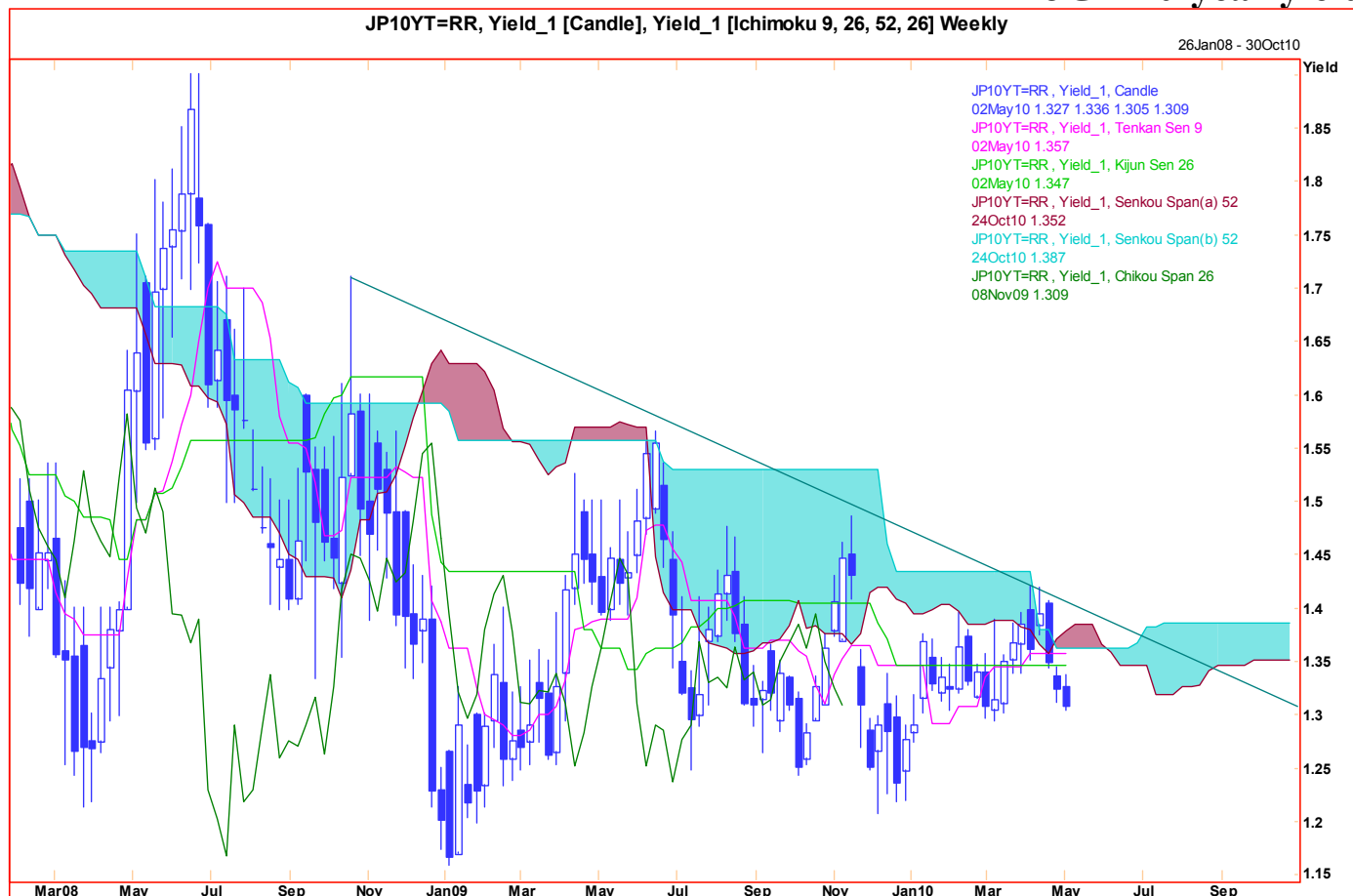


**Technical Analysis**

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

**27 April 2010**

**JGB 10-year yield**



**Comment:** Credit rating agencies may warn that Japan must improve its fiscal position otherwise its massive yen-denominated debt might need downgrading, but little seems to affect ten-year JGB yields. Its stately series of lower highs in the yield chart has dominated since the Lehman debacle. Once again we look set to test key support at 1.200%, an area that has limited the downside for yields for all of the last ten years, except 2003's banking crisis where yields plunged alarmingly to 0.430%, and is one standard deviation from the long term mean. Then we shall see whether we shall price for financial meltdown, currently not our favoured view.

A sustained monthly close above 1.450% forces a review.

**Chart Levels:**

Support	Resistance	Direction of Trade
1.295%	1.365%	Yield →
1.245%	1.420%	
1.200/1.160%**	1.485%*	
0.850%	1.565%	
0.785%**	1.600%*	

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Charts provided by Reuters.