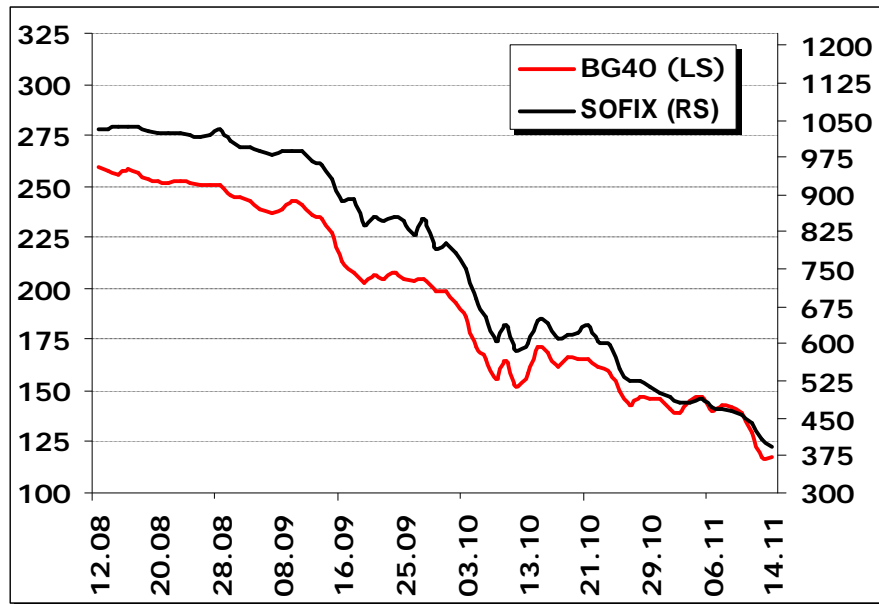
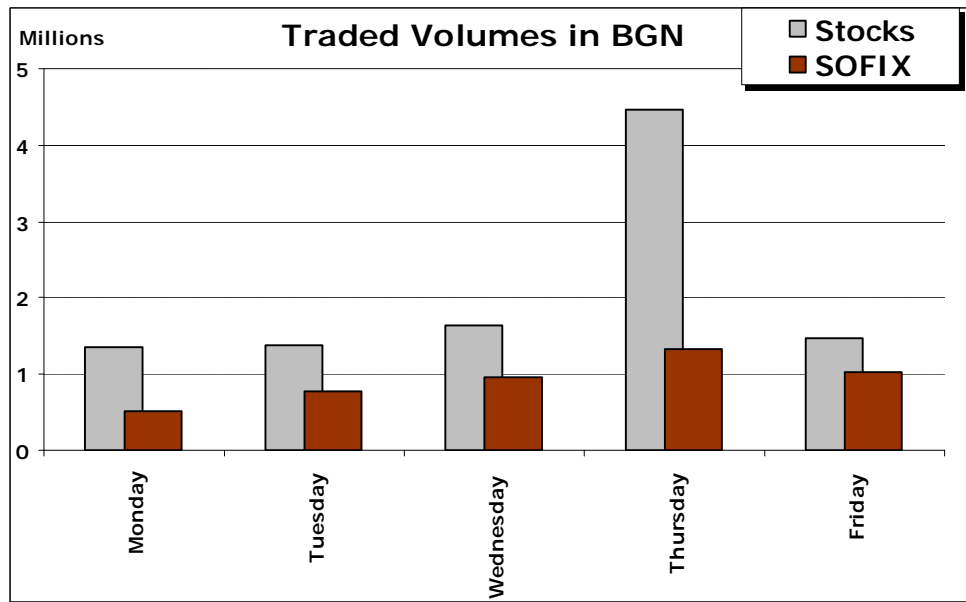


Market Trend



The market continued to weaken and it seems that no news could move it on the upside. Most investors stayed aside and only sellers were active. Deals were done at the best bid prices due to the lack of buyers. The market reacted heavily on the negative news from Bulgarian companies but in very low volumes and despite the already huge slump of the prices.

Trading Activity



The overall activity remained subdued. Buy orders couldn't support the market as they were placed with large discounts as compared to the current prices. It is more probable the traded volumes to remain thin in short term as the enthusiasm is near zero temperature.

