

VOD - Vodafone - 103.5



Having cleared 101 after our last comment of August-19, the ensuing rally stopped 2p short of the next upside target cited at 113/118 before recoiling. Prices are now drawing close to a fairly important support band at 100/97. At this stage it is still too early to view recent strength as any more than a corrective rally within the ongoing long term downtrend. However, if the 100/97 band withstands the test and a fresh rebound materialises, this action would lend a little more credibility to the recovery as an emerging medium term base structure. Even so, to give the next clearly bullish short term signal, a close above the now adjusted resistance at 111/115 would be required. In turn, this would lead us anticipate a challenge of big resistance at 124/127. While a close beneath support at 100/97 would not completely ruin the stock's chances of recovery, it would destabilise the short term uptrend and indicate that there is a strong chance of a test of the next support at 92.5/91. This latter area represents the 'must hold' level for the recovery to remain intact. A close beneath 91 would indicate that the recovery has failed and point to a re-test of support from the downtrend lows at 80/79. Moreover, it would re-emphasise this stock's long term bearish chart structure.

Support and Resistance table - Nearest Levels*

Res:	111/115 (F.Min)	118 (Min)	124/127 (Int)	135/136 (Min)	145/148 (Int)
Sup:	100/97 (F.Min)	92.5/91 (Min)	86/85 (Min)	80/79.5 (F.Min)	74/72 (Int)

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.

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