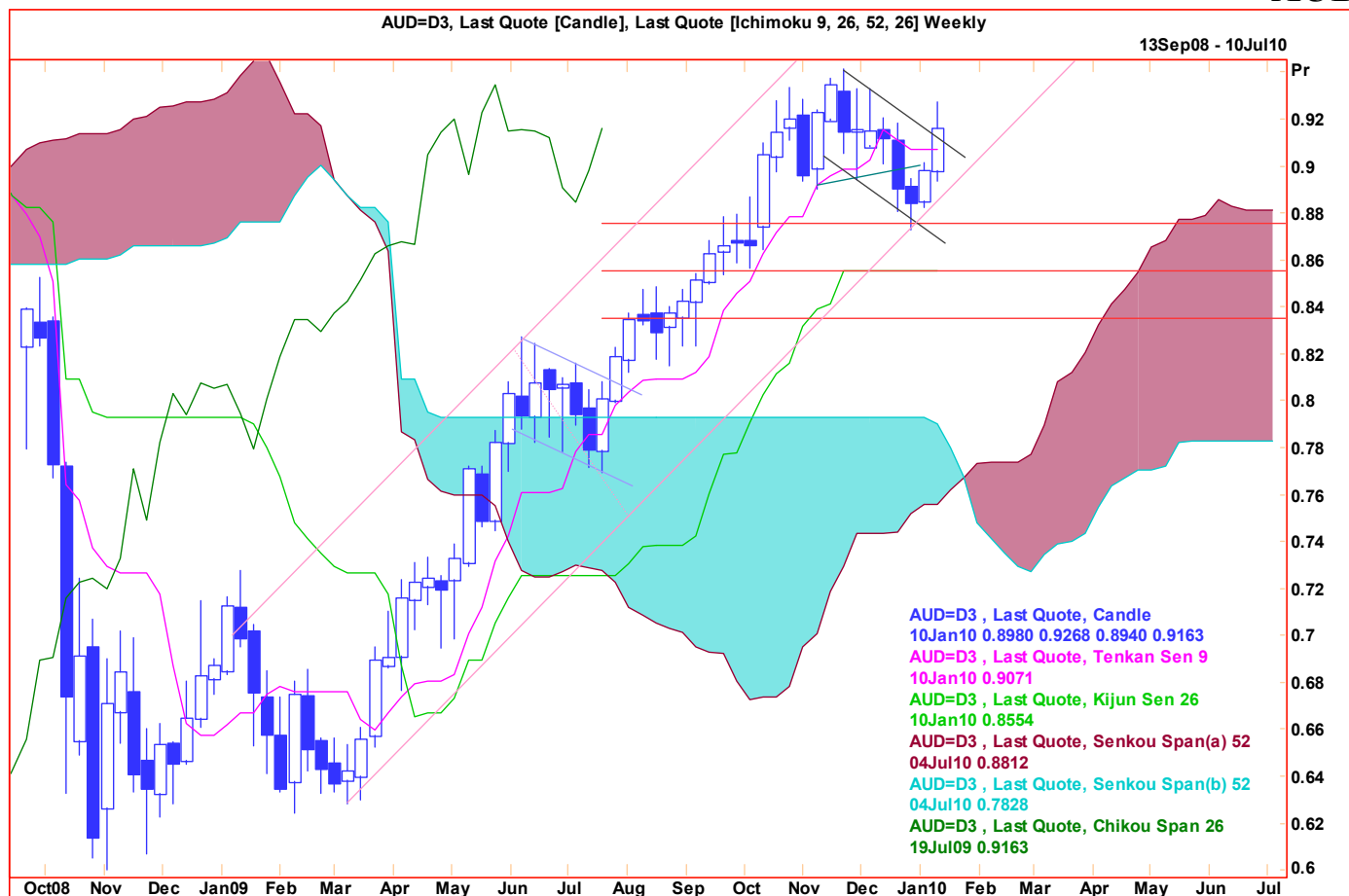


Technical Analysis

www.mizuho-cb.co.uk/

07 January 2010

AUD



**Comment:** Topping activity against important long-term resistance at 0.9400 at year-end must have disappointed the bears. Rather than a decent correction the Aussie retreated the bare minimum, finding support at the first Fibonacci retracement, as we had warned elsewhere. In fact, what had looked like a small 'head-and-shoulders' top is now more likely to be a 'flag', consolidation similar to that of June/July 2009. This continuation pattern has a minimum measured objective at parity, but were bullish momentum to increase to last year's record an extension to 1.0500 is likely. Note that trading remains within a very neat 'channel' and that all elements of the weekly Ichimoku 'cloud' chart point to a long position and the currency is no longer overbought. Allow for a little more sideways work, between 0.8800 and 0.9400, prior to a rally to levels as above.

A weekly close below 0.8600 would force us to adjust and review.

**Chart Levels:**

Support	Resistance	Direction of Trade
0.8940	0.9300	
0.8900*	0.9400*	
0.8800	0.9500*	
0.8735*	0.9655	
0.8600/0.8565**	0.9850**	

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Charts provided by Reuters.