

Index	Value 29.05.2009	Monthly change	12 m change
SOFIX	379.55	5.87%	-69.88%
BG 40	104.19	4.61%	-70.23%
BG TR 30	282.66	7.73%	-66.47%
BG REIT	40.48	3.82%	-57.89%

SOFIX

Company	Price 30.04.2009	Price 29.05.2009	%Change
ALB (6AB)	25.20	29.49	17.02%
ELARG (4EC)	0.70	0.70	0.00%
ENM (E4A)	8.70	8.04	-7.59%
EURINS (5IC)	1.65	1.60	-3.03%
IHLBL (4ID)	1.85	1.92	3.78%
KAO (6K1)	3.28	3.59	9.45%
MCH (5MH)	3.08	3.51	13.96%
MONBAT(5MB)	4.68	4.77	1.92%
NEOH (3NB)	26.96	27.28	1.19%
OTZK (5OTZ)	10.06	12.39	23.16%
ORGH (5ORG)	67.27	71.83	6.78%
SFARM (3JR)	2.49	2.77	11.24%
ELTOS (SL9)	1.72	1.51	-12.21%
BACB (5BN)	11.20	13.50	20.54%
CORP (6C9)	64.98	62.20	-4.28%
FIB (5F4)	2.49	2.47	-0.80%
CCB (4CF)	1.26	1.44	14.29%
TOPL (3TV)	4.38	4.11	-6.16%
CHIM (6C4)	2.30	2.30	0.00%
HDPAT (6H2)	2.75	3.10	12.73%

Summary

- ☛ The Bulgarian Stock Exchange – Sofia (BSE) ended on positive territory for a third straight month.
- ☛ Market capitalization was little changed, up 0.74% to BGN 10.951bn. The annual decline is still above 50%.
- ☛ General Motors (GM) became the second US automaker to file for Chapter 11 bankruptcy protection after Chrysler.
- ☛ Consumer prices in Bulgaria rose slightly in April. In March the national statistics reported deflation.

Indices

- ☛ All of the BSE indices finished May positive, but were outperformed by most stock markets in South-Eastern Europe.
- ☛ SOFIX gained 5.87% and reached its levels from November 2008. The benchmark was 69.88% below its year-ago value.
- ☛ BG 40 and BG TR 30 rose by 4.61% and 7.73% respectively. The broad index was 70.23% below the level from May 2008, and BG TR 30 was down by 66.47%.
- ☛ The specialized index for real estate companies BG REIT advanced by 3.82% and is still the best performing BSE index for the last twelve months.
- ☛ The Montenegrin stock market outperformed its regional peers and the benchmark MOSTE gained 65.72% in May. All stock markets in South-Eastern Europe ended May on positive territory.
- ☛ World's major stock markets made modest gains. DJIA added 4.07%, S&P 500 5.31%, Nikkei 225 7.86% and FTSE 100 4.10%.

World markets

- ☛ After 101 years in business, General Motors filed for Chapter 11 bankruptcy protection. For decades GM was one of the 30 stocks that comprised the Dow Jones Industrial Index, but in the end of May it was replaced by Cisco Systems. Chrysler, another US giant, filed for bankruptcy protection on the last day of April after months of living on government bailout.
- ☛ Crude oil prices reached six-month high at levels above USD 65 per barrel. The reason for the rally was the declining US crude oil stocks. Despite the upward price pressure OPEC countries announced they will not increase output before oil prices reach USD 100 per barrel.
- ☛ EUR/USD was in an uptrend and climbed from 1.32 to 1.41. Neither the Federal Reserve, nor the European Central Bank held meetings on interest rates in May.

Eastern European Markets

Index	Value 29.05.2009	Monthly change	12 months Change
Croatia			
CROBEX	2 144.14	34.55%	-45.28%
Macedonia			
MIB-10	2 498.96	39.80%	-56.55%
Romania			
BET	3 341.53	9.60%	-57.19%
Serbia			
BELEX 15	573.35	34.29%	-67.87%
Montenegro			
MOSTE	762.02	65.72%	-19.17%
Ukraine			
PFTS	438.03	28.89%	-52.65%
Turkey			
ISE 100	35 002.98	10.59%	-12.15%
Russia			
RTSI	1 087.59	30.66%	-55.41%
Morgan Stanley			
MSCI EM	166.86	23.72%	-57.69%

