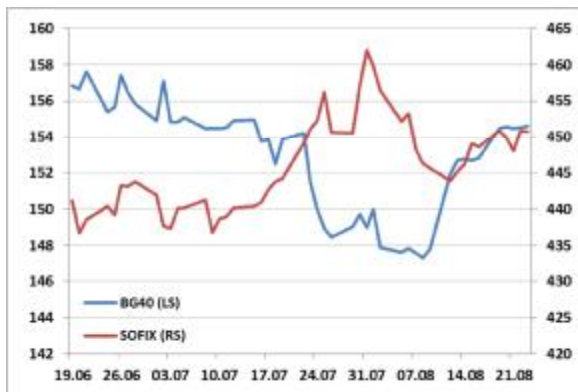


Indices

	Last quote	1-day change	5-day change	1 month	1 year
SOFIX	450.73	-0.04%	0.48%	-0.09%	39.45%
BG40	154.60	0.06%	1.16%	2.05%	34.77%
BGTR30	328.79	0.28%	1.47%	2.12%	28.71%
BGREIT	88.08	-0.07%	-0.06%	-0.65%	13.68%

Market Trend



Market Capitalization in BGN

Premium Equities Segment	1 422 146 661
Standard Equities Segment	6 479 048 464
Special Purpose Vehicles Segment	494 343 523
Total	8 395 538 648

SOFIX components

Stock	Last Price	Weekly Change	Bid	Ask
Advance Terrafund REIT	2.15	0.23%	2.14	2.15
Albena	53.00	5.68%	52.50	54.98
Bulgaria Real Estate Fund REIT	0.55	-1.96%	0.55	0.56
Bulgartabac Holding	98.00	0.00%	96.56	102.00
Central Cooperative Bank	1.04	0.68%	1.01	1.04
Chimimport	1.31	-2.24%	1.31	1.32
M+S Hydraulic	8.86	1.34%	8.86	9.10
Eurohold Bulgaria	0.95	5.22%	0.91	0.95
First Investment Bank	2.25	-2.64%	2.24	2.27
Industrial Holding Bulgaria	0.93	0.11%	0.90	0.93
Kaolin	4.16	0.00%	4.08	4.15
Monbat	6.90	-0.56%	6.90	6.98
Sopharma	3.29	0.34%	3.29	3.32
Stara Planina Hold	3.00	1.69%	3.00	3.04
Zarneni Hrani Bulgaria	0.43	1.67%	0.42	0.43

The confidence is returning

The stock market moved sideways for a consecutive week as the political tension in Bulgaria faded away and investors went on vacation. Volumes remained very low but the confidence to the prospects of market's development is recovering. The main risks in front of the stock market are political or related to large corrections of foreign markets. The last week of August will bring the consolidated reports for the second quarter. It is unlikely that this will have effect on the trading as some large companies like Sopharma (3JR) and Monbat (5MB) are releasing regular information for their financial performance.

The most important corporate news of the last week was the preliminary information for the acquisition of a small insurance company by the public listed Euroins (5IC). The seller is the Dutch financial group Achmea, which will sell its subsidiary Interamerican. Possible reason is the lack of growth as gross premium income of Interamerican declined since 2008. The deal itself will not lead to significant change in the insurance market in Bulgaria as the life insurance company of Interamerican has only 0.6% market share at the end of June. However, it will increase the gross premium income of Euroins in Bulgaria by 50%. Euroins is part of Eurohold Bulgaria (4EH) and it is expanding its operations on the insurance market in Romania much faster.

Among fundamental news were the information for the preliminary agreement between Bulgaria and the European Commission concerning the EU funds for the period of 2014-2020. Bulgaria should receive EUR 6.256 billion for the period as comparing to EUR 6.674 billion for the period between 2007-2013. Bulgaria will have less financing due to the decrease of all funds in the budget of EU. The largest decrease is affecting the program "Transportation" but it will be compensated with the funds for new program for infrastructure projects. In addition, Bulgaria should receive EUR 2.078 billion for the program for rural development. The decrease is by EUR 430 million.

The Central Bank announced the volume of gross external debt at end-June. It decreased by EUR 130 million as compared to end-2012. The gross external debt totaled EUR 37 592 million or 94.8% of GDP. Long-term liabilities were 72.5% of the debt or 66.2% of GDP. The government's gross external debt was EUR 3 113 million (7.6% of GDP). The debt service for the first half of 2013 increased as percentage of GDP to 7.2% from 7%. Costs for servicing was EUR 2 945 million.

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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

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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