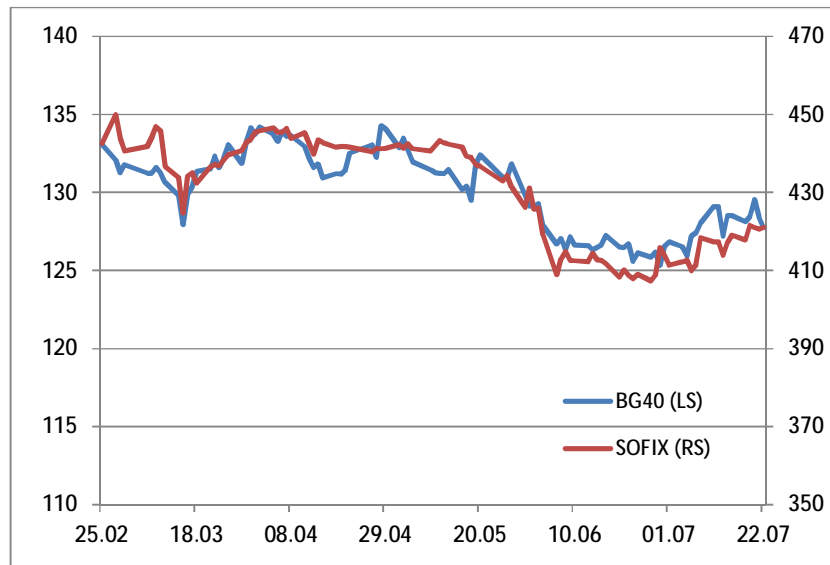


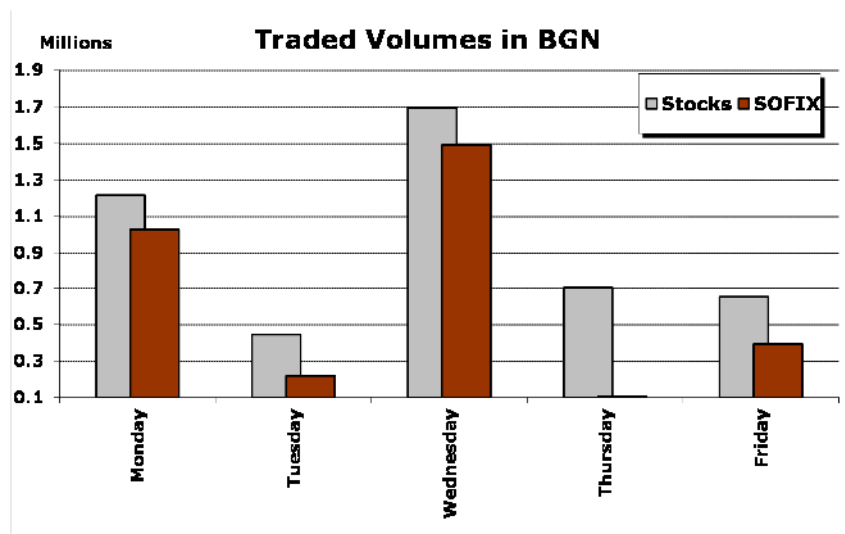
**Market Trend**



The indices swung between positive and negative territory in tight range and closed the week almost flat. The picture on BSE difficultly will be change in short term despite the non-consolidated 1H reports at the end of July. The individual investors remained cautious and wait some price movement to become more active.

On Friday, after the market close Central Cooperative Bank (4CF) announced capital increase at BGN 1.50 per new share. The price is 16% above the market price of BGN 1.30 and will have positive influence on the position on Monday open.

**Trading Activity**



Large block deals continued to support the overall volumes. When the blocks were missing the total turnover couldn't reach BGN 1 million in low activity. Probably even the 1H 2011 non-consolidated results this week won't be able to move on the investors as the summer moods are predominating. Deal for 2.2% of Industrial Holding Bulgaria's capital (4ID) on Wednesday, at BGN 0.9 per share or totally BGN 1.3 million boosted the turnover. Recently, the position is under pressure and posted 28% decrease on yearly basis. If we exclude this deal, the turnover with SOFIX's components amounted BGN 70 000.

