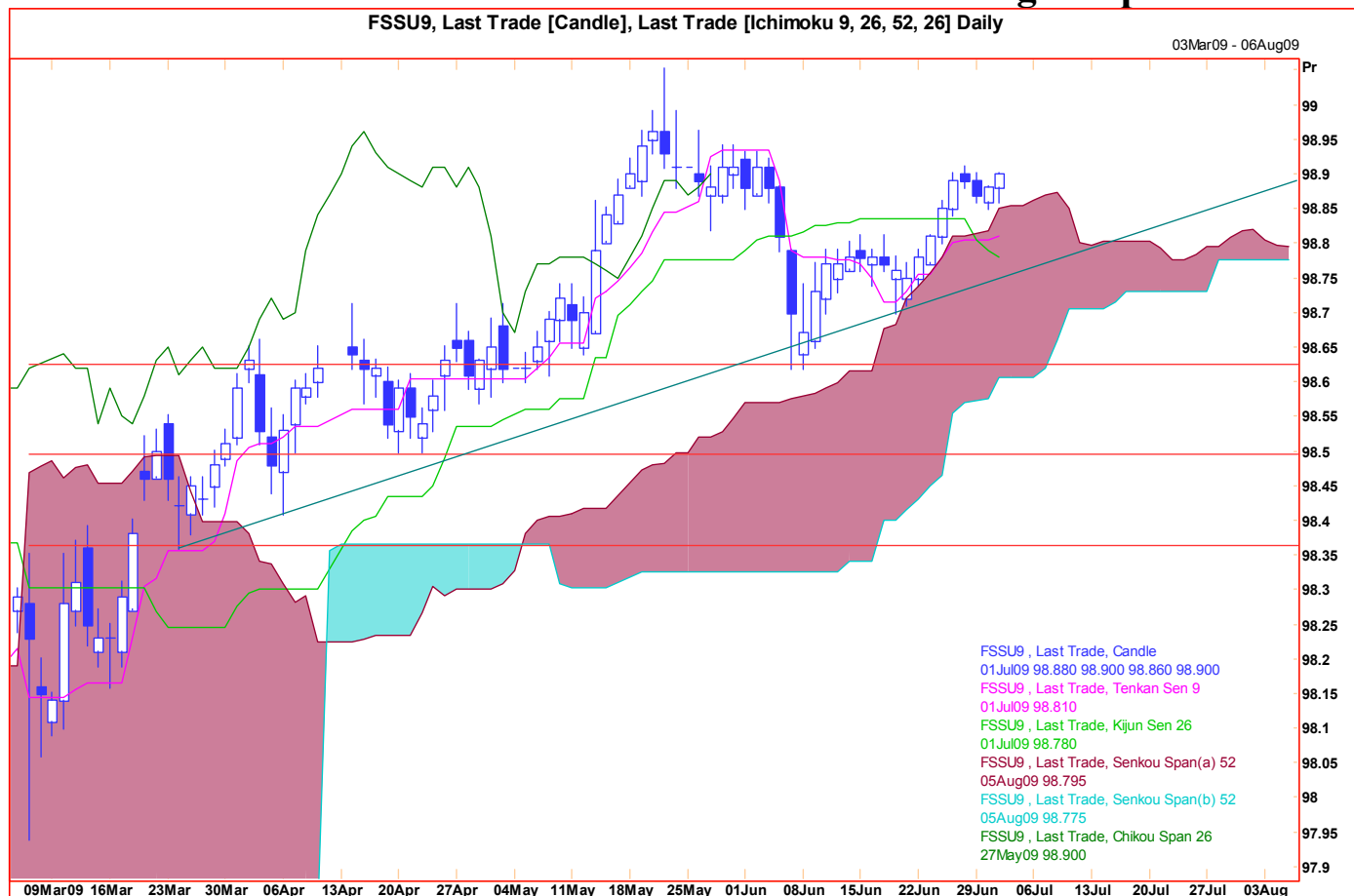


Technical Analysis

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

01 July 2009

Short Sterling – September 2009



Comment: The UK Treasury yield curve is expected to flatten from current sky-high levels where two's/thirty's are over 300 basis points. Futures calendar spreads should start narrowing over the next three months. The Ichimoku 'cloud' continues to limit the downside and moving averages confirm that the long term trend is still for higher prices. Whether a rally though 99.000 is possible or sustainable is the real question.

Strategy: Buy at 98.900, adding to 98.800; stop well below 98.750. Add to longs on a daily close above 98.940 to cover between 99.000 and 99.125.

Chart Levels:

Support	Resistance	Direction of Trade
98.850	98.910	
98.780	98.940*	
98.750*	98.990	
98.700	99.050**	
98.620*	99.250*	

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Charts provided by Reuters.