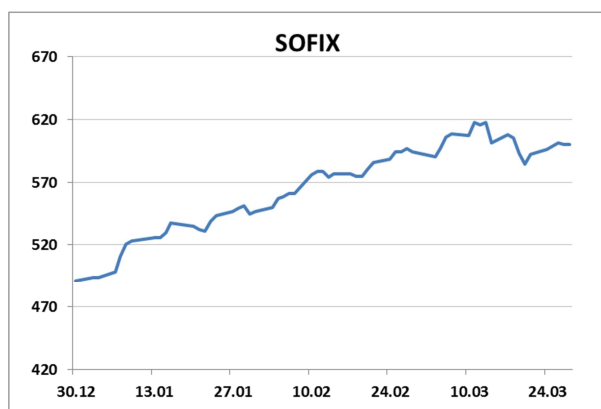


Indices

	Last quote	1-day change	5-day change	1 month	1 year
SOFIX	600.20	0.01%	1.32%	0.50%	56.13%
BGBX40	120.34	0.38%	1.01%	0.83%	-
BGTR30	440.13	0.21%	0.98%	2.87%	54.31%
BGREIT	97.66	-0.10%	-0.45%	6.58%	12.09%

Market Trend



Market Capitalization in BGN

Premium Equities Segment	2 071 404 756
Standard Equities Segment	6 259 603 922
Special Purpose Vehicles Segment	575 271 720
Total	8 906 280 397

SOFIX components

Stock	Last Price	Weekly Change	Bid	Ask
Advance Terrafund REIT	2.73	-1.30%	2.72	2.73
Albena	52.00	-0.19%	51.00	54.43
Bulgaria Real Estate Fund REIT	0.65	3.84%	0.64	0.65
Bulgartabac Holding	93.70	7.70%	90.10	95.22
Central Cooperative Bank	1.44	0.70%	1.45	1.49
Chimimport	2.17	0.70%	2.16	2.17
M+S Hydraulic	14.50	5.84%	14.15	14.60
Eurohold Bulgaria	1.12	6.29%	1.12	1.14
First Investment Bank	4.10	2.50%	4.07	4.10
Industrial Holding Bulgaria	1.40	-0.78%	1.40	1.43
Monbat	8.90	-1.11%	8.80	8.95
Neochim	52.00	1.96%	52.00	53.00
Sopharma	4.60	0.00%	4.55	4.62
Stara Planina Hold	4.40	1.71%	4.40	4.50
Zarneni Hrani Bulgaria	0.57	1.97%	0.57	0.57

Flat indices indicate that calm is returning to the market

The stock market entered period of consolidation after the brief decline from the last peak. Volumes traded fell and local investors preferred to stay aside. Liquid shares like Chimimport (**6C4**), Monbat (**5MB**) and Sopharma (**3JR**) were hardly changed last week. The largest gains were recorded by the tobacco company Bulgartabac Holding (**T57**), that could be attributed to rebalancing of portfolios or the already announced in medias change in ownership. BT Invest, the Austrian company that privatized the tobacco holding on 2011, is owned by Livero Establishment. The share in BT Invest was transferred from VTB Capital to Livero Establishment, based in Lichtenstein. According to the law, the change in the ownership requires tender offer to minority shareholders. However, official announcement is not available on the stock exchange.

Compensatory vouchers recorded large volumes last week. Rumors on the market are that vouchers will be used for the privatization of the lucrative assets of the national railroad company. However, in light of the forthcoming large debt issue to refinance the dollar-denominated government debt we expect to see big privatization deal for cash payment only. Another news was that instruments that previously were not used for buying of land will have this opportunity in the sale of government or municipal land and forests, if the change in law is voted by the Parliament.

Among the news was the announcement of Stara Planina Hold (**5SR**) for the financial performance of the group during the first two months of 2014. Consolidated revenues of the holding are rising by 12% for the period. The best performing subsidiary is M+S Hydraulic (**5MH**) that registered 15% sales growth and profit before tax at the amount of BGN 2.7 million. Maintaining those results will decreased the P/E ratio for 2014 to 12 but we expect to see larger profit and P/E of 10 as revenues will continue to increase steadily.

The business climate indicator continues to improve in March, increasing by 1.2 p.p. compared to a month earlier. The rise is due to a positive conjuncture in Construction and Retail trade, as the raised retailers' optimism in their forecasts as regards both the volume of sales and the orders led to the highest level of the indicator in Retail trade since December 2011. In Service sector, the business climate retains approximately its level from February. In industry, there is a slight decline. However, the managers' expectations over the next three months are more optimistic, as there is an improvement of their assessments about the upcoming production activity.

BULGARIA WEEKLY REPORT

31 March 2014

Earning per share forecasts

		2013	2014 - quarterly				2014	Analyst
Albena	6AB	4.42	-1.16	-1.69	9.08	-1.60	4.63	T. Tsachev
	<i>y-o-y</i>	-11.30%	0.15%	-3.78%	6.88%	37.14%	4.86%	
Central Cooperative Bank	4CF	0.10	0.03	0.03	0.02	0.03	0.11	T. Tsachev
	<i>y-o-y</i>	0.68%	16.38%	41.14%	-24.38%	-7.39%	6.67%	
Chimimport	6C4	0.36	0.13	0.13	0.10	0.02	0.39	T. Tsachev
	<i>y-o-y</i>	-16.95%	9.83%	0.27%	40.58%	-36.38%	7.13%	
Corporate Commercial Bank	6C9	10.87	2.32	3.40	1.87	5.30	12.89	T. Tsachev
	<i>y-o-y</i>	25.85%	37.04%	39.12%	15.41%	3.73%	18.62%	
First Investment Bank	5F4	0.24	0.08	0.09	0.04	0.02	0.22	T. Tsachev
	<i>y-o-y</i>	-10.55%	19.10%	-33.79%	58.26%	62.97%	-6.63%	
M+S Hydraulic	5MH	0.82	0.26	0.35	0.17	0.26	1.04	T. Tsachev
	<i>y-o-y</i>	-2.70%	14.80%	15.33%	20.05%	81.75%	27.80%	
Monbat	5MB	0.70	0.15	0.10	0.23	0.37	0.85	T. Tsachev
	<i>y-o-y</i>	48.44%	12.68%	0.15%	17.11%	37.07%	21.56%	
Neochim	3NB	-2.07	5.81	1.47	-2.71	-5.05	-0.48	T. Tsachev
	<i>y-o-y</i>	-41.72%	31.89%	82.89%	-26.56%	40.80%	-76.75%	
Sopharma	3JR	0.23	0.12	0.10	0.08	0.04	0.34	T. Tsachev
	<i>y-o-y</i>	-9.34%	-11.65%	20.18%	436%	12130%	43.54%	
Sopharma Trading	SO5	0.31	0.10	0.10	0.14	0.07	0.41	T. Tsachev
	<i>y-o-y</i>	38.33%	35.10%	24.40%	40.95%	22.98%	31.89%	
Bulgartabac Holding	57B	8.89	3.45	2.15	2.09	4.03	11.71	T. Tsachev
	<i>y-o-y</i>	-24.79%	19.55%	25.77%	53.44%	37.37%	31.81%	
Speedy	OSP	2.00	0.89	0.21	1.00	0.31	2.41	T. Tsachev
	<i>y-o-y</i>	16.56%	11.58%	22.38%	20.22%	56.76%	20.51%	

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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

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