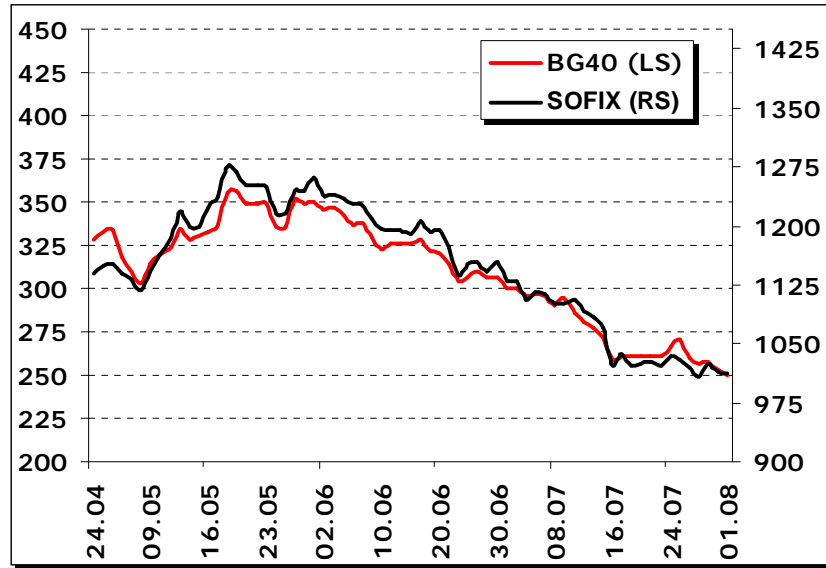
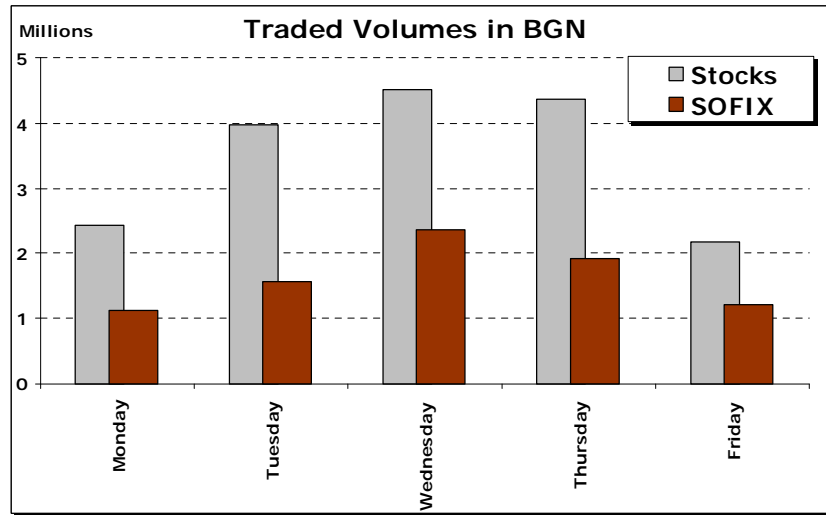


Market Trend



The market returned on the negative territory last week. BG40 was the worst performer as Orgachim (5ORG) was under persistent selling pressure. The paint producer slumped to BGN 153.00 on Friday's session. 1H 2008 reports were placed and influenced the trading of the positions but in small rate. Several negative surprises like Lead & Zinc Complex (5OTZ) and Central Cooperative Bank (4CF) pushed down the total market. However, generally we saw a tendency for improved sales during the quarter but accompanied with the increased cost pressure from fuel costs and higher salaries. The second quarter is better than the previous but the pressured profit margins are the main reason for the muted market reaction.

Trading Activity



Investors' lethargy continued to predominate on the market and sell orders even for moderate volumes pushed down the prices. After the rapid sell-offs on Wednesday and Thursday investors saw good bargains. Speculators were still predominating on the market but institutional investors also put some money on the market.

