

## US STOCK MARKET DAILY REVIEW

August 15, 2008

### US Market Rebounds After Two Days of Losses

US indices started the Thursday session in a negative territory after bad data from the economic calendar offset the good results from the world's largest retailer Wal-Mart. Shortly after that, the moods improved and the indices scored a significant rise thanks to the recovery of the financial sector, which was under strong pressure in the previous days. The new retreat of the crude oil prices also helped for the return of the positive sentiment among the investors. During the day the inflation data for July came out, showing much higher than expected rise. On a monthly basis, the CPI advanced by 0.8%, while just 0.4% was expected, and the core CPI was up 0.3%, just above the consensus of 0.2%. The Initial jobless claims for the previous week dropped by 10 000, to 450 000, but the one month average rose to more than six years highs.

The blue-chip advance was fronted by the automaker General Motors Corp with its shares up by 10.6%. Among the winning financials were the mortgage lenders Fannie Mae and Freddie Mac. Their stocks advanced by 7.7% and 7.0% respectively.

Wal-Mart Stores Inc reported a 17% rise in the profits for second quarter, which topped analysts' estimates. The retailer also raised its full year projection. Despite that the shares of the company traded almost unchanged and ended the day with a slight advance of 0.4%.

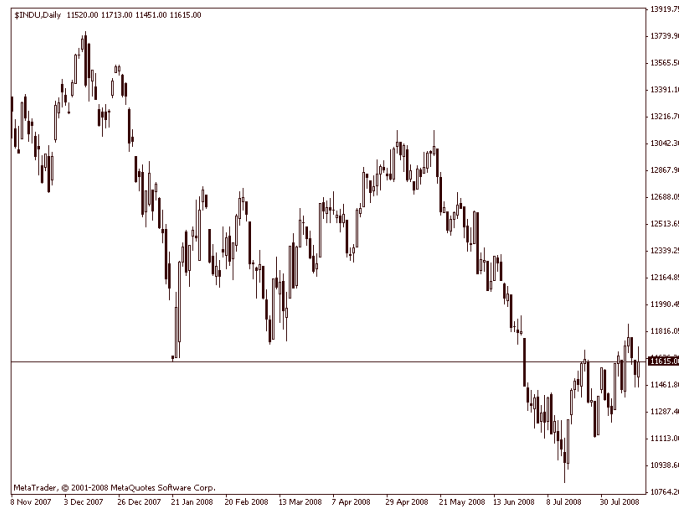
In a thin trading volume session all the three indices closed in green.

Dow Jones Industrial Average rose by 0.7% to 11615.93, S&P500 advanced by 0.6% to 1292.93 and Nasdaq Composite was up by 1.0% to 2453.67.

Trading volume on NYSE was 1 billion shares, with a ratio advancers/decliners 2 to 1, and volume on Nasdaq was 1.9 billion shares, with a ratio advancers/decliners 9 to 5.

### TECHNICAL OVERVIEW

The short term picture remains unchanged as Dow met support at the level 11440 and made a try to restore the upward movement. So far the resistance at 11680 limits the rise. If broken successfully, next targets would be 11870 and the psychological 12000. On the downside, below 11440, supports are seen at 11215 and 11115.



<b>Support</b>	<b>11 440</b>	<b>11 215</b>	<b>11 115</b>
<b>Resistance</b>	<b>11 680</b>	<b>11 870</b>	<b>12 000</b>

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