

Index	Value 31.03.2010	Monthly change	12 m change
SOFIX	421.44	-0.55%	51.44%
BG 40	117.57	-0.44%	34.86%
BG TR 30	324.76	-0.54%	55.49%
BG REIT	43.24	-3.11%	7.64%

## SOFIX

Company	Price 26.02.2010	Price 31.03.2010	%Change
ALB (6AB)	43.00	45.00	4.65%
EUBG (4EH)	1.30	1.32	1.15%
ELARG (4EC)	0.77	0.74	-3.90%
ENM (E4A)	9.43	9.14	-3.02%
IHLBL (4ID)	1.42	1.40	-1.13%
KAO (6K1)	5.60	5.52	-1.45%
MCH (5MH)	5.39	5.15	-4.42%
MONBAT(5MB)	6.54	6.50	-0.54%
NEOH (3NB)	27.00	27.00	0.00%
OTZK (5OTZ)	13.58	13.42	-1.19%
ORGH (5ORG)	80.00	83.51	4.39%
SFARM (3JR)	4.01	3.97	-1.00%
ELTOS (SL9)	2.09	1.91	-8.65%
BACB (5BN)	15.75	15.50	-1.59%
CORP (6C9)	60.00	64.00	6.67%
FIB (5F4)	2.41	2.38	-1.45%
CCB (4CF)	1.27	1.32	3.54%
TRACE (T57)	76.40	69.00	-9.69%
CHIM (6C4)	2.65	2.63	-0.87%
HDPAT (6H2)	2.41	2.25	-6.68%

## Summary

- ☞ In March Bulgarian stocks hit new lows for 2010. Total market capitalization of the Bulgarian Stock Exchange – Sofia (BSE) declined by 2.27% to BGN 11.06bn.
- ☞ The winning streak for financial and commodity markets around the globe persisted, as investors were upbeat on economic recovery and relieved fears about the debt crisis in Greece.
- ☞ The National Statistical Institute (NSI) reported inflation of 0.6% in February and 0.9% for the period February 2009 – February 2010.

## Indices

- ☞ All indexes quoted by BSE's finished on negative territory. World's major stock markets and most markets in the CEE region ended the third month of 2010 positive.
- ☞ SOFIX shed 2.69% in January but was 51.44% above its year-ago value. The benchmark was 62.12% higher from its bottom reached in February 2009. BG 40 dipped by 0.44% and was 34.86% above March 2009 levels. BG TR 30 was 0.54% down in March and 55.49% up since the year-ago period. The sector index BG REIT was the main loser in March, down by 3.11%. For the last twelve months BG REIT rose by 7.64%.
- ☞ For a second month the stock market in Ukraine was the main regional gainer, up by 33.36%. Benchmarks in Romania, Turkey and Russia also posted double-digit growth. Among the decliners were stock markets in Macedonia, Serbia and Montenegro.
- ☞ Major stock markets around the globe were positive in March. In Germany, DAX gained 9.92% and Nikkei 225 in Japan advanced by 9.52%.

## World markets

- ☞ Fitch Ratings downgraded Portugal's long-term foreign and local currency issuer default rating to AA- from AA in the end of the month. Earlier in March, Portugal passed an austerity budget aimed at cutting its deficit. The downgrade heightened concerns about the health of some of Europe's heavily indebted economies, forcing the euro lower against most major currencies. Meanwhile, Eurozone countries announced an agreement to provide economic aid to debt-ridden Greece.
- ☞ The US dollar reached its highest level against the Euro since the beginning of May 2009. The currency pair EUR/USD traded in the 1.32 – 1.37 range, closing at 1.35. Crude oil price reached USD 83.24 per barrel, the highest price since October 2008.

