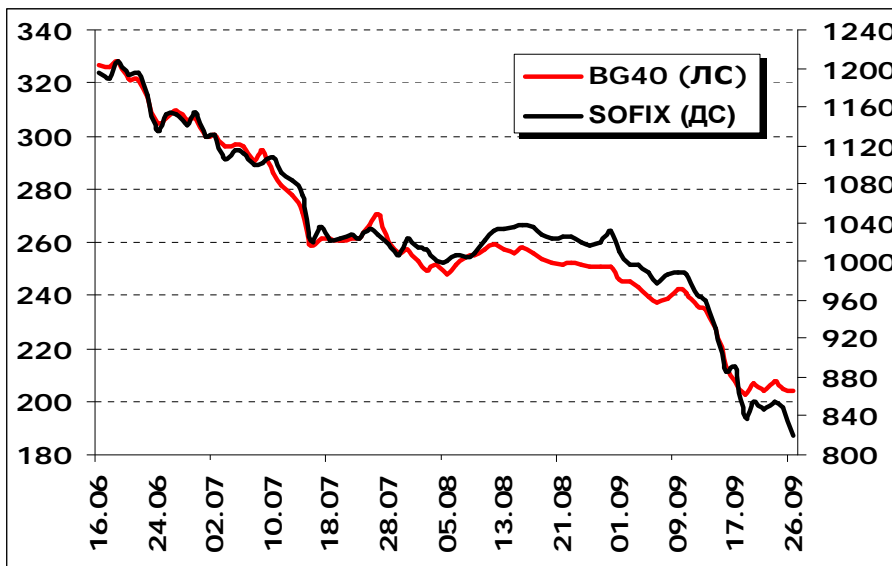
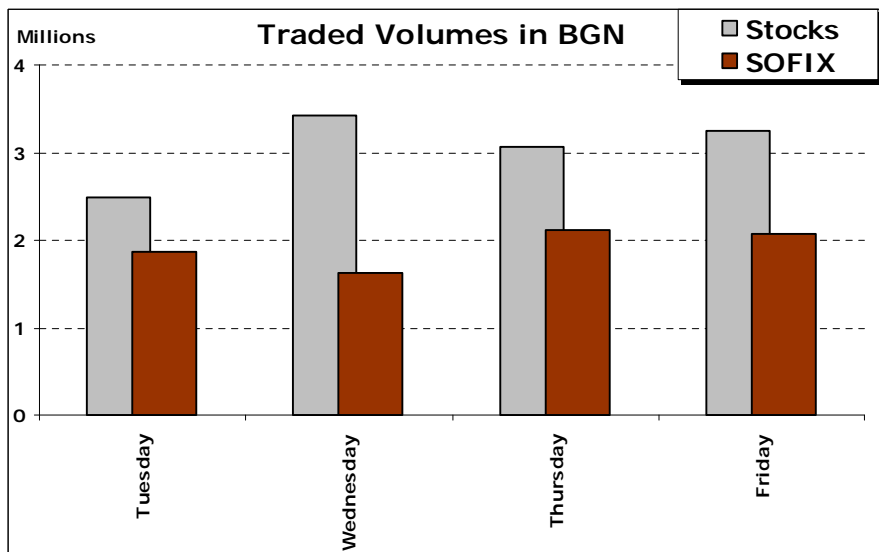


Market Trend



BSE closed the week on the downside despite the positive bias on Wednesday. The recent losses of international markets put additional pressure and indices returned to the last week lows. Most blue-chips erased some of their previous losses on Wednesday's session and managed to close in the green but the enthusiasm was unsustainable and companies again turned in red till the end of the week. Orgachim (5ORG) continued to pressure BG40 as the paint producer finished almost 5% down on weekly basis. The week was thin in corporate news.

Trading Activity



The volumes remained low as well as the number of deals. The overall trading activity remained subdued and the buying orders were almost missing. Bid orders are very scarce as speculators have been swept away from the last sell-off and institutional buyers are waiting for larger packages at better price levels. Zarneni Hrani Bulgaria (T43) remained among the most traded position by number of deals during the week.

