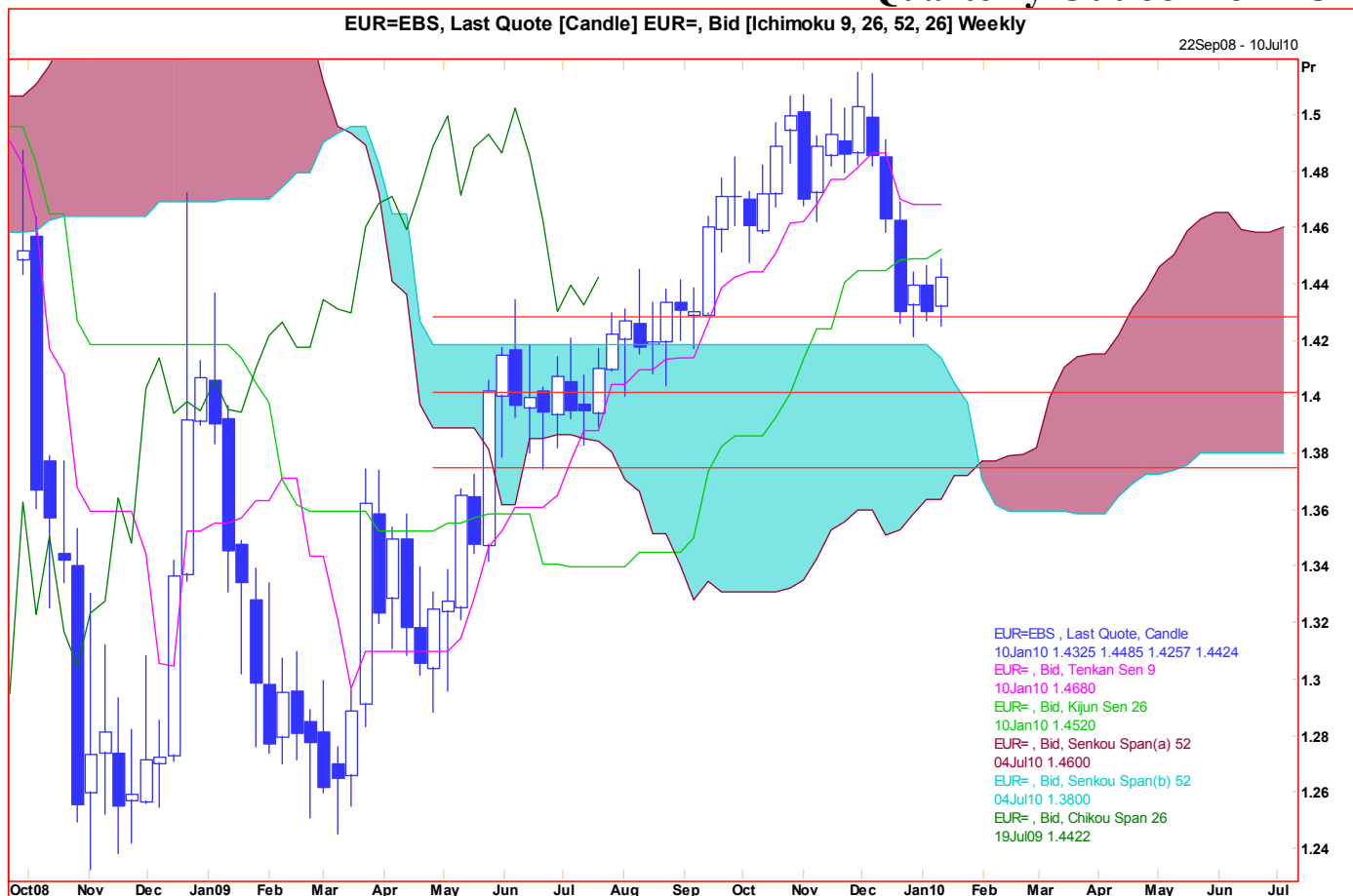


**Technical Analysis**

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

**05 January 2010**

**Quarterly Outlook for EUR**



**Comment:** Having spent Q4 in our predicted range roughly between 1.4400 and 1.5100, the Euro dropped to 1.4200 on almost record futures volume during the middle two weeks of December. This suggests stale longs bailing out and so it should now base against the 200-day moving average at 1.4250. While contained so far, until the end of this month the risk of a very large 'spike low' remains because of the rapidly narrowing Ichimoku 'cloud'. During February and March the Euro should rally smartly, pushed up by the rising and very large weekly Ichimoku 'cloud', to re-test the psychological area at 1.5000 and last year's high at 1.5145.

A weekly close below 1.3900 forces us to adjust and maybe review.

**Chart Levels:**

Support	Resistance	Direction of Trade
<b>1.4250</b>	<b>1.4600</b>	
<b>1.4200/1.4175**</b>	<b>1.4800/1.4845*</b>	
<b>1.4000</b>	<b>1.5000</b>	
<b>1.3825</b>	<b>1.5145**</b>	
<b>1.3750*</b>	<b>1.5465</b>	

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Charts provided by Reuters.