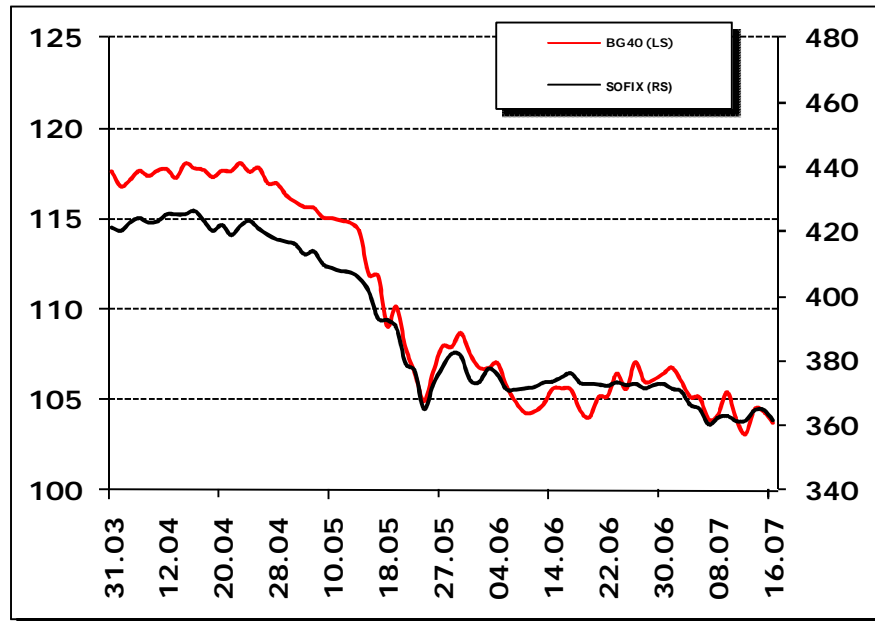
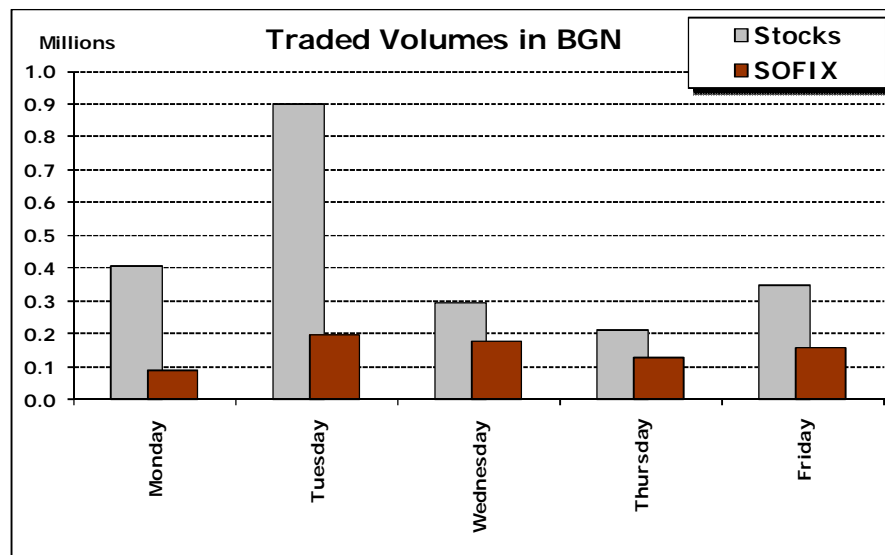


Market Trend



Nothing interesting happened on BSE during the week. The market volumes were set up mainly by block deals. Despite the low liquidity the market continues to decline. We don't expect significant movement of the market in short term as even the optimism abroad can't support BSE and to make investors to come back on the market. The usual pattern of small decline of prices in low volumes will continue to persist.

Trading Activity



The overall turnover continued to decrease during the week and almost hit the lowest volumes from the beginning of the year. Monbat (5MB) remained one of the most traded positions. The company's shares are supported by the consecutive buy-back procedure. Advance Equity Holding (6A8) set up half of the Tuesday's volumes with one deal at the beginning of the session. The investors' activity will remain thin in short term as the summer season is usually low liquid.

Stock	Last Price	Weekly Change	Bid	Ask
Albena	53.00	0.00%	52.50	54.00
Bulgarian-American Credit Bank	10.20	-1.90%	10.20	10.48
Central Cooperative Bank	1.16	1.04%	1.16	1.17
Chimimport	1.93	-0.16%	1.91	1.95
Corporate Commercial Bank	61.00	-3.94%	61.20	62.50
Elana Opportunity Land Fund	0.56	0.00%	0.56	0.59
Enemona	7.30	-3.57%	7.30	7.40
Eurohold Bulgaria	0.83	3.75%	0.83	0.84
First Investment Bank	1.85	-0.05%	1.86	1.88
Holding Roads	1.50	-3.16%	1.49	1.53
Industrial Holding Bulgaria	1.28	0.39%	1.32	1.36
Kaolin	3.60	-6.01%	3.57	3.60
Lead and Zink Complex	10.89	1.31%	10.70	10.89
M+S Hydraulic	4.75	-0.02%	4.62	4.71
Monbat	6.60	1.52%	6.46	6.60
Neochim	24.64	6.57%	24.80	24.94
Orgachim	85.65	-0.41%	85.65	86.15
Sopharma	3.77	0.53%	3.75	3.77
Sparky Eltos	1.59	4.20%	1.46	1.59
Trace Group Hold	41.60	-8.47%	41.56	42.50

Most of the SOFIX's components declined during the week pressured mainly by the low liquidity rather than any news or selling pressure. Eurohold Bulgaria (4EH) managed to erase part of the losses but is still below the key level of BGN 1.00. Central Cooperative Bank (4CF) outperformed the banking sector. The shareholders of Enemona (E4A) voted BGN 0.13 gross dividend per share (BGN 0.12 net dividend) on the GMS led on July 13. 15% of 2009 net profit will be allocate as dividends and the rest will be set as reserves. Right of dividend will have all shareholders, registered in the Central Depository by July 26.

