

- USDCAD remains trapped in a range near 1.31.
- EURCAD firmer but trend momentum remains weak.
- GBPCAD rally may be stalling around recent highs.
- CADMXN strengthens, price action looks potentially constructive.
- AUDCAD gains extend strongly, overall risks tilt more positively.
- CADJPY firms to test recent highs, near-term trends turn modestly bullish.

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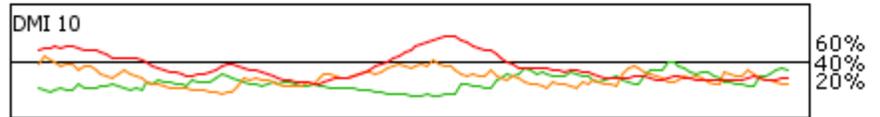
USDCAD is little changed—still. We have noted previously the “sticky” nature of the low 1.31 area, where spot has closed the past three weeks—and could perhaps make it a fourth. The broader pattern of trade here remains more or less unchanged—the USD is trapped between support in the mid/upper 1.30s (we note the 100-day MA at 1.3070 and this week’s lows near 1.3050) and resistance around 1.3175. Trend strength signals are flat across multiple timeframes but consecutive weekly doji candles (and the risk of a third this week) suggest to us that the USD’s Oct rally has perhaps run its course. From a technical point of view, we favour looking for opportunities to fade USD gains.



EURCAD is moderately firmer on the week so far and looks technically a little better supported overall above noted resistance at 1.4980. But here too, short, medium and longer run trend signals are flat-lining, suggesting little real directional momentum in this market. We think short-term gains in the cross may be corrective/consolidative in nature and recall that weekly price signals from two weeks ago were bearish. We think losses resume below short-term support at 1.4920/25.

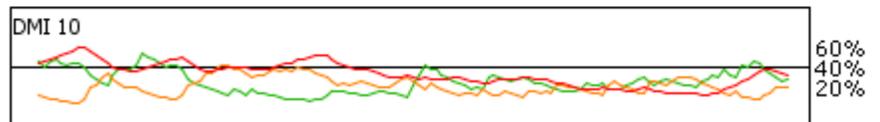


GBPCAD edged above 1.72 yesterday and held those gains through the close but the pound has lot altitude today and, all else remaining equal thought the close, price action looks negative. A low close on day would form the third leg of an “evening star” reversal, with the peak more or less coinciding with the early Oct high. Trend signals are somewhat GBP-positive on the shorter-term studies but longer run (weekly) oscillators are bearish still. We rather view the GBP as being vulnerable to renewed weakness again after the abrupt rally over the past couple of weeks but we would rather see more evidence to confirm a turn lower in short-term trends. We spot intraday support at 1.7150.



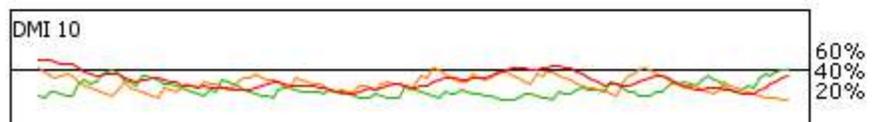
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CADMXN is strengthening again and price action may be forming bull flag after its recent slide from the 76.4% Fibonacci resistance a little above 15.50. Trend strength signals are aligning bullishly again for the CAD on the short, medium and longer-run studies. This alignment suggests that CAD gains through short-term (flag) resistance at 15.21 could trigger renewed CAD gains fairly easily—possibly towards the mid-year highs. Support is 14.90. Resistance is 15.5550/00.



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AUDCAD's recovery has extended over the course of the week so far, with the market now well-established above resistance in the 0.94 area. The AUD has broken the back of the H2 trend decline and longer run price signals suggest a stronger, durable base is now developing. We had looked for one more dip in the cross at least but the reality is that the Nov gains in the AUD so far look constructive from a longer run point of view and a strong, longer run base may now be developing. We have been neutral here in the recent past but feels risks are shifting more clearly to a “buy dips” approach to the cross.



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CADJPY is firmer and testing the upper boundary of the recent range. Gains through the 40-day MA at 86.70 are constructive, with the CAD also testing the Oct highs (86.88). Trend strength is weak on the daily chart, but leaning bullish. Intraday signals are bullish while the weekly oscillator is bearish still. By our recent metric (we wanted to see gains above the 40-day MA), the CAD has done enough to flip prospects to mildly bullish now. A weekly close above 87.00/10 would bolster (still weak) directional conviction.



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