

**VOD - Vodafone - 94.25**



In comments of Sep-02 we stated that a close beneath support at 100/97 would not necessarily ruin VOD`s chances of recovery, but that it would destabilise the uptrend and point to a near term test of minor support at 92.5/91. A rapid drop back to 92.5/91 followed. Although this support band has so far stemmed the decline, subsequent recovery attempts have been unconvincing and the action is not typical of basing action. Overhead, minor resistance has now been established at 98/101. In order to re-establish any bullish credibility, VOD needs to rally sharply up through this resistance band and make a fresh challenge of the significant 111/115 resistance area (preferably this week). Whilst beneath 98/101, the chances of finding any lasting stability above support from the July low at 80/79.5 decrease by the day. Furthermore, even if 101 is cleared, a slow recovery that falters beneath minor resistance at 107 would tend to imply that the stock is merely consolidating within the ongoing downtrend. A close under minor support at 92.5/91 would be clearly weak action and a retreat to 85 and then 80/79.5 should follow soon after. At this stage nothing has occurred to cast doubt on our medium / longer term objectives of 74/72 and then 55.

**Support and Resistance table - Nearest Levels\***

<b>Res:</b>	<b>98/101 (Min)</b>	<b>107 (Min)</b>	<b>111/115 (F.Min)</b>	<b>118 (Min)</b>	<b>124/127 (Int)</b>
<b>Sup:</b>	<b>92.5/91 (Min)</b>	<b>86/85 (Min)</b>	<b>80/79.5 (F.Min)</b>	<b>74/72 (Int)</b>	<b>55/52 (Int)</b>

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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