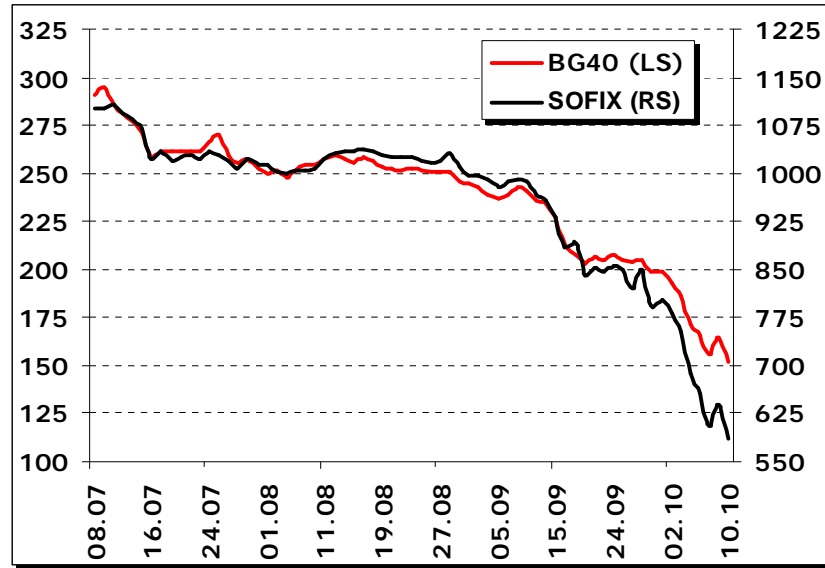
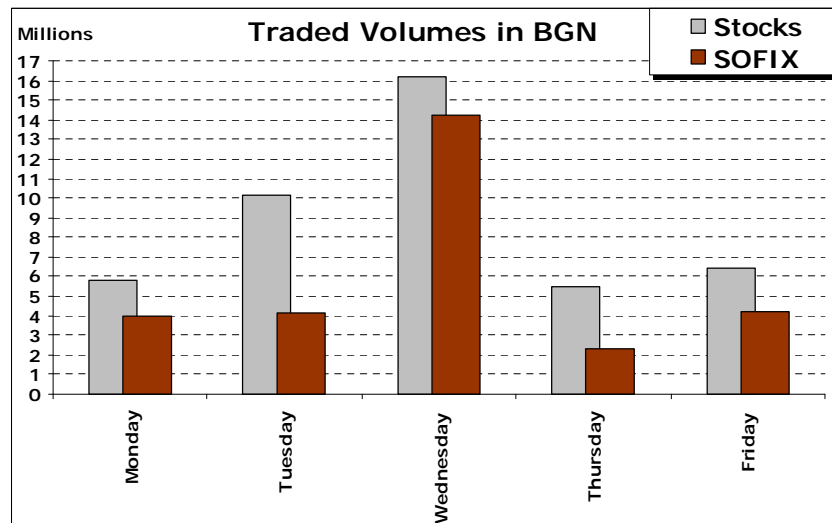


Market Trend



We can easily name the last week "the black week" in the recent Bulgarian market's history. Driven by the international weakness the main indices lost around 20%. On Thursday BSE opened firmly on the upside, following the green wave in Europe but on Friday Bulgarian stocks turned sharply power at the open on Friday and main indices fell 7%. Liquid shares underperformed the broad market. The panic obsessed the market and along with the close of REPO deals strengthened the pressure over the positions. The correlation with developed markets will remain the primary driver for BSE. Even the forthcoming quarterly reports probably will not influence the investors' decisions.

Trading Activity



The banks were the most traded positions by turnover. First Investment Bank (5F4) was subject of improved investors' interest and set up large part of the overall turnover during the week. The bank lost 25% on weekly basis but found support at BGN 3.10 and limited the free fall. Several large package transactions with Corporate Commercial Bank (6C9) boosted the total turnover on Wednesday. Industrials and diversified holdings were also actively traded but not to extreme levels.

