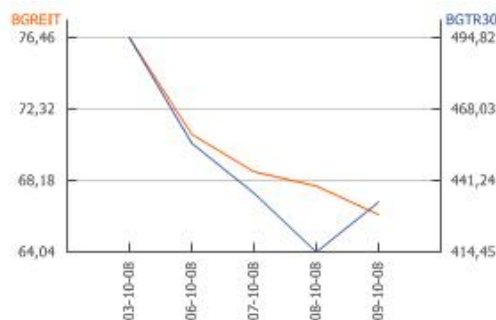
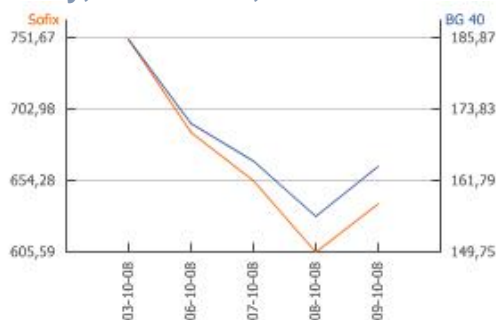




Friday, October 10, 2008



| | Sofix | BG 40 | BGREIT | BGTR30 |
|--------------------|--------|--------|--------|--------|
| Value | 638.76 | 164.29 | 66.23 | 433.28 |
| 1-day change (%) | 5.48 | 5.36 | -2.56 | 4.54 |
| 7-day change (%) | -18.26 | -14.81 | -13.95 | -17.04 |
| 90-day change (%) | -41.53 | -41.52 | -29.07 | -40.39 |
| 365-day change (%) | -66.69 | -73.06 | -33.77 | -56.67 |

| | |
|--|------------|
| BSE Daily Volume (shares) | 20 387 836 |
| BSE Daily Volume (BGN) | 5 935 530 |
| Avg Daily Turnover YTD (BGN) | 11 125 294 |
| Avg Daily Turnover 12 mo. (BGN) | 18 330 463 |

Note: BG REIT and BG TR30 started 31 August 2007

MARKET WRAP-UP

On Thursday despite the negative move of REIT companies which decreased BGREIT to 66.23 (-2.6%) all other indices finished the day positive: SOFIX 638.76 (+5.5%), BG40 164.29 (+5.4%) and BGTR30 433.28 (+4.5%). For SOFIX the only loser was Elana Agricultural Land Opportunity Fund (4EC, BGN 1.25, -1.6%) with over 928k traded. Support came mainly from Bulgarian American Credit Bank (5BN, BGN 24.90, +13.2%), Sopharma (3JR, BGN 2.47, +12.3%), Monbat (5MB, BGN 6.60, +8.0%) and Eurohold Bulgaria (4EH, BGN 2.67, +12.1%). On REIT territory the main issues to pull down the index were Real Estate Fund Bulgaria (5BU, BGN 1.15, -9.9%), Advance Terrafund REIT (6A6, BGN 1.41, -6.0%) and Agricultural Land Opportunity Fund Mel Invest REIT (6A7, BGN 1.02, -6.4%).

| Most recent macro data | |
|------------------------------|--------|
| Inflation (HICP, M/M August) | -0.1% |
| Inflation (HICP, cum. 2008) | 7.1% |
| LEONIA Reference Rate | 5.80% |
| SOFIBOR /3 months/ | 7.551% |
| GDP Growth (Y/Y H1 2008) | 7.1% |
| Unemployment (August 2008) | 5.89% |

| | Exchange rates | |
|----------------|----------------|---------|
| | Current | Change |
| BGN/USD | 1.42949 | 0.0051 |
| BGN/EUR | 1.95583 | Fixed |
| EUR/USD | 1.3682 | -0.0049 |

