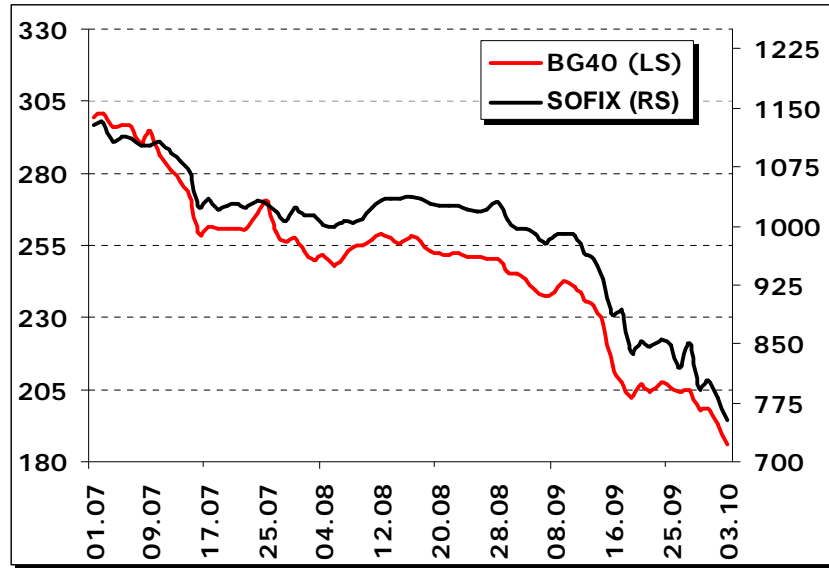
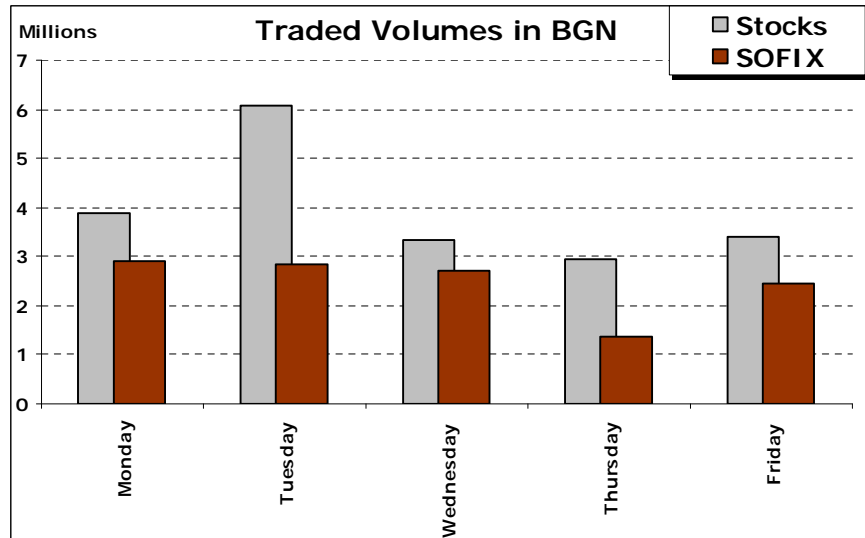


Market Trend



BSE began the week with gains but couldn't retain the direction and main indices closed with losses. The initial decline was driven by the international market's sell off but the panic obsessed Bulgarian investors and the fundamental support was not playing any role. On Tuesday was one of the worst sessions for BSE and indices fall below their recent low levels. Most investors found good bargains but placed their orders with discount as compared to the market price, which additionally pressured the market. We don't expect significant retrace from current price levels but the forthcoming 3Q financial reports could cause some price movements.

Trading Activity



The volumes stayed around the average for the last several weeks. Speculators remained active but we saw also some institutional investors' trading. The volatility was high and most shares were traded in the large spread between bid and ask offers. Zarneni Hrani Bulgaria (T43) remained among the most traded position by number of deals for consecutive week.

**SOFIX**

Stock	Last Price	Weekly Change	Bid	Ask
Albena	49.076	-10.77%	48.10	49.00
Bulgarian-American Credit Bank	37.25	-7.85%	39.25	39.47
Central Cooperative Bank	2.767	-5.60%	2.70	2.84
Chimimport	5.184	-11.08%	5.15	5.29
Corporate Commercial Bank	81.099	-7.32%	83.00	84.00
Elana Opportunity Land Fund	1.514	-5.38%	1.52	1.53
Enemona	13.472	-5.14%	13.50	13.64
Euro Ins	4.317	-4.93%	4.25	4.59
First Investment Bank	4.147	-22.41%	4.15	4.20
Holding Roads	13.971	-6.84%	13.30	13.90
Industrial Holding Bulgaria	4.871	-8.11%	4.75	4.98
Kaolin	4.978	-10.64%	4.90	4.96
Lead and Zink Complex	20.431	-8.13%	19.50	19.90
M+S Hydraulic	7.552	-1.28%	7.30	7.50
Monbat	8.3	-14.19%	8.22	8.23
Neochim	73.619	-5.13%	70.15	71.00
Orgachim	123.534	-4.58%	119.06	124.50
Sopharma	2.542	-14.58%	2.48	2.58
Sparky Eltos	5.511	-9.69%	5.30	5.50
Toplivo	12.44	-11.92%	11.65	13.00

The week wasn't good for SOFIX's components and all of them closed in the red. First Investment Bank (5F4) was most heavily damaged. The bank posted new low as the price fall to BGN 4.00 on Friday. The decline of the market will result to close of REPO deals, which will plunge the weakness.