## Eastern European Markets

Index	Value 31.03.2010	Monthly change	12 months Change
Croatia CROBEX	2 142.82	0.22%	49.72%
Macedonia MIB-10	2 709.84	-5.65%	42.20%
Romania BET	5 965.35	11.95%	150.73%
Serbia BELEX 15	685.23	-2.96%	79.93%
Montenegro MOSTE	604.44	-1.83%	46.80%
Ukraine PFTS	940.22	33.36%	318.62%
Turkey ISE 100	57 008.71	14.69%	122.66%
Russia RTSI	1 572.48	13.11%	125.56%
Morgan Stanley MSCI EM	222.17	10.27%	102.78%

## World Markets

Index	Value 31.03.2010	Monthly change	12 months Change
USA DJIA	10 856.63	5.15%	42.68%
USA S&P 500	1 169.43	5.88%	46.57%
USA NASDAQ	2 397.26	7.10%	56.83%
Japan Nikkei 225	11 089.94	9.52%	36.75%
Germany DAX	6 153.55	9.92%	50.65%
UK FTSE 100	5 679.64	6.07%	44.66%
France CAC 40	3 974.01	7.15%	41.56%

## Banking Sector

Bank	Price 31.03.2010	P/E	P/B
FIB (5F4)	2.39	8.72	0.65
CORP(6C9)	64.00	5.76	1.31
BACB(5BN)	15.50	9.24	0.93
CCB (4CF)	1.32	4.90	0.44

## Corporate news

↪ FairPlay Properties held Annual General Meeting of Shareholders on March 24, 2010. Shareholders voted for distribution of BGN 976 944 from last year's net profit as dividends. Net profit for 2009 reached BGN 1,633mn and the profit for distribution would be BGN 0.0175 per share. In 2009, the Company has sold 166 apartments in the luxury complexes 'Santa Marina', the town of Sozopol and 'St.Ivan Rilski', the town of Bansko for the total of BGN 33.6mn. In 2010 FairPlay Properties REIT will focus its investment program on two priority projects – further development of 'Santa Marina' and launch of a new project for a luxury complex in the mountain resort Panichishte. The planned investments are in the range BGN 8mn - BGN 9mn.

↪ Agricultural Land opportunity Fund Mel Invest REIT will distribute BGN 79 000 from last year's net profit as dividends, or BGN 0.254 per share.

↪ The Financial Supervision Commission banned Whitebeam Holdings' tender offer to Orgachim's minority shareholders due to discrepancies in the procedures for estimating the buyout price. The offering price of BGN 85.0 per share, which was disclosed one day after the announcement of the tender offer, was not estimated properly according to the regulations of The Financial Supervision Commission. The news for tender offer by Whitebeam Holdings was quite surprising, because the company hadn't disclosed any buyout intentions previously.

↪ The financial supervision commission also banned temporarily the tender offer of Advent Water Luxemburg to buy the remaining shares of other investors in the bottler Devin. Advent acquired 7.8% of Devin's equity in February and increased its stake in the company to 97.9%.

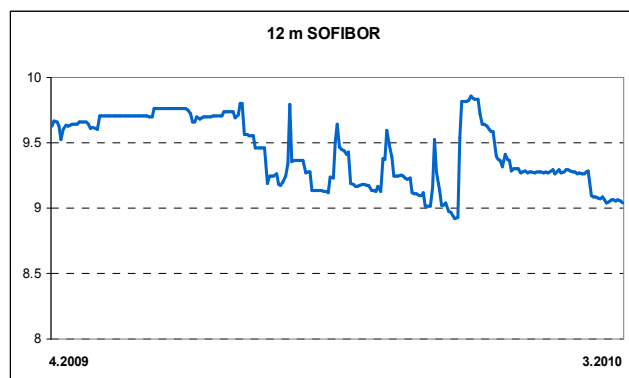
↪ Trace Group Hold has signed a contract for reconstruction of roads in Southern Bulgaria for the sum of BGN 20mn. The project is financed by the International Bank for Reconstruction and Development in cooperation with the Bulgarian Ministry of Finance. Earlier this year, Trace Group Hold won a tender for construction of 32 kilometers of the Bulgarian highway "Trakia", part of the trans-European transport corridor number 8. Trace Group Hold offered the lowest construction price of all eight candidates – EUR 2.2mn per kilometer.

