

**Weekly Technical Commentary**

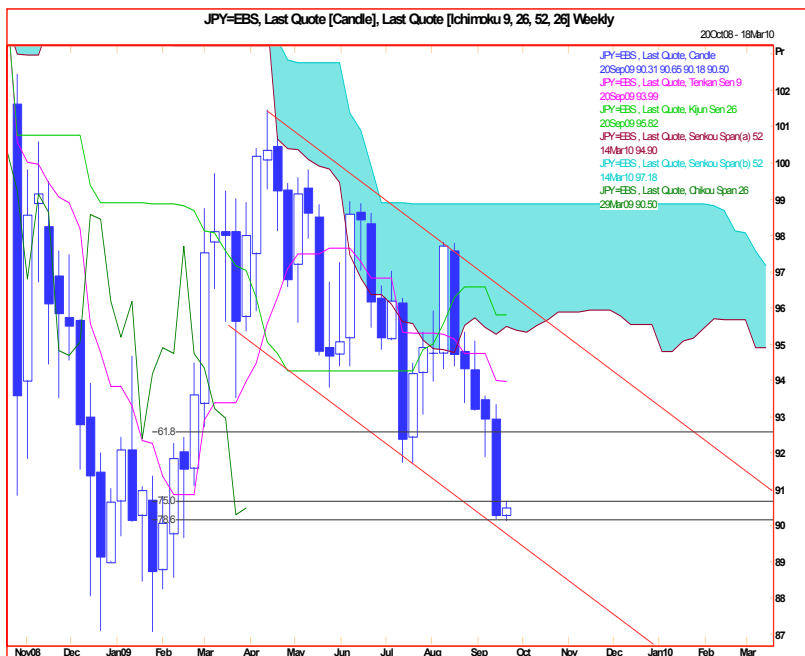
**14 September 2009**

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

Bloomberg Page: MIZH

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

**USD/JPY Chart Levels: Support 90.00..89.70..88.00..87.10. Resistance 91.00..92.50..93.55..94.65**

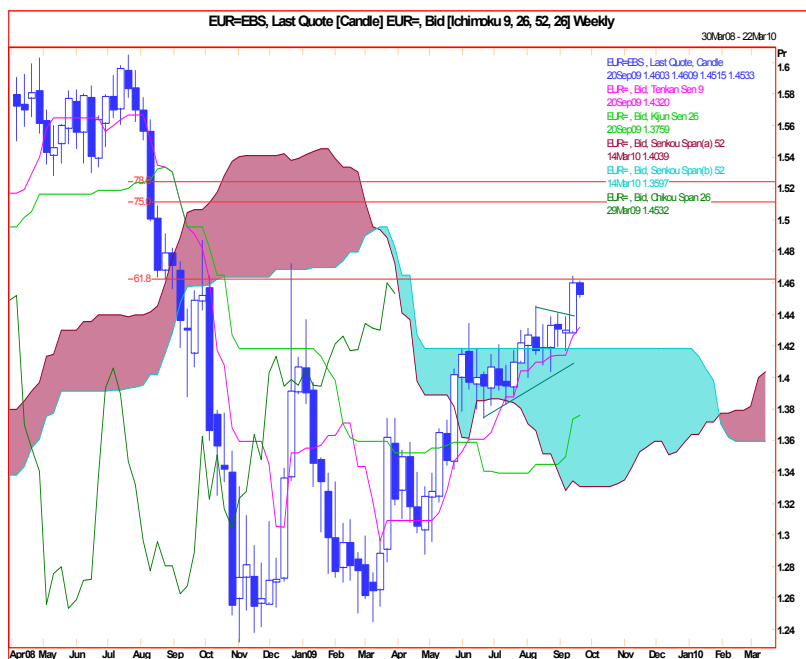


**This week**  
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**This month**  
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Almost the lowest weekly close of 2009, and well below the mid-point of the very broad sideways band that has held all year, suggests a series of repeated downside tests for the rest of this month and maybe the rest of this year. A baptism by fire for the new DJP government that has had to wait 50 years to be elected into power. Verbal intervention has started already, the MOF's Tango saying today he is watching currency moves closely. Key support between 87.00 and 1995's 85.00 may not be defended quite as rigorously by new politicians whose focus is more on the individual and less on corporations. The US dollar is not as oversold against the Yen as we had thought and most Yen crosses are looking top-heavy.

**EUR/USD Chart Levels: Support 1.4500..1.4400..1.4290..1.4177. Resistance 1.4636..1.4720..1.4815..1.4900.**



**This week**  
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**This month**  
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Mocking the consensus view, the Euro has retraced 61.8% of last year's losses. Using a flat-topped Ichimoku 'cloud' as a springboard it has moved above the consolidation area that we have been trapped in for weeks. Best volume so far this year in the futures contracts suggests many are rushing to catch up, reviewing their FX outlook as necessary. One-month at-the-money implied volatility based against the 10.00% level, and should pick up towards 16.00% over the coming month or two. Note that on the ECB's effective exchange rate the Euro is at a record high, yet what we are seeing is generalised US dollar weakness with the best performers so far this year the ZAR, BRL, AUD and NZD.

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