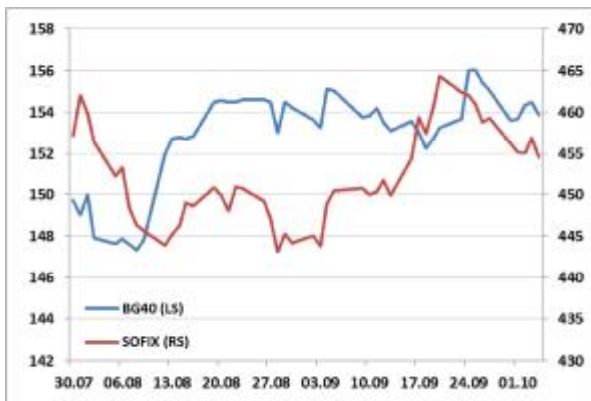


Indices

	Last quote	1-day change	5-day change	1 month	1 year
SOFIX	454.57	-0.51%	-1.03%	3.25%	42.75%
BG40	153.89	-0.39%	-0.74%	-0.79%	32.19%
BGTR30	330.32	-0.29%	-1.31%	1.68%	32.97%
BGREIT	86.32	-0.23%	-1.04%	1.75%	11.51%

Market Trend



Market Capitalization in BGN

Premium Equities Segment	1 424 662 826
Standard Equities Segment	6 772 597 491
Special Purpose Vehicles Segment	495 968 722
Total	8 693 229 038

SOFIX components

Stock	Last Price	Weekly Change	Bid	Ask
Advance Terrafund REIT	2.18	-0.55%	2.18	2.20
Albena	59.00	-7.09%	59.00	59.99
Bulgaria Real Estate Fund REIT	0.54	0.56%	0.54	0.54
Bulgartabac Holding	95.05	0.00%	94.30	97.13
Central Cooperative Bank	0.99	-0.10%	0.99	1.00
Chimimport	1.42	0.35%	1.42	1.43
M+S Hydraulic	9.21	-2.54%	9.21	9.37
Eurohold Bulgaria	0.87	-1.80%	0.87	0.90
First Investment Bank	2.30	2.18%	2.26	2.30
Industrial Holding Bulgaria	0.89	-0.89%	0.87	0.89
Monbat	6.98	-3.06%	6.90	7.10
Neochim	38.00	0.00%	37.40	38.44
Sopharma	3.25	-1.43%	3.25	3.26
Stara Planina Hold	3.08	2.63%	3.05	3.10
Zarneni Hrani Bulgaria	0.41	-2.38%	0.41	0.42

The large deals with Chimimport are turning point for the stock market

The first trading week in October began with moderate weakness but the main decline came during the last trading session for September. This is not related to the end-month trading from large institutional investors. The volatility was due to the broad spreads between supply and demand of stocks and volumes remained low with few exceptions. One of them was the sell of large package of Chimimport's preferred shares. Stocks for BGN 10 million changed hands several minutes before the close on Monday. Most of the large deals were at significantly lower prices than the previous close, which is expected regarding the big volumes. Another interesting observation is that the demand was very big in terms of volumes and buy orders. This is unusual for the market as large packages are usually bought by one or several related investors. The sell of preferred shares came weeks after the transfer of large package of ordinary shares of Chimimport. The deals are pointing to the exit of one large foreign investor and as we mentioned, the exit is positive news for the stock and the market as whole. Reasons are several and should be regarded in this relation:

1. Chimimport is among the favorite stocks of Bulgarian individual investors and has the leading place in their portfolios. It was under constant selling pressure that resulted to P/B ratio of 0.2.
2. When excluding the large supply from the equation, the stock price will maintain stability during periods of low market demand and will grow solidly during bull markets. Same happened in 2009 and 2010.
3. Gains of Chimimport will improve the confidence of domestic investors and will have positive effect on other stocks. The liquidity will increase as we expect some portfolio changes toward more risky assets in some point in the future.
4. Higher liquidity will attract capitals from abroad thus leading to more active trading and price appreciation for the stocks that have improvements in their financial results.

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