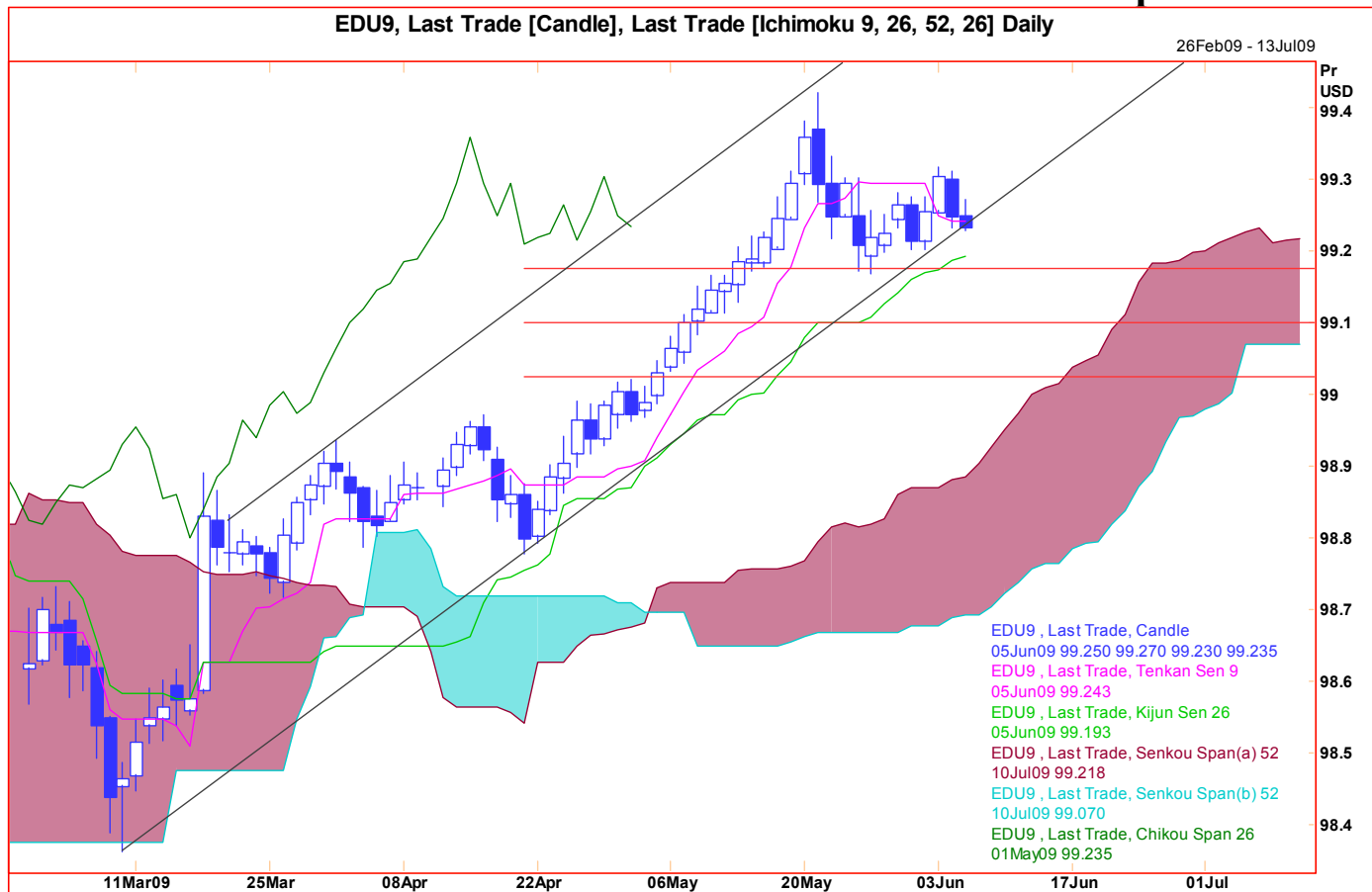


Technical Analysis

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

05 June 2009

Eurodollar Future – September 2009



Comment: Because benchmark US Treasury two-year yields are firmly stuck just under 1.00%, and because very long dated paper is out of fashion, stress and cracks are centred on five and ten year maturities so that the spread between these hit a new record at 162 basis points. Eurodollar futures continue in neat correction mode with the second small leg lower we had warned about. Channel support may or may not limit the most recent drift, and a break is would not be decisive. We continue to feel contracts should trade broadly sideways over the coming month, with very small upside biases as politicians throw even more money at the problem. Be warned however that any loss in confidence/sign of jitters will slam futures prices down from these lofty heights.

Strategy: Possibly attempt tiny longs at 99.235, adding to 99.170; stop below 99.050. Cover ahead of 99.450, then watch for signs of instability.

Chart Levels:

Support	Resistance	Direction of Trade
99.230	99.315	→
99.190/99.170*	99.380	
99.100*	99.420/99.450*	
99.015*	99.500	
98.895	99.565	

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Charts provided by Reuters.