

Analyst Team

Shaun Osborne

Chief FX Strategist
416.945.4538
shaun.osborne@scotiabank.com

Juan Manuel Herrera

FX Strategist
416.866.6781
juanmanuel.herrera@scotiabank.com

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

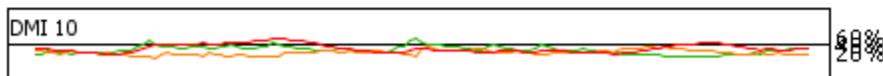
Overview

- USDCAD rally extends to key resistance in the upper 1.26s.
- EURCAD steadies after break to new cycle low.
- GBPCAD strengthens on move through steep daily trend resistance.
- CADMXN holds wide, choppy range.
- AUDCAD softens to near low end of broader range again.
- CADJPY consolidation extends, edges under 40-day MA support.

USDCAD

USDCAD retains a bid tone. The USD has advanced further, racking up a fourth consecutive weekly gain through last Friday and heading for a fifth as this week kicks off. USD gains are putting October's bearish USD breakdown and retracement resistance around 1.2660/65 under more intense pressure now. We continue to view the upper 1.26s as key resistance for the USD and while we can allow for a minor infraction of this zone, a sustained push through the upper 1.26s would place some doubt on our view that the USD could still revisit 1.22/1.23 into year end. Seasonal trends do turn more USD-negative in December but trend signals are aligned constructively for the USD at the moment, suggesting limited downside scope for funds for now. Key support is 1.2575/85.

21/05/2021 - 22/11/2021 Daily FX/Spot/TM/USDCAD 22/22 Hi: 1.2947 Lo: 1.2009 1.2671

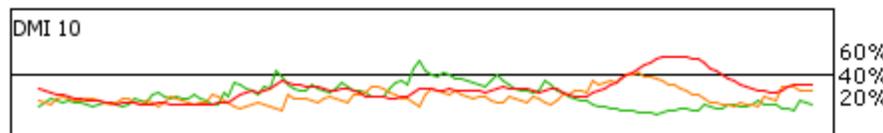
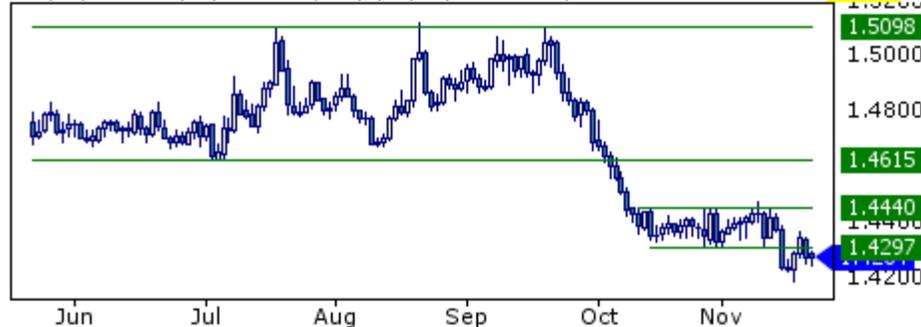


Copyright ©1985-2021 Trademade Systems Ltd

EURCAD

EURCAD's break under the base of the Oct/Nov consolidation range and the 1.4265 low from 2020 heaps more downside pressure on the cross, notwithstanding the mid-week squeeze higher in the EUR from 1.4180 via a bullish key range reversal. Intraday price action also reflects a bullish rebound from the low and we have to respect these signals. However, the broader trend is lower and trend oscillators are aligned bearishly for the EUR across the short, medium and long-term DMIs which rather suggests minor EUR rallies are a sell. We think the EUR's slide to new cycle lows points to further losses in the medium term, with the EUR still very distant from minor resistance at 1.4440/50 and more obviously bullish territory above 1.4615. We think risks are tilting towards a drop to 1.38 in H1 next year.

