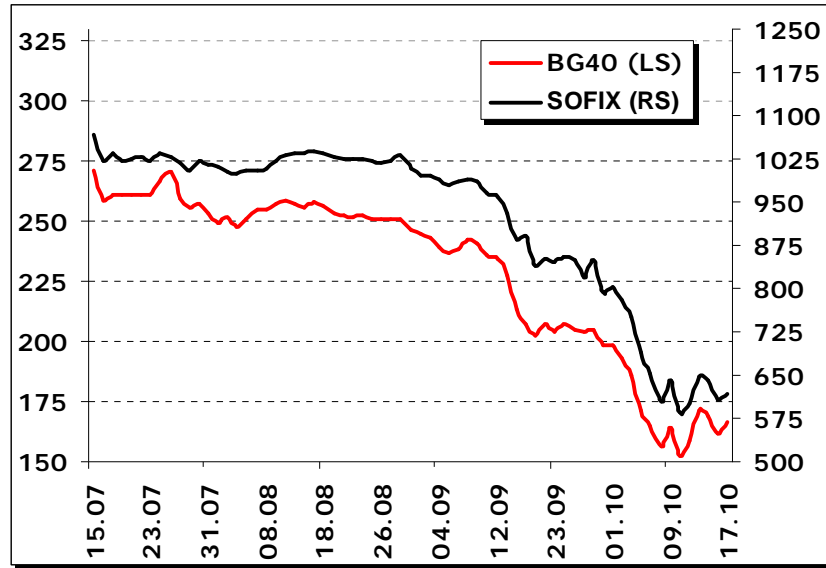
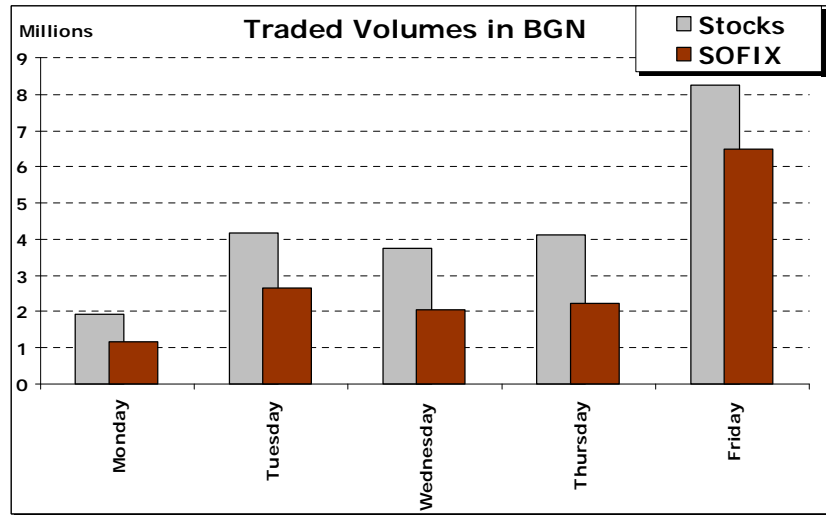


Market Trend



The Bulgarian market closed the week on the upside after a round of increases and declines. The market remained under the influence of the international stocks. The week began with modest gains, which accelerated on Tuesday but the panic again predominated and pushed down the market at the end of the week. Friday's session closed with modest gains. Speculators were the main players but we saw some institutional investors' movement. The level of 600 points provided good support of SOFIX but could be easily brake if the sell off persist. Several companies were subject of large package transaction. Only Bulgarian American Credit Bank (5BN) announced 3Q financial report.

Trading Activity



Overall volumes remained moderate and banks again were among the most traded positions. Large package transactions with Bulgarian American Credit Bank's (5BN) shares boosted Friday's turnover. Totally 214 626 shares changed hands at average price of BGN 22.019. The bank is with lowest P/E in the sector.

