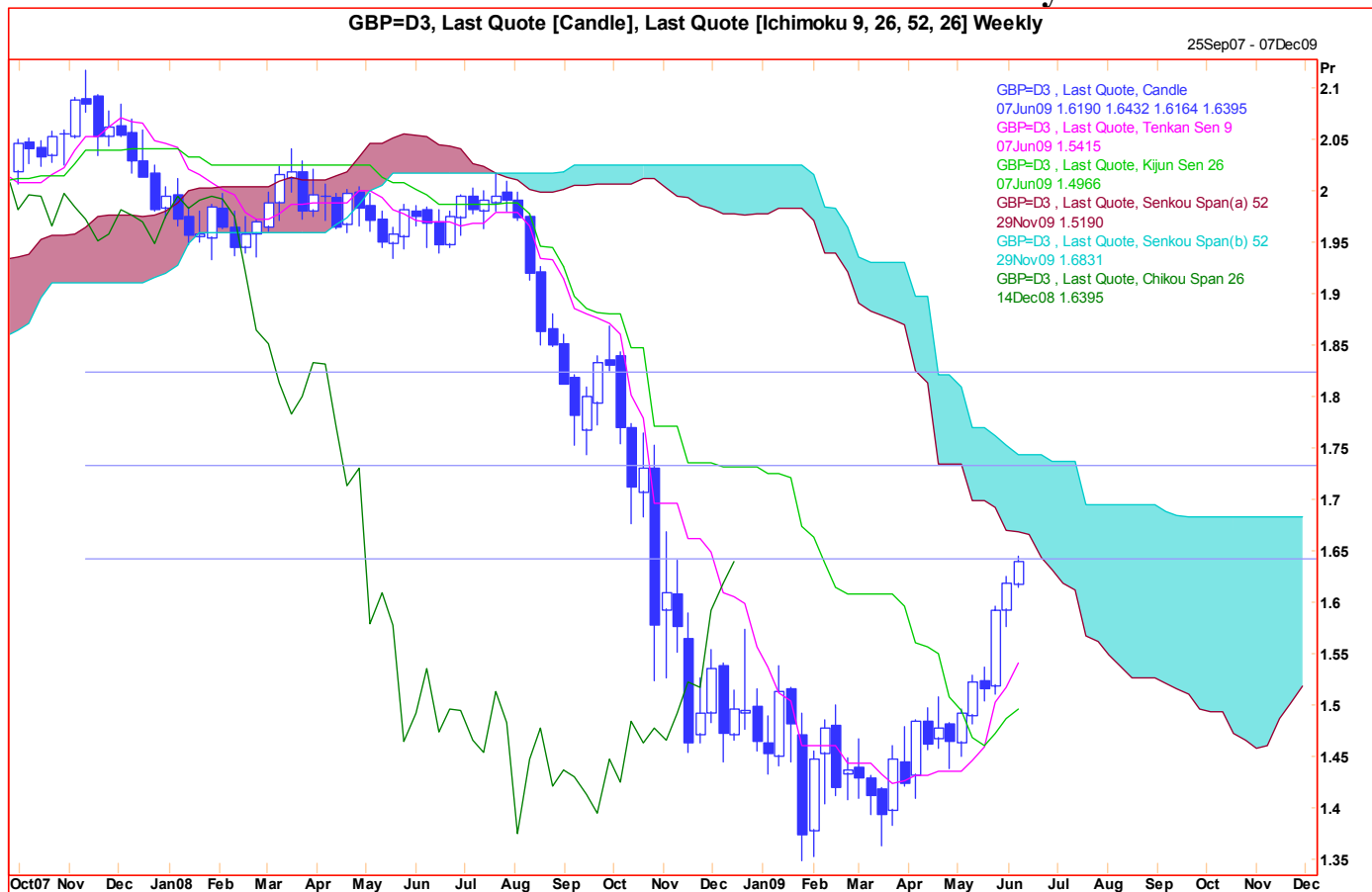


Technical Analysis

01 June 2009

Monthly Outlook for GBP



Comment: Cable stepped up the pace last month yet has only retraced 38% of the previous year's massive slide, underlining just how badly it fared and how out of fashion it became. More of this move needs reversing so another big rally this month must be pencilled in - do not rule out another monthly move of fifteen cents or so. Moves on this scale are rare and are symptomatic of overkill and unwinding excess.

A weekly close clearly below 1.5500 forces us to adjust.

Chart Levels:

Support	Resistance	Direction of Trade
1.6165	1.6425*	
1.5775	1.6675	
1.5500	1.7000	
1.5300*	1.7335	
1.5000*	1.7500	

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Charts provided by Reuters.