

STOCK MARKET DAILY REVIEW

March 04, 2009

U.S. stocks retreat again

After the big Sell-off on Monday, yesterday the session began with positive tone and the major indexes advanced 1%-1.5%. Before long the sentiment was changed to negative, as pending home sales declined and Bernanke said the near-term outlook for the economy remains weak.

In economic news, pending home sales in January declined 7.7%. That was worse than the consensus estimate, which called for a 3.5% decline. The decline has been attributed to ongoing job losses and weak consumer confidence, despite housing stimulus provisions.

Fed Chairman Bernanke indicated the effectiveness of actions in restoring financial stability will be critical determinants of the timing and strength of a recovery.

General Motors and Ford reported U.S. sales for February down 52.9% and 48.4% respectively, as both results were worse than expected. GM closed the session at \$2, which is 1% drop, while Ford lost nearly 4% to \$1.81.

Among the blue chips, General Electric was ahead of the “bears” declining 7.8% to \$7 per share.

The energy sector was outperforming the broader market, as crude oil futures with delivery in April rose to \$42 per barrel. In the final hour the black gold stepped back to \$41 per barrel, which pared Chevron’s and Conoco’s gains of more than 2%. Both companies closed the session without change at \$57.65 and 35.15 respectively.

Advanced Micro Devices Inc added 3% to %2.10. The investment arm of the Abu Dhabi government, Mubadala Development Corp., bought a \$125 million stake in the second-largest maker of computer processors.

After very choppy session, Dow Jones Industrial Average and S&P 500 closed lower, while Nasdaq Composite remained

unchanged. Dow lost 0.55% to 6726, while S&P dropped 0.65% to 696.

TECHNICAL OVERVIEW

S&P 500 – USA

The short picture remains negative as S&P500 reached its lowest value since 1996. The negative trend will likely renew in the next days if the index overcomes 650 levels. If broken successfully next targets will be the supports at 600 and 570. On the upside, resistance is seen at 800, followed by 855, and 940.



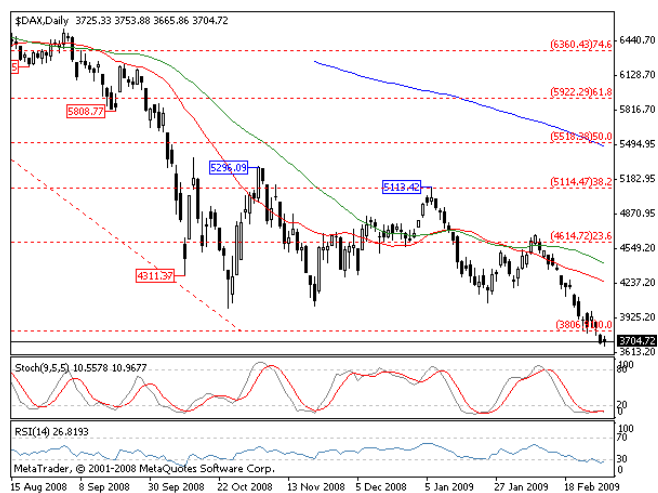
Support	650	600	570
Resistance	800	855	940

DAX 30 – Germany

The short picture remains negative as DAX reached new two and a half year low. The negative trading will likely continue in the next days and so far the downward movement is limited by the support around 3600. If broken successfully next targets will be the supports at 3500 and 3200. On the upside resistance is seen at the psychological level 4000, followed by 4600 which is 23.6% retracement of the 7230-3790 drop, and 5120. In the mid-term, as long as the index holds below the key 4000, the downside risk remains and we may witness new declines.

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Support	3600	3500	3200
Resistance	4000	4600	5120

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