SOFIX

Stock	Last Price	Weekly Change	Bid	Ask
Albena	40.705	7.92%	41.30	42.30
Bulgarian-American Credit Bank	22.019	7.40%	22.11	23.00
Central Cooperative Bank	2.198	-1.21%	2.08	2.19
Chimimport	4.183	9.33%	4.07	4.10
Corporate Commercial Bank	71.081	1.53%	70.00	73.50
Elana Opportunity Land Fund	1.155	4.43%	1.15	1.17
Enemona	9.133	8.87%	8.91	9.18
Euro Ins	3.88	4.72%	3.77	3.87
First Investment Bank	3.795	22.14%	3.71	3.87
Holding Roads	13.036	6.21%	12.07	12.70
Industrial Holding Bulgaria	4.492	0.99%	4.34	4.45
Kaolin	4.915	12.14%	4.88	5.08
Lead and Zink Complex	17.467	-7.55%	17.01	17.56
M+S Hydraulic	6.482	1.49%	6.46	6.50
Monbat	6.822	13.51%	6.71	6.75
Neochim	69.5	5.21%	68.30	69.40
Orgachim	109.186	10.86%	108.50	112.00
Sopharma	2.357	10.87%	2.28	2.30
Sparky Eltos	4.276	3.11%	4.21	4.49
Toplivo	10.442	5.56%	10.03	10.49

First Investment Bank (5F4) outperformed the main index on weekly basis. The bank was traded in lower volumes as compared to the previous week but attracted investors' attention and closed on the upside. On the other side was Central Cooperative Bank (4CF) and Lead and Zinc Complex (5OTZ). The industrial company was subject of persistent sell off during the entire week and closed below BGN 18.00 in thin volumes.

News

- **13 October 2008:** Kapitan Dyado Nikola (3KN) appointed a GMS on November 29, 2008 with main item in the agenda profit allocation decision. Voting right will have all shareholders registered with in the Central Depository by November 14, 2008. The final date for transacting shares of the company as a result of which the holder will be entitled to exercise voting right at the GMS, will be November 12, 2008.
- **14 October 2008:** The GMS of Energoremont Holding (6EG) decided to distribute BGN 0.05 gross dividend per share. The right on dividend will have all shareholders registered in the Central Depository by October 27.
- **14 October 2008:** Euro Ins (5IC) appointed an extraordinary GMS on November 11, 2008 with main item in the agenda decision for the capital increase of the company. The company plans to offer for subscription almost 2.5 m new shares with BGN 4.00 issuing value. The final date for transacting shares of the company as a result of which the holder will be entitled to exercise voting right at the GMS, will be November 12, 2008.
- **14 October 2008:** Stara Planina Hold (5SR) will start the procedure of buying back up to 105 000 own shares (0.5% of the capital). The minimal buy back price is BGN 2.15 and the maximum BGN 2.80.
- **15 October 2008:** Monbat (5MB) announced that the Minister of Ecology of the Republic of Serbia was ceased the implementation of company's project in Injia – Serbia but no remarks related to the ecological and technical implementation of the project had been made.
- **15 October 2008:** GMS of Sparky (SPV) decided to pay BGN 0.30 gross dividend per share. Dividends will be paid out from October 27, 2008 till January 01, 2009. The dividend will be paid out through the branches of UniCredit Bulbank. The right on dividend will be entitled to all shareholders registered in the Central Depository by July 14, 2008 (Record Date).

