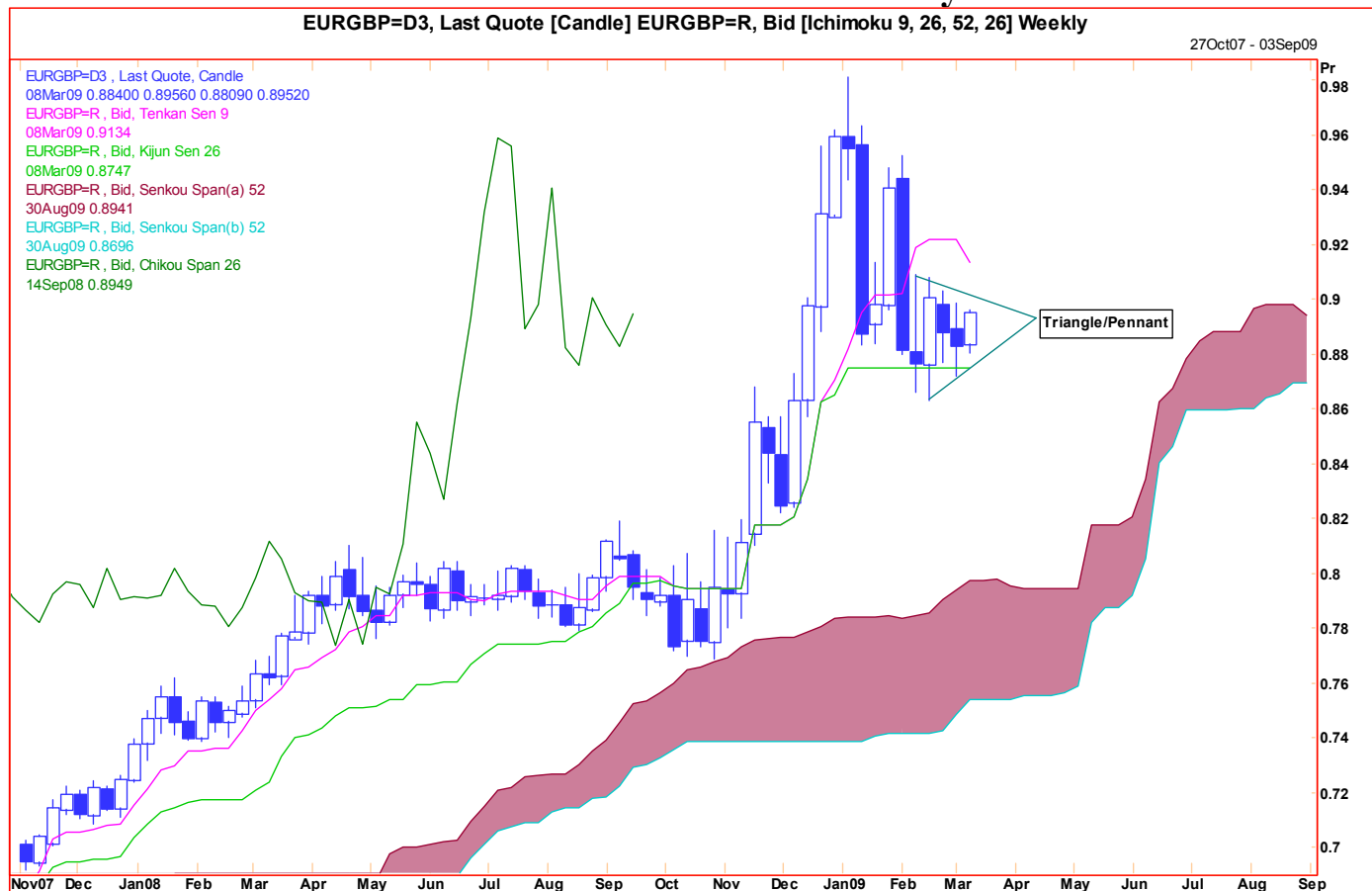


**Technical Analysis**

**02 March 2009**

**Monthly Outlook for EUR/GBP**



**Comment:** Consolidating in a 'triangle' or inverted 'pennant' formation for the last four weeks, holding above the 26-week moving average most of the time. This continuation pattern should lead to another step down some time this month. A weekly close below 0.8750 should turn momentum bearish setting off a slide through 0.8600 to 0.8550/0.8500 where more consolidation is likely. However, a case could be made for a faster move down to 0.8250/0.8225 at the very end of this month or early in Q2 2009.

A weekly close above 0.9200 forces us to adjust.

**Chart Levels:**

Support	Resistance	Direction of Trade
<b>0.8725</b>	<b>0.9000</b>	
<b>0.8635*</b>	<b>0.9100/0.9130*</b>	
<b>0.8500</b>	<b>0.9220</b>	
<b>0.8345</b>	<b>0.9520*</b>	
<b>0.8225/0.8200**</b>	<b>0.9805**</b>	

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Charts provided by Reuters.