SOFIX

Stock	Last Price	Weekly Change	Bid	Ask
Albena	55.001	-5.78%	54.10	55.00
Bulgarian-American Credit Bank	40.425	-20.38%	40.00	43.00
Central Cooperative Bank	2.931	-2.20%	2.90	3.03
Chimimport	5.83	-4.27%	5.72	5.75
Corporate Commercial Bank	87.5	-1.64%	86.00	88.00
Elana Opportunity Land Fund	1.6	-5.88%	1.60	1.65
Enemona	14.202	-7.82%	14.05	14.20
Euro Ins	4.541	-10.47%	4.13	4.77
First Investment Bank	5.345	-2.46%	5.33	5.40
Holding Roads	14.996	5.09%	14.90	15.25
Industrial Holding Bulgaria	5.301	-5.79%	5.27	5.36
Kaolin	5.571	-4.20%	5.55	5.65
Lead and Zink Complex	22.239	-1.36%	22.49	22.50
M+S Hydraulic	7.65	16.46%	7.25	7.80
Monbat	9.672	-3.36%	9.52	9.88
Neochim	77.6	-1.84%	77.60	78.90
Orgachim	129.459	-4.97%	130.00	132.00
Sopharma	2.976	-4.09%	2.94	3.00
Sparky Eltos	6.102	-1.23%	6.01	6.25
Toplivo	14.124	0.89%	13.80	14.00

Bulgarian American Credit Bank (5BN) was the most damaged position in SOFIX during the week. The bank was subject of persistent sell orders and the thin buy offers couldn't provide support. On the other side was M+S Hydraulic (5MH). The small cap company added 16.5% on weekly basis under strengthen buying interest. 5MH announced BGN 3.5 m net profit for the 1H, which is 18.3% up y-o-y. The sales also increased but in small rate – 13%. Monbat (5MB) placed its financial results for August but the increased results didn't support the price and the position closed below BGN 10.00. The fertilizer producer Neochim (3NB) fall below the threshold of BGN 80.00 in moderate volumes, probably due to the forthcoming voting of increasing of natural gas price.

News

- **23 September 2008:** BSE has received an application for listing the issue of Railway Infrastructure Holding Company. The new emission will be traded under the ticker RA8.
- **23 September 2008:** Sigma Consulting made a tender offer to the shareholders of Cigarette Factory Plovdiv (4CV) for redemption of 235 437 shares at the price of BGN 36.60 per share.
- **23 September 2008:** At the extraordinary GMS of Bulgarian Telecommunication Company (5BT), held on September 23, 2008 have been taken the decision for establishment of one or more wholly-owned subsidiaries of BTC and for transfer of real estate with a total market value of EUR 281.5 m from BTC by non-monetary contributions in the capital of the newly established wholly-owned companies.
- **24 September 2008:** Sparky (SPV) will be granted a class A investment certificate at an official ceremony at the Ministry of Economy and Energy on September 25, 2008. SPV is going to modernise its production and will invest BGN 50 m in the coming three years for installing new production facilities.
- **24 September 2008:** Trace Group Hold (T57) announced that is going to establish a new company in Russia. The newly established company is going to take part in infrastructural projects for the winter Olympics.
- **25 September 2008:** Monbat (5MB) announced its monthly financial results.
- **26 September 2008:** As of September 30, 2008, First Investment Bank (5F4) shares will be transferred from the Unofficial Market of Equities, "A" Segment to the Official Market of Equities, "B" Segment of BSE.

