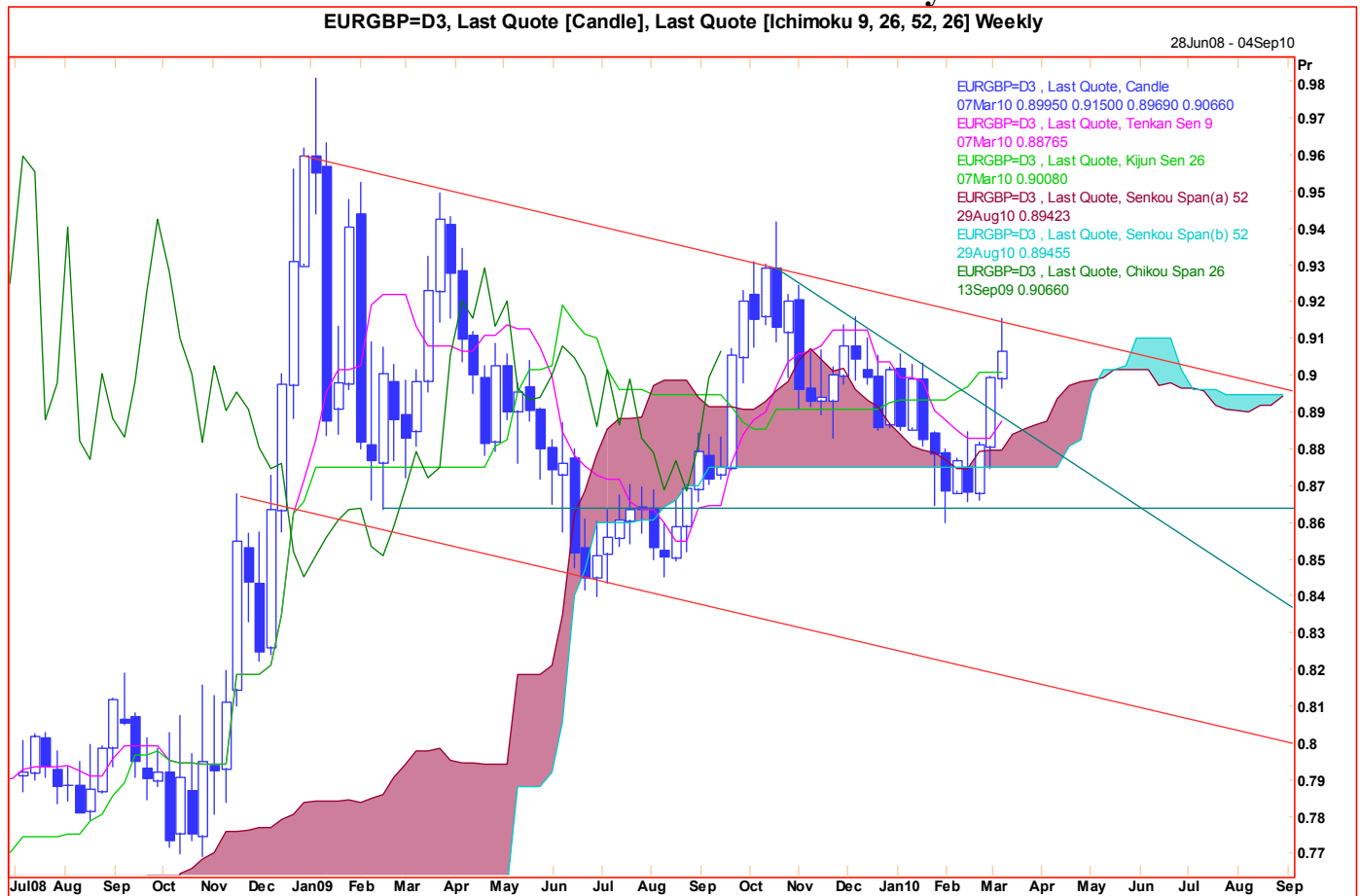


Technical Analysis

**01 March 2010
Monthly Outlook for EUR/GBP**



Comment: February 2010's low at 0.8603 was correctly labelled as an 'extension/false break' and prices have burst above the very thin weekly 'cloud' to channel resistance. The Euro has retraced 50% of the decline from the all-time high at 0.9805 and from oversold the pair is now almost overbought; momentum is zero. We expect the rally to stall this week or next, thereby maintaining the series of slightly lower highs, assuming the whole of the FX market does not face meltdown, something we do not favour though we are allowing for extremely tough conditions this month.

A weekly close well above 0.9100 would force us to review.

Chart Levels:

Support	Resistance	Direction of Trade
0.9000	0.9100	
0.8965	0.9150**	
0.8875	0.9240	
0.8750*	0.9300	
0.8600*	0.9415*	

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Charts provided by Reuters.