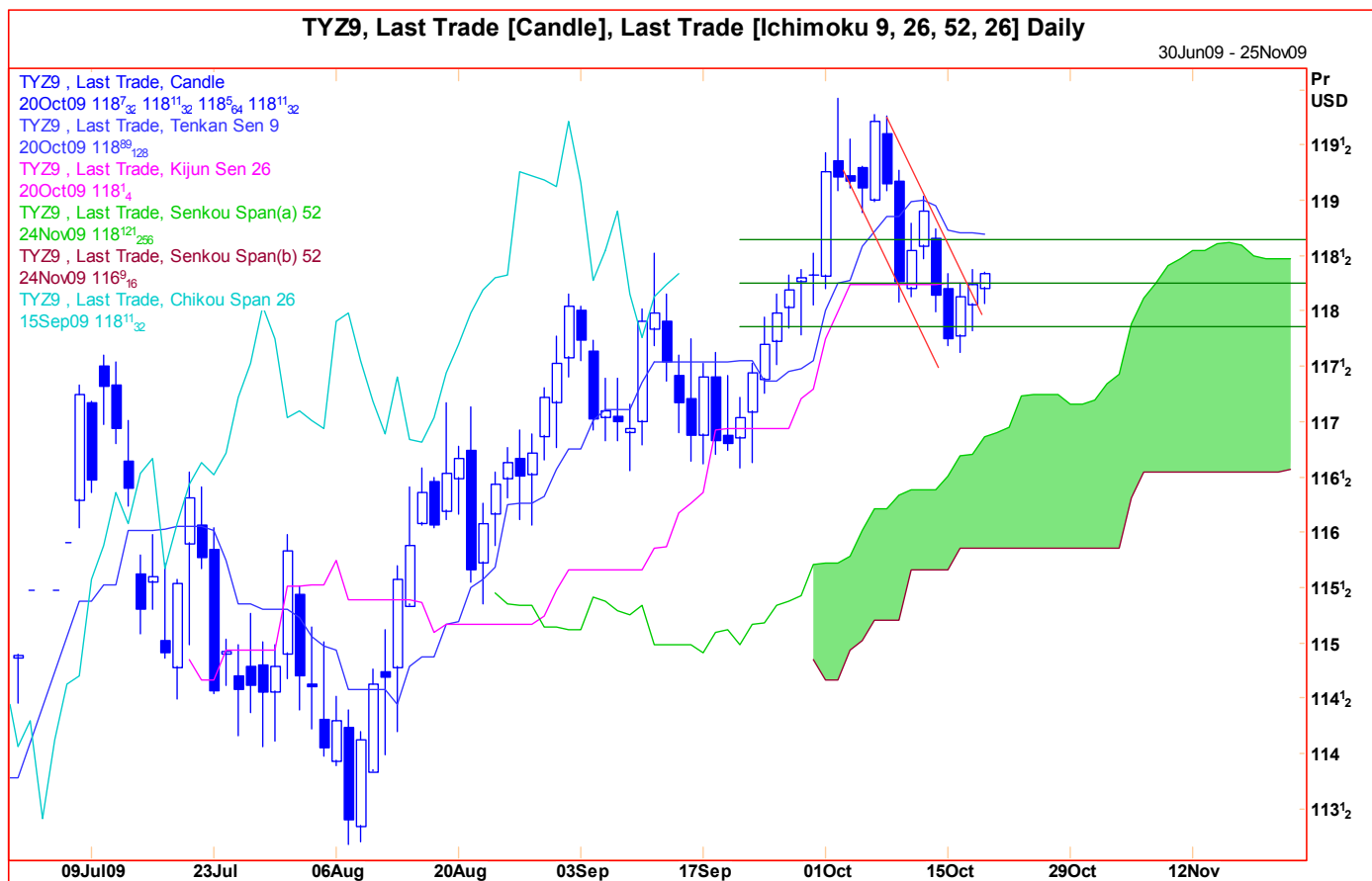


Technical Analysis

20 October 2009

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

US TNote Future – Dec 2009



**Comment:** Indecision again this month as benchmark ten-year yields hover between 3.00% and 3.50% (and thirty-year between 4.00% and 4.50%). The corrective decline in this futures contract extended just beyond what we had allowed for despite zero momentum. However, the Lagging Span appears to have found some support from September's candlesticks helping the contract to base close to short term Fibonacci 61% retracement support. The rising Ichimoku 'cloud' should eventually help nudge prices up through to delivery. We continue to favour another leg higher to the 121.24 area. With five-year TIPS yielding just 0.66% we feel it is just a matter of time before investors are tempted out along the yield curve, flattening it in the process.

**Strategy:** Buy at 118.10; stop below 117.16. Add to longs on a daily close above 118.16 for 119.16 short term. Add to longs again on a daily close above 120.00 for 121.24 and 123.00/123.16 further out.

Chart Levels:

Support	Resistance	Direction of Trade
118.02	118.15	<p>Futures Price</p>
117.24	119.01	
117.20*	119.25*	
117.00	120.00*	
116.18**	121.16/121.26*	

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Charts provided by Reuters.