

USDCAD

Price

1.0449

20th May 2010

Resistance	1.0475-80	1.0517-36	1.0587	1.0651	1.0691	1.0741-58
Support	1.0440	1.0402	1.0374-79	1.0358	1.0320	1.0275-96

Bias In spite of my doubts price has shown a solid rally and this could resume today

The underlying MT direction is bullish while the daily bias is bullish. Therefore the main risk is higher. Ensure that key supports levels hold. Note key resistance levels that would suggest continuation of the bullish move. Consider confirming this with a bullish set up pattern in price or an indicator. Only consider a possible larger reversal lower should key MT support break and is supported by a bearish set up in price or an indicator.

Consider buy set ups at: 1.0374-02 or 1.0475-80

Consider sell set ups at: 1.0355

THE DAY'S OUTLOOK:

I :

have my doubts about a direct rally

I was too conservative yesterday and in fact the uptrend resumed directly. Indeed, I feel the correction is probably complete though be aware of the minor risk of a dip to 1.0374-02 again. More likely this should see another round of gains that should quickly move back to yesterday's 1.0536 high and then follow-through for 1.0587, 1.0611, 1.0651 and 1.0691 en route 1.0741-58 where a pullback is possible. Overall I feel this should reach the 1.0819 area.

Only a reversal below 1.0358-74 would undermine the bullish structure and cause a deeper pullback again... Then watch the 1.0296-20 support area followed by 1.0252 and 1.0211.

THE MEDIUM TERM OUTLOOK:

I :

cautiously feel we shall see losses again

20th May: In fact the larger uptrend resumed directly and I feel this should soon reach the 1.0741 high again - possibly 1.0758 where a brief correction should develop before follow-through to the favored initial target at 1.0819. Look for a correction from here which should be followed by new highs.

Therefore, only below 1.0358 complicates matters once again and would probably imply some messy range trading...

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For yesterday's trade set up report together with a review of support & resistance levels please see:

<http://www.fx-forecaster.com/DailyForecast.html>

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