

**Weekly Technical Commentary**

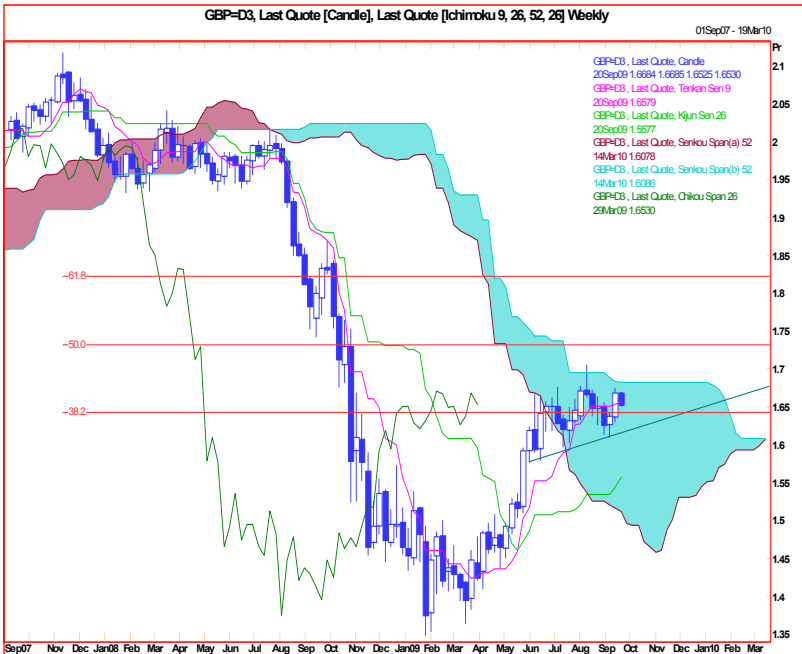
**14 September 2009**

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

Bloomberg Page: MIZH

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

**GBP/USD chart Levels: Support 1.6500..1.6275..1.6100..1.6000. Resistance 1.6745..1.6800..1.7045..1.7250.**

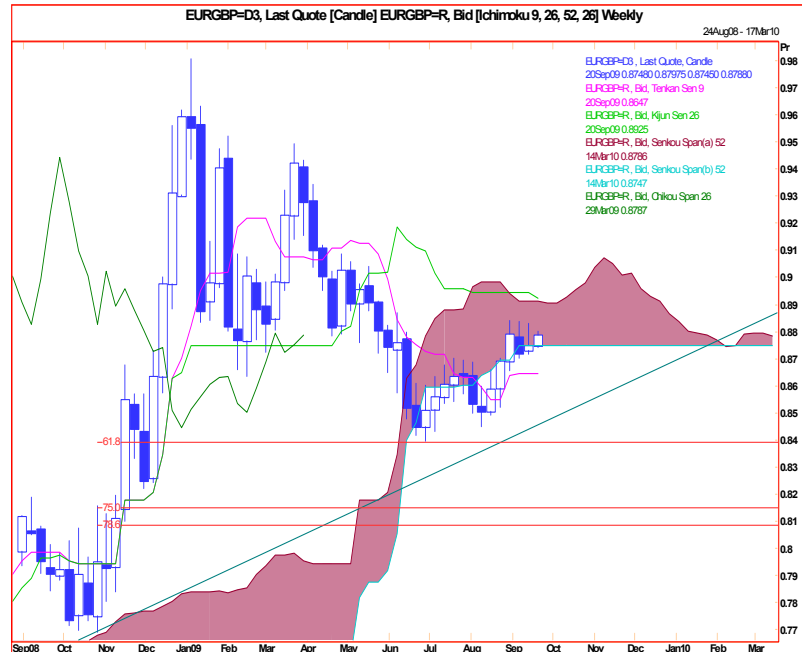


**This week**  
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**This month**  
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Cable continues to consolidate above the Fibonacci 38% retracement of the drop since 2007's high and below the flat top of a massive Ichimoku 'cloud'. A pity it didn't manage a weekly close above 1.6750 as this might have added some much-needed bullish momentum. Cable is not overbought and moving averages have been suggesting a long position since May, the 26-week one starting at last to move higher. Measured targets from current consolidation lie at 1.7000 and then 1.7500. Futures volume remains excellent and possibly, like the Canadian and Eurodollar futures, have been embraced by US speculators. One-month at-the-money implied volatility should hold above 10.65% for quite some time to come.

**EUR/GBP chart Levels: Support 0.8645..0.8500..0.8400..0.8200. Resistance 0.8840..0.8870..0.8915..0.8945.**



**This week**  
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**This month**  
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We continue to favour very slow topping activity around the 0.8800 area, and probably no higher than the 26-week moving average which currently lies at 0.8925, also the area of the top of a good-sized Ichimoku weekly 'cloud'. This should eventually push the Euro lower, through trendline and Fibonacci support, but this is several weeks off, at best, and possibly unlikely until year-end. Only on a monthly close below 0.8400 can we say that the massive rally to an all-time high at 0.9805 as some sort of one-off 'spike high' and that the pound will gradually recover to pre-banking crisis levels. Note that Plan B, which could last a very long time, rather than a clean break lower involves a series of swings either side of 0.8400.

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