

STOCK MARKET DAILY REVIEW**November 7, 2008****US Indices Continue To Suffer
Significant Losses**

US indices started the Tuesday session in a negative territory with Dow falling under its psychological level 9000 for the first time in a week as the uncertainty around the health of the economy continued to govern the negative moods of the markets. Disappointing earnings results and guidance along with extremely weak same-store sales results from the major retailers added to the worsening of the investors' sentiment. During the day the Initial Jobless Claims for the previous week fell by 4000 to 481 000. Nevertheless, the levels remain too high, signaling a continuing labor market softening. The reading also suggest bad results of the Friday's Non-Farm Payrolls report, which is expected to shed some light on the economic condition. In addition, Goldman Sachs and Citigroup confirmed that they have started their workforce cutting procedures.

Retail chains posted the worst monthly sales data in more than three decades as consumers, beleaguered by the financial crisis, chopped spending in October. The results from Nordstrom, Target, Macy's, Gap, American Eagle and Abercrombie & Fitch were also disappointing. Despite that sales of retailers such as Wal-Mart came out better than expected due to the discount goods they offer.

Shares of Cisco Systems Inc fell by 2.8% to \$16.90 after the world's largest computer-networking equipment maker posted better than expected earnings per share results for the latest quarter, but expects a downturn in quarterly revenue. The outlook looms over the technology sector since Cisco is regarded as a tech bellwether.

Shares of media giant News Corp sunk by 16.3% to \$8.31 the company reported results below expectations and cut its annual earnings outlook. As a result, JP Morgan

downgraded its stocks to Neutral from Overweight.

In an average trading volume session all the three indices closed again significantly lower. Dow Jones Industrial Average fell by 4.9% to 8695.79, S&P500 declined by 5.0% to 904.88 and Nasdaq Composite was down by 4.3% to 1608.70.

Trading volume on NYSE was 1.5 billion shares, with a ratio decliners/advancers 5 to 1, and volume on Nasdaq was 2.4 billion shares, with a ratio decliners/advancers 4 to 1.

TECHNICAL OVERVIEW

S&P 500 – USA

The short term picture still worsens as S&P500 moves away from the psychological level at 1000, which pushed the index down. We will probably witness a wide range consolidation below that level in the next days. So far the main goal of the index is the psychological support at 900, followed by 840 and 800. If the upward movement is resumed, on the upside resistance is seen at the psychological 1000, followed by 1050 and the key 1080, which is 61.8% retracement of the 768-1576 rise. Despite 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 more declines.

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Support	900	840	800
Resistance	1000	1050	1080

DAX 30 – Germany

The short term picture worsens significantly as the key resistance level at 5240, which is 38.2% retracement of the 7229-4012 drop, pushed DAX sharply lower. So far the main goal of the index is the support at 4770 which is 23.6% retracement of the mentioned drop, and if broken successfully, next targets will

be the supports at 4500 and 4300. If the upward movement is resumed, on the upside resistance is seen at 4920, followed by the key 5300 and 5620, which is 50% retracement of the mentioned drop. 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 more downward movements.



Support	4770	4500	4300
Resistance	4920	5300	5620

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