

Population invests almost 1 bln euros in gov't securities this year

The Ministry of Public Finance has attracted 1.3 billion lei and 289 million euros, respectively, through the second primary offering of retail government securities (FIDELIS) carried out this year through the Bucharest Stock Exchange (BVB), BVB said in a release.

The Finance Ministry has attracted 2.52 billion lei and 457.4 million euros this year through the two rounds of financing carried out on the Bucharest Stock Exchange.

"The success of the second offering of retail government securities, which even surpassed the one this summer, proves that bringing back such instruments on the capital market was a very good decision. Basically, by acquiring government securities, the citizens participate directly in the programs of investment in the economy and we are all interested that this turns out well. There are various strategies in the world and we see that the countries that finance themselves to a large extent from domestic resources have a greater stability of the public debt," said Public Finance Minister Florin Citu.

The amount of the financing rounds carried out this year by the public Finance Ministry on the BVB was 4.74 billion lei - almost one billion euros (2.52 billion lei and 457.4 million euros).

In the second offering run between November 9 and 27, the population placed almost 13,300 subscription orders for both RON- and euro-denominated government securities. The offering included government securities in RON with maturities of one and three years, and a five-year issue in euros.

The annual yield for euro-denominated securities is 1.85 percent, while for RON-denominated securities the annual yield is 3.5 percent for those maturing in 2021 and 4 percent for those coming due in 2023.

The government securities entered trading on BVB on Monday, December 7, and can be bought or sold transparently at any time through authorized brokers.