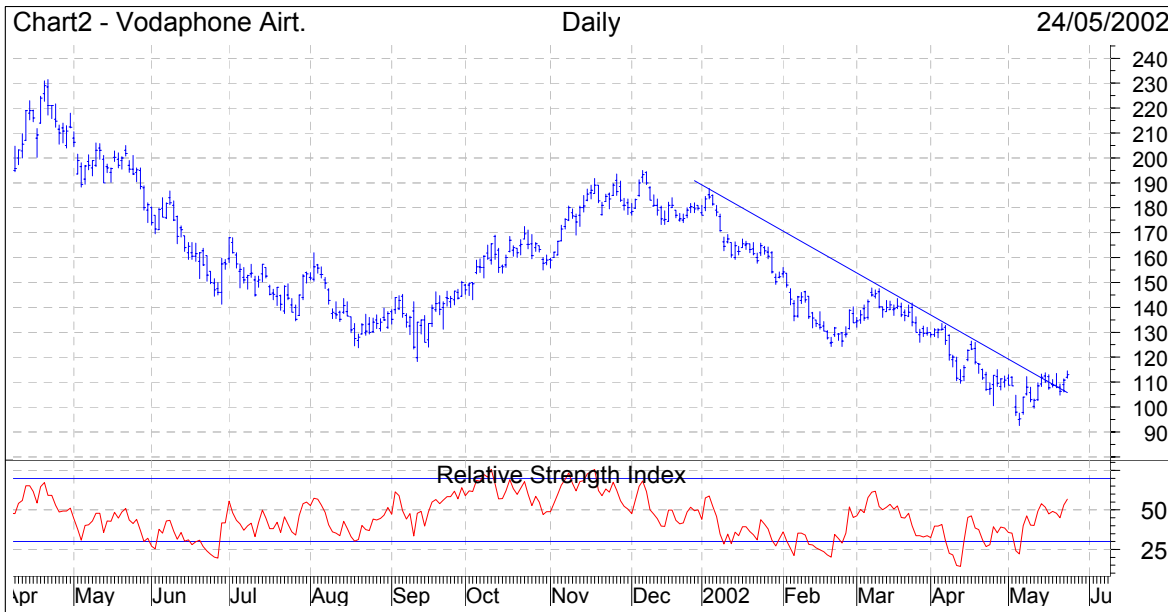


VOD - Vodafone - 113



At this stage the heavily bearish medium / longer term chart structure is not in doubt. However price action over the last week or so hints that VOD is attempting to extend its short term recovery. As anticipated, prices recovered to resistance at 112/117 after our last comment of May-15. The initial pullback from this area was slight and another challenge of it is now under way. In the event of a close above 117, the stock would look capable of rallying further, up to challenge big resistance at 124/127. Bulls should proceed with extreme caution on contact with this latter band as it represents a substantial barrier to progress. In order to cast doubt on our bearish medium / long term outlook, a rally and close above resistance at 145/148 would be needed. Whilst beneath 148, we believe that the current rally will ultimately provide a good selling opportunity. Meanwhile, we continue to believe that VOD is in the process of trending down to medium / longer term objectives of 74/72, if not 55/52. Beneath current levels we note a possible minor support points at 105 and 99/98, though no clear support is evident until 93/90.

Support and Resistance table - Nearest Levels*

Res:	112/117 (F.Min)	124/127 (Int)	135/136 (Min)	145/148 (Int)	156/160 (F.Min)
Sup:	105 (P.Min)	99/98 (P.Min)	93/90 (F.Min)	84/82 (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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