

- USDCAD remains firm but short-term patterns highlight selling interest.
- EURCAD capped under 200-day MA but undertone still positive.
- GBPCAD choppy in broader range trade.
- CADMXN softens to test 50-day MA.
- AUDCAD recovers but outlook still negative after rejection of upper 0.97s.
- CADJPY little changed in tight range, broader outlook remains bearish.

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USDCAD is little changed but perched near last week's high as the USD retains a firm undertone. Short, medium and longer term trend signals are aligned bullishly for the USD but the DMI signals are still in relatively weak positions across all time frames and are not, yet, compellingly bullish in our opinion. Still, we had expected the USD to top out below these levels and we were wrong on that and the USD's sustained push above the previous high around 1.3385 keeps the market's focus on the topside even as intraday patterns suggest relatively good—strong—short-term selling pressure again this morning in the low 1.34s. We spot support at 1.3250/60, major support at 1.3190/00. There is little in terms of resistance above the mid/upper 1.34s until the 1.37/1.38 area.

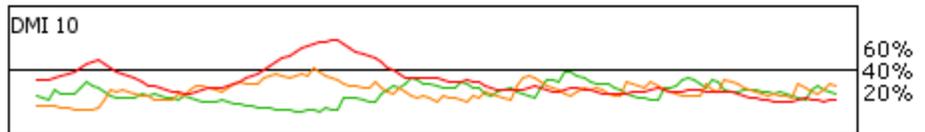
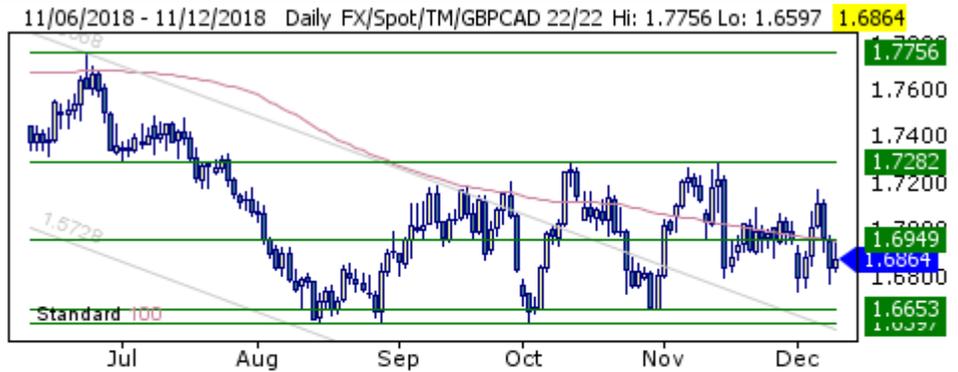


EURCAD is fading badly intraday, suggesting another stall around the 200-day MA and better selling pressure emerging above 1.5250 for a fourth day in a row. The EUR is essentially back where it started the week and trapped in a tight range. Trend signals are tilting positively for the EUR but the DMI oscillators are relatively weak here too. We still rather think that the gains in the cross through the Oct/Nov range highs put the market on course for a return to the 1.56 area but we want to see a bit more progress through 1.5250/00 sooner rather than later. Support is 1.5125/50 now.



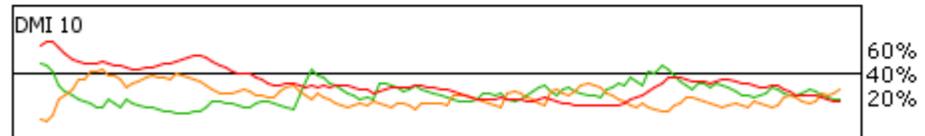
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GBPCAD is a little firmer this morning but unless or until there is a definitive resolution to the broader 1.6650/1.73 range trade, it is hard to come to any strong conclusions about longer run, directional risks. Right here, in the middle of the range and pivoting around the 100-day MA while trend oscillators slide, the cross offers very poor risk/reward for directional bets. We are neutral.



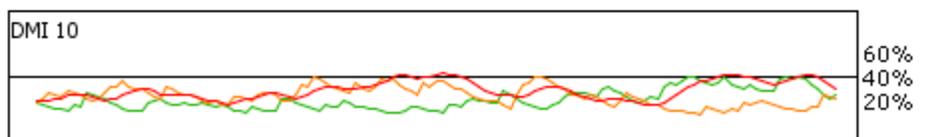
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CADMXXN is extending last week's decline and threatening the 50 day MA (15.09) for the first time since mid-October. Bearish momentum is picking up and the directional indicators are confirming with a bearish alignment. We look to near-term weakness toward 15.00, around the midpoint of the range from June and highlight the potential for a test of 14.80 around levels corresponding to the 100 and 200 day MA's as well as the 38.2% retracement of the June-August decline. Resistance is now expected above 15.25.



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AUDCAD recovered quite well on the day yesterday but gains were not quite sufficient to signal an important low or reversal in the recent slide. The AUD has extended gains above the 20-day MA today but we still rather think the upside is blocked around the longer run 200-week MA resistance (0.9775) that has been influential for the cross in recent months. Recall that weekly price action was bearish last week overall (dark cloud cover signal) and we still think that a broader, bearish top may be developing. Look to fade gains through the low 0.97s.



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CADJPY is consolidating in quiet trade. Heavy net selling overall last week—plus loss of trend and 200-day MA support—suggest more downside risk for the cross overall, despite finding a foothold around 83.65 support. We think there is limited scope for the CAD to rally at this point; we see resistance at 84.90/00 and we still think the main directional risk is for a push back to the 82 area.



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