**News**

- **29 September 2008:** Biovet (53B) signed an investment credit contract with CB Piraeus Bank Bulgaria.
- **30 September 2008:** The GMS of Yavor (3YR) decided to increase company's capital from BGN 112 537 to BGN 15 m through issuance of 14.9 new shares. The right to participate in the capital increase will have all shareholders registered in the Central Depository by October 14, 2008. Every shareholder will obtain 133 new shares for free.
- **01 October 2008:** For the last two weeks of September Monbat (5MB) bought back 80 800 own shares at average price of BGN 10.29. The company repurchased totally 196 180 own shares at average price of BGN 10.946 and the rest quantity from the second stage is 34 580 shares.
- **03 October 2008:** CB Economic & Investment Bank (5EC) has appointed an extraordinary GMS on 18 November, 2008 with main items in the agenda decision on the maximum amount of expected payments for the year 2008 in terms of dividends and change of the bank's name.
- **03 October 2008:** Sopharma (3JR) has appointed an extraordinary GMS on November 20, 2008 with main items in the agenda election of an Audit Committee of the company and determination of a mandate of the Audit Committee. In the absence of a quorum, the GMS will be held on December 04, 2008.

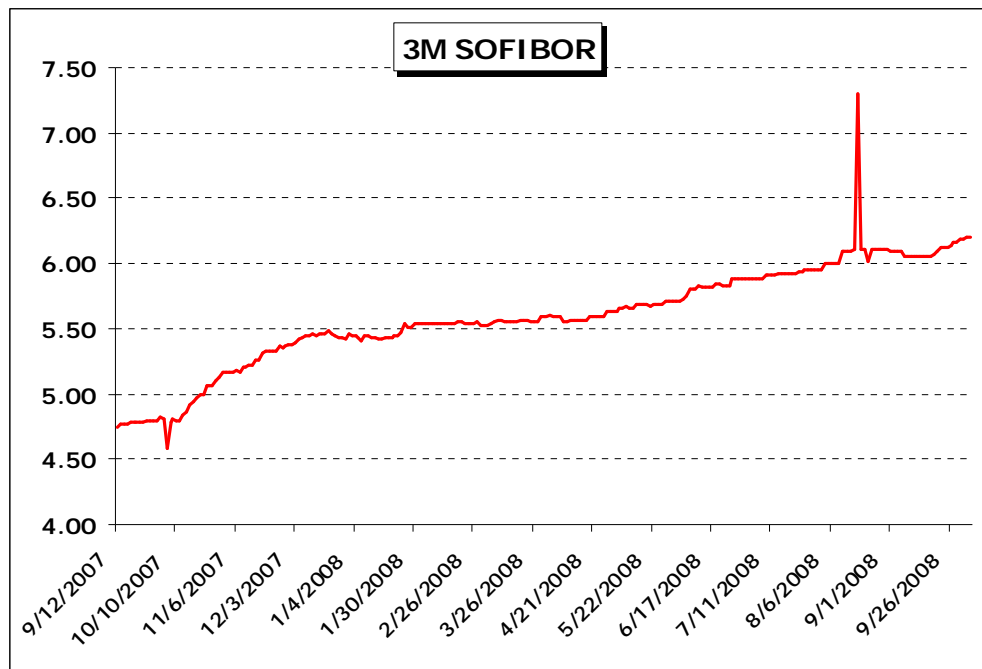
**Upcoming Events**

- **09 October 2008:** Thursday is the last date for the acquisition shares of Eurohold Bulgaria (4EH), which will enable the shareholders to take part in the general shareholders' meeting of the company.
- **09 October 2008:** The auction for the unused rights of Industrial Holding Bulgaria (4ID) will be held on Thursday. The holding will issue convertible bonds for BGN 22 m.
- **10 October 2008:** Central Cooperative Bank (4CF) will lead a GMS with main item in the agenda authorization of the management board to raise the capital of the bank over the next 5 years through issuing of new shares with a combined par value of BGN 30 m.

**Macro-economy**

- The Council of Ministers decided to allocate up to BGN 100 m on the off-budget account of the National Fund under the Minister of Finance to finance payments under Phare projects, the Government Information Service announced.
- Bulgarian National Bank announced the total assets in the banking system in August rose by BGN 2.2 billion (3.4%), reaching BGN 69.1 billion at the end of the month. The market share of the five largest credit institutions slightly decreased to 57.1%.

**Bonds**



The money market rates continued to move higher last week supported by the rising yields of treasury notes. The auction for 10-year notes was at yield of 6.10%.

