

Index	Value 30.06.2009	Monthly change	12 m change
SOFIX	356.73	-6.01%	-69.08%
BG 40	100.88	-3.18%	-67.08%
BG TR 30	267.03	-5.53%	-65.32%
BG REIT	40.99	1.26%	-57.20%

## SOFIX

Company	Price 30.06.2009	Price 30.06.2009	%Change
ALB (6AB)	29.49	28.20	-4.37%
ELARG (4EC)	0.70	0.74	5.71%
ENM (E4A)	8.04	7.70	-4.23%
EURINS (5IC)	1.60	1.50	-6.25%
IHLBL (4ID)	1.92	1.81	-5.73%
KAO (6K1)	3.59	3.40	-5.29%
MCH (5MH)	3.51	3.40	-3.13%
MONBAT(5MB)	4.77	4.60	-3.56%
NEOH (3NB)	27.28	27.20	-0.29%
OTZK (5OTZ)	12.39	12.39	0.00%
ORGH (5ORG)	71.83	70.96	-1.21%
SFARM (3JR)	2.77	2.82	1.73%
ELTOS (SL9)	1.51	1.50	-0.66%
BACB (5BN)	13.50	11.62	-13.93%
CORP (6C9)	62.20	58.75	-5.55%
FIB (5F4)	2.47	2.18	-11.82%
CCB (4CF)	1.44	1.26	-12.78%
TOPL (3TV)	4.11	4.05	-1.46%
CHIM (6C4)	2.30	2.18	-5.22%
HDPAT (6H2)	3.10	2.47	-20.32%

## Summary

- ☛ After three months of steady growth The Bulgarian Stock Exchange – Sofia (BSE) ended June on negative territory.
- ☛ Market capitalization fell by 2.89% to BGN 10.635bn. The annual decline is 51.54%.
- ☛ The total number of US banks that went bankrupt in 2009 reached 45 after the bank regulator closed five small banks with total assets under USD 1bn.
- ☛ Consumer prices in Bulgaria fell in May after a slight increase in April.

## Indices

- ☛ All of the BSE indices except the specialized BG REIT finished June on negative territory. Regional indices and major world markets also ended the month mixed.
- ☛ SOFIX lost 6.01% and closed 28 points below its peak from June 2. The benchmark was 69.08% below its year-ago value.
- ☛ BG 40 and BG TR 30 fell by 3.18% and 5.53% respectively. The broad index was 67.08% below the level from June 2008, and BG TR 30 was down by 65.32%.
- ☛ The specialized index for real estate companies BG REIT was the only BSE gainer in June with monthly growth of 1.26% and is still the best performing BSE index for the last twelve months.
- ☛ The Croatian stock market was the main regional loser, down by 11.56% in June. On the other side, the Turkish benchmark ISE100 was the main gainer, up by 5.66%.
- ☛ World's major stock markets ended June mixed. The Japanese Nikkei 225 gained 4.58%, while in France CAC 40 lost 4.19%.

## World markets

- ☛ FIDIC, the US bank regulator closed five small banks with total assets under USD 1bn. The total number of bankrupt banks for 2009 rose to 45. In 2007 FIDIC closed 7 banks and in 2008 the number grew to 25.
- ☛ UBS, the largest Swiss bank, raised USD 3.5bn through sale of 293mn shares in an attempt to increase its cash reserves. The bank was severely hit by the US mortgage crisis and experienced losses of USD 53bn in 2008.
- ☛ Crude oil price fell to USD 67.35 per barrel on June 22 but then rose back at levels above USD 70.
- ☛ The Federal Reserve and the European Central Bank hold interest rates unchanged at levels of 0.25% and 1.00% respectively on their regular meetings in June. EUR/USD traded in the range 1.4330 – 1.3754, closing at 1.4031.

