Bulgaria ECM

**Eurohold Bulgaria with 47% y/y drop of the net profit in 9M17**

The financial holding Eurohold Bulgaria /4HE BU/ posted 47% y/y decline of its net profit for the first nine months of 2017. The company reported BGN 8.2m for the 9M17 as compared to BGN 15.2m a year ago. The main reason for the lower performance was the steep decline of profit from trading with securities. The holding also posted 30% y/y increase of interest payments to BGN 17.2m for the period. At the same time, revenue increased 16% y/y supported by the 21% y/y growth of insurance premiums. The segment reported profit of BGN 51.7m.

The automotive segment grew by 22% y/y but costs were rising faster. The leasing operations maintained a slightly lower growth rate of 18% y/y but costs declined and the segment posted BGN 15.5m profit.

The largest Bulgarian aluminum producer Alcomet /6AM BU/ announced 34% y/y net profit decline for 9M2017, according to the latest report. It is in line with the negative trend this year as 2016 results were exceptionally good. The net profit for the period was BGN 14m. Sales rose 11.5% y/y but gains were offset by the 16% increase of material costs.

Bulgaria DCM

The Ministry of Finance is planning to issue bonds for up to BGN 1.2bn annually in the next three years, according to the new Government debt strategy that is under preparation. Bonds will be issued on the domestic market. The GDP to government debt is expected to decline to 20% in 2020 as compared to 27% at end-2016.
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<tr>
<th>BUY</th>
<th>Target price is more than 10% above current quotes</th>
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<tr>
<td>HOLD</td>
<td>Target price in +/-10% range of the current quotes</td>
</tr>
<tr>
<td>SELL</td>
<td>Target price is more than 10% below the current quotes</td>
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