

Index	Value 30.11.2009	Monthly change	12 m change
SOFIX	451.76	-1.28%	24.36%
BG 40	122.81	-0.41%	13.08%
BG TR 30	344.53	-1.50%	22.68%
BG REIT	48.20	-0.08%	1.73%

SOFIX

Company	Price 31.10.2009	Price 30.11.2009	%Change
ALB (6AB)	40.00	39.06	-2.35%
EUBG (4EH)	1.52	1.40	-7.89%
ELARG (4EC)	0.82	0.84	2.44%
ENM (E4A)	10.41	10.00	-3.94%
IHLBL (4ID)	1.98	1.88	-5.05%
KAO (6K1)	6.01	5.91	-1.66%
MCH (5MH)	5.90	5.79	-1.86%
MONBAT(5MB)	7.02	6.75	-3.85%
NEOH (3NB)	32.07	31.00	-3.34%
OTZK (5OTZ)	15.27	14.55	-4.72%
ORGH (5ORG)	90.02	86.27	-4.17%
SFARM (3JR)	4.08	4.03	-1.23%
ELTOS (SL9)	2.05	1.99	-2.93%
BACB (5BN)	18.26	17.01	-6.85%
CORP (6C9)	59.80	59.99	0.32%
FIB (5F4)	2.86	2.69	-5.94%
CCB (4CF)	1.52	1.46	-3.95%
TRACE (T57)	73.23	70.25	-4.07%
CHIM (6C4)	2.54	2.84	11.81%
HDPAT (6H2)	2.93	2.77	-5.46%

Summary

- ↪ Low turnover regardless of the Q3 earnings season persisted on the Bulgarian Stock Exchange – Sofia (BSE). Market capitalization declined by 2.57% to BGN 11.133bn despite the first IPOs in more than 20 months.
- ↪ Dubai shook stock markets around the world when Dubai World, a government investment fund with some USD 60bn worth of debt, asked creditors for delay of future payments until May 2010.
- ↪ Consumer prices rose in October, but annual deflation reached 0.3%, the National Statistical Institute (NSI) reported.

Indices

- ↪ BSE's official indices ended November almost unmoved since the previous month. November was lucrative for major stock markets in Europe and the USA, but most markets in South-Eastern Europe and Japan finished on negative territory.
- ↪ SOFIX lost 1.28% and moved further into the red on thin trading volume. The benchmark was 24.36% above its year-ago value, when stock markets around the globe were in freefall. BG 40 dipped by 0.41% and BG TR 30 by 1.50%. The broad index was 13.08% higher since November 2008. BG TR 30 rose by 22.68% for the last twelve months.
- ↪ BG REIT was the worst performer for the last 12 months, up by only 1.73%. In November BG REIT lost 0.08%.
- ↪ Stock markets in Serbia and Macedonia were the main regional losers, both down by more than 15%. Meanwhile the Romanian benchmark BET added 8.34%.
- ↪ World's major stock markets ended October mostly higher with the exception of Japan, where Nikkei 225 plunged by 6.86%.

World markets

- ↪ Dubai's main investment arm, Dubai World, revealed it was seeking at least a six-month delay on repaying its USD 60bn debt. Credit agencies responded by slashing debt ratings on Dubai's state companies, saying they might consider the plan a default. The possible spillover effects renewed fears that international banks could suffer big losses. Stock and commodity markets tumbled worldwide as investors flocked to less risky instruments.
- ↪ Reserve Bank of Australia raised further the overnight cash rate by 25 basis points to 3.50% in November. Australia was the first industrialized country that raised interest rates this year and reported steady GDP growth.
- ↪ The US dollar fell against most majors and hit 14-years bottom against the Japanese Yen. Crude oil hovered between USD 72.36 and USD 81.03 per barrel, closing at USD 77.13.

Eastern European Markets

Index	Value 30.11.2009	Monthly change	12 months Change
Croatia CROBEX	2 066.91	-3.63%	28.60%
Macedonia MIB-10	2 964.98	-15.23%	25.95%
Romania BET	4 841.58	8.34%	62.45%
Serbia BELEX 15	681.24	-15.50%	23.70%
Montenegro MOSTE	651.09	-12.06%	74.51%
Ukraine PFTS	594.56	0.46%	105.28%
Turkey ISE 100	45 350.10	-2.93%	76.36%
Russia RTSI	1 374.93	1.96%	108.91%
Morgan Stanley MSCI EM	205.28	3.28%	69.47%

