

**Weekly Technical Commentary**

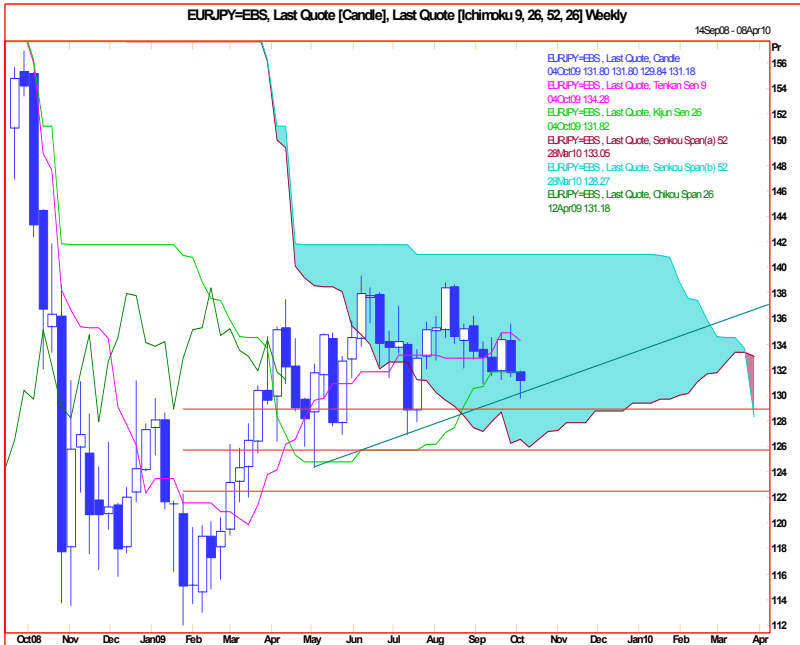
**28 September 2009**

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

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**EUR/JPY Chart Levels: Support 129.84..129.00..128.00..127.00. Resistance 131.85..133.00..134.40..135.50**

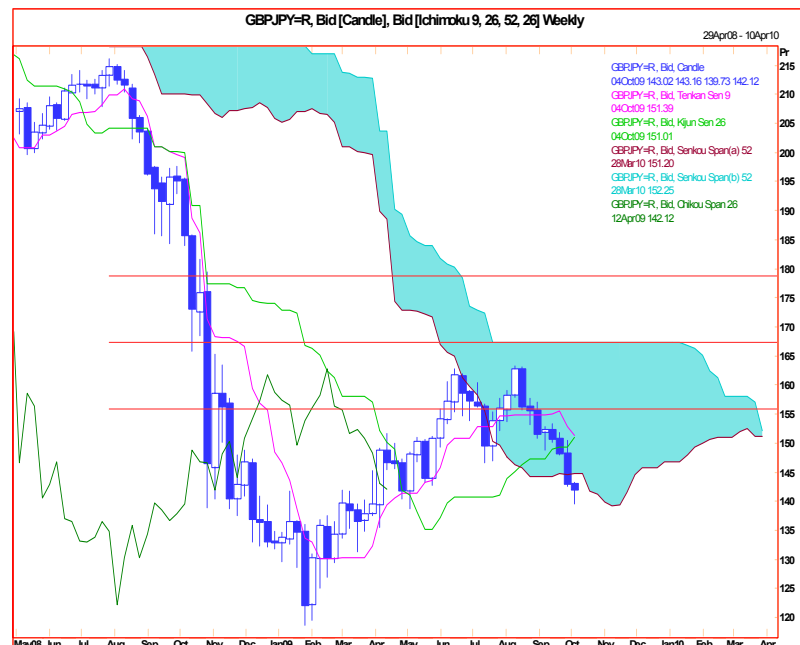


**This week**

**This month**

Over the last month all currencies have lost ground against the Yen. After trying the upside three times since April, failing in the 138.00 area, the EUR/JPY chart now has a potential 'triple top' or poor 'head-and-shoulders' pattern. Testing trendline/neckline support this morning, ahead of the pivotal 128.00 area. A weekly close below here targets the bottom of the very large flat-topped Ichimoku 'cloud' and then more. Investors should allow for a move back down to 115.00 and possibly the all-time low at 112.08 January this year. Note that very long term prices are expected to trade broadly sideways for another six months, so that a dip below 112.00 (if at all) should be brief; picking interim highs and lows still a difficult task.

**GBP/JPY Chart Levels: Support 141.00..139.75..139.00..138.00. Resistance 143.00..146.60..148.65..151.40.**



**This week**

**This month**

Sterling lost 6.7% against the Yen this month weakening across the board. Here, the 'double top' at 162.50 led to a break below the huge weekly Ichimoku 'cloud'. Moving averages have yet to turn bearish but should do so on a close below 140.00. Our measured target remains at 130.00. Below 129.00 on a first attempt is considered highly unlikely, though note that moves below here are likely to be complex and very sharp. We cannot rule out a re-test of the all-time low at 118.80 of January this year because we expect protracted and complex downside testing over many months. One-month at-the-money implied volatility has rallied strongly from a low at 12.85% suggesting short-covering by overly aggressive market makers.

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