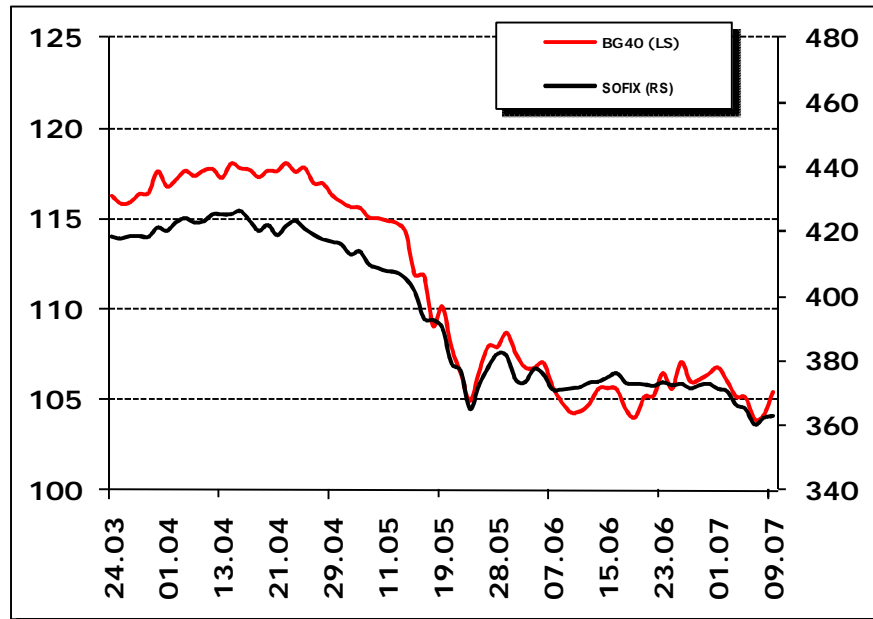
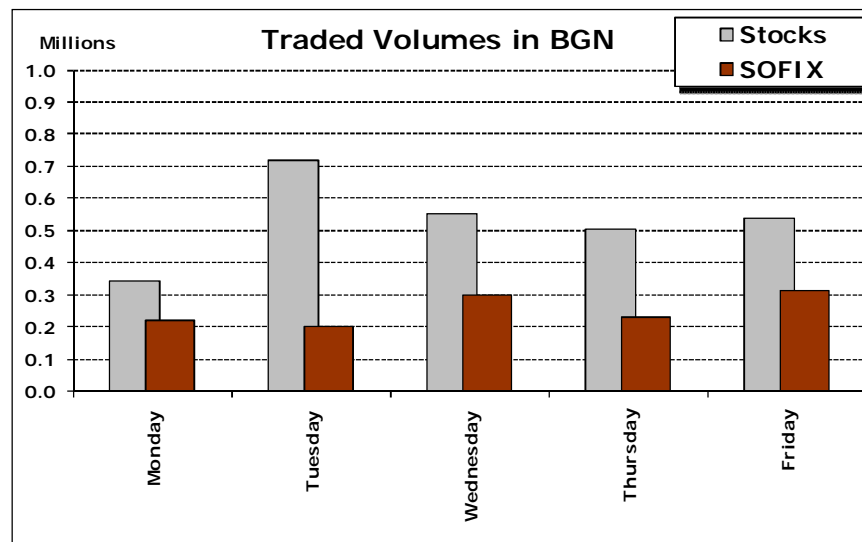


Market Trend



Bulgarian indices declined for consecutive week. BG40 lost 0.57%, whereas SOFIX decreased by 2%. The market remained under pressure and the two positive sessions at the end of the week weren't enough to erase the losses. Since the beginning of the year SOFIX lost almost 15% and the decline will strengthen as August 2009 was one of the strongest periods for BSE for the last year.

Trading Activity



The overall volumes remained subdued and the turnover was around BGN 500 000. Eurohold Bulgaria (4EH) was the most traded position by number of deals but the position lost steam. The activity probably will stay on the downside as the lethargy still persists.

SOFIX

Stock	Last Price	Weekly Change	Bid	Ask
Albena	53.00	1.03%	52.00	53.00
Bulgarian-American Credit Bank	10.40	-0.94%	10.20	10.40
Central Cooperative Bank	1.15	-3.19%	1.16	1.17
Chimimport	1.93	-1.38%	1.90	1.93
Corporate Commercial Bank	63.50	1.60%	63.50	64.00
Elana Opportunity Land Fund	0.56	-4.75%	0.56	0.59
Enemona	7.57	-1.56%	7.40	7.60
Eurohold Bulgaria	0.80	-10.11%	0.80	0.80
First Investment Bank	1.85	-3.09%	1.85	1.88
Holding Roads	1.55	3.13%	1.52	1.55
Industrial Holding Bulgaria	1.27	-1.55%	1.26	1.29
Kaolin	3.83	-9.88%	3.82	3.98
Lead and Zink Complex	10.75	-2.25%	10.67	10.74
M+S Hydraulic	4.75	-1.00%	4.71	4.72
Monbat	6.50	-3.06%	6.45	6.50
Neochim	23.12	-1.62%	23.45	24.50
Orgachim	86.00	0.00%	85.65	86.29
Sopharma	3.75	-1.83%	3.75	3.76
Sparky Eltos	1.53	-0.33%	1.41	1.60
Trace Group Hold	45.45	-5.31%	45.44	45.45

