

# **THE IMPACT OF FINANCIAL COMMUNICATION ON STOCK PRICE. THE CASE OF OMV PETROM S.A. 2004-2013.**

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*ABSTRACT: Financial information is used primarily with the aim of predicting the profitability of companies. In order to achieve this goal, the information user resorts to fundamental analysis tools which seek to determine the intrinsic value of an asset, submitting for analysis determinant factors of performance such as earning, expenses and profits. By comparing the intrinsic value to the market price, the investor has to make a rational decision. The present study follows the stock performance evolution of OMV Petrom S.A. on the Bucharest Stock Exchange during 2004-2013, in order to identify the main factors which impact share price and the price to book ratio with the central objective of disclosing the importance of combined analysis of stock performance indicators and financial reports, so that company performance is depicted according to reality.*

*Keywords: financial performance, stock performance, stock growth ratios, dividend ratios, financial communication*

*JEL Codes: G32, M20, M 40, M41*