

Index	Value 28.02.2011	Monthly change	12 m change
SOFIX	449.90	13.00%	6.16%
BG 40	132.08	7.61%	11.85%
BG TR 30	361.35	9.26%	10.67%
BG REIT	50.44	9.37%	13.02%

## SOFIX

Company	Price 31.01.2011	Price 28.02.2011	%Change
ATERA (6A6)	1.23	1.40	14.04%
ALB (6AB)	54.80	59.24	8.10%
DOVHL (5DOV)	3.53	3.30	-6.43%
EUBG (4EH)	0.89	0.93	4.71%
ENM (E4A)	6.97	7.10	1.92%
ZHBG (T43)	0.64	0.68	4.97%
IHLBL (4ID)	1.07	1.08	1.12%
KAO (6K1)	5.23	5.20	-0.48%
MONBAT (5MB)	6.18	7.50	21.52%
SFARM (3JR)	3.90	4.46	14.23%
CENHL (5SR)	3.63	3.87	6.44%
BACB (5BN)	8.84	8.92	0.88%
FIB (5F4)	2.75	3.34	21.43%
CCB (4CF)	1.37	1.75	27.52%
CHIM (6C4)	2.83	3.48	23.20%

## Summary

- ↪ The official indexes of the Bulgarian Stock Exchange – Sofia confirmed the strong start of 2011 and posted solid gains in February. Trading volumes and the number of transactions were significantly higher than in the previous months.
- ↪ World's major stock markets continued on the upside, reaching their highest levels since 2008.
- ↪ In the last quarter of 2010 the unemployment rate in Bulgaria rose to 11.2%, reported the National Statistical Institute.

## Indices

- ↪ The rally on BSE continued for a fourth straight month in February and all indices turned positive for the last twelve months. Stock markets in the region were mixed while world's top financial centers ended on positive territory.
- ↪ The blue-chip index SOFIX added 13% for the month and was 6% above the year-ago level. The broad BG 40 gained 7.6% in February and almost 12% for the last twelve months. BG TR 30 rose by 9% and was 11% higher than in February 2010. The index representing real estate companies BG REIT added 9% and also broke above 2010 levels.
- ↪ Stocks markets in Ukraine (+6.9%) and Russia (+4.5%) were the main regional gainers, while the Montenegrin benchmark MONEX plummeted by 8.4%.
- ↪ US stock markets continued on the upside and hit fresh two-year highs. S&P 500 added 3.2% and closed at 1327, the highest level since June 2008.

## World markets

- ↪ Unrest in the eastern parts of Libya spread to other cities and the number of casualties grew significantly. Exports of crude oil diminished as fighting between the rebels and the Libyan army intensified. The president of the state-run petroleum company National Oil Co. announced that production had been cut by around 50%. Some of the oil export terminals were shut down as rebel forces took control over them. Meanwhile protests spread to other Arab states including Oman, Bahrain, Morocco and Saudi Arabia.
- ↪ Gold price reached new multi-year high at USD 1433 per ounce as tensions in North Africa intensified. Crude oil prices continued on the upside and WTI crude broke above the psychological USD 100 per barrel, but then settled lower at USD 98. EUR/USD traded in the 1.36 – 1.38 range. The European Central Bank kept interest rates unchanged on its regular meeting.

## Eastern European Markets

Index	Value 28.02.2011	Monthly change	12 months Change
Croatia CROBEX	2 241.04	-2.25%	4.81%
Macedonia MIB-10	2 578.55	-2.05%	-10.22%
Romania BET	5 864.43	3.38%	10.06%
Serbia BELEX 15	763.80	3.90%	8.17%
Montenegro MONEX20	13 821.59	-8.43%	-8.29%
Ukraine PFTS	1 124.27	6.95%	59.47%
Turkey ISE 100	61 283.87	-3.98%	23.29%
Russia RTSI	1 969.91	4.48%	41.69%
Morgan Stanley MSCI EM	259.08	4.87%	28.59%