SOFIX

Stock	Last Price	Weekly Change	Bid	Ask
Albena	37.718	-23.14%	39.00	39.90
Bulgarian-American Credit Bank	20.501	-44.96%	22.00	0.00
Central Cooperative Bank	2.225	-19.59%	2.12	2.25
Chimimport	3.826	-26.20%	3.77	3.85
Corporate Commercial Bank	70.01	-13.67%	70.00	71.00
Elana Opportunity Land Fund	1.106	-26.95%	1.05	1.11
Enemona	8.389	-37.73%	8.69	8.70
Euro Ins	3.705	-14.18%	3.62	3.90
First Investment Bank	3.107	-25.08%	3.25	3.25
Holding Roads	12.274	-12.15%	10.30	12.00
Industrial Holding Bulgaria	4.448	-8.68%	4.37	4.40
Kaolin	4.383	-11.95%	4.27	4.30
Lead and Zink Complex	18.893	-7.53%	17.70	18.77
M+S Hydraulic	6.387	-15.43%	6.26	6.30
Monbat	6.01	-27.59%	5.85	6.03
Neochim	66.06	-10.27%	66.47	66.50
Orgachim	98.486	-20.28%	97.51	101.90
Sopharma	2.126	-16.37%	2.12	2.00
Sparky Eltos	4.147	-24.75%	5.00	4.79
Toplivo	9.892	-20.48%	10.00	10.10

Another "red" week for SOFIX's components. Bulgarian American Credit Bank (5BN) weighted on the main index as the bank lost 45% on weekly basis. 1.33% of bank's capital changed hands on Wednesday at average price of BGN 22.93. On Friday 5BN announced consolidated net profit of BGN 43.92 m as of September 30, which is 14.6% up y-o-y. The SOFIX average price to earning ratio improved to 7.40.

News

- **06 October 2008:** Sopharma (3JR) announced sales growth of 46% for September as compared to the same month last year. The export increase by 105%, whereas the domestic sales declined by 31%. For the first nine months of the year the pharmaceutical company posted 10% sales growth y-o-y. The continuous reconstruction of the ampoule plant and the specialties of the Bulgarian pharmaceutical market pressured the domestic revenues.
- **09 October 2008:** Doverie United Holding (5DOV) submitted its interim report as at September 30, 2008 about fulfilment of the obligations related to its bond issue, ISIN - BG2100028054.
- **09 October 2008:** The Board of Directors of Lomsko Pivo (6L1) approved the procedure for distribution of the 2007 dividend according to a GMS decision of the company dated July 31, 2008. The gross dividend is BGN 0.10 per share. Dividends will be paid out through the system of the Central Depository and through CB Euro-bank EFG Bulgaria. The starting date for the dividend payment is October 15, 2008 and the final date will be February 15, 2009.
- **10 October 2008:** Bulgarian American Credit Bank (5BN) announced its 3Q 2008 financial report. On individual basis as of 30 September 2008 the net profit of the bank is BGN 43.30 m (EUR 22.12 m) or the profit increased of approximately 17.8% as compared to 30 September 2007.

