

Weekly Technical Commentary

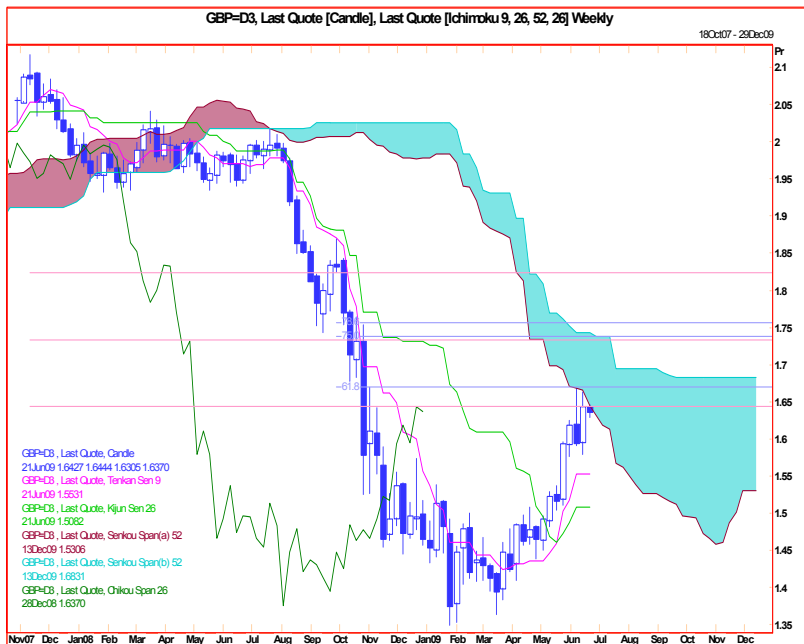
15 June 2009

Links: <http://www.mizuho-sc.com/>

Bloomberg Page: MIZH

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

GBP/USD Chart Levels: Support 1.6300..1.6125..1.6000..1.5800. Resistance 1.6475..1.6622..1.6664..1.6800.

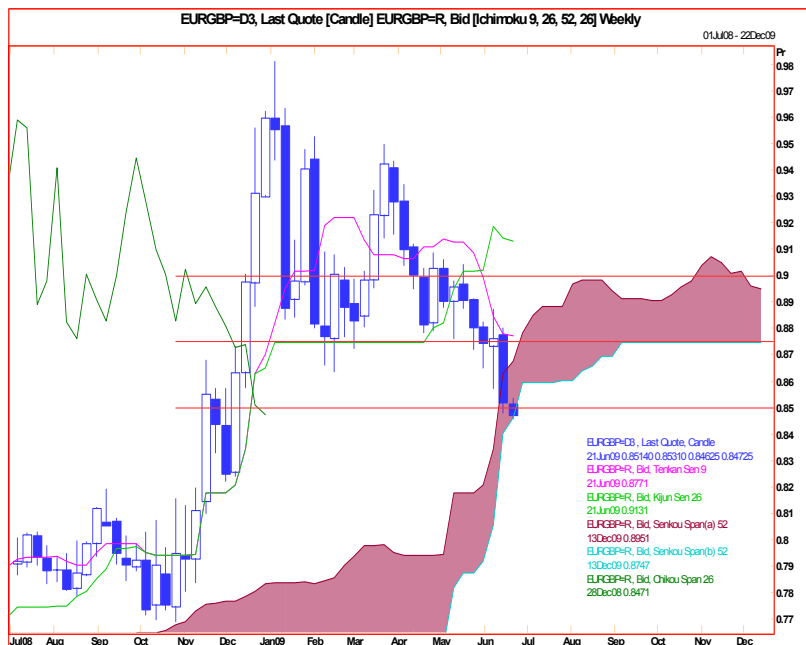


This week
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This month
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Retreating from this month's high at 1.6664 in what those who have missed Cable's rally (and there are an awful lot of them) are hoping is a 'double top'. A good rule of thumb when one has missed a big move is to buy a portion now, at any price, and hope for an improvement on the second instalment, not to hold out and hope – and maybe miss the boat again. Almost record volume in the futures contracts suggest this might already be the case (or maybe just roll overs). Bullish momentum is stronger than it has been since 1993 as foreigners look on incredulously at the political mess our MP's and their expenses have caused. Here is one group that missed out, though maybe not on the way down.

EUR/GBP Chart Levels: Support 0.8475..0.8400..0.8250..0.8200. Resistance 0.8650..0.8800..0.8870..0.9035.



This week
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This month
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A weekly close at a new low for this year (0.8520) is impressive. Pity it didn't also manage a close below retracement support and the thin Ichimoku 'cloud' while it was at it, making our life easier. Downside pressure is stronger than anything seen in the last twenty years, so maybe we should not complain. The 0.8475 level is two standard deviations above the equivalent mean since 1986 so allow for a little hesitation here for a week or two. We continue to target a drop towards 0.8250, a move currently suggested by moving averages. This would only take it back to levels last seen in Q4 2008, in turn the weakest that sterling had ever been against the Euro up until that time. Especially impressive considering the politics.

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