

STOCK MARKET DAILY REVIEW

November 11, 2008

US Indices Continue To Suffer Losses on bad corporative news

Wall Street traded in negative territory, after scoring an early rally caused by enthusiasm about the 586 billion dollars Chinese stimulus package. Initially the market responded positively, because that package might support multinational companies with business in China such as General Electric Co. and Caterpillar Inc. Despite that the stimulus itself will likely have only a limited effect in the United States. The market turned around as investors worried about the health of the companies. The troubled AIG got more money from the U.S. government and electronics retailer Circuit City Stores Inc. filed for bankruptcy protection. Circuit City filed for bankruptcy protection about a week after it said it would close 20 % of its stores. The electronics retailer, has been struggling as consumers spend less and credit has become tighter. Shares sank 56 % to 11 cents. Meanwhile, the US government announced it would invest 40 billion dollars in AIG, which also reported a nearly 25 billion dollars third-quarter loss. AIG, which got a bailout in September, has so far received a total of 150 billion dollars in government aid. The government's investment helped the insurer's stock rise 19 % to 2.53 dollars a share.

TECHNICAL OVERVIEW

S&P 500 – USA

The short term picture worsens as S&P500 moves away from the psychological level at 1000, which pushed the index down closer to 900 borders. We will probably witness a wide range consolidation between those levels 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.



Support	900	840	800
Resistance	1000	1050	1080

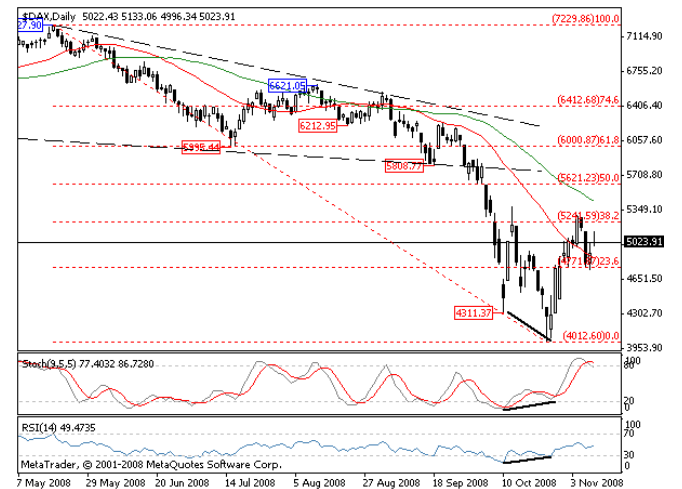
DAX 30 – Germany

The short term picture is neutral as the index remains between the key resistance level at 5240, which is 38.2% retracement of the 7229-4012 drop and the support levels of 23.6 % retracement of same movement at 4770. So far if this level be 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 5240, followed by 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

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the index stays below 6000 and we may witness more downward movements.



Support	4770	4500	4300
Resistance	5240	5620	5750

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