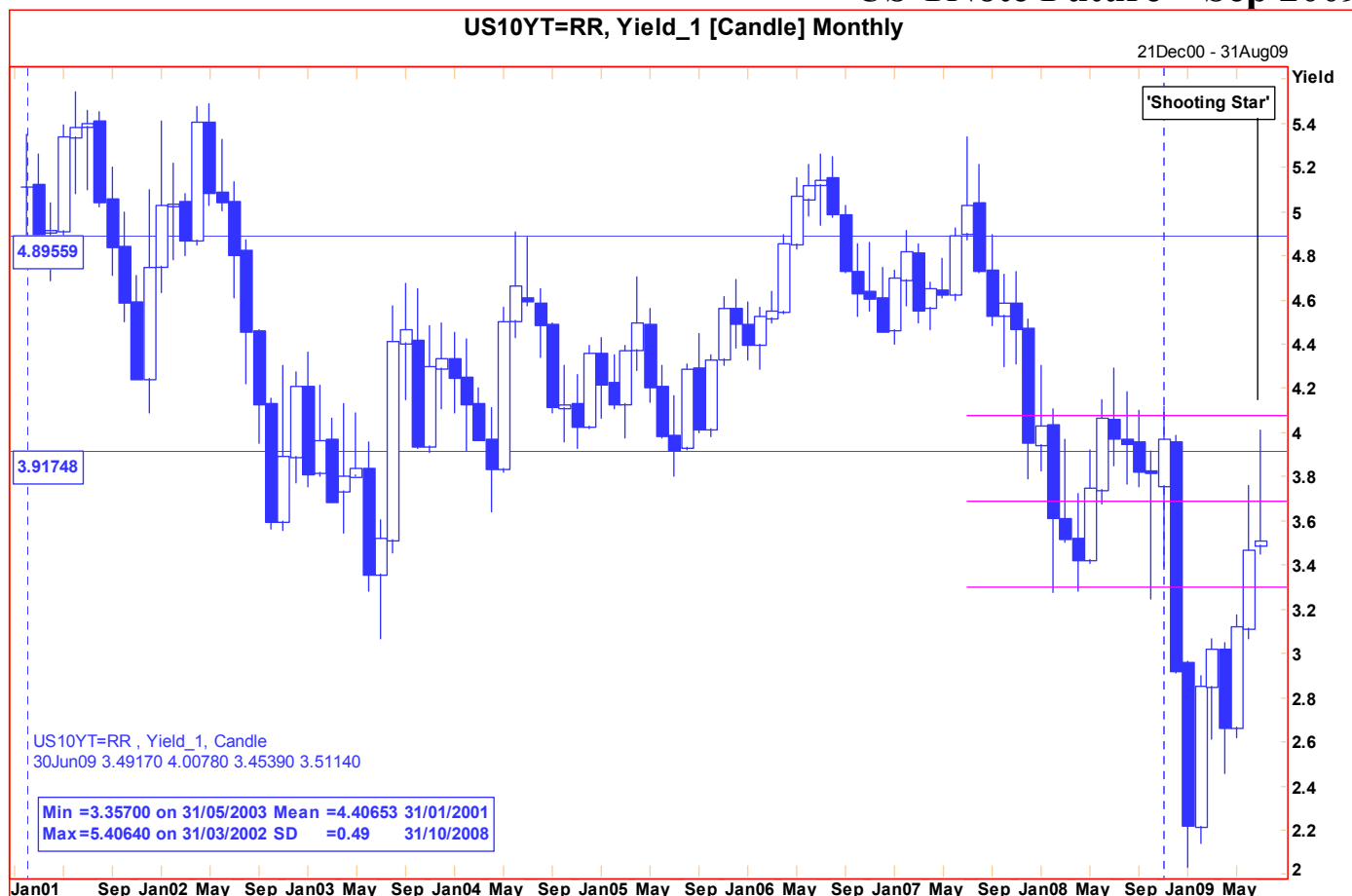


yTechnical Analysis

30 June 2009

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

US TNote Future – Sep 2009



Comment: Five and ten-year US TNotes are leading the re-think, flattening the yield curve as expected. More importantly, June's price action in benchmark yields can be seen as an 'extension' to the corrective bounce of this year which has ended with a dramatic 'shooting star' candle on the monthly chart. This underlines the case where yields of between 4.00% and 5.00% are the 'norm' of the last eight years and that what is needed now are lower yields. Therefore we shall expect a new lower standard to evolve over the coming months and possibly years. Allow for some nervous sharp swings between 3.25% and 3.85% over the coming weeks, then another drop in yields so that the futures contract trades up to 118.16/119.00, consolidates, then up to 122.00 and eventually 127.00.

Strategy: Buy at 116.09, adding to 115.09; stop below 114.00. Add to longs on a sustained break above 117.08 for 119.00 short term, then levels as above.

Chart Levels:

Support	Resistance	Direction of Trade
115.26	116.23	Futures Price ↗
115.06	117.00/117.08*	
114.26*	118.00	
113.19	118.18	
112.20**	119.26	

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Charts provided by Reuters.