SOFIX

Stock	Last Price	Weekly Change	Bid	Ask
Albena	62.653	-3.73%	60.30	64.90
Bulgarian-American Credit Bank	60.74	-1.14%	60.00	61.00
Central Cooperative Bank	3.595	-10.42%	3.50	3.69
Chimimport	7.874	-0.35%	7.85	7.95
Corporate Commercial Bank	91.929	0.12%	90.30	91.50
Elana Opportunity Land Fund	2	-4.85%	1.95	2.05
Euro Ins	6.897	-6.73%	6.81	6.99
First Investment Bank	5.762	-8.55%	5.75	5.80
Holding Roads	15.915	3.20%	16.00	16.30
Industrial Holding Bulgaria	5.999	1.01%	5.98	6.05
Kaolin	7.454	-11.53%	7.41	7.50
Lead and Zink Complex	29.87	-13.42%	29.00	30.00
M+S Hydraulic	6.784	-3.77%	6.52	6.70
Monbat	10.774	-2.13%	10.55	10.93
Neochim	74.781	8.95%	74.11	75.00
Orgachim	168.128	-20.83%	167.00	179.80
Sopharma	4.668	1.79%	4.48	4.90
Sparky Eltos	8.067	-9.19%	7.70	8.04
Toplivo	15.138	-7.39%	14.71	15.25

Neochim (3NB) outperformed the market on a background of overall weakness. The fertilizer producer announced solidly improved net profit on yearly basis. Sales increased by 40.5% y-o-y. Trailing P/E of 5 is far below the market average as well as P/S of 0.74. The company managed to sustain higher price levels during the entire week. Corporate Commercial Bank (6C9) was the only gainer among the banking shares.

News

- **25 July 2008:** In June, 2008 Monbat (5MB) has realized sales to the amount of BGN 10.4 m, which represents a growth of 10.97% y-o-y. The net profit for June improved by 16.27% y-o-y. The summarized data for 1H 2008 showed sales of BGN 93.5 m or 83.33% growth on yearly basis and net profit growth of 124.8%. The financial results exceeded management's prognosis. The Management Board prolonged the terms for start of the new factories in Serbia and Romania, and the modernization of the recycling factory in Montana.
- **25 July 2008:** During the second quarter of 2008 Kaolin (6K1) realised sales growth of 12% as compared to the same period last year. On quarterly basis the revenues increased by 56%. The profit for the first half of the year amounted BGN 5.45 m.
- **29 July 2008:** The General Meeting of Shareholders of Bulgarian Holding Company (5BA) failed to take place on July 28, 2008. It will be held on August 18, 2008 at the same place under the same agenda. The voting right will be entitled to all shareholders registered in the Central Depository by August 04, 2008.
- **29 July 2008:** Synergon Holding (6S7) announced a concluded contract of deposit between Synergon Holding and its subsidiary Petar Karaminchev (4PN). The deposit amount is up to EUR 11.8 m for a period of two years. The interest rate is 7% p.a.
- **31 July 2008:** Monbat (5MB) will begin the repurchase of up to 0.295% from the capital on August, 01. The minimum price is settled at BGN 10.10 and the maximum is BGN 15.042. The buy-back period is 180 days.

