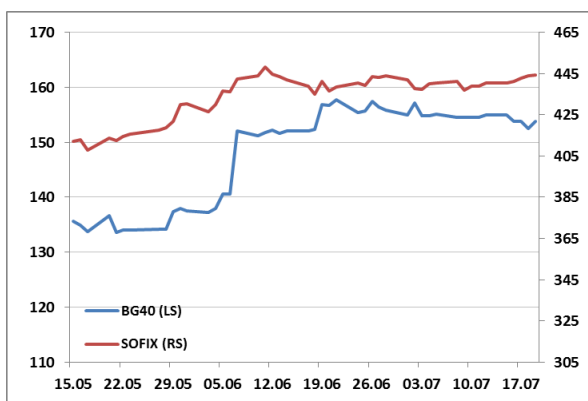


Indices

	Last quote	1-day change	5-day change	1 month	1 year
SOFIX	444.20	0.08%	0.90%	0.69%	47.48%
BG40	153.86	0.92%	0.68%	1.91%	41.18%
BGTR30	321.50	0.85%	2.69%	3.72%	33.90%
BGREIT	88.67	0.17%	0.00%	0.16%	23.38%

Market Trend



Market Capitalization in BGN

Premium Equities Segment	1 375 087 021
Standard Equities Segment	6 482 715 014
Special Purpose Vehicles Segment	490 099 788
Total	8 347 901 824

SOFIX components

Stock	Last Price	Weekly Change	Bid	Ask
Advance Terrafund REIT	2.17	-0.69%	2.16	2.17
Albena	48.30	-6.21%	48.60	50.00
Bulgaria Real Estate Fund REIT	0.61	1.66%	0.61	0.61
Bulgartabac Holding	101.00	-1.94%	101.00	105.00
Central Cooperative Bank	1.01	5.00%	1.01	1.03
Chimimport	1.33	2.15%	1.34	1.36
M+S Hydraulic	9.19	12.05%	8.71	9.19
Eurohold Bulgaria	0.96	3.56%	0.94	0.97
First Investment Bank	2.00	5.26%	1.98	2.01
Industrial Holding Bulgaria	0.93	6.65%	0.90	0.93
Kaolin	4.16	0.00%	4.16	4.35
Monbat	6.76	0.90%	6.76	7.00
Sopharma	3.19	2.94%	3.13	3.19
Stara Planina Hold	2.72	3.66%	2.76	2.83
Zarneni Hrani Bulgaria	0.40	2.83%	0.40	0.40

Corporate news and new electricity prices got the market attention.

Several important corporate news were announced during the past week. The Financial Supervision Commission (FSE) published motives for the temporary prohibition on publishing of the tender offer from German company Quarzwerke to Kaolin (**6K1**). The Regulator is requiring more explanations for the tender offers, including for the price. However, it is not requiring higher price. FSE also enacted M+S Hydraulic (**5MH**) to organize a new shareholders meeting and to vote the proposal of a shareholder for higher dividend. Now, the company set the date for the meeting with the proposal for BGN 0.60 dividend per share.

Apparently, Eurohold Bulgaria (**4EH**) is losing market share on the domestic insurance market. The holding includes insurance companies in Bulgaria, Romania and Macedonia. The one abroad are reporting significantly better results than the domestically based subsidiary. Even though the consolidated premiums of the group for June grew by 27.1% on a yearly basis to EUR 13.52 million, Euroins Bulgaria (**5IC**) had declining monthly premiums by 20.1%. The statistic of the insurance market in Bulgaria, including data for the first five months of the year, is showing that the general insurance market is rising by almost 3%, while the premium income of cars insurances increased 8.6%. This implies that the lower results of Euroins Bulgaria are not due to the overall market situation.

Finally, new electricity price announcement was made. The Regulator is proposing a decrease of 5% of electricity prices. As a result, Energo-Pro should sell 4.5% cheaper electricity, whereas CEZ have to decrease it by 4.4% during the day hours. The new price policy should be implemented from the beginning of August. Electricity distribution companies are facing serious hurdles with the price regulations since mid-2012 and incurred losses for 2013. This statement would worsen the situation and further negative financial results are expected. Due to the uncertain political conditions, we tend to remain negative for distribution companies on short-term.

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:

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

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.

Copyrights: The copyrights of ELANA Trading analyses belong to the Research Department of the brokerage and their content cannot be used for commercial purposes. Replication and redistribution of ELANA Trading analyses content is expressly prohibited without the prior written consent of the appointed contacts listed below.

For more information, please contact:

Research analyst
Tsvetoslav Tsachev

Phone:
+359 2 810 00 23

E-mail:
tsachev@elana.net

Internet:
www.elana.net