World Markets

Index	Value 29.05.2009	Monthly change	12 months Change
USA			
DJIA	8 500.33	4.07%	-32.74%
USA			
S&P 500	919.14	5.31%	-34.36%
USA			
NASDAQ	1 774.33	3.32%	-29.66%
Japan			
Nikkei 225	9 522.50	7.86%	-33.59%
Germany			
DAX	4 940.82	3.59%	-30.38%
UK			
FTSE 100	4 417.90	4.10%	-27.02%
France			
CAC 40	3 277.65	3.73%	-34.63%

Banking Sector

Bank	Price 29.05.2009	P/E	P/B
FIB (5F4)	2.47	5.34	0.71
CORP(6C9)	62.20	9.26	1.74
BACB(5BN)	13.50	3.21	0.84
CCB (4CF)	1.44	5.53	0.22

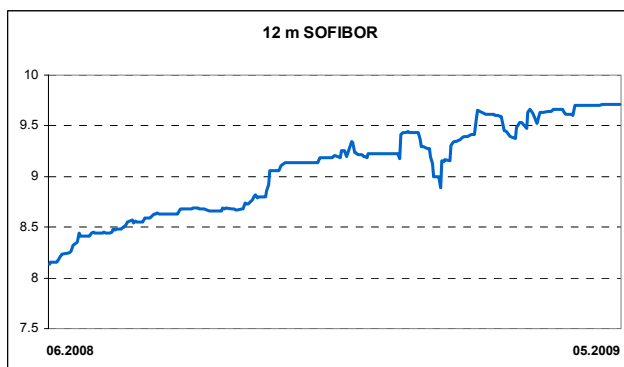
Corporate news

- ↪ May 30 was the deadline for public companies to announce their consolidated financial statements for the first quarter of 2009.
- ↪ Consolidated net profit of the diversified group Chimimport rose by 3.91% in the first quarter of 2009 to BGN 34.446mn. Chimimport is a major shareholder in several large companies such as the insurer Armeets, Central Cooperative Bank, two airlines, etc. Financial revenues reached BGN 2.06bn vs BGN 790mn in the year-ago period, as interest revenues totaled BGN 38.087mn. Total expenses soared by 143% to BGN 2.170bn. Operating revenues grew by 8.74% to BGN 150mn. Total assets increased from BGN 3.19bn to 3.39bn and shareholder's equity from BGN 700.33mn to BGN 735.2mn.
- ↪ Trace Group Hold reported an increase of consolidated net loss by 57% to BGN 2.38mn for the quarter. Sales rose by 48.15% to BGN 16.862mn. Total revenues expanded by 45.67% to BGN 16.94mn and total costs by 54.93% to BGN 20.8mn. Total assets shrank by BGN 6.2mn to BGN 142.64mn mainly due to a drop of financial assets. Trace's subsidiaries are engaged in diverse projects, such as road construction, building of municipal facilities and expansion of Sofia's subway.
- ↪ Consolidated loss of the producer of paints and chemical products for the construction sector Orgachim soared from BGN 0.191mn in the first quarter of 2008 to BGN 2.128mn in the current period. Sales dropped by 23.78% to BGN 19.518mn. Total expenses declined by 16.22% to BGN 21.747mn.
- ↪ The producer of car batteries Monbat reported 66.45% decline of net profit to BGN 3.33mn. Total revenues and expenses declined by 52.77% and 49.5% respectively due to the plunge in lead prices. Sales dropped by 52.89% to BGN 24.053mn. Monbat's management stated that the competition in the sector was increasing because of the tough market conditions. In May Monbat bought back 24 582 shares at an average price of BGN 4.75.
- ↪ Consolidated sales of the silica producer Kaolin made a modest retreat by 7.21%, or from BGN 25.93mn to BGN 24.06mn. Total revenues amounted to BGN 25.366mn (a decline by 5.14%) and total expenses reached BGN 25.195mn (an increase of 2.12%). Net profit plunged by 90% to BGN 0.178mn.
- ↪ First Investment Bank (FIB) reported consolidated earnings of BGN 12.7mn. Interest income reached BGN 24.7mn and income from taxes reached BGN 12.6mn. FIB's shareholders decided to capitalize the net profit for 2008 which amounted to BGN 50mn.
- ↪ Quarterly loss of Sinergon Holding reached BGN 2.32mn compared to profit of BGN 0.01mn in the year-ago period. Sales are 51.16% lower than in Q2 2008 and total expenses fell by 48.29%.