World Markets

Index	Value 30.11.2009	Monthly change	12 months Change
USA DJIA	10 344.84	6.51%	17.17%
USA S&P 500	1 095.63	5.74%	22.25%
USA NASDAQ	2 144.60	4.86%	39.66%
Japan Nikkei 225	9 346.00	-6.86%	9.79%
Germany DAX	5 625.95	3.90%	20.48%
UK FTSE 100	5 190.68	2.90%	21.05%
France CAC 40	3 680.15	2.01%	12.80%

Banking Sector

Bank	Price 30.11.2009	P/E	P/B
FIB (5F4)	2.69	6.74	0.74
CORP(6C9)	59.99	6.69	1.44
BACB(5BN)	17.01	6.43	1.03
CCB (4CF)	1.46	5.51	0.50

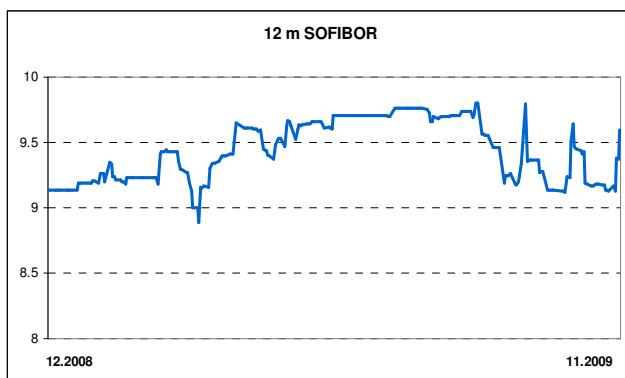
Corporate news

- ↪ Orpheus Club Wellness raised BGN 4040 in the first IPO since March 2008. The company, owner of the Orpheus hotel in the town of Smolyan, offered 4mn shares, but only 4000 or 0.1% was subscribed at BGN 1.01 per share.
- ↪ BG Agro, an agricultural company active in grain production and export, made the second IPO for the year. BG Agro offered 6 053 616 shares with price range BGN 1.67 – BGN 2.28. Offering was organized under the book building method and 5 189 967 shares were subscribed. The free-float of BG Agro is 16.23%.
- ↪ The engineering company Enemona will issue up to 5 966 800 warrants with strike price of BGN 18.5 exercisable in 6 years. Enemona will also issue 5 966 800 preferred shares at BGN 9.92 with annual dividend of BGN 10% of the issue price. In Q3 2009 Enemona reported sales for BGN 140.73mn (66% higher than in the same period of 2008) and net earnings of BGN 11.26mn (an increase of 21%).
- ↪ Monbat, the producer of car batteries, posted total sales of BGN 73.63mn in Q3 2009, or 40% lower compared to the same period of 2008. Net earnings fell by 46% to BGN 12.37mn. Financial revenues totaled BGN 0.671mn (BGN 1.13mn in Q3 2008) and financial expenses reached BGN 1.73mn (BGN 1.63 in the comparable period of 2008). Net cash flows were positive: BGN 7.55mn. Total assets grew by 16% to BGN 179.4mn. In Q3 Monbat redeemed shares for the amount of BGN 1.02mn.
- ↪ Net earnings of Chimimport, the diversified holding consolidating Central Cooperative Bank, the insurer Armeets, Zarneni Hrani, etc., grew from BGN 93.57mn to BGN 99.02mn in the current quarter. Sales fell by 6% or from BGN 558.24mn to BGN 523.88mn. FOREX gains and FOREX losses both soared by 91% to BGN 3 690.14mn and 3 686.10mn respectively. Revenues from operations with financial assets fell by 24% to BGN 117.98mn and losses declined by 48% to BGN 48.73mn. Interest revenues grew by 25% to BGN 115.08mn and interest expenses fell by 71% to BGN 69.56mn. Net cash flows were negative: BGN -58.57mn. Total assets increased by 7.7%, or from BGN 3 193.63mn to BGN 3 440.03mn.
- ↪ Consolidated sales of Eurohold Bulgaria rose by 29% to BGN 269.62mn during the first nine months of 2009. Total revenues stood at BGN 308.4mn and total costs at BGN 313.44mn. Net loss reached BGN 3.58mn compared to net profit of BGN 35.99mn in Q3 2008. Major contribution to the negative results in the current period has Eurohold's insurance subsidiary Eurins Insurance Group. Interest revenues rose by 49% to BGN 16.40mn and interest expenses by 32% to BGN 15.19mn. Revenues from operations with financial assets fell by 64% to BGN 17.84mn and expenses rose by 25% to BGN 10.22mn. Net cash flows were negative: BGN -22.20mn.