## World Markets

Index	Value 28.02.2011	Monthly change	12 months Change
USA DJIA	12 226.34	2.81%	18.41%
USA S&P 500	1 327.22	3.20%	20.17%
USA NASDAQ	2 782.27	3.04%	24.31%
Japan Nikkei 225	10 624.09	3.40%	4.92%
Germany DAX	7 272.32	2.75%	29.90%
UK FTSE 100	5 994.01	2.24%	11.94%
France CAC 40	4 110.35	2.62%	10.83%

## Banking Sector

Bank	Price 28.02.2011	P/E	P/B
FIB (5F4)	3.34	13.87	0.86
CORP(6C9)	81.31	6.56	1.51
BACB(5BN)	8.84	-	0.56
CCB (4CF)	1.75	4.72	0.52

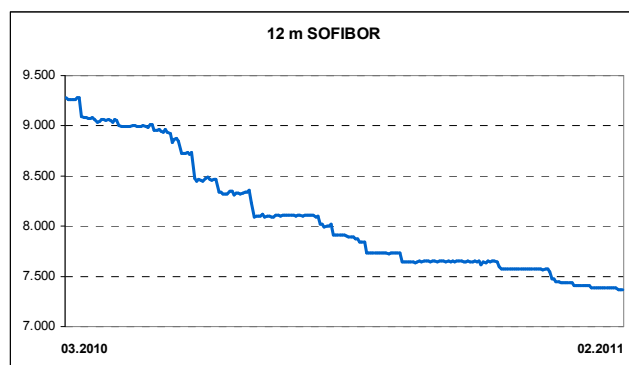
## Corporate news

- ↪ The pharmaceutical company Sopharma reported almost 20% increase of consolidated sales in the end of 2010 to BGN 603mn. Operating expenses rose by 21% to BGN 549mn. Financial expenses increased by 31% to BGN 13mn. Net profit reached BGN 40.7mn, or BGN 11% higher than in the end of 2009. Shareholder's equity rose from BGN 257.5mn a year earlier to BGN 297mn. Total debt-to-equity ratio improved from 0.98 to 0.91. Cash and cash equivalents doubled to BGN 44.5mn. Net cash flows were positive at BGN 27.5mn. Sopharma will receive almost BGN 4mn as an EU subsidy for the construction of its new plant in Sofia.
- ↪ Net profit of the diversified holding Eurohold Bulgaria rose to BGN 3.3mn in the end of 2010 from BGN 1.2mn a year earlier. Sales and operating expenses were almost unchanged at BGN 351mn and BGN 269mn respectively. Shareholder's equity declined from BGN 174mn to BGN 155mn. Debt-to-equity ratio was steady at 2.5. Cash and cash equivalents were BGN 14mn lower at BGN 31.3mn. Net cash flows were negative at BGN 14mn due to significant outflows from financing activities. In 2010 Eurohold Bulgaria sold its majority stakes in Etropal, Formoplast and Plastchim – T.
- ↪ Chimimport, another diversified holding, posted 3.2% increase of 2010 net earnings to BGN 133.7mn. Financial revenues were the largest component of gross profit and rose by 4.7% to BGN 5.2bn. Financial expenses increased by the same amount to BGN 5.2bn. Sales shrank by 1% to BGN 633mn. Operating expenses rose from BGN 719mn to BGN 729mn, or by 1%. Shareholder's equity rose by 13.5% to BGN 1.1bn. Total debt-to-equity ratio rose from 2.44 to 2.95. Net cash flows were positive at BGN 272mn on higher cash inflows from operations.
- ↪ The producer of car batteries Monbat reported 40% increase of consolidated sales in 2010 to BGN 161mn. Operating expenses were 48% higher at BGN 162mn. Almost 90% of the total sales were export and Germany was the main destination. Net income was 11% lower at BGN 13mn. Shareholder's equity increased by 8.9mn to BGN 126mn. Debt-to-equity ratio was steady at 0.56. Cash flows from operations and financing were positive at BGN 13.3mn and 0.5mn respectively, but cash flows from investing were negative at BGN 18mn. Net cash flows were also negative at BGN 4mn.
- ↪ First Investment bank (FIB) posted 19% decline of consolidated net profit in 2010 to BGN 27.9mn. Operating revenues increased by 9% to BGN 207mn. Administrative expenses were flat at BGN 145mn but depreciations rose by BGN 16mn to BGN 27mn. FIB consolidates Diners Club Bulgaria, First Investment Finance B.V. – the Netherlands, and its branch in Albania.
- ↪ Consolidated earnings of Central Cooperative Bank (CCB) rose by 27% in 2010 to BGN 29.4mn. Total assets reached BGN 2.3bn. CCB consolidates its Macedonian branch and Skopje Stater Bank, which also operates in Macedonia.

