 2024

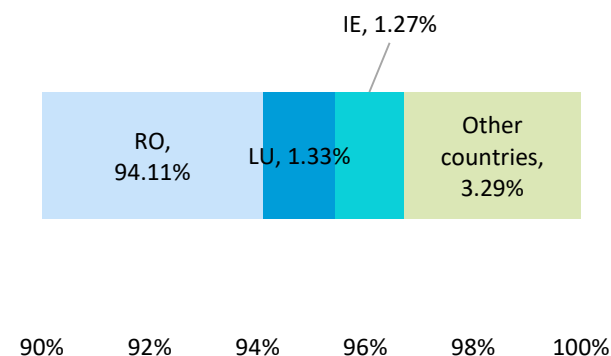
Assets categories	Assets value (EUR)	% of Total assets
Government bonds	20,076,867,124	67.4%
Equity	6,822,785,548	22.9%
Corporate bonds	1,377,756,853	4.6%
Investment funds	837,824,358	2.8%
Deposits	614,651,961	2.1%
Derivatives	81,672,515	0.3%
Supranational bonds	47,039,531	0.2%
Private equity	24,203,499	0.1%
Exchange traded commodities	16,533,756	0.1%
Derivatives	(527,994)	0.0%
Other assets	(90,578,622)	-0.3%
Total	29,808,228,529	100.0%

The value of the total assets of the privately managed pension funds reached EUR 29,81 billion at the end of November 2024, with an annual increase of 22%, compared to November 2023.

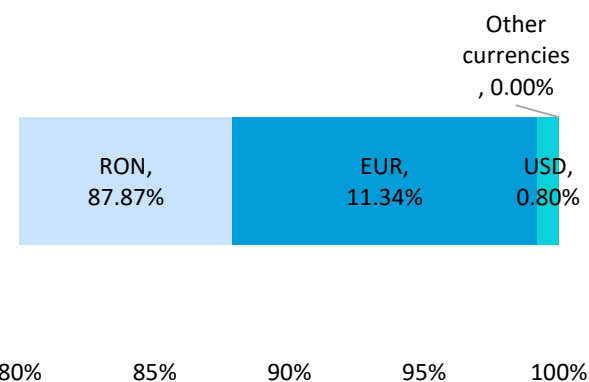
Approximately 94% of the assets were invested locally, the majority being denominated in RON. Most Romanian instruments are represented by government bonds and equities listed on the Bucharest Stock Exchange.

The value of gross contributions in November 2024 was EUR 319 millions, while the average contribution was EUR 77.

Country exposure

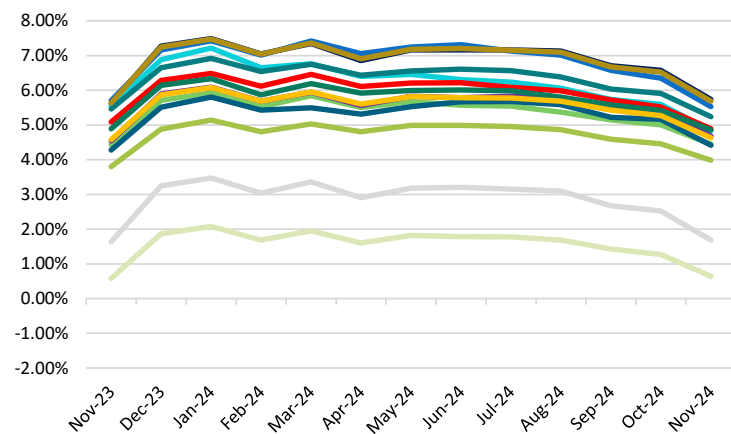


Currency exposure



Specific developments in the voluntary private pension funds sector (3rd Pillar):

