

- USDCAD consolidation extends as USD bearish pressure moderates.
- EURCAD bounces after striking new, sub-11.46 cycle low.
- GBPCAD steadies but price action remains somewhat indecisive.
- CADMXN dip finds support at the base of the consolidation range.
- AUDCAD rebound stalls, weakness resumes.
- CADJPY trapped in a range as momentum wanes.

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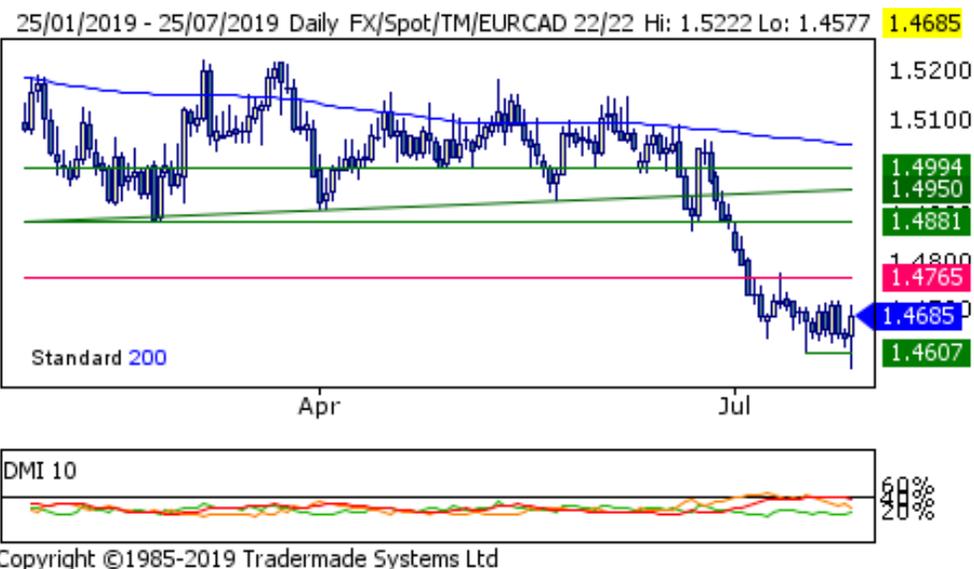
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USDCAD has held in a tight range since the start of the week, with the USD well-supported on weakness to the low 1.31 area while gains are stalling around the 1.3145/50 zone. The USD is trading net higher on the week so far and a second, consecutive weekly gain for funds would support the idea that the USD slide is moderating or reversing somewhat. We think moderation, rather than a full-blown reversal, is the likely outcome. USD gains are moderate and price signals have not—yet—indicated that a major reversal is developing, in our opinion. However, that could mean near-term USD gains extending to the 1.32 zone; we note the 38.2% Fib retracement of the 1.3560/1.30 move lower stands at 1.3227 while the 50% Fib level stands at 1.3291. Key support remains 1.3000/20.



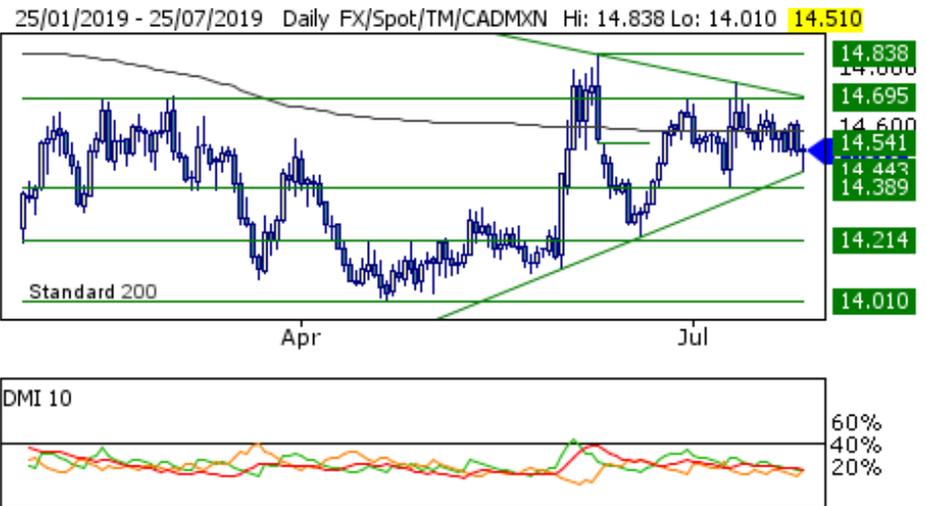
EURCAD is sharply higher on the day though price action is volatile and the EUR did make a new cycle low earlier in the day near 1.4580. The EUR bounce looks impressive—at the moment—but these sorts of days see volatility extend through the close of business and it is hard to draw too many conclusions on the day (or week) at this point. On the face of it, the risk of a squeeze higher might be rising. But we note that even with the extended range trade in place through much of the past month, trend signals remain tilted bearishly for the cross. We spot strong resistance still at 1.4765—gains back through here might be a “game changer” from a short/medium term point of view. We think underlying trend risks are tilted towards declines to the 1.44 area still.



