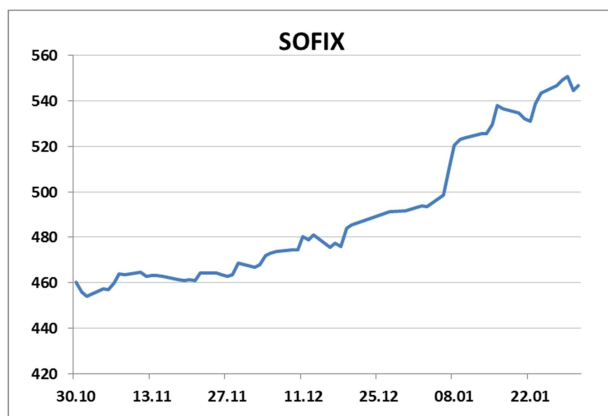


Indices

	Last quote	1-day change	5-day change	1 month	1 year
SOFIX	546.83	0.39%	0.63%	11.25%	36.85%
BGBX40	109.52	0.16%	0.15%	9.52%	-
BGTR30	384.89	-0.04%	-0.09%	10.27%	27.14%
BGREIT	89.11	0.54%	-0.88%	0.51%	6.07%

Market Trend



Market Capitalization in BGN

Premium Equities Segment	1 806 890 050
Standard Equities Segment	5 952 560 4856
Special Purpose Vehicles Segment	514 091 609
Total	8 273 542 144

SOFIX components

Stock	Last Price	Weekly Change	Bid	Ask
Advance Terrafund REIT	2.45	0.29%	2.45	2.46
Albena	57.00	-2.56%	56.50	58.50
Bulgaria Real Estate Fund REIT	0.56	-0.36%	0.54	0.56
Bulgartabac Holding	103.50	4.55%	101.00	103.50
Central Cooperative Bank	1.38	-3.36%	1.38	1.41
Chimimport	2.03	-2.35%	2.03	2.05
M+S Hydraulic	11.30	2.73%	11.10	11.36
Eurohold Bulgaria	1.00	-3.85%	1.00	1.03
First Investment Bank	3.12	3.90%	3.12	3.16
Industrial Holding Bulgaria	1.02	-3.33%	1.02	1.03
Monbat	8.20	2.50%	8.07	8.20
Neochim	52.00	0.00%	51.01	52.00
Sopharma	3.95	0.74%	3.94	3.95
Stara Planina Hold	4.00	5.12%	4.00	4.08
Zarneni Hrani Bulgaria	0.54	-0.37%	0.54	0.55

The rally is losing support

The last week's small increase of indices is raising the question of the sustainability of recent rally. The resemblances to the last year's gains are diminishing. Stock prices are not under the influence of political events but investors are taking more cautious stance when considering the risks.

The biggest difference with 2013 is in the basis of stock market's increase. This year's increase is purely driven by small number of stocks. Chimimport, Central Cooperative Bank and First Investment Bank are outperforming the other large caps by sizable percentages. Investors are selecting stocks that look undervalued, whereas last year's rally was broad-based.

Corporate profits had impact on stock prices. Latest reports proved that investors are closely watching the performance of companies. Moreover, it is proof for the interest of investors to the trading on general. Previous earning seasons had no impact on prices. The examples became the reports of Oil and Gaz (**401**) and the electricity distribution company Energo-Pro Sales (**4ES**). They jumped 10% and 31%, respectively. Oil and Gaz is subsidiary of Chimimport and its 37% increase of profits were good news for the market. The stock is traded at P/E ratio of 6.40 following the report. The market reaction to the strong increase of insurance income and the profit of Euroins (**5IC**) was huge and the stock jumped 40% following the news.

The worst performers included shares of Juri Gagarin – Plovdiv (**4PX**) and Bulgarian Rose-Sevtopolis (**4BJ**). Both stocks declined but the reaction on the latter was small and is suggesting that liquidity and investors' interest are primary factors for the price volatility.

Disclaimer

Analyst Certification: The research analyst(s) certifies that: (1) all of the views expressed in this document accurately reflect his or her personal views about any and all of the subject securities or issuers; (2) no part of any of the research analyst's compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed by the research analyst(s) in this document.

Financial Interest: ELANA Trading may trade or own shares of the analyzed companies. The research analyst(s) is not holding shares of the analyzed companies, unless otherwise noted.

Regulatory Authority: Financial Supervisory Commission, *Shar Planina* Street 33, 1303 Sofia, Bulgaria

Information Disclosure: All reasonable care has been taken to ensure the facts stated are accurate and opinions given are fair and reasonable. Our recommendations are based on information available to the public that we consider to be reliable but for the completeness and accuracy of which we assume no liability. Neither ELANA Trading, nor its directors, officers or employees shall in any way be responsible for its contents. The views expressed may differ from the views of other firm departments or representatives. Additional information is available upon request. Unless otherwise noted, sources for all information in charts and tables are ELANA Trading's calculations.

Risks for Investors: Information in this document should not be regarded as an offer to buy or sell any financial instruments. The investment possibilities discussed in this document may not be suitable for certain investors depending on their specific investment objectives and time horizon or in the context of their overall financial situation. In particular, the risks associated with an investment in the securities or the financial instruments under discussion are not explained in its entirety.

The prices or values of the securities may go down as well as up and can fluctuate and fall against the investor. The securities or investments may cause the investor to lose the amount invested. Past performance is not a guide to future performance. Changes in exchange rates may have an adverse effect on the value, price or income of the securities or investments.

Valuation Methods: Company valuations are based on the following methods: multiple-based (P/E, P/B, EV/EBITDA), historical valuation approaches, peer comparisons, discount models (DCF, DDM) or asset-based evaluation methods. Valuation models are dependent on macroeconomic factors, including interest rates, foreign exchange rates, prices of raw materials, and any expectations about the economy, the market sentiment. The valuation is based on expectations that might change rapidly and without notice, depending on developments specific to individual industries and countries. Recommendations and target prices derived from the models might therefore change accordingly. The application of models depends on forecasts of a range of economic variables, thus there is a range of reasonable variations within models. Any valuation is dependent upon inputs that are based on the subjective opinion of the analysts carrying out this valuation.

Recommendations: Analyst(s) recommendations are based on the specific factors for the company, sector, country and global developments, as compared to market indices. Recommendations and opinions reflect ELANA Trading's expectations over the 12-month period following publication from the perspective of long-only investment clients. ELANA Trading reserves the right to express different or contrary recommendations and opinions for different timescales or for other types of investment client. Except as otherwise noted, expected performance over next 12 months vary for different recommendations for Bulgarian stocks as follows:

BUY	More than 5% higher as compared to SOFIX and BG40 performance
------------	---

HOLD	Market performance, +/-5% as compared to SOFIX and BG40
-------------	---

SELL	More than 5% lower as compared to SOFIX and BG40 performance
-------------	--

Frequency of Recommendations: No schedule of recommendations is available. The frequency of recommendations depends on specific factors to individual companies and the opinion of the analyst(s) for the necessity of minor or major changes.

Copyrights: The copyrights of ELANA Trading analyses belong to the Research Department of the brokerage and their content cannot be used for commercial purposes. Replication and redistribution of ELANA Trading analyses content is expressly prohibited without the prior written consent of the appointed contacts listed below.

For more information, please contact:

Research analyst
Tsvetoslav Tsachev

Phone:
+359 2 810 00 23

E-mail:
tsachev@elana.net

Internet:
www.elana.net