

**Weekly Technical Commentary**

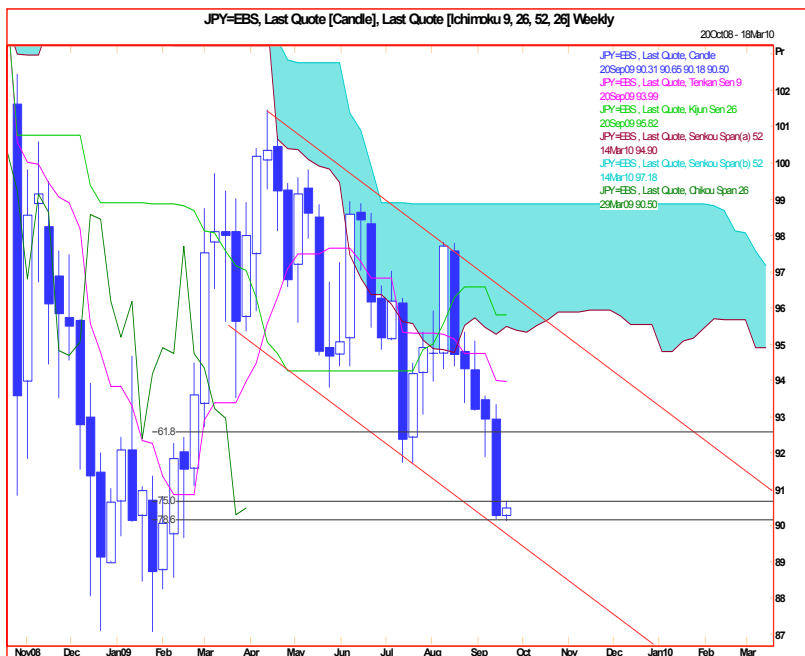
**21 September 2009**

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

Bloomberg Page: MIZH

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**USD/JPY Chart Levels: Support 91.00..90.12..88.00..87.10. Resistance 92.30..93.00..93.55..94.65**

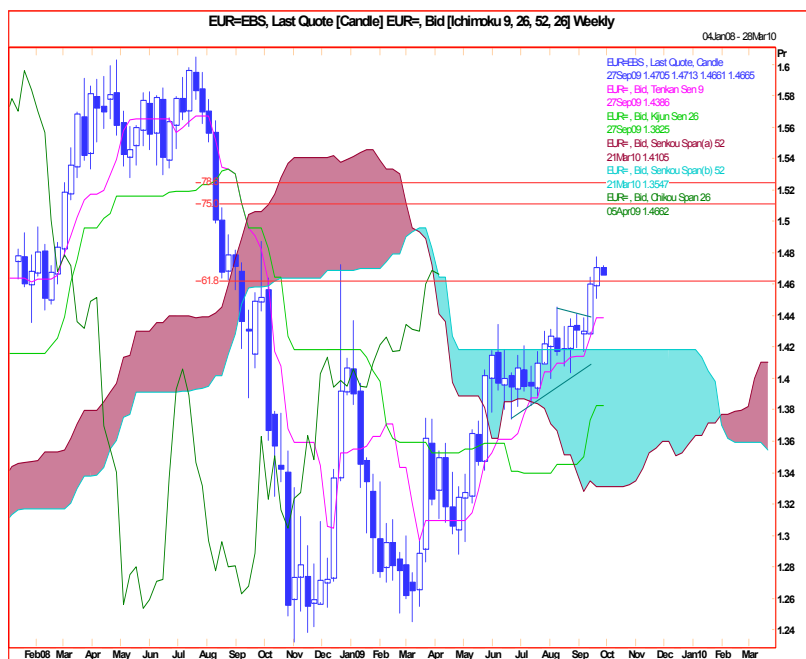


**This week**  
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**This month**  
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Bouncing from 78.6% Fibonacci retracement support, quickly correcting the oversold situation. Hopefully the rally will run out of steam here, first resistance around 92.00. However, holiday-thin conditions this week mean we cannot rule out a fairly large 'extension' higher. Worryingly, at-the-money implied volatility has not increased, holding around the average since April at 14.00%, this despite the US dollar trading close to the lowest levels against the Yen in post-war history. Some time over the coming month we continue to favour a series of cautious downside tests of key support between 87.00 and 1995's 85.00 (below which it spiked to a low 79.75 over a three month period).

**EUR/USD Chart Levels: Support 1.4600..1.4500..1.4400..1.4290. Resistance 1.4700..1.4768..1.4815..1.4900.**



**This week**  
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**This month**  
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A weekly close above Fibonacci retracement of 61.8% of last year's losses should add a little more bullish momentum. On the ECB's Effective Exchange Rate it has retreated slightly from an all-time high and looks set to consolidate at current levels. One-month at-the-money implied volatility is still trying to base against the 10.00% level, and should eventually pick up towards 16.00% over the coming month or two. December 2008's high was 1.4720, last week's 1.4768 and November 2007's 1.4700 so a weekly close clearly above these is the next step in the series of generalised US dollar weakness. With G20 leaders busy blaming bankers they have yet to wake to the implications of recent currency moves.

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