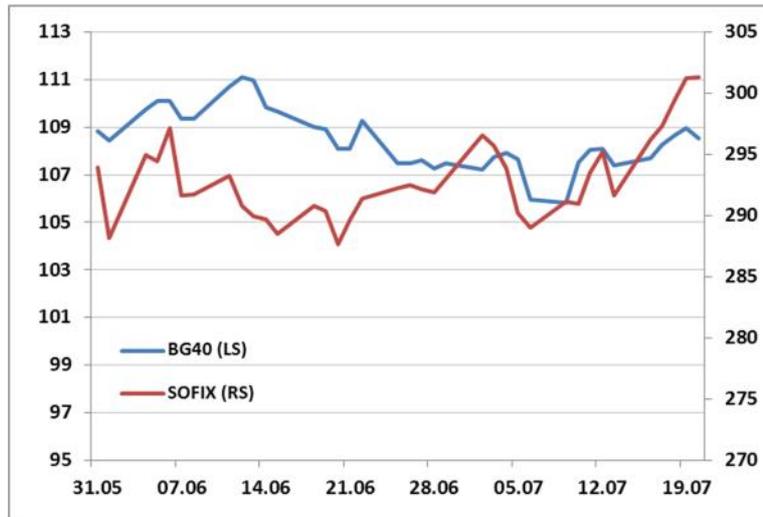
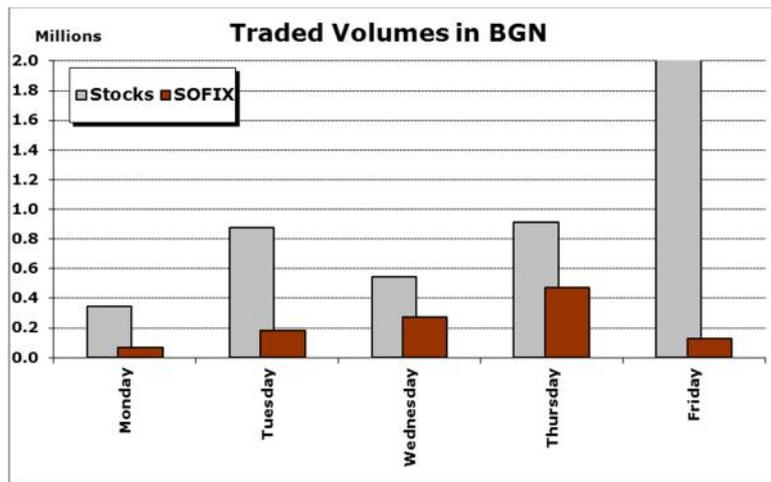


Market Trend



SOFIX managed to move above the threshold of 300 points last week, thus raising the probabilities of more sustainable summer rally. Volumes were relatively low but the supply of shares was easily absorbed by the market. The recent stability of indices is disguising the new bottoms of several blue chips, including positions like Chimimport and Central Cooperative Bank. August is seasonally positive month for the stock market if the situation abroad did not deteriorate as it happened last year. The market is expecting the flow of corporate reports, although the bulk of news is likely to be released next month. We don't expect overall bad news. On the contrary, exporters performed very well.

Trading Activity



The Friday trade was dominated by large package transactions of Corporate Commercial Bank (6C9) for 1% of the capital. The bank also attracted the attention of investors since it is mentioned as one of the buyers of the Bulgarian Telecom. Agro Finance REIT (6AG) also made decent volumes achieved after one block deal. The overall volumes of blue chips were very low.

SOFIX

SOFIX's Components				
Stock	Last Price	Weekly Change	Bid	Ask
Advance Terrafund REIT	1.88	12.01%	1.87	1.88
Bulgartabac Holding	50.00	5.26%	47.00	50.00
ELARG Opportunity Fund REIT	1.90	0.00%	1.90	1.93
Central Cooperative Bank	0.66	11.21%	0.65	0.67
Chimimport	0.88	-2.44%	0.87	0.88
Neochim	26.06	-6.59%	27.80	28.40
M+S Hydraulic	6.26	0.97%	6.25	6.45
Eurohold Bulgaria	0.91	2.58%	0.92	0.96
First Investment Bank	1.45	-3.20%	1.45	1.49
Industrial Holding Bulgaria	0.69	13.11%	0.65	0.70
Kaolin	2.05	2.50%	2.00	2.11
Monbat	4.90	16.69%	4.80	4.90
Sopharma	2.17	-3.04%	2.16	2.24
Stara Planina Hold	2.09	0.38%	2.09	2.20
Bulgaria Real Estate Fund REIT	0.55	13.72%	0.52	0.55

Outflows from speculators drove down the prices of Chimimport (6C4) and First Investment Bank (5F4) for second consecutive week. Shares of Sopharma also fell but in low volumes and the position remained in the current spread between bid and ask process. Monbat (5MB) was the best performing stock and it is more than 20% above its recent low. Central Cooperative Bank (4CF) and Eurohold Bulgaria (4EH) also continued to move higher .

News

- **18 July 2012:** Kaolin AD – Senovo (6K1) filed with the BSE-Sofia a notification about the terms and conditions for 2011 dividend payout.
 - to shareholders, holding accounts with investment intermediaries - through the respective intermediary;
 - to the rest: through SG Expressbank branches throughout the country.
 - payments begin on July 23, 2012 and shall end on October 23, 2012;
 - after the end date, within the 5 years limitation period each shareholder may receive their dividend for 2011;
- **20 July 2012:** Bulgarian Telecommunications Company AD (BTC) has received from Royal Bank of Scotland (RBS), acting as Co-ordinator of the Steering Committee of Senior Secured Lenders of BTC and its parent company, the following notification:

The Senior Steering Committee of the Senior Secured Lenders to BTC and its parent company have agreed, in principle, heads of terms for a sale of BTC to two financial sponsors.;
- **20 July 2012:** In June 2012 Sopharma Trading has accomplished:
 - sales to the amount of BGN 37 million, which is an increase of 3%, where compared to the same period of 2011;
 - pre-tax profit for June 2012 to the amount of BGN 420 thousand;

For the first six months of year 2012 the company has accomplished:

 - 3.5% growth of sales of goods, where compared to the same period of 2011, reaching the amount of BGN 255 million;
 - pre-tax profit for the period is BGN 3 200 thousand, which constitutes a 1.4 % where compared to the same period of 2011.

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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.

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Outperform	More than 5% higher as compared to SOFIX and BG40 performance
Market Perform	Market performance, +/-5% as compared to SOFIX and BG40
Underperform	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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