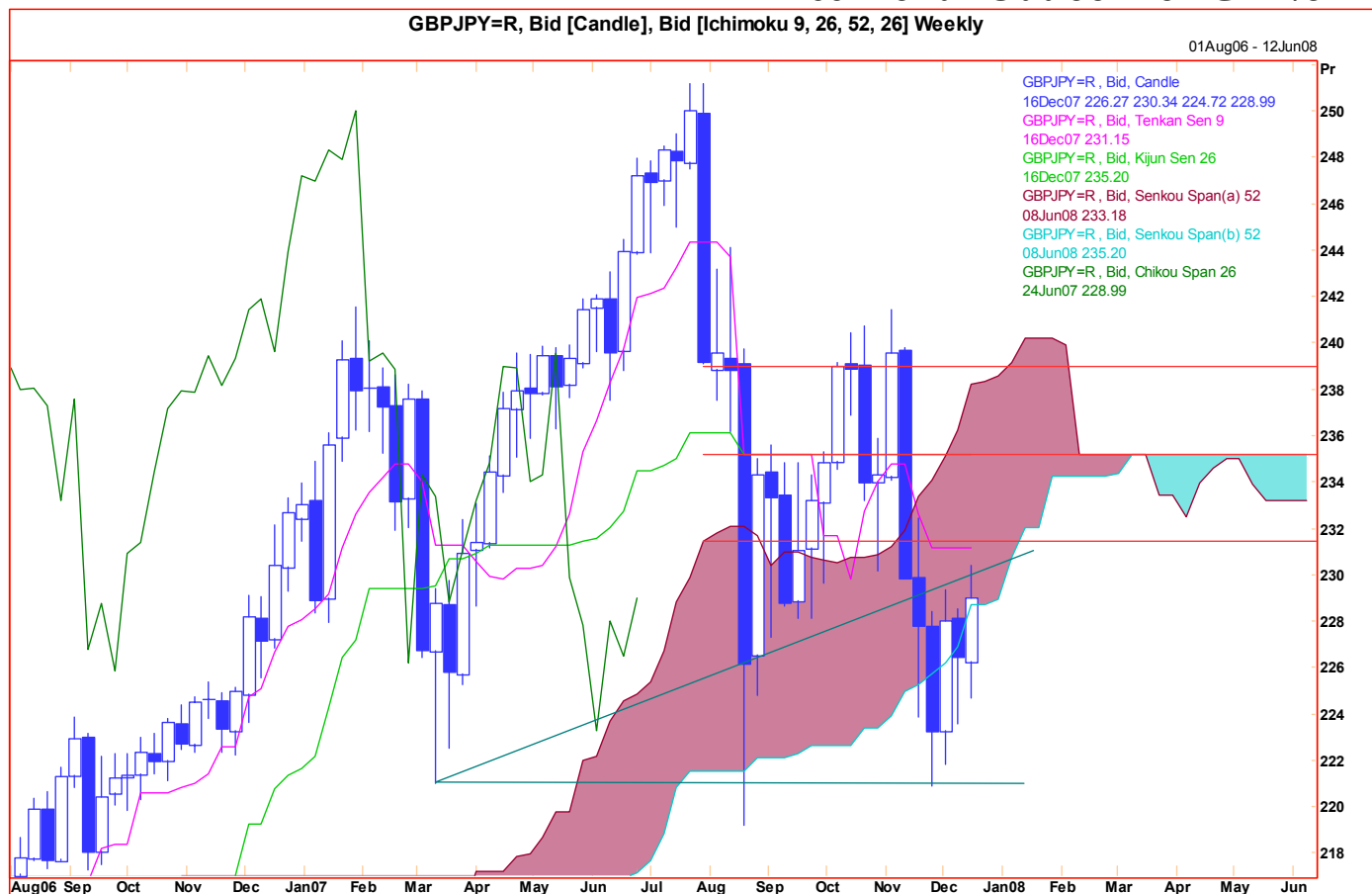


Technical Analysis

14 December 2007 Three month Outlook for GBP/JPY



Comment: Still looking very top heavy in what we see as a potential, massive, 'head-and-shoulders' top. This very big formation, which has taken all year to build, is also at the level of the 1998 high and ends the rally that started in September 2000. If not in December then early next year a monthly close below 227.00, or a weekly one below 220.00, would complete the pattern. We would then allow for an extremely sharp drop over the next three months to the psychological level of 200.00 and probably 190.00.

A weekly close clearly above 240.00 forces us to re-think.

Chart Levels:

Support	Resistance	Direction of Trade
225.00	230.35	
222.50*	235.00*	
221.00**	241.50**	
219.00*	244.00	
217.00	251.00**	

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Charts provided by Reuters.