**SOFIX**

Stock	Last Price	Weekly Change	Bid	Ask
Advance Terrafund REIT	1.50	3.38%	1.47	1.50
Albena	59.50	1.19%	59.00	59.90
Corporate Commercial Bank	80.60	4.00%	77.50	80.50
Central Cooperative Bank	1.29	-1.15%	1.29	1.30
Chimimport	2.97	-0.34%	2.97	3.00
Doverie United Holding	2.96	0.03%	2.97	3.00
Enemona	5.73	-2.05%	5.73	6.00
Eurohold Bulgaria	1.39	-1.14%	1.36	1.39
First Investment Bank	2.98	-2.23%	2.94	3.07
Industrial Holding Bulgaria	0.91	1.12%	0.91	0.93
Kaolin	3.00	-0.03%	2.88	3.00
Monbat	6.80	0.07%	6.63	6.80
Sopharma	4.01	0.25%	3.96	4.05
Stara Planina Hold	3.69	-0.27%	3.59	3.64
Bulgaria Real Estate Fund REIT	0.72	1.99%	0.71	0.72

Corporate Commercial Bank (6C9) outperformed SOFIX in only one deal during the week for 10 shares. The wide spread allowed the position to add 4% but it easily could reverse as the best bid is at BGN 77.5. REITs also provide support on the main index. The news for the forthcoming capital increase of Doverie United Holding (5DOV) boosted the position to BGN 3.00 as the issuing price of one new share is set at BGN 3.50.

**News**

- **19 July 2011:** The following decisions have been adopted at a session of the Management Board of Doverie United Holding (5DOV) held on July 19, 2011. The capital of Doverie United Holding will be increased from BGN 14 million to up to BGN 16.3 million through issuance of new 2.3 million new with issuance value of BGN 3.5 each.
- **20 July 2011:** In implementation of a decision adopted by the General Meeting of the Shareholders of Blagoevgrad BT (55B) dated June 20, 2011, the company submitted a notification regarding the dividend payout procedure:
  - Gross dividend: BGN 11.53;
  - Dividend payout starting date: September 19, 2011.
- **20 July 2011:** On July 15, Lead and Zinc Complex (5OTZ) purchased a license of a know-how on deep extraction of metals. This will upgrade the already purchased technology, utilized in order to modernize the Zinc Factory at Lead and Zinc Complex and guarantees a minimum zinc extraction of 98%. The annual guaranteed economic effect exceeds USD 10 million at the current prices of metals. In addition to paying the license and the know-how, Lead and Zinc Complex will pay a "royalty" fee for fifteen years. The amount of the investment excluding the license fee is USD 3 million.
- **21 July 2011:** Bulgarian Telecommunication Company (5BT) has concluded an agreement with Bluesat Partners Ltd. regarding the sale of 50 % of the National Unit Radio and TV Stations (NURTS). Under the said transaction, VIVACOM has definitively transferred the development of the National Unit's digital infrastructure network in the hands of NURTS Bulgaria, which is a joint-venture between Mancelord Limited, the company that has held the remaining 50% in the Company since August 2010 and the new investor.
- **22 July 2011:** At a session held on July 21, 2011, the Management Board of Central Cooperative Bank (4CF) passed a decision to increase the Company's capital from BGN 83 million up to BGN 113 million through issuance of 30 million ordinary shares with a par value of BGN 1 and issuance value of BGN 1.50.

**Bonds**

Moody's upgraded Bulgaria's government ratings, motivated by the following three factors:

1. Effective fiscal consolidation supplemented by recent structural reforms, which are expected to maintain Bulgaria's very low debt burden by leading to a further reduction in the general government deficit to below the 3% Maastricht limit in 2011 and roughly balanced budgets in the years to come;
2. Strengthened institutional capacity thanks to determined efforts to increase the absorption of EU funds and to reform systems such as the judiciary and the police in order to improve the rule of law;
3. Strong liquidity and capital buffers of both the financial system and the government, which in Moody's opinion are sufficient to absorb shocks deriving from regional volatility.

In related actions, Moody's also upgraded Bulgaria's country ceiling for foreign currency deposits to Baa2/P-2 from Baa3/P-3, and aligned the country ceiling for local currency deposits to the Baa2 level (down from Baa1) because of Bulgaria's currency board arrangement in which the Bulgarian lev is pegged to the euro. In addition, the country ceiling for foreign currency debt was raised from A1 to Aa3, equivalent to the Aa3 country ceiling for local currency debt.

On July 25, Ministry of Finance will lead a T-notes auction. The securities are with 3.45% coupon per year, paid semi-annually. The maturity date is June 26, 2014.

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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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