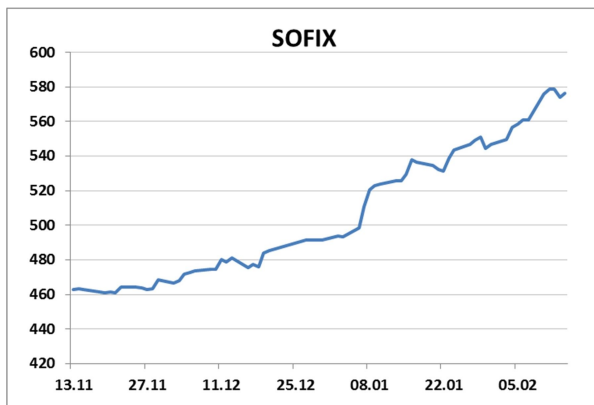


## Indices

|               | Last quote | 1-day change | 5-day change | 1 month | 1 year |
|---------------|------------|--------------|--------------|---------|--------|
| <b>SOFIX</b>  | 576.58     | 0.45%        | 2.78%        | 9.68%   | 40.54% |
| <b>BGBX40</b> | 114.96     | 0.40%        | 2.83%        | 9.02%   | -      |
| <b>BGTR30</b> | 404.76     | 0.53%        | 3.25%        | 10.40%  | 34.94% |
| <b>BGREIT</b> | 89.73      | 0.23%        | -0.45%       | 0.76%   | 6.97%  |

## Market Trend



## Market Capitalization in BGN

|                                  |               |
|----------------------------------|---------------|
| Premium Equities Segment         | 1 971 285 202 |
| Standard Equities Segment        | 6 135 795 827 |
| Special Purpose Vehicles Segment | 527 881 136   |
| Total                            | 8 634 962 514 |

## SOFIX components

| Stock                          | Last Price | Weekly Change | Bid    | Ask    |
|--------------------------------|------------|---------------|--------|--------|
| Advance Terrafund REIT         | 2.47       | 0.69%         | 2.46   | 2.47   |
| Albena                         | 58.60      | 1.03%         | 57.55  | 58.95  |
| Bulgaria Real Estate Fund REIT | 0.55       | 2.60%         | 0.55   | 0.55   |
| Bulgartabac Holding            | 105.00     | 5.00%         | 101.00 | 105.00 |
| Central Cooperative Bank       | 1.41       | -0.63%        | 1.41   | 1.45   |
| Chimimport                     | 2.10       | 1.40%         | 2.10   | 2.12   |
| M+S Hydraulic                  | 11.65      | 4.02%         | 11.50  | 11.65  |
| Eurohold Bulgaria              | 1.04       | -0.38%        | 1.04   | 1.08   |
| First Investment Bank          | 3.98       | 8.93%         | 3.90   | 3.98   |
| Industrial Holding Bulgaria    | 1.22       | 14.55%        | 1.19   | 1.22   |
| Monbat                         | 8.50       | 3.03%         | 8.39   | 8.50   |
| Neochim                        | 55.10      | 3.96%         | 54.50  | 56.00  |
| Sopharma                       | 4.26       | 1.24%         | 4.26   | 4.29   |
| Stara Planina Hold             | 4.15       | 1.47%         | 4.10   | 4.18   |
| Zarneni Hrani Bulgaria         | 0.57       | 0.53%         | 0.57   | 0.58   |

## Positive week sent SOFIX at 580 points

Bulgarian stock market is establishing a pattern of investors' demand. The last week begun with increased buying interest and rising prices. Liquid stocks were gaining in large volumes. Local investors were also buying and several positions enjoyed the demand of institutional investors that was proved by large block deals. Trading activity declined through the course of the week. Profit taking emerged again during the second half of the week. The best performing position in main index SOFIX was Industrial Holding Bulgaria (**4ID**). The stock is not in the focus of investors due to its low market capitalization. It is traded at P/E 6 and the recent increase is compensating the lackluster performance in 2013. The holding is consolidating the shipbuilding company Varna Shipyard. As the sales of newly build ships stagnated during the economic crisis, the holding became to operate them and is the second largest maritime transportation company in Bulgaria. Its shipbuilding capacity is working only in repair of ships.

What can be expected for the market in short-term? There are two possibilities. The first is related to the already mentioned demand to stocks that lagged the rally. Bulgartabac Holding (**57B**) is excellent example as its financial results are very good and the valuation ratios are still attractive. The liquidity is low and the position has the potential to appreciate very fast. Other companies that underperform are Advance Terrafund, Albena and several smaller that are not included in SOFIX. Most of them don't have good financial results or prospects for improvement as this is the case of REITs. If capitals turn to their stocks, this will be sign for rally end, as investors will consider other stocks as expensive.

The second scenario is to start a correction of FIB, Sopharma and other stocks. The profit taking will be similar to the decline of Chimimport or 10% in few weeks.

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|            |   |
|------------|---|
| <b>BUY</b> | More than 5% higher as compared to SOFIX and BG40 performance |
|------------|---|

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|             |   |
|-------------|---|
| <b>HOLD</b> | Market performance, +/-5% as compared to SOFIX and BG40 |
|-------------|---|

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|             |  |
|-------------|--|
| <b>SELL</b> | More than 5% lower as compared to SOFIX and BG40 performance |
|-------------|--|

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