

Index	Value 30.06.2010	Monthly change	12 m change
SOFIX	373.02	-2.27%	4.57%
BG 40	106.39	-2.09%	5.46%
BG TR 30	284.12	-3.83%	6.40%
BG REIT	38.53	-2.90%	-6.00%

SOFIX

Company	Price 31.05.2010	Price 30.06.2010	%Change
ALB (6AB)	49.00	53.00	8.16%
EUBG (4EH)	1.06	0.98	-7.09%
ELARG (4EC)	0.54	0.56	4.44%
ENM (E4A)	8.38	7.45	-11.12%
IHLBL (4ID)	1.39	1.31	-5.54%
KAO (6K1)	4.55	4.17	-8.37%
MCH (5MH)	4.70	4.72	0.51%
MONBAT(5MB)	6.40	6.69	4.44%
NEOH (3NB)	25.52	24.90	-2.42%
OTZK (5OTZ)	11.90	10.96	-7.89%
ORGH (5ORG)	81.73	85.83	5.01%
SFARM (3JR)	3.81	3.78	-0.73%
ELTOS (SL9)	1.74	1.53	-12.02%
BACB (5BN)	12.00	10.33	-13.92%
CORP (6C9)	60.00	61.83	3.04%
FIB (5F4)	2.09	1.89	-9.43%
CCB (4CF)	1.19	1.20	0.84%
TRACE (T57)	52.25	47.67	-8.77%
CHIM (6C4)	2.13	1.97	-7.79%
HDPAT (6H2)	1.71	1.59	-7.01%

Summary

- ☞ Fears of slowing Chinese economy and jitters about default on government bonds in Europe pushed stock markets down.
- ☞ Bulgarian stocks closed on negative territory for a fourth straight month.
- ☞ Bulgarian Gross Domestic Product (GDP) fell by 3.6% for the first three months of 2010 compared to the year-ago period.

Indices

- ☞ The official indexes of the Bulgarian Stock Exchange – Sofia (BSE) closed negative for a fourth straight month. Most markets in Southeast Europe and world's top financial centers also lost ground in June.
- ☞ SOFIX lost another 2.27% and was only 4.57% above its year-ago level. The benchmark was 43.50% above its bottom from 2009. BG 40 lost 2.09% and was 5.46% higher than in June 2009. BG TR 30 plunged by 3.83% and was 6.40% above the levels from last June. BG REIT lost 2.90% and turned negative for the last twelve months.
- ☞ Most markets in Eastern Europe were negative in June. The Croatian benchmark Crobex lost 6.61%. Stock market indices in Turkey and Ukraine were the only regional gainers.
- ☞ World's major stock markets finished the month on negative territory. The German benchmark DAX was flat.

World markets

- ☞ Fears about slowdown of the Chinese economy and possible downward revision of Spain's credit rating dragged world stock markets lower. The continuing oil spill disaster in the Gulf of Mexico also contributed to the gloomy mood. Crude oil price briefly inched below USD 70 per barrel, but then recovered and closed at USD 75.25.
- ☞ The euro tumbled below \$1.20 for the first time in more than four years as speculations that the European sovereign-debt crisis is widening pushed investors to safer currencies. Meanwhile, the cost to protect against default on Spanish and Greek bonds rose to new record levels.
- ☞ The US government proposed new legislation aimed at reforming the financial sector. The new rules will concern banks' capital levels and operations with derivatives.

