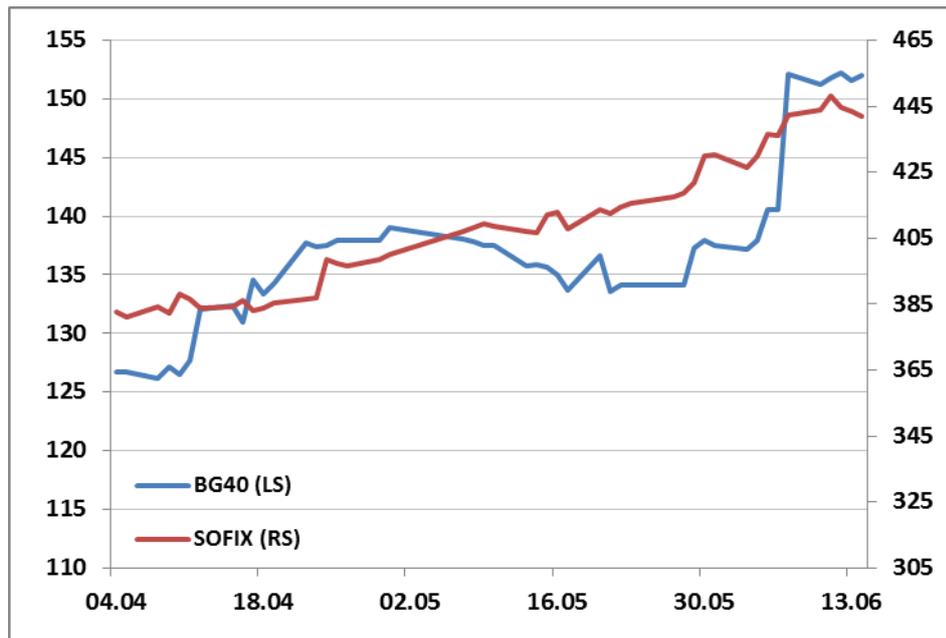# WEEKLY BULLETIN                    17 June 2013

**Market Trend**



Even though the leading Bulgarian index - SOFIX began the week with an increase, a new wave of dissatisfaction and protests against a political nomination made by the new government brought up uncertainty and at the end of the week almost all of the index's components closed with a decrease. This led to an overall weekly drop in SOFIX by -0.07%. BG40 on the other hand, remained almost unchanged.

**Trading Activity**
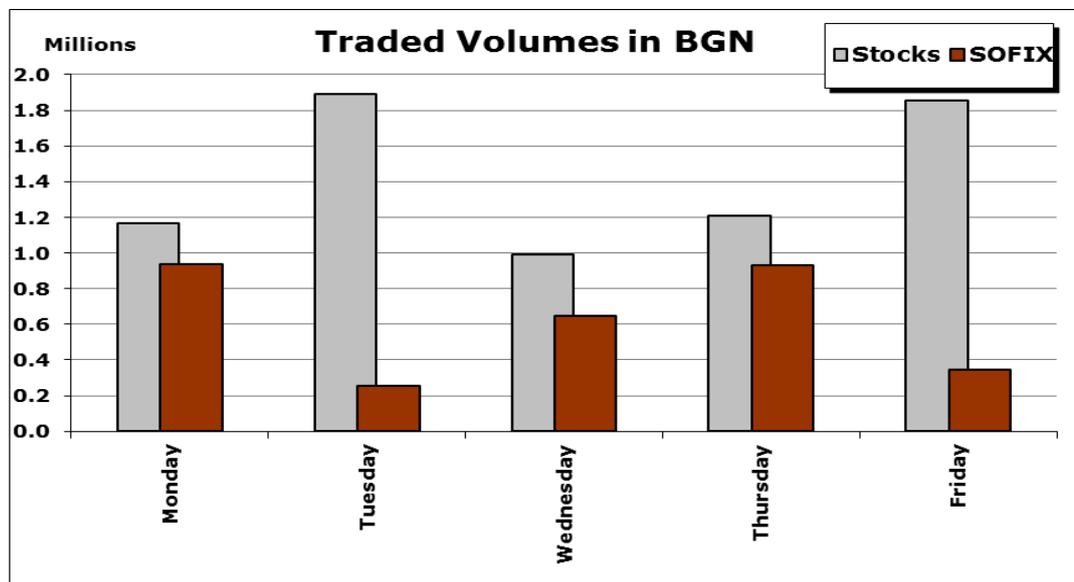


Sopharma (**3JR**) reduced its stake in Doverie United Holding (**5DOV**). The process started during the second quarter of the year and currently its share in the company is under 10% compared with 18.7% at the end of March. This sale would most probably result in a capital loss. Another major shareholder in Doverie United Holding is the related with Sopharma – Telso. This stockholder also reduced its stake from 20% to less than 10%. Synergon Holding (**6S7**) and Synthetica (**EHN**) on the other hand, boosted the volume on Friday. Overall, the week was characterized with relatively low turnover.