## Mutual Funds

Top 10 mutual funds – yield (high and balanced risk)	Change last 12 months	Change YTD
Advance IPO Fund	19.88%	-0.34%
UBB Premium Shares	19.52%	14.88%
Avrora Global Commodity Fund	16.54%	3.05%
FIB Avanguard	16.33%	8.81%
Advance Eastern Europe	13.37%	1.74%
UBB Balanced	12.91%	8.27%
KD Shares	10.46%	5.99%
Benchmark Fund 2	10.32%	14.21%
Benchmark Fund 1	9.15%	8.31%
Iug Market Optimum	8.62%	4.92%

Top 10 Mutual funds -yield (low risk)	Change last 12 months	Change YTD
CCB Garant	9.67%	1.34%
Elana Money Market	8.27%	1.24%
BenchMark Fund 6	7.56%	0.87%
Expat Bonds	7.52%	0.72%
Astra Cash	6.68%	0.99%
Raiffeizen Money Market	6.00%	0.94%
FIB Garant	5.98%	1.76%
Elana Eurofund	5.85%	0.94%
DSK Standard	5.80%	1.09%
Alpha Money Market	5.57%	0.80%



## Mutual funds

- ↪ In the end of February DSK Balanced Fund was the largest mutual fund with assets of BGN 19.68mn, reported investor.bg. DSK Growth Fund kept the second position with assets of BGN 19.63mn, followed by CCB Leader (BGN 15.95mn).
- ↪ Advance IPO Fund (19.88%) was the most profitable mutual fund in January on annual basis. UBB Premium Shares (19.52%) ranked second, followed by Avrora Global Commodity Fund (16.54%).
- ↪ CCB Garant (9.67%) was the leader among the conservative funds, followed by Elana Money Market (8.27%) and BenchMark Fund 6 (7.56%).

## Macroeconomics

- ↪ The National Statistical Institute (NSI) reported CPI inflation of 0.6% in January. Annual inflation for January 2011 compared to January 2010 reached 4.5%. Average inflation for the period February 2010 – January 2011 compared to February 2009 – January 2010 was 2.8%.
- ↪ Producer Price Index (PPI) rose by 0.5% in January and was 11.1% above the year-ago level. NSI reported higher prices in the mining industry (2.8%) and manufacturing (0.9%), while in electricity production and distribution prices declined by 1.0%.
- ↪ NSI's preliminary survey showed that in the last quarter of 2010 Bulgarian GDP expanded by 1.7% compared to the previous three months and by 2.1% compared to the same period of 2009. In nominal value GDP totaled BGN 19 924mn for the quarter and BGN 70 568mn for the full 2010.
- ↪ Total business climate rose by 2.7 basis points in February compared to the previous month. Sentiment improved in manufacturing, construction and the service sector, but was weaker in retail trade.
- ↪ The number of unemployed persons reached 382 400 in the last quarter of 2010, or 109 000 higher than in the same period of 2009. The unemployment rate was 11.2%.
- ↪ Bulgaria's Gross External Debt (GED) rose to EUR 36.918bn in the end of December or EUR 397mn higher than in November. GED accounted for 102.3% of the projected GDP for 2010 (EUR 34.5bn), the Bulgarian National Bank (BNB) reported.
- ↪ Foreign Direct Investments (FDI) reached EUR 1.32bn in the end of 2010. FDI accounted for 3.8% of the projected GDP for 2010.
- ↪ The FOB trade deficit rose by EUR 326.5mn to EUR 2.40bn in December (-6.7% of the projected GDP for 2010). In November the trade gap expanded to EUR 2.07bn.
- ↪ The 12-month SOFIBOR was flat at levels around 7.57%. SOFIBOR reference rate is an index of the quotes for unsecured BGN deposits offered on the Bulgarian interbank market.

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