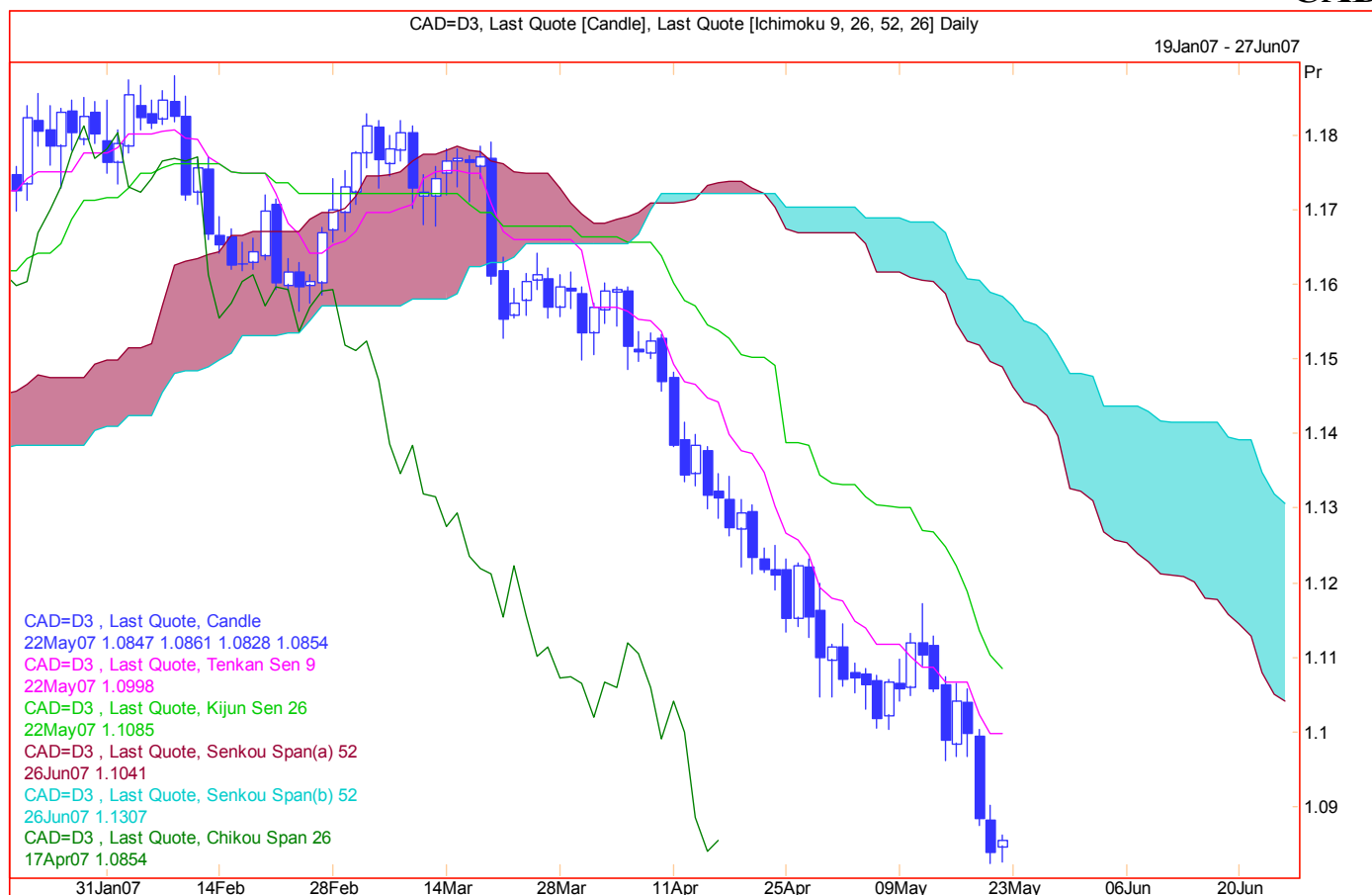


Technical Analysis

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

22 May 2007
CAD



Comment: The 'dollarette', the best performing currency bar none over the last three months, is certainly not a lightweight when compared to its US counterpart. Friday's weekly close below 1.1000 is significant, and the break below 1.0900 puts the 'loonie' at its strongest since the 1970's. The expression 'do not try and catch a falling knife' springs to mind. Needless to say the US dollar is grotesquely oversold and bearish momentum is at its strongest in years. Open interest has been rising steadily but is still below December's record, so more futures positions need re-building. Chart levels are few and even fewer will remember them. Our very long term target remains at parity, something Torontonians have not seen since the mid-1970's.

Strategy: Attempt shorts on a bounce to 1.0900, adding to 1.1000; stop well above 1.1170. Targets 1.0800, then 1.0400 and 1.0000 long term.

Chart Levels:

| Support | Resistance | Direction of Trade |
|---------|------------|---|
| 1.0825 | 1.0900 |  |
| 1.0800* | 1.1000* | |
| 1.0750 | 1.1100 | |
| 1.0700 | 1.1170* | |
| 1.0400 | 1.1250 | |

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Charts provided by Reuters.