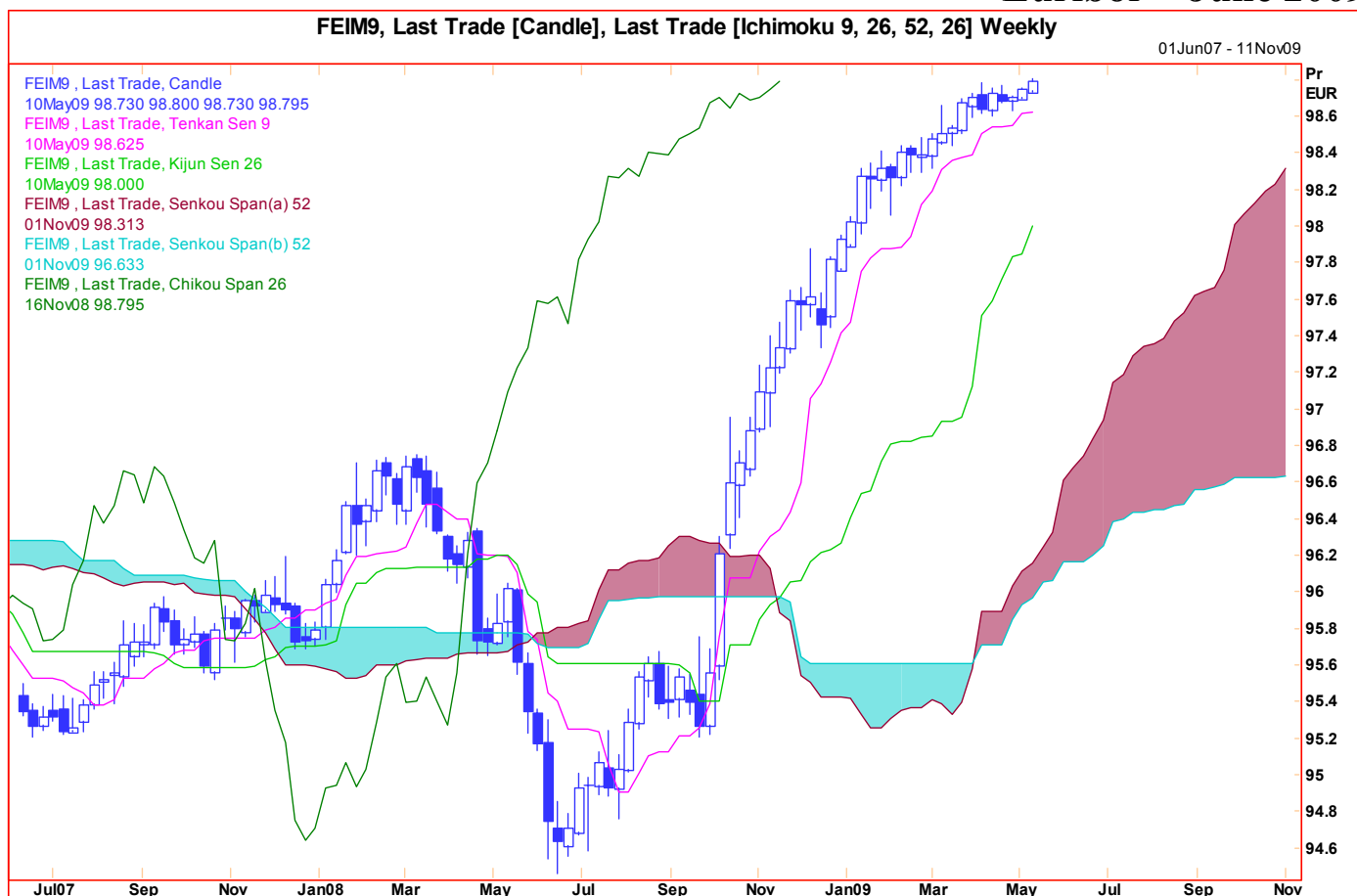


Technical Analysis

07 May 2009

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

Euribor – June 2009



**Comment:** Benchmark Shatz yields at 1.45% look generous compared to UK and US ones, especially as interbank hostility continues. The ECB has belatedly bowed to market forces and is expected to trim the key rate to 1.00% today (thereby narrowing the band to 75 basis points from the current 100). The extent of the mismanagement can be seen in the chart above. 'Triangle' consolidation since April in this front June futures contract means there is still everything to go for between now and delivery, while red months look 'cheap'. Three-month Libor is a tad lower again at 1.33% but note that short-dates have been very erratic. While allowing for random moves between 98.550 and 98.850 for another two weeks, rallies to new record highs should be pencilled in.

**Strategy:** Attempt small longs at 98.785/98.700; stop well below 98.600. Upside target 98.850/98.925.

**Chart Levels:**

Support	Resistance	Direction of Trade
98.750	98.800	
98.700*	98.850*	
98.670	98.925	
98.635/98.600**	98.975	
98.550	99.000*	

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Charts provided by Reuters.