

VOD - Vodafone - 97.25



VOD has made a 22% rally from the early July low and prices are now testing a minor, but nevertheless important resistance at 99/101. Bulls should proceed with caution whilst beneath this area. In the event of a close above 101, a more extended near term advance up to the more substantial resistance at 113/118 would seem feasible. However, the overall chart structure remains clearly bearish and a recovery of this nature would merely represent a corrective rally within the ongoing downtrend. Indeed, given the overall bearish structure, no more than a very cautiously bullish near term stance would be justified should 101 be cleared. Initial minor support now stands at 86/85. A close beneath here would give a clear warning that the bear trend is reasserting itself. Any such action would point to a retreat back to 80/79.5 in the first instance and thereafter to our medium term objective of 74/72. Longer term, a retreat to 55/52 still seems the most likely course of events. In order to give a clear indication that the longer term downtrend is losing its grip, a rally and close above big resistance at 124/127 would be required.

Support and Resistance table - Nearest Levels*

Res:	99/101 (Min)	113/118 (F.Min)	124/127 (Int)	135/136 (Min)	145/148 (Int)
Sup:	86/85 (Min)	79 (Min)	74/72 (Int)	55/52 (Int)	48/47 (Min)

Key to abbreviation of magnitudes in decending order

Maj = Major Int = Intermediate F.Min = Fairly Minor Min = Minor P.Min = Possible Minor V.Min = Very Minor Poss = Possible

* A close above any given resistance, or beneath support is needed to confirm a break.

The information provided in this document has been compiled from sources believed to be accurate and complete. However in this respect Market Dynamics provides no guarantee. None of the directors or employees accept any responsibility in respect of the information or recommendations contained herein, which moreover, are subject to change without notice. This is neither an offer, or solicitation to buy or sell any investment referred to in this document and as such nothing in this publication should be construed as investment advice. Market Dynamics, its principals, directors or employees may, as principal or as agent, have positions in or options on any such recommendations before they have been published, sometimes in opposition to views expressed.