## Eastern European Markets

Index	Value 30.06.2009	Monthly change	12 months Change
Croatia CROBEX	1 896.36	-11.56%	-47.64%
Macedonia MIB-10	2 532.43	1.34%	-48.17%
Romania BET	3 434.43	2.78%	-47.43%
Serbia BELEX 15	569.27	-0.71%	-68.08%
Montenegro MOSTE	730.60	-4.12%	-6.64%
Ukraine PFTS	411.20	-6.12%	-46.43%
Turkey ISE 100	36 985.01	5.66%	4.70%
Russia RTSI	987.02	-9.25%	-57.15%
Morgan Stanley MSCI EM	149.54	-10.38%	-59.31%

## World Markets

Index	Value 30.06.2009	Monthly change	12 months Change
USA DJIA	8 447.00	-0.63%	-25.58%
USA S&P 500	919.32	0.02%	-28.18%
USA NASDAQ	1 835.04	3.42%	-19.95%
Japan Nikkei 225	9 958.44	4.58%	-26.13%
Germany DAX	4 808.64	-2.68%	-25.08%
UK FTSE 100	4 249.21	-3.82%	-24.47%
France CAC 40	3 140.44	-4.19%	-29.19%

## Banking Sector

Bank	Price 30.06.2009	P/E	P/B
FIB (5F4)	2.18	4.78	0.66
CORP(6C9)	58.75	8.75	1.64
BACB(5BN)	11.62	2.81	0.74
CCB (4CF)	1.26	5.03	0.47

## Corporate news

- ↔ The road-building company Roads Holding signed a contract for reconstruction of roads in Albania for the total value of EUR 2.64mn. On the General Meeting shareholders voted against the distribution of dividends for 2008, when net profit reached BGN 5.4mn. In the first quarter of 2009 Roads Holding reported 48% decline of annual net sales to BGN 6.8mn. Consolidated loss rose to BGN 0.025mn. In the beginning of 2009 shareholders voted for additional compensation of chairmen Vasil Bojkov (BGN 3.84mn), Orlin Hadziyankov (BGN 0.1mn) and Phillip Stoyanov (BGN 0.06mn).
- ↔ Shareholders of the resort operator Albena rejected the suggestion to retain 2008 net profit of BGN 13.9mn and hand out bonuses to executives. They decided to distribute a gross dividend of BGN 0.50 per share. In 2008 sales of Albena rose by 2.2% to BGN 96.3mn and the company announced cost-cutting plans in order to meet the expectations for lower revenues in 2009.
- ↔ The aluminum producer Alcomet will retain its 2008 net income of BGN 1.116mn. Revenues of the based in Shumen company declined by 33% y/y in the first quarter to BGN 38.mn. Net loss for the period is BGN 1.53mn vs. net profit of BGN 1.17mn in Q1 2008. Major shareholder of Alcomet is Alumetal – Sofia.
- ↔ Monthly revenues of Bulgaria's largest car battery producer Monbat plunged by 52.3% to BGN 6.191 mn. Earnings before taxes reached BGN 1.18mn, down by 45.21% y/y. The company will not distribute dividends for 2008. Increase of lead prices, which doubled in the previous quarter, will have a positive effect on Monbat. The company hasn't launched its new plant in Serbia yet due to administrative obstacles and unfair conduct of its main Serbian rival. Despite these obstacles Monbat's strategy is to become Europe's third-largest car battery producer. In June Monbat established a subsidiary in the United Kingdom – Monbat UK Ltd., which will trade with scrap and car batteries.
- ↔ FairPlay Properties' project "Holiday complex Santa Marina" – Sozopol, won the award "Best Sea Project" at the international competition "Best Project of 2009", organized by "Euro Design" LLC and "BEST" Corporation. The competition was part of the event "Year of Bulgaria in Russia." The prize was given on an official ceremony in the Sheraton Hotel - Sofia on June 18,2009. "Holiday complex Santa Marina" has already been awarded at the competition "Building of the Year 2006".
- ↔ The water bottling company Devin will also retain its net profit for last year. Shareholders approved a decision to put in pledge the entire enterprise as collateral on loans from Raiffeizen Bank Bulgaria and Alpha Bank. Devin's major shareholder – the Austrian Soravia Group, is officially seeking a buyer for its 75% stake in the bottling company. In Q1 Devin reported 7.8% growth of sales to BGN 14.1mn and net loss of BGN 0.363mn.

