

Weekly Technical Commentary

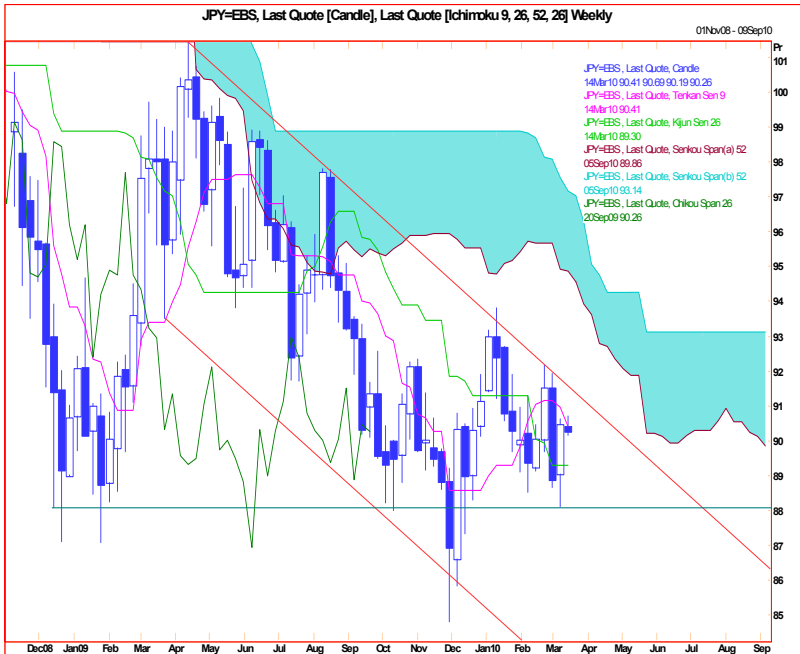
08 March 2010

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

Bloomberg Page: MIZH

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

USD/JPY chart Levels: Support 90.00..89.45..89.00..88.00. Resistance 91.00..92.25..92.55..93.25.

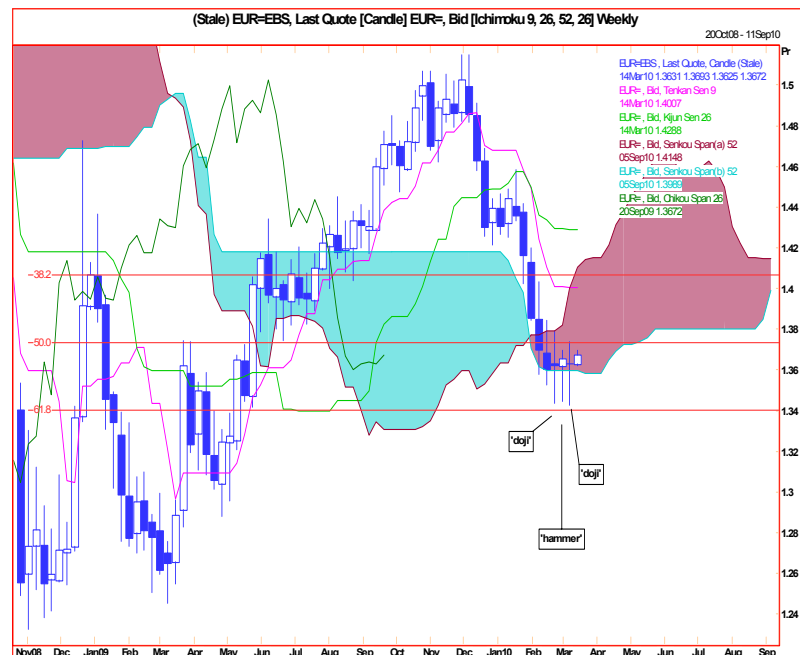


This week
 →

This month
 →

Likely to remain trapped between 'channel' resistance and pivotal support at 88.00 for the rest of this month. Random moves will probably become ever smaller, fading ahead of targets, as the yen looks for intermediate and long term direction. Note that the Lagging Span encounters resistance from the candles starting this week, so we feel that repeated downside testing is more likely than probing the upper edge. There is also a good chance that were we to trade sideways across the page the yen would break trendline resistance, but not in a meaningful or strong way. We remind that we are very close to critical support and the danger of interventionist comments and other moves by the authorities is high.

EUR/USD Chart Levels: Support 1.3585..1.3532..1.3433..1.3250. Resistance 1.3700..1.3790..1.3840..1.3965.



This week
 →

This month
 →

Despite all the bad news the Euro has managed for a third consecutive week to hover above 61% Fibonacci retracement support, with weekly closes inside the growing Ichimoku 'cloud', forming impressive 'spike lows' along the way. This adds weight to our view that the Euro is trying to find a base for the corrective move of the last three months. Helped along by other major currencies, where CAD had been leading. We favour a cautious squeeze to 1.3800/1.3840. Note that it is still oversold, that bearish momentum has stalled (and might turn bullish on a sustained break above 1.3850), and the US Justice Department is looking into hedge fund activity regarding Euro sales. A short squeeze looks possible, here and in GBP.

Produced by London Branch - Nicole Elliott +44-20-7786-2509 (email: Nicole.Elliott@mhcb.co.uk)

The information contained in this paper is based on or derived from information generally available to the public from sources believed to be reliable. No representation or warranty is made or implied that it is accurate or complete. Any opinions expressed in this paper are subject to change without notice. This paper has been prepared solely for information purposes and if so decided, for private circulation and does not constitute any solicitation to buy or sell any instrument, or to engage in any trading strategy.