

Index	Value 31.08.2009	Monthly change	12 m change
SOFIX	454.00	27.52%	-65.37%
BG 40	125.66	25.37%	-60.11%
BG TR 30	338.70	26.11%	-59.48%
BG REIT	44.43	11.75%	-54.04%

SOFIX

Company	Price 31.07.2009	Price 31.08.2009	%Change
ALB (6AB)	30.34	34.50	13.71%
ELARG (4EC)	0.69	0.98	42.03%
ENM (E4A)	7.49	9.20	22.84%
EURINS (5IC)	1.47	1.74	18.37%
IHLBL (4ID)	1.69	2.01	18.93%
KAO (6K1)	3.77	5.25	39.26%
MCH (5MH)	3.30	4.50	36.36%
MONBAT(5MB)	4.85	7.00	44.33%
NEOH (3NB)	28.49	35.05	23.03%
OTZK (5OTZ)	12.03	14.35	19.29%
ORGH (5ORG)	72.57	98.57	35.83%
SFARM (3JR)	2.92	3.86	32.19%
ELTOS (SL9)	1.59	2.39	50.31%
BACB (5BN)	10.91	14.90	36.57%
CORP (6C9)	46.00	52.70	14.57%
FIB (5F4)	2.19	3.00	36.99%
CCB (4CF)	1.24	1.57	26.61%
TOPL (3TV)	4.00	4.50	12.50%
CHIM (6C4)	2.17	2.60	19.91%
HDPAT (6H2)	2.92	3.87	32.53%

Summary

- ☞ Double-digit growth and significant increase of trading volumes marked the performance of Bulgarian stock market in August. Market capitalization rose by 12.53% to BGN 11.363bn. The annual decline lagged to 44%.
- ☞ August 31 was the deadline for public companies to post their consolidated financial statements for the first half of 2009. The poor results of many blue chips didn't overshadow the positive market trend.
- ☞ Deflation for July was 0.6%, The National Statistical Institute (NSI) reported.

Indices

- ☞ Bulgarian Stock Exchange (BSE) official indices, as well as most indices in South Eastern Europe, posted double digit growth in August. World's major stock markets also moved upwards.
- ☞ SOFIX added 27.52% and reached levels last seen in November 2009. The benchmark was 65.37% below its year-ago value. BG 40 gained 25.37% in August and BG TR 30 26.11%. The broad index was 60.11% down since August 2008 and BG TR 30 lost 59.48% for the period.
- ☞ The specialized index for real estate companies BG REIT rose by 11.75% in August and is still the best performing BSE index for the last twelve months.
- ☞ The Serbian benchmark BELEX 15 was the main gainer in South-Eastern Europe, up by 24.65%. Stock markets in Montenegro, Ukraine and Turkey also posted double digit growths.
- ☞ The positive trend on world's major stock markets continued in August. In the UK FTSE 100 added 5.38% and the French CAC 40 rose by 5.98%.

World markets

- ☞ Bank of England held overnight borrowing rate steady at 0.50% on its regular meeting (August 6). The Federal Reserve, The European Central Bank and Bank of Japan didn't hold meetings in August.
- ☞ EUR/USD traded in range 1.41 – 1.44, closing at 1.43. GBP/USD fluctuated between 1.62 - 1.69, closing at 1.62.
- ☞ The number of US banks that went bankrupt in 2009 reached 84, after the Federal Deposits Insurance Corporation closed three banks with total assets of USD 1.9bn.
- ☞ Price of West Texas Intermediate crude oil settled lower from its monthly peak at USD 73.87 per barrel. The price decline was caused mainly from the weaker than expected demand in China. On August 31 WTI futures for delivery in October traded at USD 69.80.

Eastern European Markets

Index	Value 31.08.2009	Monthly change	12 months Change
Croatia CROBEX	2007.91	6.86%	-46.24%
Macedonia MIB-10	2607.58	7.07%	-52.53%
Romania BET	4249.22	8.39%	-27.68%
Serbia BELEX 15	710.80	24.65%	-58.31%
Montenegro MOSTE	890.88	11.00%	12.89%
Ukraine PFTS	469.11	10.87%	-20.72%
Turkey ISE 100	46 202.87	15.26%	1.90%
Russia RTSI	1081.60	3.58%	-36.57%
Morgan Stanley MSCI EM	172.32	3.61%	-41.08%