Rate of return for voluntary pension funds



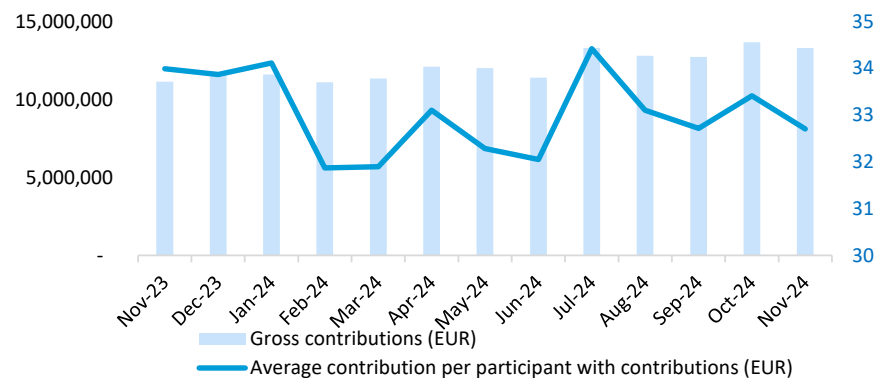
— AZT VIVACE
 — NN ACTIV
 — AEGON ESENTIAL
 — AZT MODERATO
 — BCR PLUS
 — BRD MEDIO
 — NN OPTIM
 — PENSIA MEA
 — RAIFFEISEN ACUMULARE
 — STABIL
 — Weighted rate of return for all high risk voluntary pension funds
 — Minimal rate of return for high risk voluntary pension funds
 — Weighted rate of return for all medium risk voluntary funds
 — Minimal rate of return for all medium risk voluntary pension funds

Total assets (EUR), number of participants and return rates

30-Nov-24

Voluntary pension fund	Total assets (EUR)	Participants (persons)	Annualized 60 months return rate
FPF AZT MODERATO	101,844,033	50,572	4.8925%
FPF AZT VIVACE	35,720,706	22,567	5.5287%
FPF BCR PLUS	167,252,085	157,623	4.4459%
FPF BRD MEDIO	50,236,903	37,108	3.9800%
FPF ESENȚIAL	3,360,209	4,081	4.8367%
FPF NN ACTIV	138,829,475	80,842	5.7331%
FPF NN OPTIM	480,293,507	272,832	4.6853%
FPF PENSIA MEA	56,181,947	90,354	4.4146%
FPF RAIFFEISEN ACUMULARE	52,396,824	97,672	5.2385%
FPF STABIL	10,110,954	5,850	4.8583%
Total	1,096,226,643	819,501	

Evolution of gross contributions (EUR)



Source: ASF

Specific developments in the voluntary private pension funds sector (3rd Pillar):

Voluntary pensions funds' aggregate portfolio

30 November 2024

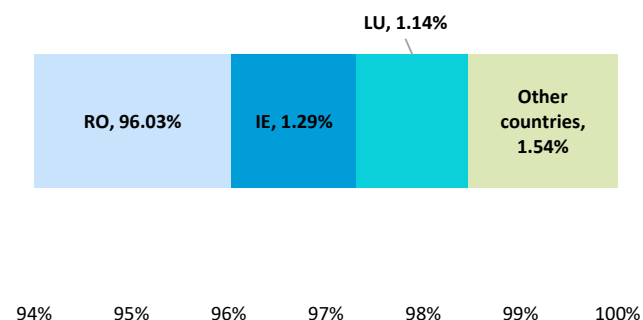
Assets categories	Assets value (EUR)	% of Total assets
Government bonds	739,997,974	67.5%
Equity	265,325,331	24.2%
Corporate bonds	43,600,112	4.0%
Investment funds	25,037,303	2.3%
Deposits	12,951,911	1.2%
Municipal bonds	7,914,451	0.7%
Private equity	1,990,502	0.2%
Exchange traded commodities	1,344,889	0.1%
Supranational bonds	811,919	0.1%
Derivatives	(455,603)	0.0%
Other assets	(2,292,146)	-0.2%
Total	1,096,226,643	100.0%

At the end of November 2024, the voluntary pension funds' total assets value was EUR 1.1 billions, with an annual increase of 20%, compared to November 2023.

