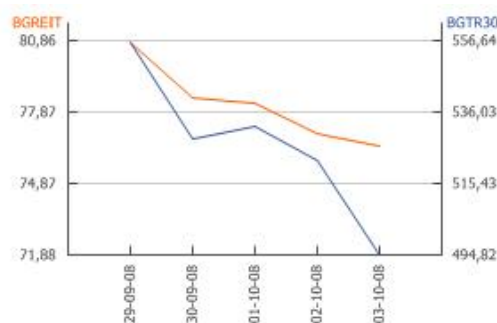
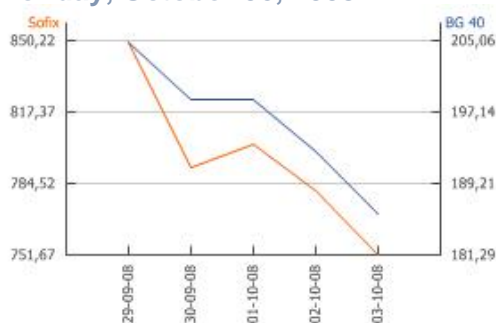




**Monday, October 06, 2008**



	Sofix	BG 40	BGREIT	BGTR30
Value	751.67	185.87	76.46	494.82
1-day change (%)	-3.81	-3.61	-0.66	-5.25
7-day change (%)	-8.37	-8.95	-5.70	-8.98
90-day change (%)	-32.57	-37.42	-19.22	-34.49
365-day change (%)	-61.45	-69.30	-23.54	-50.52

<b>BSE Daily Volume (shares)</b>	1 402 215
<b>BSE Daily Volume (BGN)</b>	4 735 270
<b>Avg Daily Turnover YTD (BGN)</b>	11 133 119
<b>Avg Daily Turnover 12 mo. (BGN)</b>	18 696 569

Note: BG REIT and BG TR30 started 31 August 2007

**MARKET WRAP-UP**

On Friday the negative trend continued as the trading session started in total panic as local retail investors predominantly were selling at all cost pushing the prices heavily down. All indices moved down with the top loser being BGTR30 which lost 5.25% to 494.82 bps. SOFIX reached 751.67 bps. (-3.81%), BG40 also closed negative at 185.87 bps (-3.61 %). Among the top losers of the session were Toplivo (3TV, BGN 11.70, -12.71%), Industrial Capital Holding (4I8, BGN 4.12, -17.85%), Polimeri (51P, BGN 6.65, -6.29%) and Euroins Insurance (5IC, BGN 4.25, -10.53%). The day gainer was Central Cooperative Bank (4CF, BGN 2.90, +7.33%). The major moves came from First Investment Bank (5F4, BGN 4.15, -9.74%) where more than 113k shares change hands.

Most recent macro data	
Inflation (HICP, M/M August)	-0.1%
Inflation (HICP, cum. 2008)	7.1%
LEONIA Reference Rate	5.68%
SOFIBOR /3 months/	7.486
GDP Growth (Y/Y H1 2008)	7.1%
Unemployment (August 2008)	5.89%

	Exchange rates	
	Current	Change
<b>BGN/USD</b>	1.41378	0.00701
<b>BGN/EUR</b>	1.95583	Fixed
<b>EUR/USD</b>	1.3834	-0.00689

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## DAILY TRADING (selected stocks)

All figures in BGN (BGN/EUR rate fixed at 1.95583)