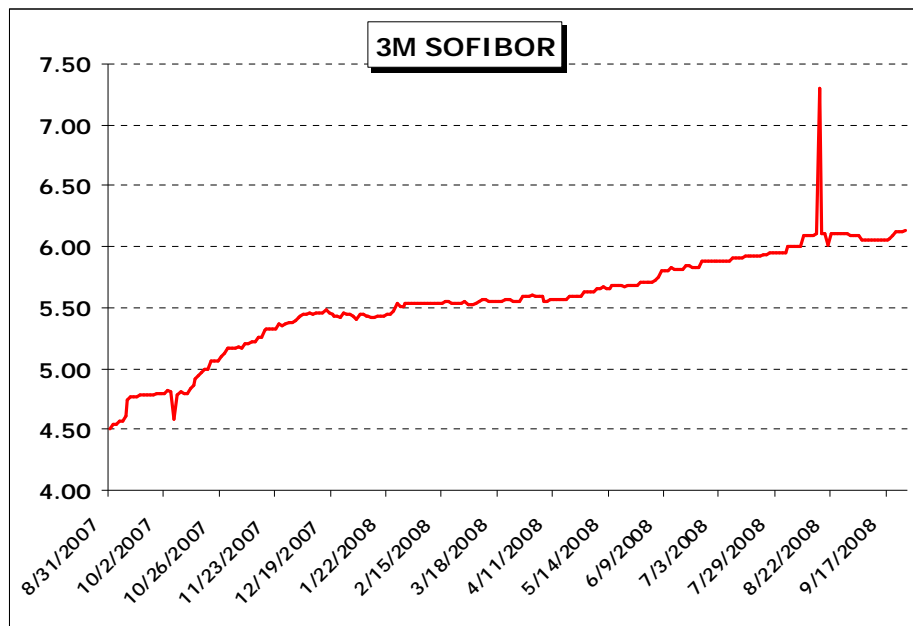
Upcoming Events

- **30 September 2008:** Shares of the capital increase of small-cap Momina Krepost will be lead in for trading on the stock exchange. Shares from the last capital increases of two small REITs will also trade for the first time on Tuesday.
- **2 October 2008:** Thursday is the last trading date for the rights of the second convertible bond issue of Industrial Holding Bulgaria. The issue has 8% fixed coupon and three years to maturity. The total value is BGN 21.878 million.
- **27 September 2008:**

Macro-economy

- Bulgaria's government debt at the end of August 2008 was EUR 4 767.8 m, including internal government debt of EUR 1 541 m and external government debt of EUR 3 226.8 m Finance Ministry announced. The government debt increased by EUR 62.6 m from the previous month in nominal terms. The increase is due mainly to the exchange rate fluctuations. The government guaranteed debt in August was EUR 586.7 m. The increase is due mainly to incoming tranches and exchange rate fluctuations.
- Bulgarian National Bank announced that the profit of the banking system in Bulgaria was BGN 3.367 billion for the past five years (2003 - 2007). Nearly 34% of the profit was accrued in 2007 (BGN 1.143 billion). 2006 and 2005 made respectively 24% and 17%.

Bonds



The money market in Bulgaria remains too tight as interbank rates continued to drift higher. However, the lack of new government bond issues isn't pushing additional pressure on the money market.

WEEKLY HIGHLIGHTS

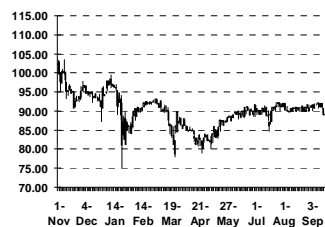
BULGARIAN AMERICAN CREDIT BANK /5BN/



CENTRAL COOPERATIVE BANK /4CF/



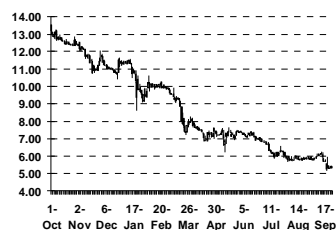
CORPORATE COMMERCIAL BANK /6C9/



EURO INS /5IC/



FIRST INVESTMENT BANK /5F4/



FINANCIAL SECTOR		Daily Average Price	Previous Close	Volume	Market Capitalization	Valuation Ratios (ttm)	
Company	Ticker					P/E	P/B
First Investment Bank	5F4	5.345	5.38	5577	587 950 000	10.73	1.68
Bulgarian American Credit Bank	5BN	40.425	47	8314	510 354 508	8.59	3.04
CB Economic & Investment Bank	5EC	110.34	110.34	0	769 296 659	21.34	3.77
Central Cooperative Bank	4CF	2.931	3.05	5875	243 727 575	13.65	0.81
Corporate Commercial Bank	6C9	87.5	88.95	3448	525 000 000	16.17	2.79
DZI Insurance & Reinsurance	6D5	188	188	0.00	725 680 000	n/a	2.49
Bulstrad Insurance & Reinsurance	4BI	101.998	104.9	4	201 344 052	204.62	4.45
Insurance Company Euro Ins	5IC	4.541	5	11909	45 409 964	14.62	2.15
Chimimport	6C4	5.83	5.86	27210	874 499 907	7.00	1.26
Eurohold Bulgaria	4EH	3.475	3.599	2790	217 179 285	1.85	1.07

