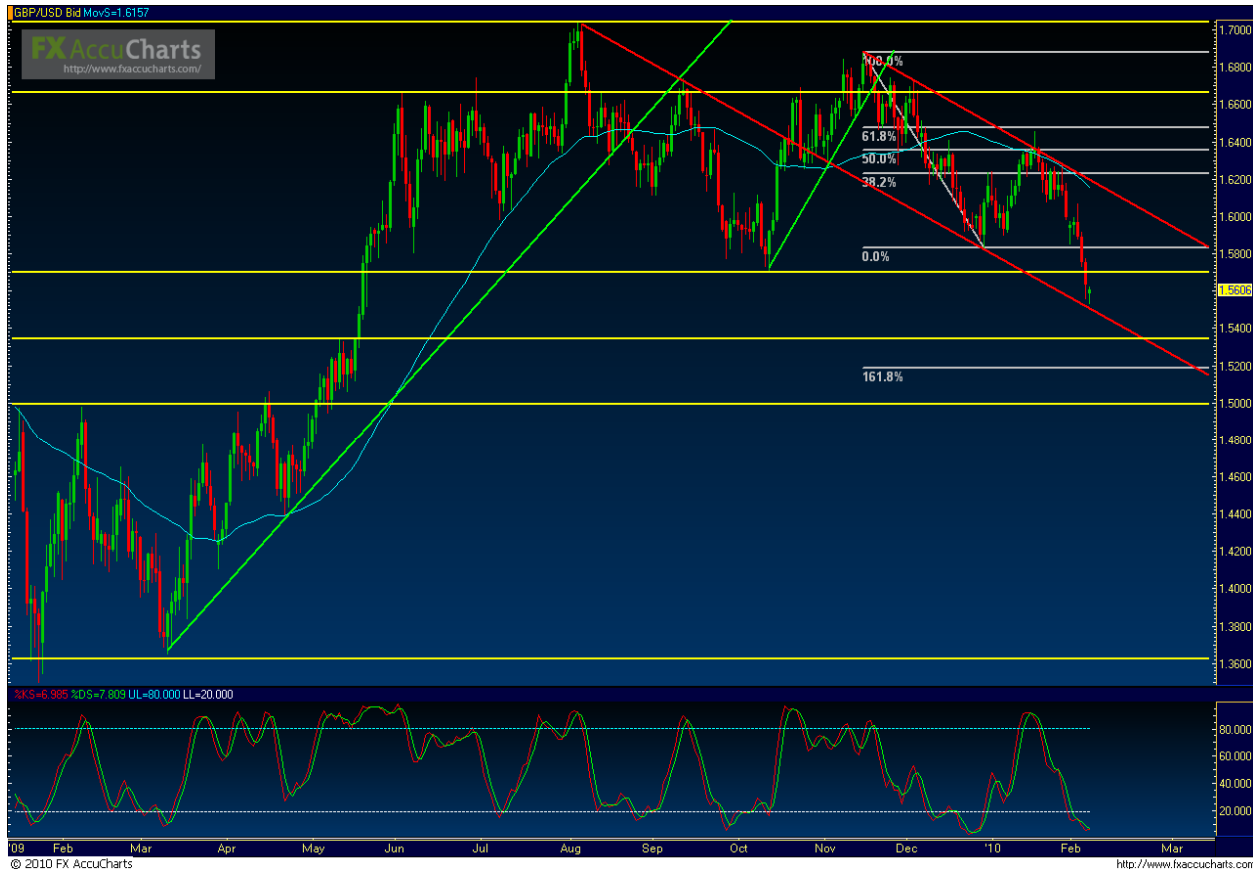




## 2/08/2010 – GBP/USD Daily Chart\*



(Price on 1st pane, Slow Stochastics on 2nd pane; horizontal support/resistance levels in yellow; uptrend lines in green; downtrend lines in red; 50-period simple moving average in light blue.)

2/08/2010 – GBP/USD – Price action on GBP/USD, a daily chart of which is shown, has finally begun to show a bearish emergence from the sideways consolidation that has characterized this currency pair on a long-term basis for several months now. A clean breakdown below the 1.5700 support region last Friday represented a tentative breakdown below the consolidation, in line with a medium-term downtrend that has been in place since mid-November 2009. In the process of this breakdown last Friday, the pair has established a new 8-month low near the bottom of the noted medium-term parallel downtrend channel. The current bearishness appears likely to extend to the current week. A further downside support target resides in the 1.5350 price region, with yet further support for the move down around 1.5200, which represents the 161.8% Fibonacci extension of the bearish price run from the 1.6875 high (11/16/2009) to the 1.5830 low (12/30/2009). Tentative upside resistance for any bullish correction within the context of the current downtrend resides first around the noted 1.5700 support/resistance price region, and then further up around the 1.5850 price region.

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