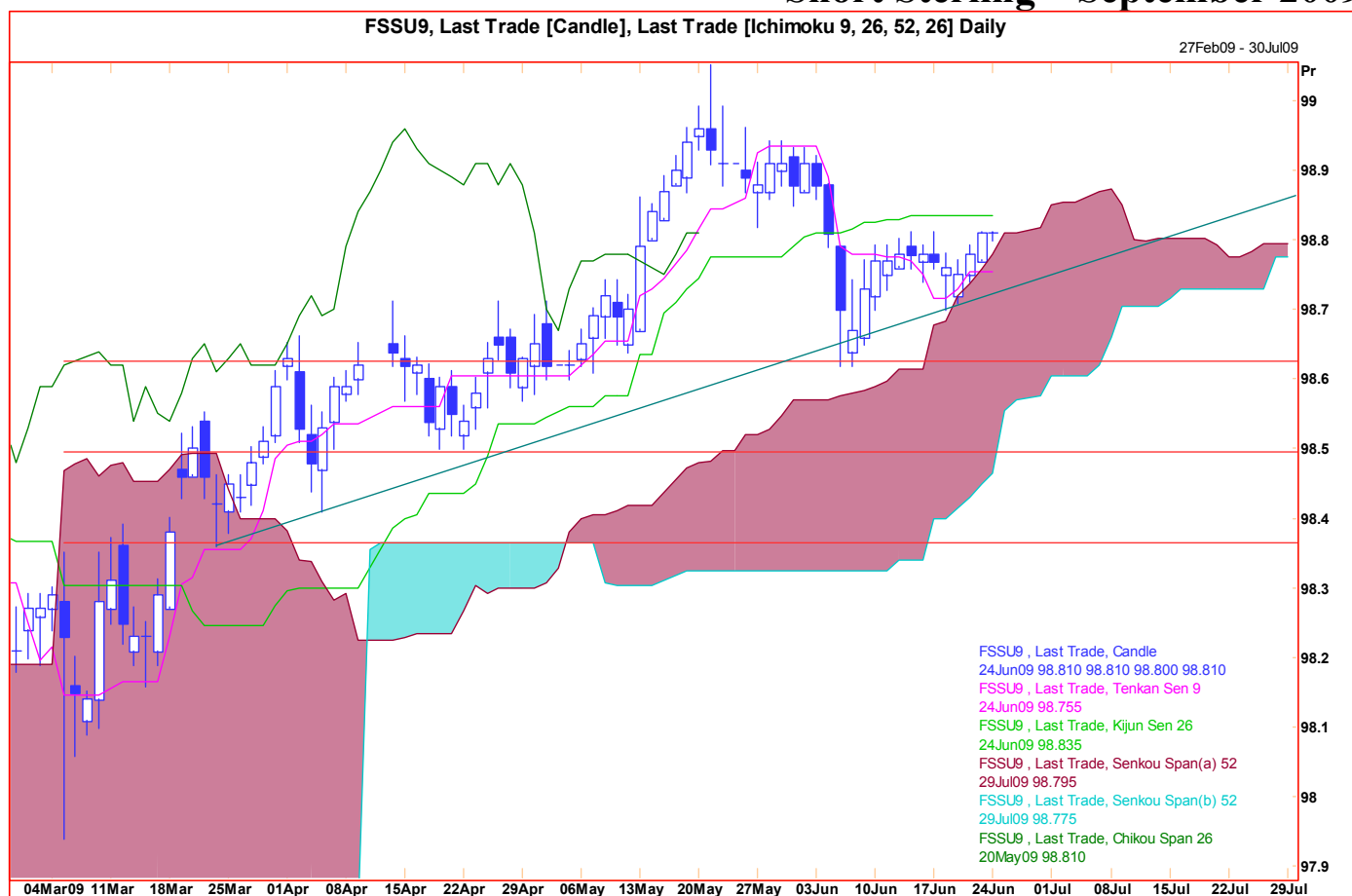


**Technical Analysis**

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

**24 June 2009**

**Short Sterling – September 2009**



**Comment:** Very good volume as prices rally from recent lows, combined with dwindling open interest suggest many have been caught out by recent moves. The long term trend to higher prices is intact – even as the speed of the rally has slowed very considerably, the Ichimoku 'cloud' having done exceedingly well in limiting the downside. One-year calendar spreads are close to their widest in at least a decade (though below the 1994 peak at 250-290). We feel front March/March 2010 should narrow from a current 190. The BBA may be thinking of tinkering with the list of those quoting Libor rates; the reality is that these currently bear little relation to where some can pick up money or where it can be produced via the swaps.

**Strategy:** Buy at 98.800; stop well below 98.700. Add to longs on a daily close above 98.835 to cover 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
<b>98.740</b>	<b>98.810</b>	
<b>98.700</b>	<b>98.880</b>	
<b>98.620*</b>	<b>98.940*</b>	
<b>98.570</b>	<b>99.050**</b>	
<b>98.500*</b>	<b>99.250*</b>	

Produced by London Branch - Nicole Elliott +44-20-7786-2509 (email Nicole.Elliott@mhcb.co.uk)

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Charts provided by Reuters.