

USDCAD

Price

1.0722

8th February 2010

Resistance	1.0747	1.0767-79	1.0803	1.0834-57	1.0903	1.0946
Support	1.0664-79	1.0644	1.0623	1.0580	1.0545	1.0487

Bias The move higher does not yet look complete and while 1.0664-79 supports I look for 1.0857-03

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: 1.0664-79 or 1.0767-79

Consider sell set ups at: 1.0857 or 1.0903 or 1.0623

Daily Bullish	The bearish divergence still remains present in the 8-hour chart but has not been supported by the lower time frames yet. Therefore I feel we are due one more rally. However, early trading could well remain in a range between 1.0664-79 and 1.0767-79 before seeing the last leg higher. Thus a break above 1.0779 would extend gains through to 1.0857-66 at least and potentially 1.0903. I feel this will complete the rally. However, do also keep in mind the 1.0946 resistance...
Med Term Bullish	8th February: It looks like a slightly higher target around 1.0857-66 is the favored peak but we should also keep in mind the 1.0903 & 1.0946 resistance levels.
Daily Bearish	I still feel there needs to be another push higher and therefore only a break below the 1.0664-79 area would cause some weakness through to 1.0623-44 again. It is break of this lower support at 1.0623 that would threaten a total reversal and a return to the 1.0545 low. Also note the next support at 1.0487.
Med term Bearish	8th February: We have seen the 1.0784-03 area reached but there still seems more chance of seeing 1.0857-66 and at most 1.0903-46. Thus look for bearish trade set ups at the higher resistance levels. Only an earlier break below 1.0623 and 1.0545 would generate stronger losses directly.

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