Eastern European Markets

Index	Value 30.06.2010	Monthly change	12 months Change
Croatia CROBEX	1 855.19	-6.61%	-2.17%
Macedonia MIB-10	2 424.59	-1.53%	-4.26%
Romania BET	4 743.86	-3.87%	38.13%
Serbia BELEX 15	634.45	-4.45%	11.45%
Montenegro MOSTE	479.87	-1.93%	-34.32%
Ukraine PFTS	758.74	2.65%	84.52%
Turkey ISE 100	54 839.56	0.84%	48.28%
Russia RTSI	1 339.95	-3.22%	35.76%
Morgan Stanley MSCI EM	180.87	-5.29%	20.95%

World Markets

Index	Value 30.06.2010	Monthly change	12 months Change
USA DJIA	9 774.02	-3.58%	15.71%
USA S&P 500	1 030.71	-5.39%	12.12%
USA NASDAQ	2 109.24	-6.55%	14.94%
Japan Nikkei 225	9 382.64	-3.95%	-5.78%
Germany DAX	5 965.52	0.02%	24.06%
UK FTSE 100	4 916.87	-5.23%	15.71%
France CAC 40	3 442.89	-1.84%	9.63%

Banking Sector

Bank	Price 30.06.2010	P/E	P/B
FIB (5F4)	1.89	8.66	0.51
CORP(6C9)	61.83	5.49	1.25
BACB(5BN)	10.33	8.93	0.60
CCB (4CF)	1.20	5.08	0.39

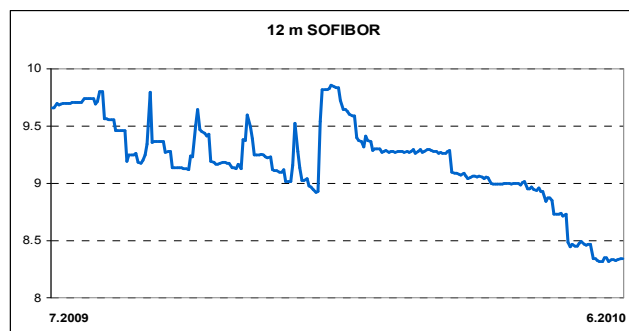
Corporate news

- ↪ A consortium headed by Roads Holding offered the lowest price for construction of the last section of Trace highway. This section between the towns of Yambol and Karnobat is 48 kilometers long. The total price offered by the consortium is EUR 108mn, or EUR 2.247mn per kilometer. Trace Group Hold, the public company that will construct the highway between the towns of Stara Zagora and Nova Zagora, was disqualified from this tender.
- ↪ Intercapital Property Development REIT (ICPD) is in talks with its bondholders for extension of a bond obligation which matures on August 14, 2010. ICPD has issued bonds for the total value of EUR 5mn and coupon of 9%, payable semiannually. The company has projects in the winter resort Borovets and the town of Aheloy, located on the Black Sea coast. Investbank is a major shareholder in the REIT with stake of 13.7%.
- ↪ Shareholders of Stara Planina Hold approved the distribution of gross dividend of BGN 0.012 per share from 2009 net profit. The company posted 10% increase of consolidated sales in May and announced expectation for 50% growth of sales in June. For the first five months of 2010 sales of Stara Planina Hold rose by 21% to BGN 27.23mn.
- ↪ Eurohold Bulgaria sold two of its subsidiaries. The first one is the energy company Euro Power, and the second is the provider of GPS applications GPS Control. Starkom Holding, a major shareholder of Eurohold Bulgaria, lowered its stake in the company to 57.36%. In Q1, Eurohold Bulgaria posted BGN 4.4mn loss. Net profit for 2009 reached BGN 1.1mn, much lower than the forecasted BGN 8.4mn.
- ↪ Monbat, the producer of car batteries, reported 85% growth of annual sales in May to BGN 11.4mn. Despite the strong results, sales are still 12.1% lower than in May 2008. Net profit for May 2010 reached BGN 1.5mn, or 29% higher than the same month a year ago, and 30% down compared to May 2008. The company announced that it will continue its shares buy-back procedure.
- ↪ The engineering company Enemona is considering a sale of its stake in the brewery Lomsko pivo. Enemona owns 53.04% of Lomsko Pivo through its subsidiary Agro Invest Engineering.
- ↪ The holiday complex Albena will distribute dividend of BGN 0.5 per share. The total value of the dividend payment is BGN 2.137mn, or 6.7% of net earnings for 2009. Albena reported 12% decline of tourists in the beginning of the summer season and 28% occupancy of its hotels.
- ↪ Whitebeam Holdings, a majority shareholder of Orgachim, launched a tender offer to the other shareholders of the chemical company, priced at BGN 87 per share.