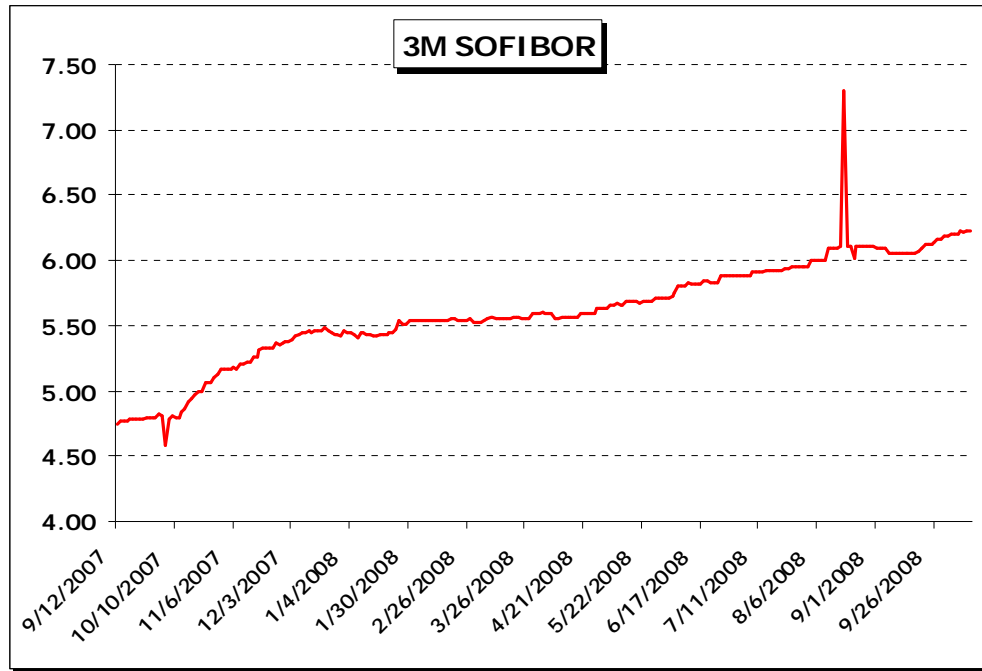
**Upcoming Events**

- **13 October 2008:** The GMS of Energoremont Holding (6EG) will discuss the distribution of 2007 profit. BGN 2.19 m of the profit will be allocated to the Other Reserves, while other BGN 349 000 will be transferred to the General reserves. The shareholders will vote a distribution of BGN 192 000 as dividend, which correspond to BGN 0.05 per share
- **15 October 2008:** Lomsko Pivo (6L1) will start dividend payment. The company will pay BGN 0.10 gross dividend per share. The company also plans to rise its capital by issuing 1.5 m new shares with BGN 2.50 issue value.
- **15 October 2008:** Katex (5KTE) will start dividend payment.

**Macro-economy**

- The industrial production contracted by 13.1% in August as compared to the previous month. The manufacturing production was the main driver for the decline with 17%. Usually, the seasonal pattern is not so strong and this year it could be reinforced by the falling demand.

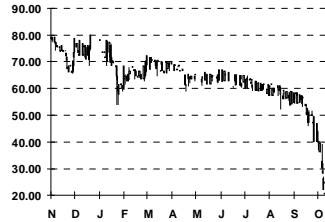
**Bonds**



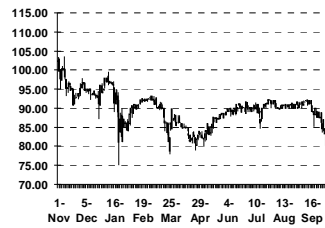
The money market rates increased for consecutive week but their movement was relatively benign as compared to other weeks. Banks are lending to each other and there aren't reports of liquidity problems but the rising rates are the main proof for difficulties to obtain funds.

**WEEKLY HIGHLIGHTS**

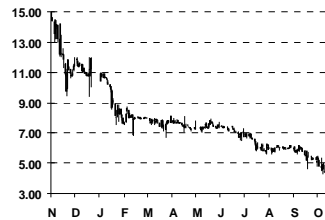
**BULGARIAN AMERICAN CREDIT BANK /5BN/**



**CORPORATE COMMERCIAL BANK /6C9/**



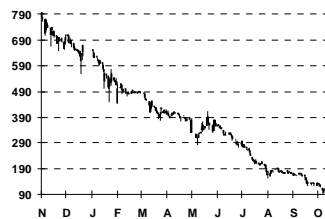
**INDUSTRIAL HOLDING BULGARIA /4ID/**



**LEAD AND ZINC COMPLEX /5OTZ/**



**ORGACHIM /5ORG/**



FINANCIAL SECTOR		Daily Average Price	Previous Close	Volume	Market Capitalization	Valuation Ratios (ttm)	
Company	Ticker					P/E	P/B
First Investment Bank	5F4	3.107	3.45	604527	341 770 000	6.24	0.98
Bulgarian American Credit Bank	5BN	20.501	24.9	500	258 819 487	4.36	1.54
CB Economic & Investment Bank	5EC	110.34	110.34	0	769 296 659	21.34	3.77
Central Cooperative Bank	4CF	2.225	2.395	4020	185 020 080	10.36	0.61
Corporate Commercial Bank	6C9	70.01	77	18343	420 060 000	12.93	2.23
DZI Insurance & Reinsurance	6D5	188	188	0.00	725 680 000	n/a	2.49
Bulstrad Insurance & Reinsurance	4BI	60.231	66	89	118 895 994	120.83	2.63
Insurance Company Euro Ins	5IC	3.705	3.901	1756	37 049 970	11.93	1.75
Chimimport	6C4	3.826	4.1	71702	573 899 939	4.59	0.83
Eurohold Bulgaria	4EH	2.41	2.67	26073	150 619 303	1.28	0.74

