

## US STOCK MARKET DAILY REVIEW

August 7, 2008

### Wall Street extends its gains

US Stocks limited early losses and even raised modestly on Wednesday as a drop in oil prices helped investors to reduce worries about the problems in financial sector. The poor day of economic data moved the investors' focus over the corporative news and condition on energy markets. Freddie Mac and Fannie Mae continued to concern Wall Street as the government-chartered companies hold or back nearly half of all US mortgage debt. Freddie Mac reported a larger-than-expected second-quarter loss. The company also announced that it expects to cut its third-quarter dividend as it seeks to preserve capital. Meanwhile, the Oil prices continued to reduce its pressure over the stock market as reached levels around 117 dollars per barrel. Following its report, Freddie Mac fell 15% to 6.85 dollars a share, while Fannie Mae fell 11% to 12.13 dollars a share. Other financial stocks fell as investors worried about the balance sheets of financial companies and the effects of souring mortgage debt. Wells Fargo & Co. fell 3% to 30.27 dollars a share, while Wachovia Corp. fell 3.5% to 18.39 dollars per share. In other earnings news, Time Warner Inc. said second-quarter profits fell 26%. Sprint Nextel declined 9.8% to 7.71 dollars a share after posting a second-quarter loss. Meanwhile, Qwest Communications International Inc. said earnings fell 24% in the second quarter. The stock fell 2.8% to 3.49 dollars a share.

### TECHNICAL OVERVIEW

**Dow Jones** advanced modestly and reached level around 11 680. On the upside, first resistance still remains at the key level 11 700, followed by 12 000 and 12 250. If Dow renews its correction, it will meet supports at 11 400, followed by 11 100 and 10 950.



<b>Support</b>	11 400	11 100	10 950
<b>Resistance</b>	11 700	12 000	12 250

*The data in this daily analysis is collected from different sources and should serve only for informative purpose. Bulbrokers shall not be held responsible for the validity of the presented information. No part of this analysis recommends the purchase or sale any financial instrument.*

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