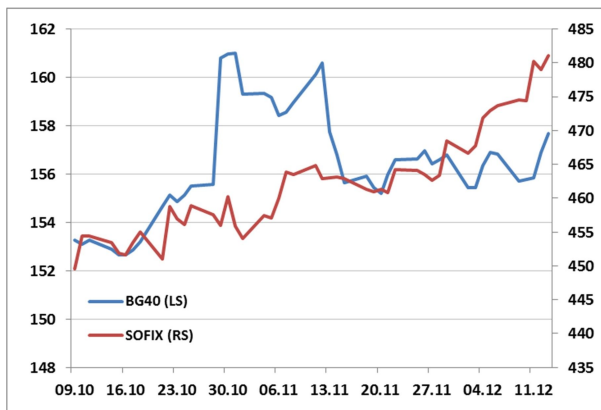


Indices

	Last quote	1-day change	5-day change	1 month	1 year
SOFIX	481.09	0.44%	1.58%	3.91%	45.32%
BG40	157.69	0.50%	0.56%	-0.03%	27.56%
BGTR30	339.27	0.14%	0.36%	2.37%	34.34%
BGREIT	85.97	0.30%	-1.76%	-2.68%	8.17%

Market Trend



Market Capitalization in BGN

Premium Equities Segment	1 538 895 316
Standard Equities Segment	5 714 401 580
Special Purpose Vehicles Segment	507 853 250
Total	7 761 150 146

SOFIX components

Stock	Last Price	Weekly Change	Bid	Ask
Advance Terrafund REIT	2.34	-1.47%	2.34	2.37
Albena	59.40	4.93%	56.10	59.45
Bulgaria Real Estate Fund REIT	0.53	1.73%	0.52	0.53
Bulgartabac Holding	104.99	2.93%	100.00	105.50
Central Cooperative Bank	1.03	0.29%	1.02	1.03
Chimimport	1.53	-0.84%	1.53	1.55
M+S Hydraulic	9.40	0.53%	9.33	9.45
Eurohold Bulgaria	0.89	-1.00%	0.89	0.91
First Investment Bank	2.50	6.08%	2.47	2.50
Industrial Holding Bulgaria	0.85	-4.84%	0.83	0.85
Monbat	6.60	1.54%	6.50	6.60
Neochim	37.10	-2.36%	37.00	38.40
Sopharma	3.88	7.78%	3.87	3.88
Stara Planina Hold	2.87	-3.20%	2.87	2.98
Zarneni Hrani Bulgaria	0.45	-3.23%	0.43	0.45

2013 was year of challenges for the stock market

The stock market is finishing a year of challenges with significant growth of indices. SOFIX is 40% higher as compared to the beginning of the year. Top 5 gainers are 80% above their levels from end-December 2012. They were supported mainly by the attractive valuation, growth prospects and the capital inflows to stocks.

Recently, SOFIX is mirroring the performance of April and May, when prices of large companies steadily moved on the upside. The main driving factor for the late-spring increase of stocks was elections and the appointment of new government. The market prefers a stable and predictable political situation. However, the summer was very hot in terms of political protests and uncertainties, although the reaction on stock prices was muted. Investors did not leave the market despite that they have plenty of reasons from the current economic situation in Bulgaria and Europe as whole. Interest rates on deposits are declining and started the year at much higher than the current levels, thus being lucrative alternative to stocks.

The most actively traded stocks by number of deals in SOFIX were Chimimport (**6C4**) and its subsidiary Central Cooperative Bank (**4CF**). They represented 40% of all deals with SOFIX stocks during 2013 but less than 10% of the turnover. The largest discrepancy between volumes and number of deals was recorded by Bulgartabac Holding (**57B**).

The reasons to expect stable increase of stock prices next year were subject of last week's bulletin. In brief, investors should look in corporate reports and improving profits. Stock market gains should be driven by the overall economic improvement and the capital inflows, rather than cheap valuation.

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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.

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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
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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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