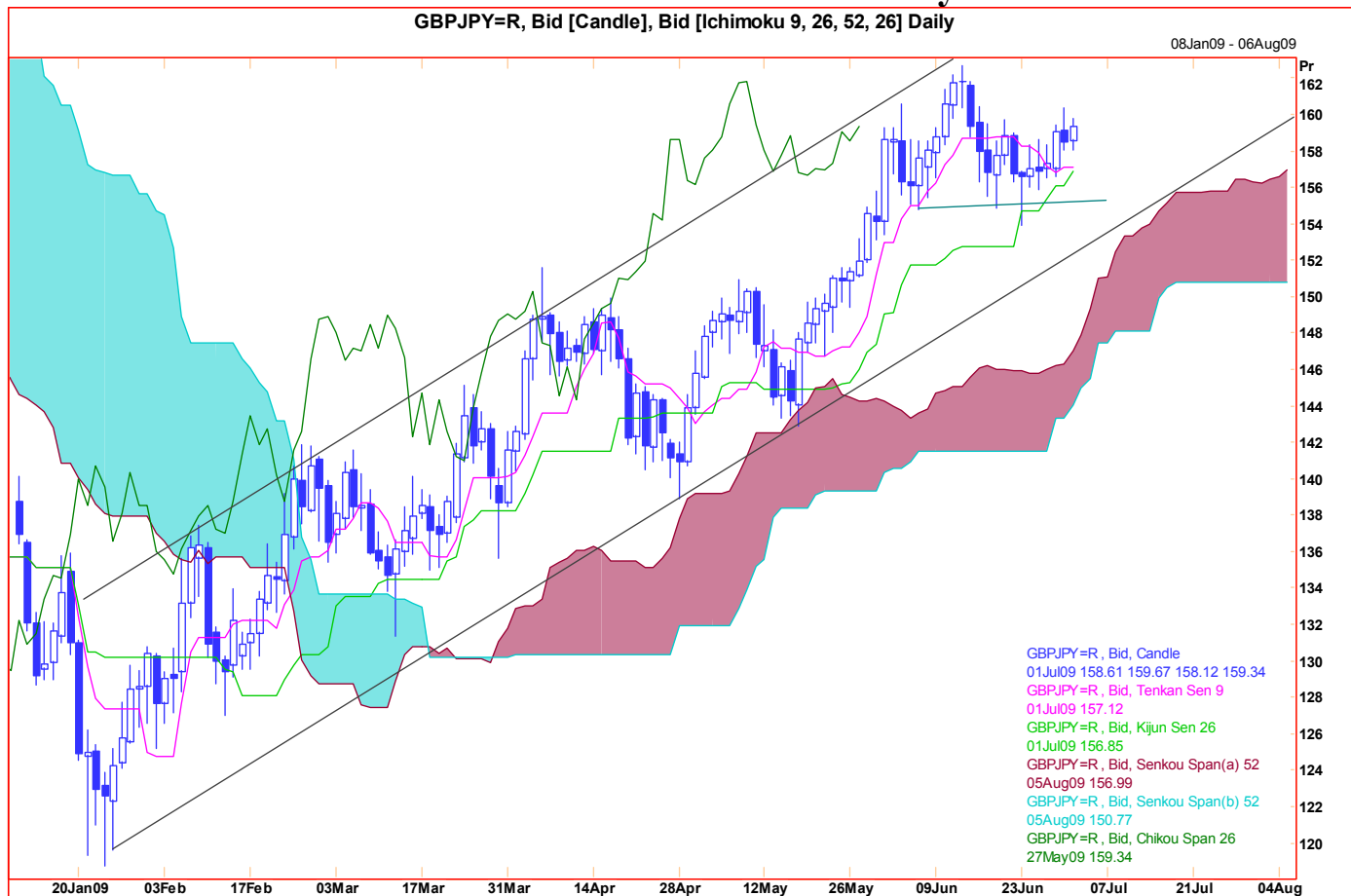


01 July 2009

Technical Analysis

Monthly Outlook for GBP/JPY



Comment: Having rallied all year small signs of instability have emerged over the last three weeks ahead of our target at 165.00/167.00. Averages and the 'cloud' do not as yet confirm this, but the pattern looks like a tiny potential 'head-and-shoulders' top. At the very least it should see a test of channel support early this month, more likely a test of the 'cloud'. With many commentators suggesting that the psychological 150.00 Yen is fair value, a drop below here this month looks unlikely.

A weekly close above 162.50 suggests we shall have to allow for yet another cautious upside probe.

Chart Levels:

Support	Resistance	Direction of Trade
157.00	160.50	
155.00*	162.50*	
154.00	165.00	
152.80	167.00	
150.00*	169.30*	

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Charts provided by Reuters.