

Index	Value 30.09.2009	Monthly change	12 m change
SOFIX	480.14	5.76%	-42.71%
BG 40	131.61	4.73%	-36.72%
BG TR 30	367.02	8.36%	-35.89%
BG REIT	49.34	11.05%	-43.39%

SOFIX

Company	Price 31.08.2009	Price 30.09.2009	%Change
ALB (6AB)	34.50	40.50	17.39%
EUBG (4EH)	1.45	1.56	7.59%
ELARG (4EC)	0.98	0.93	-5.10%
ENM (E4A)	9.20	11.83	28.57%
IHLBL (4ID)	2.01	2.14	6.47%
KAO (6K1)	5.25	6.00	14.29%
MCH (5MH)	4.50	6.00	33.33%
MONBAT(5MB)	7.00	7.52	7.43%
NEOH (3NB)	35.05	36.71	4.74%
OTZK (5OTZ)	14.35	15.81	10.17%
ORGH (5ORG)	98.57	101.19	2.66%
SFARM (3JR)	3.86	4.19	8.55%
ELTOS (SL9)	2.39	2.23	-6.69%
BACB (5BN)	14.90	20.01	34.30%
CORP (6C9)	52.70	55.09	4.54%
FIB (5F4)	3.00	2.97	-1.00%
CCB (4CF)	1.57	1.49	-5.10%
TRACE (T57)	74.66	80.29	7.54%
CHIM (6C4)	2.60	2.53	-2.77%
HDPAT (6H2)	3.87	3.51	-9.30%

Summary

- The positive momentum from August led to another monthly growth for the Bulgarian Stock Exchange – Sofia (BSE). The takeover of the bottling company Devin by Advent International was in the spotlight, but the details of the deal were unclear. The National Statistical Institute (NSI) reported CPI deflation in August and for the first eight months of 2009.

Indices

- As at September 23, the Bulgarian Stock Exchange - Sofia (BSE) changed the composition of its official indices and the criteria that components should meet. Toplivo and Euroins were replaced by Eurohold Bulgaria and Trace Group in SOFIX's composition.
- In BG40, Advance Terrafund, Industrial Capital Holding, Benchmark Fund Estates, Etropal, Oil and Gasexploration and Production were replaced by Alcomet, FairPlay Properties, Corporation for Technology & Innovations Saedinenie, M+S Hydraulicand and Bulgartabac Holding. Within BGREIT, Prime Property replaced Intercapital Property Development, Aktiv Properties and Agricultural Land Fund Mel Invest.
- SOFIX added 5.76% and pared its losses since the end of October 2008. The blue-chip index was 42.71% below its year-ago value. BG 40 gained 4.73% in September and BG TR 30 8.36%. The broad index was 36.72% down since September 2008 and BG TR 30 lost 35.89% for the period.
- BG REIT, the specialized index for real estate companies, was the best performing BSE index in September, up by 11.05%, but 43.39% below its year-ago value.
- Stock markets in Macedonia, Ukraine, Serbia and Russia made double digit growth. The cumulative index for emerging markets MSCI EM advanced by 10.86%.
- Nikkei 225 was the only among world's majors, down by 5.24% in September.

World markets

- The most important outcome of the G20 summit in Pittsburgh was to push the organization into the world's centre stage. IMF's quota system will be recast in such a way that China, India, Brazil and a few other developing countries will have a greater say in fund's policy. New standards for executive compensation structure in the financial sector were proposed.
- The European Central Bank and the Federal Reserve kept key interest rates on hold at 1.00% and 0.255 respectively on their regular meetings.

