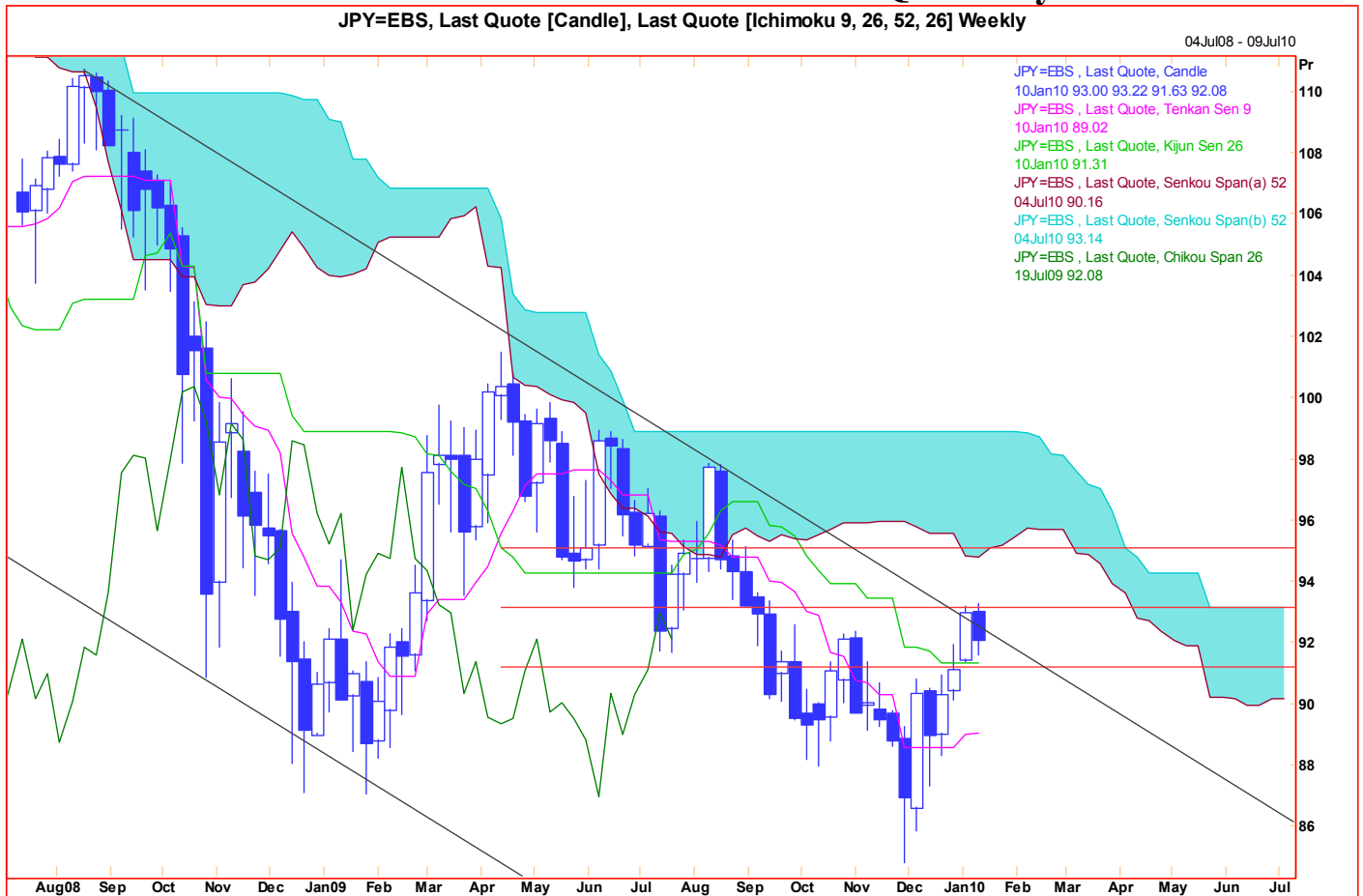


**Technical Analysis**

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

**05 January 2010  
Quarterly Outlook for JPY**



**Comment:** Q4 2009 has, at last, seen a test of key support between January 2009's low at 87.10 and key 85.00 (low 84.82 in November), accompanied by the verbal intervention we had warned about. The subsequent bounce, while a lot bigger than we had allowed for, is still clearly corrective and all elements on the weekly Ichimoku chart point to a short position. Last week's close just above channel resistance is seen as an 'extension' and 'false break' in terribly thin market conditions. Therefore we feel a new interim high should build early this month, followed by repeated if erratic downside probing until the end of March. We still favour generalised US dollar weakness, the Yen one of the best performers. A sudden slide to the all-time low at 79.75 of April 1995 should not be ruled out in Q2. As is always the case of the Yen when trading at extremes, the authorities will be only too ready to interfere.

A weekly close above 95.00 postpones all of the above and we would probably have to adjust significantly.

**Chart Levels:**

Support		Resistance		Direction of Trade
91.00*		93.22*		
89.00		94.65		
87.00*		95.00*		
85.00**		97.80		
83.50*	79.75***	99.00*	101.45**	

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Charts provided by Reuters.