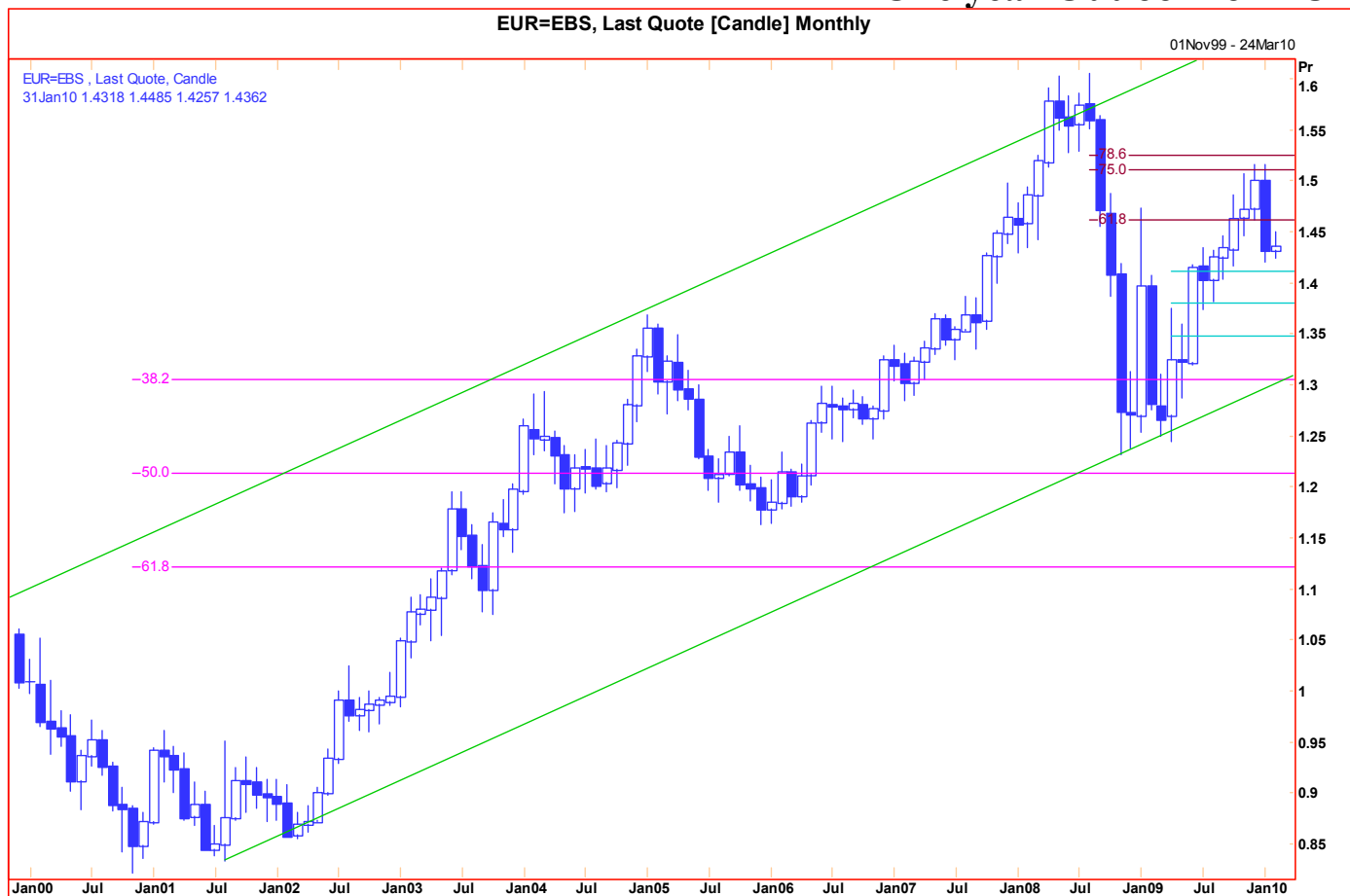


**Technical Analysis**

**07 January 2010  
One year Outlook for EUR**



**Comment:** Price action last year was slower and more subdued than we had expected because 'stimulus packages' interfered with normal market forces; this year will probably be the same. The long term trend to US dollar weakness is intact, and last month's sell-off is a normal correction, which should form an interim base within the next six weeks or so. Q2 should see a rally through last year's high at 1.5145 to 1.5500 where consolidation is likely. Then back up to test the all-time high at 1.6040 (July 2008) with several brief bursts above here before settling down around 1.5900 in quiet year-end conditions.

A weekly close below 1.3800 would force us to review our long term outlook.

**Chart Levels:**

Support	Resistance	Direction of Trade
<b>1.3550</b>	<b>1.4200</b>	
<b>1.3300*</b>	<b>1.4720**</b>	
<b>1.3000*</b>	<b>1.5000</b>	
<b>1.2800</b>	<b>1.5350</b>	
<b>1.2325**</b>	<b>1.6000/1.6040**</b>	

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Charts provided by Reuters.