↪ Bulgarian American Credit Bank was in the spotlight due to continuing acquisition rumors. In February DealWatch reported that the main shareholders in the bank - Grammercy Emerging Markets Fund (owner of 31%) and Allied Irish Banks (owner of 49.99%) might be exploring opportunities to sell their stakes.

## Mutual Funds

Top 10 mutual funds – yield (high and balanced risk)	Change last 12 months	Change YTD
Status Finance	75.29%	8.20%
Advance Eastern Europe	67.71%	17.65%
UBB Premium	35.23%	-1.28%
Advance Invest	30.53%	5.57%
Standard Invest	29.69%	-1.53%
TBI Dynamic	28.79%	-0.79%
Alpha Selected Shares	26.53%	2.12%
Status New Shares	26.01%	7.62%
Elana High Yield	25.26%	0.94%
KTB Shares	25.14%	1.76%

Top 10 Mutual funds -yield (low risk)	Change last 12 months	Change YTD
BKM Balanced	12.49%	-0.05%
TBI Comfort	10.91%	0.75%
CCB Garant	9.00%	1.55%
BenchMark Fund 6	7.09%	1.53%
FIB Garant	7.36%	1.30%
Raiffeisen Money Market	8.23%	2.22%
Astra Cash	6.60%	1.73%
Elana Money Market	6.36%	2.29%
UBB Platinum	5.53%	1.52%
TBI Eurobond	5.05%	1.19%



## Mutual funds

Net assets of mutual funds rose by 0.8% for the period February 15 - March 15 and reached BGN 380mn, reported Investor.bg. In the previous period net assets grew by 0.4% to BGN 377mn. Raiffeisen Money Market Fund was the largest mutual fund with assets of BGN 40.10mn, followed by DSK's Balance (BGN 19.1mn) and Growth (BGN 18.4mn).

Status Finance Fund (75.29%) was the best performing aggressive fund for the period March 2009 – March 2010, followed by Advance Eastern Europe (67.71%) and UBB Premium (35.23%).

Among conservative funds, BKM Balanced (12.49%) held the leading position, followed by TBI Comfort (10.91%) and CCB Garant (9.00%).

## Macroeconomics

The national Statistical Institute reported CPI inflation of 0.6% in February. Year-to-date inflation reached 1.2%. Annual inflation for February 2010 compared to February 2009 stood at 0.9%. Average inflation for the period March 2009 – February 2010 compared to March 2008 – February 2009 was 1.8%.

Producer Price Index (PPI) fell by 0.2% m/m in February but was 2.5% higher compared to February 2009. Prices declined in manufacturing (-0.1%), mining industry (-0.5%) and electricity production and distribution (-0.2%). In January the PPI index rose by 1.2% on monthly basis and was 1.8% above its year-ago value.

Total business climate retreated by 0.9 basis points in March after increasing by 0.4 in the previous month. Conditions deteriorated in all sectors except services. In retail trade business climate plunged by 3.2. In January the total business climate advanced by 3.1 percentage points.

The number of unemployed person increased by 19.2% for 2009 to 238 000, showed the annual data of NSI. The unemployment rate reached 6.8%.

Bulgaria's gross external debt (GED) stood at EUR 37.291bn in January 2010, or EUR 414mn lower than in December 2009. GED accounted for 107.5% of the projected GDP for 2010 (EUR 34.860bn), the Bulgarian National Bank (BNB) reported.

Foreign Direct Investments (FDI) in the end of January were estimated at EUR 53mn. The ratio FDI/current account deficit stood at 21.8%.

In January 2010 the FOB trade deficit reached EUR 173.7mn (-0.5% of the projected GDP for 2010). In the end of 2009 the trade deficit was EUR 4.1bn.

The 12-month SOFIBOR fluctuated between 9.036 and 9.283 percentage points. SOFIBOR reference rate is an index of the quotes for unsecured BGN deposits offered on the Bulgarian interbank market. In March the reference rate closed at 9.036.

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