## Mutual Funds

Top 10 mutual funds – yield (high and balanced risk)	Change last 12 months	Change YTD
Iug Market Optimum	2.22%	1.23%
Varchev Balanced	0.14%	-0.33%
Real Finance High Yield	0.00%	3.11%
Real Finance Balanced	0.00%	3.41%
TBI Treasury	-1.33%	1.69%
BenchMark Fund 5	-2.49%	-1.65%
Expat New Europe	-4.87%	-2.28%
Varchev High Yield	-6.29%	0.59%
Invest Classic	-9.33%	0.85%
Expat New Europe Stocks	-12.60%	8.00%

Top 10 Mutual funds -yield (low risk)	Change last 12 months	Change YTD
BenchMark Fund 6	8.16%	4.31%
Elana Money Market	7.45%	3.56%
Raiffeisen Money Market Fund	6.20%	2.96%
Raiffeisen Bonds Fund	5.72%	2.91%
TBI Eurobond	4.56%	2.17%
Sentinel Rapid	4.24%	1.86%
DSK Standard	4.14%	2.51%
Elana Eurofund	0.59%	-0.06%
CCB Garant	0.43%	4.41%
KD Bonds	-0.36%	0.14%

## Mutual funds

For the period May 15 – June 15 the net assets of mutual funds rose by BGN 6.98mn and totaled BGN 323.41mn, reported the online media Investor.bg. The increase for the previous period was by 5.64mn. Two funds managed by DSK - Balance and Growth are still the largest mutual funds with assets of BGN 18.49mn and BGN 16.38mn respectively. Third is Elana Money Market (BGN 14.48mn).

Iug Market Optimum was the most profitable mutual fund in the end of June on annual basis with gain of 2.22%, followed by Varchev Balanced (0.14%). Real Finance High Yield Fund (0.00%) fell to the third place. For a first time since July 2008 a high or balanced mutual fund reported positive yield.

Elana Money Market (7.45%) was displaced from the leading position among the conservative funds by BenchMark fund 6. Raiffeisen Money Market fell to the third place with an annual yield of 6.20%.

## Macroeconomics

Gross domestic product (GDP) for the first quarter of 2009 reached EUR 7.138bn and GDP per capita was EUR 936.4. Compared to the first three months of 2008, GDP in Q1 2009 is 3.5% lower.

The National Statistical Institute (NSI) reported CPI deflation of 0.3% in May 2009 after inflation of 0.7% in April. Annual inflation stood at 3.9%, down from 4.8% in February and March. Year-to-date inflation was 1.0%.

The national statistics reported deterioration of business climate in all sectors of the Bulgarian economy. In May the total business climate indicator fell by 1.1 basis points. Business climate was still below its long-term moving average.

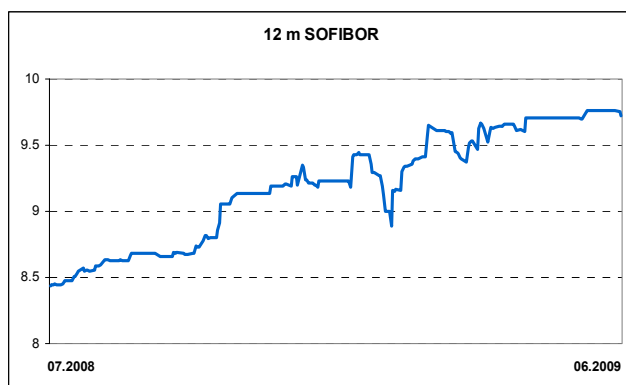
After the decline from March Bulgaria's gross external debt increased by EUR 121.7mn in April. Gross debt stood at EUR 36.554bn, or 107.9% of the projected GDP for 2009 (EUR 33.889bn), the Bulgarian National Bank (BNB) reported.

Foreign direct investments (FDI) for the first four months of 2009 reached EUR 955.4mn. The increase in April compared to March is by EUR 205mn. The ratio FDI/current account deficit stood at 56.5%, down from 59% in March.

In the end of April the FOB trade deficit stood at EUR 1.603.5bn (4.7% of projected GDP), up from EUR 1.009bn in March. According to BNB's data, exports and imports fell by 32.6% and 30.4% respectively on annual basis. Year-to-date export reached EUR 3.495bn and import EUR 5.098bn.

Producer Price Index (PPI) rose by 0.3% m/m in May, but is 3.2% down compared to May 2008. Manufacturing prices grew by 0.7%, and electricity manufacturing and distribution prices declined by 0.5%. Metal and coal prices grew by 3.6% and 1.8% respectively.

The 12-month SOFIBOR reached the record 9.759 points in June. SOFIBOR reference rate is an index of the quotes for unsecured BGN deposits offered in the Bulgarian interbank market. SOFIBOR finished June at 9.726.



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