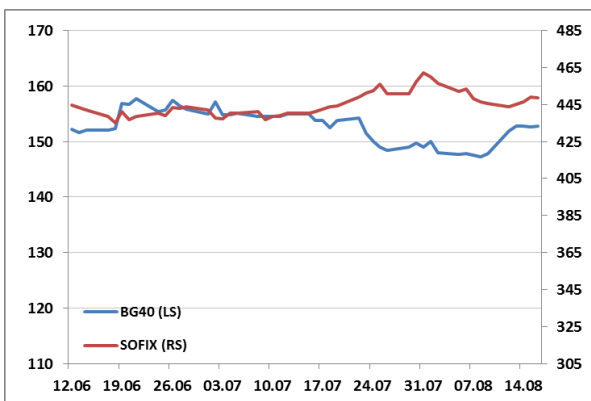


Indices

	Last quote	1-day change	5-day change	1 month	1 year
SOFIX	448.59	-0.10%	0.67%	1.73%	40.58%
BG40	152.82	0.09%	3.38%	-0.60%	34.21%
BGTR30	324.04	-0.25%	-0.06%	2.75%	29.89%
BGREIT	88.13	-0.24%	-0.16%	-0.71%	14.17%

Market Trend



Market Capitalization in BGN

Premium Equities Segment	1 428 428 369
Standard Equities Segment	6 376 547 242
Special Purpose Vehicles Segment	474 047 339
Total	8 279 022 951

SOFIX components

Stock	Last Price	Weekly Change	Bid	Ask
Advance Terrafund REIT	2.15	0.89%	2.13	2.15
Albena	50.15	0.22%	50.15	52.50
Bulgaria Real Estate Fund REIT	0.56	0.90%	0.56	0.57
Bulgartabac Holding	98.00	3.16%	96.01	104.40
Central Cooperative Bank	1.03	0.19%	1.03	1.04
Chimimport	1.34	0.75%	1.33	1.34
M+S Hydraulic	8.74	-1.38%	8.75	9.00
Eurohold Bulgaria	0.90	-2.07%	0.90	0.92
First Investment Bank	2.31	-0.39%	2.31	2.33
Industrial Holding Bulgaria	0.93	-0.11%	0.91	0.94
Kaolin	4.16	1.37%	4.16	4.34
Monbat	6.94	-0.86%	6.86	6.94
Sopharma	3.28	0.77%	3.26	3.29
Stara Planina Hold	2.95	-1.34%	2.92	3.00
Zarneni Hrani Bulgaria	0.42	0.00%	0.42	0.42

Bank consolidation on focus

The announcement of bank takeover was a key event during the last week. First Investment Bank (**5F4**) published an agreement with the Hungarian MKB Bank to acquire 100% of shares of the Bulgarian subsidiary MKB Unionbank. Rumors about the sale have been on the market for months and First Investment Bank claimed its intentions in advance. After the acquisition, the bank will have more than BGN 8.5 billion assets. It will continue to focus its services on the retail sector with an emphasis on lending to small and medium-sized enterprises, as well as to private individuals, while operating in a bigger branch network. The transaction will be completed after the customary regulatory approval process. However, the Central Bank Of Bulgaria spokesman Alexander Urumov said he was familiar with the takeover process from the very beginning of the negotiations and added that the Central Bank has always supported consolidations in the banking sector as it helps to strengthen the capital base and banking system's stability in Bulgaria. The statement suggests that it is highly unlikely the takeover deal to suffer regulatory problems. Moreover, we have already seen one large bank consolidation in 2007, when Bullbank, Biochim and Hebros merged. Macro data has also been published. The employment rate is declining by 0.6% during the second quarter as compared to a year ago. The seasonal job openings has positive effect on quarterly basis as tourism and agricultural created 75 000 new jobs. The number of employed is 2.31 million at the end of June. The national statistics announced the international trade data for the first half of the year as well. Bulgaria is importing less from non-EU countries in June, which is due to the lower energy prices and consumption. However, the import of machines and equipment is also declining as the investments in the economy stalled. The export is improving to both EU and non-EU countries. Consumer price index fell by 0.5% in July and the fifth monthly decline resulted to very low level on yearly basis - 0.5%, while the GDP expanded 0.2% y-o-y, according to the flash estimates for the second quarter. The final consumption is expanding, although the individual consumption is declining by 1.3%.

A large deal was executed with Kaolin AD (**6K1**) on Friday at a level of BGN 4.20 per share, which is above the price level of the deal for the majority stake - BGN 4.16.

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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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