

- USDCAD tests 1.34 zone, may settle into range.
- EURCAD trades in neutral fashion around 55-day MA.
- GBPCAD trades near the mid-point of broader range; outlook neutral.
- CADMXN gains stall near 17 resistance zone.
- AUDCAD shows signs of rolling over after significant rally.
- CADJPY probes 78 zone, may be poised to ease further.

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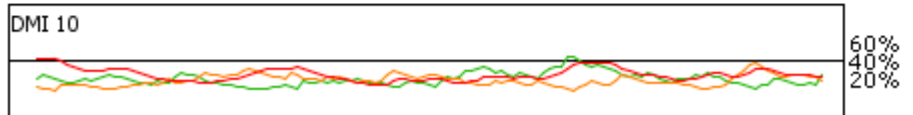
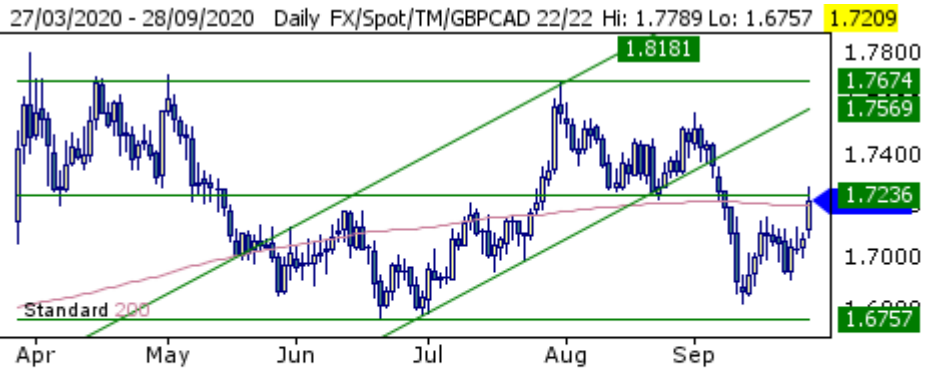
USDCAD's recovery has developed steadily over the past couple of weeks but the USD rebound now appears to be stalling—near trend channel and retracement resistance. Short-term charts show the USD testing, and failing against, the 1.3420 level twice over the past few trading sessions, setting up a (potential) double top on the intraday chart. The intervening low at 1.3325 represents the trigger for a roughly 95 bps downward move on a break lower. Note there is some developing congestion for the USD around the low 1.32 point which will also serve to slow USD losses. Longer run charts remain USD positive but the USD is also starting to develop a mild overbought condition which may inhibit further or more significant gains for now. We may be starting to develop a roughly 1.32-1.34 trading range.



EURCAD is trading in neutral fashion. We had thought that the EUR's gains through early September might be the start of a renewed upward phase of movement but the break out of the downward sloping channel (the "handle" of a broader, bullish "cup & handle" formation) has failed to flourish. Instead, the cross has pivoted around the 55-day MA that has acted as a magnet for neutral price action (see mid-year) previously. Intraday and daily trend strength signals have slipped into neutral. We expect more range trading in the short run. Support is 1.5450. Resistance is 1.5650. We note very strong, long term resistance at 1.60/1.61 still.

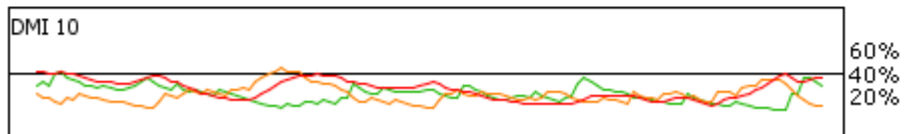


GBPCAD is effectively back to mid-range in rather neutral trading. The latter part of September has been more positive for the GBP but the cross still seems likely to close out the month with a net loss. Shorter-term trend signals are neutral and the GBP's initial test of the 200-day MA/mid-range resistance in the low/mid 1.72 zone looks to have stalled. With the daily DMI flat and the GBP mid-way between 1.7675 resistance and 1.6750 support, there is little incentive for markets to push the GBP strongly one way or the other at this point. We look for more, neutral range trading here.



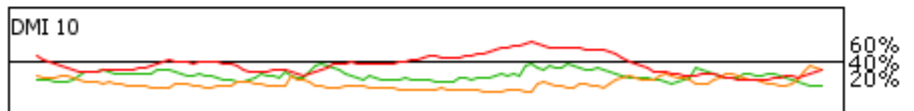
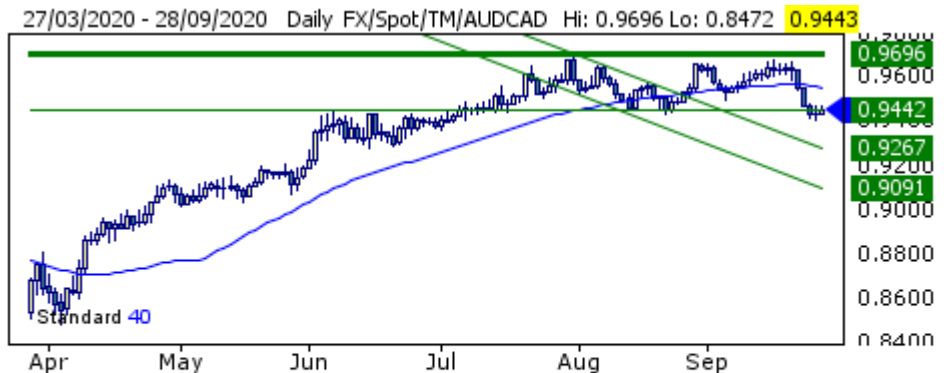
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CADMXN's late September rebound has left the CAD testing the top of the recent trading range—and firm resistance—near 17.00. Short-term price signals suggest the CAD has peaked and is reversing—and we note often enough that we pay close attention to short-term signals around longer-term technical points—such as this. Even the daily candle chart looks a little toppish (“shooting star” candle from late last week). Although the CAD is holding the 100-day MA, risks appear to be tilting towards a retest of support in the low 16s.



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AUDCAD is showing further signs of rolling over after the AUD's sustained out-performance from the March low. The AUD has failed to make any real impression on levels above 0.97 and its probing of the August lows tilts the near-to-medium term outlook towards more corrective softness. We note that weekly/monthly price action looks AUD-bearish (monthly reversal likely through the close of September) which suggests building corrective pressure after the rally from 0.81. We think downside risks might extend towards the 0.91/0.92 zone but would prefer to see the AUD push a bit more decisively below the 0.9440 area to bolster the bearish case.



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CADJPY started the September month off in negative fashion and the bearish weekly price action we noted a few weeks ago has effectively delivered the anticipated test of the 78 area. Note that the intraday and daily DMI signals suggest a strong downtrend is underway; weekly trend strength signals are poised to flip bearishly as well. After some minor, short term consolidation, we think risk are tilting towards more CAD softness, with a clear break under the 78/upper 77 zone paving the way for a retest of 75.



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