World Markets

Index	Value 31.08.2009	Monthly change	12 months Change
USA DJIA	11 543.55	3.54%	-20.55%
USA S&P 500	1 282.83	3.36%	-23.02%
USA NASDAQ	2 367.52	1.54%	-16.43%
Japan Nikkei 225	12 768.25	1.67%	-18.89%
Germany DAX	6 410.99	1.39%	-16.83%
UK FTSE 100	5 602.50	5.38%	-17.74%
France CAC 40	4 478.79	5.98%	-23.50%

Banking Sector

Bank	Price 31.08.2009	P/E	P/B
FIB (5F4)	3.00	7.23	0.87
CORP(6C9)	53.90	6.58	1.41
BACB(5BN)	15.02	4.18	0.93
CCB (4CF)	1.58	6.01	0.56

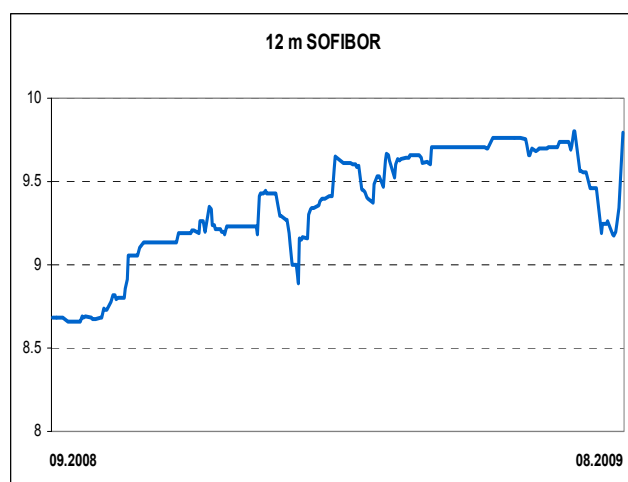
Corporate news

- ↔ August 31 was the deadline for public companies to post their consolidated financial statements for the first half of 2009.
- ↔ Sales of Albena Invest Holding declined by 64.22% to BGN 3.7mn. Total revenues stood at BGN 4.66mn and total expenses at BGN 4.24mn. Net earnings plunged from BGN 1.12mn a year ago to BGN 0.4mn. Total assets fell by 3.69% to BGN 100.57mn.
- ↔ Doverie United Holding posted firm second quarter sales of BGN 92.3mn, or 3.67% lower than in the same period a year ago. Net earnings shrank from BGN 3.9mn to BGN 0.9mn. Short-term loans soared from BGN 2.18mn to BGN 15.87mn. Interest expenses were steady, BGN 2.61mn compared to BGN 2.57mn in H1 2008.
- ↔ Agria Group Hold reported 18.59% decline of quarterly earnings to BGN 1.29mn. Net sales declined by 10.32% to BGN 29.19mn. Interest expenses grew by 20.85% to BGN 1.05mn. Total assets rose to BGN 72.068 from BGN 63.63 mainly due to higher current assets and own land.
- ↔ Orgachim posted second quarter net loss of BGN 0.723mn. sales fell by 22.83% to BGN 52.28mn. Operating expenses declined by 18.2% to BGN 53.1mn. For the same period of 2008 the producer of paints and chemical products reported earnings of BGN 3.02mn.
- ↔ Operating revenues of the silica producer Kaolin declined by 15.9% to BGN 57.5mn. Operating expenses fell by 14.3% to BGN 53.4mn. Sales shrank by 17% to BGN 55.3mn. Net earnings were 30.4% lower at BGN 4mn.
- ↔ Chimimport posted consolidated net earnings of BGN 67.56mn, or 3.6% higher than in the same period a year ago. Sales were steady at BGN 305mn. Total revenues grew from BGN 1.77bn to BGN 3.57bn. Financial revenues contributed for 91.5% of total revenues and stood at BGN 3.27bn. Revenues from operations with financial assets were BGN 78.26mn and expenses were BGN 31.67mn. Total assets increased from BGN 31.93bn to BGN 35.72bn.
- ↔ Net profit of Stara Planina Holding plummeted by 91% to BGN 0.285. Sales totaled BGN 19.89mn, or 60% less than in H1 2008. Total revenues were BGN 20.91mn (60% lower) and total expenses were BGN 20.33mn (56.75% lower). Total assets shrank from BGN 82.33mn to BGN 79.54mn.
- ↔ Semi-annual sales of Eurohold Bulgaria rose by 12.26% to BGN 171.29mn thanks to strong results of its car retailing and car leasing units. Operating revenues reached BGN 196.62mn and operating expenses BGN 202.51mn. Net loss fell to BGN 4.02mn compared to BGN 5mn in the first quarter of 2009. Total assets rose from BGN 705.75mn in H1 2008 to BGN 759.5mn in the current period.
- ↔ Corporate Commercial Bank reported net earnings of BGN 29.221mn, or 42.8% higher than in the first six months of 2009. Capital adequacy stood at 13.91%. Total assets rose by 18.1% to BGN 307mn.