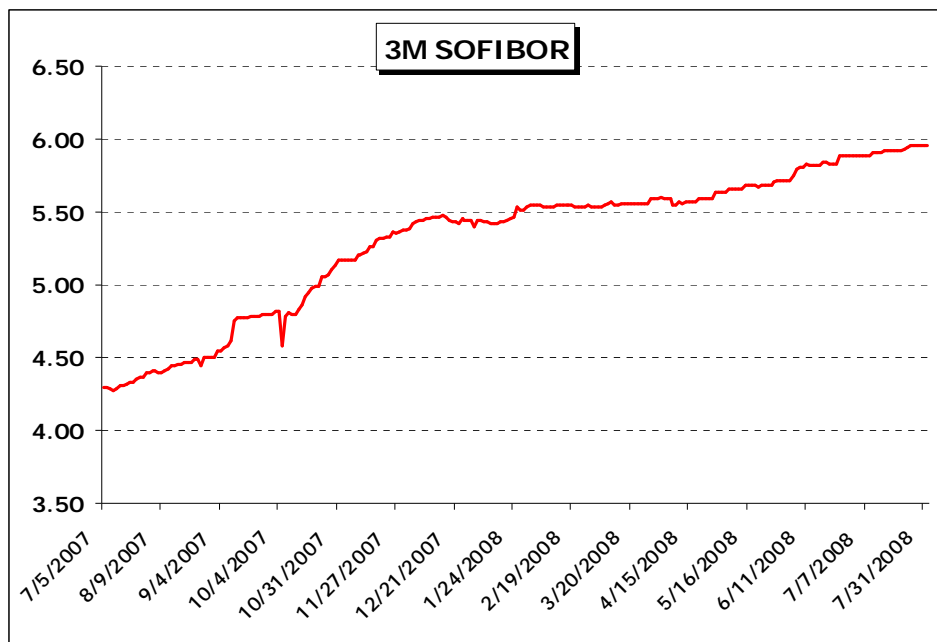
**Upcoming Events**

- **04 August 2008:** The GMS of Paldin Holding (56P) will be hold today. The shareholders will vote for BGN 0.16 gross dividend per share.
- **05 August 2008:** The ex-dividend date for Real Estate Bulgaria REIT (5BU). The fund allocates BGN 0.025 gross dividend per share, or BGN 0.0238 net dividend.
- **05 August 2008:** BenchMark Properties REIT (6BMA) starts paying dividend of BGN 0.40 on Tuesday.
- **06 August 2008:** Shares from the recent capital of Monbat (5MB), EMKA (EMKA) and Black Sea Investment REIT.

**Macro-economy**

No major news this week

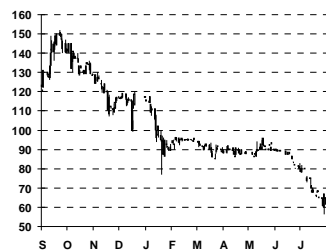
**Bonds**



The interbank rates remained at elevated levels but the bond market was under more severe pressure. The yields on 10-year government bonds reached 6% and the whole curve moved higher.

**WEEKLY HIGHLIGHTS**

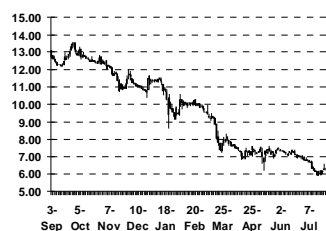
**ALBENA /6AB/**



**CENTRAL COOPERATIVE BANK /4CF/**



**FIRST INVESTMENT BANK /5F4/**



**ORGACHIM /5ORG/**



**TOPLIVO /3TV/**



FINANCIAL SECTOR		Daily Average Price	Previous Close	Volume	Market Capitalization	Valuation Ratios (ttm)	
Company	Ticker					P/E	P/B
First Investment Bank	5F4	5.762	5.86	23561	633 820 000	11.57	1.81
Bulgarian American Credit Bank	5BN	60.74	60.59	2426	766 825 797	12.91	4.57
CB Economic & Investment Bank	5EC	110.34	110.34	0	769 296 659	21.34	3.77
Central Cooperative Bank	4CF	3.595	3.6	16993	298 942 556	16.74	0.99
Corporate Commercial Bank	6C9	91.929	91.999	3515	551 574 000	16.98	2.93
DZI Insurance & Reinsurance	6D5	122.5	122.5	0.00	472 850 000	n/a	1.62
Bulstrad Insurance & Reinsurance	4BI	163.156	169	289	322 069 944	327.31	7.12
Insurance Company Euro Ins	5IC	6.897	6.9	7956	68 969 945	14.69	3.29
Chimimport	6C4	7.874	7.91	19737	1 181 099 874	9.11	1.79
Eurohold Bulgaria	4EH	4.605	4.698	15427	287 801 614	2.36	1.42

