

**Analyst Team**

**Shaun Osborne**  
Chief FX Strategist  
416.945.4538  
[shaun.osborne@scotiabank.com](mailto:shaun.osborne@scotiabank.com)

**Juan Manuel Herrera**  
FX Strategist  
416.866.6781  
[juanmanuel.herrera@scotiabank.com](mailto:juanmanuel.herrera@scotiabank.com)

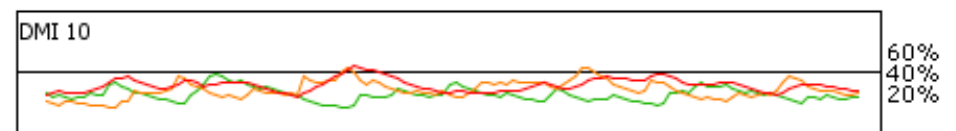
FOLLOW US ON TWITTER  
[@SCOTIABANKFX](https://twitter.com/SCOTIABANKFX)

**Overview**

- EURUSD holds broad trading range above 1.0350.
- USDJPY gains resume but gains are starting to look stretched.
- GBPUSD capped by trend, MA resistance near 1.24.
- USDMXN rebound from major trend support test settles into range.
- EURCHF drop below 1.0223 support risks extending to the low 0.99 area.
- USDCLP rally looks overextended but shows no sign of relenting.

**EURUSD**

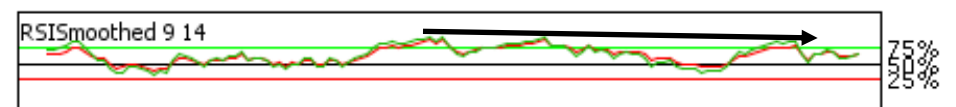
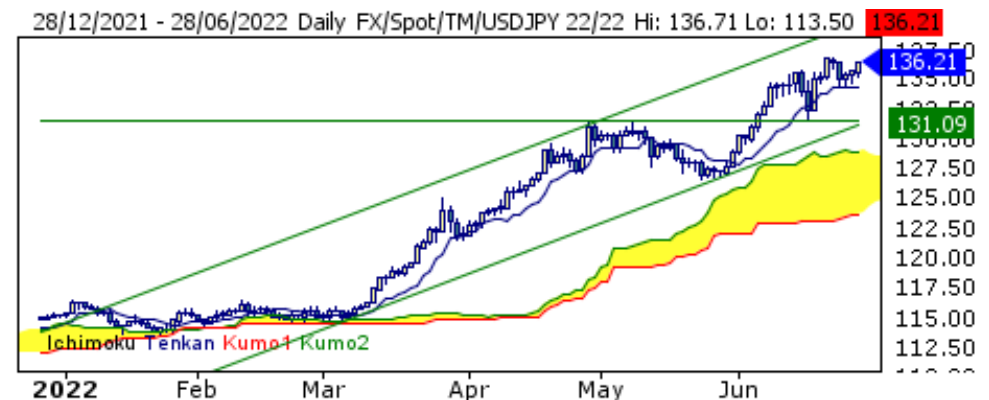
**EURUSD** has settled into a well-defined trading range bound by the mid-1.03 area and the late May/early June highs (note retracement resistance at 1.0789). More recently, the EUR's latest recovery from the mid-1.03 zone has been curbed by the 40-day MA near 1.06 and price action over the past week could spell some trouble for the EUR (rising wedge-like pattern) unless spot can move on to new, short-term cycle highs quickly. Weakness below 1.0450/60 would signal renewed pressure on the mid 1.03 zone for the EUR. Fortunately—for the EUR—short-term (intraday and daily) trend signals are neutral at the moment, which tends to suggest choppy range trading will persist a little longer and longer term (weekly) price signals imply solid support for the EUR on dips. Technical signals only turn more clearly EUR-supportive above 1.0790 at present, however.



