STS Finance
Online trading division of Bulbrokers

US STOCK MARKET DAILY REVIEW – July 31, 2008

U.S. stocks extended their gains

U.S. stocks started the Wednesday's session with a sharp gain, after a private report showed an unexpected increase in jobs bolstering expectations that the labor market will weather an economic slowdown.

Yesterday the big item was an unexpected 9,000 increase in July's private non-farm employment, according to ADP. Economists expected a 60,000 decrease in jobs. The ADP report has a spotty track record in relation to the government's jobs report, set for release on Friday. However, ADP's data increased expectations that the government's report will show a smaller decline in employment than the current median estimate of -75 000.

The financial sector also started with big gains, after the Securities and Exchange Commission extended until Aug. 12 an emergency limit on so-called naked short sales in shares of the mortgage-finance companies and 17 brokerages as it prepares broader rules to thwart stock manipulation.

However the positive sentiment reversed, as the crude oil gained. The oil futures with delivery in September rose 5% to $127.30, which drove back the major indexes from their day highs.

On corporate level Exxon Mobil Corp. and Chevron Corp., the biggest oil companies, gained 3.2% and 5% to $83.50 and $87respectively.

On the other hand General Motors Corp. lost 5% to 11.30 per share due to higher oil prices.

Shares of Garmin Ltd. sunk with more than 22% to $10, after the navigation device maker cut its 2008 outlook.

Elan and Wyeth lost 41% and 12% respectively, as the drug makers said a Phase II study of an Alzheimer's disease drug didn't generate statistically significant results.

After all, Fannie Mae and Freddie Mac remained on the positive ground. Fannie rose 4.8% to $12.20 , while Freddie gained 5.4% to $8.90.

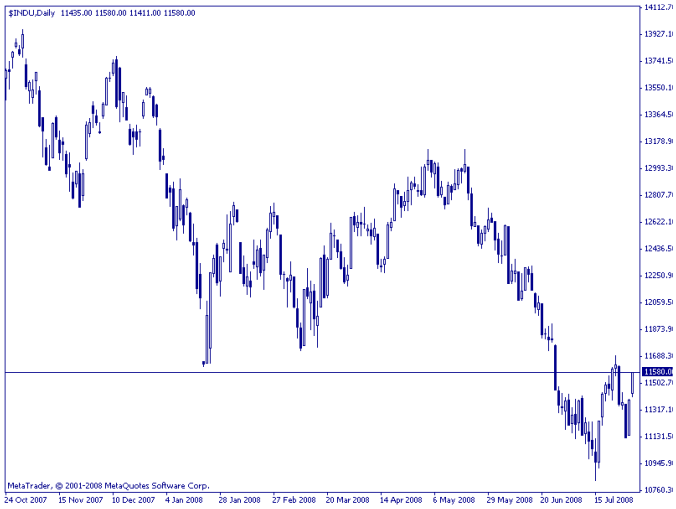
After all, Dow Jones Industrial Average and S&P 500 managed to close with big gains, while Nasdaq Composite rebound from the negative ground. Dow Jones rose with 1.6% to 11 585, S&P 500 gained 1.7% to 1.285 and Nasdaq added 0.3% to 2 328.

Trading volume on NYSE was 1.47 billion shares, with ratio advancers/decliners 2 to 1. The volume on Nasdaq was 2.27 billion shares, with ratio advancers/decliners 5 to 4.

TECHNICAL OVERVIEW

DOW JONES

Dow Jones extended the positive sentiment gaining more than 180points to 11 585. If Dow extends its positive sentiment, it will meet first resistance at the key level 11 700, followed by psychological border at 12 000. On the opposite direction, supports are seen at 11 100, 10 950 and 10 680.



Support	11 100	10 950	10 680
Resistance	11 700	12 000	12 250

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