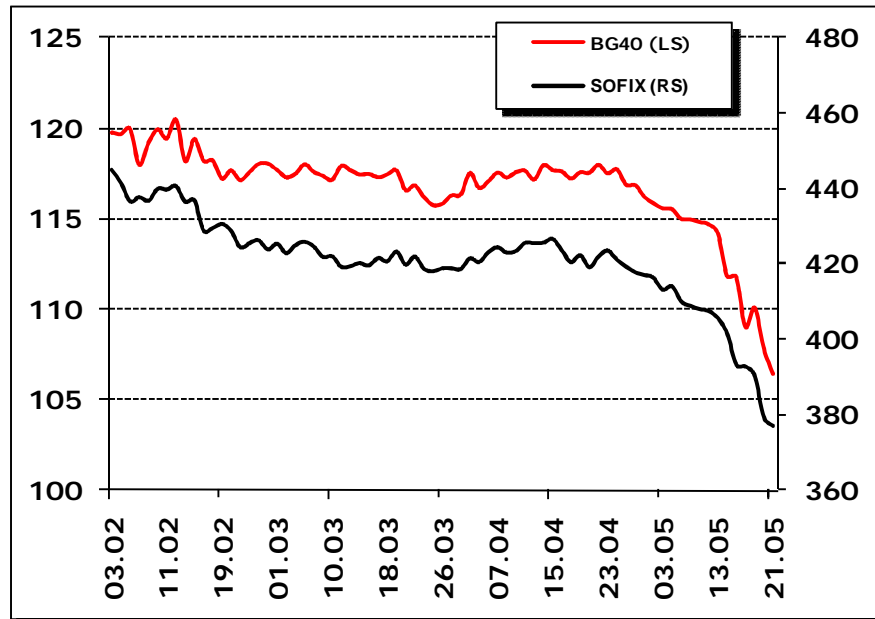


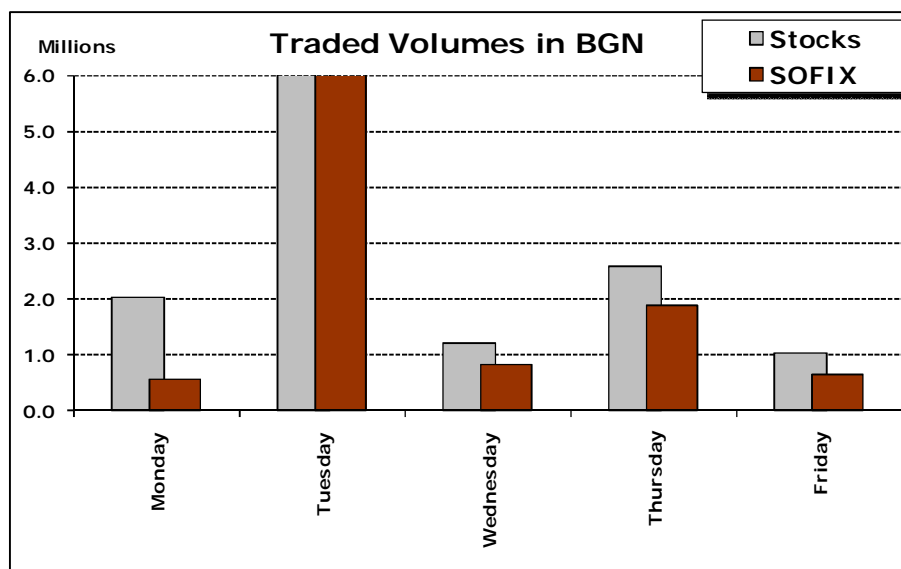
Market Trend



The main indices slumped during the previous week and reached their recent low levels. BG40 lost almost 5% on weekly basis, whereas SOFIX declined by 6% under the influence of most of its components. The market weakness provided good bargains but investors remained cautious as the debt problems in Europe still persist.