News

- 13 July 2010:** The Board of Directors of the Exchange has adopted at its meeting held on July 12, 2010 new rules for calculation of the BSE-Sofia indices, replacing the existing ones. The number of the issues forming the SOFIX and BG REIT index is fixed to 15 respectively 7 as the companies' ranking will be based on the market value of their free-float and as concerns the BG REIT index, on their turnover as well. The free-float requirement for the SOFIX and BG REIT index is increased to 25% as the respective values should be gradually achieved until September 2011. The influence of companies within one economic group is limited for the separate indices.
 The amended rules have come into force on July 13, 2010 as the first periodic review of the indices will be made at the first attendance meeting of the Board as of September 02, 2010.
- 13 July 2010:** General Meeting of Shareholders of Enemona (E4A) dated July 12, 2010 decided to allocate gross dividend per share: BGN 0.13. The dividend payout starting date is August 27, 2010.
- 14 July 2010:** Alcomet (6AM) with a view to improve the production quality will increase the capacity by 30-35% and will expand the manufactured product-range by implementing the following investment plans:
 - Modernisation of the continuous casting line for manufacture of coils
 - Construction of a new continuous casting line for manufacture of coils
 - Installation of a new universal mill for rolling strips and foil

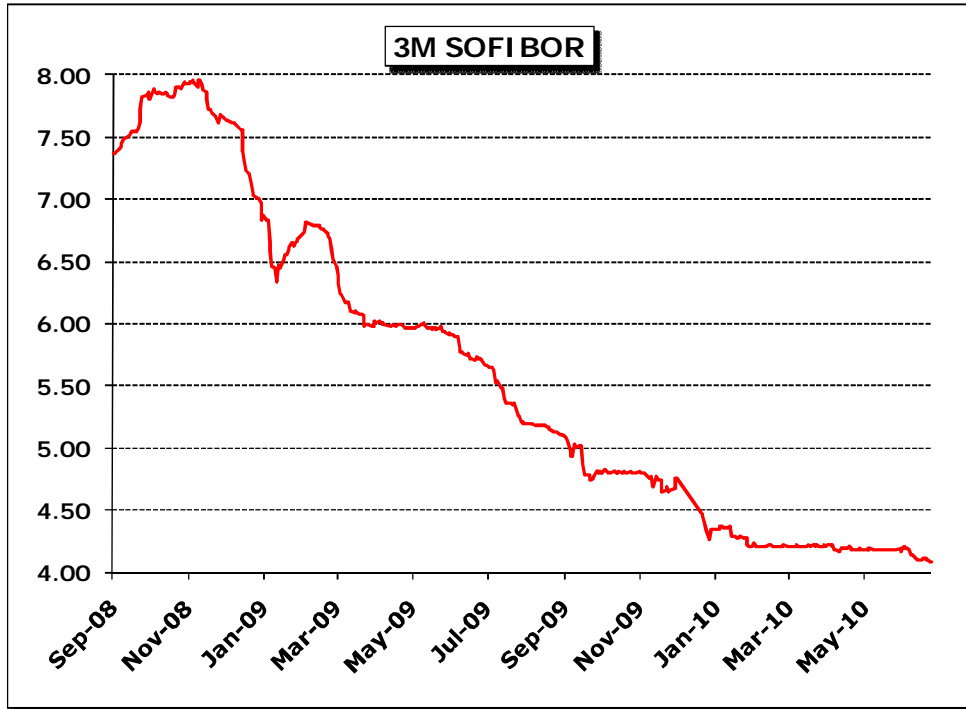
Upcoming Events

- 21 July 2010: Bulgarian National Bank will announce the international reserves and the liquidity in currency as of June, 30.
- 23 July 2010: Bulgarian National Bank will announce the credit portfolio of the banking system and the GDP for May, 2010.
- 23 July 2010: Monbat will lead a GMS.

Macro-economy

- The National Statistic Institute (NSI) announced 0.9% deflation for June on monthly basis. On yearly basis, the inflation is 1.4%. The food prices declined in June by 2.7% on monthly basis. The harmonized index of consumer prices in June 2010 compared to May 2010 was 99.6%, i.e. the monthly inflation was -0.4%.
- The NSI also posted the Trade balance for May. The export continued to increase and reached BGN 10.55 billion for the period January – May 2010 or is 22% above the same period last year. The import declined to BGN 13 billion for the first five months of the year.

Bond Market



Source: Bloomberg

Interbank interest rates were close to the key level of 4%, which is multi-year low and is clear sign for the absence of liquidity problems of Bulgarian banks. However, the non-performing loans will continue to weight negatively on banks.

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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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