Ticker	Name	Volume	High	Low	Last	Avr.	Ch.% (last)	Bid	Ask	Market Capitalisation
6A6	Advance Terrafund ADSIC	14 894	1.76	1.74	1.74	1.74	-3.33	1.70	1.75	76 657 541
6AB	Albena AD	3 258	51.00	49.00	49.00	49.08	-8.07	48.10	49.00	209 725 024
6AM	Alcomet AD	50	4.80	4.75	4.75	4.79	-5.00	4.51	4.90	85 994 674
5BP	Billboard AD	3 483	4.75	4.62	4.65	4.68	-3.13	4.62	4.70	70 200 000
5BN	Bulgarian American Credit Bank	20	39.50	36.01	39.47	37.25	-1.79	39.25	39.47	470 271 006
5BU	Bulgarian Real Estate Fund	50	1.25	1.25	1.25	1.25	8.70	1.20	1.25	75 562 500
3KN	Captain Diado Nikola AD	30	32.50	29.00	29.00	29.75	-14.71	25.00	31.00	10 978 672
4CF	Central Cooperative Bank AD	12 187	2.90	2.61	2.90	2.77	7.33	2.70	2.84	230 339 605
6C4	Chimimport AD	22 651	5.33	5.09	5.27	5.18	-0.57	5.15	5.29	776 999 917
6C9	Corporate Commercial Bank AD	6 551	84.50	80.00	84.50	81.10	1.81	83.00	84.00	486 600 000
5DOV	Doverie-Obedinen Holding AD	14 825	5.78	5.56	5.65	5.70	-2.25	5.62	5.65	79 834 730
E4A	Enemona AD-Kozloduy	7 230	13.60	13.26	13.28	13.47	-1.99	13.50	13.64	160 745 592
4EH	Evrohold Bulgaria AD	13 020	3.25	3.16	3.20	3.20	-2.77	3.18	3.21	199 992 435
4F6	Fazerles AD	98	86.00	83.00	83.00	84.25	-5.68	83.00	84.96	43 388 750
5F4	First Investment Bank	113 694	4.60	4.01	4.15	4.15	-9.74	4.15	4.20	456 500 000
4ID	Industrial Holding Bulgaria AD	17 088	5.18	4.75	4.75	4.87	-8.55	4.75	4.98	213 092 295
5IC	Insurance Company Euro Ins AD	17 169	4.67	4.25	4.25	4.32	-10.53	4.25	4.59	43 199 965
6K1	Kaolin AD-Senovno	24 139	5.19	4.90	4.90	4.98	-8.92	4.90	4.96	124 500 000
5MB	Monbat AD	11 575	8.65	8.20	8.23	8.30	-6.48	8.22	8.23	323 700 000
3NB	Neohim AD	1 384	74.75	71.00	71.00	73.62	-2.90	70.15	71.00	195 413 836
5ODE	Odessos Shiprepair Yard AD	5	202.00	201.50	202.00	201.80	0.00	201.00	202.00	118 384 356
5ORG	Orgachim AD	403	127.50	119.00	119.06	123.53	-7.13	119.06	124.50	62 112 737
3JR	Sopharma AD	97 627	2.71	2.49	2.57	2.54	-4.85	2.48	2.58	335 280 000
SL9	Sparki Eltos AD	958	5.60	5.30	5.55	5.51	-7.50	5.30	5.50	92 211 613
6S7	Synergion Holding AD	1 597	4.60	4.40	4.49	4.41	-1.36	4.41	4.59	80 962 524
3TV	Toplivo AD	8 715	13.40	11.70	11.70	12.44	-12.71	11.65	13.00	67 385 353

### Compensatory Instruments

Ticker	Issuer	Volume	High	Low	Last	Avr.	Ch.%	Bid	Ask
BLKB	Jilishtni Kompensatorni Zapisi	51 400	0.32	0.31	0.31	0.31	-3.13	0.30	0.31
BLKD	Kompensatorni zapisi	8 800	0.35	0.33	0.33	0.34	-5.71	0.30	0.38
BLKC	Poimenni kompensacionni bonove	100 761	0.36	0.34	0.34	0.35	-0.88	0.33	0.35

## ECONOMY AND POLITICS

### *Insurance*

#### **Insurers expected to increase price of motor third-party liability**

The price of the mandatory motor third-party liability insurance should go up by the end of the year, and some companies are speaking about further hikes in mid-2009, a research showed. Insurers said a price increase is necessary to catch up with levels in the EU and avoid financial problems. Bulgarian insurers sell the cheapest third-party liability policy but its coverage spans the whole of the EU, said Rumen Yanchev, executive director of Bulstrad. The higher coverage limits laid down in the Insurance Code should further press prices up, he said.

