- **EURUSD** firm but blocked around 1.19 as gains stall.
- **USDJPY** retains a weak technical undertone, losses to extend below 103.20.
- **GBPUSD** bull trend extends to test channel ceiling around 1.33.
- **USDMXN** consolidates above 20 but USD remains prone to weakness.
- **NZDUSD** rally extends again as bull trend gets back on track.
- **USDCLP** correction capped at key resistance, poised to pressure support.
- **USDPEN** reverses from 3.66 bearishly.

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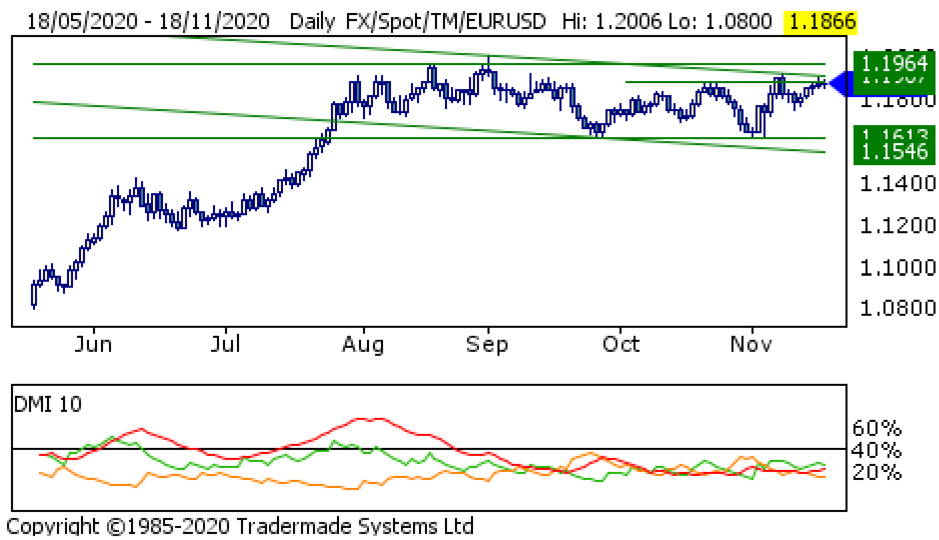
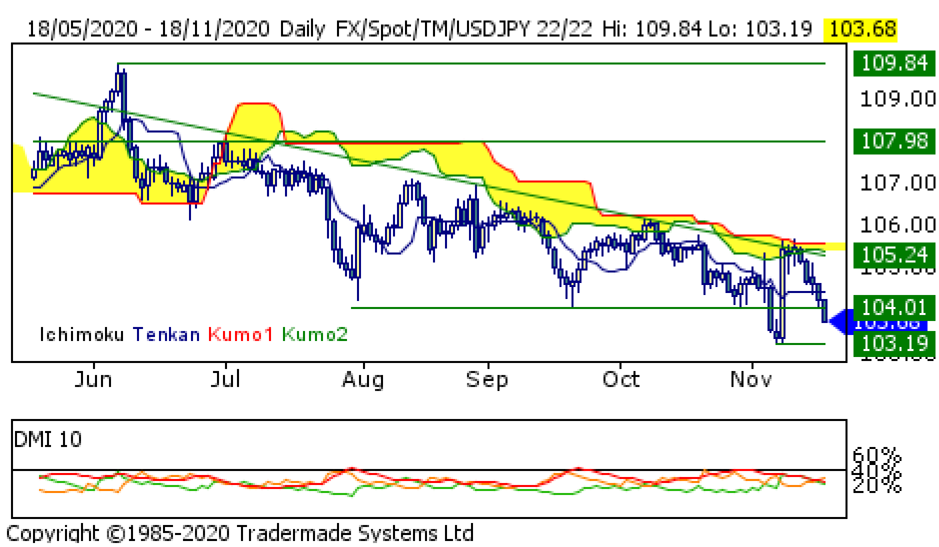
EURUSD retains a firm undertone but, as we expected, the ceiling on this market remains fairly firm above 1.19 at the moment. Short-term price action shows signs of the move up over the past 4-5 days stalling out but there is no signal as yet that the EUR is poised to soften materially. Conflicting signals remain evident; on the one hand, the range top in place since August and trend resistance off the early September high remain formidable resistance points against a further EUR advance. On the other, the rally in spot over the past few weeks and months retains considerable bullish momentum across a range of time frames. The fact that the market has not been able to advance in spite of the bullish orientation of these trend oscillators has to serve as a warning that there is a risk of some sort of correction in this market in the near future. A daily close today below 1.1865 may see spot ease back to the low 1.18s. Support is 1.1745 and 1.1610/15.