INDUSTRIAL SECTOR		Daily Average Price	Previous Close	Volume	Market Capitalization	Valuation Ratios (ttm)	
Company	Ticker					P/E	P/B
Monbat	5MB	9.672	9.8	23255	377 208 000	14.87	3.81
Bulgarian River Shipping	5BR	3.65	3.5	60	105 699 164	20.67	2.48
Synergon Holding	6S7	4.629	4.75	878	84 983 112	9.05	0.28
Industrial Holding Bulgaria	4ID	5.301	5.26	68261	231 954 442	17.36	1.18
Stara Planina Hold	5SR	3.14	3.05	620	65 940 000	8.2	1.21
Odessos	5ODE	216.056	210	250	126 747 524	14.13	2.36
M+S Hydraulic	5MH	7.65	7.98	2000	99 590 760	20.7	2.83
Albena Holding	5ALB	7.953	7.62	50	43 741 500	4.33	0.28
Moststroy	5MY	15	15.4	15	16 724 100	2.24	1.30
Doverie United Holding	5DOV	5.646	5.7	2795	74 244 042	6.1	0.54
Emka	57E	3.301	3.4	61	35 495 283	15.42	1.96
Hydraulic Elements & Systems	4HE	14	14	0	42 452 088	15.1	1.87

BASIC MATERIALS SECTOR		Daily Average Price	Previous Close	Volume	Market Capitalization	Valuation Ratios (ttm)	
Company	Ticker					P/E	P/B
Druzha Staklarski Zavodi	4DR	7.5	7.5	44	50 171 715	1.79	0.29
Lead and Zink Complex	5OTZ	22.239	23.29	1655	187 104 713	130.57	2.69
Kaolin	6K1	5.571	5.6	31028	139 275 000	12.42	1.23
Kremikovtzi	4KW	2.124	2.05	3378	39 331 266	n/a	n/a
Alcomet	6AM	n/a	5.25	0.00	94 253 035	52.98	1.36
Svilosa	3MZ	2.706	2.46	70	85 928 878	n/a	1.76
Orgachim	5ORG	129.459	134	391	65 093 927	35.77	0.90
Neochim	3NB	77.6	76.301	5	205 978 181	5.78	1.76
Biovet	53B	n/a	7.5	0.00	50 875 335	231.25	0.88
Fazerles	4F6	93.604	95	8	48 206 060	8.15	2.33
Polimeri	51P	3.001	3	201900	15 978 864	n/a	0.07
Kauchuk	4KU	n/a	34.695	0	32 685 847	47.37	1.41

CYCLICAL CONSUMER SECTOR		Daily Average Price	Previous Close	Volume	Market Capitalization	Valuation Ratios (ttm)	
Company	Ticker					P/E	P/B
Albena	6AB	55.001	57.5	34	235 026 203	11	0.82
Toplivo	3TV	14.124	13.86	955	76 507 293	12.56	0.57
Zlatni Pyasatsi	3ZL	5.5	6	50	35 714 674	n/a	0.37
Katex	5KTE	4.701	5.35	201	11 487 552	0.79	0.15
Slanchev Bryag	3JL	10	10.841	480	19 578 080	n/a	0.22
Pamporovo	4PN	n/a	2.8	0	9 407 266	n/a	0.41
SS Konstantine And Elena Holding	3NJ	n/a	20.983	0	48 461 518	23.9	2.41

ENERGY SECTOR		Daily Average Price	Previous Close	Volume	Market Capitalization	Valuation Ratios (ttm)	
Company	Ticker					P/E	P/B
Petrol	5PET	8.21	8.3	100	896 939 315	3.99	3.49
Oil & Gas Exploration & Production	4O1	5.815	5.6	20	71 106 181	11.26	1.46

OTHER		Daily Average Price	Previous Close	Volume	Market Capitalization	Valuation Ratios (ttm)	
Company	Ticker					P/E	P/B
Bulgarian Telecommunication Company	5BT	n/a	5	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	55.342	57.948	26	154 076 708	10.43	0.80

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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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For more information, please contact:

Research analyst
Tsvetoslav Tsachev
Tamara Becheva

Phone:
+359 2 810 00 23
+359 2 810 07 23

E-mail:
tsachev@elana.net
becheva@elana.net

Internet:
www.elana.net
www.elana.net