PLEASE REFER TO THE TEXT AT THE END OF THIS REPORT FOR OUR DISCLAIMER AND ALL RELEVANT DISCLOSURES

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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 | 13 088 | 1.46 | 1.41 | 1.41 | 1.41 | -6.00 | 1.41 | 1.56 | 62 119 042 |
| 6AB | Albena AD | 624 | 45.00 | 39.40 | 41.50 | 40.81 | 6.41 | 39.51 | 41.50 | 174 386 272 |
| 6AM | Alcomet AD | 2 680 | 4.23 | 3.95 | 3.95 | 3.98 | -1.23 | 4.00 | 4.20 | 71 452 777 |
| 5BP | Billboard AD | 6 391 | 4.00 | 3.80 | 3.85 | 3.88 | 10.00 | 3.85 | 4.00 | 58 200 000 |
| 5BN | Bulgarian American Credit Bank | 316 | 25.00 | 24.50 | 24.90 | 24.88 | 13.18 | 23.02 | 24.90 | 314 103 158 |
| 5BU | Bulgarian Real Estate Fund | 27 607 | 1.15 | 1.15 | 1.15 | 1.15 | -9.95 | 1.25 | 1.26 | 69 517 500 |
| 57B | Bulgartabac Holding AD | 5 | 24.50 | 24.50 | 24.50 | 24.50 | -5.02 | 22.49 | 22.50 | 180 496 939 |
| 3KN | Captain Diado Nikola AD | 116 | 25.00 | 24.00 | 24.00 | 24.85 | -11.76 | 23.01 | 24.00 | 9 170 420 |
| 4CF | Central Cooperative Bank AD | 7 537 | 2.40 | 2.30 | 2.39 | 2.34 | 4.13 | 2.35 | 2.39 | 194 582 915 |
| 6C4 | Chimimport AD | 46 927 | 4.25 | 3.97 | 4.10 | 4.15 | 8.32 | 4.09 | 4.10 | 622 499 934 |
| 6C9 | Corporate Commercial Bank AD | 246 | 77.00 | 70.00 | 77.00 | 73.44 | 10.00 | 71.00 | 75.00 | 440 640 000 |
| 5DOV | Doverie-Obedinen Holding AD | 705 | 5.45 | 5.20 | 5.37 | 5.36 | 1.32 | 5.37 | 5.50 | 75 072 658 |
| E4A | Enemona AD-Kozloduy | 5 452 | 9.30 | 8.56 | 9.00 | 8.98 | 4.65 | 8.73 | 9.00 | 107 163 728 |
| 4EH | Evrohold Bulgaria AD | 50 815 | 2.70 | 2.49 | 2.67 | 2.61 | 12.14 | 2.60 | 2.66 | 163 118 830 |
| 4F6 | Fazerles AD | 347 | 73.00 | 67.99 | 69.00 | 72.10 | 9.18 | 67.00 | 71.00 | 37 131 500 |
| 5F4 | First Investment Bank | 113 548 | 3.85 | 3.30 | 3.45 | 3.44 | 2.99 | 3.44 | 3.45 | 378 400 000 |
| 4ID | Industrial Holding Bulgaria AD | 18 444 | 5.00 | 4.60 | 4.90 | 4.86 | 2.30 | 4.89 | 4.90 | 212 654 733 |
| 5IC | Insurance Company Euro Ins AD | 691 | 4.14 | 3.90 | 3.90 | 3.98 | 0.10 | 3.90 | 4.16 | 39 799 968 |
| 6K1 | Kaolin AD-Senovov | 9 319 | 4.95 | 4.48 | 4.72 | 4.64 | 5.12 | 4.72 | 4.80 | 116 000 000 |
| 5MB | Monbat AD | 10 948 | 6.74 | 6.20 | 6.60 | 6.54 | 7.99 | 6.46 | 6.60 | 255 060 000 |
| 3NB | Neohim AD | 2 702 | 68.00 | 65.00 | 65.02 | 65.25 | 2.88 | 65.02 | 67.50 | 173 196 860 |
| 5ODE | Odessos Shiprepair Yard AD | 67 | 193.98 | 175.75 | 189.00 | 185.16 | 5.00 | 190.00 | 189.00 | 108 622 633 |
| 5ORG | Orgachim AD | 184 | 116.00 | 103.95 | 105.15 | 108.94 | 1.20 | 102.61 | 113.98 | 54 776 666 |
| 3JR | Sopharma AD | 42 562 | 2.47 | 2.24 | 2.47 | 2.30 | 12.27 | 2.50 | 2.49 | 303 600 000 |
| SL9 | Sparki Eltos AD | 1 095 | 5.25 | 4.80 | 5.25 | 5.02 | 7.80 | 4.75 | 5.25 | 84 011 306 |
| 6S7 | Synergon Holding AD | 2 417 | 3.84 | 3.40 | 3.84 | 3.66 | 9.71 | 3.68 | 3.84 | 67 193 387 |
| 3TV | Toplivo AD | 3 553 | 11.70 | 10.10 | 10.65 | 10.70 | 2.56 | 11.40 | 11.45 | 57 960 070 |

Compensatory Instruments

| Ticker | Issuer | Volume | High | Low | Last | Avr. | Ch.% | Bid | Ask |
|--------|--------------------------------|---------|------|------|------|------|-------|------|------|
| BLKD | Kompensatorni zapisi | 25 011 | 0.30 | 0.25 | 0.25 | 0.27 | -6.30 | 0.26 | 0.27 |
| BLKC | Poimenni kompensacionni bonove | 105 176 | 0.29 | 0.23 | 0.27 | 0.26 | 1.89 | 0.26 | 0.29 |

ECONOMY AND POLITICS

Macroeconomic news and statistics **New vehicles sales up 18% YoY in 9mo 2008**

In Jan-Sep 2008 44.5k new cars, trucks and buses have been sold in Bulgaria-18.3% YoY growth, Association of Car Manufacturers and Their Authorized Representatives in Bulgaria data showed. If data from non-members importers was added the vehicles sold would be above 45k.

Association members sold 41.1k passenger cars registered in 9mo 2008, 15.9 YoY growth. Market leader is Opel with 10.6% market shares, second is Toyota with 4k cars sold.

