

- USDCAD retests low 1.31s but momentum looks weak, range trade may persist.
- EURCAD trades firmer in range to retest 55-day MA.
- GBPCAD consolidation extends but looks capped near 1.7135.
- CADMXN's 16/17 range trade holds.
- AUDCAD reaches first downside target, more losses in store towards 0.91.
- CADJPY firmer in range, signals remain mixed.

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USDCAD is pivoting around the 1.32 area—or the 40-day MA—in what had been quiet and generally directionless trade. That was until the sharp USD slide over the course of this morning to test the base of the broader consolidation in price action that followed the September USD rebound. Short/medium term DMI oscillators all flat and neutral, however, suggesting the USD has its work cut out to break from its range. Rather, this augurs for some choppy range trading—a continuation of the past few days of movement, in other words. We spot support in the low 1.31 area and, key, long-term support at 1.2995/00. Resistance is 1.3200/05, 1.3245/50 and 1.3350. We may need to see a clear move either side of 1.30 or 1.3350 to develop a more significant (i.e. 200-300bps) move in the USD. Technical risks are perhaps skewed slightly towards a higher USD from here but that is not an especially high conviction view at this point.

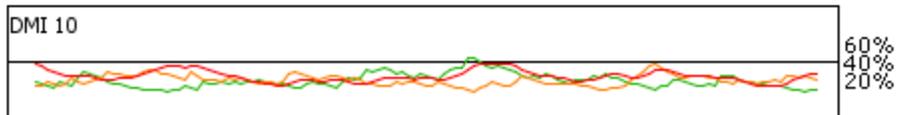


EURCAD has rebounded from the test of key support near 1.54 over the past week to retest the 55-day MA (1.5591). Short-term trend strength signals are developing constructively for the EUR, although intraday gains are showing signs of stalling/reversing against the 1.56 zone today (and we frequently stress that short-term signals around longer-term technical points have to be respected). We are not persuaded that the EUR has significant rally potential in it at this point, although the rebound from the 1.54 zone likely saved the cross from developing a more bearish profile in the next few weeks. More, neutral range trading seems most likely at this stage. A move above potential channel resistance at 1.5670 might confer a bit more strength on the EUR but the cross really needs to crack on above 1.5740 to extend. Support remains 1.5400/30.



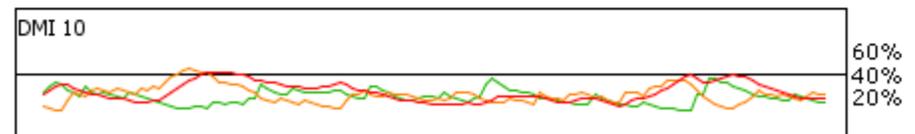
GBPCAD is holding the consolidation range

established through Sep/Oct. Trend resistance off the September high and bearish-leaning, short-term DMI oscillators suggest some downside risk for the GBP from current levels, as does the GBP's slide below the mid-point of the broader range (and the 200-day MA) since the start of the month. We note, however, the strong GBP rebound (outside range reversal) from the 1.69 zone last week which leaves this point as the key level for the GBP to hold if it is to avoid a retest of the mid-1.67 range base. We are inclined to look for a little more GBP softness from here while 1.7135 resistance holds.



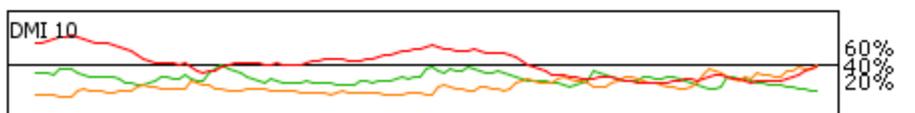
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CADMXN is little changed within its established trading range (roughly between 16.00/17.00) that has prevailed since June. Price action retains a soft undertone but trend signals are mixed and we are not persuaded that the range trade is poised to break down at this point. We spot minor resistance at 16.3150. Key support is 15.82 below the 16 area.



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AUDCAD's range break is developing more or less as expected. We have noted bearish price developments here recently, such as an unequivocally AUD-bearish monthly "evening star" reversal which signaled a peak and reversal in the AUD's sharp ascent since the March low at 0.8094. AUD softness below the Q3 range base has reached our initial bear target (0.9318—23.6% Fibonacci retracement of the 0.81/0.97 rise). We look for a drop in the AUD to extend to the 0.9100/50 range (38.2% Fibonacci support just below 0.91 and range breakdown target at 0.9150). Resistance is 0.94. Look to fade AUD gains.



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CADJPY has extended gains above the 200-day MA (now support at 79.35) toward minor trend resistance at 80.65 but the broader, sideways range remains intact and weak trend signals rather suggest that the CAD will struggle to extend significantly at this point. However, absent any other, more decisive signals—looking across the daily, weekly and monthly charts—we think modest CAD gains may extend a little more in the short run to probe the high 80s/low 81s possibly before the CAD gains stall and perhaps reverse.



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