The market will remain under the influence of the international markets this week. The consolidated corporate reports should be announced until the end of the week and they also may have effect on the market, especially the positive surprises. The lack of orders pushed down BSE rather than panic sales but we expect the investors to calm down.

Trading Activity



The overall volumes improved as institutional investors moved on. Several block deals supported the turnover. The most of blue-chips were actively traded, especially Sopharma (3JR), which remained in top 10 by turnover.

**SOFIX**

Stock	Last Price	Weekly Change	Bid	Ask
Albena	47	0.00%	46.10	47.00
Bulgarian-American Credit Bank	12.6	-8.76%	11.80	12.60
Central Cooperative Bank	1.149	-6.20%	1.15	1.16
Chimimport	2.04	-14.47%	2.02	2.04
Corporate Commercial Bank	62.45	0.73%	61.10	62.50
Elana Opportunity Land Fund	.54	-10.00%	0.54	0.57
Enemona	8.495	-0.71%	8.11	8.50
Eurohold Bulgaria	1.032	-14.00%	1.03	1.05
First Investment Bank	2.13	-5.25%	2.12	2.17
Holding Roads	1.661	-14.38%	1.66	1.67
Industrial Holding Bulgaria	1.351	-3.84%	1.35	1.39
Kaolin	4.131	-10.20%	4.13	4.18
Lead and Zink Complex	12	-3.99%	11.99	12.00
M+S Hydraulic	4.65	-2.11%	4.60	4.60
Monbat	6.45	-1.53%	6.19	6.45
Neochim	25.541	-2.18%	25.54	25.80
Orgachim	80	-5.31%	79.10	81.95
Sopharma	3.75	-6.11%	3.75	3.78
Sparky Eltos	1.7	-2.30%	1.63	1.70
Trace Group Hold	51.004	-12.06%	51.01	52.00

Only Albena (6AB) stayed unchanged after the sell off last week. Chimimport (6C4) and Holding Roads (6H2) were the most damaged components in moderate volumes. The infrastructure company's offer for the Trakia Highway construction had significant higher price than the best offers and the short-term investors prefer to sell. Trace Group Hold (T57) also was stricken by the tender offer as the company didn't manage to participate in it. The company was sold out in volumes, which wouldn't have effect on the position a year ago. Kaolin (6K1) was under persistent pressure.

**News**

- 17 May 2010: Bulgartabac Holding (57B) will lead s GMS on June 25 with main item in the agenda profit allocation decision. The shareholders will vote 80% of the 2009 net profit to be set as dividend payments.
- 17 May 2010: Bulgarian River Shipping (5BR) will lead a GMS on June 30.
- 17 May 2010: Kaolin (6K1) will lead a GMS on June 21. The shareholders will vote gross dividend distribution to the amount of BGN 3.75 million in terms of BGN 0.15 per share.
- 18 May 2010: Industrial Holding Bulgaria (4ID) will lead a GMS on June 25.
- 18 May 2010: Euro Ins (5IC) will lead a GMS on June 30.
- 18 May 2010: Blagoevgrad BT (55B) will lead s GMS on June 22 with main item in the agenda profit allocation decision. The shareholders will vote gross dividend distribution to the amount of BGN 1.01 million.
- 19 May 2010: Doverie United Holding (5DOV) will lead s GMS on June 24.
- 19 May 2010: Synergon Holding (6S7) will lead s GMS on June 25.
- 21 May 2010: Eurohold Bulgaria (4EH) will lead s GMS on June 30.

**Macro-economy**

- In the first quarter of 2010, the municipal authorities have issued building permits for construction of 987 residential buildings, of 49 administrative buildings/offices and 868 other buildings. The construction of 462 residential buildings, of 31 administrative buildings/offices and 332 other buildings has been started.
- The index of producer prices in agriculture decreased by 8.1% in the first quarter of 2010 as compared to the same quarter of 2009. Decreases were registered in the crop by 10.5%, and in livestock – by 5.3%.

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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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