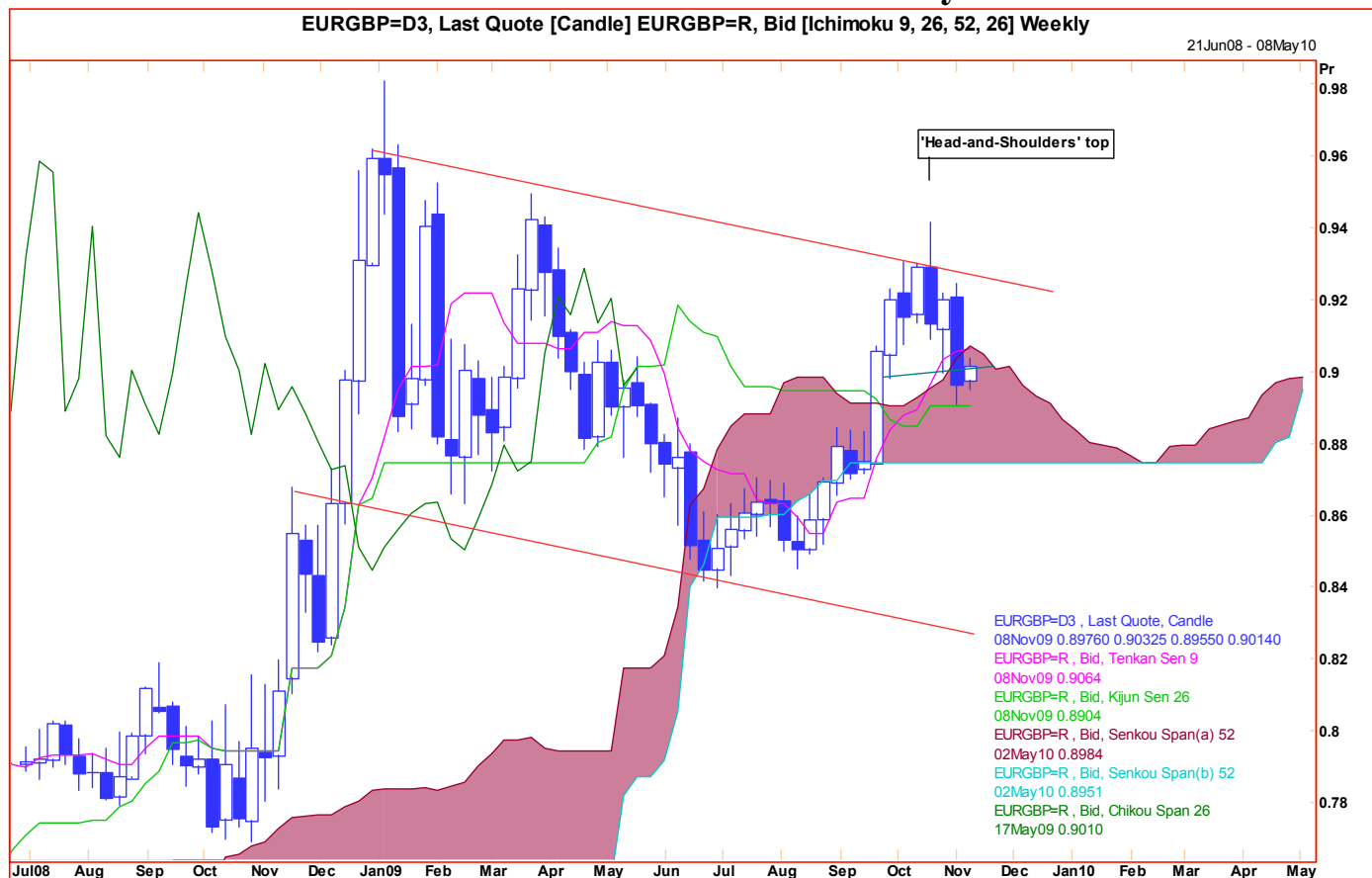


**Technical Analysis**

**02 November 2009  
Monthly Outlook for EUR/GBP**



**Comment:** The rally above 0.9305, to a high at 0.9413, is seen as an 'extension' and the 'head' of a 'head-and-shoulders' top on the daily chart. It also suggests we shall continue to trade in the broadly sideways (if sloping) band established early this year. Therefore we favour an initial drop to 0.8800/0.8750, then consolidation between here and 0.9000/0.9050. This does not mean the massive 'flag' can now be disregarded completely, something we shall continue to fret about while prices hold above the horizontal base of the weekly Ichimoku 'cloud' at 0.8750.

A weekly close above 0.9300 would force us to review.

**Chart Levels:**

Support	Resistance	Direction of Trade
0.8900	0.9075	
0.8850	0.9150	
0.8800*	0.9200	
0.8750*	0.9305*	
0.8635	0.9413*	

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Charts provided by Reuters.