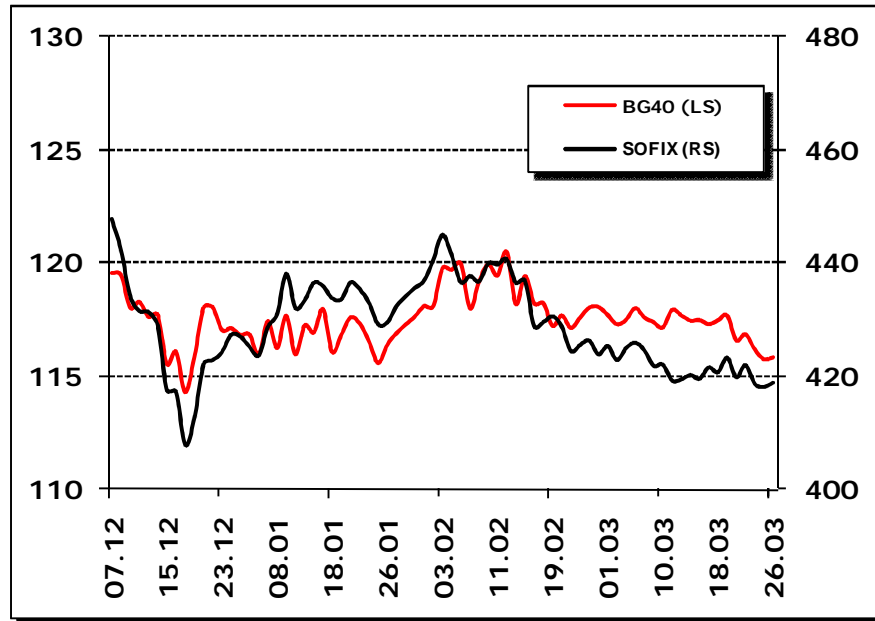
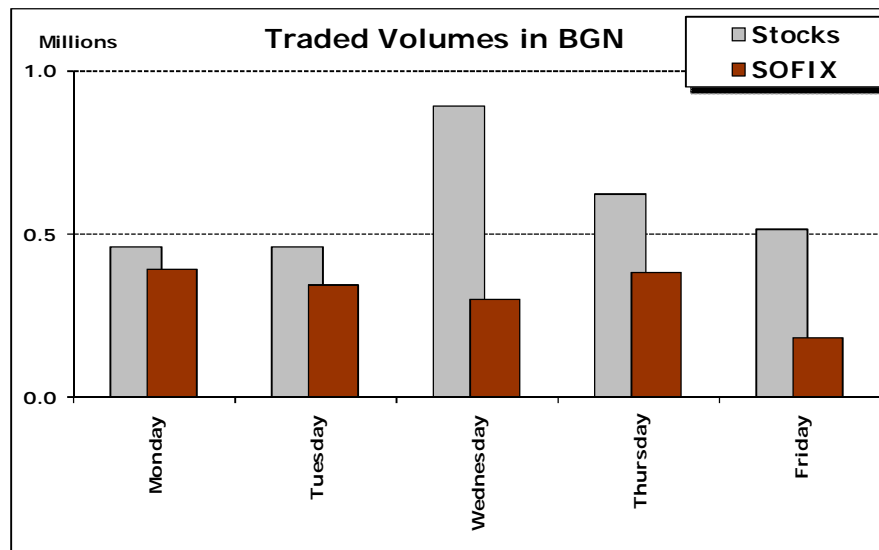


Market Trend



The main indices closed in the recent range but this week most positions declined. The lack of institutional demand continued. Individuals remained active on several liquid positions. The Bulgarian market breached the correlation with the international markets so far. We could see some improvement this week as it's the end of the quarter.

Trading Activity



The overall volumes decreased a bit. On Wednesday two blocks of Doverie United Holding (5DOV) changed hands and support the turnover as well as Bulgarian-American Credit Bank (5BN). The number of deals remained moderate.

SOFIX

Stock	Last Price	Weekly Change	Bid	Ask
Albena	41.9	-3.57%	41.90	42.00
Bulgarian-American Credit Bank	15.5	5.44%	15.00	15.50
Central Cooperative Bank	1.32	-1.20%	1.32	1.33
Chimimport	2.64	-1.23%	2.66	2.66
Corporate Commercial Bank	61.1	-1.45%	61.21	64.00
Elana Opportunity Land Fund	.672	-10.40%	0.69	0.70
Enemona	9.278	-1.30%	9.15	9.27
Eurohold Bulgaria	1.3	-3.63%	1.30	1.33
First Investment Bank	2.39	-1.73%	2.38	2.40
Holding Roads	2.365	-0.63%	2.33	2.36
Industrial Holding Bulgaria	1.396	-0.92%	1.39	1.40
Kaolin	5.403	-1.73%	5.49	5.49
Lead and Zink Complex	13.156	-4.99%	13.10	13.50
M+S Hydraulic	5	-4.38%	5.19	5.20
Monbat	6.543	1.44%	6.50	6.59
Neochim	27	-1.82%	26.20	27.50
Orgachim	83.5	-1.77%	83.51	85.00
Sopharma	4	0.25%	3.98	4.00
Sparky Eltos	1.93	-3.50%	1.93	2.00
Trace Group Hold	68.7	-2.55%	68.75	69.21

