

**VOD - Vodafone - 106**



Yesterday's clearance of minor resistance at 98/101 triggered a brisk rally up to the minimum near term target cited at 107 in our last comment of Oct-14. While this minor resistance level may prove sufficiently strong to induce a brief near term pullback, on balance the more extreme target of 111/115 seems within reach before long. This latter area represents a big and pivotal medium term resistance band. Trading action over the last few months hints that the stock is basing out. However, in order to establish a clearly bullish base structure a rally and close above 115 would be needed. Given that short term momentum indicators are now approaching overbought territory, it seems unlikely that the 111/115 band will be cleared on the first encounter. As such bulls should proceed with extreme caution when it is reached. Initial minor support now stands at 101/100. Whilst above 100, the chances of a challenge of 111/115 are good. A close beneath 100 would render the stock vulnerable to near term weakness back to 95/92. This lower band needs to hold to prevent a break of the short term uptrend and a drift back towards the lower end of the trading range. In the event VOD should manage to close above resistance at 111/115, it would move into clearly bullish near / medium term territory. Any such action would point to a staggered advance up to 145/148, with resistance at 124/127 providing the more immediate target. Minor resistance at 118 may induce a brief hesitation within this advance.

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

<b>Res:</b>	<b>107 Min</b>	<b>111/115 Int</b>	<b>118 P.Min</b>	<b>124/127 Int</b>	<b>135/136 Min</b>
<b>Sup:</b>	<b>101/100 Min</b>	<b>95/92 Min</b>	<b>86/84 Min</b>	<b>80/79.5 F.Min</b>	<b>74/72 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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