SOFIX

Stock	Last Price	Weekly Change	Bid	Ask
Albena	30.13	-16.92%	28.51	30.30
Bulgarian-American Credit Bank	16.613	-6.27%	16.10	16.25
Central Cooperative Bank	1.078	-14.38%	1.03	1.07
Chimimport	2.444	-16.30%	2.31	0.00
Corporate Commercial Bank	66.774	-2.31%	67.00	69.00
Elana Opportunity Land Fund	.998	-10.89%	0.95	1.00
Enemona	6.209	-16.05%	6.00	6.20
Euro Ins	2.601	-12.19%	2.51	2.71
First Investment Bank	3.217	-14.83%	3.11	3.15
Holding Roads	3.485	-12.66%	3.16	3.35
Industrial Holding Bulgaria	2.245	-12.41%	2.16	2.17
Kaolin	3.426	-11.68%	3.30	3.40
Lead and Zink Complex	7.872	-30.77%	7.51	7.30
M+S Hydraulic	4.636	-13.54%	4.61	4.80
Monbat	5.639	-7.45%	5.33	5.49
Neochim	37.516	-42.30%	36.45	37.00
Orgachim	80.055	-17.62%	81.00	80.00
Sopharma	2.116	0.24%	2.10	2.15
Sparky Eltos	3.057	-18.39%	2.60	3.00
Toplivo	6.879	-12.08%	6.85	7.00

The main index SOFIX breached the level of 400 points as 96% of its components were colored in red. Neochim (3NB) was the worst performer, followed by Lead and Zinc Complex (5OTZ). The fertilizer producer announced that will delay its production. Moreover, large part of 3NB production is for export and the global slowdown may have negative impact on revenues from abroad. Company's trailing P/E of 1.78 is far below the market average as well as the rest of ratios. The management of Albena (6AB) announced that expect decline of the revenues next year due to the global slowdown and the market reaction didn't late.

The lack of buyers will continue to weight on the market in short term.

News

- **10 November 2008:** Lead & Zinc Complex (5OTZ) has appointed an extraordinary GMS on December 22, 2008. Voting right will have all shareholders registered in the Central Depository by December 08, 2008.
- **12 November 2008:** Mekom (MKX) has appointed an extraordinary GMS on December 29, 2008. Voting right will have all shareholders registered in the Central Depository by December, 15 2008.
- **13 November 2008:** Neochim (3NB) announced that due to stagnating trade in fertilizers on the international markets as well as on the domestic market, the company plans to put into operation its production capacities at a later stage depending on the international and domestic economic trend.
- **14 November 2008:** Fazerles (4F6) appointed an extraordinary GMS on January 20, 2009. Voting right will have all shareholders registered in the Central Depository by January 06, 2009.

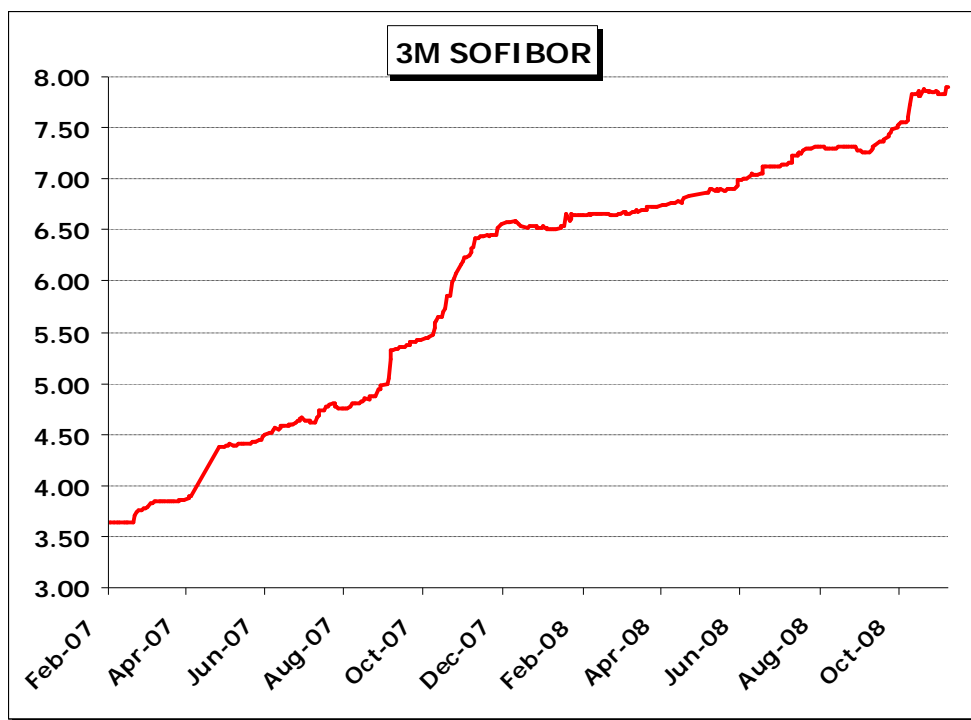
**Upcoming Events**

- **18 November 2008:** On Tuesday will be led an auction for the unused rights issued as part of the capital increase of Holding Varna (5V2).