Bulgarian-American Credit Bank (5BN) outperformed the main index and closed above the threshold of BGN 15.00. However the bank couldn't compensate the decline of the rest of the components. ELARG REIT lost 10.4%, followed by Lead and Zinc Complex (5OTZ) with 5% decline. Monbat (5MB) was among several companies with gains supported by the buying back procedure and the improved financial results. For February the company's revenues amounted BGN 15 million or 55% increase as compared to year ago. However, the profit before tax increased by the less impressive 18% for the month. Profitability for the first two months of 2010 is below our expectations and could undermine our fore-casts for solid improvement of 70% of the net profit. Current price-to-earnings ratio is 15.

News

- **24 March 2010:** The parent company of M+S Hydraulic announced the consolidated results for February of the group. Stara Planina Hold posted BGN 9.077 million revenues or 31.6% increase. M+S Hydraulic had decrease of 14% of the revenues to BGN 7.87 million and net profit of BGN 378 thousands.
- **25 March 2010:** In February 2010, Monbat (5MB) has realized net sales revenues to the amount of BGN 15 million on individual basis, which represents 55.20% growth as compared to February 2009. The summarized data for the first two months of 2010 show that the company has generated revenues to the amount of BGN 29 million, which represents a 50.51% growth compared to the same period of 2009. The summarized data for the first two months of 2010 show that the company has generated profit to the amount of BGN 4 million or 36.32% above the result for the same period of 2009.

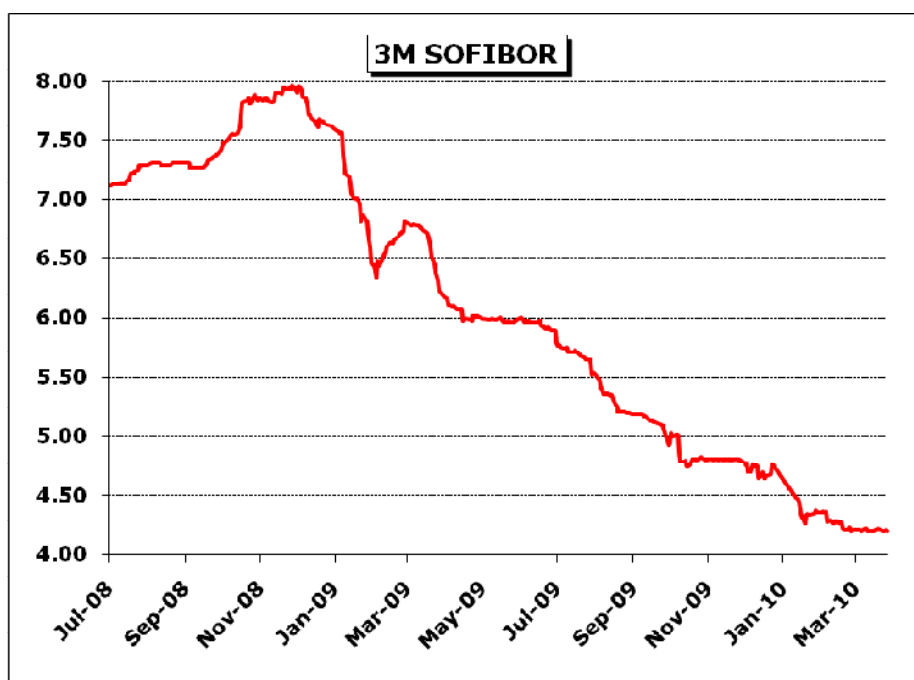
Upcoming Events

- Bulgarian National Bank will announce the banking system profit.

Macro-economy

- In March 2010 the National Statistic Institute business surveys registered a decrease in the level of the total business climate indicator of 0.9 percentage points as compare to February. The indicator decreases in all of the sectors with the exception of the service sector, as the highest drop is recorded in retail trade.
- In February 2010 the number of the trips of Bulgarian residents in abroad was 240.3 thousand, which was 23.0% less than the number of the trips in February 2009. In February 2010, the number of arrivals of visitors from abroad to Bulgaria was 273.2 thousand or 1.3% more than the number of trips in the same month of 2009.

Bond Market



Source: Bloomberg

An extraordinary auction for 4-year government bonds attracted less buying interest as comparing to the regular auction that took place a week ago. The demand was 1.93 times the offering amount of BGN 30 million. A week ago, the bid-to-cover ratio was 2.24 for the BGN 35 million issue. The average yield increased to 4.20 from 4.07%. The government doesn't have difficulties to sell bonds at the domestic market but the frequent issues and the volatile prices are beginning to undermine the confidence of the institutional investors.

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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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