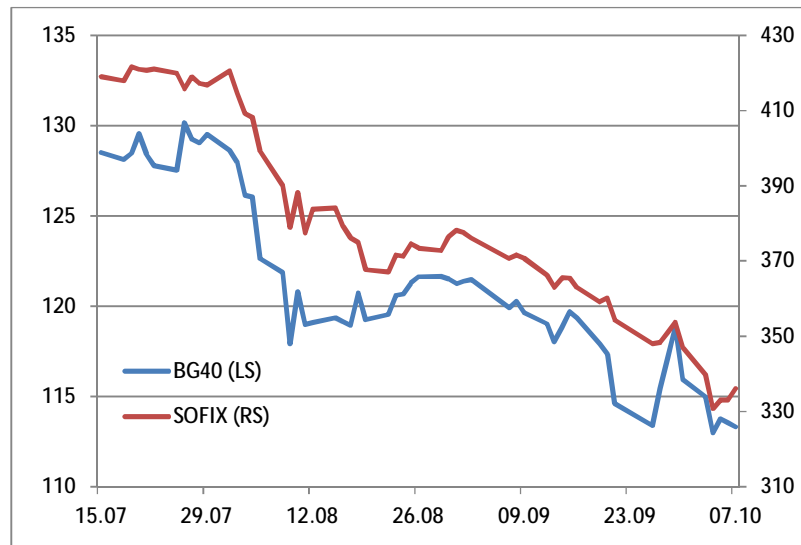
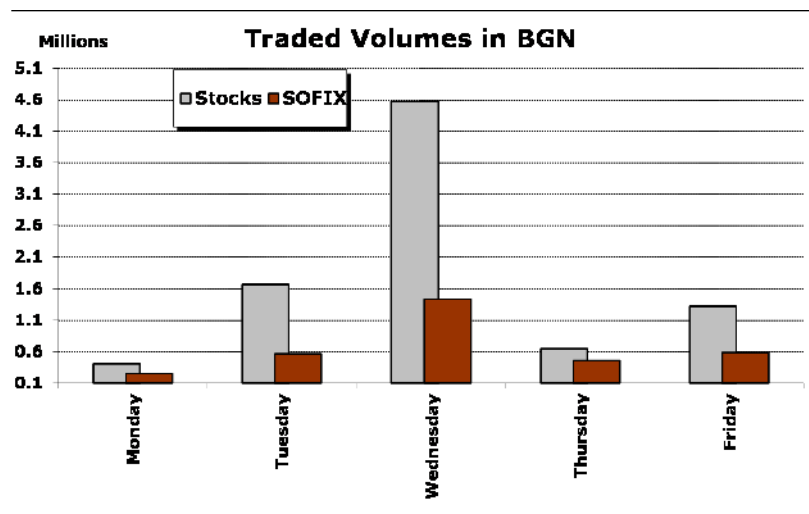


Market Trend



The new month began with solid pressure on Bulgarian indices and they couldn't reverse until the end of the week, despite the slight reverse. The selling pressure was mainly from institutional investors but the thin market allowed strong decrease with low volumes. We expect the market to remain around its current levels in short-term as most of the participants are in hold phase. Even the international markets haven't sizable impact.

Trading Activity



The traded volumes remained extremely low and the investors remained active on liquid positions. The high turnover on Wednesday was due to restructuring of large investor's portfolio and was one-time.

SOFIX

Stock	Last Price	Weekly Change	Bid	Ask
Advance Terrafund REIT	1.34	-0.74%	1.34	1.35
Albena	58.70	2.09%	59.00	59.90
Corporate Commercial Bank	77.00	0.00%	77.00	79.99
Central Cooperative Bank	0.92	3.02%	0.91	0.92
Chimimport	1.85	-4.88%	1.81	1.85
Neochim	32.00	-10.49%	32.00	34.50
M+S Hydraulic	7.61	-5.23%	7.55	7.72
Eurohold Bulgaria	1.20	-2.44%	1.19	1.20
First Investment Bank	2.25	-5.55%	2.25	2.30
Industrial Holding Bulgaria	0.62	-11.54%	0.62	0.65
Kaolin	2.35	3.98%	2.35	2.38
Monbat	6.19	-1.43%	6.18	6.19
Sopharma	3.12	-5.45%	3.12	3.12
Stara Planina Hold	2.95	-9.23%	2.85	2.94
Bulgaria Real Estate Fund REIT	0.56	-3.29%	0.56	0.56

The restructuring of portfolio and selling pressure from large Bulgarian bank pushed down most of the SOFIX components. Kaolin (6K1) and Central Cooperative Bank (4CF) were among the best performers. The bank's share reversed after the news that Financial Supervision Commission has approved the Memorandum for capital increase at BGN 1.50 per new share. The news probably will provide additional support due to the expectations the market price to be draw near the issuing price. The Memorandum of Eurohold Bulgaria (4EH) also was approved. The company intends to increase its capital for consecutive time at BGN 1.50 per share through issuing 36 million new shares.

News

- **03 October 2011:** Under a decision dated September 30, 2011 the Financial Supervision Commission has entered into the Public Register an issue of shares of Trace group Hold (T57) for the purpose of trading on a regulated market. The issue amounts BGN 22 million distributed into 22 million shares, each having nominal value of BGN 1.00, all issued in result of the capital increase of the company from BGN 2.2 million to BGN 24.2 million.
- **03 October 2011:** During the September 2011, Monbat (5MB) bought back 64 193 own shares at an average price of BGN 6.31 each. The total number of own shares held by the company as of September 30, 2011 was 2 051 980 at an average price of BGN 6.21 per single share.
- **05 October 2011:** In September 2011, the sales of Sopharma (3JR) decreased by 22% where compared to the same month of the preceding year, as the sales realised on the internal market have retained their volume, whilst the export sales have decreased by 29%, which is due to the accumulation of stock for future sales by our Russian partners for the same period of the year 2010 with reference to the forthcoming pre-registration of the company's products on the Russian market.
- **06 October 2011:** On October 5, 2011 a GM of the holders of guaranteed Eurobonds issued by Petrol (5PET) in the year 2006 on the international capital markets under the UK legislation, with a 8.375% interest rate and maturity date in 2011, registered with the Euroclear and Clearstream international clearing institutions under ISIN XS0271812447 (the Eurobonds), has taken place in London. The main item in the agenda Rescheduling the maturity of the Eurobonds from October 26, 2011 to January 26, 2012 as the interest fixed in the Eurobonds' terms is to be paid out to the Bondholders for the extended period.

Macro News

- By preliminary seasonally adjusted data the turnover in division 'Retail trade, except of motor vehicles and motorcycles' at constant prices in August 2011 fell by 0.5% in comparison to the previous month. The working day adjusted turnover dropped by 2.9% as compared with the same month of the previous year .
- According to the preliminary data of the NSI, in August 2011 the index of production in section 'Construction', calculated on the base of seasonally adjusted data was 0.4% above the level of the previous month.
- The preliminary data showed that the Industrial Production Index, seasonally adjusted decreased by 2.0% in August 2011 as compared to July 2011. The working day adjusted Industrial Production Index rose by 1.0% as compared to the same month of 2010.
- Producer Price Index on Domestic Market in August 2011 decreased by 1.0% compared to the previous month, while compared to the same month of 2010 the domestic prices grew by 6.6%. Total Producer Price Index fell by 1.3% compared to the previous month, compared to the same month of 2010 the prices went up by 7.0%.

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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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