**WEEKLY HIGHLIGHTS**

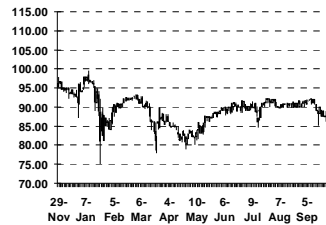
**BULGARIAN AMERICAN CREDIT BANK /5BN/**



**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	4.147	4.6	113694	456 170 000	8.32	1.30
Bulgarian American Credit Bank	5BN	37.25	40.189	20	470 271 006	7.92	2.81
CB Economic & Investment Bank	5EC	110.34	110.34	0	769 296 659	21.34	3.77
Central Cooperative Bank	4CF	2.767	2.701	12187	230 090 140	12.89	0.76
Corporate Commercial Bank	6C9	81.099	83	6551	486 594 000	14.98	2.59
DZI Insurance & Reinsurance	6D5	188	188	0.00	725 680 000	n/a	2.49
Bulstrad Insurance & Reinsurance	4BI	77.967	82.01	182	153 906 858	156.41	3.40
Insurance Company Euro Ins	5IC	4.317	4.75	17169	43 169 965	13.90	2.04
Chimimport	6C4	5.184	5.3	22651	777 599 917	6.22	1.12
Eurohold Bulgaria	4EH	3.201	3.291	13020	200 054 933	1.70	0.99

INDUSTRIAL SECTOR		Daily Average Price	Previous Close	Volume	Market Capitalization	Valuation Ratios (ttm)	
Company	Ticker					P/E	P/B
Monbat	5MB	8.3	8.8	11575	323 700 000	12.76	3.27
Bulgarian River Shipping	5BR	3.65	3.65	0	105 699 164	20.67	2.48
Synergon Holding	6S7	4.409	4.551	1597	80 944 165	8.62	0.26
Industrial Holding Bulgaria	4ID	4.871	5.195	17088	213 139 046	15.96	1.09
Stara Planina Hold	5SR	2.807	2.85	590	58 947 000	7.33	1.08
Odessos	5ODE	201.8	202.01	5	118 384 356	13.2	2.21
M+S Hydraulic	5MH	7.552	7.4	13372	98 314 957	20.44	2.79
Albena Holding	5ALB	7.85	8.249	50	43 175 000	4.27	0.28
Moststroy	5MY	12.775	13.36	135	14 243 359	1.91	1.11
Doverie United Holding	5DOV	5.705	5.78	14825	75 019 883	6.16	0.55
Emka	57E	2.902	3.2	51200	31 204 881	13.56	1.72
Hydraulic Elements & Systems	4HE	11.9	10.2	10	36 084 275	12.84	1.59

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	6	0.00	40 137 372	1.43	0.23
Lead and Zink Complex	5OTZ	20.431	21	1989	171 893 358	119.95	2.47
Kaolin	6K1	4.978	5.38	24139	124 450 000	11.1	1.10
Kremikovtzi	4KW	1.768	1.91	6743	32 739 020	n/a	n/a
Alcomet	6AM	4.79	5	50	85 994 674	48.34	1.24
Svilosa	3MZ	1.1	2.706	770	34 930 438	n/a	0.71
Orgachim	5ORG	123.534	128.2	403	62 114 748	34.13	0.86
Neochim	3NB	73.619	73.12	1384	195 411 182	5.48	1.67
Biovet	53B	n/a	7.498	0.00	50 861 768	231.19	0.88
Fazerles	4F6	84.25	88	98	43 388 750	7.34	2.10
Polimeri	51P	2.684	2.9	1165	14 290 993	n/a	0.07
Kauchuk	4KU	n/a	35.75	0	33 679 753	48.81	1.45

CYCLICAL CONSUMER SECTOR		Daily Average Price	Previous Close	Volume	Market Capitalization	Valuation Ratios (ttm)	
Company	Ticker					P/E	P/B
Albena	6AB	49.076	53.3	3258	209 707 932	10	0.73
Toplivo	3TV	12.44	13.405	8715	67 385 353	11.06	0.50
Zlatni Pyasatsi	3ZL	n/a	5.101	0	33 123 736	n/a	0.34
Katex	5KTE	4.275	4.5	100	10 446 561	0.72	0.13
Slanchev Bryag	3JL	n/a	10.8	0	21 144 326	n/a	0.23
Pamporovo	4PN	2.8	2.9	21	8 285 970	n/a	0.36
SS Konstantine And Elena Holding	3NJ	17.4	20.75	72	40 186 361	19.82	2.00

ENERGY SECTOR		Daily Average Price	Previous Close	Volume	Market Capitalization	Valuation Ratios (ttm)	
Company	Ticker					P/E	P/B
Petrol	5PET	5.608	8	420	612 671 824	2.73	2.38
Oil & Gas Exploration & Production	4O1	5.596	6.049	14	68 428 235	10.84	1.40

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	n/a	50	0.00	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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