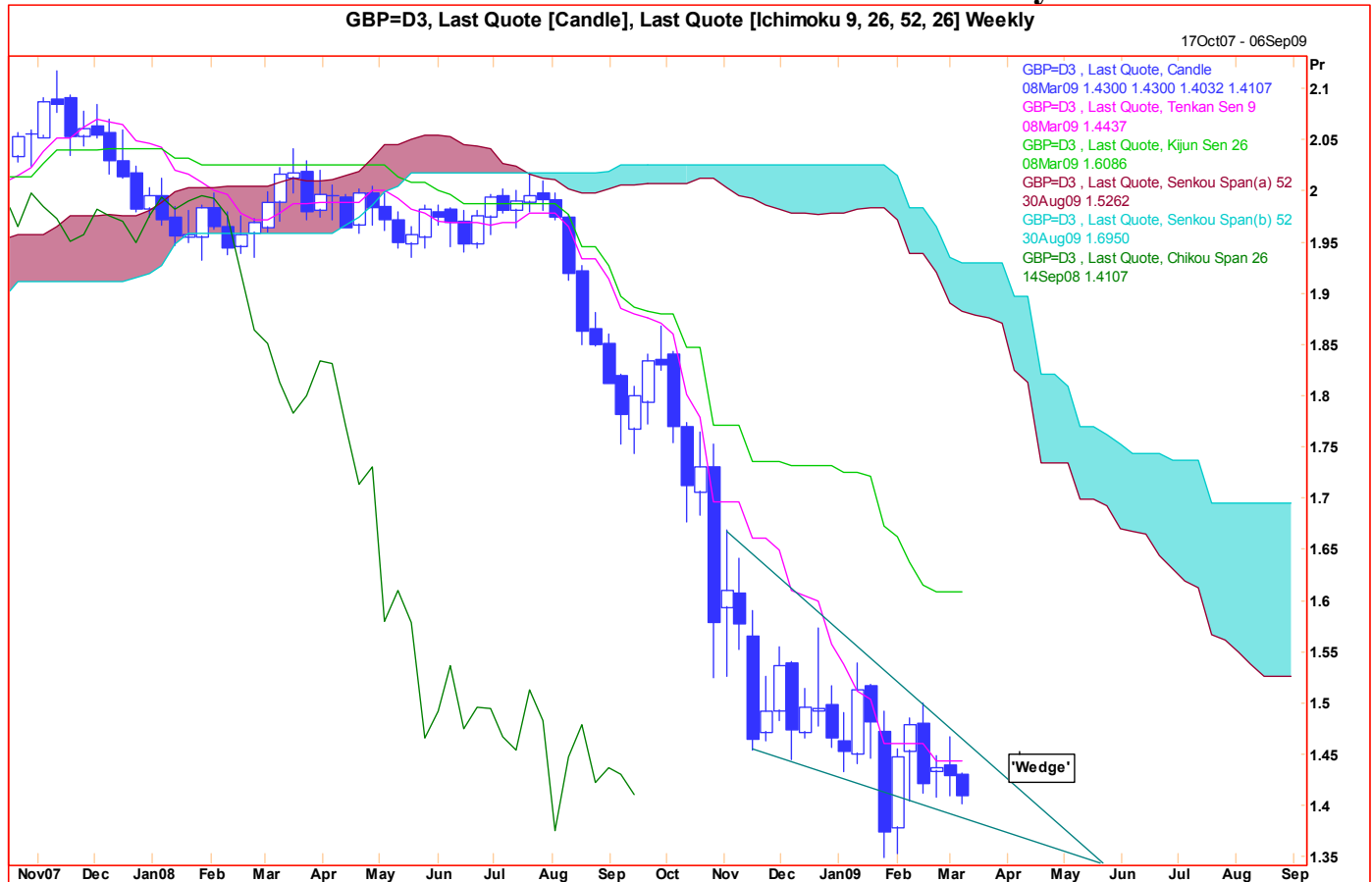


Technical Analysis

**02 March 2009
Monthly Outlook for GBP**



Comment: Holding up better than many currencies as the world faces the possibility of a series of competitive devaluations, Asian ones furthest down that slippery road. Nevertheless it continues to hold within this difficult downward-sloping 'wedge' formation (with an 'extension' down to 1.3500). A weekly close above 1.5000 is still the minimum required to signal the process has reached a conclusion, though a weekly one above 1.5000 might turn sentiment sooner, hopefully allowing Sterling to rally quickly to the 1.6500 area at the beginning of Q2 2009.

A monthly close below 1.4000 forces us to adjust.

Chart Levels:

Support	Resistance	Direction of Trade
1.4050	1.4665	
1.3800	1.4800	
1.3500**	1.5000*	
1.3040	1.5375	
1.2785	1.5725**	

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Charts provided by Reuters.