

Index	Value 30.11.2010	Monthly change	12 m change
SOFIX	356.19	0.46%	-21.16%
BG 40	110.69	-0.47%	-9.87%
BG TR 30	289.13	1.44%	-16.08%
BG REIT	41.5	-1.17%	-13.90%

## SOFIX

Company	Price 29.10.2010	Price 30.11.2010	%Change
ATERA (6A6)	1.15	1.10	-4.26%
ALB (6AB)	54.00	50.25	-6.94%
DOVHL (5DOV)	2.95	3.00	1.66%
EUBG (4EH)	0.87	0.84	-4.00%
ENM (E4A)	6.92	6.92	-0.09%
ZHBG (T43)	0.57	0.58	0.70%
IHLBL (4ID)	1.15	1.10	-4.68%
KAO (6K1)	4.60	4.54	-1.43%
MONBAT (5MB)	6.26	6.35	1.33%
SFARM (3JR)	3.93	3.93	0.00%
CENHL (5SR)	2.43	2.45	0.91%
BACB (5BN)	9.52	8.77	-7.89%
FIB (5F4)	1.76	2.00	13.96%
CCB (4CF)	1.03	1.00	-2.44%
CHIM (6C4)	2.32	2.50	7.77%

## Summary

- ↪ The plans for nationalization of professional pension funds were temporarily subdued, but despite the good news and some positive financial statements for Q3 trading volumes on the Bulgarian Stock Exchange – Sofia (BSE) remained thin.
- ↪ World's major stock markets struggled for direction and closed around their highest levels for 2010.
- ↪ The National Statistical Institute (NSI) reported 326 600 unemployed persons in Q3. The unemployment rate stood at 9.5%.

## Indices

- ↪ BSE's official indices, as well as the markets in the region and world's top financial centers finished mixed in November.
- ↪ The blue-chip index SOFIX added 0.46% for the month but was 21.16% below the year-ago value. The broad BG 40 shed 0.47% in November and 9.87% for the last twelve months. BG TR 30 was the main gainer, up by 1.44% but still 16.08% below its value from 2009. BG REIT lost 1.17% in November and 13.90% since the same month of 2009.
- ↪ Stock markets in Turkey, Croatia and Romania were the main regional losers, while in Ukraine PFTS posted double-digit growth.
- ↪ The weak yen boosted the Japanese stock market and Nikkei 225 gained almost 8%. Meanwhile, in France CAC 40 lost 5.82%.

## World markets

- ↪ EU nations agreed to give Ireland EUR 67.5bn to help its banking system which was hit by a massive crisis. The country will take EUR 10bn immediately to boost the capital reserves of its state-backed banks, whose bad loans were backed up by the Irish government but have become too much to handle. Another EUR 25bn will remain in reserve, earmarked for the banks. The rest of the loans will be used to cover Ireland's deficits for the coming four years. The euro zone's debt crisis deepened after investors pushed the single currency lower and the spreads on Portuguese, Spanish and Italian bonds up to new highs amid concerns that weak member states may ultimately be forced to default.
- ↪ Gold hit the record USD 1408 per ounce on November 11, but then settled lower at levels below USD 1400. EUR/USD traded in the 1.42 – 1.29 range. Crude oil for delivery in January closed at USD 83.54 per barrel.

## Eastern European Markets

Index	Value 30.11.2010	Monthly change	12 months Change
Croatia CROBEX	1 787.15	-4.40%	-13.54%
Macedonia MIB-10	2 241.83	4.95%	-24.39%
Romania BET	5 093.95	-3.57%	5.21%
Serbia BELEX 15	648.47	2.05%	-4.81%
Montenegro MOSTE	483.95	2.48%	-25.67%
Ukraine PFTS	838.32	12.81%	41.00%
Turkey ISE 100	65 350.85	-5.89%	44.10%
Russia RTSI	1 598.07	-0.06%	16.23%
Morgan Stanley MSCI EM	214.46	-3.36%	4.47%

## World Markets

Index	Value 30.11.2010	Monthly change	12 months Change
USA DJIA	11 006.02	-1.01%	6.39%
USA S&P 500	1 181.66	-0.14%	7.85%
USA NASDAQ	2 498.23	-0.37%	16.49%
Japan Nikkei 225	9 937.04	7.98%	6.32%
Germany DAX	6 688.04	1.31%	18.88%
UK FTSE 100	5 528.07	-2.59%	6.50%
France CAC 40	3 610.44	-5.82%	-1.89%