## WEEKLY BULLETIN                    17 June 2013

**SOFIX**

| Stock | Last Price | Weekly Change | Bid | Ask |
|---|---|---|---|---|
| Advance Terrafund REIT | 2.28 | -0.74% | 2.26 | 2.28 |
| Albena | 50.55 | 2.12% | 51.00 | 52.00 |
| Bulgaria Real Estate Fund REIT | 0.61 | 1.67% | 0.60 | 0.62 |
| Bulgartabac Holding | 102.00 | 2.01% | 95.00 | 99.99 |
| Central Cooperative Bank | 1.00 | 1.84% | 0.96 | 0.98 |
| Chimimport | 1.34 | -6.29% | 1.34 | 1.36 |
| M+S Hydraulic | 8.63 | 1.67% | 8.30 | 8.50 |
| Eurohold Bulgaria | 0.94 | 0.11% | 0.94 | 0.96 |
| First Investment Bank | 1.93 | 0.00% | 1.93 | 1.96 |
| Industrial Holding Bulgaria | 0.80 | 0.13% | 0.80 | 0.85 |
| Kaolin | 4.13 | 1.05% | 4.08 | 4.13 |
| Monbat | 6.80 | -2.16% | 6.70 | 6.80 |
| Sopharma | 3.09 | 0.03% | 3.07 | 3.13 |
| Stara Planina Hold | 2.80 | 2.90% | 2.80 | 2.82 |
| Zarneni Hrani Bulgaria | 0.38 | -5.26% | 0.39 | 0.40 |

Both Albena (**6AB**) and Bulgartabac Holding (**57B**) outperformed the index and closed the week with and increase by 2.12% and 2.01% respectively. Although the second company didn't closed at its peak, due to its large weigh in the index Bulgartabac Holding helped to reduce the overall decrease. Chimimport (**6C4**) and the related with it Zarneni Htani Bulgaria (**T43**) not only underperformed the index, but registered the largest share price decrease among the components as well.

**News**

- **14 June 2013**: Himsnab Bulgaria (**58E**) has received a notification submitted by Oil and Gas Exploration and Production, regarding the sale of 60 000 shares of the capital of Himsnab Bulgaria, constituting 2.41 % of the Company's capital. Following the sale, the share participation of Oil and Gas Exploration and Production in the capital of Himsnab Bulgaria amounts to 231 666 shares, constituting 24.67 % of the Company's capital.

- **14 June 2013**: On 13 June 2013 a notification been received, accompanied by a tender offer made from Kvartsverke GmbH for redemption of shares of the rest of the shareholders of Kaolin (**6K1**). Subject of the tender offer are 4,938,462 voting shares, representing 9.88% of the capital of Kaolin. Price offered in the tender offer amounted to BGN 4.156.

- **13 June 2013**: Sopharma hereby notifies that from 06 June 2013 up to and including 12 June 2013 the Company has bought back 46 607 own shares of the capital of the Company, representing 0.035% of the share capital of the Company, at the total value of BGN 143 731.48 as the average repurchase price has been BGN 3.08 per share.
  The total number of bought-back shares after this transaction has reached 4 325 087 shares, representing 3.28% of the share capital of the Company.

- **13 June 2013**: Commerce EOOD has acquired directly, through a purchase, 284 655 common, registered, and voting shares of the capital of Agria Group Holding of BGN 1.00 nominal value each.

### 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:

| 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.

**For more information, please contact:**

| Research analyst | Phone: | E-mail: | Internet: |
|---|---|---|---|
| Tsvetoslav Tsachev | +359 2 810 00 23 | tsachev@elana.net | www.elana.net |
| Tamara Becheva | +359 2 810 00 27 | becheva@elana.net | www.elana.net |