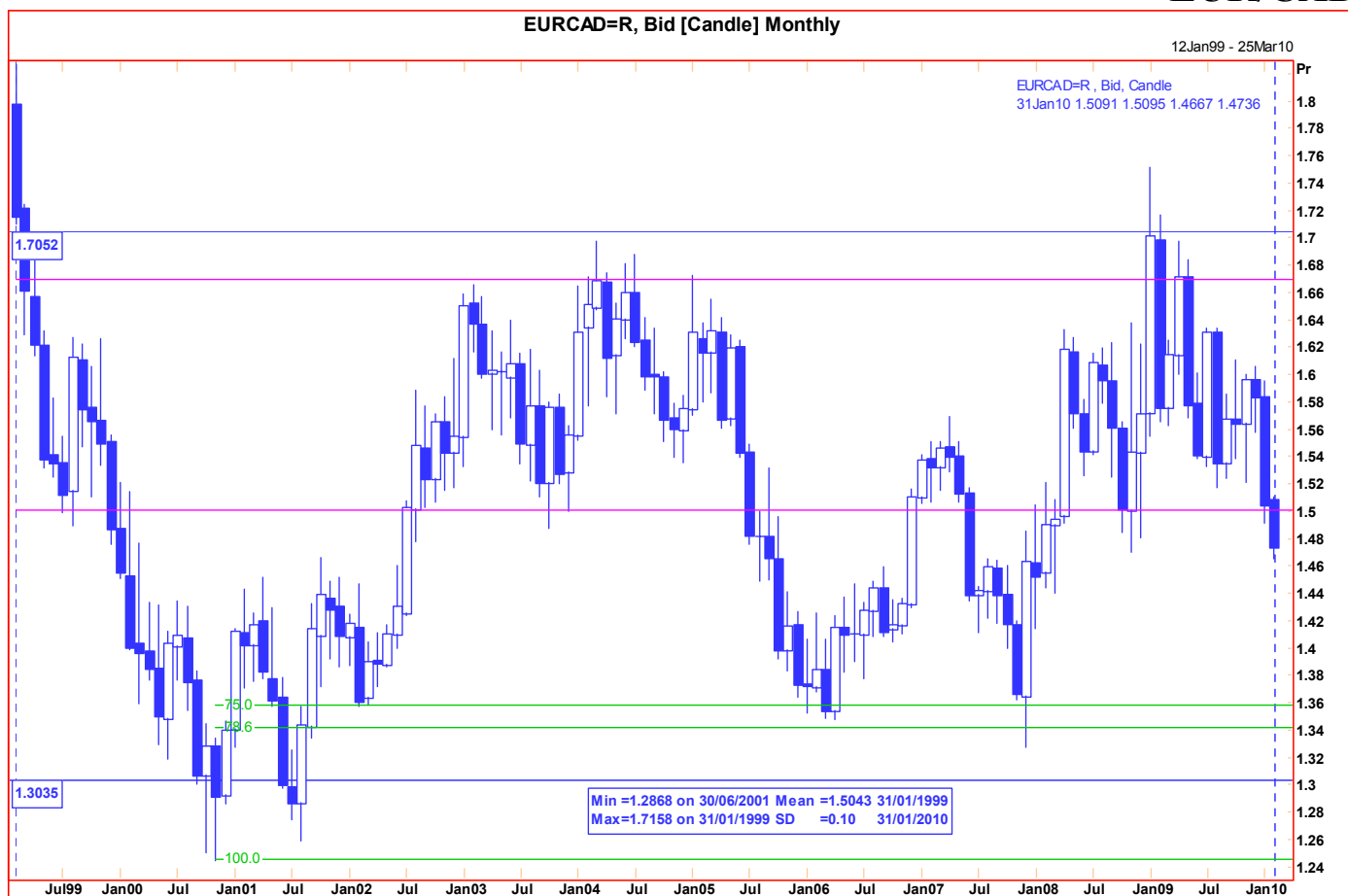


Technical Analysis

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

21 January 2010

EUR/CAD



Comment: Very much a currency pair of two halves, where since the Euro's introduction half the time it trades in an upper band (1.5000 to 1.7000), and the other half of the time it moves messily between 1.5000 and 1.3000 (two standard deviations from the mean at 1.5050). December's close just above 1.5000 is slightly inconclusive despite the rather top-heavy formation of 2009. This month's drop to match the October 2008 low at 1.4670 has put the Euro into oversold territory against the Canadian dollar. If the cross were to recover and end January above 1.5000 then one should assume that prices will hold in the upper band and the drop was a 'false break'. However, if prices end the month anywhere below 1.5000, then assume an initial drop to 1.3600 followed by lengthy random moves in the lower band.

Strategy: Sell Euros and buy Canadian dollars at 1.4700, adding to 1.5000; stop above 1.5400. Add to longs on a monthly close below 1.5000 and again on a weekly close below 1.4650 for 1.3600.

Chart Levels:

Support	Resistance	Direction of Trade
1.4670*	1.4800	
1.4400	1.5000*	
1.4150*	1.5100*	
1.4000	1.5200	
1.3600**	1.5400	

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Charts provided by Reuters.