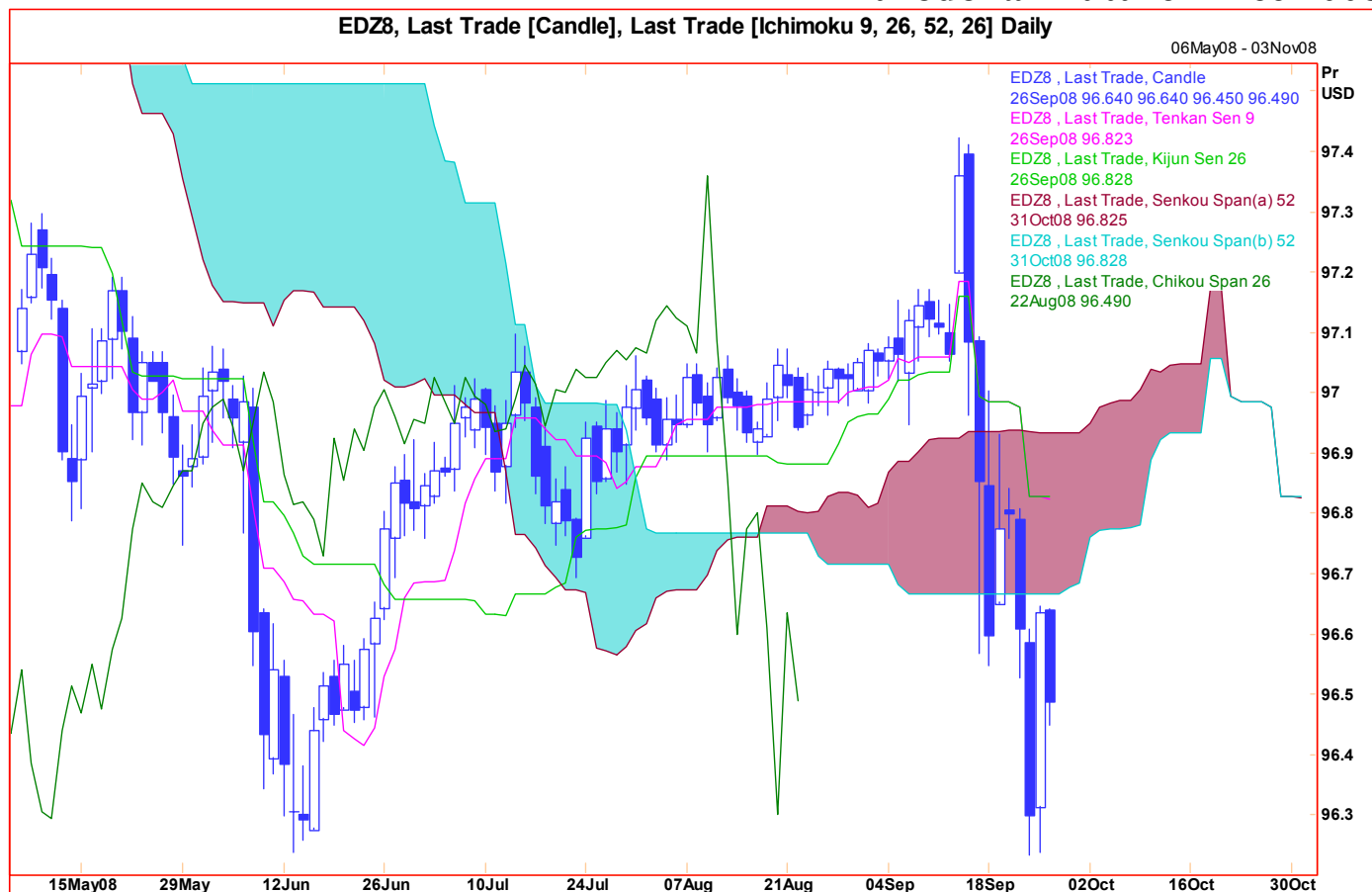


Technical Analysis

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

26 September 2008  
Eurodollar Future – Dec 2008



**Comment:** When one-month US TBills yield a meagre 10 basis points (annualised), and one-year ones 1.94%, some have been tempted to buy the long bond which currently yields 4.37%. Record volume last week in this futures contract underlines the stresses building ahead of year-end. USD Libor rates posted by the BBA are indicative only, and interbank money cannot be had at those prices for love nor money. Three-month Libor close to 3.00% by March is wishful thinking. Calendar spreads should invert further and the spread between Libor and TBills widen. Should this contract break below 96.200 true panic should set in and the first target would be 96.080/96.000. After that, 95.500.

**Strategy:** Attempt small shorts at 96.500 but only if prepared to add to 96.900; stop above 97.200. Add to shorts on a daily close below 96.250 for levels as above.

**Chart Levels:**

Support	Resistance	Direction of Trade
96.410	96.666*	
96.275	96.840	
96.240/96.205**	96.930*	
96.170	97.000	
96.080/96.000*	97.170 97.420**	

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Charts provided by Reuters.