

### Financial Sector Weighed On Wall Street Again

US indices started the Tuesday session in red as new concerns about the condition of the financial sector worsened investors' sentiment again. The negative news from some of the biggest US banks weighed on the market but losses were limited after the crude oil price fell back below \$114 per barrel and the trade balance of the country came out better than expected at -\$56.77 billion. The surprising rise of the exports led to a narrowing of the trade deficit, which could give a boost to the third quarter GDP.

One of the main reasons for the negative sentiment during the day was JP Morgan Chase with its shares down by 9.5% and leading the blue chips decliners. The bank announced losses of \$1.5 billion since July due to deteriorated trading conditions, noting that spreads on mortgage-backed securities have widened, causing the losses. The news suggested the fallout from the housing downturn is far from over, weighing on the entire financial sector.

In addition, shares of Goldman Sachs fell by 6.0% after it was downgraded from Buy to Hold by Deutsche Bank. Moreover, Credit Suisse and Oppenheimer cut their earning estimates for the Goldman Sachs.

The Swiss UBS AG also weighed on the financial sector after it announced bigger than expected losses of more than \$300 million for the second quarter, caused by fresh write-downs and a wave of customers' withdrawals. Its US listed shares fell by 6.4%.

Among the advancing companies during the day was Apple Inc with its stocks up by 1.8% after Lehman Brothers said iPhone demand may top expectations.

In a big trading volume session all the three indices closed in red.

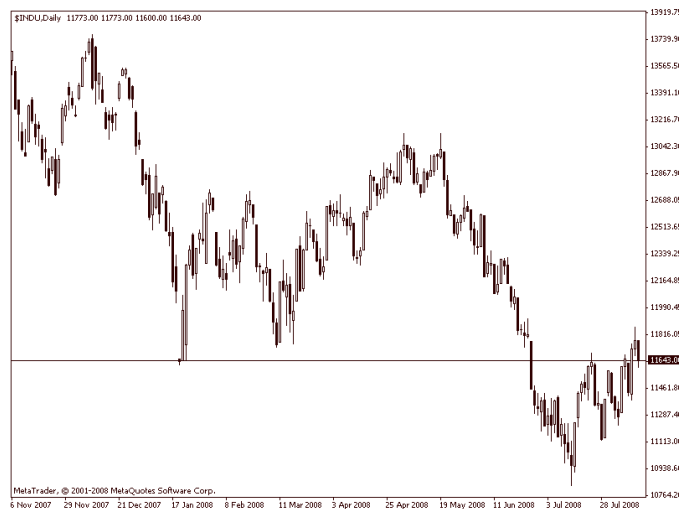
Dow Jones Industrial Average fell by 1.2% to 11642.47, S&P500 declined by 1.2% to

1289.59 and Nasdaq Composite was down by 0.4% to 2430.61.

Trading volume on NYSE was 1.1 billion shares, with a ratio decliners/advancers 2 to 1, and volume on Nasdaq was 2.1 billion shares, with a ratio decliners/advancers 4 to 3.

### TECHNICAL OVERVIEW

Dow again headed down after the level at 11870 showed resistance of the upward movement and prevented a test of the psychological level at 12000. On the downside, support is seen at 11620, followed by 11400 and 11215. If the upward movement is resumed, a break of the resistance at 11680 will be needed before tests of 11870 and 12000.



<b>Support</b>	11 620	11 400	11 215
<b>Resistance</b>	11 680	11 870	12 000



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## **US STOCK MARKET DAILY REVIEW**

**August 13, 2008**

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