Mutual Funds

Top 10 mutual funds – yield (high and balanced risk)	Change last 12 months	Change YTD
Iug Market Optimum	4.52%	3.77%
BenchMark Fund 5	2.81%	3.25%
Varchev High Yield	1.91%	5.50%
Real Finance High Yield	0.00%	10.27%
Real Finance Balanced	0.00%	10.28%
Expat New Europe	-2.59%	0.59%
Expat New Europe Stocks	-6.67%	13.36%
Invest Classic	-7.58%	2.42%
CCB Activ	-9.57%	17.07%
Advance IPO	-11.19%	6.29%

Top 10 Mutual funds -yield (low risk)	Change last 12 months	Change YTD
BenchMark Fund 6	8.55%	5.81%
Elana Money Market	6.57%	4.13%
Raiffeisen Money Market Fund	6.51%	4.30%
Raiffeisen Bonds Fund	5.12%	3.52%
TBI Eurobond	4.60%	3.05%
Sentinel Rapid	4.10%	2.51%
DSK Standard	3.77%	3.35%
CCB Garant	0.83%	4.94%
BKM Balanced	0.72%	11.25%
KD Bonds	0.36%	0.58%



Mutual funds

Net assets of mutual funds rose by BGN 21.23mn for the period July 14 – August 14 and totaled BGN 341.41mn, reported the online media Investor.bg. In the previous period net assets fell by BGN 3.32mn. DSK's Balance and Growth funds are still the largest mutual funds with assets of BGN 19.38mn and BGN 18.54mn respectively. Third ranked CCB Leader (BGN 15.64mn).

Iug Market Optimum was still the most profitable mutual fund with high or balanced risk profile on annual basis with yield of 4.52%, followed by BenchMark Fund 5 (3.25%). CCB Activ, Expat New Europe Stocks and two funds managed by Real Finance were the best year-to-date performers.

There were no changes in the ranking of conservative funds for a second month. BehnchMark fund 6 (8.55%) hold the leading position, followed by Elana Money Market (6.57%) and Raiffeisen Money Market (6.51%).

Macroeconomics

The National Statistical Institute (NSI) reported CPI deflation of 0.6% in July 2009. Deflation for June was 0.4%. Annual inflation stood at 1.6%, down from 3.7% in June. Year-to-date inflation was 4.5%.

Producer Price Index (PPI) plunged by 0.9% m/m in July and were 9.0% below its July 2008 value. Prices went up in manufacturing (2.2%) and mining industry (1.2%). In electricity manufacturing and distribution prices fell by 7.6%. In June the national statistics reported an increase of 0.5% m/m and a decline of 7.3% on annual basis.

A new drop in total business climate reported NSI in August. Despite the slight improvement in manufacturing business climate, the continuing decline in construction, commerce and services led to deterioration of total business climate. In August the cumulative indicator fell by 1.3 percentage points to 9.0 or its lowest level since November 2008.

In the second quarter of 2009 the unemployment rate reached 6.3%, or 0.8% higher than in Q2 2008.

Preliminary data showed GDP decline of 4.8% in the second quarter of 2009 compared to the same period a year ago.

In June Bulgaria's gross external debt (GED) stood at EUR 36.925bn, or BGN 56.1mn higher than in May (36.869bn). GED accounted for 109% of the projected GDP for 2009 (EUR 33. 889bn), the Bulgarian National Bank (BNB) reported.

Foreign direct investments (FDI) reached EUR 1.563bn in the end of June, or BGN 393mn higher than in the end of May. The ratio FDI/current account deficit stood at 73.4%, up from 57.5% in May.

In the end of June FOB trade deficit stood at EUR 2.379bn (-7.0% of projected GDP), up from EUR 2.045bn in May.

The 12-month SOFIBOR reached the record 9.791 in the end of August after a sharp drop in the middle of the month. SOFIBOR reference rate is an index of the quotes for unsecured BGN deposits offered in the Bulgarian interbank market.

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