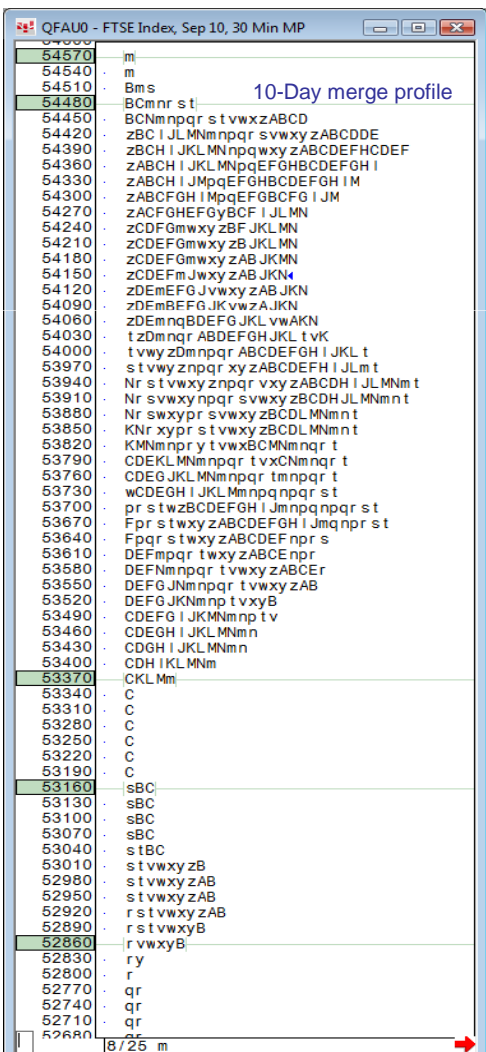


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Wed Sep 08 2010 21:52:00



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Support		Resistance	
5405-08.0	**	5536-38.0	**
5360.0	**	5494.5-00	***
5329-37.0	**	5470.0	**
5293.5-98	***	5459.0	**
5266-69.5	**	5447.0	**

O 5384.5 H 5447.0 L 5360.0 C 5415.0 PP 5407.0

The FTSE rallied after early weakness had seen the market test lows around the **5360.0**. The rally faded just shy of the **5459.0** recent high prints although the FTSE closed up on the day. Part of the rally can be attributed to a sharp pull back in peripheral bond spread widener trades. However, as per the usual pattern of short-term trade since May, bulls will need to force a decent follow through above the **5459.0** level if they are to prevent the market reversing in the immediate term. We feel today's session and early tomorrow may be the crunch time for the market. If the market can take the **5459.0** level a move towards the **5500.0** resistance area should be on the cards. Bears will need the **5329.0-37.0** level to be retaken before we expect to start to see strong downside trade. Even if the bears can hold the resistance area around **5447.0-59.0** for another day we may see longs unnerved, especially if European peripheral spreads resume widening.

S ↘  
M →  
L →

Market Outlook