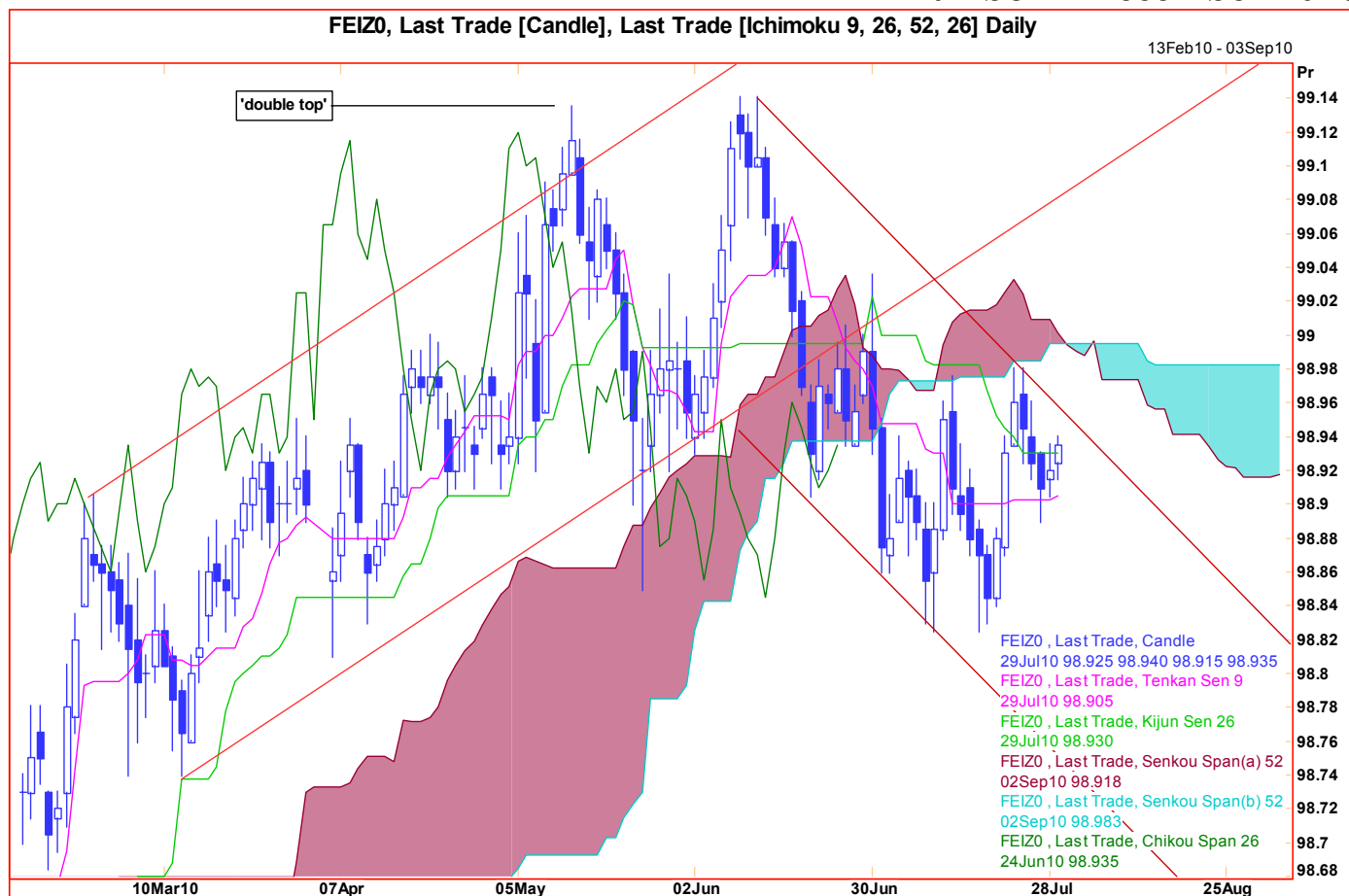


Technical Analysis

29 July 2010

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

Euribor – December 2010



Comment: Spreads between Bunds and US TNotes have narrowed as expected so that five-year now yield the same (1.75%). The German yield curve has flattened a little because Schatz yields have doubled from a record low 0.43% to 0.90%. Three-month Euribor is also at 0.90% and at yesterday's 1.00% tender banks bid for a whopping €23B from the ECB. They are probably planning to keep ample wholesale funds over the next year (at a price) as hinted by high volume in the red Sep contract. Redrawing the 'channel' for this front Dec contract we could end up with a mirror image of the March to May rally, suggesting our downside target may be no lower than 98.740 rather than the original 98.650.

Strategy: Attempt small shorts at 98.935/98.960; stop above 99.075. First target 98.850, then 98.750.

Chart Levels:

Support	Resistance	Direction of Trade
98.905	98.960	
98.890	98.980/99.000*	
98.850/98.825**	99.035*	
98.740*	99.090	
98.665	99.140**	

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Charts provided by Reuters.