**Macro-economy**

- Bulgarian National Bank announced that in the period January - September 2008 the Foreign direct investments in Bulgaria amounted EUR 3 659.8 m (10.8% of GDP), compared to EUR 4 715.2 m (16.3% of GDP) for the same period last year .
- Bulgaria's Current and Capital account deficit stood at EUR 5 145.9 m (15.1% of GDP) in January - September 2008, against a deficit of EUR 3 761.9 million (13% of GDP) for the same period in 2007.
- The flash estimates for GDP for the third quarter showed 5.6% growth y-o-y. The individual consumption is rising 3.2%, whereas investments are 10.9% higher . Export is rising faster than import – by 3.9%, compared to 2.9% on yearly basis.
- CPI jumped 0.5% m-o-m in October to 10.9% on yearly basis.

**Bonds**



Source: Bloomberg

The interest rate of 3-month interbank deposits jumped last week to 7.90%. Banks are still reluctant to lend and are looking for ways to attract more deposits from individuals and companies. The low demand on the auction for 10-year government notes showed again the limited number of buyers at yields below 7.50-8%. However, the government will decrease heavily the issuance at current yields.

**WEEKLY HIGHLIGHTS**

**ALBENA /6AB/**



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



**CENTRAL COOPERATIVE BANK /4CF/**



**PETROL /5PET/**



**SYNERGON HOLDING /6S7/**



FINANCIAL SECTOR		Daily Average Price	Previous Close	Volume	Market Capitalization	Valuation Ratios (ttm)	
Company	Ticker	Price	Close			P/E	P/B
First Investment Bank	5F4	3.217	3.151	31178	353 870 000	6.97	0.98
Bulgarian American Credit Bank	5BN	16.613	16.3	620	209 734 556	3.57	1.16
CB Economic & Investment Bank	5EC	110.34	110.34	0	769 296 659	21.34	3.77
Central Cooperative Bank	4CF	1.078	1.065	12737	89 641 189	7.44	0.31
Corporate Commercial Bank	6C9	66.774	65.02	412	400 644 000	11.40	1.90
DZI Insurance & Reinsurance	6D5	188	188	0.00	725 680 000	n/a	2.49
Bulstrad Insurance & Reinsurance	4BI	42.257	45	110	83 415 318	84.77	1.84
Insurance Company Euro Ins	5IC	2.601	2.849	2137	26 009 979	n/a	1.43
Chimimport	6C4	2.444	2.45	210233	366 599 961	2.93	0.53
Eurohold Bulgaria	4EH	2.008	2.012	11173	125 495 253	1.07	0.62

INDUSTRIAL SECTOR		Daily Average Price	Previous Close	Volume	Market Capitalization	Valuation Ratios (ttm)	
Company	Ticker	Price	Close			P/E	P/B
Monbat	5MB	5.639	5.556	4738	219 921 000	8.67	2.22
Bulgarian River Shipping	5BR	2.132	1.5	615	61 739 895	12.08	1.45
Synergon Holding	6S7	2.675	2.739	3871	49 109 921	5.23	0.16
Industrial Holding Bulgaria	4ID	2.245	2.12	2329	98 233 866	7.35	0.50
Stara Planina Hold	5SR	1.889	1.948	1300	39 669 000	4.93	0.73
Odessos	5ODE	127.9	120	54	75 031 512	5.67	1.40
M+S Hydraulic	5MH	4.636	4.8	1744	60 353 302	9.34	1.60
Albena Holding	5ALB	4.347	5.145	902	23 908 500	2.37	0.15
Moststroy	5MY	5.193	5.111	112	5 789 883	0.78	0.45
Doverie United Holding	5DOV	7.929	8	18876	104 265 145	8.56	0.76
Emka	57E	1.95	1.95	137	20 968 132	9.11	1.16
Hydraulic Elements & Systems	4HE	5.062	5	1392	15 349 462	5.46	0.68

BASIC MATERIALS SECTOR		Daily Average Price	Previous Close	Volume	Market Capitalization	Valuation Ratios (ttm)	
Company	Ticker	Price	Close			P/E	P/B
Druzha Staklarski Zavodi	4DR	4.72	5	180	31 574 733	1.12	0.18
Lead and Zink Complex	5OTZ	7.872	8.88	809	66 229 970	n/a	1.15
Kaolin	6K1	3.426	3.5	2293	85 650 000	7.64	0.76
Kremikovtzi	4KW	1	1	2541	18 517 545	n/a	n/a
Alcomet	6AM	2.813	3	1454	50 501 674	18.05	0.72
Svilosa	3MZ	1.134	1.2	1950	36 010 106	n/a	0.80
Orgachim	5ORG	80.055	79	16	40 252 855	n/a	0.56
Neochim	3NB	37.516	45	1986	99 580 895	1.78	0.76
Biovet	53B	4.903	5.39	70	33 258 902	151.18	0.57
Fazerles	4F6	58.378	58.999	55	30 064 670	5.01	1.37
Polimeri	51P	1.923	1.87	3019	10 239 038	n/a	0.05
Kauchuk	4KU	n/a	37.5	0	35 328 413	51.2	1.53