Mutual Funds

Top 10 mutual funds – yield (high and balanced risk)	Change last 12 months	Change YTD
Advance Eastern Europe	31.89%	7.58%
Status Finance	16.01%	-3.92%
KTB Shares	13.13%	-1.12%
KTB Balanced	11.30%	0.51%
Expat New Europe Stocks	11.13%	1.15%
BenchMark Fund 5	8.45%	0.10%
UBB Premium Shares	7.96%	-9.65%
DF Balkani	7.48%	-5.97%
Sentinel Principal	6.50%	-0.09%
DSK Growth	5.40%	-7.75%

Top 10 Mutual funds -yield (low risk)	Change last 12 months	Change YTD
CCB Garant	9.31%	4.42%
BenchMark Fund 6	8.92%	4.28%
Raiffeisen Bonds	8.70%	3.93%
Raiffeisen Money Market	7.52%	3.03%
Astra Cash	6.88%	3.46%
DSK Standard	6.46%	3.46%
Elana Money Market	6.29%	3.47%
FIB Garant	6.28%	2.15%
UBB Platinum	5.71%	2.53%
TBI Comfort	5.69%	0.62%



Mutual funds

☞ In the end of May DSK's Growth and Balanced funds were the largest in terms of assets, reported investor.bg. The decline of net assets of the five largest mutual funds reached BGN 949 000 since the beginning of 2010.

☞ Advance Eastern Europe (31.89%) kept the first place among aggressive mutual funds in terms of yield for the last twelve months. Status Finance (16.01%) ranked second, followed by KTB Shares (13.13%).

☞ CCB Garant (9.31%) was the top performer among conservative funds, followed by BenchMark Fund 6 (8.92%) and Raiffeisen Bonds Fund (8.70%).

Macroeconomics

☞ The National Statistical Institute (NSI) reported CPI deflation of 0.2% in May. Year-to-date inflation reached 2.6%. Annual inflation for April 2010 compared to April 2009 stood at 2.4%. Average inflation for the period June 2009 – May 2010 compared to June 2008 – May 2009 was 1.1%. In April consumer prices went up by 1.1%.

☞ Producer Price Index (PPI) rose by 0.5% m/m in May and was 5.8% higher compared to May 2009. Prices increased in mining industry (0.8%) and manufacturing (0.7%) but fell in electricity production and distribution (0.1%). In April the PPI index increased by 1.9% on monthly basis and was 5.6% above its year-ago value.

☞ Lower construction activity in recent months resulted in 22.7% decline of construction production in April. April's output was 1.2% below the previous month.

☞ Total business climate fell by 1.2 basis points in June due to deterioration in construction, services and manufacturing. Sentiment improved slightly in retail trade. In May the indicator lost 0.4 basis points.

☞ Real Gross Domestic Product (GDP) fell by 3.6% for the first three months of 2010 compared to the year-ago period. GDP per capita was estimated at EUR 952.

☞ Bulgaria's Gross External Debt (GED) posted a decline for a fifth straight month in April to EUR 36.842bn, or EUR 409mn less than in March. GED accounted for 105.7% of the projected GDP for 2010 (EUR 34.5bn), the Bulgarian National Bank (BNB) reported.

☞ Foreign Direct Investments (FDI) for April reached BGN 36.6mn compared to divestiture of BGN 78mn in March. FDI compensated 24.2% of the current account deficit.

☞ The FOB trade deficit rose to EUR 696mn in April (-2.7% of the projected GDP for 2010). In March the trade deficit was revised to EUR 599.6mn.

☞ The 12-month SOFIBOR fell to 8.338, its lowest level in more than a year. SOFIBOR reference rate is an index of the quotes for unsecured BGN deposits offered on the Bulgarian interbank market.

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