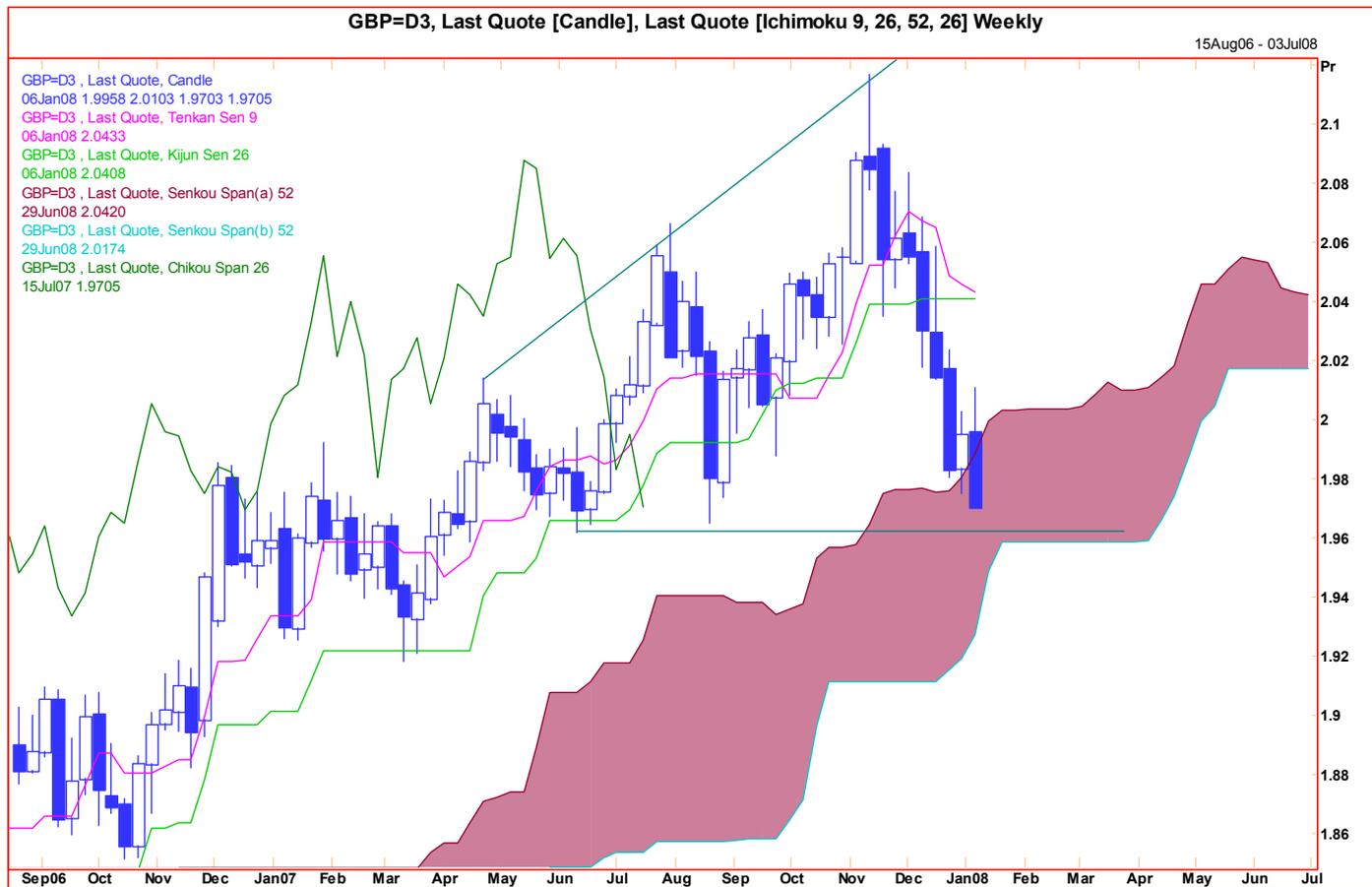


Technical Analysis

**04 January 2008
GBP**



Comment: Repeated and determined downside probing yet Cable is still clinging to 1.9700. This has increased significantly the chance of a 'false break' lower followed by a sharp short squeeze. Treat with respect.

Strategy: Possibly attempt small longs at 1.9710; stop well below 1.9700. Add to longs above 1.9900 for 2.0000 short term.

Chart Levels:

| Support | Resistance | Direction of Trade |
|---------|------------|--------------------|
| 1.9700* | 1.9741 | |
| 1.9650 | 1.9755 | |
| 1.9600 | 1.9840 | |
| 1.9585* | 1.9900 | |
| 1.9500 | 2.0000 | |

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Charts provided by Reuters.