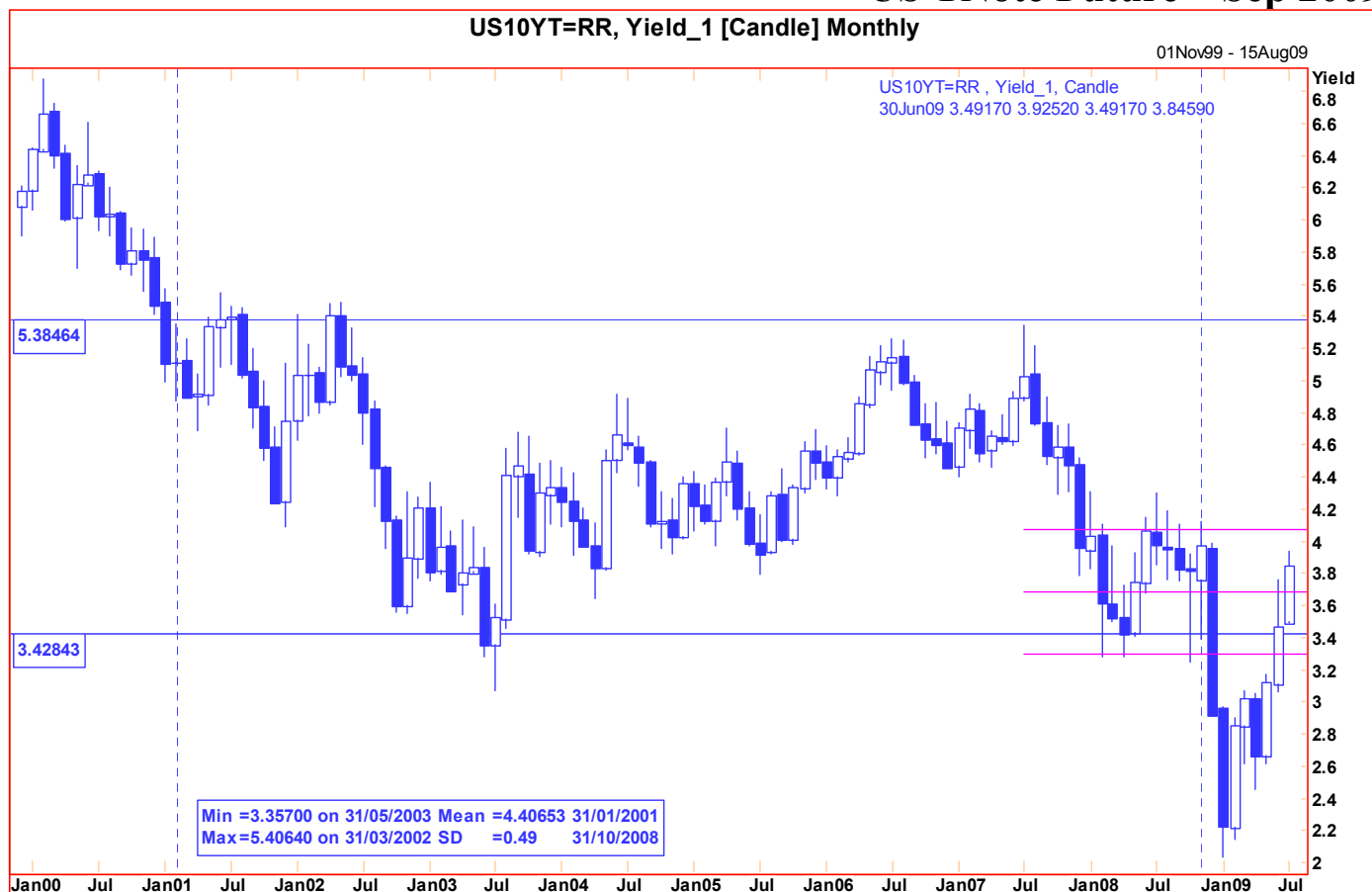


Technical Analysis

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

09 June 2009

US TNote Future – Sep 2009



Comment: Having lost the ability to set interest rates for the corporate and interbank markets, as well as long-dated Treasuries, the Fed now appears to have let short-dated TNotes slip from its grasp. The yield on these, having been trapped like a fish on a hook around 0.95% all year, burst to 1.45% in just two days. This has helped the US yield curve flatten suddenly, and the spread over Bunds increase; both these tendencies should continue at a smart pace this month so that US paper yields about 50 basis points over Germany. Futures prices are still very oversold and while we are concerned as to the long term prospects for the US dollar, a risk-free yield of almost 4.00% must be very tempting for some investors.

Strategy: Attempt small longs at 113.16; stop below 112.20. Add to longs on a daily close above 115.04 and again on a sustained break above 117.08 for 119.00 short term.

Chart Levels:

Support	Resistance	Direction of Trade
113.08	113.26	<p>Futures Price</p>
113.00*	115.06	
112.26	116.12	
112.00	117.08*	
111.12*	118.00	

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

The information contained in this paper is based on or derived from information generally available to the public from sources believed to be reliable. No representation or warranty is made or implied that it is accurate or complete. Any opinions expressed in this paper are subject to change without notice. This paper has been prepared solely for information purposes and if so decided, for private circulation and does not constitute any solicitation to buy or sell any instrument, or to engage in any trading strategy.

Charts provided by Reuters.