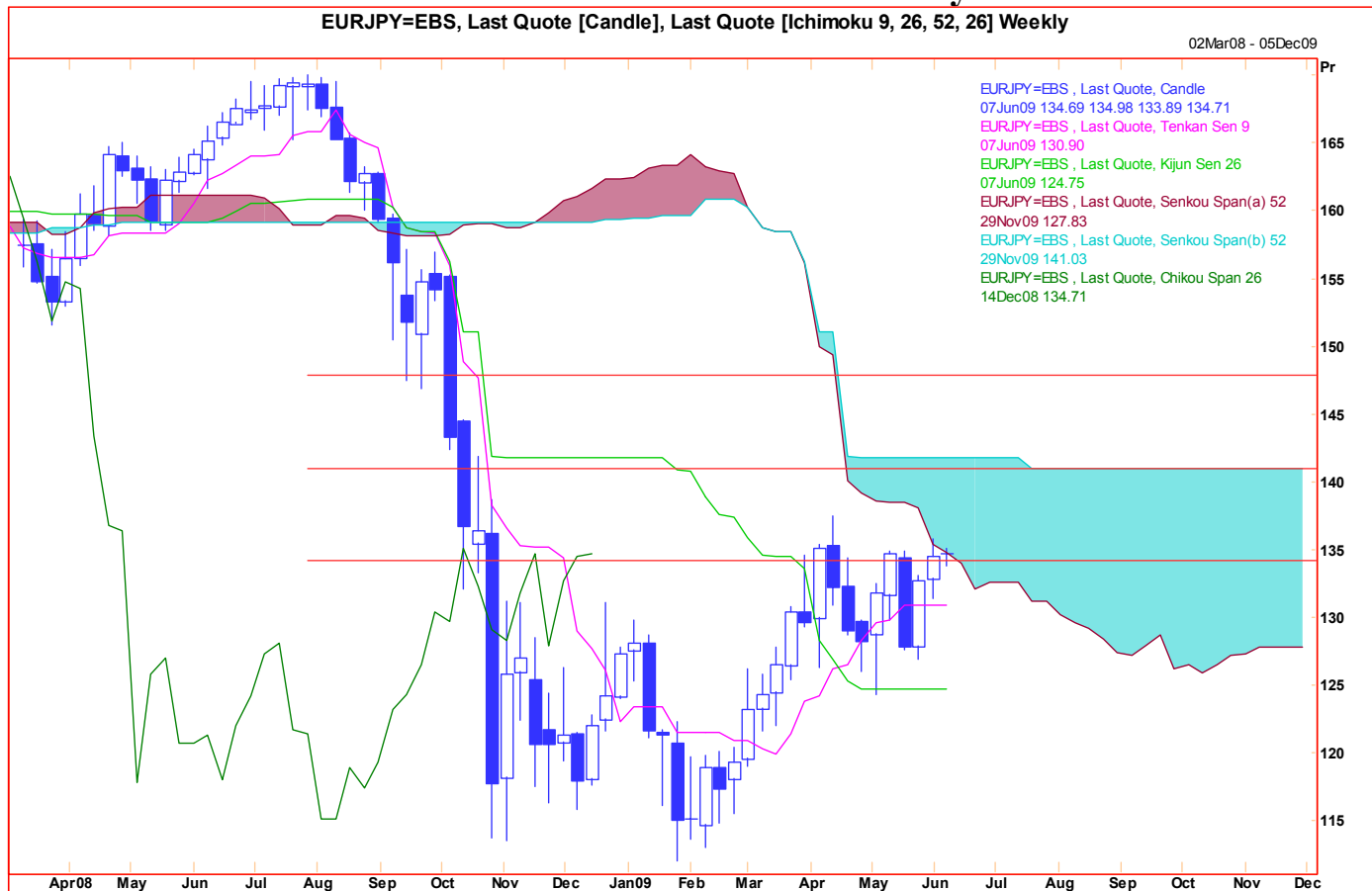


**Technical Analysis**

**01 June 2009**

**Monthly Outlook for EUR/JPY**



**Comment:** Because Yen crosses are expected to move broadly sideways this year, forecasting each intermediate twist and turn will be a difficult and thankless task. Over the last ten weeks Euro/Yen has held between 125.00 and 135.00 most of the time, but there is no reason why it should do the same this month. Therefore we continue to allow for a cautious, slow upside probe towards 140.00 and probably no higher than 142.00, where the pair should top. Later on we feel prices will drop back down again, establishing another broadly sideways band.

A weekly close below 125.00 suggests an interim high is already in place, setting off a re-test of the 115.00 area.

**Chart Levels:**

Support	Resistance	Direction of Trade
131.00	135.70	
127.00	136.50	
126.00	137.50*	
124.35*	141.00*	
121.75*	141.75**	

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Charts provided by Reuters.