

Weekly Technical Commentary

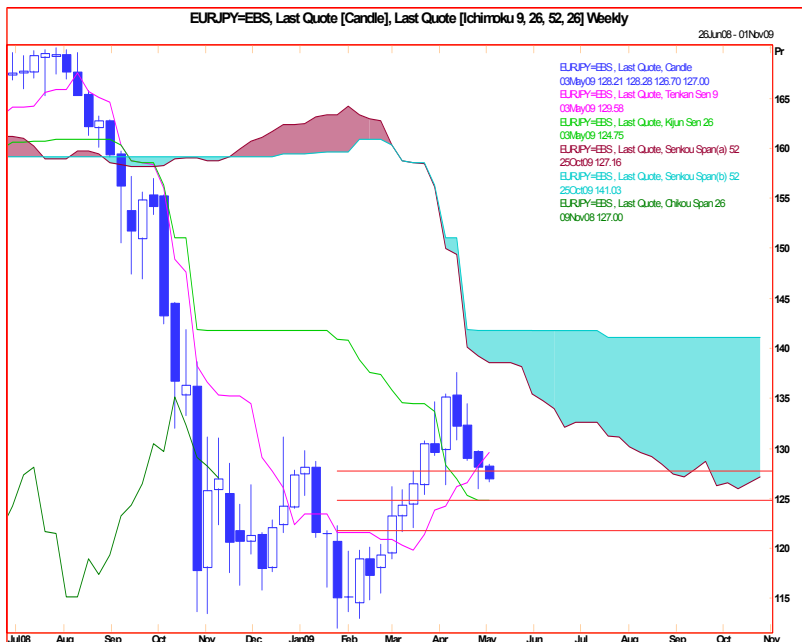
27 April 2009

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

Bloomberg Page: MIZH

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EUR/JPY Chart Levels: Support 126.50..126.00..125.00..121.75. Resistance 130.00..131.00..134.50..137.40

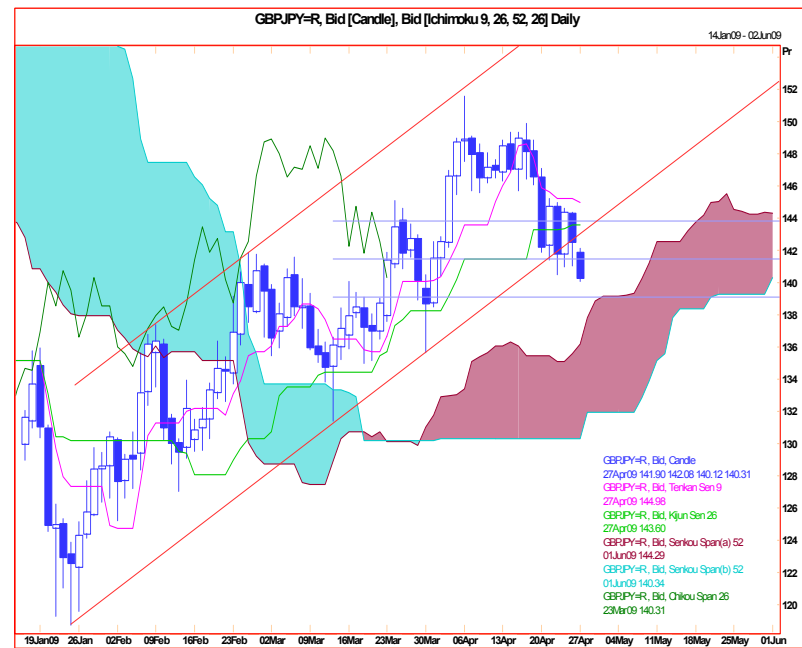


This week
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This month
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Still difficult and inconclusive as prices consolidate close to the upper edge of the broad trading band that held from October until March, roughly between 115.00 and 130.00. A second consecutive weekly close below 130.00 hints that perhaps an interim high is already in place. Note that over the next nine months or more we favour EUR/JPY, and other Yen crosses, to move broadly sideways in very wide ranges. At the moment we still see the pullback of the last three weeks as corrective, and therefore prices should base around the 126.00 area. This would then set up for another cautious upside probe next month, where rallies will probably be capped by resistance around 142.00. Implied volatility should pick up too.

GBP/JPY Chart Levels: Support 140.00..139.00..137.65..135.00. Resistance 147.00..148.50..150.00..151.50.



This week
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This month
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Retreating from the psychological level at 150.00 in a corrective move which should base this week against the 61% Fibonacci level and the top of the Ichimoku 'cloud'. Momentum however is no longer bullish and the pound is almost oversold against the Yen. One-month implied volatility is expected to base from the 22.00% area and eventually rally sharply. If this cross was to start holding consistently below 140.00 we would have to review as it hints that an interim high is already in place and the next step ought to be downside probing before a new interim low is established. We remind that the Yen and Yen crosses are expected to be very difficult this year as they trade broadly sideways in very broad bands.

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