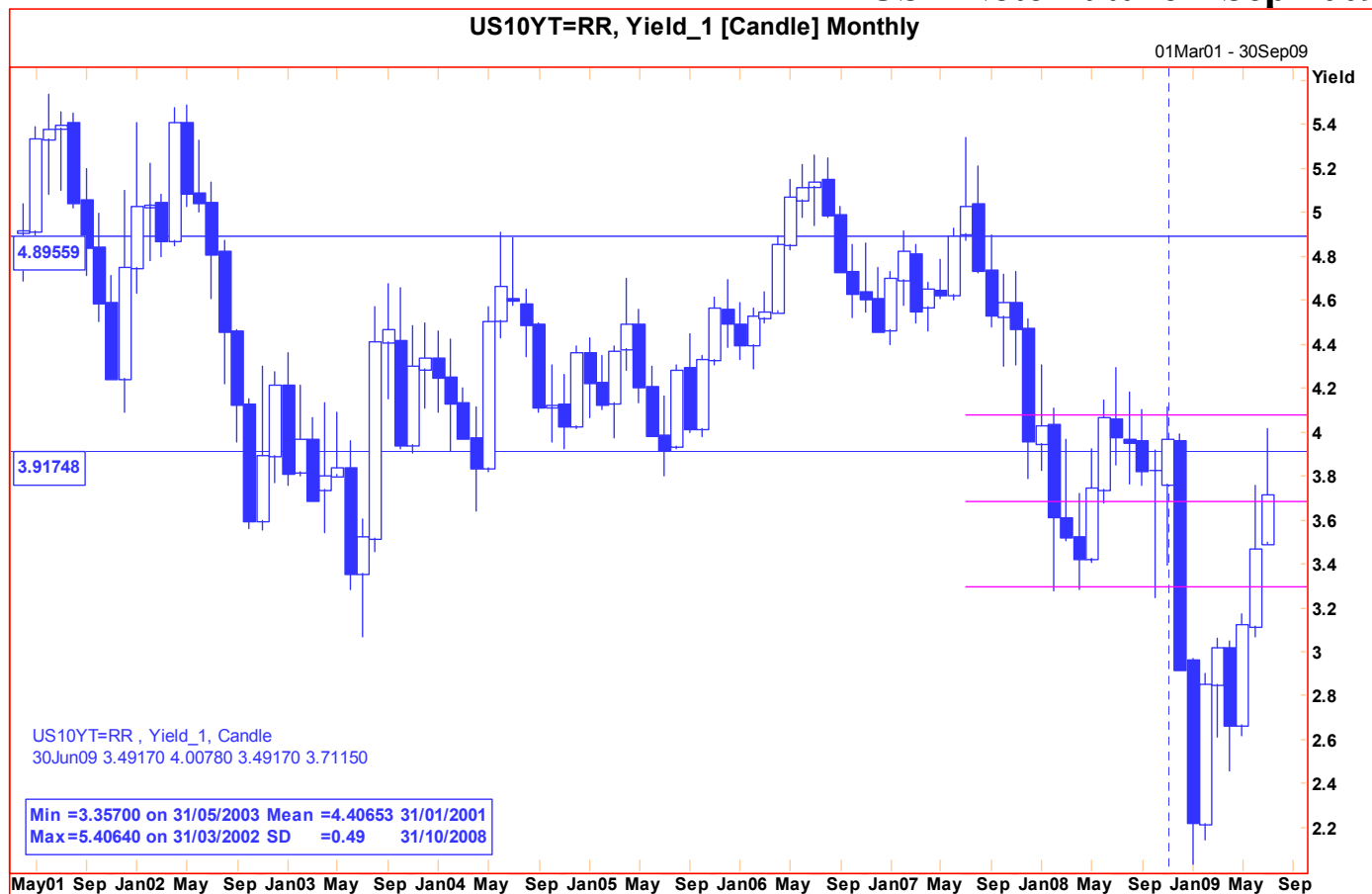


**Technical Analysis**

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

**16 June 2009**

**US TNote Future – Sep 2009**



**Comment:** Yield curves should continue to flatten from what are currently some of their steepest ever, with Bunds outperforming US Treasuries (marginally) while the Eurozone and the US slug it out as to which has the bigger banking problem. Meanwhile equity investors are belatedly reacting to high yields and expensive energy, indices toppling suddenly from this year's highest levels. Joined-up thinking for a change so that fixed income futures rally from very oversold positions, the TNote having given up 61% of the 2007-2008 rally. Benchmark ten-year yields balked and reversed from the psychological 4.00% area, which is also one standard deviation from the mean since 2001. These should continue to move lower this month and next, taking the futures contract back up to 118.16/119.00 medium term.

**Strategy:** Buy at 114.22/114.00; 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
<b>114.04</b>	<b>115.15</b>	<b>Futures Price</b> 
<b>113.10</b>	<b>116.12</b>	
<b>113.00</b>	<b>117.00/117.08*</b>	
<b>112.25**</b>	<b>118.00</b>	
<b>112.00</b>	<b>118.18</b>	

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.