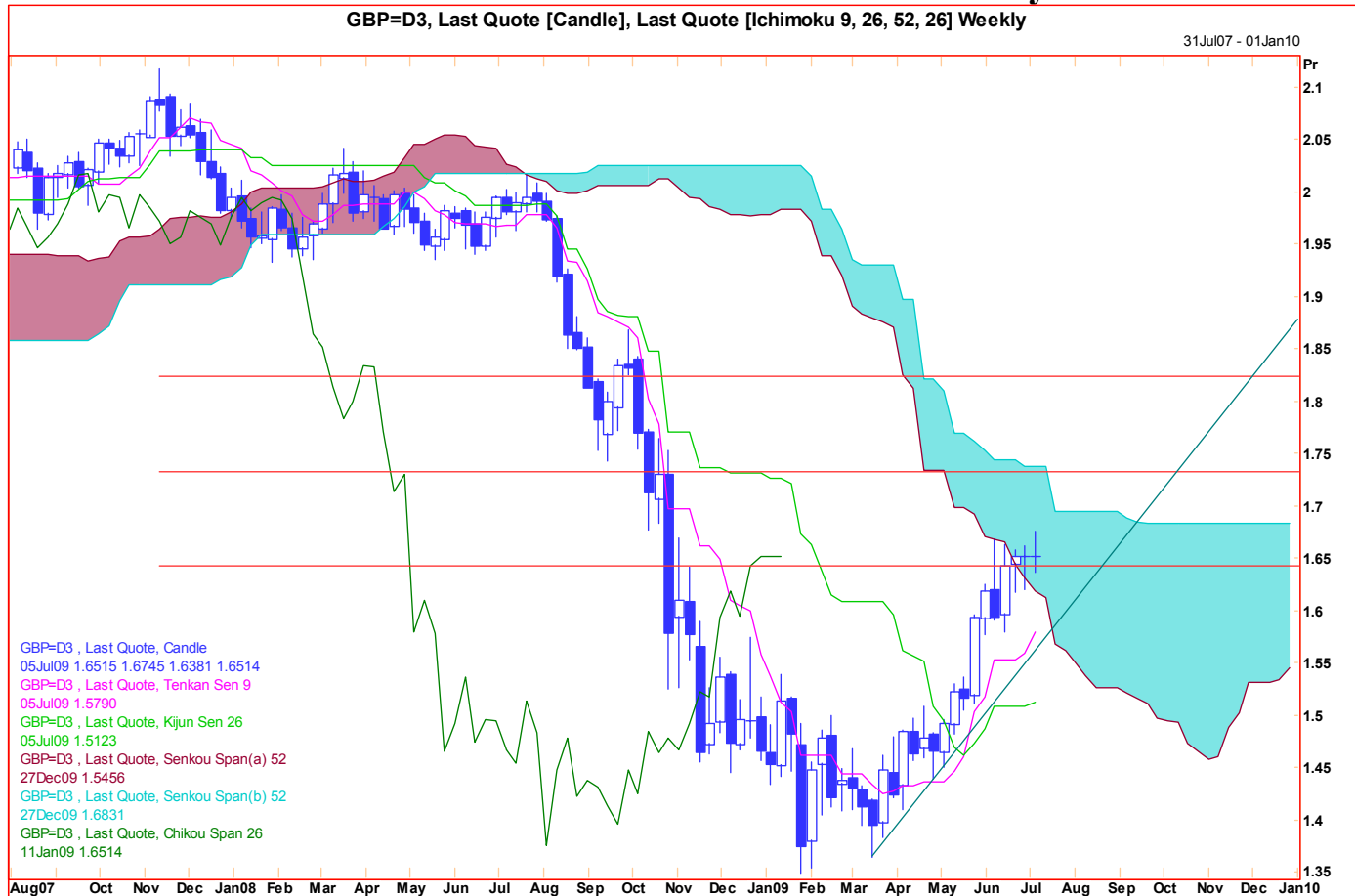


**Technical Analysis**

**01 July 2009**

**Monthly Outlook for GBP**



**Comment:** Cable took a breather last month, slightly disappointing after the strong gains earlier this year. The 1.6500 area represents a 38% retracement of the losses which started from the high of 2007 down to February's low at 1.3500. It has however given up almost no ground what so ever, underlining the massive bullish momentum built up so far, holding in a potential 'pennant' formation. We expect a squeeze to 1.7500 within the next six weeks.

A weekly close clearly below 1.6000 forces us to adjust.

**Chart Levels:**

Support	Resistance	Direction of Trade
<b>1.6187</b>	<b>1.6664</b>	
<b>1.5775</b>	<b>1.6745*</b>	
<b>1.5500</b>	<b>1.7000</b>	
<b>1.5300*</b>	<b>1.7335</b>	
<b>1.5000*</b>	<b>1.7500*</b>	

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Charts provided by Reuters.