

**Weekly Technical Commentary**

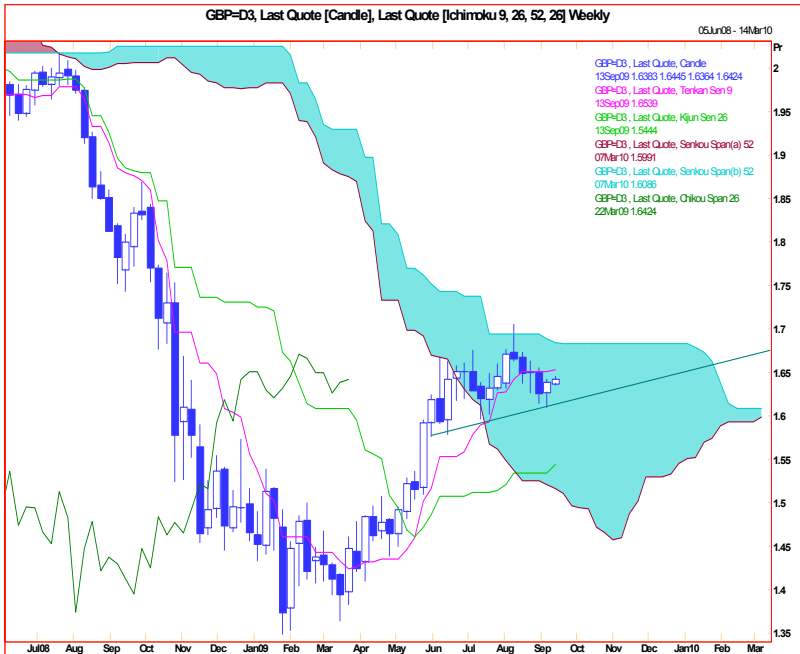
**07 September 2009**

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

Bloomberg Page: MIZH

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

**GBP/USD chart Levels: Support 1.6275..1.6100..1.6000..1.5800. Resistance 1.6550..1.6625..1.6665..1.6745.**



**This week**

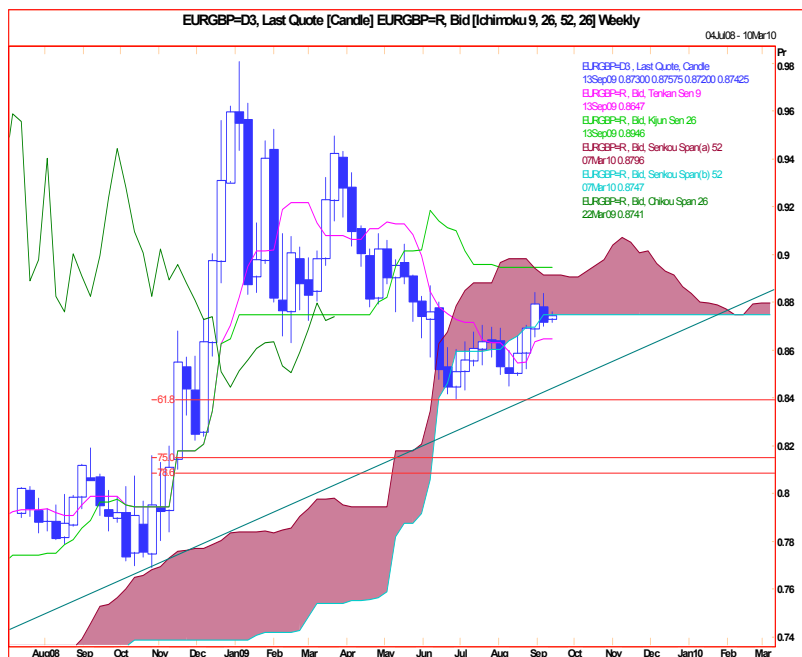
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**This month**

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Cable remains trapped between a rock and a hard place, trendline support and the flat top of a massive Ichimoku 'cloud', but mercifully giving up very little on the downside despite zero momentum. Cable is not overbought any more and moving averages have been suggesting a long position since May. Futures volume remains good and possibly, like the Canadian dollar future, have been embraced by US speculators. One-month at-the-money implied volatility should hold above 10.65% for quite some time to come. A weekly close above 1.6500 might add some much-needed bullish momentum but a close above the top of the weekly 'cloud' is needed to get things really kicking in.

**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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Bouncing from what we see as a key level at 0.8400 and likely to hold above here this month and maybe all this quarter. We shall be looking for slow topping activity around the 0.8800 area, and probably no higher than the 26-week moving average which currently lies at 0.8945. Further out the big Ichimoku 'cloud' should push the Euro lower, through trendline and Fibonacci support. 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 until year-end, rather than a clean break lower involves a series of swings either side of 0.8400.

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