Eurohold Bulgaria (4EH) was the worst performer among SOFIX's components followed by Kaolin (6K1). The opportunity to transfer shares of Kaolin in shares of its subsidiary Solar-pro pressured the position. Chimimport's shareholders voted BGN 0.11 dividend payment on the preferred shares (6C4P). Corporate Commercial Bank (6C9) outperformed the banking sector without corporate news. The bank is 11% up since the beginning of the year and the low liquidity will help the position to keep the green color in short term.

News

- **07 July 2010:** The GMS of Chimimport dated July 05 2010 voted to allocate BGN 0.11 guaranteed dividend per preferred share. The right on dividend will be entitled to all shareholders registered in the Central Depository July 19 2010.

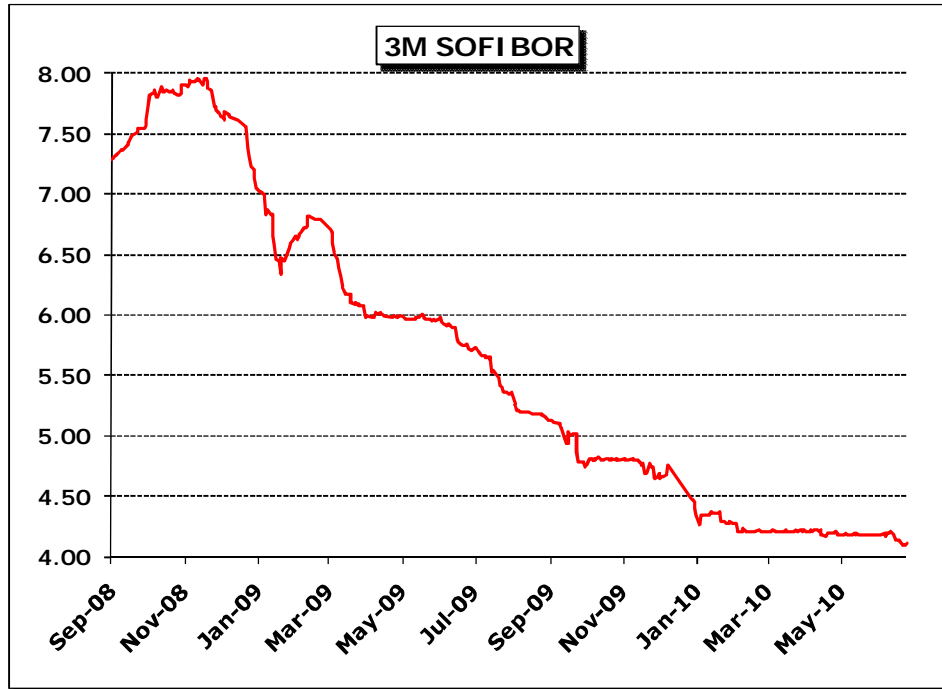
Upcoming Events

- **12 July 2010:** On Monday the GMS of Bulgarian Telecommunication Company (5BT) will vote not to pay dividends for 2009. If the shareholders voted positive on the proposal, it will be the first time since 2004 that the company won't pay dividends.
- **12 July 2010:** The National Statistic Institute will announce the Trade balance for May 2010.
- **12 July 2010:** The National Statistic Institute will announce inflation data for June.
- **15 July 2010:** Bulgarian National Bank will announce Foreign Direct Investments for May.
- A lot of GMSs will be lead during the week.

Macro-economy

- By the preliminary data of the National Statistic Institute, the total construction production in May 2010 was 16.6% less than the same month of the previous year. A drop by 25.2% was registered in the production of building construction, while in the civil engineering production the decrease was 0.4%.
- According to the preliminary data the trade turnover in May 2010 fell by 12.4% in comparison with the same month of the previous year
- The preliminary data showed that the Industrial Production Index increased by 0.4% in May 2010 as compared to the same month of 2009, as compared to the previous month the production fell by 0.9%. Industrial Turnover Index increased by 12.7% compared to May 2009, as compared to the previous month the turnover rose by 1.0%

Bond
Market



Source: Bloomberg

The absence of auctions for government securities put modest pressure on the downside to interbank interest rates. 3-month SOFIBOR remained at multiyear low, whereas CDS inched lower last week in accordance to the rising stock indices worldwide.

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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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