

- USDCAD little changed, leaning on support in the low 1.31s.
- EURCAD little changed between 100– and 200-day MA signals.
- GBPCAD retests former support at 1.7290, undertone remains bearish.
- CADMXN rebound stalls, slips back towards support.
- AUDCAD firmer, rejects range support at 0.9705.
- CADJPY softer, pressures MA, retracement support.

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USDCAD is little changed but still leaning on support in the low 1.31 area. The USD remains capped in the upper 1.31s on the day but the potential to push significantly lower—through trend and 40-day MA support at 1.3136 and 1.3130 respectively—looks rather limited amid weak intraday and daily trend momentum signals at present. We continue to view broader technical risks for USDCAD as being tilted to the downside, however, following the late June bearish reversal (key weekly reversal signal) from the 1.3385 high (76.4% Fib retracement of the 2017 1.38/1.20 decline). We spot minor support now at 1.3065/70 but we also think a clear push through the low 1.31s should put USDCAD on course for a drop to the 1.28/1.29 region. Resistance is firm at 1.3290 and, firmer still, at 1.3385.

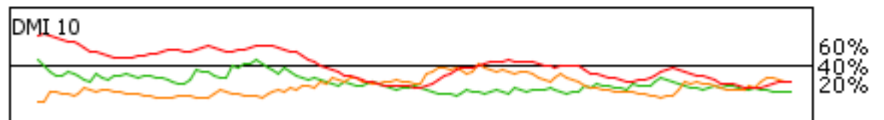


EURCAD is unchanged, with the cross well into a fourth week of narrow range-trading around 1.5375/1.54 area. The EUR continues to get squeezed between the 100– and 200-day MA signals, which might be indicative of building pressure for a decisive range break, but short-term trend signals are flat and the longer run studies are flattening, favoring more range trading. The EUR traded heavily through late Jun (bearish weekly “dark cloud cover” signal) which we expect to lead the cross lower towards the 1.49/1.50 area—eventually. Near-term price action will hinge on either a push above 1.5460 or below 1.5290, the recent range extremes.



GBPCAD is nudging higher to retest the base of the Jul consolidation range (1.7290, now resistance), suggesting that there might be a bit more in this GBP rebound following Friday's squeeze off the low. We remain to be convinced at this stage, however, as resistance is holding and shorter-term (intraday and daily) trend studies are still aligned negatively. This usually means better selling on rallies. We still rather think that the main directional risk for the cross is lower. Recall that late Jun price action here was negative as well (bearish engulfing line on the weekly candle chart). We continue to look for GBP weakness to extend to the 1.7000/50 area but we'll turn neutral if the GBP can close back above 1.7290/00 on the day.

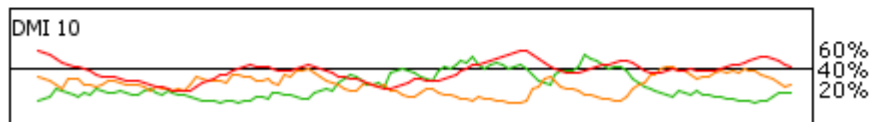
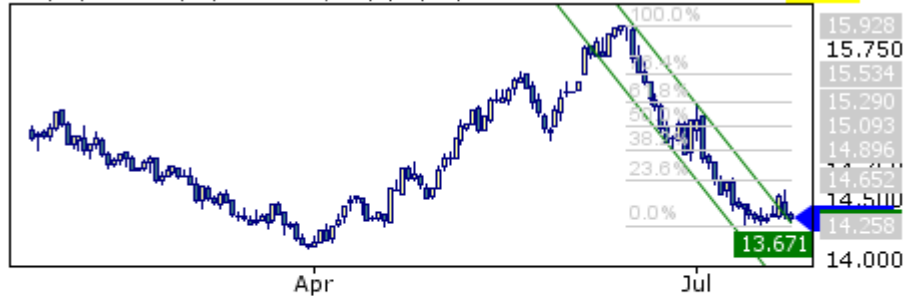
24/01/2018 - 24/07/2018 Daily FX/Spot/TM/GBPCAD 22/22 Hi: 1.8414 Lo: 1.7058 **1.7283**



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CADMXN has fallen back to the lower end of its recent range and is currently consolidating in the mid-14.30s, around multi-year ascending support drawn from the 2017-2018 lows. Bearish momentum indicators have softened from their oversold levels and the DMI's have converged to confirm a shift in the balance of risk. We are neutral-bullish looking to gains through the mid-14.50s toward the first major retracement of the June-July decline around 14.65. Near-term support is expected between current levels and the mid-July low around 14.25.

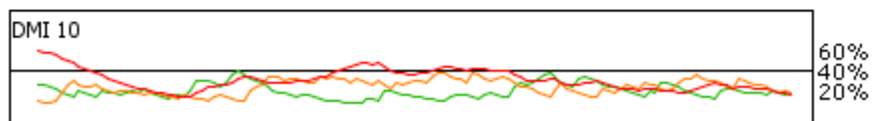
24/01/2018 - 24/07/2018 Daily FX/Spot/TM/CADMXN Hi: 15.954 Lo: 14.088 **14.337**



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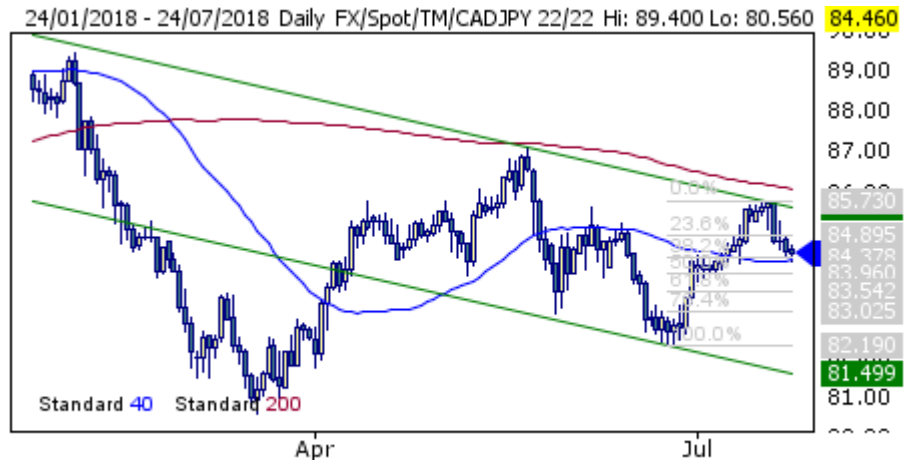
AUDCAD is rising strongly on the day so far, rejecting noted support in the 0.9705 area and perpetuating the broader, sideways range trade here for a little longer. Trend signals are flat, suggesting more range trading is in store. Our base case view remains AUD-negative (we think the cross risks sliding towards 0.9500/50) but the AUD has struggled to break away from the 0.98 area and the broader consolidation range that developed through the spring/summer. Weekly price signals are bearish since late Jun but this market needs to break well below 0.97 or well above 0.98 to lift the risk of a concerted break out.

24/01/2018 - 24/07/2018 Daily FX/Spot/TM/AUDCAD 22/22 Hi: 1.0242 Lo: 0.9556 **0.9762**



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CADJPY is lower but the 40-day MA (84.27) has helped steady losses on the day so far. Note that retracement support (38.2% of the Jun/Jul rally at 84.38) converges approximately with the moving average. We are bearish on the outlook for the cross following the formation of a bearish “harami” candle on the weekly chart last week. This formation suggests the recent rebound in the cross has run its course and is poised to correct. A daily close under 84.25 should see CAD losses extend. We expect the cross to head back towards 81/82.



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