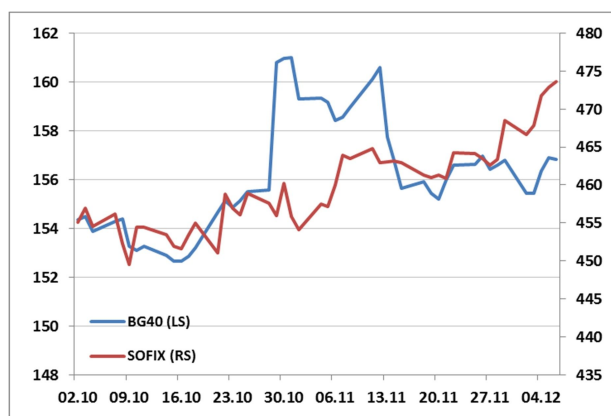


Indices

	Last quote	1-day change	5-day change	1 month	1 year
SOFIX	473.62	0.15%	1.10%	2.96%	43.09%
BG40	156.81	-0.04%	0.02%	-1.02%	26.55%
BGTR30	338.06	0.87%	1.58%	2.73%	37.12%
BGREIT	87.51	0.25%	-0.40%	0.54%	9.03%

Market Trend



Market Capitalization in BGN

Premium Equities Segment	1 496 147 988
Standard Equities Segment	5 595 948 400
Special Purpose Vehicles Segment	510 333 632
Total	7 602 430 021

SOFIX components

Stock	Last Price	Weekly Change	Bid	Ask
Advance Terrafund REIT	2.38	-0.08%	2.31	2.37
Albena	56.61	-5.48%	56.20	56.61
Bulgaria Real Estate Fund REIT	0.52	-2.26%	0.52	0.53
Bulgartabac Holding	102.00	-2.81%	99.10	102.00
Central Cooperative Bank	1.03	5.67%	1.03	1.03
Chimimport	1.55	9.80%	1.55	1.57
M+S Hydraulic	9.35	1.85%	9.25	9.35
Eurohold Bulgaria	0.90	0.11%	0.90	0.93
First Investment Bank	2.35	3.61%	2.36	2.40
Industrial Holding Bulgaria	0.89	0.34%	0.86	0.89
Monbat	6.50	0.00%	6.50	6.66
Neochim	38.00	0.00%	38.00	39.00
Sopharma	3.60	0.56%	3.64	3.65
Stara Planina Hold	2.97	4.66%	2.95	2.97
Zarneni Hrani Bulgaria	0.47	15.10%	0.45	0.46

Reasons for less volatile market increase

The main index SOFIX climbed last week. The most liquid stocks continued to advance due to the increased demand and the lack of large supply. Shares of Chimimport (**6C4**) finished the last week with 10% gains and is 123% higher as compared to year ago. The diversified holding is benchmark for the interest of investors and its gains are representing the positive market bias. Moreover, the other companies in Chimimport's portfolio are also rising. Central Cooperative Bank (**4CF**) is 6% higher, whereas Zarneni Hrani (**T43**) soared 20% during the last week.

Rallies of Bulgarian stocks have some similarities. The first several weeks are marked by the overperformance of few stocks that are usually undervalued when compared to other Bulgarian shares. They have low P/E ratios or are announcing good news that are changing dramatically the prospects for the next year. The increase of indices from January began with the rise of First Investment Bank in November 2012, while several other stocks like Monbat (**5MB**) and Sopharma (**3JR**) formed their price bottoms during the second half of the year. The good performance of the blue chips extended to others, including stocks with low free-float and worse multiples.

The differences to the previous market increase are also important. First, valuation ratios of most stocks in SOFIX are higher and investors will buy with the expectations to see growth of revenues and profits, rather than cheap valuation. This is prerequisite for more stable gains and we expect to see less volatile increase of indices as compared to January. Second, investors will be more cautious due to the political situation in the country and the risks of new elections in May. This is also factor for less volatile increase.

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