

**Weekly Technical Commentary**

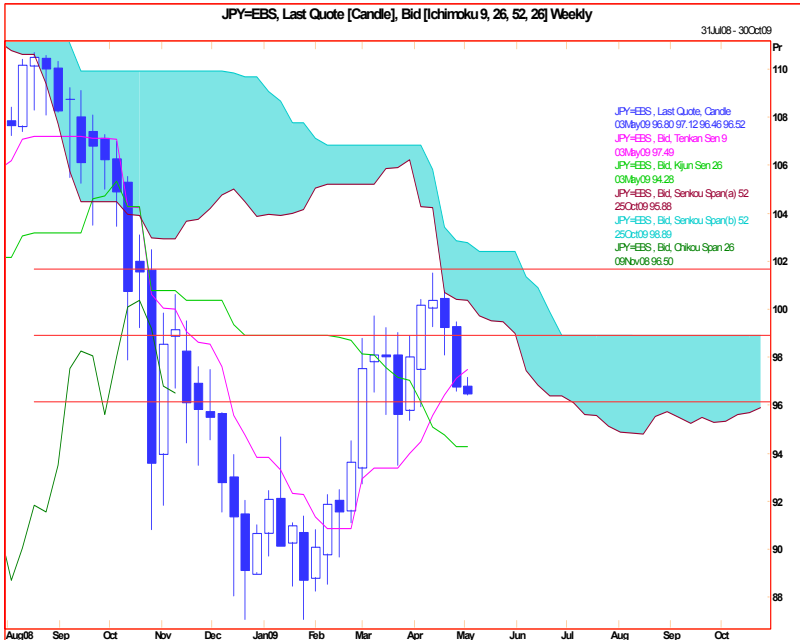
**27 April 2009**

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

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**USD/JPY Chart Levels: Support 96.45..95.45..94.00..93.55. Resistance 97.50..98.00..99.00..99.69**

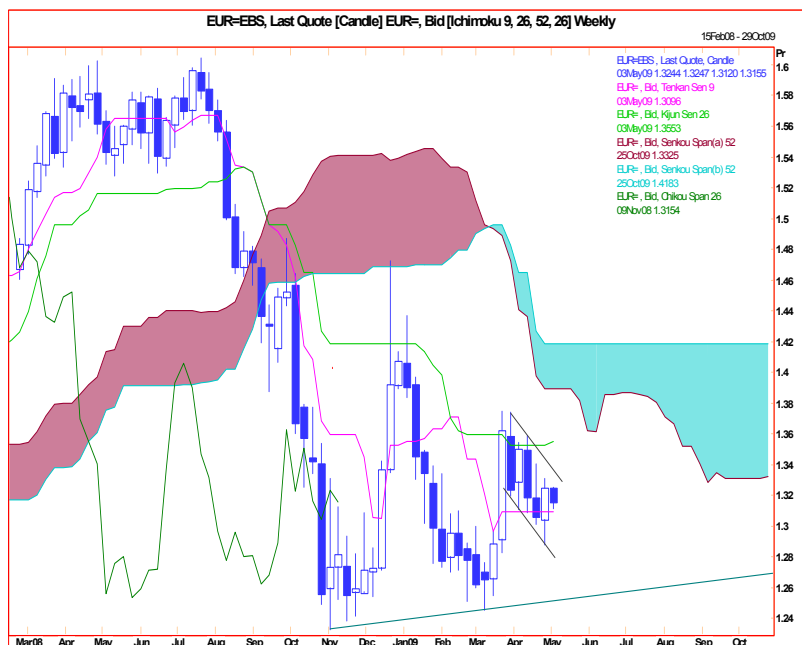


**This week**

**This month**

Today's brief dip below 96.50, and last week's close below 97.00, has forced us to adjust our view and we now see April's high at 101.45 as an interim top. It is an 'extension' above March's high at 99.69 (and the 50% retracement area) which was stopped by the Ichimoku 'cloud' and the Fibonacci 61% level. Now prices should turn their focus to cautious downside probing, in what is expected to be generalised US dollar selling, where a drop below 92.00 on a first attempt is considered unlikely. We remind that the faster we move towards, and the closer we get to this year's low at 87.10, the greater the chance of some form of intervention. Volatility should pick up over the coming month.

**EUR/USD Chart Levels: Support 1.3000..1.2885..1.2775..1.2600. Resistance 1.3300..1.3400..1.3585..1.3739.**



**This week**

**This month**

The Euro bounced from the bottom of a fairly large 'flag' formation and is consolidating between the 9 and 26-week moving averages. The Euro is no longer oversold but neither is momentum bullish. We favour an upside test this week but we remind that only when the Euro starts holding consistently above the 1.3500 area will something more like a proper rally emerge. Until then prepare to remain flexible with relatively small positions, with a tendency towards generalised US dollar weakness against major currencies and increased risk aversion – so that some Eastern European ones suffer. Note also that one-month at-the-money implied volatility is expected to rally.

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