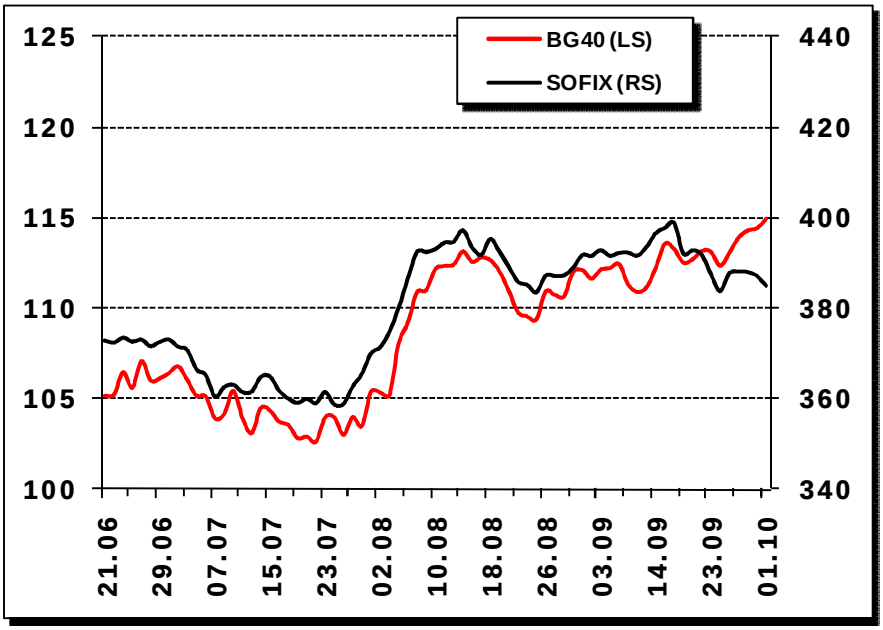
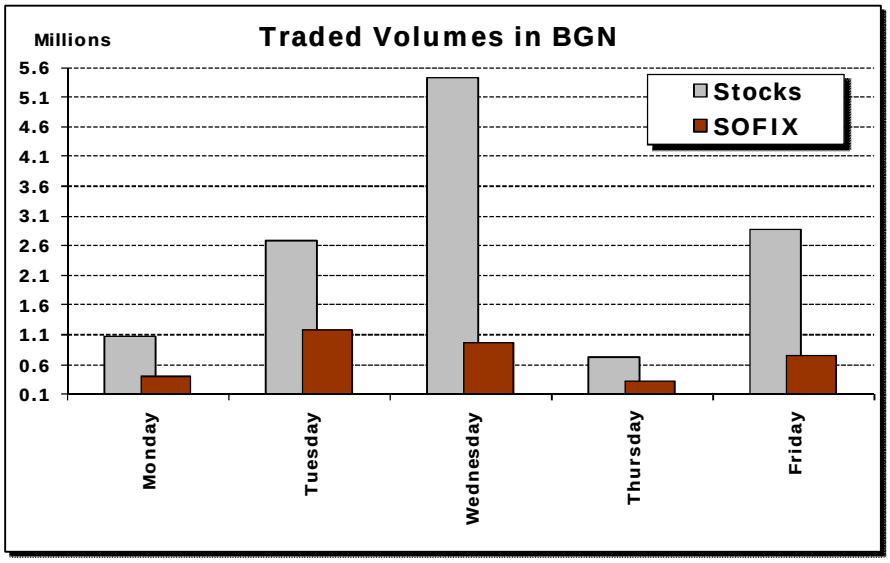
Market Trend



The week end flat for SOFIX and with 2.30% increase for BG40. The price-weighted index added the same percent for the entire September with the support of its components, whereas the main market indicator lost 1.73%. The indices were restructured during the month, which influenced their performance.
October probably will begin without significant movement. Until the end of the month should be place the non-consolidated 3Q 2010 financial reports. The touristic companies and the export-oriented businesses will attract the attention.

Trading Activity



Institutional investors remained the leading market's participants during the month. The block deals formed the largest part of the turnover. On Wednesday, 22.5% of the capital of the low-liquid Kauchuk (4KU), part of Chimimport's structure, were transferred. Among stocks in focus Corporate Commercial Bank (6C9) and Sopharma (3JR) hold the investor's attention. The institutional interest will have short-live effect on the market's activity.