Copyright ©1985-2022 Tradermade Systems Ltd

**USDJPY**

**USDJPY**'s rally stumbled briefly last week, marking out a weekly 'spinning top' candle which typically denotes some indecision creeping into pricing. But USD gains have resumed—so far—this week and the underlying trend in the USD remains powerfully bullish, with DMI oscillators aligned in favour of the USD across the short, medium and long term DMI readings. Price signals give little hint that the USD rally is in any danger but we would highlight the fact that the daily RSI is not "confirming" the USD's latest gains and is starting to show a clear divergence with the steady rise in spot. This a classic warning sign that a market move is very stretched. We think it is wise to monitor price action carefully in the near term for signs that the USD rally is facing some corrective pressure at least. Key support remains distant at 131.10. Resistance is 140 and 147.



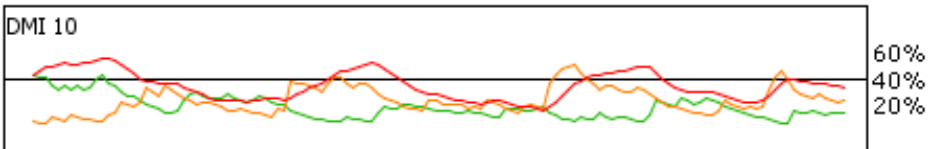
Copyright ©1985-2022 Tradermade Systems Ltd

**GBPUSD**

28/12/2021 - 28/06/2022 Daily FX/Spot/TM/GBPUSD 22/22 Hi: 1.3748 Lo: 1.1938 1.2209



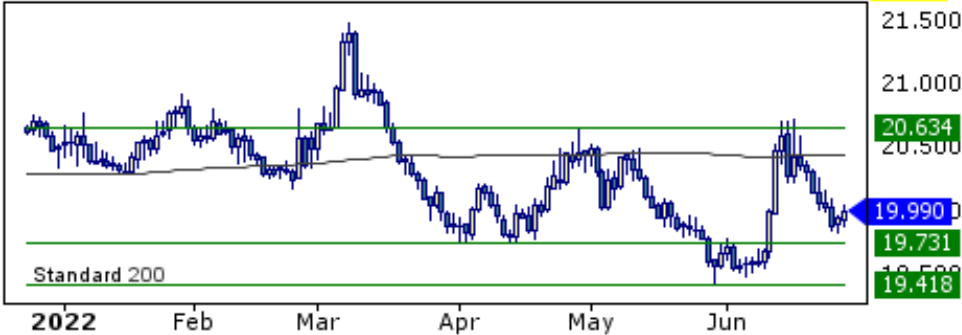
**GBPUSD** retains a soft undertone. Spot failed to make any real headway through May or June and the downtrend persists (trend resistance at 1.2394), reinforced by the 40- and 21-day MAs. Sequentially lower lows and lower highs plus the bearish DMI readings on the daily and weekly DMI oscillators emphasize the broader downtrend here. Cable has found support around the mid/upper 1.21 area over the past week or so, however, and we note again that the weekly chart does reflect clear, technical signs of a longer run low/reversal forming earlier this month (bullish “hammer”). Still, the pound has its work cut out to rally through obvious MA and trend resistance just below 1.24



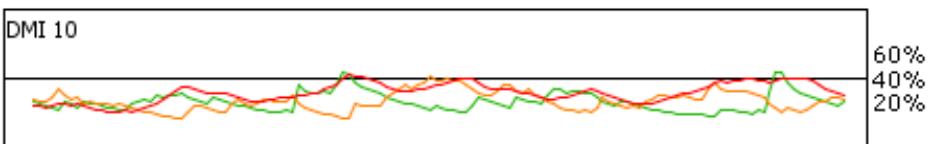
Copyright ©1985-2022 Trademade Systems Ltd

**USDMXN**

24/12/2021 - 28/06/2022 Daily FX/Spot/TM/USDMXN 22/22 Hi: 21.464 Lo: 19.418 19.990



**USDMXN's** failure to extend losses below support in the 19.40/50 area through early June has prompted the USD to move back into a range. Trading looks neutral from a directional point of view at this stage. Solid USD (multi-year trend) support below the market at 19.50 now has been rejected but not forcefully, from our point of view. And, with USD gains struggling to better the 200-day MA (20.4250) and near the April peak through mid-June, downside risks have not been entirely erased, from our point of view. We are neutral here for now and look for more, wide range trading between 19.50/20.65.



