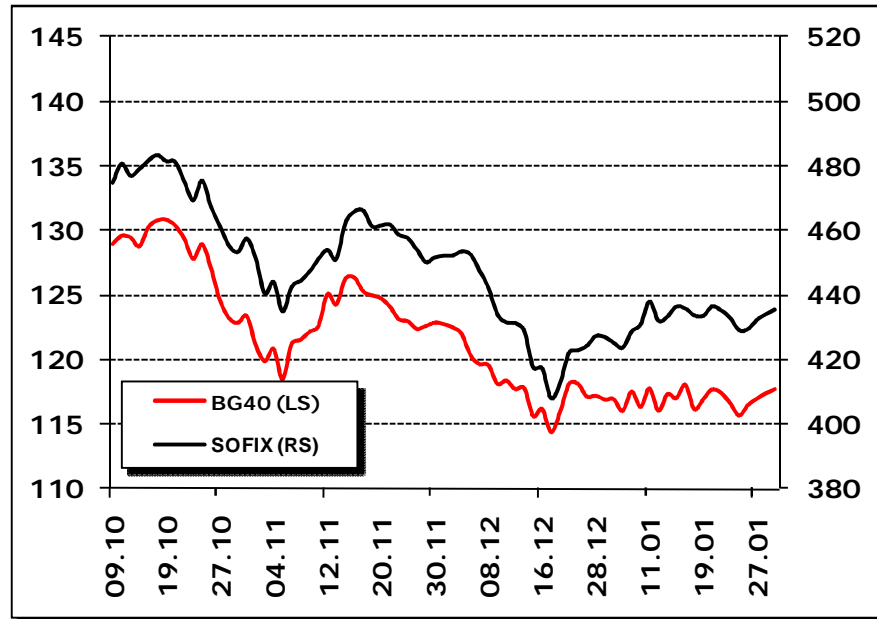
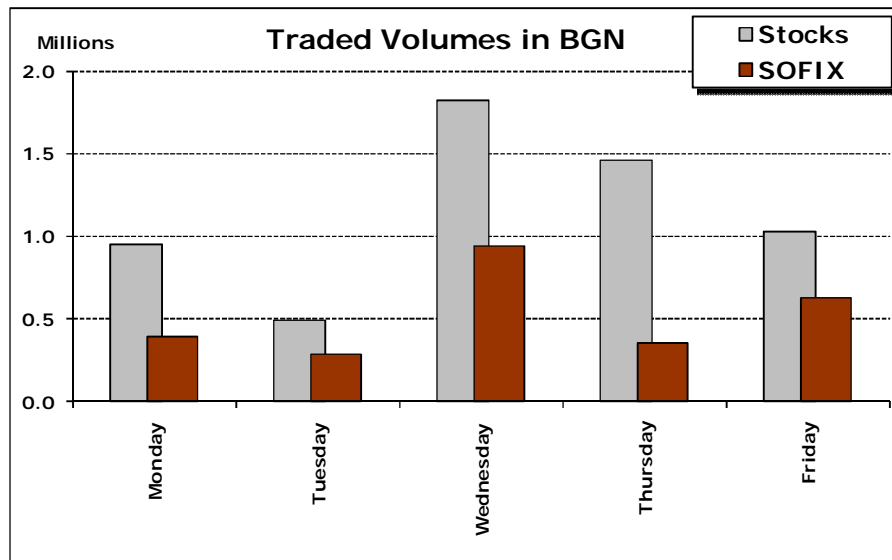


Market Trend



The main indices closed the week on the upside. SOFIX remained in tight range and even the announced 2009 reports couldn't move the trading significantly. Most stocks traded in tight range. We see some supply on the market but without pressure on prices. The volatility is mainly due to the domestic investors and the reaction to the current weakness in Europe and USA will show what to expect in deeper correction. Institutional investors are not active sellers at the moment and the market is performing very well during the correction. This is the reason to expect that Bulgarian stocks are near their short-term bottom.

Trading Activity



The begun of the week was poor of investors' interest but on Wednesday the market moved on. Deals with Advance Terrafund REIT (6A6) boosted the overall volumes in the middle of the week but investors were active also on some low liquid positions like Kaolin (6K1) and Euroins (5IC). The number of deals slightly improved. Sopharma (3JR) remained the most actively traded company.

SOFIX

Stock	Last Price	Weekly Change	Bid	Ask
Albena	43.2	2.27%	43.20	45.00
Bulgarian-American Credit Bank	17.3	-0.57%	17.30	17.50
Central Cooperative Bank	1.31	1.00%	1.31	1.31
Chimimport	2.8	1.08%	2.80	2.81
Corporate Commercial Bank	61.25	1.41%	59.01	60.90
Elana Opportunity Land Fund	.799	-3.73%	0.78	0.80
Enemona	9.25	-1.91%	9.23	9.35
Eurohold Bulgaria	1.33	2.31%	1.33	1.34
First Investment Bank	2.47	-0.40%	2.47	2.47
Holding Roads	2.5	3.95%	2.50	2.54
Industrial Holding Bulgaria	1.62	0.12%	1.62	1.66
Kaolin	5.699	3.62%	5.60	5.70
Lead and Zink Complex	14.398	1.04%	14.30	14.40
M+S Hydraulic	5.484	2.12%	5.46	5.48
Monbat	6.398	-1.57%	6.30	6.39
Neochim	28.888	2.44%	27.50	28.50
Orgachim	81.5	1.80%	81.50	84.78
Sopharma	4.097	0.17%	4.06	4.10
Sparky Eltos	2.2	-3.17%	2.18	2.20
Trace Group Hold	63	0.78%	63.00	63.75

The main index's components closed mixed. Holding Roads (6H2) outperformed the market in moderate volumes. The position is at its levels from the middle of 2009 and is 35% below its recent high. Kaolin (6K1) also gained by almost 4% on a weekly basis. The improved investors' interest on Wednesday boosted 6K1. The announced bank's reports didn't influence the shares of the banks.

