

STOCK MARKET DAILY REVIEW

October 03, 2008

US Stocks fall on a weak economic data

US Stocks fell on Thursday as credit markets remained tight and the economic data was weaker than expected. The factory orders dropped and jobless claims climbed to 7-year high and raised fears that payrolls report may be weaker than expected and the government's financial rescue plan might not be enough to ward off a recession. Broader stock indicators fell sharply. The Standard & Poor's 500 index fell 2.46 % to 1,132 and the Nasdaq composite index fell 2.67 % to 2,014.

Investors remain nervous and await the September non-farm payrolls report from the Labor Department that is expected to show a loss of 100k jobs, according to a median estimate from economists. That will be the ninth straight month that the economy has lost jobs. During the session the Labor Department reported that initial claims for unemployment benefits rose last week to a seasonally adjusted 497k. Manufactured goods fell by 4 % in August from July. Economists had expected a 2.5% decline. This is the biggest drop since October 2006.

On corporate news, one of the most actively traded shares was General Electric Co., which fell 9.24% to 22.24 dollars per share after the conglomerate said it was pricing an offering of 547.8 mln. shares at 22.25 dollars per share. Alcoa Inc., continued to lose ground and fell 8.4% to 19.84 dollars per share. Caterpillar Inc. dropped 6.8% to 53.09 dollars per share.

TECHNICAL OVERVIEW

S&P 500 – USA

The index went down from 1160 level, where the index consolidated during the previous session and was limited around 1113. If the downward movement continues, next key level to be tested is the key resistance at 1075, which is 61.8% retracement of upward movement 768–1576. On the upside, if the positive sentiment is renewed, main target will

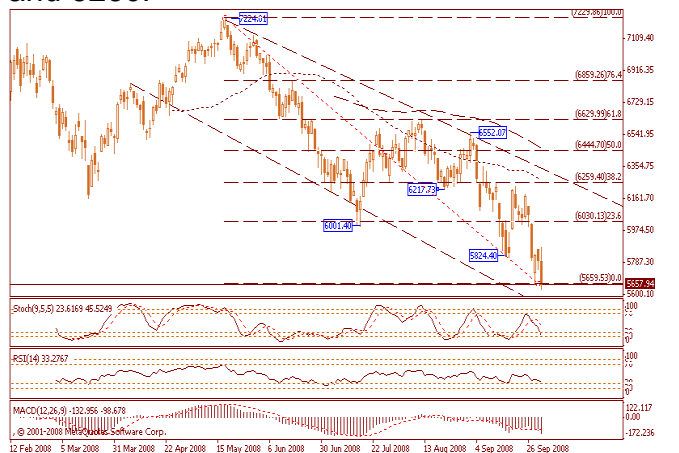
be the resistance at 1170, followed by 1235, which is 38.2% retracement of the 1439-1131 drop, followed by 1276.



Support	1075	1000	980
Resistance	1170	1235	1276

DAX 30 – Germany

The main German index renewed the downside movement and overcame its short term support by 5740 and was limited by 5650. If the movement reverses resistance will be seen key level at 5800. If the index brakes above, resistance is seen at the physiological level at 6000, followed by 6140, which is 23.6% of 7229-5810 drop. On the downside, next support is seen at 5650, followed by 5450 and 5250.



Support	5650	5450	5250
Resistance	5800	6000	6140

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