INDUSTRIAL SECTOR		Daily Average Price	Previous Close	Volume	Market Capitalization	Valuation Ratios (ttm)	
Company	Ticker					P/E	P/B
Monbat	5MB	6.01	6.599	24861	234 390 000	9.24	2.37
Bulgarian River Shipping	5BR	2.9	2.9	0	83 980 158	16.42	1.97
Synergon Holding	6S7	3.581	3.84	2242	65 743 038	7	0.21
Industrial Holding Bulgaria	4ID	4.448	4.9	19635	194 629 948	14.57	0.99
Stara Planina Hold	5SR	2.314	2.36	25295	48 594 000	6.04	0.89
Odessos	5ODE	163.135	188.999	44	95 701 843	10.67	1.78
M+S Hydraulic	5MH	6.387	6.339	400	83 148 521	17.28	2.36
Albena Holding	5ALB	6.236	7.095	1302	34 298 000	3.39	0.22
Moststroy	5MY	9.79	10.95	27	10 915 263	1.46	0.85
Doverie United Holding	5DOV	5.241	5.37	425	68 918 353	5.66	0.50
Emka	57E	2.361	2.4	1000	25 387 569	11.03	1.40
Hydraulic Elements & Systems	4HE	9	9	0	27 290 628	9.71	1.20

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 Zinc Complex	5OTZ	18.893	19.6	4107	158 953 610	110.92	2.29
Kaolin	6K1	4.383	4.72	13562	109 575 000	9.77	0.97
Kremikovtzi	4KW	1.728	1.65	3706	31 998 318	n/a	n/a
Alcomet	6AM	3.563	3.95	11058	63 966 393	35.96	0.93
Svilosa	3MZ	1.603	1.6	1830	50 903 175	n/a	1.04
Orgachim	5ORG	98.486	105.15	338	49 520 238	27.21	0.69
Neochim	3NB	66.06	65.02	1313	175 346 889	4.92	1.50
Biovet	53B	5.99	7.383	2670	40 632 434	184.69	0.70
Fazerles	4F6	66.978	69	259	34 493 670	5.83	1.67
Polimeri	51P	2.661	2.539	2273	14 168 529	n/a	0.07
Kauchuk	4KU	n/a	31.5	0	29 675 867	43.01	1.28

CYCLICAL CONSUMER SECTOR		Daily Average Price	Previous Close	Volume	Market Capitalization	Valuation Ratios (ttm)	
Company	Ticker					P/E	P/B
Albena	6AB	37.718	41.5	93	161 173 766	7	0.56
Toplivo	3TV	9.892	10.65	3850	53 583 272	8.8	0.40
Zlatni Pyasatsi	3ZL	n/a	5.101	0	33 123 736	n/a	0.34
Katex	5KTE	n/a	3.612	0	8 826 428	0.61	0.11
Slanchev Bryag	3JL	8.495	9.89	2	16 631 579	n/a	0.18
Pamporovo	4PN	3.3	3	5	8 070 750	n/a	0.35
SS Konstantine And Elena Holding	3NJ	n/a	19.789	0	45 703 903	22.54	2.27

ENERGY SECTOR		Daily Average Price	Previous Close	Volume	Market Capitalization	Valuation Ratios (ttm)	
Company	Ticker					P/E	P/B
Petrol	5PET	6.9	7.239	50	753 822 323	3.35	2.93
Oil & Gas Exploration & Production	4O1	n/a	5.11	0	62 485 397	9.9	1.28

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	33.3	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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**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](mailto:tsachev@elana.net)  
[becheva@elana.net](mailto:becheva@elana.net)

Internet:  
[www.elana.net](http://www.elana.net)  
[www.elana.net](http://www.elana.net)