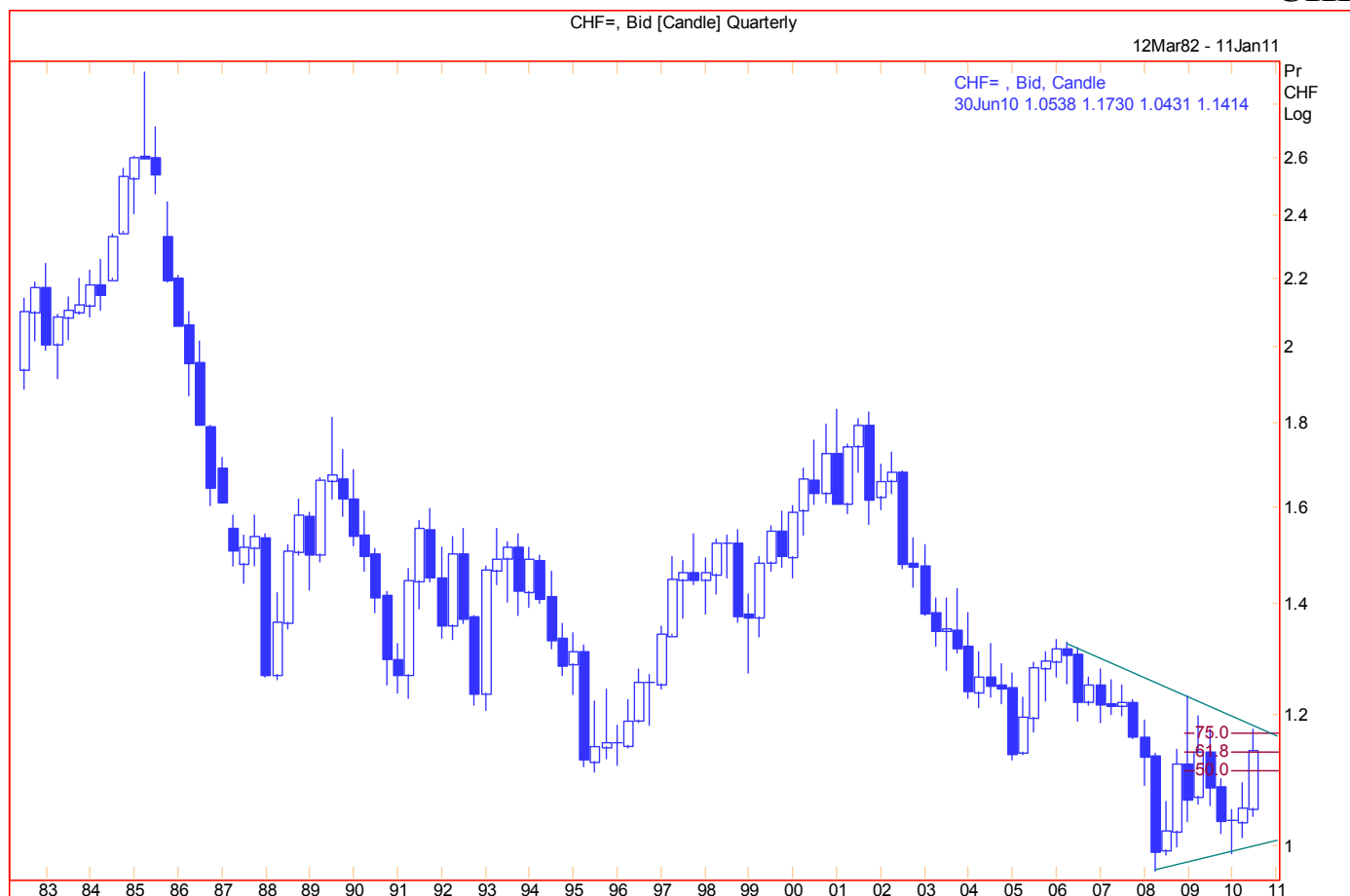


Technical Analysis

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

11 June 2010

CHF



Comment: Over the last three months this currency pair has rallied from 1.0435 to 1.1730 last week, retracing 75% of 2009’s decline and one of the biggest quarterly percentage rallies in history. Hard to believe then that on the Bank of England’s Trade Weighted basis the Swiss franc is at its strongest ever, while simultaneously probably at its most oversold against the US dollar. Extremes like these, which have occurred in five of the last ten quarters, suggest we are looking for direction while trading at an extreme. Because price action since January 2008 is a ‘triangle’ and a continuation pattern, we believe the ultra-long term trend to a lower US dollar will resume, forcing a final and possibly extreme move lower over the coming year or so. Therefore another drop below parity to the record low at 0.9572 of March 2008 is the next step, then measured targets at 0.8600 and 0.8000. This will not be music to the Swiss National Bank’s ears which is likely to fight the move all the way down.

A weekly close above 1.1800 postpones all of the above while on a monthly one above 1.2000 forces a review.

Chart Levels:

Support	Resistance	Direction of Trade
1.1400*	1.1675	
1.1150	1.1730/1.1745*	
1.0800	1.1970	
1.0400/1.0370*	1.2300*	
1.0130/1.0000*	1.2500	

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Charts provided by Reuters.