## Banking Sector

Bank	Price 30.11.2010	P/E	P/B
FIB (5F4)	2.00	9.45	0.55
CORB(6C9)	60.50	5.11	1.28
BACB(5BN)	8.76	-	0.54
CCB (4CF)	1.00	2.79	0.31

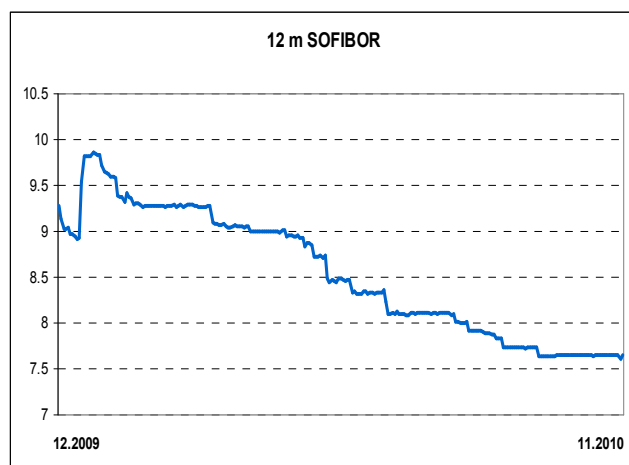
## Corporate news

- ↪ Sales of Sopharma rose by 26% to BGN 442.76mn for the first nine months of 2010 compared to the year-ago period. Operating expenses reached BGN 397.32mn, or 28% higher than in the end of Q3 2009. Financial revenues jumped from BGN 1.68mn to BGN 4.3mn. Financial expenses were steady at BGN 6.9mn. Net profit was slightly higher at BGN 36.36mn. In the corresponding period of 2009 net profit stood at BGN 32.06mn. Long-term liabilities declined by BGN 19.7mn to BGN 12.98mn. Current liabilities were almost unchanged at BGN 211.99mn. Shareholder's equity increased by 13.08% to BGN 291.24mn. Total assets grew from BGN 540.15mn to BGN 550.28mn. Sopharma posted negative net cash flows due to significant cash outflows from investments and financial operations. In November the company announced the establishment of a subsidiary in Poland, which will sell Sopharma's products on the local market. The Bulgarian pharmaceutical company is also planning to list its shares on the Warsaw Stock Exchange.
- ↪ Net loss of Eurohold Bulgaria declined by 6.7% for the period January – September 2010 to BGN 3.34mn. Sales were 7.26% higher at BGN 264.72mn. Operating expenses shrank by 3.76% to BGN 271.32mn. The high cash outflows from financing activities resulted in negative net cash flow. Shareholder's equity declined from BGN 174.11mn to BGN 170.29mn. Long-term bank loans were BGN 22.10mn lower at BGN 121.08mn.
- ↪ The diversified holding Chimimport posted sales for BGN 522.55mn in Q3, almost unchanged since the year-ago period. Financial revenues stood at BGN 3.86bn and contributed for 88% of total revenues. Operating expenses declined by 2.4% to BGN 549.64mn. Net profit rose from BGN 99mn to BGN 101.14mn. Shareholder's equity increased by 7.58% to BGN 1.047bn. Debt-to-equity ratio stood at 2.81. Net cash flows reached BGN 213.4mn.
- ↪ The silica producer Kaolin will invest approximately EUR 1mn in an energy efficiency project. For the first nine months of 2010 the company posted net earnings of BGN 7.56mn, slightly higher than in the year-ago period. Sales increased by 21% to BGN 113.3mn. Operating expenses grew by the same percentage to BGN 102.99mn. Shareholder's equity declined from BGN 106.79mn to BGN 79.06mn. Debt-to-equity multiple stood at 1.31. Net cash flow was negative at BGN 13.04mn due to cash outflows from investing activities for BGN 26.18mn.
- ↪ Net loss of Bulgarian-American Credit Bank rose to BGN 9mn. A year ago the bank posted net profit of BGN 23.3mn. Interest income fell by 32% to BGN 40mn. S&P lowered BACB's long-term credit rating from B+ to B on worries about the financial condition of the parent company – Allied Irish Bank.
- ↪ Corporate Commercial Bank posted net profit of BGN 60.4mn for the period January – October 2010. In August Moody's kept the bank's rating unchanged.

