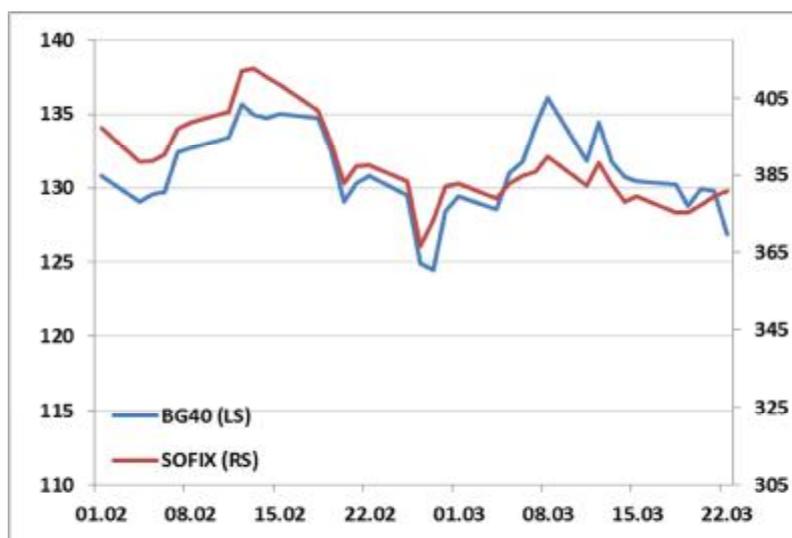
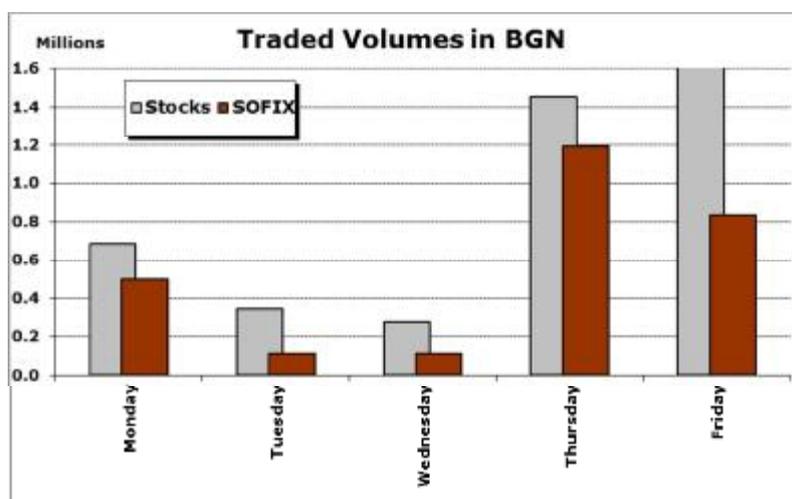


Market Trend



The stock market had a calm week despite the tensions around Cyprus. Local investors continued to be aside of the market, waiting for the Parliamentary elections in mid-May. The confidence in the financial stability of Bulgaria is returning slowly among market participants but we don't expect capital inflows in near future. Indices were hardly changed last week in thin volumes and low number of deals. Spreads between bid and ask are broad due to the absence of domestic individual investors. Institutional supply is very low, which is limiting the decline of indices since the resignation of the Cabinet.

Trading Activity



Trading volumes declined last week and were very low even for the current standards of political uncertainties in Bulgaria. Friday was an exception as shares of Corporate Commercial Bank (6C9) at the amount of BGN 54 million changed hands in one bulk deal. Almost 10% of the capital was traded. The information of the counterparties will be available within a week. Shares of the newly included in SOFIX stocks Albena (6AB) and Zarneni Hrani (T43) also followed the tendency to trade in thin volumes.

SOFIX

SOFIX's Components				
Stock	Last Price	Weekly Change	Bid	Ask
Advance Terrafund REIT	2.62	6.59%	2.57	2.65
Albena	44.00	-9.82%	42.25	45.00
Bulgaria Real Estate Fund REIT	0.58	-1.36%	0.57	0.59
Bulgartabac Holding	83.00	-0.60%	82.00	85.00
Central Cooperative Bank	0.87	-0.91%	0.85	0.87
Chimimport	1.30	-5.51%	1.31	1.33
M+S Hydraulic	6.60	-2.22%	6.60	6.85
Eurohold Bulgaria	0.95	2.16%	0.94	0.95
First Investment Bank	1.81	1.12%	1.76	1.84
Industrial Holding Bulgaria	0.72	0.14%	0.72	0.75
Kaolin	3.56	3.82%	3.56	3.67
Monbat	6.30	-2.20%	6.15	6.30
Sopharma	2.33	3.05%	2.31	2.33
Stara Planina Hold	2.52	1.20%	2.53	2.67
Zarneni Hrani	0.39	-6.46%	0.39	0.40

Albena (6AB) and Zarneni Hrani (T43) were the worst performing position in the index SOFIX. Their shares erased the previous gains, ignited by the inclusion into SOFIX and the buying from investors with structural products on the index. Monbat also moved lower in the current spread, whereas the other large cap positions were unchanged, thus limiting the impact on SOFIX from the losses of Albena and Zarneni Hrani.

News

- **18 March 2013:** With reference to inquiries about possible suspension of the trading in shares of CEZ Distribution Bulgaria (3CZ) and CEZ Electro Bulgaria (1CZ) as a result of statements of the Chief Public Procurator of the Republic of Bulgaria, the Management of BSE-Sofia finds the suspension currently inappropriate.
- **21 March 2013:** In the month of February 2013 Sopharma Trading has realised sales of goods to the amount of BGN 38.9 million and thus attaining a 5% growth of the sales in the current month where compared to the same period of year 2012. The Company's pre-tax profit has amounted to BGN 832 thousand in the second month of year 2013, which represents a 48% growth where compared to February 2012.

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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.

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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:

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