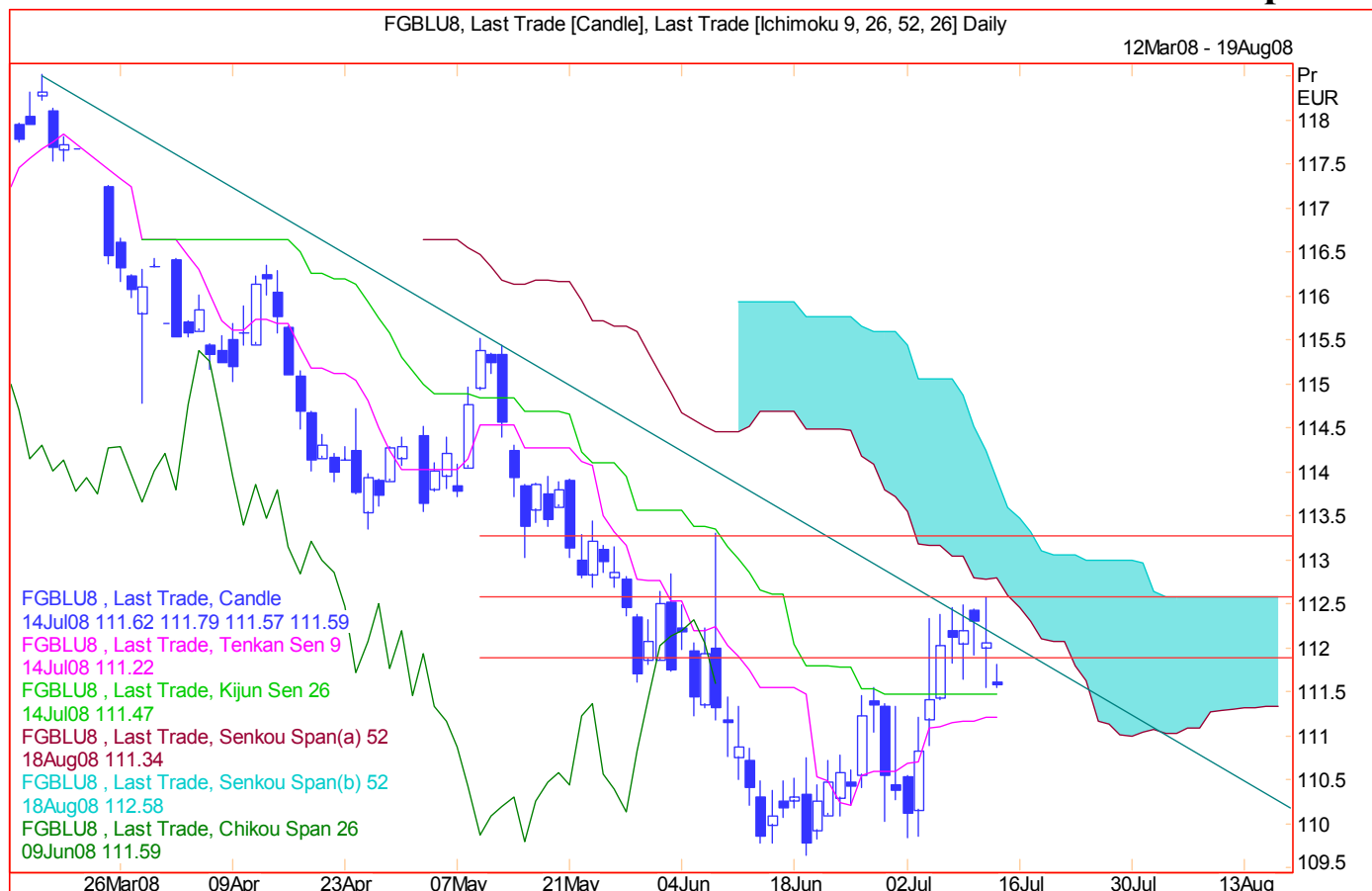


**Technical Analysis**

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

**14 July 2008**

**Euro-Bund future – Sep 2008**



**Comment:** The spread between Bunds and US Treasuries should narrow as generalised US dollar weakness continues throughout the summer. The Bund's recovery has stalled at trendline and Fibonacci resistance, and by the Ichimoku 'cloud', suggesting we shall consolidate below 112.50 this week, possibly pulling back all the way down to 110.50. Late this month and by the end of August another round of short-covering taking the contract back to 113.00/113.50. Before year-end we feel that benchmark ten-year yields should be closer to 3.75/4.00%.

**Strategy:** Buy at 111.60, adding to 110.75; stop below 109.50. Add to longs on a weekly close above 112.50 for 113.00/113.50 short term and 115.00/115.50 medium term.

**Chart Levels:**

Support	Resistance	Direction of Trade
<b>111.45</b>	<b>112.00</b>	<b>Futures price</b> 
<b>111.00</b>	<b>112.57*</b>	
<b>110.75</b>	<b>112.83</b>	
<b>110.10*</b>	<b>113.29*</b>	
<b>109.86/109.65**</b>	<b>115.50</b>	

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Charts provided by Reuters.