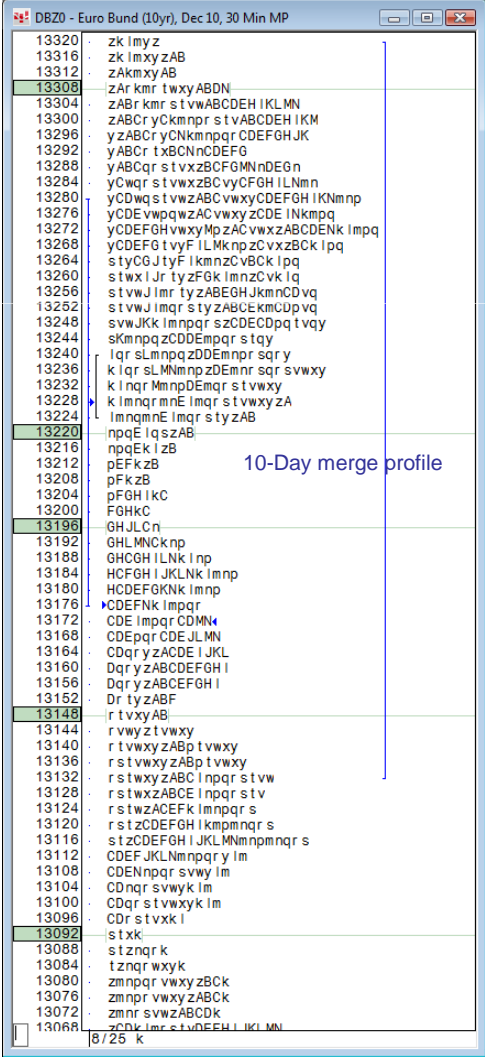




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Support	Resistance
131.47-55 ***	132.65 **
131.13 **	132.51 **
130.85-91 **	132.07 **
130.53 **	131.96 **
130.18-24 **	131.74-82 **

O 130.74 H 131.74 L 130.74 C 131.72 PP 131.40

The Bund staged a sharp bounce yesterday. We saw notably strong risk aversion flows across bonds and currencies. This was largely due to the re-emergence of jitters in Eurozone peripheral bond markets. This was reflected by the sharp sell-off of the Euro currency across the board. The Euro vs. Swiss Franc is often seen as the leading currency indicator to reflect market fears over Eurozone debt concerns. That pair made fresh lifetime lows yesterday. The Portuguese bond spread vs. the German bund made Euro-lifetime highs also. The Bund has retaken the **131.47-55** level which should set the market for an immediate term bullish drive. As long as the market remains above here, it should ease concerns of an immediate term capitulation. If the market can retake the **132.07** level, we would then expect a retest of contract highs at **133.29**.

S ↗  
M ↗  
L →

Market Outlook