## Mutual Funds

Top 10 mutual funds – yield (high and balanced risk)	Change last 12 months	Change YTD
Advance IPO Fund	15.94%	16.83%
Advance Eastern Europe	12.93%	11.17%
BenchMark Fund 5	8.74%	5.28%
Expat New Europe Stocks	6.62%	4.23%
Standard Invest Int. Fund	4.93%	3.00%
Sentinel Rapid	4.04%	3.67%
Status New shares	3.68%	2.12%
Sentinel Principal	2.95%	1.71%
TBI Comfort	2.78%	2.60%
TBI Treasury	2.76%	2.59%

Top 10 Mutual funds -yield (low risk)	Change last 12 months	Change YTD
CCB Garant	8.55%	8.72%
Elana Money Market	8.46%	8.01%
BenchMark Fund 6	8.36%	7.58%
Astra Cash	6.95%	6.26%
Raiffeizen Bonds Fund	6.91%	6.16%
DSK Standard	6.67%	5.84%
Raiffeizen Money Market	6.25%	5.55%
UBB Platinum Bonds	5.97%	5.57%
Alpha Money Market	5.76%	5.35%
Elana eurofund	5.65%	5.01%



## Mutual funds

- ↪ DSK's Growth fund was the largest mutual fund in the end of November with assets of BGN 17.14mn, reported investor.bg. CCB Leader ranked second with assets of BGN 14.77mn, followed by CCB Aktive (BGN 13.52mn).
- ↪ Advance IPO Fund (15.94%) was the most profitable mutual fund for the last twelve months. Advance Eastern Europe (12.93%) was second, followed by Benchmark Fund 5 (8.74%).
- ↪ CCB Garant (8.55%) was the leader among the conservative funds, followed by Elana Money Market (8.46%) and BenchMark Fund 6 (8.36%).

## Macroeconomics

- ↪ The National Statistical Institute (NSI) reported CPI inflation of 0.6% in October. Year-to-date inflation reached 3.4%. Annual inflation for October 2010 compared to October 2009 stood at 3.9%. Average inflation for the period October 2009 – September 2010 compared to October 2008 – September 2009 was 1.7%. In September consumer prices rose by 0.8%.
- ↪ Producer Price Index (PPI) rose by 0.1% in October and was 10.1% above the year-ago level. NSI reported higher prices in the mining industry (0.4%) and manufacturing (0.2%), while in electricity production and distribution prices decreased by 0.2%. In September the PPI index increased by 0.8% on monthly basis and was 9.6% above its year-ago value.
- ↪ Working-age population in Bulgaria was estimated at 3.386mn persons in the end of September. The number of unemployed persons was 326 600 and the unemployment rate stood at 9.5%. A year ago the national statistics measured unemployment rate of 6.7%.
- ↪ Gross Domestic Product (GDP) rose by 0.3% in the third quarter compared to the same period of 2009, according to NSI's flash estimates.
- ↪ Total business climate rose by 0.3 basis points in November due to better sentiment in manufacturing, construction and retail trade. The economic conditions deteriorated in the service sector. In October the indicator added 1.9 basis points.
- ↪ The average salary in Q3 declined by 4.4% to BGN 467. Bulgarian households spent 43.2% of their total income on food, beverages and cigarettes.
- ↪ Bulgaria's Gross External Debt (GED) rose to EUR 36.659bn in September or EUR 150mn higher than in August. GED accounted for 101.4% of the projected GDP for 2010 (EUR 34.5bn), the Bulgarian National Bank (BNB) reported.
- ↪ Foreign Direct Investments (FDI) rose by EUR 104.2mn in September and reached EUR 901.4mn for the first nine months of 2010. FDI accounted for 2.5% of the projected GDP for 2010.
- ↪ The FOB trade deficit rose by EUR 80.5mn to EUR 1.43bn in September (-4.0% of the projected GDP for 2010). In July the trade gap declined slightly to EUR 1.35bn.
- ↪ The 12-month SOFIBOR was flat at levels around 7.65% in November. SOFIBOR reference rate is an index of the quotes for unsecured BGN deposits offered on the Bulgarian interbank market.

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