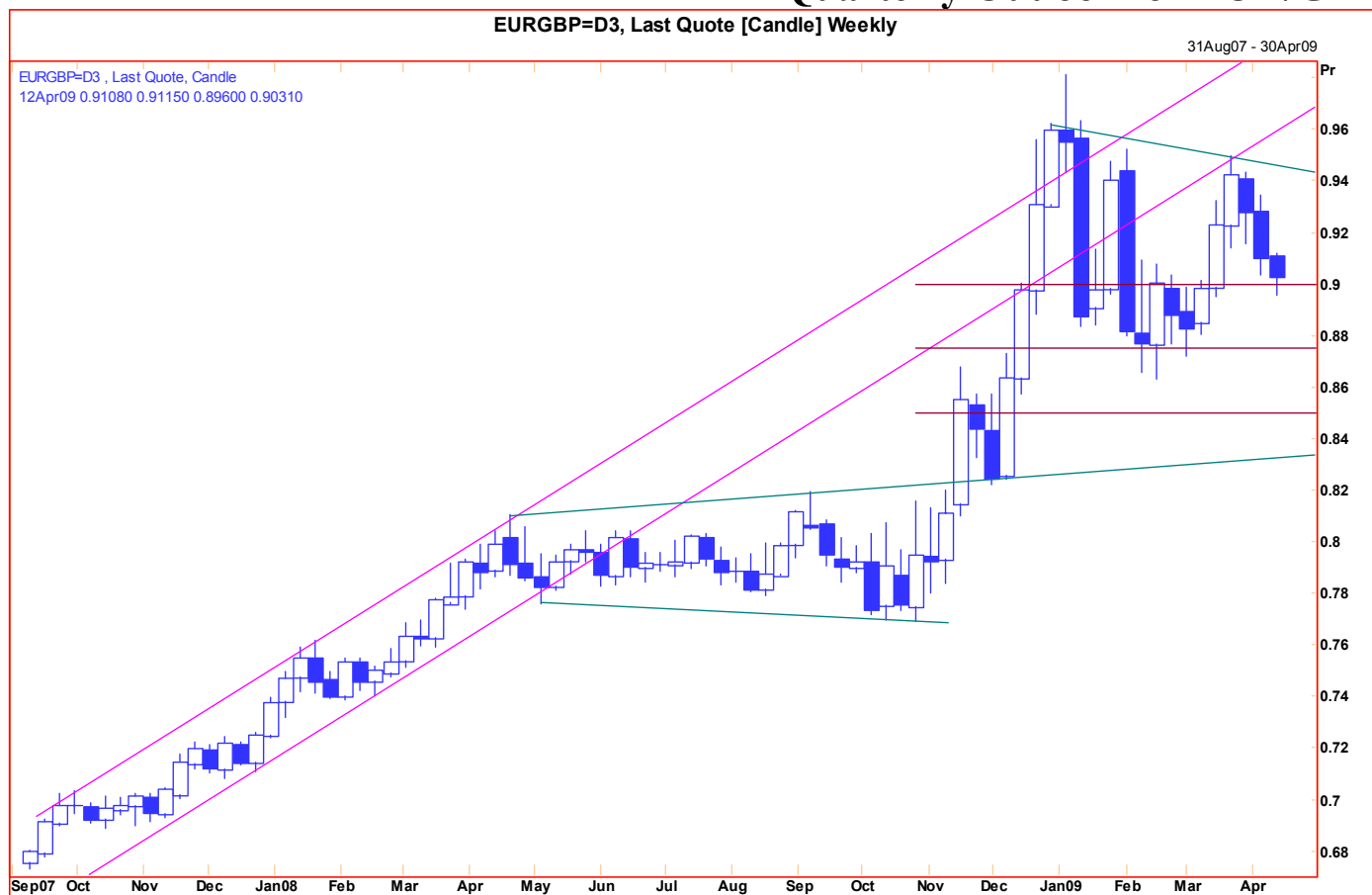


Technical Analysis

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

09 April 2009

Quarterly Outlook for EUR/GBP



Comment: Euro/Sterling was capped under 0.9600, as expected, and dropped to 0.8800 a lot sooner than we had thought. The massive price swings of the last three months kept one-month at-the-money implied volatility between 16.00% and a record 21.55% until very recently. It has now collapsed to 13.00%, though this is still over two standard deviations from the mean since the Euro's introduction – something which should continue for the next three months (we expect it to hold roughly between 11.00% and 17.00%). During Q2 2009 the cross will probably be capped at 0.9400, dropping to 0.8800 this month, February's low at 0.8635 in May, and 0.8500 in June. If anything momentum might be stronger than estimated and therefore moves will be sooner in time a take declines further (say to the 0.8300/0.8400 area).

A weekly close above 0.9600 forces us to adjust and review yet again.

Chart Levels:

Support	Resistance	Direction of Trade
0.8960	0.9130	
0.8800	0.9340	
0.8725	0.9520*	
0.8635*	0.9625**	
0.8200**	0.9805***	

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Charts provided by Reuters.