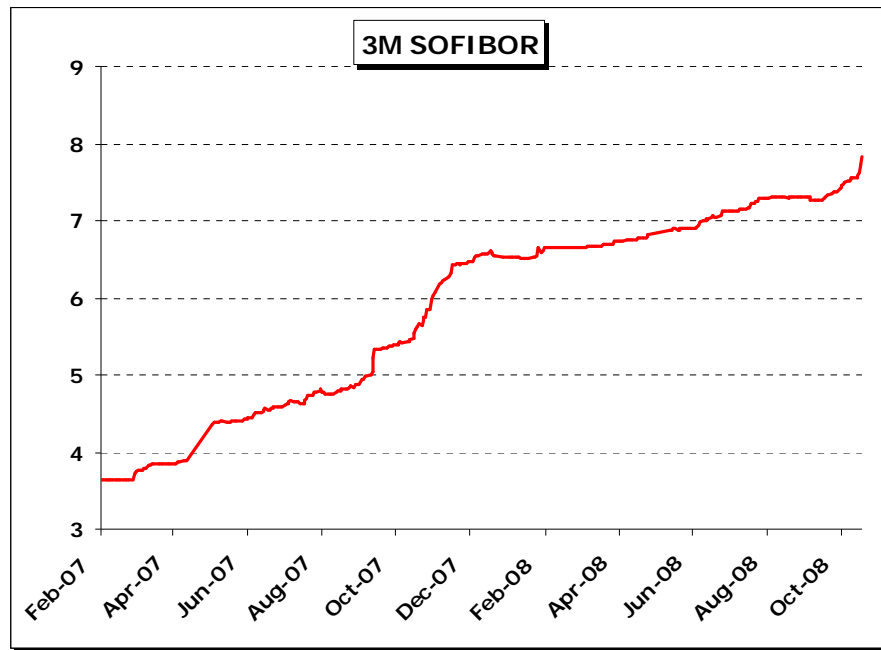
Upcoming Events

- **20 October 2008:** The GMS of the Bulgarian American Credit Bank (5BN) will be lead today. The shareholders will vote a proposal for changes to the supervisory board of the bank.
- **23 October 2008:** The shares issued as part of the capital raise operations of ZMM Metalica (3ZD), Optela-Laser Technologies (3OO) and Drujba Staklarski Zavodi (4DR) will be listed for trading on BSE on Thursday.
- **24 October 2008:** Friday is the last day for the subscription of bonds of Industrial Holding Bulgaria (4ID). The issue amounts BGN 21.878 m divided in 218 780 bonds with par and issue value of BGN 100.

Macro-economy

- Bulgarian National Bank announced that the current account deficit amounts EUR 4.77 billion at the end of August, which is 42% up y-o-y. The deficit is 14% from GDP. The trading deficit for the first eight months of 2008 was EUR 5.75 billion. The export amounted EUR 10.65 billion (or 22.4% up on yearly basis) and the export is EUR 16.3 billion (25.4% up y-o-y). The financial account has positive balance.

Bonds



Source: Bloomberg

The interbank interest rates jumped solidly last week as banks continued to tight their lending standards and to have difficulties of acquiring capitals from abroad. However, the authorities and the National Bank are considering the possibility to decrease the minimum requirement reserves on deposits, which will free additional resources.

WEEKLY HIGHLIGHTS

CHIMIIMPORT /6C4/



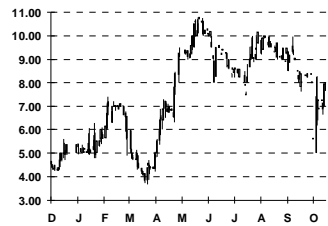
EUROHOLD BULGARIA /4EH/



FIRST INVESTMENT BANK /5F4/



PETROL /5PET/



SOPHARMA /3JR/



FINANCIAL SECTOR		Daily Average Price	Previous Close	Volume	Market Capitalization	Valuation Ratios (ttm)	
Company	Ticker					P/E	P/B
First Investment Bank	5F4	3.795	3.69	91824	417 450 000	7.62	1.19
Bulgarian American Credit Bank	5BN	22.019	23	214626	277 983 820	4.74	1.54
CB Economic & Investment Bank	5EC	110.34	110.34	0	769 296 659	21.34	3.77
Central Cooperative Bank	4CF	2.198	2.26	41035	182 774 892	10.24	0.60
Corporate Commercial Bank	6C9	71.081	72.998	3111	426 486 000	13.13	2.27
DZI Insurance & Reinsurance	6D5	188	188	0.00	725 680 000	n/a	2.49
Bulstrad Insurance & Reinsurance	4BI	65.941	60	16	130 167 534	132.28	2.88
Insurance Company Euro Ins	5IC	3.88	3.85	200	38 799 969	12.49	1.83
Chimimport	6C4	4.183	4.03	66618	627 449 933	5.02	0.90
Eurohold Bulgaria	4EH	2.68	2.588	12672	167 493 664	1.42	0.83