Eastern European Markets

Index	Value 30.09.2009	Monthly change	12 months Change
Croatia CROBEX	2 197.36	9.44%	-32.87%
Macedonia MIB-10	3 101.88	18.96%	-41.39%
Romania BET	4 397.40	3.49%	-0.21%
Serbia BELEX 15	825.97	16.20%	-29.20%
Montenegro MOSTE	948.97	6.52%	40.35%
Ukraine PFTS	553.29	17.94%	26.88%
Turkey ISE 100	47 910.30	3.70%	28.16%
Russia RTSI	1 254.52	15.99%	-10.75%
Morgan Stanley MSCI EM	191.03	10.86%	-22.33%

World Markets

Index	Value 30.09.2009	Monthly change	12 months Change
USA DJIA	9 712.28	2.27%	-12.48%
USA S&P 500	1 057.08	3.57%	-12.50%
USA NASDAQ	2 122.42	5.64%	-3.52%
Japan Nikkei 225	9 978.64	-5.24%	-7.37%
Germany DAX	5 675.16	4.98%	-7.29%
UK FTSE 100	5 133.90	5.72%	-0.94%
France CAC 40	3 795.41	4.52%	-9.94%

Banking Sector

Bank	Price 30.09.2009	P/E	P/B
FIB (5F4)	2.97	7.77	0.86
CORP(6C9)	55.09	7.01	1.41
BACB(5BN)	20.01	5.52	1.22
CCB (4CF)	1.49	5.85	0.55

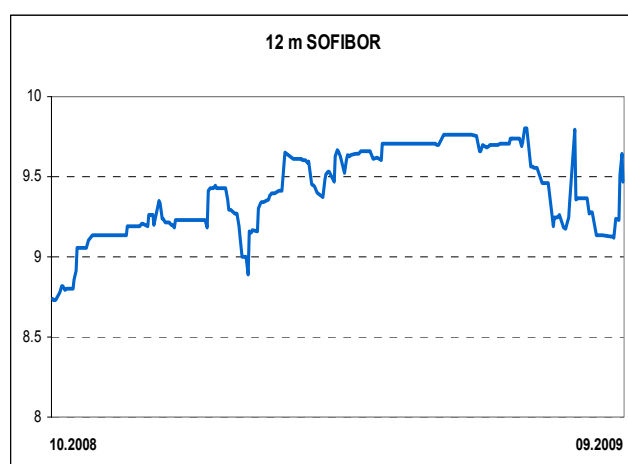
Corporate news

- ↪ Advent International USA and the Austrian Soravia Group signed a deal for the acquisition of 75% stake of the bottling company Devin. The expected price range is between BGN 3.06 and BGN 3.17 per share. The total value of Devin is estimated between BGN 54.8mn and BGN 56.7mn. Devin's three CEOs will keep their combined stake of 6.75%. According to the Bulgarian legislation, after the deal is approved by the regulators Advent should launch a tender offer to the company's minority shareholders.
- ↪ Shareholders of Holding Roads declined managerial proposal for buying receivables of up to EUR 200mn. An extraordinary shareholder meeting is scheduled for October 12 and the management of the company will put the proposal on vote, but Holding Roads already announced that consensus has not been reached. Meanwhile Holding Roads sold its subsidiary Sofpatstroy and its stake in Consortium M&M Construction 2008.
- ↪ FairPlay Properties REIT concluded a transaction for sale of construction right on a section of its project Commercial Park Trakia in the town of Plovdiv. On the land plot will be constructed a supermarket of the Lidl chain. The deal is estimated at more than EUR 2 mn (VAT not included). The purchaser, Lidl Bulgaria EOOD&Ko KD, is part of the German Schwarz-Gruppe, one of the leading companies in the field of trade with food and non-food goods. Commercial park Trakia will be realized on 22 000 sq.m. in the heart of the residential complex Trakia in Plovdiv. The construction of the supermarket is part of the first stage from the commercial park's realization. Plans for the second stage focus on a hypermarket of another well known European brand for non-food products.
- ↪ Monbat, the blue-chip car battery producer, reported 25.96% decline of its annual sales in August to BGN 11.1mn. Year-to-date sales fell by 44.16% compared to the same period of 2008 to BGN 67.3mn. Net earnings fell by 45% to BGN 11.3mn. Monbat's management raised its end-of-the year earnings forecast by 7.8%. In September the battery producer redeemed 37 298 shares as part of its share buy-back program. This is the sixth stage of this program with upper limit for the shares bought back at BGN 8.
- ↪ The engineering company Enemona will issue 5 966 800 warrants at BGN 0.17. Each warrant can be transferred into one share at strike price of BGN 18.5, which was above the closing price of Enemona's shares at the end of September.
- ↪ Bulgaria's pharmaceutical blue-chip Sopharma will acquire a 51% stake of the Latvian company Briz OOO. For 2008 Briz posted total revenues of EUR 13.8mn and net earnings of EUR 0.358mn. The Latvian company has operations in Latvia, Lithuania, Estonia and Belarus.

