USDCAD retains a bearish bias but the trend decline has stalled in the short run at least, with the USD settling into a range between 1.3135 support and resistance at 1.3250. Broader trend parameters are bearish—the USD downtrend is well-defined and well-entrenched on the daily and weekly (DMI) oscillators. Shorter-term oscillators have flattened, however, in line with the range trade that the market has fallen into over the past week. In our last update, we noted that weekly support (200-week MA, now at 1.3171) may hold up the USD and although funds pushed well below the 1.32 level—something we thought would be enough to trigger further losses—the USD continues to pivot around the upper 1.31 area essentially. It may well take that weekly close under 1.3170 to reinvigorate the move lower—and, if so, we think that move needs to happen sooner rather than later. Effectively, the sideways range that has evolved over the last week looks like a consolidation ahead of another push lower (to test 1.30); regaining 1.3250 in a sustained way targets the upper 1.33 zone.

EURCAD looks technically softer below trend channel support at 1.5700 (now resistance). The cross spent most of last week resting on that trend but net losses on the week overall added to the broader, bearish impression of price action after the bearish weekly “evening star” formation that formed through early August. The late April high in the low 1.55 area has held up the EUR decline this week but we think the 55-day MA at 1.5493 currently represents the next major hurdle for the cross on the downside. EURCAD has retraced a little more than a quarter now of the 2020 rally (23.6% Fibonacci retracement support was 1.5579). Pressure on trend support suggest the EUR may push towards 1.5328 (38.2% Fibonacci support now).
GBPCAD trade has turned choppy and somewhat indecisive in the short run. The daily chart shows the GBP moving out of the late Jul/early Aug consolidation range (in bullish fashion) but failing to move higher. Instead, the cross has pressured trend channel support and—a little below—the 200-day MA. The rebound off the 200-day MA looks constructive—potentially bullish, contingent on a high close today. But, with the market mid-way between support at 1.7250 and the recent highs (tested twice) at 1.7450, it is not clear that there is much incentive for investors to get too involved at this point. We think a firm close on the session today could see the pound improve a little more (and deliver the third leg of a bullish “morning star” signal to strongly reject the 200-day MA).

CADMXN continues to range trade as it pivots around the 100-day MA (16.62). Trend signals have turned mixed, suggesting that the range trade environment may extend in the near to medium term as the market tries to determine the next directional move. Support remains 16.35 while resistance is 17.

AUDCAD has edged off the late July high but losses have been relatively limited. While the AUD has slipped below the 40-day MA, support, defined by the June highs at 0.9440, have held losses for the moment. Unlike last week’s test of the 0.9440 support zone, however, the AUD has not rebounded all that strongly and the broader drift lower looks set to extend a little further. We see key resistance now at 0.9510/20—where the 40-day MA converges with the minor trend channel (possible bull flag signal) resistance. We think the broader trend higher can still extend but a push through the low 0.95 zone is clearly needed to spark more AUD demand.
CADJPY has held above key support around the 80 level (Jun/Jul range high and the 200-day MA at 79.91) over the past week. While movement has been limited from a directional point of view, the hold above the 80 area keeps the bullish range break out alive and suggests the CAD can stretch gains towards the early June peak near 81.85. Trend signals are bullish on the daily and weekly DMI oscillators and are turning more constructive on the intraday studies. This supports prospects for the CAD to strengthen.