In Jan-Sep 2008 3.3k new trucks and buses were sold which marks a 59% YoY increase. Market leader is Mercedes with 33% market share.

Source: *Investor.bg*; *FFBH*

Macroeconomic news and statistics **Bulgaria Industrial Production Index down by 13% MoM in August**

The total industrial production in Bulgaria has gone down in the month of August by 13.1% MoM, according to data published by the National Statistics Institute.

The most significant decreases were registered in the production of metals – 30.8% MoM, production of metal items, excluding machinery, equipment, and appliances – 18.5% MoM, production of chemical products – 15.8% MoM.

YoY drop in August 2008 was 6.2%. The production in the manufacturing sector has decreased by 6.3% YoY, the mining industry registers a 3.7% YoY decrease, while the production and the distribution of water, gas and electric power was down by 7.5% YoY.

Total industry revenues also showed significant reductions in August 2008 – 13.3% MoM. The manufacturing industry sales revenues has gone down by 14.9% MoM, the mining is down by 5.8% MoM, however, the sales revenues from the production and the distribution of water, gas and electric power were up by 1.4% MoM.

On annual basis August 2008 revenues were down 5.8% YoY.

Source: *Novinite.com*

Financial sector **Bulgaria may increase deposit protection**

The Bulgarian government should urge Bulgarian National Bank to expand deposit insurance to EUR 50 000 from EUR 20 000 at present, prime minister Sergei Stanishev told a press conference on the global financial crisis. The current deposit guarantee covers over 90 percent of Bulgarians' savings in local banks.

Stanishev pledged the state would come to the rescue of the banking system should any real trouble arise. However, the prime minister warned Bulgaria may not stay clear from the worst economic crisis in 80 years as exports are about 30% of Bulgarian GDP. The prime minister noted the Cabinet had prepared a package of measures to contain the growth in the region of 5% next year and target a budget surplus of 3.5% of the GDP for 2008 and 2009.

Source: *Dnevnik*

Privatisation **Sofia Municipality stake in Municipal Bank may be sold at an auction**

Sofia Municipality stake in Municipal bank should be privatized at a public auction, as all participants should be pre-approved by BNB, the municipal council has voted.

The council have also approved the privatization deal consultant report but the valuation of the bank was not announced. Sofia's stake in the bank is 70.5%.

Municipal Bank has a registered capital of BGN 25m divided into 2.5 m shares of BGN 10 par value.

Source: *Investor.bg*; *FFBH*

Energy sector **Bulgaria may ask Gazprom to increase gas supply**

Bulgaria will seek talks with Russian gas major Gazprom on adding an extra 500m cu. M. to the 3bn cu. M. it gets a year because of growing consumption, economy and energy minister Petar Dimitrov said.

Russian deputy prime minister Sergei Sobyenin denied recent reports by Russian newspaper Vedomosti of an extended deadline for the completion of the South Stream gas pipeline. Bulgarian Energy Holding (BEH) and Gazprom should sign the agreement by the end of the year and set up a joint company by next spring.

Russia also reiterated its commitment to give a state-guaranteed loan for the construction of Bulgaria's Belene nuke plant in the eponymous town but Dimitrov declined it as a last-ditch solution. The project should be financially packaged by the end of next year.

Source: *Dnevnik*

Insurance

General insurance market premiums near BGN 1bn Jan-Aug

Bulgarian general insurers collected BGN 953m in gross written premiums in the eight months through August, up 22% YoY, showed data of the Financial Supervision Commission. Payments stood at BGN 384m, 30% YoY.

Motor insurance generated almost half of the premiums and 60% of the payouts. Motor third party liability insurance accounted for 22% of gross written premiums and 26% of the payments.

Bulstrad (16.7% market share), DZI (13%) and Allianz Bulgaria (12%) remained market leaders, while Euroins ranked 8th with 5.4%.

Life insurance market reported a 24% YoY growth in premium income to BGN 171m in January to August 2008. Market leader is Allianz Bulgaria Life Insurance with 23% followed Uniqa Life and DZI with above 16%.

Source: *Dnevnik*

Insurance

Private health insurance premiums grows 10% YoY in Jan-Aug

Bulgaria's private health insurance market reported a 10% YoY rise in premium income to BGN 21.2m in January-August 2008, showed data released by the Financial Supervision Commission. The number of Bulgarians with active contracts for voluntary supplementary health coverage was 338 760, according to the statistics.

Source: *Dnevnik*

CORPORATE NEWS

Bulgarian Telecommunications Company [5BT]

BTC to digitalize 58 new areas

Bulgaria's dominant landline operator, the Bulgarian Telecommunications Company, will digitalize another 58 areas in the northern region of Pleven by mid-December. The company will swap analogue for digital numbers from October 20 until December 9 and hand out free phones. The network upgrade will carry the operator's full product range to the area.

Source: *Dnevnik*

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