Scotiabank

Global FX Strategy

TECHNICAL ANALYSIS

Tuesday, September 9, 2025

Analyst Team

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Outlook

- USDCAD retains a mild upside bias but gains are flattening out.
- EURCAD bull trend persists after shallow dip to test 40-day MA.
- GBPCAD consolidation range extends but underlying bias remains bullish.
- CADMXN losses slow around 13.50 but case for rebound not yet made.
- AUDCAD breaks bullishly from extended range trade, may extend.
- CADJPY slips after early August reversal, may extend below 106.

USDCAD

USDCAD retains a mild upside bias but USD gains have flattened out somewhat since August, bull trend momentum is fading and price signals have recently turned mixed, suggesting a degree of indecision in the market about the near-term direction of the USD. The late August drop in the USD formed bearish reversals on the daily and weekly charts and implied a firm top in place for funds at 1.3925. The USD's early September rebound provided a significant counter to the bearish price signals from August, however, and spot's recent pivot around the 1.38 zone highlights the market's near-term neutral bias. We note USD support at the 40-day MA at 1.3775 ahead of potential bear (Head & Shoulders) trigger at 1.3730, connecting the early and late August lows for USDCAD. A downside break could drive USD losses to the low 1.35s. Given the soft USD tone generally, a downside resolution to the current choppy range trade may be the main risk. Resistance is 1.3850/55 ahead of 1.3925.



EURCAD

EURCAD bull momentum has been renewed following the EUR's brief drop below the 1.59 bear trigger support (which failed to deliver on its full measured move potential). Solid EUR gains from the 40-day MA support at 1.6025 last week have resulted in a push to the highest levels for the cross since 2009 and gains towards the bull channel ceiling which will extend to the low/mid 1.63s in the next week or so. Trend strength studies are aligned bullishly across the daily, weekly and monthly DMIs suggesting firm support for the EUR on minor dips and ongoing pressure for gains to extend. There is no obvious resistance now ahead of 1.70/1.75.



EURCAD Curncy (EUR-CAD X-RATE) FX Technicals Daily 12FEB2025-095EP2025 Copyright© 2025 Bloomberg Finance L.P. 09-Sep-2025 08:17:06

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GBPCAD is firm but still effectively range bound, with price holding just below the peaks in price seen earlier this year. Weak daily trend momentum supports the near-term outlook for more range trading. However, the broader trend in the GBP remains bullish and longer-term (weekly, monthly) studies support a bullish resolution to the current range trade. A solid rebound in the GBP from the early September low indicates some renewed momentum may be developing in the short run. GBP gains through the low 1.88 area (mid-year peak at 1.8830) should see the GBP's broader gains resume to test the 1.9250/1.95 range into the end of the year potentially. Support is 1.8525 and 1.84.



CADMXN retains a bearish bias overall but CAD losses slowed through August around the 13.50 area. Price action suggests a stabilization in the CAD's slide as bearish technical momentum weakens but persuasive signs of a reversal are lacking at this point. CAD gains through 13.65 are needed to give the short-term technical picture for the CAD a minor lift towards the 13.90 area potentially.

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AUDCAD gains have extended above the ceiling of the range that has prevailed for the cross since May. After a prolonged period of range trading, the jump in the daily DMI suggests a more dynamic phase of price action may develop from here. We had anticipated a bullish resolution to the range trade and continue to look for a new, higher range develop between 0.9150/0.9450. The former range ceiling at 0.9050 is major support now.



CADJPY's early August reversal (noted via bearish outside range signals on the daily and weekly charts) remains in play via the developing bear channel on the daily chart. Retracement and moving average (200-day) support are slowing the CAD's descent around the 106 area, however. Former trend support and the short-term bear channel ceiling provide solid resistance to CAD rebounds around the 108 area currently. A break below the 200-day MA (which remains a bellwether for the cross) should see losses extend towards the 104 area.

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