The fertilizer producer Neochim (3NB) managed to decrease its loss but finished 2009 with BGN 19.3 million in the red. The company had BGN 44.8 million profits for the previous year. The rising price of natural gas and the decrease of the domestic demand from agricultural producers had a negative effect on the company's results.

News

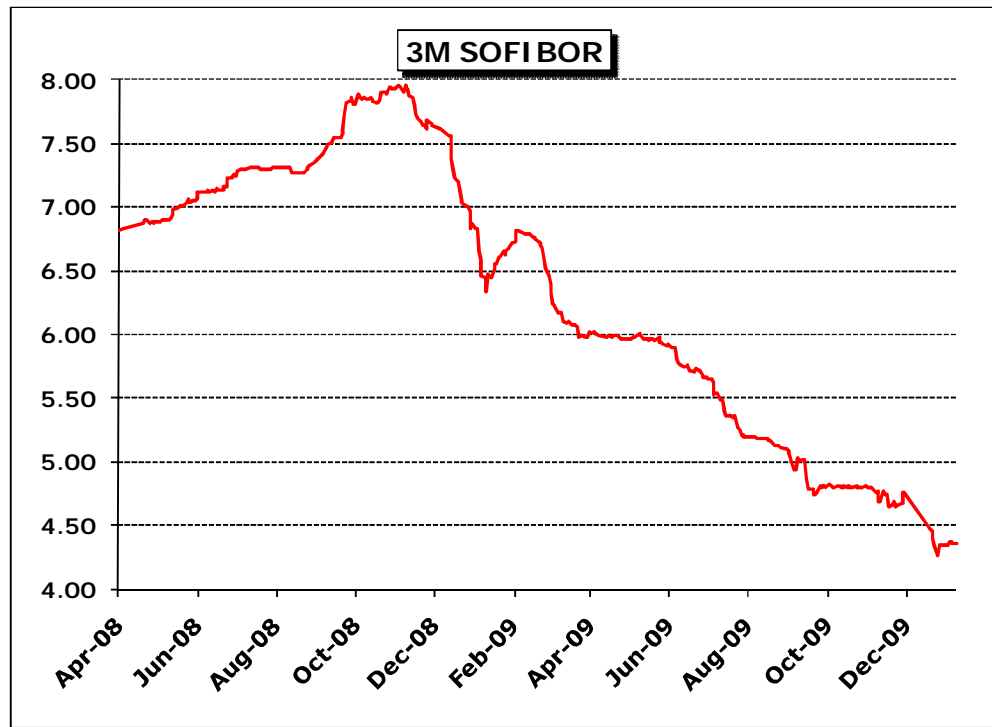
- 25 January 2010:** The Management Board of Monbat (5MB) has adopted a decision to increase the capital of the daughter company, Monbat Recycling SRL-Romania, from EUR 3 m to EUR 3.5 m through a cash contribution on an amount of EUR 500 000 made by the sole owner of the capital, Monbat. The increase in capital is not yet registered according to the Romanian legislation.
- 26 January 2010:** In December 2009, Monbat (5MB) generated on an individual basis net incomes from sales to the amount of BGN 13.7 m, which represents an increase of 10.76% compared to December 2008. The profit before taxes on an individual basis for December 2009 is BGN 1.9 m, which represents a profit increase of 52.18% compared to December 2008. The summarized data for 2009 show that the company has generated on an individual basis profit before taxes to the amount of BGN 19 m, which represents a profit decrease of 35.40% compared to 2008.

Upcoming Events

Macro-economy

- Producer Price Index on Domestic Market in December 2009 rose 0.9% compared to the previous month, while compared to the same month of 2008 the domestic prices fell by 0.7%. Total Producer Price Index in Industry in December 2009 increased by 1.2% compared to the previous month; compared to the same month of 2008 the prices increased by 0.9%.
- In January 2010 the total business climate indicator increased by 3.1 percentage points in comparison with the previous month. The improvement is due to the more optimistic opinions of the entrepreneurs from the sectors of construction and services.
- In December 2009, the number of the trips of Bulgarian residents in abroad was 297.9 thousand, which was 24.2% less than the number of the trips in December 2008. In December 2009, the number of arrivals of visitors from abroad to Bulgaria was 357.1 thousand or 7.3% less than the number of trips in the same month of 2008.

Bond Market



Source: Bloomberg

The money market rates were hardly changed last week. The Ministry of Finance is offering new government bonds in euro. The issue is two and a half years to maturity and has 2% annual interest payment. This is the first euro-denominated issue for the domestic market since 2005. Last week's auction for 4-year government bonds showed again the good buying interest and the yield was 4.45%.

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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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