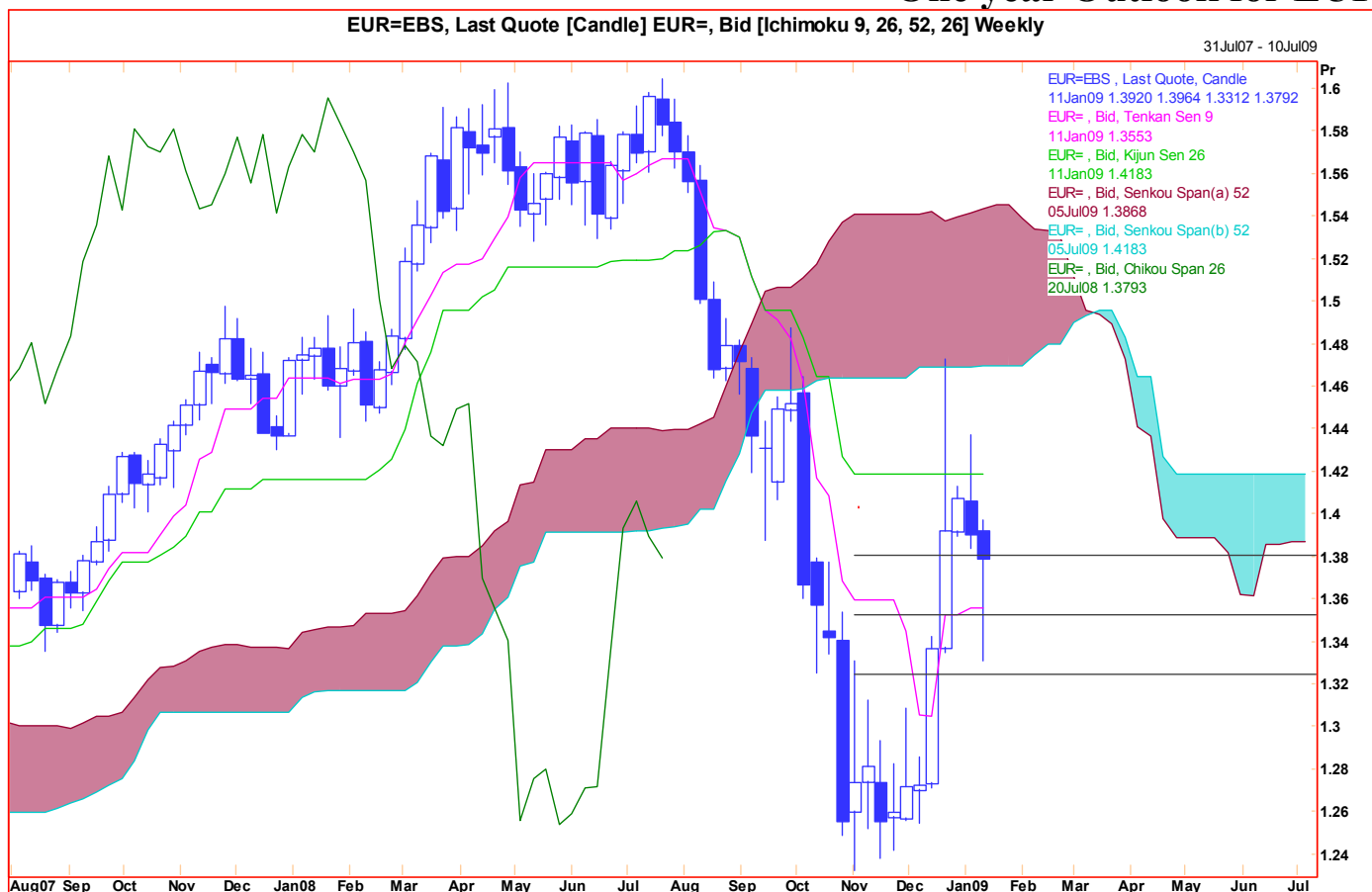


Technical Analysis

**09 January 2009
One year Outlook for EUR**



Comment: We underestimated the need for US dollars when de-leveraging; we now feel that investors are now more carefully assessing currency needs and preferences. Having already reversed a lot of last year's losses, admittedly in very thin conditions, we feel the Euro should spend Q1 2009 getting used to current levels and consolidating between 1.2500 and 1.5000. Late in Q2 we expect the Euro to strengthen some more, to 1.5500 and hopefully by then one-month at-the-money implied volatility will subside towards 13.00%. The real question for us is when, and at what speed, will the ultra-long term trend to generalised US dollar weakness resume. We expect the Euro to match its all-time high of 1.6040 by year-end, at the very least.

A weekly close below 1.2500 would force us to review long term outlook.

Chart Levels:

Support	Resistance	Direction of Trade
1.3550	1.4200	
1.3300*	1.4720**	
1.3000*	1.5000	
1.2800	1.5350	
1.2325**	1.6000/1.6040**	

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Charts provided by Reuters.