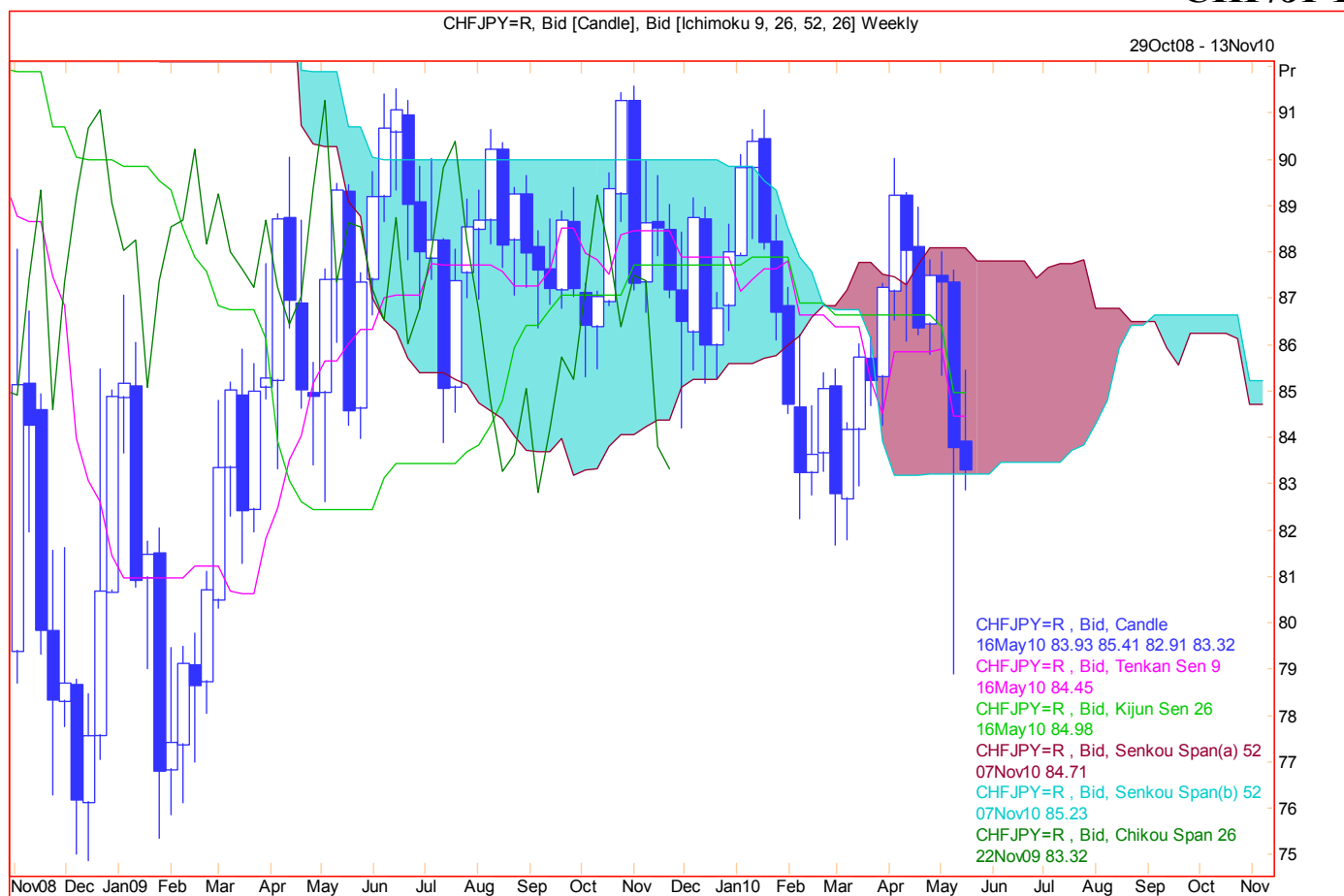


Technical Analysis

13 May 2010
CHF/JPY



Comment: Hard to credit but after four months we still have not reached our downside target at 77.00 as the two current favourite 'safe-haven' currencies battle it out (despite the best efforts of the Swiss National Bank!) Though momentum is currently zero we shall continue to favour another downside probe of key long term support between 78.00 and 75.00. Allow for very sudden strong rallies after each downside test – thereby ensuring that one-month at-the-money implied volatility remains above the long term average and closer to 16.00%-20.00%. Bearish pressure is maintained while below 85.50 and ought to build slightly if we start holding under the lower edge of the weekly Ichimoku 'cloud' currently at 83.00.

Strategy: Sell at 83.50, adding to 84.40; stop above 85.75. Add to shorts on a weekly close below 83.00 for 81.50 short term, adding to shorts again on a weekly close below here for 78.00/77.00 further out.

Chart Levels:

Support		Resistance		Direction of Trade
83.00*		85.45*		
81.70		86.00		
81.25*		88.00*		
79.00/78.75*		89.55		
76.30	75.00**	90.00*	91.55**	

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Charts provided by Reuters.