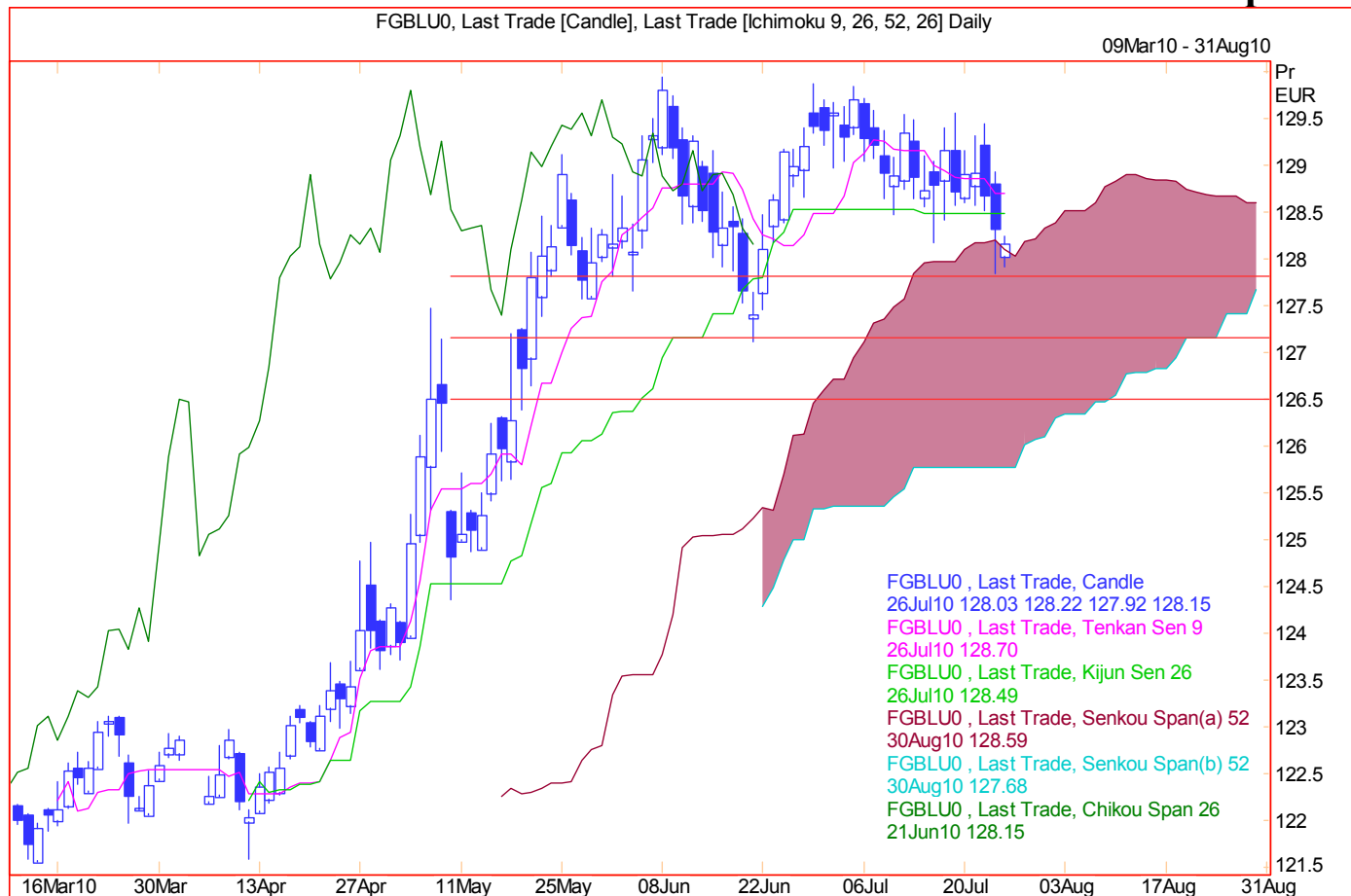


Technical Analysis

<http://www.mizuho-cb.co.uk/>

26 July 2010

Euro-Bund future – Sep 2010



Comment: Little to add as the Bund consolidates in the same small range for nine consecutive weeks. This has allowed Gilts and US TNotes to catch up with Bunds, while the German yield curve is flattening very slowly. This has corrected the overbought situation (and it is almost oversold on some measures) though bullish momentum has eased significantly. We maintain our long held view that prices will rally to 134.00 (benchmark 2.00%) as investor fears propel them into what are seen as the very safest of assets. With a little luck first Fibonacci retracement support and a large daily Ichimoku 'cloud' will push it higher this week.

Strategy: Attempt small longs at 128.15, adding to 127.80; stop below 127.00. Add to longs on a daily close above 130.15 for 131.50, eventually 134.00.

Chart Levels:

Support	Resistance	Direction of Trade
127.80*	128.50	Futures price
127.55	129.10	
127.12/127.00*	129.55	
126.65	129.82/129.93**	
126.40	130.15	

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Charts provided by Reuters.