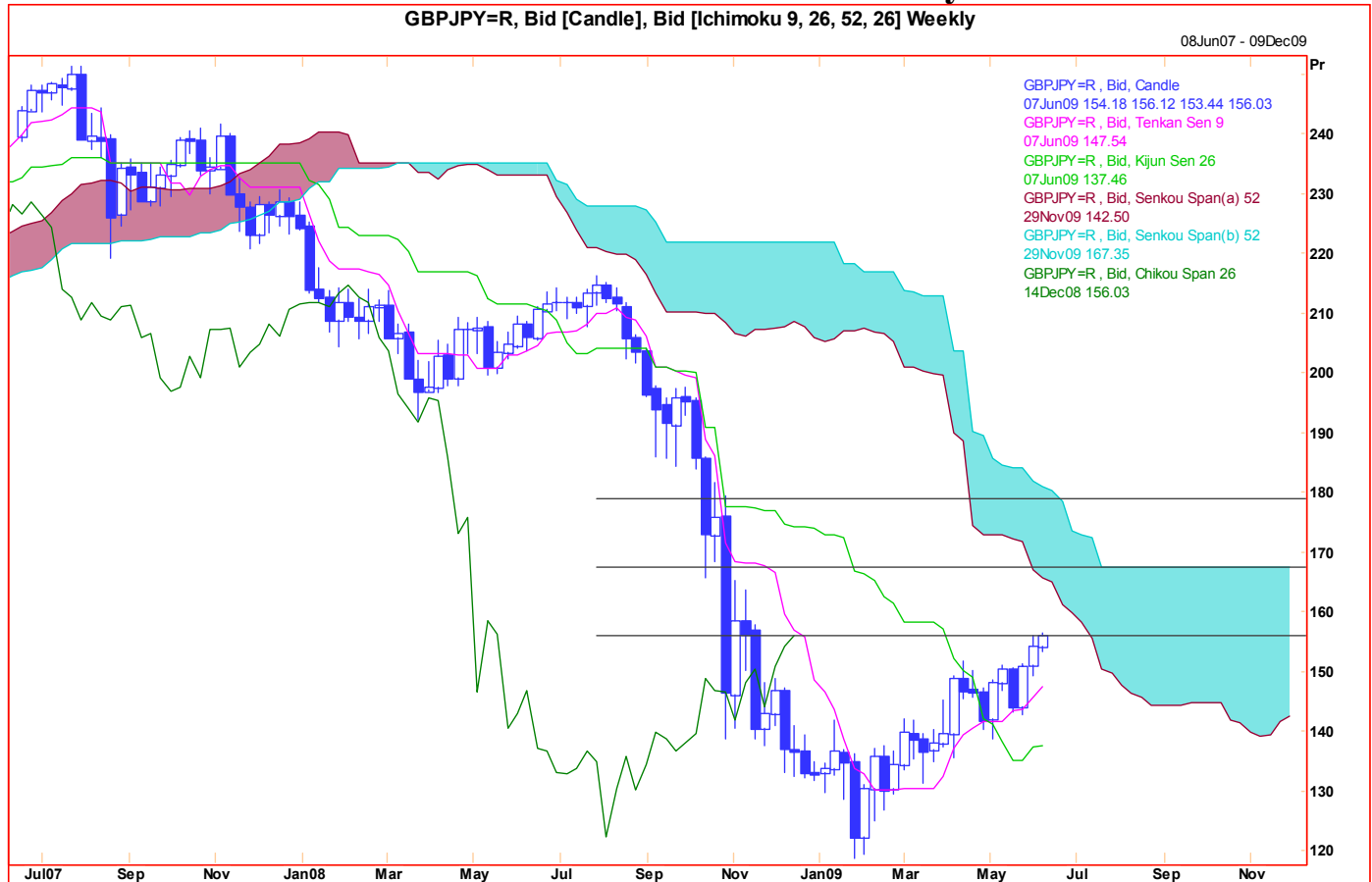


01 June 2009

**Technical Analysis**

**Monthly Outlook for GBP/JPY**



**Comment:** The hardest-hit currencies in 2008 are the ones bouncing back most strongly over the last three months, so that BRL/JPY, CAD/JPY, GBP/JPY and NZD/JPY have nudged up to new highs for this year. This is seen as part of the complex and tedious process of establishing wide trading bands. This pair has now retraced 38% of last year's decline (but note the bear market started in 2007). Allow for a little hesitation around here for the next week or so, with a series of cautious upside probes, where a new interim high is likely to form closer to 165.00/167.00 area. Then back down below 150.00 later next quarter.

A weekly close well below 150.00 suggests an interim high is probably in place.

**Chart Levels:**

Support	Resistance	Direction of Trade
<b>149.50</b>	<b>155.85*</b>	
<b>143.00</b>	<b>157.50</b>	
<b>139.00</b>	<b>160.00</b>	
<b>135.00*</b>	<b>163.35</b>	
<b>129.50*</b>	<b>165.00*</b>	

Produced by London Branch - Nicole Elliott +44-20-7786-2509

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Charts provided by Reuters.