

STOCK MARKET DAILY REVIEW

November 5, 2008

Positive Moods At Wall Street On Election Day

US indices started session on the Presidential Election Day with solid gains. As the race is close to its end there has been some relief to the market, and the preliminary lead of the Democrat Barack Obama over the Republican John McCain fueled optimism among the investors. In addition, the five year bottom of the stock reached in the previous days made them attractive and the bargain hunters of Wall Street took advantage of it. The positive sentiment was also supported by the continuing improvement of the credit markets as the interbank lending rate LIBOR fell for a 17th consecutive day. The unfavorable economic data that came out during the day did not worsen the moods. The Factory orders for September fell by 2.5%, which was a lot more than the expected drop of 0.8%.

The quarterly reports from MasterCard Inc and Archer Daniels Midland Co, had a positive effect on the market as they topped expectations of the analysts. Shares of the credit-card system company rose by 18.3% to \$170.24, while those of the agricultural giant advanced by 15.3% to \$24.33. General Electric was among the best performing Dow components gaining 7.6% to \$20.77 after Wall Street Journal reported that the Treasury Department is considering using more of its \$700 billion rescue package to buy stakes in a wide range of financial companies, such as GE's GE Capital unit.

In an average trading volume session all the three indices closed significantly higher. Dow Jones Industrial Average rose by 3.3% to 9625.28, S&P500 advanced by 4.1% to 1005.75 and Nasdaq Composite was up by 3.1% to 1780.12. Trading volume on NYSE was 1.3 billion shares, with a ratio advancers/decliners 4 to

1, and volume on Nasdaq was 2.3 billion shares, with a ratio advancers/decliners 2 to 1.

TECHNICAL OVERVIEW

S&P 500 – USA

The short term picture improves again as S&P500 resumed its upward movement and managed to break the resistance at 985. Next target of the index will be resistance at 1050, followed by the key 1080 and 1170, which are 61.8% and 50.0% retracements of the 768-1576 rise. Although the upward movement has resumed, it is too early to consider that the index has reached a mid-term bottom at 840, and while it stays below the key 1080, the downside risk remains and we may witness new declines. On the downside support is seen at the psychological 900, followed by 840 and 800.



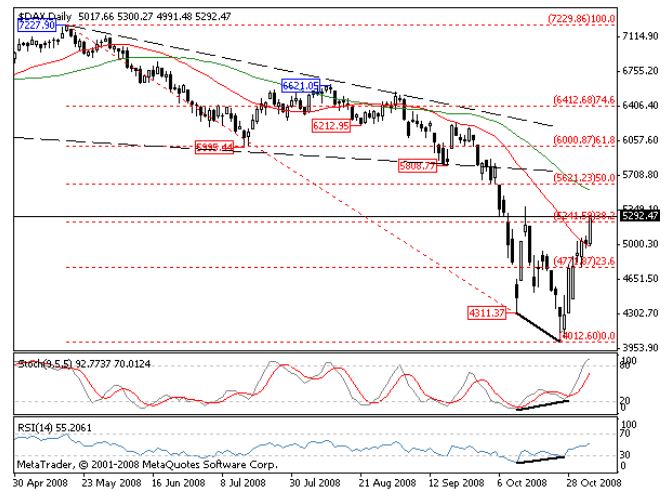
Support	900	840	800
Resistance	1050	1080	1170

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DAX 30 – Germany

The short term picture improves again as DAX resumed its upward movement. The index makes an attempt to test the key resistance level at 5240, which is 38.2% retracement of the 7229-4012 drop. If broken successfully, next target will be the resistance at 5620, which is 50% retracement of the mentioned drop, followed by the psychological 6000, which is also 61.8% Fibonaci retracement. Although the oscillators indicate a bullish divergence, which is a possible signal that a mid-term bottom has been reached, it's too early to consider that the uptrend has resumed until the index stays below 6000 and we may witness new downward movements. On the downside support is seen at 4770, followed by 4500 and 4300.



Support	4770	4500	4300
Resistance	5300	5620	6000

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