

USDCAD

Price

1.0261

16th June 2010

Resistance	1.0270-75	1.0307	1.0328	1.0359	1.0389	1.0412-28
Support	1.0240	1.0223	1.0191	1.0155-71	1.0110	1.0046

Bias The move should be choppy but I look for a recovery to 1.0413-28 (max 1.0450) before lower again

The underlying MT direction is bearish while the daily bias is bullish. Therefore it is likely that any gains are corrective only. Note resistance levels that could stall any rally. Consider bearish set up patterns at key resistance levels or should price threaten to break below any key support levels that would indicate a possible resumption of the move lower. Only consider a possible larger reversal higher should key MT resistance break.

Consider buy set ups at: 1.0270-75

Consider sell set ups at: 1.0420-50 or 1.0190

THE DAY'S OUTLOOK:

I : feel the next leg higher to 1.0412-28 is due

Yesterday's rally stalled just below the 1.0365-83 resistance and a correction seen as expected. This has been deep but ideally it should now be complete. There is perhaps minor risk of seeing 1.0223 again and even 1.0190. However, I do not think that the 1.0359 high was a deep enough pullback and another hike is due. Ideally I'd like to see the 1.0270-75 pivot resistance broken. Once this occurs we should see follow-through to 1.0307 initially. Take care as this could see a small pullback. Once broken look for follow-through back to yesterday's high and finally to the 1.0412-28 resistance. I feel this will cap - look for bearish trade set ups.

Only direct loss of 1.0171-91 would suggest that yesterday's high was the final corrective high and this would provoke extension lower to the 1.0110 low at least. Below there note support at 1.0046 and 1.0009.

THE MEDIUM TERM OUTLOOK:

I : see 1.0428-50 area capping for further losses

14th June: In spite of the deeper pullback on Friday I still target the 1.0250 (max 1.0226) support but from there will expect a pullback to 1.0350-86 initially and then the 1.0450-86 resistance before the next leg lower that should retest and may marginally break the 1.0110 low.

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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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