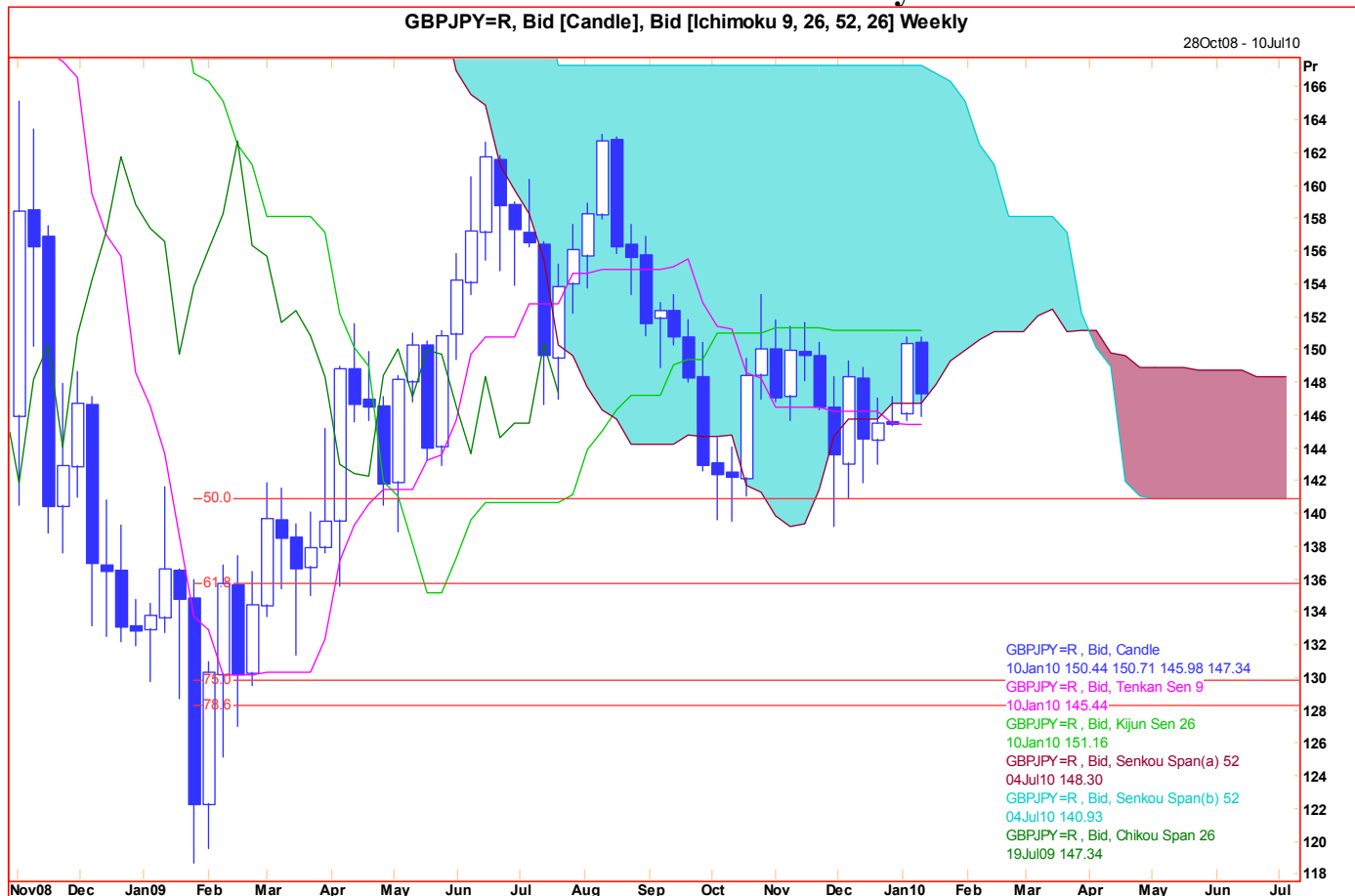


**Technical Analysis**

**07 January 2010**

**One year outlook for GBP/JPY**



**Comment:** Trading will probably be rather dreary, moving broadly sideways most of the time while holding above last year's record low at 118.80. Because all elements on the weekly Ichimoku 'cloud' chart currently suggest a short position, we favour an initial drop to 136.00 and probably a test of more important support at 130.00. Basing activity against this area in Q2 should lead to a broadly sideways move in Q3 and Q4, probably between 135.00 and 155.00, most but not all of the time.

A sustained break below 125.00 forces us to review.

**Chart Levels:**

Support	Resistance	Direction of Trade
<b>145.75</b>	<b>151.00</b>	
<b>140.00*</b>	<b>153.25</b>	
<b>139.25</b>	<b>157.00</b>	
<b>136.00*</b>	<b>163.00**</b>	
<b>130.00**</b>	<b>167.00</b>	

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