

Weekly Technical Commentary

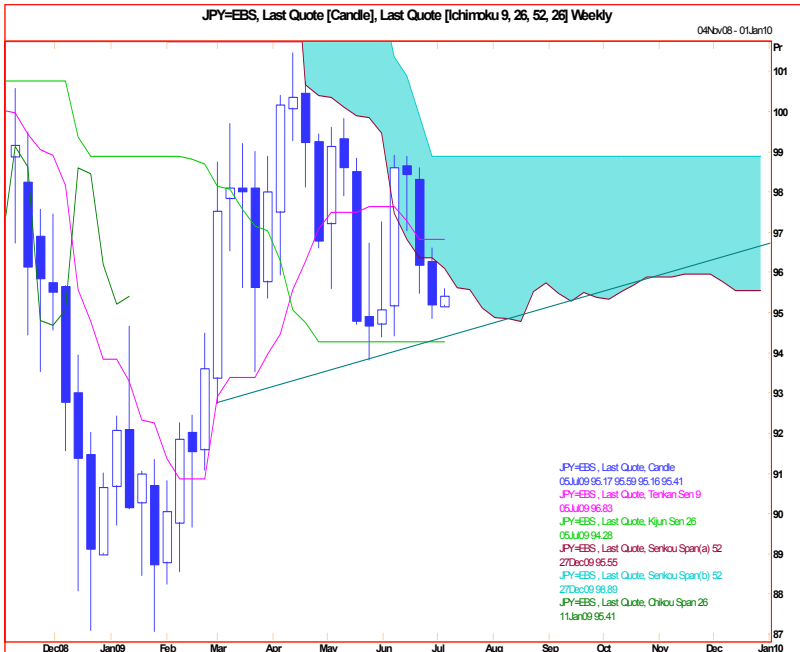
29 June 2009

Links: <http://www.mizuho-sc.com/>

Bloomberg Page: MIZH

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USD/JPY Chart Levels: Support 95.00..94.00..93.55..92.75. Resistance 96.58..97.25..98.58..98.90



This week

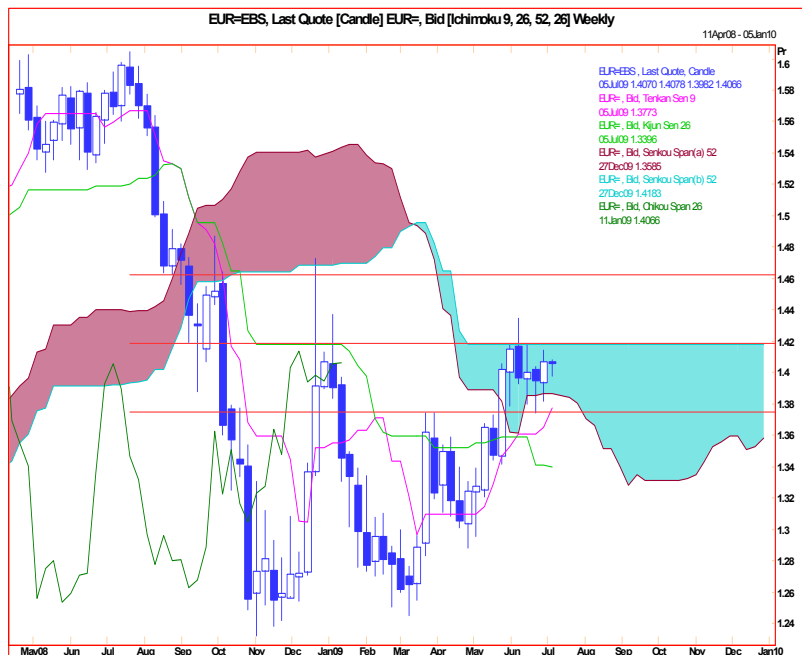
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This month

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Somewhat to our surprise the potential 'head-and-shoulders' in which this pair has been trading since March is still valid. During June the top of the weekly Ichimoku 'cloud' limited the upside neatly and should now set up a test of the 'neckline' in the increasingly pivotal 94.00 area. This also represents the rough mid-point of trading this year where prices have held pretty much between 87.00 and 100.00. Momentum has just turned clearly bearish and the US dollar is not oversold so if not this week then hopefully in thin markets in early July we shall get a downside test and decisive break lower. Futures volume and open interest remain very subdued, lower than they have been since 2000, hinting many have given up.

EUR/USD Chart Levels: Support 1.3800..1.3750..1.3600..1.3425. Resistance 1.4139..1.4200..1.4339..1.4363.



This week

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This month

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The Euro continues to consolidate neatly under the 1.4200 area, a 50% retracement of last year's losses which coincides with a large, flat-topped Ichimoku 'cloud'. Interestingly, it is also holding above the 38% retracement level and clearly above the 9-week average which has now inched up to 1.3773. This underlines just how little the Euro has given up despite testing such important resistance, keeping momentum bullish though less so than during the first week of June. Futures volume remains good hinting at a genuine worry as to the US dollar strength – where market consensus is that it should gain. We feel it is just a matter of time before more short-covering pushes the **Euro** higher.

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