

**Weekly Technical Commentary**

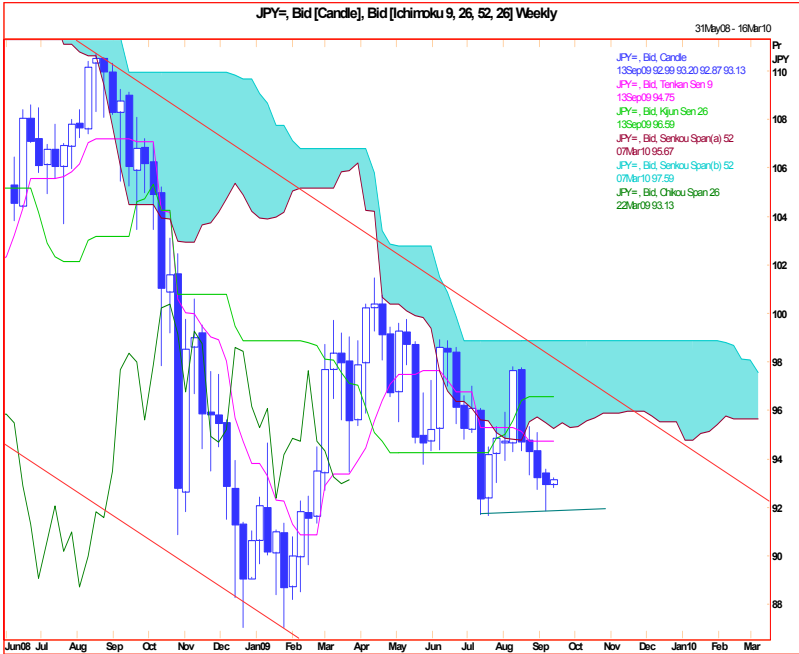
**07 September 2009**

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

Bloomberg Page: MIZH

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**USD/JPY Chart Levels: Support 92.00..91.70..90.70..89.70. Resistance 93.55..95.10..96.00..97.79**

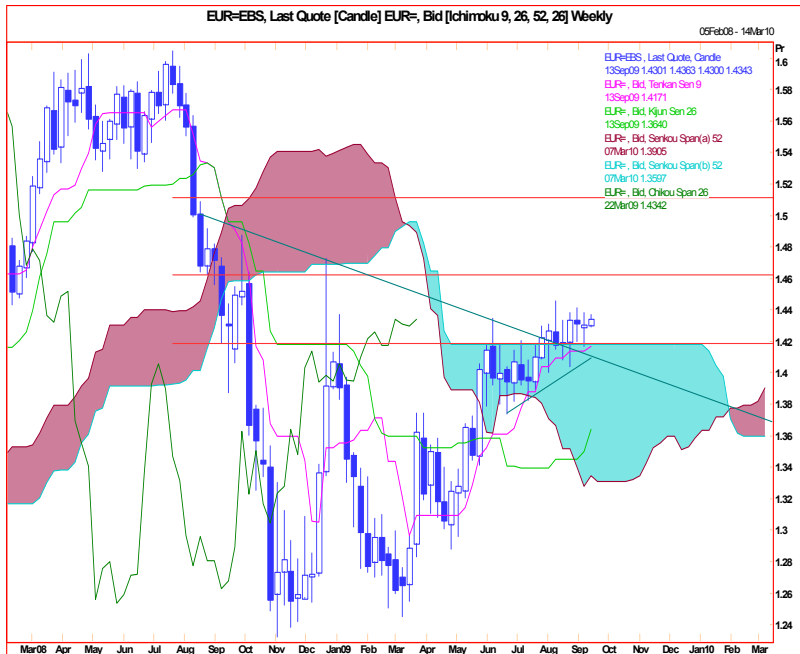


**This week**  
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**This month**  
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Price action in August appears to have formed a new interim high at 97.79, with a decent reversal candle (shooting star?) on the monthly chart. Last week's bounce ahead of July's low at 91.73 suggests we shall hold above this increasingly important chart area (down to 91.50) for another week or two. Rallies towards 96.00 are seen as selling opportunities for another downside test, hopefully sooner rather than later. One-month at-the-money implied volatility should base against the 12.00% area again, then rally by month-end. If markets decide to test the new government's resolve, as we fear, things might turn ugly. Open interest has picked up since mid-August but remains less than one third of the 2007 peak.

**EUR/USD Chart Levels: Support 1.4300..1.4200..1.4100..1.4000. Resistance 1.4400..1.4448..1.4545..1.4635.**



**This week**  
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**This month**  
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Little to add as we consolidate in the same range for five consecutive weeks. We continue to hold above a flat-topped Ichimoku 'cloud' and 38% retracement of last year's losses, moving averages confirming a bullish outlook and the nine-week one trying to limit the lows. Last week's 'doji' candle suggests instability and a market that looks set for an imminent break above recent highs. Several other currencies are doing something similar, with AUD and NZD already trading at new recent highs. One-month at-the-money implied volatility should base this week against the 10.00% level, and pick up towards 16.00% over the coming month or two. Note that on the ECB's effective exchange rate the Euro is at a record high.

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