Copyright ©1985-2022 Trademade Systems Ltd

**EURCHF**

28/12/2021 - 28/06/2022 Daily FX/Spot/TM/EURCHF Hi: 1.0610 Lo: 0.9975 1.0068

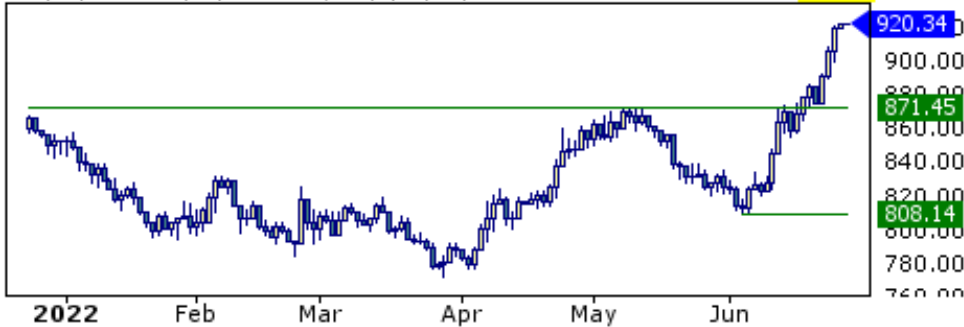


**EURCHF** failed to progress through the low 1.05 area, as we had expected in our last update and instead firmly rejected the early May peak. The subsequent loss of support at 1.0223 signals a double top in play for the cross and that implies a little less than 300bps of potential losses from 1.0223 now over the course of the next 2-4 weeks (i.e., measured move risk to around 0.9930, or new cycle lows since the 2015 meltdown in the cross). The neckline trigger for the double top at 1.0223 now figures as key resistance. All else equal, a retest of this point is a selling opportunity from a technical perspective.

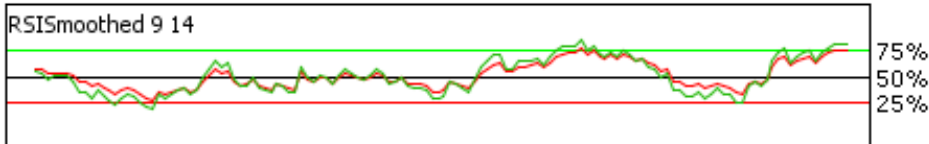
Copyright ©1985-2022 Trademade Systems Ltd

**USDCLP**

24/12/2021 - 28/06/2022 Daily FX/Spot/TM/USDCLP Hi: 921.25 Lo: 771.99 920.34



**USDCLP's** extension through major highs from 2020/21/22 in the 870/80 zone is showing no sign of relenting at this point. The USD looks overbought on the daily RSI but there are no clear signs from daily price action that the USD rally is poised to reverse at this point. The underlying trend higher retains strong momentum on the longer-term oscillators, which suggests that losses are liable to remain shallow and short-lived (and will likely base around 880/90). Gains may extend to the 950/60 range, based on extended channel lines stemming from the long-term rally in the USD.