CYCLICAL CONSUMER SECTOR		Daily Average Price	Previous Close	Volume	Market Capitalization	Valuation Ratios (ttm)	
Company	Ticker	Price	Close			P/E	P/B
Albena	6AB	30.13	37.6	901	128 749 286	6	0.45
T oplivo	3TV	6.879	7	79	37 262 367	3.75	0.27
Zlatni Pyasatsi	3ZL	n/a	3.014	0	19 571 641	n/a	0.20
Katex	5KTE	n/a	3	0	7 330 920	0.5	0.09
Slanchev Bryag	3JL	n/a	5.169	0	10 119 910	n/a	0.11
Pamporovo	4PN	n/a	2.1	0	5 977 736	n/a	0.26
SS Konstantine And Elena Holding	3NJ	12.966	12.5	947	29 945 768	14.77	1.49

ENERGY SECTOR		Daily Average Price	Previous Close	Volume	Market Capitalization	Valuation Ratios (ttm)	
Company	Ticker	Price	Close			P/E	P/B
Petrol	5PET	9.081	9.231	940	992 095 727	4.41	3.86
Oil & Gas Exploration & Production	4O1	3.9	3.6	2000	47 689 442	7.55	0.98

OTHER		Daily Average Price	Previous Close	Volume	Market Capitalization	Valuation Ratios (ttm)	
Company	Ticker	Price	Close			P/E	P/B
Bulgarian Telecommunication Company	5BT	n/a	5.001	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	33.016	36	291	154 076 708	10.43	0.80

**Disclaimer**

**Analyst Certification:** The research analyst(s) certifies that: (1) all of the views expressed in this document accurately reflect his or her personal views about any and all of the subject securities or issuers; (2) no part of any of the research analyst's compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed by the research analyst(s) in this document.

**Financial Interest:** ELANA Trading may trade or own shares of the analyzed companies. The research analyst(s) is not holding shares of the analyzed companies, unless otherwise noted.

**Regulatory Authority:** Financial Supervisory Commission, *Shar Planina* Street 33, 1303 Sofia, Bulgaria

**Information Disclosure:** All reasonable care has been taken to ensure the facts stated are accurate and opinions given are fair and reasonable. Our recommendations are based on information available to the public that we consider to be reliable but for the completeness and accuracy of which we assume no liability. Neither ELANA Trading, nor its directors, officers or employees shall in any way be responsible for its contents. The views expressed may differ from the views of other firm departments or representatives. Additional information is available upon request. Unless otherwise noted, sources for all information in charts and tables are ELANA Trading's calculations.

**Risks for Investors:** Information in this document should not be regarded as an offer to buy or sell any financial instruments. The investment possibilities discussed in this document may not be suitable for certain investors depending on their specific investment objectives and time horizon or in the context of their overall financial situation. In particular, the risks associated with an investment in the securities or the financial instruments under discussion are not explained in its entirety. The prices or values of the securities may go down as well as up and can fluctuate and fall against the investor. The securities or investments may cause the investor to lose the amount invested. Past performance is not a guide to future performance. Changes in exchange rates may have an adverse effect on the value, price or income of the securities or investments.

**Valuation Methods:** Company valuations are based on the following methods: multiple-based (P/E, P/B, EV/EBITDA), historical valuation approaches, peer comparisons, discount models (DCF, DDM) or asset-based evaluation methods. Valuation models are dependent on macroeconomic factors, including interest rates, foreign exchange rates, prices of raw materials, and any expectations about the economy, the market sentiment. The valuation is based on expectations that might change rapidly and without notice, depending on developments specific to individual industries and countries. Recommendations and target prices derived from the models might therefore change accordingly. The application of models depends on forecasts of a range of economic variables, thus there is a range of reasonable variations within models. Any valuation is dependent upon inputs that are based on the subjective opinion of the analysts carrying out this valuation.

**Recommendations:** Analyst(s) recommendations are based on the specific factors for the company, sector, country and global developments, as compared to market indices. Recommendations and opinions reflect ELANA Trading's expectations over the 12-month period following publication from the perspective of long-only investment clients. ELANA Trading reserves the right to express different or contrary recommendations and opinions for different timescales or for other types of investment client. Except as otherwise noted, expected performance over next 12 months vary for different recommendations for Bulgarian stocks as follows:

<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.

For more information about the current recommendations, please visit ELANA Trading web page: [http://www.elana.net/analysis/reports/bul\\_f\\_pazar\\_7/LIST\\_Recommendations.pdf](http://www.elana.net/analysis/reports/bul_f_pazar_7/LIST_Recommendations.pdf)

**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)