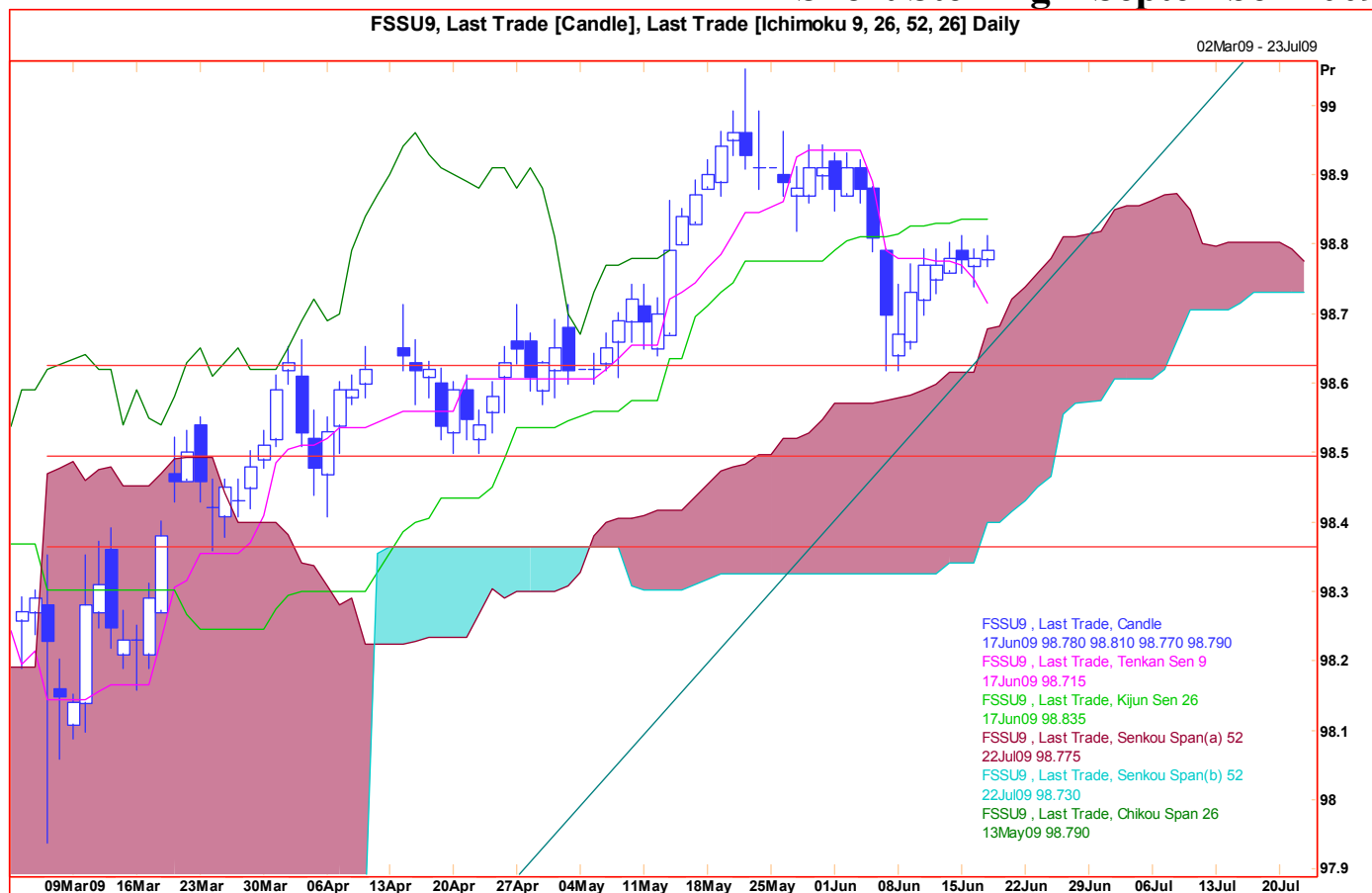


Technical Analysis

<http://www.mizuho-cb.co.uk/>

17 June 2009

Short Sterling – September 2009



Comment: Good volume last week as front months understandably bounce back a lot more than red ones. This situation may shift slightly this week as the UK Treasury curve is expected to flatten from some of the steepest levels ever seen. Meanwhile Chancellor Darling will today outline changes in financial oversight where the rumour is for draconian liquidity requirements which are especially onerous on branches of foreign banks. Under these conditions it is difficult to imagine Base rate going up for a very long time.

Strategy: Buy at 98.790/98.700; stop below 98.600. Cover longs between 98.900 and 99.000 even though a brief squeeze to a new record high is possible.

Chart Levels:

Support	Resistance	Direction of Trade
98.770	98.810	
98.700	98.880	
98.620*	98.940*	
98.570	99.050**	
98.500*	99.250*	

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Charts provided by Reuters.