SOFIX

Stock	Last Price	Weekly Change	Bid	Ask
Advance Terrafund REIT	1.17	2.37%	1.14	1.17
Albena	69.00	0.00%	65.00	68.00
Bulgarian-American Credit Bank	10.30	-0.48%	10.30	11.00
Central Cooperative Bank	1.15	-1.20%	1.15	1.17
Chimimport	2.55	-1.96%	2.53	2.55
Doverie United Holding	3.42	5.08%	3.28	3.48
Enemona	7.43	1.78%	7.24	7.40
Eurohold Bulgaria	0.90	1.81%	0.90	0.91
First Investment Bank	1.91	-1.04%	1.90	1.91
Industrial Holding Bulgaria	1.33	-1.91%	1.30	1.33
Kaolin	4.70	6.77%	4.43	4.70
Monbat	6.45	-0.31%	6.35	6.45
Sopharma	3.93	0.26%	3.92	3.94
Stara Planina Hold	2.78	5.70%	2.70	2.79
Zyrneni Hrani Bulgaria	0.63	-6.24%	0.63	0.64

Kaolin (6K1) outperformed the main index's components along with Doverie United Holding (5DOV). The banking sector closed on the downside in moderate volumes. Albena (6AB) closed flat but probably the company will receive support in short-term as the 3Q is seasonally the strongest for its business.

News

- **27 September 2010: On September 27, 2010 in Sofia, Bulgarian Stock Exchange-Sofia and Macedonian Stock Exchange signed an Agreement on exchange of stock market information.**
- **29 September 2010: On September 29, 2010, on the Unofficial Market of BSE-Sofia have been transferred 3 123 623 shares of Etropal, owned by Eurohold Bulgaria (4EH), totalling EUR 6.5 million or EUR 2.08 per share. The package represents 62.5% of Etropal capital and is part of the already announced sale transactions of businesses from Eurohold production portfolio. After the transactions, Eurohold Bulgaria will consolidate only its core businesses: EuroIns Insurance Group, Euro Lease Group, Auto Union Group, Euro Finance and EuroHold Imoti, which is the entity owning part of the showrooms of car dealerships.**
- **29 September 2010: On September 16 2010, Trace Burgas and Municipality of Burgas signed an agreement for the implementation of the project "Development of spaces of public significance".**
- **30 September 2010: In September 2010, Monbat (5MB) has bought back 23 943 company's shares at the average price of BGN 6.51 per share. By September 30 2010, the total number of own shares held by the company is 1 520 612 shares at the average price of BGN 6.13 per share.**

Upcoming Events

There are no major corporate news announced.

Macro-economy

- **The production of solid fuels in July 2010 on yearly basis increased by 4.1%, unleaded motor gasoline by 2.3%, electricity by 11.2%, and natural gas by 26.4%.**
- **Producer Price Index on Domestic Market in August 2010 rose by 0.7% comparing to the previous month, while compared to the same month of 2009 the domestic prices grew by 10%.**
- **According to preliminary data the foreign direct investments in non-financial sector as of December 31 2009 amounted to 20 438.5 million euro or by 6.5% more as compared to 2008.**
- **According to the preliminary data of the National Statistical Institute the Value added, generated by non financial enterprises, in 2009 was nearly BGN 34 315 million, where the highest share have the Industry and Transport, communication and services.**

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Valuation Methods: Company valuations are based on the following methods: multiple-based (P/E, P/B, EV/EBITDA), historical valuation approaches, peer comparisons, discount models (DCF, DDM) or asset-based evaluation methods. Valuation models are dependent on macroeconomic factors, including interest rates, foreign exchange rates, prices of raw materials, and any expectations about the economy, the market sentiment. The valuation is based on expectations that might change rapidly and without notice, depending on developments specific to individual industries and countries. Recommendations and target prices derived from the models might therefore change accordingly. The application of models depends on forecasts of a range of economic variables, thus there is a range of reasonable variations within models. Any valuation is dependent upon inputs that are based on the subjective opinion of the analysts carrying out this valuation.
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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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