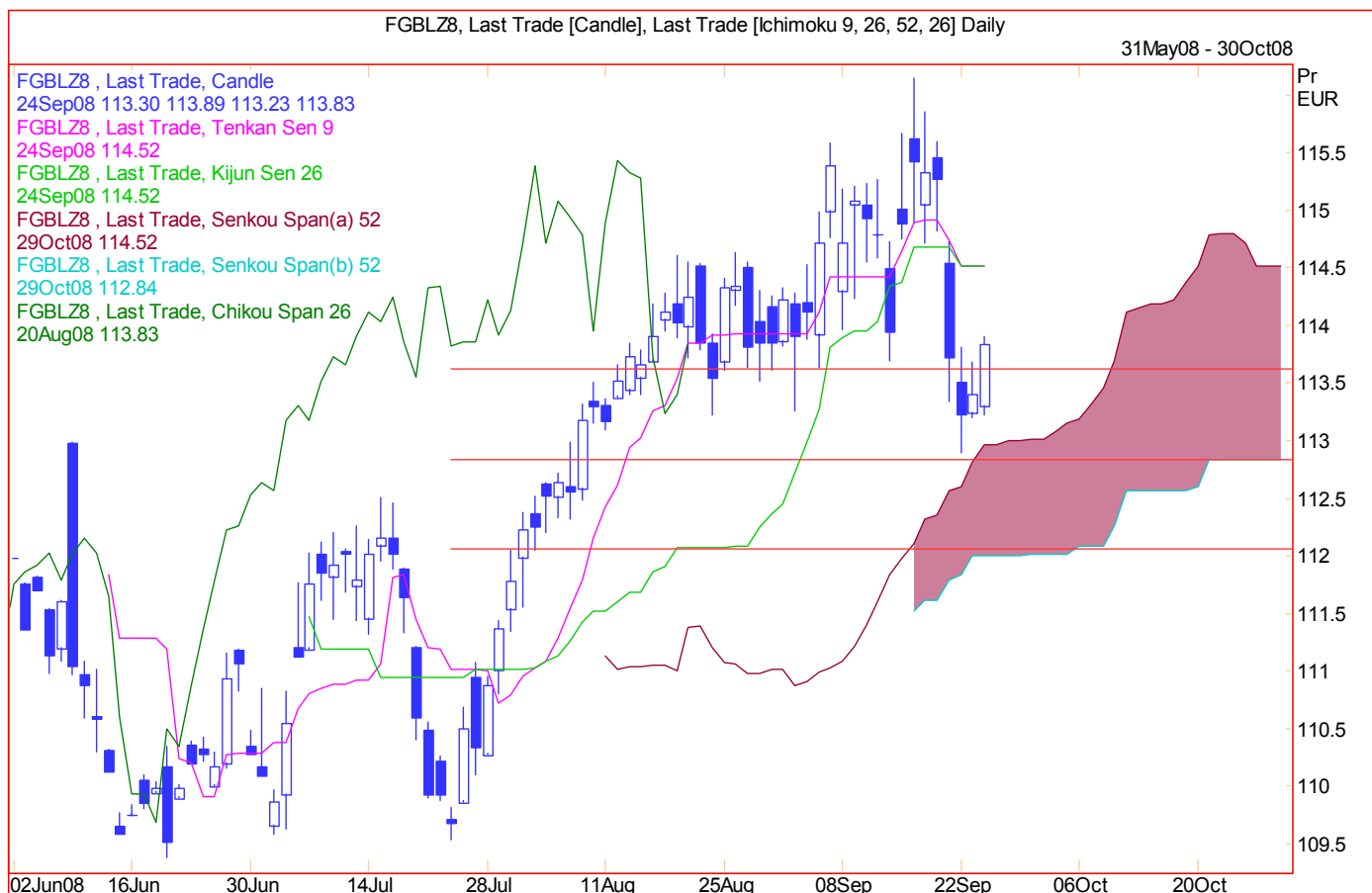


Technical Analysis

<http://www.mizuho-cb.co.uk/>

24 September 2008

Euro-Bund future – Dec 2008



Comment: When US TBills carry a negative yield you know you are in **big** trouble. The dollar interbank market is a joke but Euro Libors are a true reflection of the current cost of money although yielding a good 100 basis points over TBills. We feel the spread between German and US two-year TNotes should narrow. The Bund future pulled back more sharply than anticipated from the pivotal 3.75% yield. It should now form an interim base against retracement and Ichimoku 'cloud' support around 113.00. We favour another rally next month, our medium term measured target at 117.70/118.00, one standard deviation from the mean of the last decade.

Strategy: Buy at 113.75; stop below 112.00. Add to longs on a daily close above 114.50 for 115.50, then 116.00/116.45, eventually 117.70/118.00 and 122.00 very long term.

Chart Levels:

Support	Resistance	Direction of Trade
113.20*	114.00	Futures price
112.91/112.85*	114.62	
112.33	114.83	
112.00*	115.65	
111.33	116.13*	

Produced by London Branch - Nicole Elliott +44-20-7786-2509 (Nicole.Elliott@mhcb.co.uk)

The information contained in this paper is based on or derived from information generally available to the public from sources believed to be reliable. No representation or warranty is made or implied that it is accurate or complete. Any opinions expressed in this paper are subject to change without notice. This paper has been prepared solely for information purposes and if so decided, for private circulation and does not constitute any solicitation to buy or sell any instrument, or to engage in any trading strategy.

Charts provided by Reuters.