Mutual Funds

Top 10 mutual funds – yield (high and balanced risk)	Change last 12 months	Change YTD
Real Finance High Yield	0.00%	-0.74%
Varchev Balanced	-0.50%	0.38%
Benchmark Fund 5	-2.11%	-0.84%
TBI Treasury	-5.57%	1.21%
Varchev High Yield	-7.60%	2.39%
Invest Classic	-12.20%	-0.66%
Advance IPO	-13.58%	3.10%
Sentinel	-19.69%	1.47%
Avrora Capital Global	-20.77%	28.52%
FIB Classic	-23.67%	-1.46%

Top 10 Mutual funds -yield (low risk)	Change last 12 months	Change YTD
Elana Money Market	7.39%	2.86%
Raiffeisen Money Market	6.19%	2.60%
Raiffeisen Bonds Fund	5.57%	2.52%
TBI Eurobond	4.76%	1.82%
Sentinel Money Market	4.23%	1.54%
DSK Standard	3.98%	1.90%
Elana Eurofund	1.30%	0.39%
CCB Garant	-0.61%	3.14%
KD Bonds	-0.62%	-0.05%
UBB Platinum	-3.36%	0.37%



Mutual funds

The net assets of mutual funds rose by BGN 5.64mn for the period April 15 – May 16 and totaled BGN 316.42mn, reported the online media Investor.bg. In the previous month asset base shrank by 0.25%. Two funds managed by DSK - Balance and Growth are the largest mutual funds with assets of BGN 18.52mn and BGN 16.44mn respectively. Third is Elana Money Market (BGN 14.26mn).

Real Finance High Yield Fund (0.00%) is still the most profitable among the high and balanced mutual funds, followed by Varchev Balanced Fund (-0.50%) and Benchmark Fund 5 (-2.11%). Despite the positive market trend in April and May there are no high and balanced risk mutual funds with positive yield for the last 12 months.

Elana Money Market (7.39%) kept its leading position among the conservative funds. As well as in February, March and April, two funds managed by Raiffeisen ranked second and third - Raiffeisen Money Market (6.19%) and Raiffeisen Bonds Fund (5.57%).

Macroeconomics

The National Statistical Institute (NSI) reported CPI inflation of 0.7% in April 2009. Annual inflation stood at 4.8%, down from 6.0% in February and March. Year-to-date inflation was 1.3%. In November, December and March the national statistics reported monthly deflation.

After reaching its lowest level ever in February (9.7%), the business climate indicator inched higher in the consecutive months and settled at 12.6% in May. Business climate was below its long-term moving average.

Bulgaria's gross external debt declined in March after a slight increase in February. Gross debt stood at EUR 36.41bn, the Bulgarian National Bank (BNB) reported. The decrease since the previous month is by EUR 408mn. Gross external debt stood at 107.4% of the projected GDP for 2009 (EUR 33 889mn).

Foreign direct investments (FDA) in March were only EUR 104.7mn. The ratio FDA/current account deficit stood at 59.9%. Year-to-date FDA reached EUR 646.6mn compared to EUR 2.109bn in the first quarter of 2008.

In the end of February the FOB trade deficit stood at EUR 1.009bn. According to BNB's data, exports and imports fell by 23.3% and 29.9% respectively on annual basis. Year-to-date exports reached EUR 2.798bn and imports EUR 3.808bn.

Producer Price Index (PPI) fell by 0.8% m/m in April. Manufacturing prices were flat, and electricity manufacturing and distribution prices declined by 2.8%. Metal and coal prices grew by 3.3% and 2.4% respectively.

The number of unemployed persons in the end of the first quarter of 2009 was 222 200. The unemployment rate was 6.4%, unchanged from the year-ago period, reported NSI.

The 12-month SOFIBOR was flat in May at levels above 9.7 percentage points. SOFIBOR reference rate is an index of the quotes for unsecured BGN deposits offered in the Bulgarian interbank market. In the end of May SOFIBOR stood at 9.709%.

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