

Bulgarian Stocks Rise to New Highs, MonBat Surges on Debut

SOFIA (Bulgaria), January 3 (SeeNews) - Bulgarian stock exchange indices closed at record levels on Wednesday in the first session after the Christmas and New Year holidays, with car battery maker MonBat gaining over 40% on its debut, brokers said.

The BG 40 index of the 40 most traded stocks on the Bulgarian Stock Exchange (BSE) added 0.37% to break through the psychological 200 point barrier and close at a new high of 200.63 points. The SOFIX index of the 12 most liquid shares on the bourse added 1.58% to an all-time high of 1,243.73 points.

In November, MonBat sold 4.7 million shares or 24% of its capital at 6.95 leva (\$4.72/3.58 euro) per share on the stock exchange in Sofia, raising 32.67 million leva for investments in expansion.

"The price was high in the beginning, which made a lot of sellers come out," Hristo Dzhenev, a broker with Intercapital brokerage, told SeeNews.

MonBat opened at 9.98 leva to peak to 10.50 leva. Deals were struck at levels above 10 leva in the beginning of the session, however, the price calmed down and hovered around 9.50 leva during the day. It picked up minutes before the close of trade to finish at 9.80 leva on total turnover of nearly 428,000 shares.

After profit-taking the price could reach 11 leva as the amount of floated capital is not enough to satisfy the strong demand, one broker told SeeNews, adding that distribution of MonBat shares among more investors will provide a base for a further rise in the price.

The broker said that surging share prices of listed companies like MonBat and industrial conglomerate Chimimport, which ran its 44.3 million lev IPO in September, generate abundant profits for investors, who reinvest their gains thus fuelling further market growth.

Chimimport, which ran its IPO at a price of 4.0 leva, closed at 7.84 leva on Wednesday, up 1.82% on the day.

Expectations that the state will sell its stake in the stock exchange to a strategic investor also have a positive impact on the trade and lure new investors to the market, the broker said.

Bulgaria wants to sell its 44% in the burgeoning stock exchange to guarantee its further development.

Five foreign stock exchange operators -- Nordic OMX, Deutsche Boerse, the Vienna Stock Exchange, the Athens Stock Exchange and Warsaw Stock Exchange, have expressed interest in establishing a strategic partnership with the Sofia bourse.

On Wednesday, turnover totalled 11.3 million leva with shares accounting for 93% of the trading volumes.

Decliners outnumbered risers by 44 to 37 and 53 stocks ended flat.

The Dnevnik 15 index, calculated by local business daily Dnevnik from the share prices of the 15 leading companies in terms of liquidity and market capitalisation, added 0.64% to close at 138.63 points.

(1 euro = 1.95583 Bulgarian leva)

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