

**Weekly Technical Commentary**

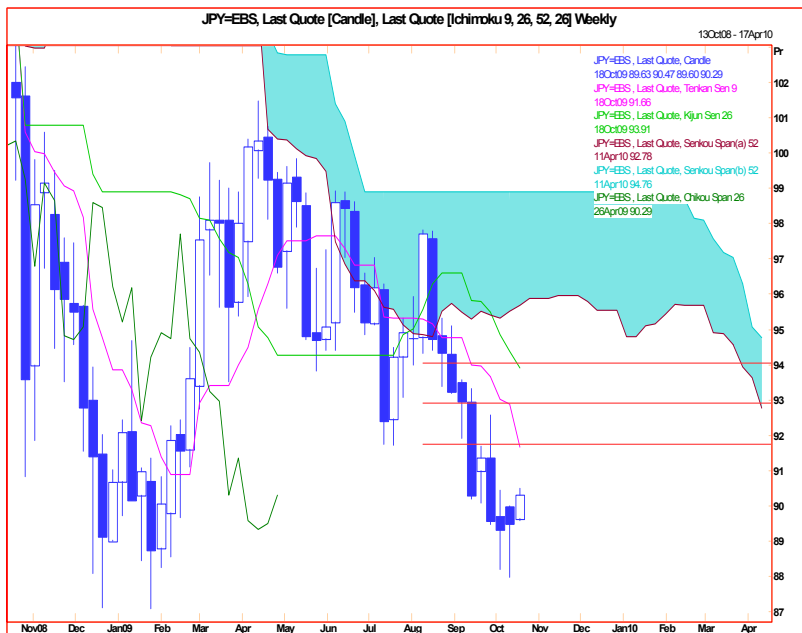
**12 October 2009**

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

Bloomberg Page: MIZH

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**USD/JPY Chart Levels: Support 89.30..88.50..88.00..87.00. Resistance 90.50..91.65..92.55..93.00**

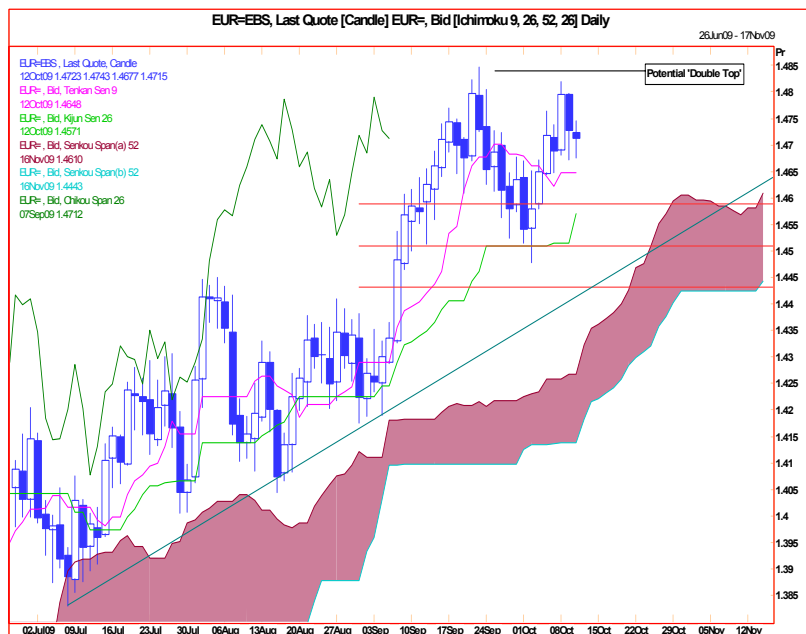


**This week**  
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**This month**  
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Taking fright at 88.00, ahead of January's low at 87.10, a level that held miraculously some might say. This latest bounce will probably be capped around 91.50 and while below 92.55 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). This in the context of generalised US dollar weakness which we expect through to year-end and probably a lot longer. The slower the move, the longer it should last. Note that at the moment the US dollar is not oversold against the Yen but bearish momentum has eased very considerably. A weekly close below 88.75 should see it increase significantly.

**EUR/USD Chart Levels: Support 1.4650..1.4570..1.4500..1.4400. Resistance 1.4768..1.4818..1.4845..1.4900.**



**This week**  
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**This month**  
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A small potential 'double top' at this year's high of 1.4845 suggests another week or two of gentle correction and consolidation. Expect a re-test of the area between the 9 and 26-day moving averages, which is also first short term Fibonacci support, and maybe all the way down to 1.4400. This should correct the slightly overbought situation and allow the Ichimoku 'cloud' to move up a couple of notches by month-end. This coupled with trendline support should then allow to Euro (and other currencies) to gain against the greenback. A weekly close clearly above 1.4700 is needed to increase upside pressure resulting in another round of generalised US dollar weakness.

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