

## US STOCK MARKET DAILY REVIEW – July 24, 2008

### US Indices Consolidate

Wall Street started the Wednesday session in neutral moods after some companies reported mixed quarterly results, and Costco Wholesale Corp made a surprisingly profit warning, which was assumed as a negative indicator for the consumer spending. The sentiment improved for a while after it was announced that the government is on its way to pass the bill for the new rescue plan for the two problem mortgage lenders Fannie Mae and Freddie Mac, offered last week by the Treasury secretary Henry Paulson. The news showed solid support to the whole financial sector. In addition, a positive impact was given also by the Crude Inventories report for the previous week. Although they decreased more than expected - by 1.6 million barrels, while estimated -675 000 barrels, the gasoline inventories surprisingly increased, which led to concerns that the demand has weakened due to higher fuel costs. This caused another crude oil plummet as it almost reached \$124 a barrel. The effect was short and the indices returned to their open levels.

Shares of Costco Wholesale Corp fell by 11.9% after the retailer warned its August-ending quarter's profit would miss analyst estimates because of rising energy costs. Stocks of Washington Mutual Inc also sunk by 20.4% as it late Tuesday reported losses of \$3.3 billion in the second quarter, with the results proving worse than forecast.

Fannie Mae and Freddie Mac were again among the advancing financial institutions as their shares rose by 10.3% and 8.8% respectively.

The world's largest drug maker Pfizer Inc reported its second-quarter profit more than doubled, which led to a rise of the company stocks by 4.0%.

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

Dow Jones Industrial Average rose by 0.3% to 11632.38, S&P500 advanced by 0.4% to 1282.19 and Nasdaq Composite was up by 0.9% to 2325.88.

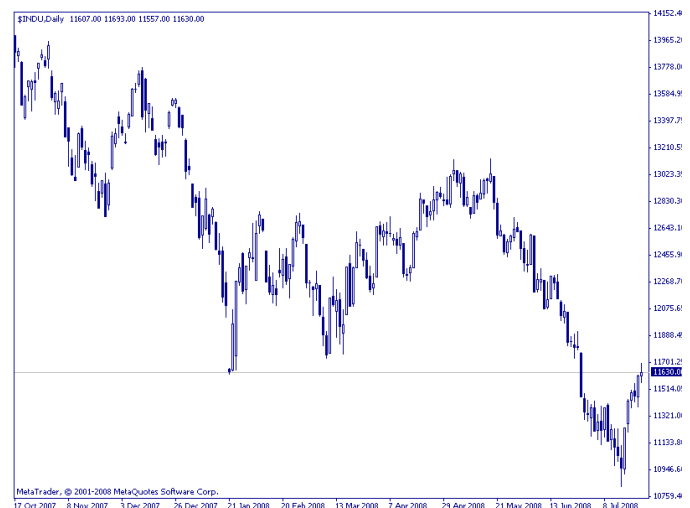
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Trading volume on NYSE was 1.7 billion shares, with a ratio advancers/decliners 5 to 3, and volume on Nasdaq was 2.7 billion shares, with a ratio advancers/decliners 4 to 3.

### TECHNICAL OVERVIEW

#### **DOW JONES**

The short term picture remains unchanged as Dow consolidates near the mid resistance level at 11650. If broken successfully, next targets will be the resistance levels at 11930 and 12170. On the downside, support is seen at 11410, followed by 11040 and 10930.



Support	11 410	11 040	10 930
Resistance	11 650	11 930	12 170

