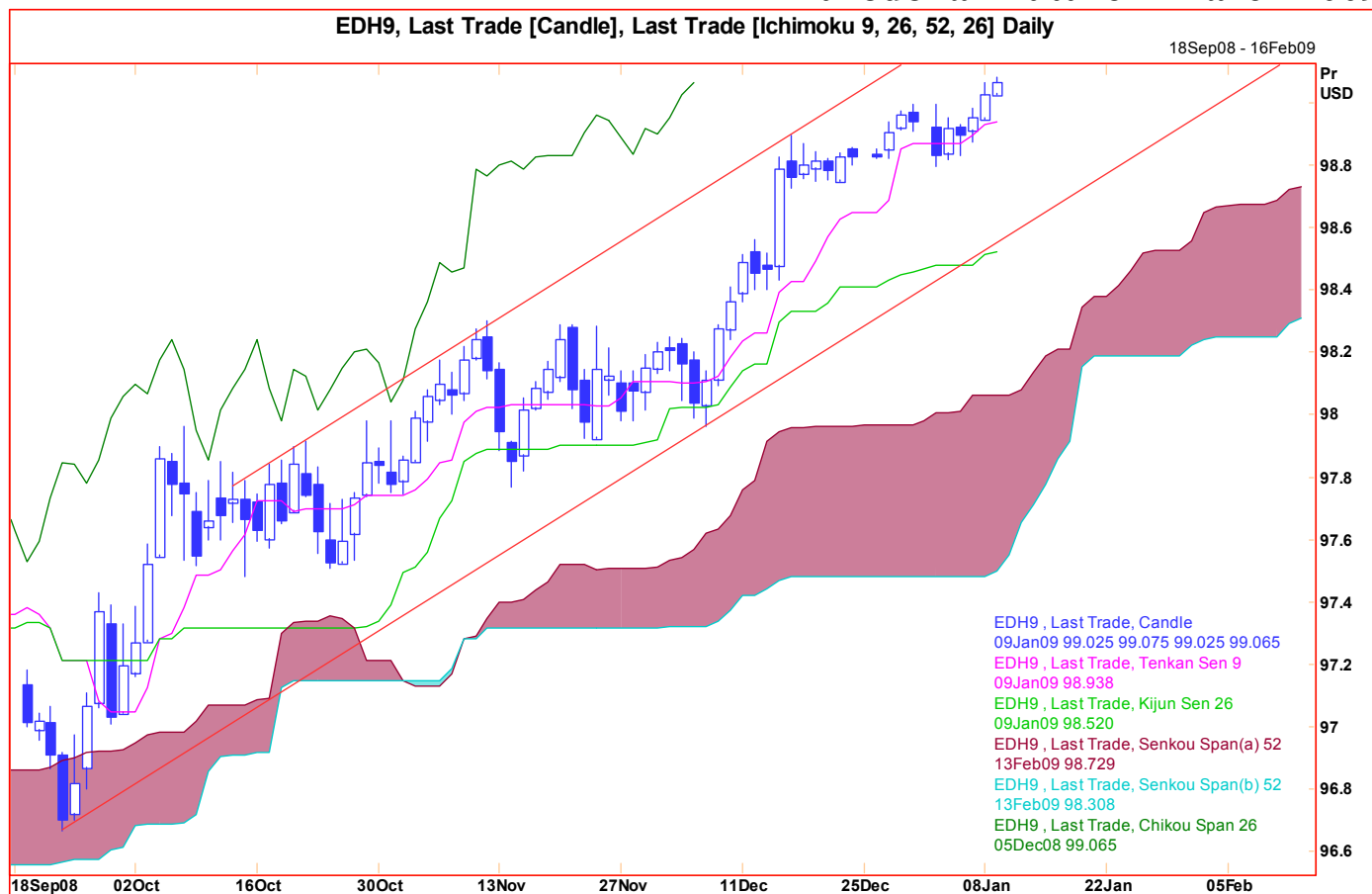


**Technical Analysis**

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

**09 January 2009**

**Eurodollar Future – March 2009**



**Comment:** Maybe not this month but soon the US Treasury yield curve should flatten as we face a world à la Japan. This March 2009 futures is inching towards the record high at 99.100 of June 2003 on hope that conditions in the finance industry improve dramatically. Relatively high open interest here, as opposed to other contracts where it is half last year's peak, suggest many are hedging their bets. If money markets don't improve, then calendar spreads should narrow and then invert. Three-month Libor today at 1.27% but there is huge variation depending on names.

**Strategy:** Possibly attempt small longs at 99.050 but be prepared to add to 99.000; stop/reverse below 98.800 for 98.200. Upside target: 99.100/99.150.

**Chart Levels:**

Support	Resistance	Direction of Trade
99.000	99.075	
98.900	99.100***	
98.820*	99.150	
98.740	99.250	
98.650**	99.500	

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.