INDUSTRIAL SECTOR		Daily Average Price	Previous Close	Volume	Market Capitalization	Valuation Ratios (ttm)	
Company	Ticker					P/E	P/B
Monbat	5MB	10.774	10.73	13270	420 186 000	17.77	4.31
Bulgarian River Shipping	5BR	4.079	4.19	793	118 122 435	33.53	3.06
Synergon Holding	6S7	6.63	6.78	117	121 719 169	10.4	0.39
Industrial Holding Bulgaria	4ID	5.999	6.235	2752	262 496 641	20.57	6.00
Stara Planina Hold	5SR	4.413	4.3	2573	92 673 000	10.33	1.72
Odessos	5ODE	239.509	240	26	140 506 039	15.67	2.62
M+S Hydraulic	5MH	6.784	7	650	88 316 826	18.36	2.51
Albena Holding	5ALB	9.99	9.99	0	54 945 000	5.18	0.36
Mostroy	5MY	19.793	19.507	145	22 068 007	2.96	1.72
Doverie United Holding	5DOV	5.277	5.3	1484	69 391 748	6.17	0.54
Emka	57E	4.7	4.7	0	25 269 287	10.98	1.40
Hydraulic Elements & Systems	4HE	17.313	18.2	655	52 498 071	18.68	2.32

BASIC MATERIALS SECTOR		Daily Average Price	Previous Close	Volume	Market Capitalization	Valuation Ratios (ttm)	
Company	Ticker					P/E	P/B
Druzha Staklarski Zavodi	4DR	n/a	11	0.00	73 585 182	2.62	0.43
Lead and Zink Complex	5OTZ	29.87	29.9	723	251 307 063	175.37	3.62
Kaolin	6K1	7.454	7.999	3500	186 350 000	10.28	1.61
Kremikovtzi	4KW	1.954	1.65	1551	36 183 283	n/a	n/a
Alcomet	6AM	5.308	5.5	140	95 294 306	53.57	1.38
Svilosa	3MZ	3	3.299	50	95 264 832	n/a	1.95
Orgachim	5ORG	168.128	176	283	84 537 280	46.4	1.16
Neochim	3NB	74.781	73.888	970	198 495 546	5.7	1.70
Biovet	53B	n/a	8.899	0.00	60 365 281	1257.61	1.04
Fazerles	4F6	138	136	5	71 070 000	12.02	3.44
Polimeri	51P	3.511	3.5	826	18 694 365	n/a	0.09
Kauchuk	4KU	37.446	36.5	115	35 277 540	51.13	1.52

CYCLICAL CONSUMER SECTOR		Daily Average Price	Previous Close	Volume	Market Capitalization	Valuation Ratios (ttm)	
Company	Ticker					P/E	P/B
Albena	6AB	62.653	67	245	267 724 163	12	0.94
Toplivo	3TV	15.138	15.202	719	81 999 957	14.46	0.61
Zlatni Pyasatsi	3ZL	n/a	8.5	0	55 195 405	n/a	0.57
Katex	5KTE	n/a	6.365	0	15 553 769	1.07	0.20
Slanchev Bryag	3JL	n/a	10.99	0	21 516 310	n/a	0.24
Pamporovo	4PN	2.953	2.7	75	11 837 100	n/a	0.52
SS Konstantine And Elena Holding	3NJ	23.609	20	54	54 526 426	26.89	2.71

ENERGY SECTOR		Daily Average Price	Previous Close	Volume	Market Capitalization	Valuation Ratios (ttm)	
Company	Ticker					P/E	P/B
Petrol	5PET	n/a	10.149	0	1 108 774 312	n/a	11.60
Oil & Gas Exploration & Production	4O1	6.935	7	224	84 801 610	13.43	1.74

OTHER		Daily Average Price	Previous Close	Volume	Market Capitalization	Valuation Ratios (ttm)	
Company	Ticker					P/E	P/B
Bulgarian Telecommunication Company	5BT	n/a	8.005	0.00	3 392 986 870	26.11	2.84
Sopharma	3JR	7.13	7.12	12700	941 160 000	33.2	4.81
Blagoevgrad BT	55B	73.577	79.999	65	154 076 708	10.43	0.80

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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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