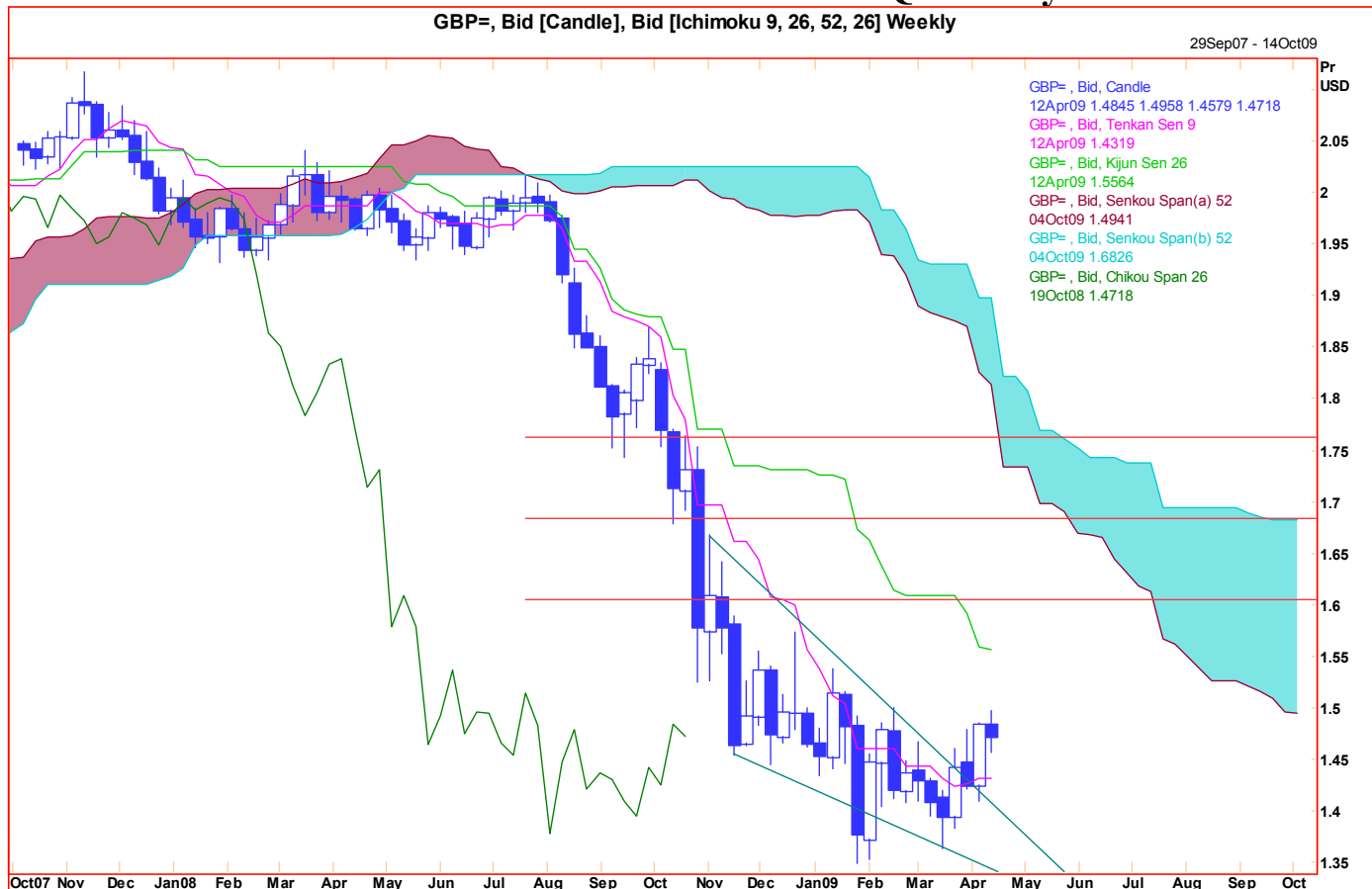


**Technical Analysis**

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

**09 April 2009**

**Quarterly Outlook for GBP**



**Comment:** The interminable downward-sloping 'wedge' formation's 'extension' low at 1.3500 may mark an important interim point but only a weekly close above the psychological 1.5000 confirms this. It should also help turn momentum bullish in what might be a fairly explosive rally – thereby keeping one-month at-the-money implied volatility above 13.85% (2 Standard Deviations from the mean since 1995), well above the long term mean at 8.45%. Expect a re-test of December's high at 1.5725 within the next six weeks, and a rally as high as 1.6500 the very end of Q2/early Q3 2009.

A monthly close below 1.4000 forces another re-think.

**Chart Levels:**

Support	Resistance	Direction of Trade
1.4100*	1.5050*	
1.3650**	1.5500	
1.3500*	1.5725*	
1.3050*	1.6000	
1.2750	1.6675*	

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Charts provided by Reuters.