- EURUSD rally stalls today but look for support in the low 1.17s. Bullish.
- GBPUSD pivots around 40-day MA. Neutral for now.
- USDJPY soft in range, longer run signals are constructive.
- USDMXN breaks consolidation, targets mid/upper 19s near-term. Bullish
- NZDUSD pinned down near low end of range but below l/t trend support.

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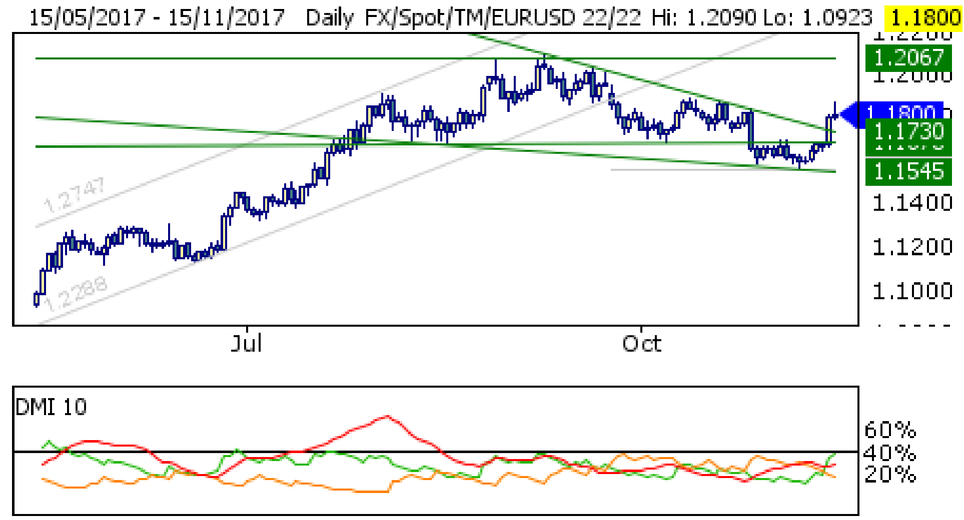
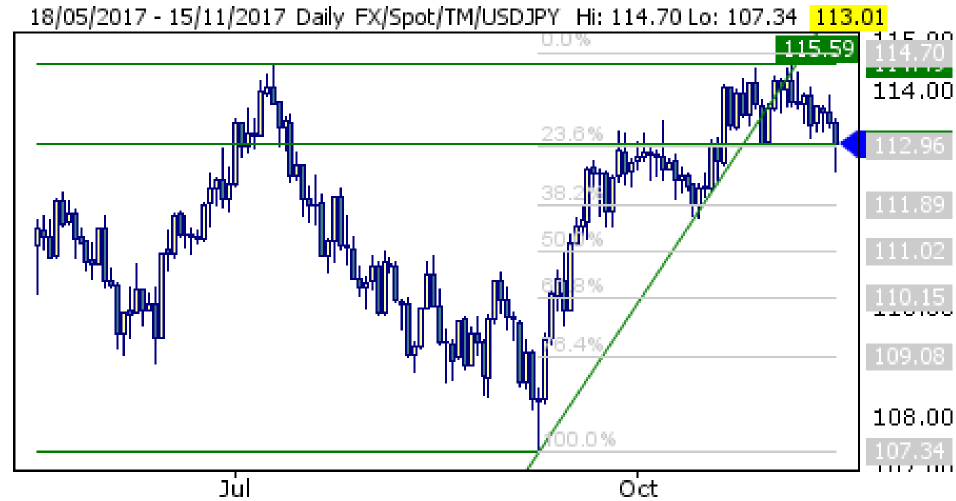
EURUSD's corrective sell-off through Sep/Oct appears to have stabilized. The EUR traded as low as 1.1556 through early Nov but held retracement support (1.1606, 38.2% of the Spring rally from 1.08/1.21) on a weekly close basis. Weekly charts also suggest a bullish reversal in the slide via a morning star signal around the turn of the month. The market's inability to generate any real follow through selling interest below 1.1675/80, and the EUR's relatively easy recovery back above this point are positives for the EUR outlook. The EUR's break above trend/consolidation resistance (1.1730, now support) off the Sep peak more so. Intraday price action today specifically looks soft, with the EUR failing to hold gains through the mid 1.18s and may be setting the market up for a retest of the low /mid 1.17 area in the next few days. Short and medium-term trend signals are tiling bullishly for the EUR and we expect firm support for the EUR on dips now. Minor resistance stands at 1.1880/85. We think the EUR is a buy on dips and its broader rally versus the USD is poised to resume.