Mutual Funds

Top 10 mutual funds – yield (high and balanced risk)	Change last 12 months	Change YTD
Status Finance	43.97%	39.99%
Advance Eastern Europe	26.70%	34.07%
CCB Activ	20.00%	13.49%
KTB Shares Fund	18.04%	17.25%
Avrora Capital Global	16.44%	22.71%
KTB Balanced	15.46%	14.79%
Expat New Europe Stocks	12.61%	17.30%
CCB Leader	11.76%	10.84%
Standard Invest	10.35%	17.27%
Balkani	9.63%	9.42%

Top 10 Mutual funds -yield (low risk)	Change last 12 months	Change YTD
BKM Balanced	12.99%	12.38%
BenchMark Fund 6	8.96%	8.09%
CCB Garant	8.53%	9.12%
Raiffeisen Bonds Fund	6.86%	6.46%
Raiffeisen Money Market	6.84%	6.31%
TBI Comfort	6.16%	5.70%
Astra Cash	6.04%	5.55%
Elana Money Market	5.59%	5.00%
TBI Eurobond	4.76%	4.34%
DSK Standard	4.53%	4.67%



Mutual funds

- ↪ Net assets of mutual funds fell by almost 11% in November to BGN 337mn. In the previous month net assets increased by 2.3% to BGN 374mn. DSK's Balance and Growth funds are still the largest mutual funds with assets of BGN 19.47mn and BGN 18.70mn respectively. Elana Money Marked Fund holds the third position with assets of BGN 16.57mn.
- ↪ Mutual funds with high or balanced risk profile outperformed the conservative ones in terms of yield for the last twelve months. Status Finance Fund (43.97%) was the best performer among high or balanced risk funds, followed by Advance Eastern Europe (26.70%) and CCB Activ (20.00%).
- ↪ Among conservative funds, BKM Balanced (12.99%) held the leading position, followed by BehnchMark fund 6 (8.96%) and CCB Garant (8.53%).

Macroeconomics

- ↪ Consumer prices rose by 0.1% in October, reported the National Statistical Institute (NSI). Year-to-date CPI was flat, but the Consumer Price Index (CPI) measured deflation of 0.3% since October 2008.
- ↪ Producer Price Index (PPI) fell by 0.4% m/m in October and was 8.3% down since October 2008. Prices decreased in manufacturing (-10.1%), mining industry (-3.9%) and electricity production (-5.3%). In September the PPI index rose by 1.2% on monthly basis but plunged by 7.2% y/y.
- ↪ Total business climate advanced by 0.4 basis points in November after falling in the previous couple of months. The indicator moved higher due to improvement in services and manufacturing. In October the total business climate fell by 1.3 percentage points to levels last seen in 1999.
- ↪ The number of unemployed persons reached 234 500 in the third quarter. The unemployment rate was 6.7%, or 1.6% higher than in the same period of 2009.
- ↪ Bulgaria's gross external debt (GED) stood at EUR 36.557bn in September, or EUR 14.5mn lower than in August, due to higher lending of foreign companies to their Bulgarian subsidiaries. GED accounted for 109.2% of the projected GDP for 2009 (EUR 33.889bn), the Bulgarian National Bank (BNB) reported.
- ↪ Foreign Direct Investments (FDI) reached EUR 2.112bn in the end of September, or EUR 2.964mn less than in September 2008. The ratio FDI/current account deficit was estimated at 99.9%, up from 94.8% in August.
- ↪ In the end of September the FOB trade deficit reached EUR 3.230bn (-9.6% of the projected GDP), up from EUR 2.970bn in August.
- ↪ The 12-month SOFIBOR fluctuated between 9.012 and 9.52 percentage points. SOFIBOR reference rate is an index of the quotes for unsecured BGN deposits offered in the Bulgarian interbank market. In October the reference rate closed at 9.596.

DISCLAIMER:

This report is prepared by Focal Point Investments under an agreement with FairPlay Properties REIT and is property of FairPlay Properties REIT. Unauthorized distribution is prohibited.

This report is for informational purposes only and does not represent a recommendation to buy or sell securities. The material is based on publicly available information.

This report has no regard to the individual investment objectives, financial situation or particular needs of any specific recipient and should not be relied upon as authoritative, or taken in substitution for the exercise of judgment by any receiver. Each recipient should consider the appropriateness of any investment decision having regard to their own circumstances, the full range of information available and appropriate professional advice, and should consult their advisors to make sure all involved risks are fully understood.

The information and opinions in this report constitute judgment as of the date that this report was compiled from sources believed to be reliable, but no representation or warranty, expressed or implied, is made as to their accuracy, completeness or correctness. Opinions expressed herein are subject to change without notice. This report is not intended to be a complete statement or summary of the securities, markets or developments mentioned in this report.