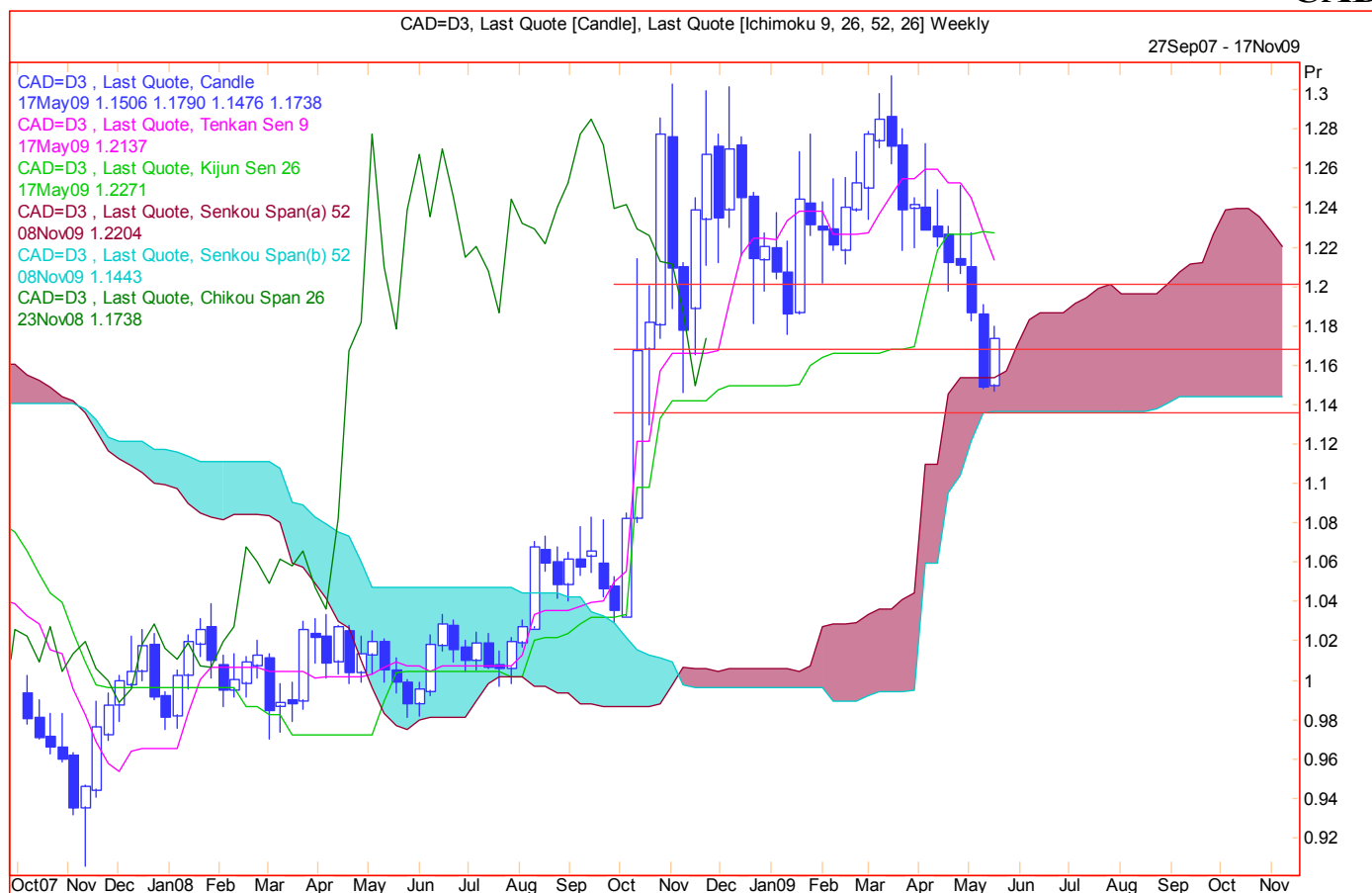


Technical Analysis

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

14 May 2009

CAD



Comment: Alarming price swings since October, almost double the size of anything seen in the last twenty-five years, so that one-month at-the-money implied volatility set a record high at 25.75%. This then retreated considerably, basing ahead of 10.75% which is one standard deviation above the mean since 1995, and looks set to climb again this month. In other words, volatility this year is likely to hold well above the average we have come to expect. The massive 'quadruple top' or 'rectangle' saw its lowest weekly close Friday, right at the very lowest point of the big sideways range. This suggests that, like the Australian dollar, the 'loonie' is leading the way to generalised US dollar weakness. Because the greenback is oversold here allow for another week or two of hesitation above the bottom of the Ichimoku 'cloud' at 1.1350. The down again, maybe quite quickly, to the measured target at parity. If enough momentum builds, as it might well do if all currencies start pulling in the same direction, then allow for an overshoot to 0.9200.

Strategy: Sell at 1.1730, adding to 1.2000; stop above 1.2500. Add to shorts on a weekly close below 1.1300 and again below 1.0700 for levels as above.

Chart Levels:

Support	Resistance	Direction of Trade
1.1465	1.1900	
1.1350*	1.2000*	
1.0800	1.2270	
1.0300*	1.2500*	
1.0000*	1.3065**	

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Charts provided by Reuters.