INDUSTRIAL SECTOR		Daily Average Price	Previous Close	Volume	Market Capitalization	Valuation Ratios (ttm)	
Company	Ticker					P/E	P/B
Monbat	5MB	6.822	6.5	18823	266 058 000	10.49	2.69
Bulgarian River Shipping	5BR	2.51	2.798	160	72 686 274	14.22	1.70
Synergon Holding	6S7	3.596	3.52	1108	66 018 421	7.03	0.21
Industrial Holding Bulgaria	4ID	4.492	4.25	3115	196 555 245	14.71	1.00
Stara Planina Hold	5SR	2.405	2.35	2435	50 505 000	6.28	0.92
Odessos	5ODE	195.89	187	4	114 917 301	12.81	2.14
M+S Hydraulic	5MH	6.482	6.55	1015	84 385 269	17.54	2.39
Albena Holding	5ALB	6.438	6.82	26	35 409 000	3.5	0.23
Moststroy	5MY	10.621	10.4	376	11 841 778	1.59	0.92
Doverie United Holding	5DOV	6.091	5.8	8474	80 095 724	6.58	0.58
Emka	57E	2.73	3	50200	29 355 384	12.75	1.62
Hydraulic Elements & Systems	4HE	6.56	7	29222	19 891 836	7.08	0.88

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	9.9	0.00	66 226 664	2.36	0.39
Lead and Zink Complex	5OTZ	17.467	17.799	448	146 956 159	102.55	2.12
Kaolin	6K1	4.915	4.85	14116	122 875 000	10.96	1.08
Kremikovtzi	4KW	1.895	1.631	2000	35 090 748	n/a	n/a
Alcomet	6AM	n/a	3.788	0.00	68 005 809	38.23	0.98
Svilosa	3MZ	1.461	1.16	2832	46 393 973	n/a	0.95
Orgachim	5ORG	109.186	103.5	623	54 900 359	30.17	0.76
Neochim	3NB	69.5	68.44	191	184 477 881	5.18	1.58
Biovet	53B	6.72	7.09	600	45 584 300	207.2	0.79
Fazerles	4F6	73.444	68.5	147	37 823 660	6.4	1.83
Polimeri	51P	2.202	2.25	20930	11 724 578	n/a	0.05
Kauchuk	4KU	30.2	30.458	5	28 451 148	41.23	1.23

CYCLICAL CONSUMER SECTOR		Daily Average Price	Previous Close	Volume	Market Capitalization	Valuation Ratios (ttm)	
Company	Ticker					P/E	P/B
Albena	6AB	40.705	41.999	5160	173 937 594	8	0.61
Toplivo	3TV	10.442	9.92	805	56 562 528	9.29	0.42
Zlatni Pyasatsi	3ZL	n/a	5.101	0	33 123 736	n/a	0.34
Katex	5KTE	n/a	4.295	0	10 495 434	0.72	0.14
Slanchev Bryag	3JL	n/a	10.888	0	21 316 614	n/a	0.23
Pamporovo	4PN	3	3.2	5	7 532 700	n/a	0.33
SS Konstantine And Elena Holding	3NJ	n/a	19.5	0	45 036 440	22.21	2.24

ENERGY SECTOR		Daily Average Price	Previous Close	Volume	Market Capitalization	Valuation Ratios (ttm)	
Company	Ticker					P/E	P/B
Petrol	5PET	7.843	7.95	1017	856 844 707	3.81	3.33
Oil & Gas Exploration & Production	4O1	4.896	5.15	297	59 868 592	9.48	1.23

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	45	50	10	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