Mutual Funds

Top 10 mutual funds – yield (high and balanced risk)	Change last 12 months	Change YTD
TBI Treasury	5.02%	7.28%
Iug Market Optimum	4.99%	4.23%
Varchev High Yield	4.82%	6.05%
BenchMark Fund 5	3.60%	3.09%
Varchev Balanced	1.96%	1.69%
Expat New Europe Stocks	1.87%	16.94%
Expat New Europe	-0.76%	0.93%
CCB Activ	-2.17%	18.71%
Invest Classic	-3.69%	3.61%
Sentinel - Principal	-5.31%	6.85%

Top 10 Mutual funds -yield (low risk)	Change last 12 months	Change YTD
BenchMark Fund 6	8.71%	6.57%
BKM Balanced	7.77%	15.34%
Raiffeisen Money Market	6.70%	5.13%
Elana Money Market	6.20%	4.37%
Raiffeisen Bonds Fund	5.65%	4.78%
TBI Eurobond	4.51%	3.49%
Sentinel Rapid	3.95%	2.74%
CCB Garant	3.89%	6.55%
DSK Standard	3.81%	3.89%
KD Bonds	0.55%	1.18%



Mutual funds

Net assets of mutual funds rose by almost BGN 10mn for the period August 15 – September 15 and totaled BGN 351mn, reported the online media Investor.bg. In the previous period net assets increased by BGN 3.21mn. DSK's Growth and Balance funds are still the largest mutual funds with assets of BGN 19.86mn and BGN 19.71mn respectively. Third ranked CCB Leader (BGN 15.97mn).

Iug Market Optimum (4.99%) fell behind TBI Treasury (5.02%) in the ranking of the most profitable mutual funds with high or balanced risk profile for the last twelve months. Third ranked Varchev High Yield Fund (4.82%).

BehnchMark fund 6 (8.71%) held the leading position among conservative funds, followed by BKM Balanced (7.77%) and Raiffeisen Money Market (6.70%).

Macroeconomics

The National Statistical Institute (NSI) reported CPI deflation of 0.2% in August 2009 and year-to-date deflation of 0.1%. CPI still measures inflation of 1.3% since August 2008.

Producer Price Index (PPI) rose by 0.2% m/m in August but was 10.8% below its August 2008 level. Prices went up in the chemical industry (1.1%), electric equipment manufacturing (0.6%) and mining industry (13.3%). In metal manufacturing prices fell by 27%. In July the PPI index plunged by 0.9% on monthly and 9.0% on annual basis.

NSI reported a new drop in total business climate in September. Despite the slight improvement in manufacturing and retail business climate, the continuing decline in construction and services led to further deterioration of total business climate. In August the indicator fell by 0.4 percentage points to 8.6 or its lowest level since October 2008.

The number of employed persons rose by 3.7% in 2008 compared to the previous year. The average salary rose by 26.3% to BGN 6 528 per annum.

In July Bulgaria's gross external debt (GED) stood at EUR 36.321bn, or BGN 336mn lower than in June due to payments made through the month. GED accounted for 107.2% of the projected GDP for 2009 (EUR 33.889bn), the Bulgarian National Bank (BNB) reported.

Foreign direct investments (FDI) reached EUR 1.881bn in the end of July, or BGN 347mn higher than in the end of June. The ratio FDI/current account deficit was estimated at 76.8%, up from 73.4% in June.

In the end of July the FOB trade deficit reached EUR 2.817bn (-8.3% of the projected GDP), up from EUR 2.395bn in June.

After a sharp drop to mid-August levels, the 12-month SOFIBOR went back above 9.791 in the end of September. SOFIBOR reference rate is an index of the quotes for unsecured BGN deposits offered in the Bulgarian interbank market.

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