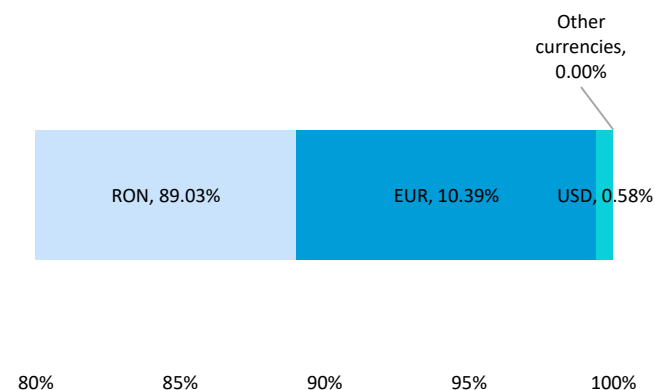
The funds' portfolios were generally invested in local assets, in a percentage of 96%, the majority being denominated in RON (89%).

The value of gross contributions in November 2024 was EUR 13,3 millions, while the average contribution was EUR 33.

Country exposure



Currency exposure



Source: ASF

Press releases and publications of European financial institutions in November 2024

ESMA

[Joint Guidelines on the oversight cooperation and information exchange between the ESAs and the competent authorities](#)
[List of designated authorities, payment systems and securities settlement systems](#)
[ESMA-EIOPA Letter on the Retail Investment Strategy](#)
[Decision concerning the reporting by competent authorities to the ESAs of the designation of critical ICT third-party service providers](#)
[Report on the assessment of the shortening of the settlement cycle in the European Union](#)
[Transition risk losses alone unlikely to threaten EU financial stability, “Fit-For-55” climate stress test shows - Press Release](#)
[One-off “Fit-for-55” Climate Scenario Analysis: Frequently Asked Questions](#)
[Report on fit for 55 climate scenario analysis](#)
[Final Report on the Technical Advice on CSDR Penalty Mechanism](#)
[Consultation Paper on the Conditions of the Active Account Requirement under EMIR 3](#)
[Final Report on the Joint Guidelines on the system for the exchange of information relevant to fit and proper assessments](#)
[Response to the European Commission consultation on the review of the EU macro-prudential policy framework for NBFIs](#)
[Letter to IASB on the Exposure Draft Climate-related and Other Uncertainties in the Financial Statements \(proposed illustrative examples\)](#)
[List of Authorised DLT Market Infrastructures](#)
[Joint EBA and ESMA Guidelines on the assessment of the suitability of the members of the management body of issuers of asset-referenced tokens and of crypto-asset service providers](#)
[ESAs Statement on DORA application](#)

EIOPA

[Financial Stability Report December 2024](#)
[EIOPA feedback to EU COM Consultation Paper on “Assessing the adequacy of macroprudential policies for Non-Bank Financial Intermediation \(NBFIs\)”](#)
[Joint Guidelines on the exchange of information relevant to fit and proper assessments](#)
[EIOPA Taxonomy Roadmap](#)
[EIOPA Opinion on the scope of DORA in light of the review of the Solvency II framework](#)
[Final Report on the Prudential Treatment of Sustainability Risks for Insurers](#)
[Joint Guidelines on the oversight cooperation and information exchange between the ESAs and the competent authorities under DORA Regulation \(EU\) 2022/2554](#)
[Insurers' green investments - 2024 Q2](#)

Press releases and publications of European financial institutions in November 2024

ESRB

[ESRB risk dashboard, November 2024 \(Issue 50\)](#)

[A system-wide approach to macroprudential policy - ESRB response to the European Commission's consultation assessing the adequacy of macroprudential policies for non-bank financial intermediation](#)



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The report reflects the latest available statistical data, some of which are provisional and will be revised in future editions.

The frequency with which information in tables and graphs is updated is highest for stock market indicators, macroeconomic indicators and investment and pension fund indicators, with most updates occurring monthly, while insurance market indicators are usually updated quarterly.