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- USDCAD finds a short-term base at least in the low 1.39 area.
- EURCAD remains elevated but short-term price action is neutral.
- GBPCAD trades back towards the upper end of its trading range.
- CADMXN corrective dip proves very shallow; the underlying trend remains up.
- AUDCAD rebound extends through mid-0.86 resistance zone.
- CADJPY rebound fails around 78.40 resistance, outlook turns bearish.

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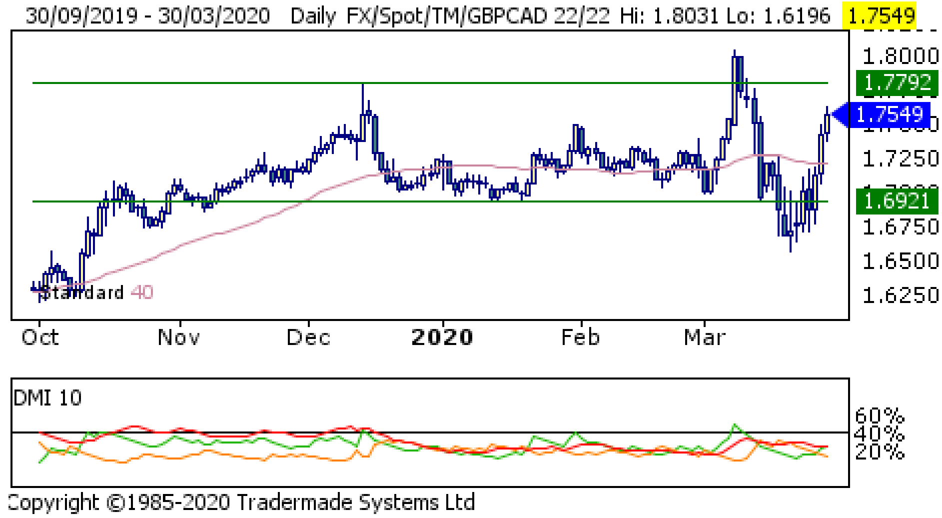
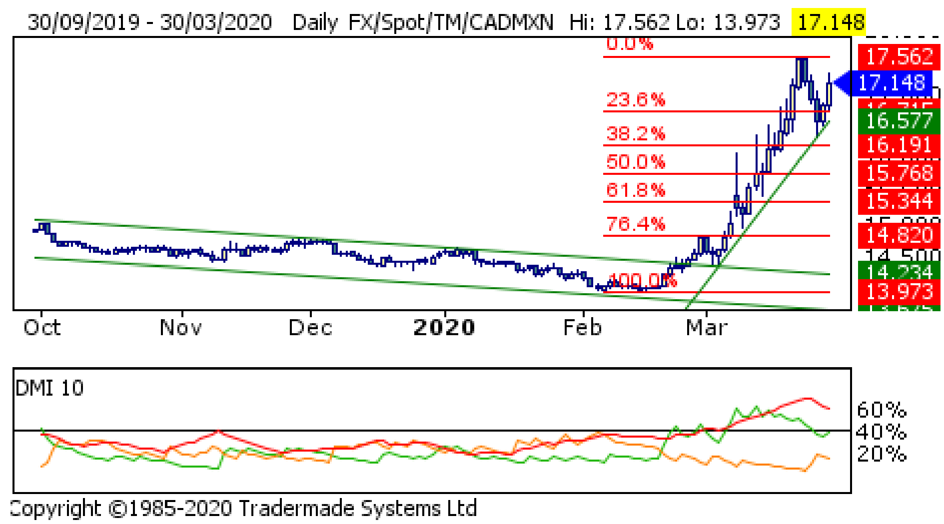
USDCAD weakness extended Friday to test the 50% retracement support of the Feb/Mar rally (at 1.3935). The stalled sell off and rebound in the USD today suggests that, with the 50% Fib holding, the USD is turning higher again. That seems the most likely course of events at this point, but we are not persuaded that the USD is poised to extend significantly. We think a high degree of caution is warranted regarding technical signals in the current environment but the import of longer-term price action last week—in which the USD formed an inside range week (and a weekly "harami" candle signal)—is that the slide in the big dollar has stalled at least. Shorter-term trend momentum signals have turned neutral or even USD-negative and while the longer run DMI signal suggests some residual bull momentum, we think the USD will struggle to extend through the 1.44/1.45 zone from here. Intraday, we note emerging US resistance around 1.4190/00 and 1.4275/00.

EURCAD remains in a holding pattern near the early March high. Daily (key reversal on Mar 19th) and weekly (bearish "shooting star" candle from the Mar 16th week) signals strongly suggest the EUR rally has peaked. However, the EUR retains a lot of underlying upward momentum. We note that the squeeze higher in the cross through the past month or so has taken it back to near the range highs seen since 2016 and the cross looks "rich" in that context. Given the neutral look to short term price action, we think looking to fade EUR gains towards the 1.58/1.60 region or going with (that is, shorting) a break under support now at 1.5130 is the appropriate strategy for this market from here.

GBPCAD price signals are mixed and it may take more time yet to get real clarity on the broader direction of the cross. The situation is little changed from last week—the GBP remains range bound between the recent range extremes. The pound's rebound from the 1.69 zone looks a little more compelling, however, as it maintains strength into month end and trend momentum signals on the shorter-term studies start to dovetail again with the still bullishly-oriented longer term trend strength (DMI) oscillators. We think the 1.78/1.80 zone remains major, long-term resistance for the GBP and there is significant, long term resistance above here at 1.84 (early 2018 high and potential 1.58 double bottom trigger). A clear move through 1.80 would suggest the GBP is gathering momentum for a test of that trigger.



CADMXN corrective losses may already be complete, with the CAD rallying again after briefly passing below the minimum or initial Fibonacci retracement support point at 16.7150 (23.6%). We had expected a deeper pullback (to the low 16s, if not the upper 15s) but the challenge here is that the underlying trend higher in the CAD/lower in the MXN remains very strong. Short, medium- and longer-term trend strength signals are bullishly aligned which will keep the CAD supported. New highs for the cross may be coming shortly.



AUDCAD is grinding a little higher still after forming a major low and reversal—we believe—against longer term trend resistance/support on the weekly chart near 0.8070. AUD gains through the mid 0.86 area confers a little more strength on the outlook for the AUD. We spot resistance at 0.90 and major resistance at 0.9150. Trend momentum remains negative on the longer-term studies so we expect gains to be a grind, rather than impulsive. We expect support on weakness now at 0.8500/10.

CADJPY failed to extend gains through the 78.40 key resistance zone we noted may be a bullish trigger in our last update. Now, the cross looks heavy again, with the emphatic failure on the topside of the range (via a bearish “evening star” reversal pattern on the daily chart) implying greater risk of a return to retest the range base near 74 now. Trend momentum is tilting more bearish for the CAD again on the shorter-term oscillator studies look to fade near-term CAD gains for a push back towards 74.