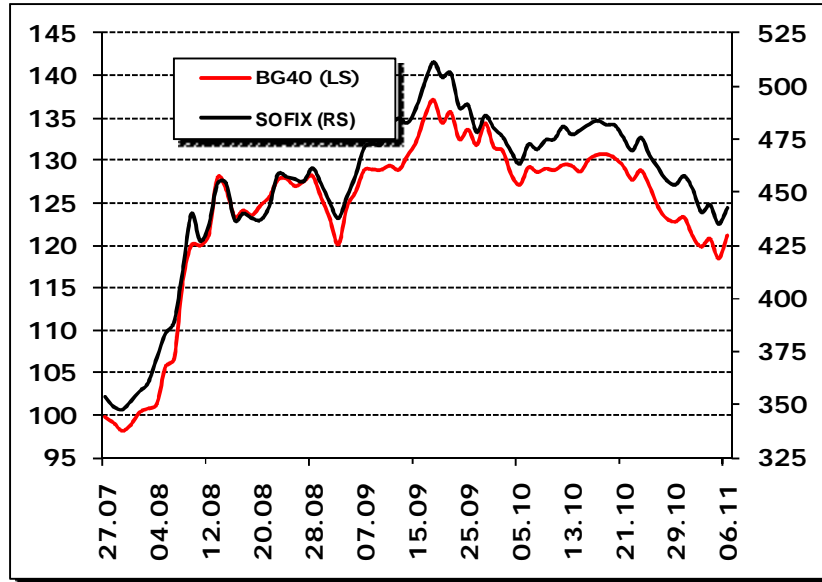
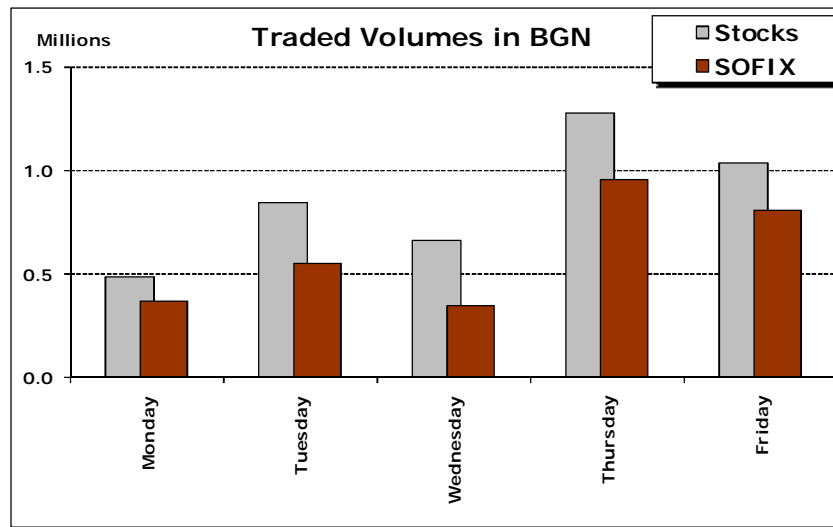


Market Trend



The Bulgarian stock market posted modest recovery during the last session of the week. However, the weekly decline exceeded 3.3% and SOFIX was among the worst performing indices in Eastern Europe. The correction continued despite the bounce of international markets from their recent lows. Industrials and financials were under pressure. The market ignored the positives signs for improved profit margins from many blue chips.

Trading Activity



Increased volumes marked the most volatile sessions at the end of the week. The sell-off on Thursday extended mainly to liquid positions at market prices. Although the daily volumes are very low as compared to the average for the last two years, any pick-up in the activity is able to move the stock prices with high single-digit percentages.