Copyright ©1985-2022 Trademade Systems Ltd

**IMPORTANT NOTICE and DISCLAIMER:**

This report is prepared by Scotiabank as a resource for clients of Scotiabank for information and discussion purposes only. This report should be considered a marketing communication and has not been prepared by a member of the research department of Scotiabank, it is solely for the use of sophisticated institutional investors, and this report does not constitute investment advice or any personal recommendation to invest in a financial instrument or "investment research" as defined by the UK Prudential Regulation Authority or UK Financial Conduct Authority. This document has not been prepared in accordance with EU legal requirements designed to promote the independence of investment research and the information contained in this publication is not subject to any prohibition in the EU on dealing ahead of the dissemination of investment research. Opinions, estimates and projections contained herein are our own as of the date hereof and are subject to change without notice. The information and opinions contained herein have been compiled or arrived at from publicly available sources believed reliable but no representation or warranty, express or implied, is made as to their accuracy or completeness and neither the information nor the forecast shall be taken as a representation for which Scotiabank or any of its employees incur any responsibility. Neither Scotiabank nor its representatives accept any liability whatsoever for any loss arising from any use of this report or its contents. This report is not, and is not constructed as, an offer to sell or solicitation of any offer to buy any financial instruments and has no regard to the specific investment objectives, financial situation or particular needs of any recipient. It is not intended to provide legal, tax, accounting or other advice. Scotiabank and/or its respective officers, directors or employees may from time to time take positions in the products mentioned herein as principal or agent. Directors, officers or employees of Scotiabank may serve as directors of corporations referred to herein. Scotiabank may have acted as financial advisor and/or underwriter for certain of the corporations mentioned herein and may have received and may receive remuneration for same. This report may include forward-looking statements about the objectives and strategies of Scotiabank. Such forward-looking statements are inherently subject to uncertainties beyond the control of Scotiabank including but not limited to economic and financial conditions globally, regulatory development in Canada and elsewhere, technological developments and competition. The reader is cautioned that the member's actual performance could differ materially from such forward-looking statements. Past performance or simulated past performance is not a reliable indicator of future results. Forecasts are not a reliable indicator of future performance. You should note that the manner in which you implement any of strategies set out in this report may expose you to significant risk and you should carefully consider your ability to bear such risks through consultation with your legal, accounting and other advisors. Information in this report regarding services and products of Scotiabank is applicable only in jurisdictions where such services and products may lawfully be offered for sale and is void where prohibited by law. If you access this report from outside of Canada, you are responsible for compliance with local, national and international laws. Not all products and services are available across Canada or in all countries. All Scotiabank products and services are subject to the terms of applicable agreements. This report and all information, opinions and conclusions contained in it are protected by copyright. This report may not be reproduced in whole or in part, or referred to in any manner whatsoever nor may the information, opinions and conclusions contained in it be referred to without in each case the prior express consent of Scotiabank. Scotiabank is a Canadian chartered bank.

If you are affected by MIFID II, you must advise us in writing at [trade.supervision@scotiabank.com](mailto:trade.supervision@scotiabank.com).

™Trademark of The Bank of Nova Scotia. Used under license, where applicable. Scotiabank, together with "Global Banking and Markets", is a marketing name for the global corporate and investment banking and capital markets businesses of The Bank of Nova Scotia and certain of its affiliates in the countries where they operate, including, Scotia Capital Inc. and Scotia Capital (USA) Inc., Scotiabank Europe plc, Scotiabank (Ireland) Limited - all members of the Scotia-bank Group and authorized users of the mark. The Bank of Nova Scotia is incorporated in Canada with limited liability. Scotia Capital Inc. is a member of the Canadian Investor Protection Fund. Scotia Capital (USA) Inc. is a broker-dealer registered with the SEC and is a member of FINRA, NYSE, NFA and SIPC. The Bank of Nova Scotia is authorized and regulated by the Office of the Superintendent of Financial Institutions in Canada. The Bank of Nova Scotia is authorized by the Prudential Regulation Authority and subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. Details about the extent of The Bank of Nova Scotia's regulation by the Prudential Regulation Authority are available from us on request. Scotiabank Europe plc is authorized by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

To unsubscribe from receiving further Commercial Electronic Messages click this link: <https://www.unsubscribe.gbm.scotiabank.com/>.