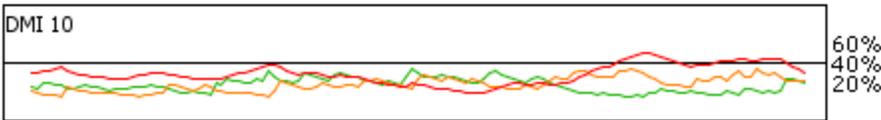
21/05/2021 - 22/11/2021 Daily FX/Spot/TM/EURCAD 22/22 Hi: 1.5113 Lo: 1.4180 1.4264



Copyright ©1985-2021 Trademade Systems Ltd

GBPCAD

21/05/2021 - 22/11/2021 Daily FX/Spot/TM/GBPCAD 22/22 Hi: 1.7625 Lo: 1.6733

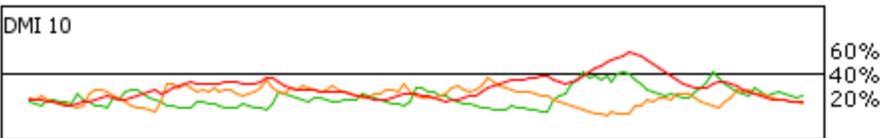


Copyright ©1985-2021 Trademade Systems Ltd

GBPCAD gains through steep trend resistance in the mid-1.68 zone has, as we suspected would be the case, given the GBP a positive jolt. Price action looks a bit more positive for the GBP now, with weekly price patterns carving out a bullish “morning star” signal, through the close of last week. We think the pound can push on to test 1.7085—which now figures as key resistance for the cross—in the next week or so. The daily DMI is flat and the weekly oscillator read is still bearish so the GBP still has a lot of work to do in order to rally. However, the rebound from the 1.67 area does rather support the notion of solid, long run support for the GBP in the 1.67/1.68 region and we think an (eventual) push through 1.7085 should target additional gains towards 1.75/1.76.

CADMXN

21/05/2021 - 22/11/2021 Daily FX/Spot/TM/CADMXN Hi: 16.901 Lo: 15.611 16.532

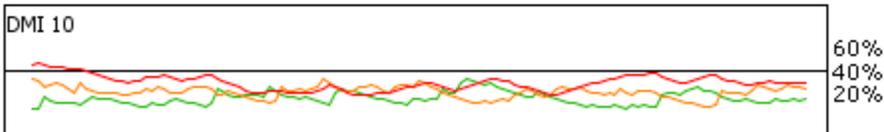


Copyright ©1985-2021 Trademade Systems Ltd

CADMXN is still trading rather unevenly within recent ranges above support near 16.25. The CAD’s failure to progress through the upper 16s (long-term resistance zone) and the potential Head & Shoulders top that remains in development both infer some downside risk for the cross in the near-to-medium term. But daily trend signals are flat and the weekly DMI remains bullish which rather suggests the cross will continue to trade sideways for now. We remain neutral.

AUDCAD

21/05/2021 - 22/11/2021 Daily FX/Spot/TM/AUDCAD 22/22 Hi: 0.9417 Lo: 0.9105

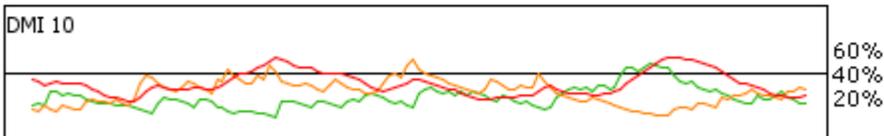


Copyright ©1985-2021 Trademade Systems Ltd

AUDCAD remains soft near the base of the recent range around 0.91 in place since August. Late October price action was AUD-bullish but the cross has failed to really develop much headway, with trend resistance capping gains above 0.93. The 0.9320 zone is now key resistance with the trend developing three solid touches since July. Trend oscillators remain bearishly aligned for the AUD which will hamper progress and keep focus on the downside and key support at 0.9105/15. We are neutral here but leaning towards more AUD weakness below 0.91

CADJPY

21/05/2021 - 22/11/2021 Daily FX/Spot/TM/CADJPY 22/22 Hi: 93.020 Lo: 84.680



Copyright ©1985-2021 Trademade Systems Ltd

CADJPY's drift continues—with the steady slide in the cross extending now to a point where it may become harder to characterize developments as merely “corrective” drift. The broader pattern of trade retains the look for a bull “flag” pattern but the loss of support in the low/mid 90s and weakness below the 40-day MA rather suggest more losses for the CAD in the short run at least. We spot support at 89.80/90 and at 89.00/10. We still rather favour looking to position long CAD, given the bullish, long run trend. The CAD should regain momentum on gains back above 90.50 (40-day MA).

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 publically 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.

™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/>.