SOFIX

Stock	Last Price	Weekly Change	Bid	Ask
Albena	39.85	-0.37%	38.40	39.90
Bulgarian-American Credit Bank	17.77	-2.36%	17.41	17.55
Central Cooperative Bank	1.41	-5.87%	1.40	1.41
Chimimport	2.511	-0.75%	2.51	2.51
Corporate Commercial Bank	59.996	-0.01%	58.50	60.00
Elana Opportunity Land Fund	.76	-6.17%	0.77	0.85
Enemona	10	-3.38%	9.91	10.00
Eurohold Bulgaria	1.429	-4.29%	1.43	1.44
First Investment Bank	2.63	-7.10%	2.63	2.65
Holding Roads	2.65	-8.62%	2.61	2.64
Industrial Holding Bulgaria	1.884	-4.85%	1.81	1.88
Kaolin	5.899	-1.72%	5.86	5.90
Lead and Zink Complex	14.2	-7.18%	14.20	14.20
M+S Hydraulic	5.7	-1.72%	5.20	5.75
Monbat	6.7	-4.96%	6.61	6.71
Neochim	30	-6.25%	30.50	31.90
Orgachim	85	-4.50%	85.01	92.90
Sopharma	4.038	-0.32%	3.95	4.03
Sparky Eltos	1.92	-5.19%	1.85	1.94
Trace Group Hold	70.003	-4.11%	70.00	72.00

All components of SOFIX closed the week on the downside. The earnings reports had little impact on stock prices. Most blue chips posted profits for the nine months and we have to emphasize that the cost-cutting measures managed to improve the profit margins. Some industrials posted lower-than-expected decline of revenues, whereas public listed banks had insignificant impairments as compared to the average for the sectors. This raised the suspicion of the market as bad loans are increasing and will continue to undermine the performance of the banks.

Kaolin (6K1) declined less than two percent and remained among the less affected stocks from the recent correction. The company is planning to sell its subsidiary Solarpro to its majority owner. The news had no effect on the stock price.

News

- **2 November 2009:** The buy-back procedure of Monbat (5MB) decelerated again on October. The car batteries producer bought 2 274 shares at average price of BGN 7.23. The company treasury stocks were 1 027 363 at average price of BGN 6.01.
- **5 November 2009:** Sopharma (3JR) announced 18% increase of revenues for October as compared to the same month of 2008. The domestic market is rising by 5%. Sales increased 8% since the beginning of 2010.

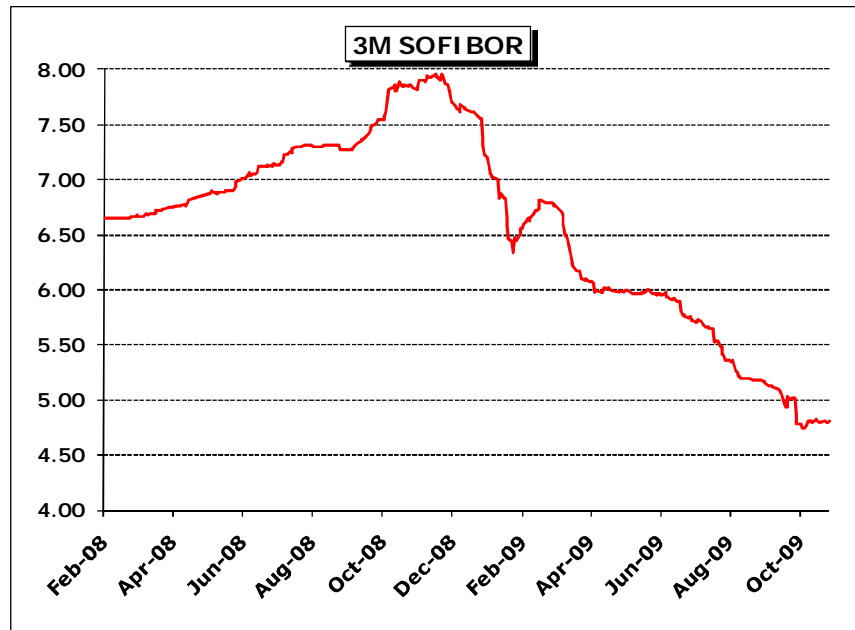
Upcoming Events

- No major events this week

Macro-economy

- In October 2009 the value of the total consumer confidence indicator decreases by 5.9 percentage points in comparison with July and is almost equal to the level from 6 months ago, according to the National Statistic Institute. The decrease is due to the reduced confidence of both the rural and the urban population - respectively by 7.3 and 5.2 percentage points.
- The August trade deficit decreased to the lowest monthly value since the beginning of 2005. The import decreased faster than the export.

Bond Market



Source: Bloomberg

The 3-month SOFIBOR remained stable last week to its lowest levels for the last several years. However, the long-term rates are elevated as banks need to finance their loans to companies and individuals.

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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.

For more information about the current recommendations, please visit ELANA Trading web page: http://www.elana.net/analysis/reports/bul_f_pazar_7/LIST_Recommendations.pdf

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