STOCK MARKET DAILY REVIEW

November 6, 2008

Moods On Wall Street Worsened After The Election Day

US indices started the Wednesday session in negative territory after scoring their largest gains in an Election Day in more than two decades. Moods worsened as the market's focus moved from the historical win of the Democrat Barack Obama to the bad fundamental news that came out during the day. The weak data continues to support the speculation that the US economy is facing a prolonged recession, which could turn to be the worse global financial crisis since the Great Depression. The ADP Private sector employment report showed a new drop by 157 000 in October, which was significantly more than the estimated -100 000. These disturbing numbers increase the concerns that the key data of Non-farm Payrolls, which is impatiently expected on Friday, will be disappointing too. In addition, the October ISM Services Index fell to a record low at 44.4, while a reading of 47.8 was expected. The number shows that the activity in the sector continues to shrink.

Boeing Co was among the biggest Dow laggards after the aircraft maker announced that the first flight of its 787 Dreamliner would be postponed until next year, rather than the target of the end of this year due to the recent machinists' strike. Shares of the company were down 7.6% to $49.55.

Google Inc announced that that it decided to end its advertising agreement with Yahoo Inc after it became clear that government regulators and some advertisers continued to have concern about the pact. Shares of Google fell by 6.7% to $342.24 after the news, while those of Yahoo advanced by 4.3% to $13.92 due to speculations that this may open the door to another Microsoft offer.

In an average trading volume session all the three indices closed with significantly lower. Dow Jones Industrial Average fell by 5.0% to 9139.27, S&P500 declined by 5.3% to 952.77 and Nasdaq Composite was down by 5.5% to 1681.64.

Trading volume on NYSE was 1.3 billion shares, with a ratio decliners/advancers 4 to 1, and volume on Nasdaq was 2.2 billion shares, with a ratio decliners/advancers 4 to 1.

TECHNICAL OVERVIEW

S&P 500 – USA

The short term picture worsens as S&P500 failed to break the psychological level at 1000, which pushed the index down. We will probably witness a narrow range consolidation below that level in the next days but If broken successfully, next target will be resistance at 1050, followed by the key 1080, which is 61.8% retracement of the 768-1576 rise. Although the upward movement has resumed lately, 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.

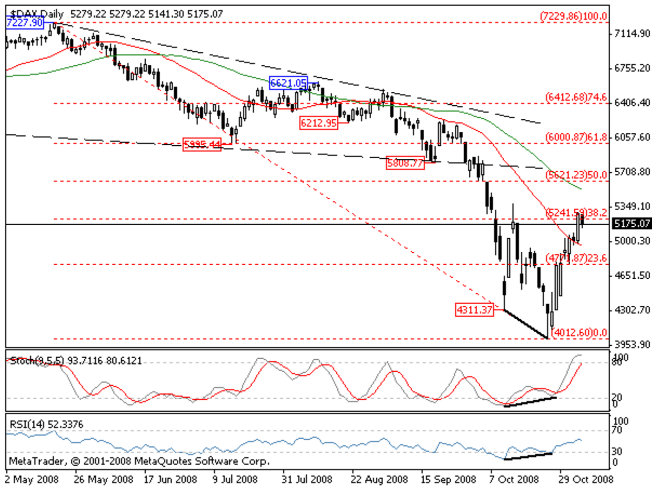
Support	900	840	800
Resistance	1000	1050	1080

STOCK MARKET DAILY REVIEW

November 6, 2008

DAX 30 – Germany

The short term picture remains almost unchanged as the upward movement of DAX so far is limited by 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% Fibo 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

Contact phone number: + 359 2 963 11 38, 359 2 963 11 40 e-mail: research@stsfinance.bg