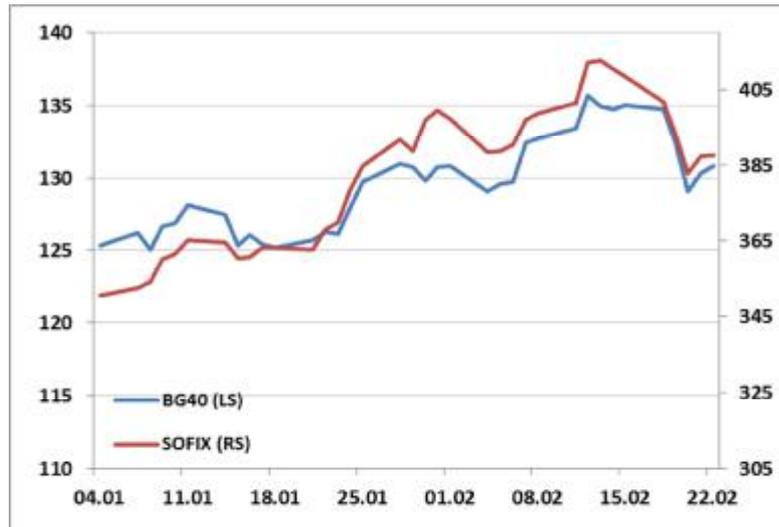


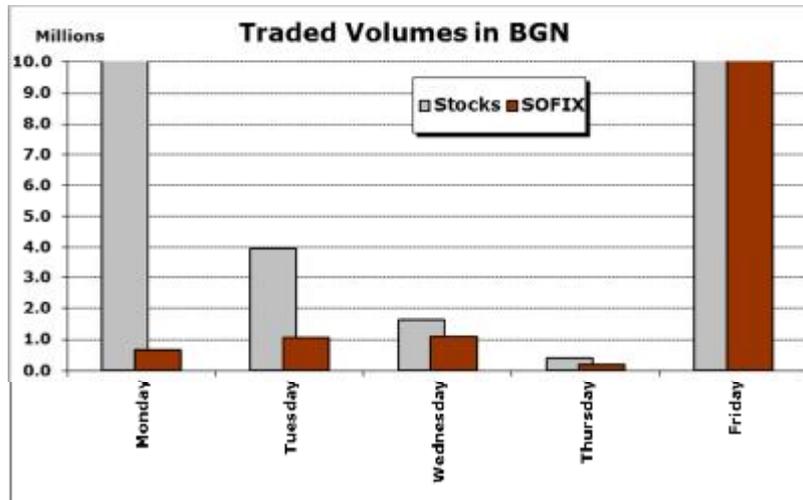
Market Trend



The sudden resignation of the Government had a large impact on the stock market. The week started with worries about a possible resignation that proved to be correct on Wednesday. Liquid stocks were under pressure from domestic investors, which sold shares with the expectations of further decrease of stock prices. Most of them are short-term market players and will return on the market when the investment climate improves.

The impact of negative news on indices was limited by the stable prices of largest companies by market capitalization. SOFIX managed to remain above the level of 380 points, although some of its components fell more than 10% on Wednesday.

Trading Activity



Foreign investors and domestic institutional investors were aside of the market last week. Trading volumes increased but remained well below the levels that can be related to panic sell. The volumes of BGN 1 million that has been seen on Wednesday were not exceptionally high. However, buyers withdrew their offers and prices fell without the much needed support. Volumes on Thursday decreased and reflected the wait-and-see stand on the market. We expect that volumes will remain low and the spreads will continue to be larger than usual at least until the formation of transitory government. Two large deals for 3% of Corporate Commercial Bank increased the daily turnover on Friday.

**SOFIX**

Stock	Last Price	Weekly Change	Bid	Ask
Advance Terrafund REIT	2.41	-2.63%	2.41	2.43
Bulgartabac Holding	95.00	-4.99%	94.00	96.00
Corporate Commercial Bank	83.25	-5.93%	81.82	88.00
Central Cooperative Bank	0.86	-12.40%	0.85	0.86
Chimimport	1.37	-15.69%	1.37	1.39
Neochim	26.50	1.49%	26.40	27.00
M+S Hydraulic	7.00	-1.00%	6.76	7.00
Eurohold Bulgaria	0.97	-3.00%	0.92	0.97
First Investment Bank	1.90	-5.00%	1.82	1.90
Industrial Holding Bulgaria	0.80	-4.76%	0.78	0.82
Kaolin	3.70	-1.46%	3.60	3.70
Monbat	5.88	-3.62%	5.89	5.99
Sopharma	2.15	-4.57%	2.15	2.17
Stara Planina Hold	2.55	-9.73%	2.60	2.70
Bulgaria Real Estate Fund REIT	0.58	-2.69%	0.57	0.58

Domestic investors were behind the large decrease of prices of Chimimport and Central Cooperative Bank. Both positions are the barometer of investors' bias. They were the worst performing stocks in SOFIX due to their liquidity and investor base. However, they managed to recover from their bottoms in thin trading. This should not be regarded as strength on the market or established bottom but is rather a sign that selling ran out of its power. Moreover, the absence of large sellers did not show the market reaction on appearance of solid volumes.

**News**

- 18 February 2013:** Monbat (5MB) has signed a deposit contract with Prista Oil Holding under the following contractual parameters:
  - Deposit amount: BGN 2 934 000;
  - Term of the deposit: 6 months with a provision for extension at the initially agreed conditions in the event that the deposit contract is not terminated;
  - Interest rate: 6.00% per annum for the term of the deposit.
- 21 February 2013:** The Board of Directors of Sopharma (3JR) has notified that from February 14 2013 up to and including February 20 2013 the Company has bought back 9 400 own shares at the total value of BGN 20 757.75 as the average repurchase price has been BGN 2.21 per share. The total number of bought-back shares after this transaction has reached 3 583 208 shares, representing 2.71% of the share capital of the company.

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<b>Outperform</b>	More than 5% higher as compared to SOFIX and BG40 performance
<b>Market Perform</b>	Market performance, +/-5% as compared to SOFIX and BG40
<b>Underperform</b>	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.

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