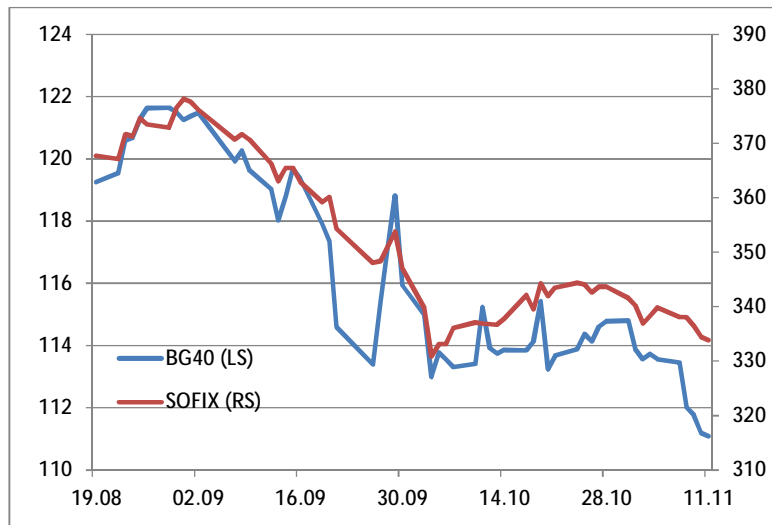


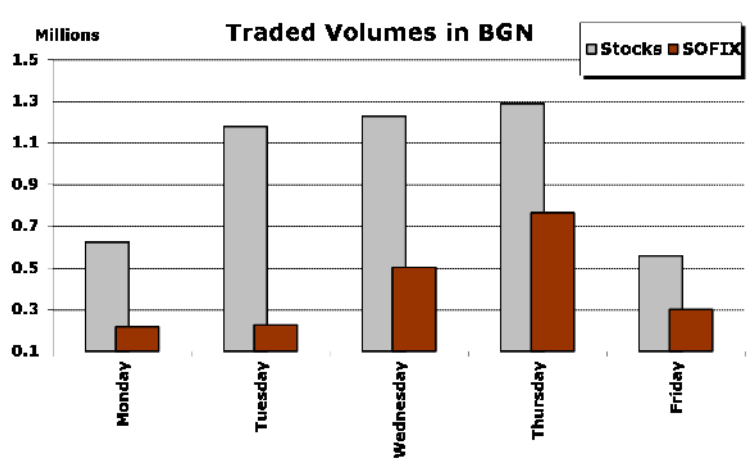
Market Trend



Despite the low activity and the tight range, the main Bulgarian indices closed on the downside after a weak series. The most traded position among stocks in focus were Sopharma (3JR) and Eurohold Bulgaria (4EH).

The lack of investors continued to be the main problem in front of BSE. We don't expect any surprises next week. The market will remain in tight range and probably the red color will predominate.

Trading Activity



The overall volumes remained thin and Sopharma and Lavena contributed to the improved turnover. Several companies with small market capitalization also contributed to the volumes. The investors remained indifferent to the market and even the turmoil abroad couldn't change the picture. The debt crisis in Europe probably won't influence the Bulgarian market this week as well.

SOFIX

Stock	Last Price	Weekly Change	Bid	Ask
Advance Terrafund REIT	1.30	-2.99%	1.32	1.34
Albena	57.40	-1.03%	57.80	57.98
Corporate Commercial Bank	77.25	0.00%	77.25	79.89
Central Cooperative Bank	0.86	-6.11%	0.85	0.86
Chimimport	1.72	-1.21%	1.67	1.72
Neochim	34.80	0.87%	34.77	34.80
M+S Hydraulic	7.83	-3.23%	7.80	7.83
Eurohold Bulgaria	1.29	1.02%	1.26	1.29
First Investment Bank	2.00	-7.88%	2.00	2.08
Industrial Holding Bulgaria	0.64	-5.88%	0.64	0.68
Kaolin	2.30	1.95%	2.20	2.29
Monbat	5.78	-2.02%	5.75	5.77
Sopharma	3.30	0.83%	3.28	3.29
Stara Planina Hold	2.80	-3.45%	2.70	2.80
Bulgaria Real Estate Fund REIT	0.65	-4.97%	0.64	0.64

The banking sector declined last week, mainly due to the low liquidity. The Bulgarian banks have small securities' portfolio as a percent of the assets, moreover in foreign debt instruments. The main problem in front of the system is the increasing bad loans. However, their growth rate slowed down as of the last report. Eurohold Bulgaria (4EH) will lead an auction for the unsubscribed rights for the recent capital increase on November 14. The company will offer 18% of the rights. Central Cooperative Bank will offer 23.25% of its unsubscribed rights on November, 16. The majority owners will subscribe their share and both capital rises will be successful.

News

- **07 November 2011:** Bulgartabac Holding (57B) has submitted a notification regarding the entry in the Companies' Register of changes within the Board of Directors and representation of the company.
- **08 November 2011:** The General Meeting of the Shareholders of Albena Invest Holding (5ALB) held on November 06, 2011 approved and authorize the Management Board and the Executive Director of the Company as per the justified report to conclude a loan agreement between Albena Invest Holding /lender/ and Albena AD /borrower/.
- **08 November 2011:** The Bulgarian Stock Exchange announced today that in Bucharest, Romania, a Memorandum of Under-standing was signed between BSE-Sofia and the Bucharest Stock Exchange.

Macro News

- The preliminary data showed that the Industrial Production Index seasonally adjusted increased by 1.0% in September 2011 as compared to August 2011. The working day adjusted Industrial Production Index rose by 1.5% as compared to the same month of 2010.
- According to the preliminary data of the National Statistical Institute (NSI) at the end of September 2011 the number of employees under labour contract decreased by 0.5% as compared to the end of June 2011 and reached 2.19 million.
- In the period January - August 2011 the Bulgarian export to the EU increased by 34.8% compared to the corresponding period of the previous year and amounted to BGN 15.9 billion while the imports increased by 19.0% and amounted to BGN 16.2 billion. In August 2011 the exports to the EU increased by 15.7% compared to the corresponding month of the previous year and exceeded BGN 2.0 billion while the imports increased by 11.0% and exceeded BGN 1.9 billion.
- According to the preliminary data of the National Statistical Institute, in the third quarter of 2011 the newly built residential buildings were 690 and compared to the same quarter of 2010 increased by 27.1%. The newly built dwellings in them fell by 0.7% and their number was 3 796.
- In the period January - September 2011 the Bulgarian exports to third countries increased by 30.4% compared to the corresponding period of the previous year and exceeded BGN 11.1 billion while the imports increased by 24.5% and amounted to BGN 13.8 billion. In the period January - September 2011 the total value of the exported goods (both for third countries and EU) amounted to BGN 29.0 billion and compared to the corresponding period of 2010 the exports increased by 32.0% while the total value of all imported goods was BGN 32.1 billion and increased by 20.6%.

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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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