USDJPY retains a weak technical undertone as minor rallies through the upper 105s draw out better USD selling pressure, as anticipated. It is notable still that the USD remains below "cloud" chart resistance, alongside the "confirming" Tenkan span (moving average), across the daily, weekly and monthly ichimoku charts. Longer term trend signals are aligned bearishly for the USD and shorter term signals are turning more negative, with the USD below the 104 level. We remain medium term USD bears and continue to expect USD rebounds to stall above 105 (where daily trend resistance and "cloud" chart resistance converge). A break below the early November low—103.20—targets a further decline to 101.50/60.



GBPUSD's bull run remains intact; the pound has not extended significantly above the ceiling of the channel that developed through late September but the technical underpinnings of this market look fairly solid—a succession of higher highs and higher lows, a bullish alignment of DMI oscillators across the short, medium and longer term studies and a sustained, positive divergence in the MA signals. In addition, there is little obvious resistance above the market until the 1.35 area—which looks within reach if the trend picks up a little more speed. Near term trends do not look overly extended at this point and we expect minor dips to remain well supported. Weakness below short term support at 1.3220 currently would be a setback, however, risking a sharpish drop back in cable to the mid-1.29s potentially.

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USDMXN is consolidating just above the 20 level. The USD looks soft here too but the market may have lost some momentum in the short run after last week's snap higher from the figure area. The USD remains in a bear trend, defined by the procession of lower lows and lower highs since mid-year. But this is not an especially "well organized" decline; under the hood, short term oscillator signals are USD-bearish but not especially strong while longer term signals are weak and provide no obvious backing to the intraday/daily DMIs. That leaves the USD prone to snap moves higher, we think. A weekly close under 20.23 (76.4% Fibonacci retracement support from the 2020 rally in the USD) should provide more impetus for a push down to 19.675 (200-week MA) and perhaps retest the early 2020 low in the mid 18s.

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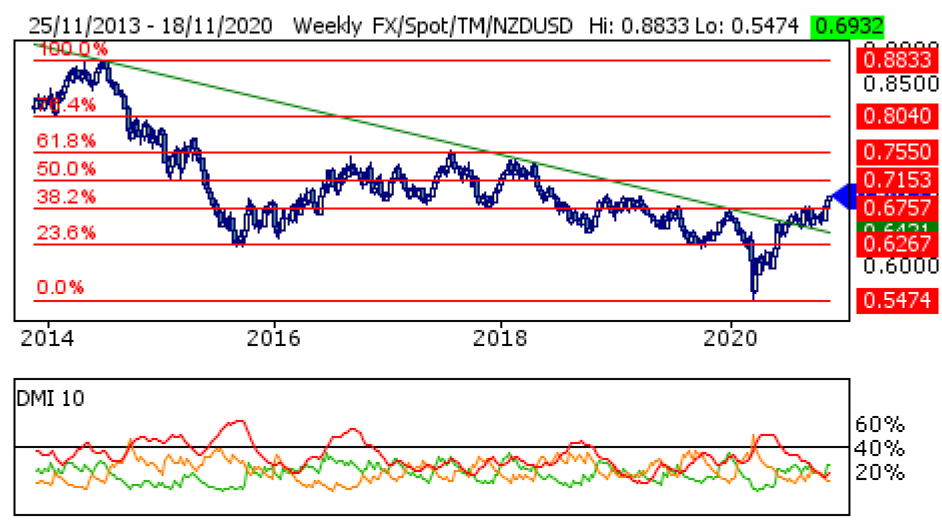
NZDUSD is one of our favourite technical stories at the moment. The Kiwi rally has been dogged and persistent since the mid-year break above 6-year bear trend resistance, despite the occasional setback. New cycle highs today extend the rally nicely and keep the broader bull tone intact on the charts. Short, medium and longer term trend oscillators remain aligned constructively for the Kiwi and while the daily oscillator is looking a little stretched again, we expect corrective losses to remain limited. We set the mid 0.71 zone (50% retracement of the 2014/20 drop from 0.88 to 0.55) as our long run technical target in June, following the trend line break and we think that remains a reasonable objective. Short-term support is 0.6900/10. Key support is 0.6800/50.



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USDCLP has consolidated over the past week as support around the 750 area held, following the USD's break under major trend support (now resistance) at 771. USD gains effectively retested this point earlier this week and price signals suggest—via a bearish "evening star" candle formation on the daily chart—that the trend has rejected the USD's rebound. We look for the 750 area to hold in the short run but note that trend strength oscillator signals are aligning bearishly for the USD on the daily and weekly DMI studies which suggests this support area is vulnerable. Key support remains 732.5, the late 2019 low. We think a clear move below 730 would target medium term losses to the 700 area and below.

USDPEN is reversing bearishly after Monday's surge to 3.66. Loss of support below last week's low at 3.5705, which effectively coincides with the short term bull trend support, should see USD losses extend towards the series of lows made in September around 3.52. A low close on the week for the USD (at or below current levels at least) should confirm the outlook for a further pick up in the PEN. Note that 3.5045 equates to the 50% retracement of the rally from the April low around 3.34.