Euroins said they might raise the price by 20% in December-January, the market's busiest period. Dancho Danchev, executive director of Victoria and deputy board chairman of the insurers' association announced that they should raise the price to BGN 180-190 by January and to BGN 300 by the middle of next year. Bul Ins will keep prices intact by the end of the year having raised them by 30-35% on average from October 1.

Source: *Dnevnik*

### *Energy sector*

#### **Employers and trade unions to challenge new gas price**

The Confederation of Employers and Industrialists in Bulgaria (CEIBG) is likely to contest the regulator decision about the gas price increase, chairman Ivo Prokopiev told Darik Radio. The Bulgarian Chamber of Commerce and Industry (BCCI) and trade union CITUB requested on Monday that the new price be halted until the court has come up with a decision.

Under local energy legislation, the new prices will be in place until the judges have had their say on the issue. If they rule in favour of employers and unions, the prices will be cut as of the date the final decision takes effect.

The price of gas was raised by 23.9% from October 1 against the 28.9% proposed by the regulator and the 36.5% requested by state-controlled gas distributor Bulgargaz. The price will crawl by a further 21.4%, or a total of 50%, over the next three months.

Source: *Dnevnik*

### *Energy sector*

#### **RWE is selected for strategic investor for Belene NPP**

Bulgaria's national power grid operator NEK selected German company RWE to be strategic investor for the construction of Belene nuclear power plant and should acquire 49% in the project company. Belgian Electrabel ranked second in the competition but may be invited by the winner to buy some of the shares. NEK should keep its 51% stake and RWE stick to its current offer. The German company is to inform NEK of its decision about inclusion of Electrabel. The agreement should be signed by the end of the month.

According to calculations RWE is expected to pay BGN 2.1bn at least for its participation. BGN 1.2bn of which should be paid-in capital in the new project company.

Source: *Dnevnik*

## CORPORATE NEWS

### *Kremikovtzi AD [4KW]*

#### **Pravin Banker offers that Kremikovtzi be nationalised**

Investment banker Pravin Banker called to Bulgaria's Prime Minister Sergei Stanishev in an open letter forwarded to Dnevnik daily to nationalise steel mill Kremikovtzi. The financier, who has some experience in rescuing metallurgical companies and has kept an eye on Kremikovtzi since 1998, put forward an action plan to help Bulgaria get away with EU punishment.

The plan includes that the state as the mill's biggest creditor, should propose a restructuring plan to recover the company and sign a three-year management contract with a strategic investor which

should be given a call option. Only companies with annual steel output of 15m tones should qualify for the competition.

Next step in the rescue plan should be creating a supervisory committee to manage the process. The mill may also be delisted from the Bulgarian Stock Exchange provided that minority shareholders are compensated.

All proven debts should be rescheduled into a new seven-year bond with a 7% coupon.

The plan also stipulates that the state should become the company's sole shareholder and take a EUR 350m loan to finance the mill's eco and investment programmes. The indicative price for the operating manager and the call option should be set at EUR 150m and immediately injected into the company.

*Source: Dnevnik*

## *Funds*

### **Bulgarian mutual fund assets decrease 20% QoQ in Q3 2008**

The net assets of Bulgaria's mutual funds have slid 20% QoQ to just above BGN 690m over June to September 2008, data showed. The fund assets are 40% YtD down from December 2007, when the funds managed more than BGN 1.15bn.

Pioneer Investments topped the Bulgarian mutual funds market in the nine months to September with assets of BGN 146m. The runner-up was Elana Fund Management followed by DSK Asset Management.

*Source: Dnevnik*

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