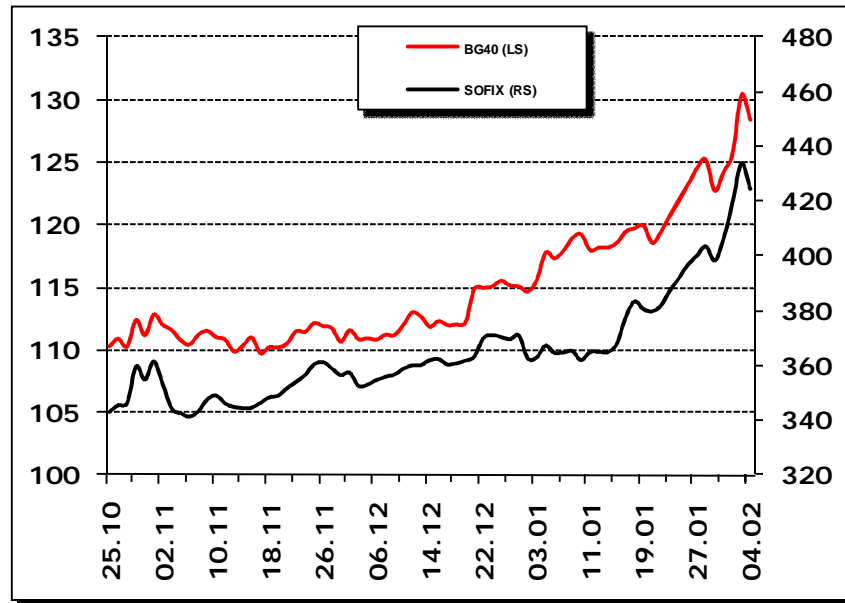


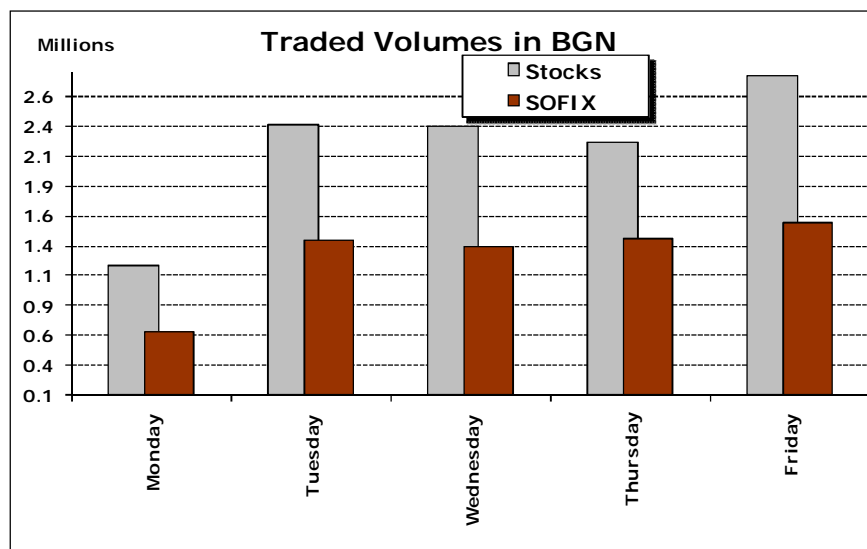
Market Trend



The Bulgarian market outperformed the region last week and soared in improved volumes. The main indices rallied and SOFIX even erased the 2010 loss. The positive moods spread on all market's participants. The week begun on the downside but this was short-lived and the market turned up. The most of liquid position were in focus and especially the banking sector. Companies with recent or forthcoming capital increase underperformed and were among the few positions with decrease.

The strong gains could be followed by some profit taking and the market probably will consolidate again. However, it showed how easy could be move on and that the investors are still here. The recent move was independent from the 2010 unconsolidated report.

Trading Activity



The overall volumes improved and were allocate between the liquid positions in contrast with last week when the turnover was set up by blocks. Individuals were infected by the common positivism and supported the increase.

**SOFIX**

| Stock                          | Last Price | Weekly Change | Bid   | Ask   |
|--------------------------------|------------|---------------|-------|-------|
| Advance Terrafund REIT         | 1.27       | 4.01%         | 1.25  | 1.27  |
| Albena                         | 55.00      | -1.79%        | 56.00 | 57.20 |
| Bulgarian-American Credit Bank | 9.20       | 4.55%         | 9.06  | 9.20  |
| Central Cooperative Bank       | 1.57       | 12.52%        | 1.58  | 1.60  |
| Chimimport                     | 3.18       | 9.52%         | 3.18  | 3.24  |
| Doverie United Holding         | 3.70       | 3.64%         | 3.57  | 3.70  |
| Enemona                        | 6.88       | -2.27%        | 6.83  | 6.88  |
| Eurohold Bulgaria              | 0.86       | -4.00%        | 0.86  | 0.88  |
| First Investment Bank          | 3.10       | 10.67%        | 3.08  | 3.10  |
| Industrial Holding Bulgaria    | 1.10       | 2.23%         | 1.08  | 1.10  |
| Kaolin                         | 5.46       | 2.07%         | 5.46  | 5.50  |
| Monbat                         | 6.58       | 4.44%         | 6.59  | 6.60  |
| Sopharma                       | 4.16       | 6.67%         | 4.17  | 4.20  |
| Stara Planina Hold             | 3.90       | 4.42%         | 3.71  | 3.80  |
| Zyrneni Hrani Bulgaria         | 0.71       | 6.77%         | 0.70  | 0.72  |

Central Cooperative Bank (4CF) outperformed the main index components. The bank remained on the first place by turnover and number of deals almost all the week. The position topped its 52-weeks high at BGN 1.79 but the level was unsustainable as the investors preferred to lock in profits. First Investment Bank (5F4) reached new 1-year high. Sopharma (3JR) managed to catch-up the lag and added 7% on weekly basis. International company for research on the pharmaceutical market announced that the market improved by 9% y-o-y and reached BGN 2 billion. The prognosis for 2011 are for 6% growth.

**News**

- **01 February 2011:** During January 2011 Monbat (5MB) has bought back 36 002 company's own shares at the average price of BGN 6.31 per share. The total number of the own shares hold by the company by January 31, 2011 is 1 710 417 at the average price of BGN 6.14 per share.
- **02 February 2011:** The Management Board of Insurance Company Euro Ins (5IC) adopted a decision on February 01, 2011 for a capital increase from BGN 11.7 million to BGN 20.6 million through a public offering of 8.8 million new shares with a dividend right. The issue value is set to BGN 1.40.
- **02 February 2011:** On January 31, 2011 the second recycling factory within the economic group of Monbat - Monbat Recycling SRL-Rumania, start operating. Its official opening is planned for March 2011. The management of Monbat expects that Monbat Recycling SRL-Rumania will produce ca. 15 000 tons of lead and lead alloys in 2011.
- **02 February 2011:** In January 2011, Sopharma (3JR) has realized 13% sales growth compared to the same month last year, which includes a drop of 6% in the sales on the domestic market and an increase by 23% in export sales.

**Macro-economy**

- In January 2011 the total consumer confidence indicator increases by 1.5 percentage points in comparison with October 2010, and it is only 3.3 percentage points below its average value for the last 10 years. This improvement over the last 3 months is due to the increase of confidence among the rural inhabitants. The value of the indicator for the urban inhabitants remains unchanged.

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