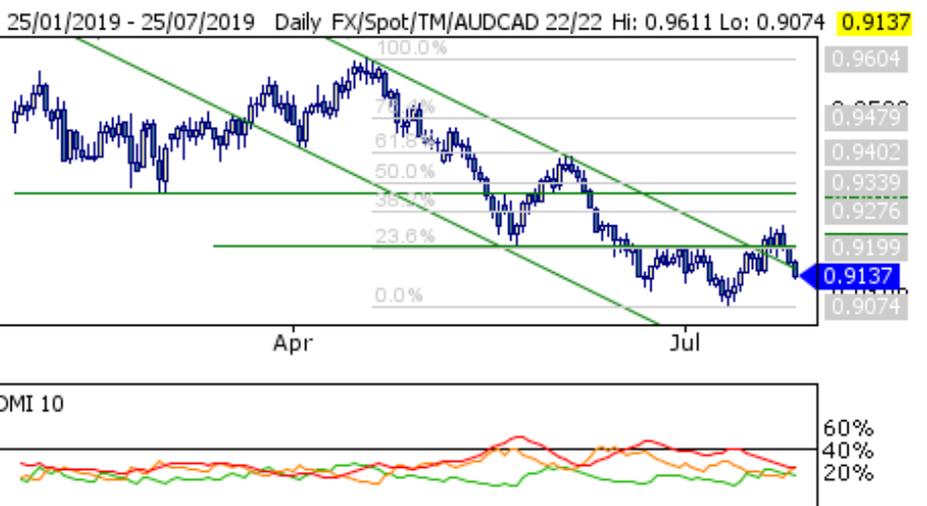
GBPCAD is tracking a slightly higher course but still has not really made enough—sustained—progress to signal much, further upside progress at this point, in our opinion. Price action broadly balanced between a rebound and a consolidation—potential bear flag/wedge in development. Daily trend signals have moderated but remain in bearish territory and the underlying trend lower remains powerful on the medium term oscillator studies. A high/higher close on the week might tilt risks a bit more clearly towards a GBP bounce but we think gains may be limited to the 1.65/1.66 area.



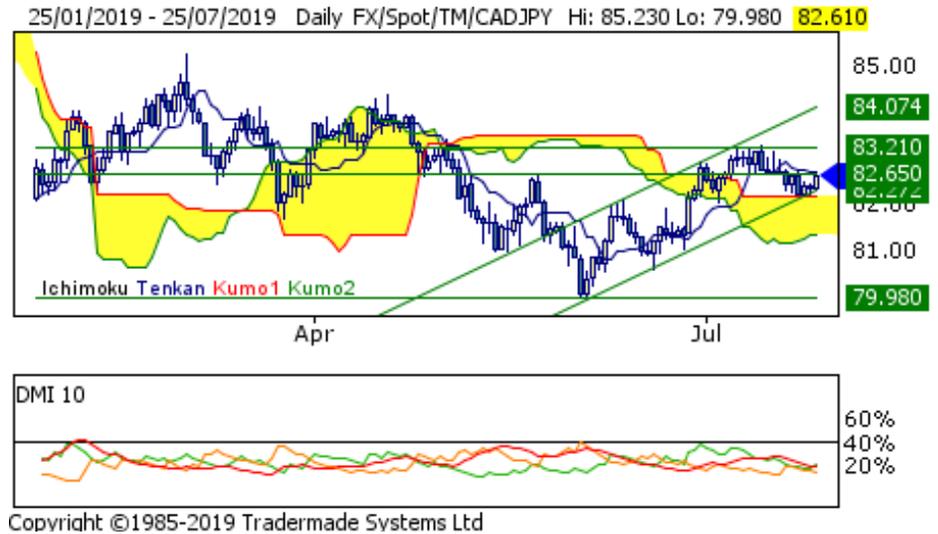
CADMXN is a little softer but is holding the developing consolidation range nicely on the day, with CAD support emerging right on cue new 14.44 and driving a sharp squeeze higher in the cross. CAD weakness rather goes against the broader run of play here, we feel, but the market has done little than chop around the 200-day MA in recent weeks and has seen a generalized decline in trend momentum. Look for more range trading for now.



AUDCAD is weaker. Just as we thought the AUD was poised to correct a little higher, mid-week price action has turned bearish again and the AUD looks set to close out the week back on the technical ropes. The rebound barely extended early this week and two effective failures around 0.9240/50 and the loss of support defined by the low in between those two short-term peaks set the AUD on course for renewed weakness. Loss of support near 0.9200 is a blow for the AUD and a weak close on through Friday will renew focus on the downside a little sooner than we had expected. We think the underlying risk here remains towards medium-term AUD softness.



CADJPY may have based in the low 82 area—albeit a little above where we expected stronger support to emerge (82.10 or so) earlier this week. The cross finds itself between a proverbial rock (daily cloud support) and a hard place (weekly cloud resistance) at the moment, reflecting the choppy and rather non-committal drift in the CAD over the past three weeks. Near-term gains through 82.70/75 might signal renewed strength in the short run to retest the low 83 area but flat trend signals on the intraday and daily studies suggest that rangey trading is likely to persist.



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