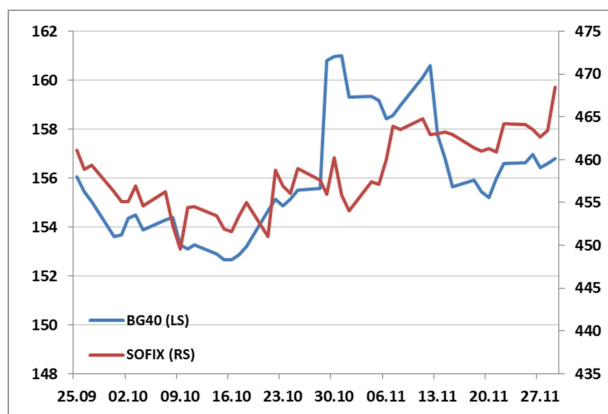


## Indices

	Last quote	1-day change	5-day change	1 month	1 year
<b>SOFIX</b>	468.47	1.10%	0.92%	2.75%	43.39%
<b>BG40</b>	156.78	0.12%	0.12%	-2.50%	28.18%
<b>BGTR30</b>	332.79	0.17%	0.63%	0.66%	32.20%
<b>BGREIT</b>	87.86	0.08%	0.48%	-0.24%	9.29%

## Market Trend



## Market Capitalization in BGN

Premium Equities Segment	1 445 826 100
Standard Equities Segment	5 880 403 589
Special Purpose Vehicles Segment	513 052 263
<b>Total</b>	<b>7 839 281 952</b>

## SOFIX components

Stock	Last Price	Weekly Change	Bid	Ask
Advance Terrafund REIT	2.38	-1.37%	0.00	0.00
Albena	59.89	3.26%	0.00	0.00
Bulgaria Real Estate Fund REIT	0.53	0.38%	0.00	0.00
Bulgartabac Holding	104.95	-0.04%	0.00	0.00
Central Cooperative Bank	0.97	0.10%	0.00	0.00
Chimimport	1.41	2.03%	0.00	0.00
M+S Hydraulic	9.18	2.00%	0.00	0.00
Eurohold Bulgaria	0.90	3.10%	0.00	0.00
First Investment Bank	2.27	0.00%	0.00	0.00
Industrial Holding Bulgaria	0.89	5.36%	0.00	0.00
Monbat	6.50	3.34%	0.00	0.00
Neochim	38.00	-2.56%	0.00	0.00
Sopharma	3.58	2.29%	0.00	0.00
Stara Planina Hold	2.84	-2.24%	0.00	0.00
Zarneni Hrani Bulgaria	0.40	0.00%	0.00	0.00

## Improvement of consolidated reports

Most of the consolidated reports of Bulgarian companies were announced last week. Investors expected to see some improvement of results, mainly of export-oriented companies. Although data were not disappointing, they did not provided stimulus for fresh stock buying either.

Our main conclusions about the third quarter reports, including non-consolidated from a month earlier, are:

- Companies that have been less affected by the crisis in EU are recovering. They are growing and we expect to see further improvement during the next 12 months.
- The price pressure from raw materials and the lower prices of production have their negative influence on profits that is more likely to continue in short-term.
- Investment projects of Bulgarian companies are bearing fruits. Profitability of these companies is improving.
- Stock prices grew faster than profits this year. The lag is due to the post effects of the EU crisis but the positive performance of stocks is due to purely liquidity factors. The demand of stocks is rising as local investors are turning from bank deposits to stocks.

Several companies that reported last week deserve special attention:

- The largest Bulgarian summer resort Albena (**6AB**) had 10% increase of sales but the profit increased due to the financial revenues from foreign exchange rates. Net profit gained only 2% as wages were 14% higher and the company reported 25% increase of costs for materials.
- Construction company Trace Group Hold (**T57**) reported BGN 7.2 million profits as compared to BGN 2 million losses a year ago. The improved profitability is due to the completion of highway project in Bulgaria that was pressured from rising prices of raw materials.
- The largest supplier of cellulose on the Balkans Sviloza (**3MZ**) reported 21% increase of revenues, as the company did not face problems with supply of raw materials. It managed to decrease its costs per ton production by 2% and expenditures were 18% higher for the period. The stock is traded at very low price-to-earnings ratio of 2.58.

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**Regulatory Authority:** Financial Supervisory Commission, *Shar Planina* Street 33, 1303 Sofia, Bulgaria

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<b>BUY</b>	More than 5% higher as compared to SOFIX and BG40 performance
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<b>HOLD</b>	Market performance, +/-5% as compared to SOFIX and BG40
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<b>SELL</b>	More than 5% lower as compared to SOFIX and BG40 performance
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**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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