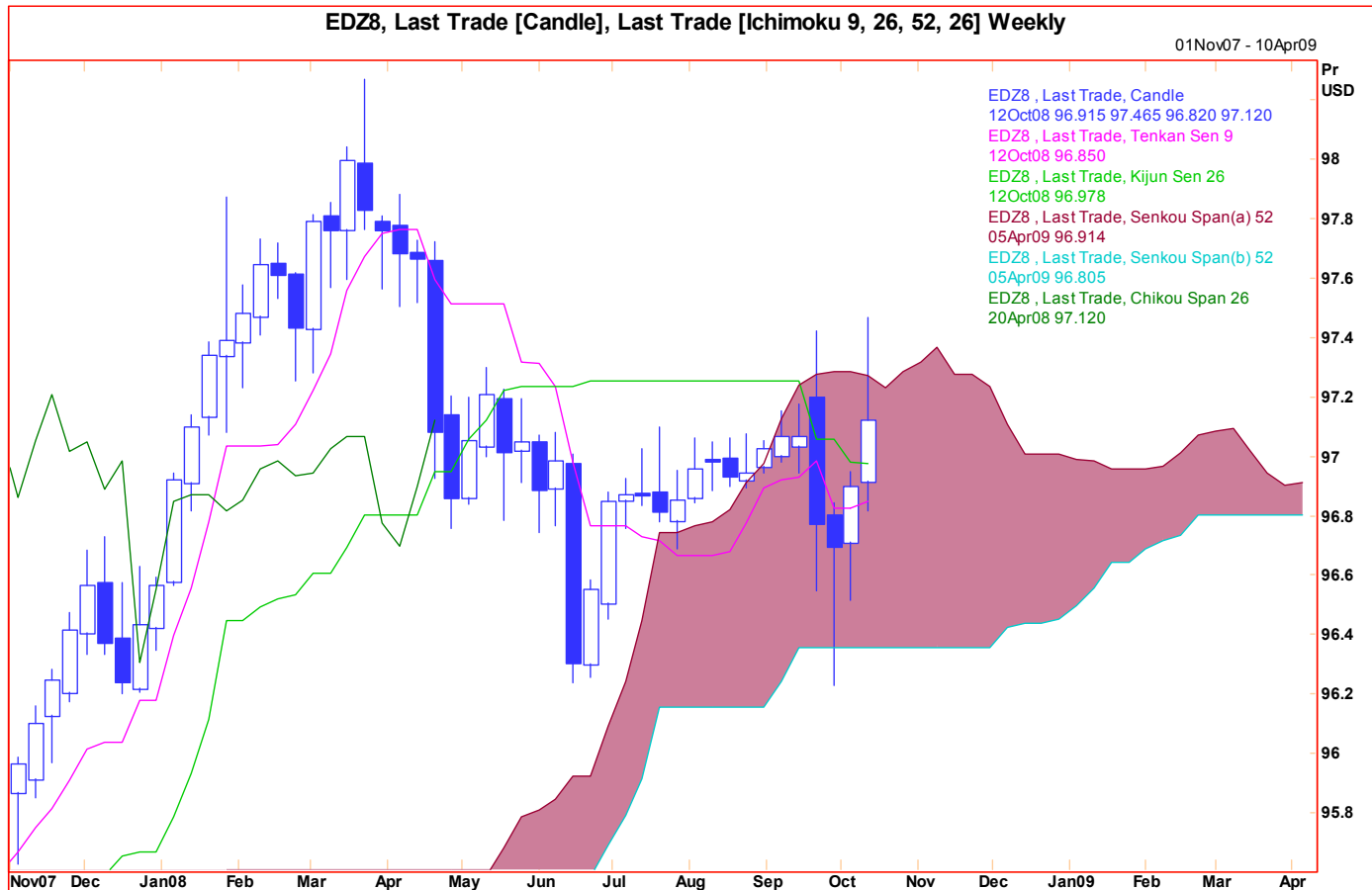


Technical Analysis

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

10 October 2008

Eurodollar Future – Dec 2008



Comment: How long will it take for everyone to realise that central banks have lost the ability to control interest rates, both at the long end and now also at the short end (except overnight)? Now even the Treasury Bond markets are in disarray, with yields on Index-linked and BRICs soaring, two-year ones collapsing, and even ten-year JGB's showing very large intra-day swings. Front month Eurodollar futures are the most inverted **ever** against all contract months and despite G7 and IMF this weekend the unspoken question is how many, and who, will go under. There are **no** offers in three-month money this morning so running a dollar-based bank is impossible. This Dec08 contract will continue to swing madly between 97.200 (on hopes of more rate cuts) and 96.200 (on hopes that money to tide one over the year-end might come in close to 4.00%). Should this contract break below 96.200 true panic should set in and the first target would be 95.500/95.200 and queues to withdraw cash at branches.

Strategy: Attempt shorts at 97.125/97.250; stop above 97.600. Add to shorts on a daily close below 96.900 for 96.550 and probably more.

Chart Levels:

Support	Resistance	Direction of Trade
97.000	97.195	
96.850	97.295*	
96.760	97.420/97.490**	
96.695*	97.515	
96.235**	97.730*	

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Charts provided by Reuters.