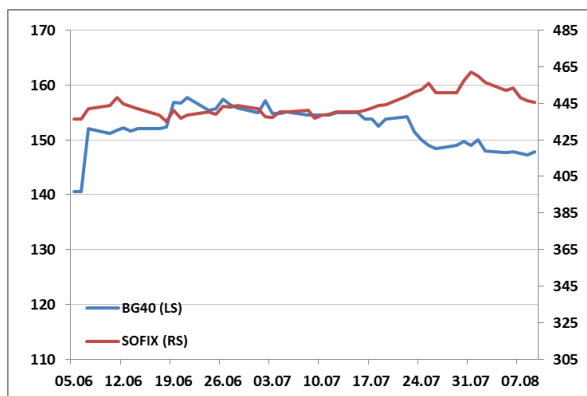


Indices

	Last quote	1-day change	5-day change	1 month	1 year
SOFIX	445.61	-0.15%	-2.37%	2.01%	41.94%
BG40	147.83	0.35%	-0.06%	-4.30%	35.70%
BGTR30	324.24	-0.23%	-1.60%	4.23%	30.00%
BGREIT	87.99	-0.29%	-0.06%	0.27%	15.26%

Market Trend



Market Capitalization in BGN

Premium Equities Segment	1 429 202 696
Standard Equities Segment	6 362 010 024
Special Purpose Vehicles Segment	475 709 633
Total	8 266 922 353

SOFIX components

Stock	Last Price	Weekly Change	Bid	Ask
Advance Terrafund REIT	2.13	-3.41%	2.13	2.14
Albena	50.04	0.08%	50.04	52.00
Bulgaria Real Estate Fund REIT	0.56	0.00%	0.56	0.57
Bulgartabac Holding	95.00	-6.86%	96.00	104.69
Central Cooperative Bank	1.03	-2.83%	1.02	1.03
Chimimport	1.33	0.23%	1.33	1.33
M+S Hydraulic	8.86	-1.56%	8.86	9.00
Eurohold Bulgaria	0.92	-4.66%	0.91	0.92
First Investment Bank	2.32	1.09%	2.27	2.34
Industrial Holding Bulgaria	0.93	-3.43%	0.91	0.94
Kaolin	4.10	-1.35%	4.09	4.16
Monbat	7.00	1.45%	6.90	7.00
Sopharma	3.26	-2.11%	3.26	3.29
Stara Planina Hold	2.99	-0.70%	2.90	3.09
Zarneni Hrani Bulgaria	0.42	-3.67%	0.42	0.43

Cooling down of the economy

The summer lethargy remained on the stock market during the previous week. The absence of economic and political news has its toll on the volatility. Trading volumes are low. Most of the largest positions are maintaining their average daily turnover mainly because of several block deals or buy-backs. The block deals are between pension or investment funds, which are usually related to each other or to the majority owners of the companies. Thus, portfolios are restructured without actual change in the structure of shareholders. Furthermore, investors focused their attention on the President's veto on the actualization of the government budget, while the economy is near stagnation, according to the latest data from the national statistics. The seasonally adjusted industrial production index increased by 0.8% in June on monthly basis. However, it is 4.4% lower as comparing to year ago. The retail trade is the best indicator for the stagnating domestic demand and the need of stimulus for the economy.

Few capital increases and buy-backs are taking place on the stock exchange. The winter resort Pamporovo (**4PV**) will increase its capital with rights which started to trade on the stock exchange on Thursday, August 8th. The company will issue 538 050 new shares from the current 1 076 100 at an issue price of BGN 3.00. The capital is most likely to be increased by the largest shareholders. Subsequent shares issue of the leading courier company in Bulgaria – Speedy (**OSP**) starts on Monday, August 12th. Sopharma Real Estate (**6S6**) in which Sopharma (**3JR**) owns a minority share also announced a planned capital increase. The company will issue 2 454 797 new shares from the current 13 255 904 shares. The issue value is BGN 2.40, which is slightly above the latest price of BGN 2.37. Rights will be traded until August 30th. Sopharma itself have also published information about its buy – backs. The enterprise has bought back 185 367 of its own shares during the period from 1st to 7th of August inclusive, totaling to BGN 615 591 at an average price of BGN 3.32 per share. The repurchased shares represent 0.14% of the equity and the total number of repurchased shares after this transaction is 5 100 089, representing 3.86% of company's equity.

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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.

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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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For more information, please contact:

Research analyst
Tsvetoslav Tsachev

Phone:
+359 2 810 00 23

E-mail:
tsachev@elana.net

Internet:
www.elana.net