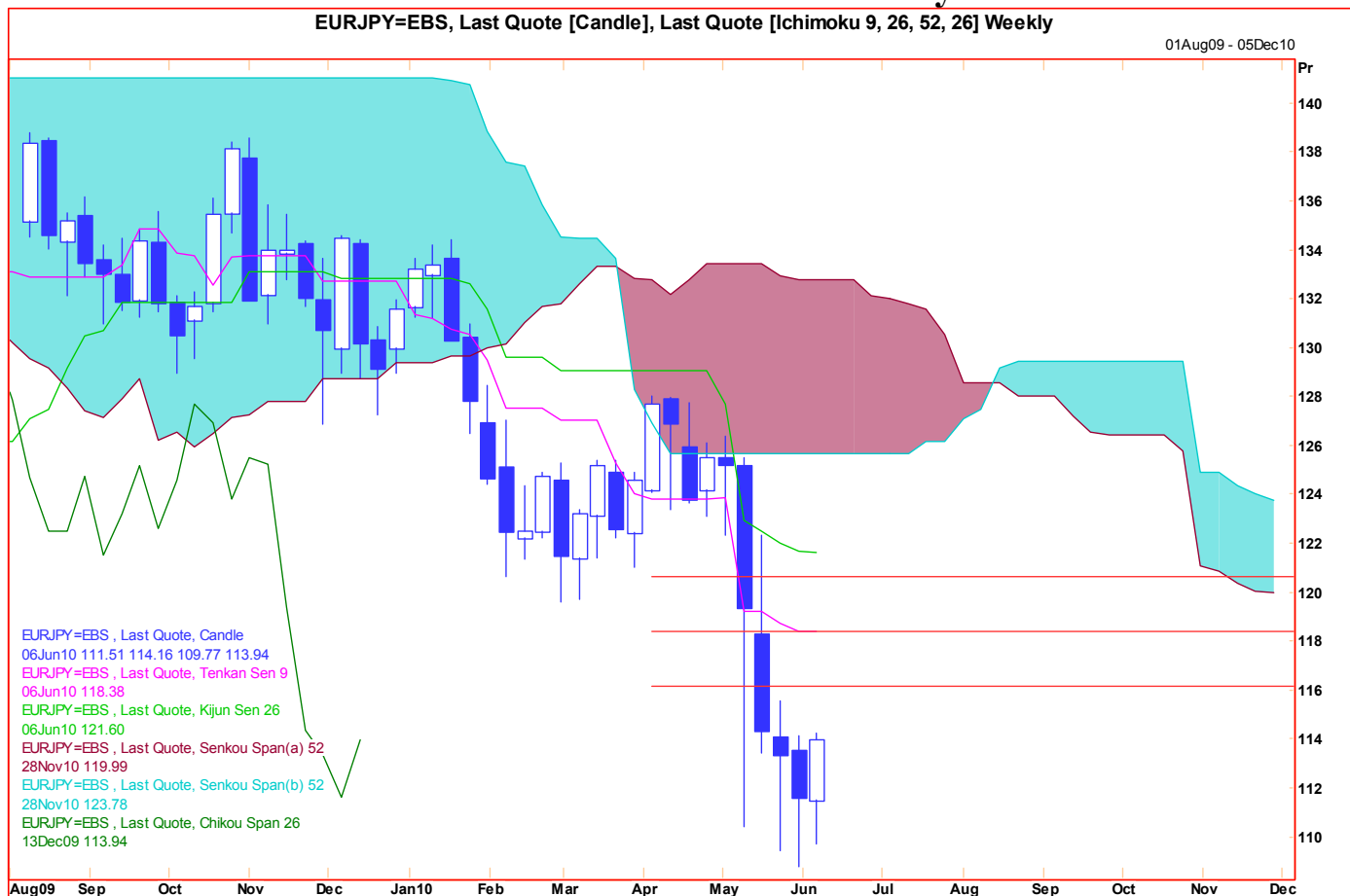


Technical Analysis

03 June 2010

Monthly Outlook for EUR/JPY



Comment: A collapse below what had been 2009’s record low, to 118.83, has forced us to adjust our view once again. While we expect yen crosses to move broadly sideways for several more months, against some it will see continued and repeated downside testing, of which this is one of these pairs (others include GBP/JPY and KRW/JPY). So rather than a clear move down, allow for a series of concerted drops followed by sharp rallies, keeping volatility high. Note that the all-time low was 88.93 in October 2000. At the moment we see the lowest downside probe no lower than 105.50. As to the upside, rallies will probably be capped around 120.00.

Below 105.00 would target the psychological 100.00 and the all-time low.

Chart Levels:

Support	Resistance	Direction of Trade
112.00	114.40	
110.00	115.50*	
108.83*	118.40	
107.00	121.60	
105.50*	125.00*	

Produced by London Branch - Nicole Elliott +44-20-7786-2509

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Charts provided by Reuters.