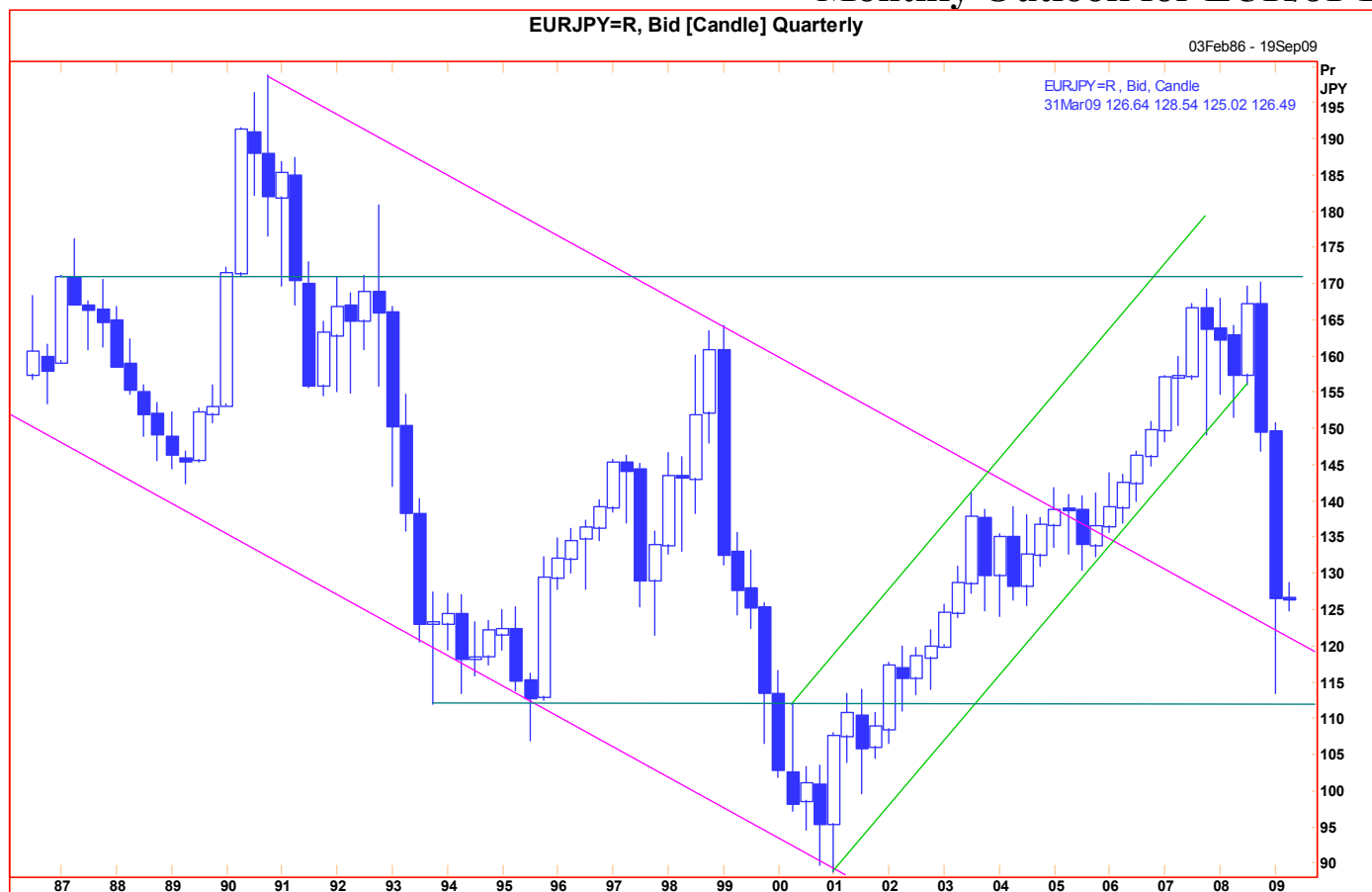


Technical Analysis

**05 January 2009
Monthly Outlook for EUR/JPY**



Comment: Downside momentum in Yen crosses ran out of steam last month, perhaps not surprising after the biggest ever quarterly drop and a gain of 21% over the Euro in the last year. Bearish momentum is less than half the record set in November and likewise one-month at-the-money implied volatility. Therefore we expect a series of random moves roughly between 118.00 and 130.00 this month, potentially with a small short squeeze towards 135.00 and probably no higher than 140.00.

A weekly close above 140.00 forces us to review.

Chart Levels:

Support	Resistance	Direction of Trade
118.00	121.50	
115.35*	126.25	
113.62**	128.50	
111.30	131.05*	
110.00*	135.00*	

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

The information contained in this paper is based on or derived from information generally available to the public from sources believed to be reliable. No representation or warranty is made or implied that it is accurate or complete. Any opinions expressed in this paper are subject to change without notice. This paper has been prepared solely for information purposes and if so decided, for private circulation and does not constitute any solicitation to buy or sell any instrument, or to engage in any trading strategy.

Charts provided by Reuters.