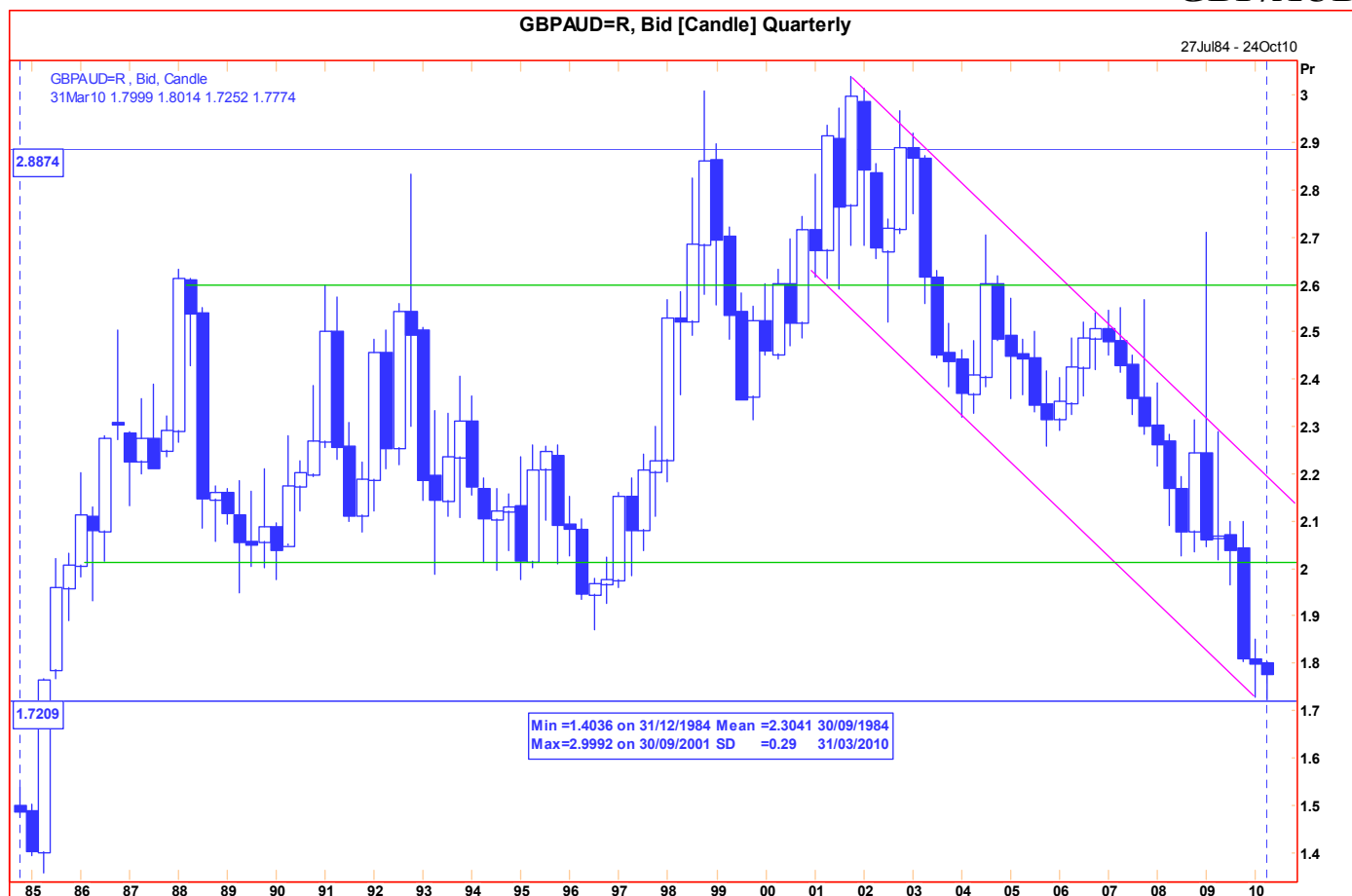


Technical Analysis

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

19 January 2010


GBP/AUD



**Comment:** Having struggled, and failed, with forecasting this currency pair once again we do so reluctantly. Having hit a low at 1.7250 this month, two standard deviations from the very long term mean at 2.3000, to describe this pair as trading at an 'extreme' is an understatement. After the hazardous but relentless channel lower since 2001, we feel prices should try and base here, albeit slowly. Then it should try and rally to the psychological 2.0000 (one standard deviation from the mean) late this year with many cautious zigzags along the way.

**Strategy:** Attempt small longs at 1.7775; stop below 1.7000. Add to longs on a weekly close above 1.8300 for 1.9500, eventually 2.0000.

**Chart Levels:**

Support			Resistance		Direction of Trade 
1.7320			1.8070		
1.7250*			1.8300*		
1.7000			1.8675		
1.6000			1.9120		
1.5400	1.4000*	1.3600**	1.9500*	2.0000*	

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Charts provided by Reuters.