GBPUSD has weakened more than we expected following the peak and turn lower from (revised) channel resistance in Sep. Loss of support defined by the 40-day MA did not, however, yield significant additional weakness. Cable has steadied in a broad, choppy range and has tended to pivot around the 40-day MA signal over the past few weeks. Trend signals are weak and, with the base of the channel supporting the GBP in the past two weeks, the outlook from here is equivocal for the GBP. With the broader trend parameters holding, the underlying trend higher has to be considered intact. However, the sideways range trade that followed the initial drop in Cable could be a continuation pattern ahead of another push lower. We think the outlook hinges on price's reaction to the 40-day MA from here—better bid above 1.320 currently and better offered below it.

USDJPY moved sideways over the past couple of weeks. The USD has stalled above 114 three times in the past few months and the Oct/Nov failure has shunted the USD back below 113, if only barely, today. Short-term price action looks a little soft again and retracement risks may extend a little lower still near-term towards 111.90/00. Trend signals are flat and equivocal at this point and provide no additional insight into near-term directional risks. We reiterate the observation made in our last update, however; longer term price signals suggest a strong rejection of the 108 area, with Sep forming a USD-bullish outside range month reversal. We continue to expect good support for the USD on dips and look for the USD to put a little more pressure on 114/115 in the weeks ahead. Above 115 targets a move towards 120/121 over the following 6-9 months.



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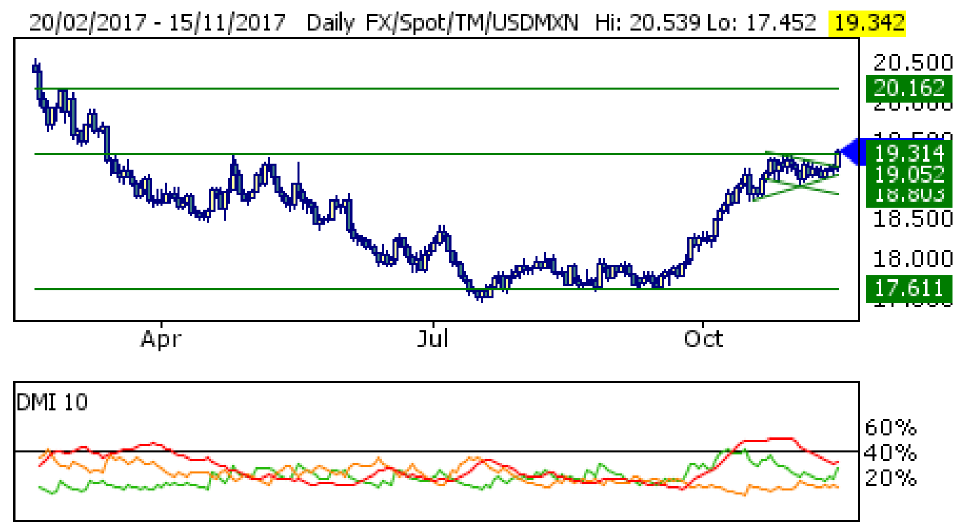
USDMXN consolidated strong through Sep/Oct via a bull flag/pennant formation over the past two weeks. The bullish break out from the consolidation range today suggests risks are tilting squarely towards an extension higher in the USD in the coming weeks. We see a minimum target of 19.50/75 but rather think dollar/Mex risks replicating the scale of the 17.60/19.30 move up in the next 3-6 months. From the break out point that implies a measured move rally to 20.90. Note that today's move above 19.20 takes out the 38.2% retracement of the 22/17.45 decline; successive retracement resistance are 19.74 (50%), 20.28 (61.8%) and 20.95 (76.4%). These levels dovetail with our sense of near and longer run risks. Trend intensity signals are aligned bullishly across the short, medium and longer run time frames. This situation, alongside strong price signals via today's push above 19.20, suggest a firm bid for the USD and limited scope for counter-trend corrections from here.



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NZDUSD looks very delicately poised. The underlying trend lower in spot looks well-entrenched following the Kiwi's plunge in the past few weeks but the sell-off is stalling above key support (weekly chart) defined by a series of lows between 0.6820/6860 earlier this year. A bounce, even modest, at the low end of the range would be a good opportunity to set low risk/high reward longs but, here, we remain cautious. NZD gains have been minimal off the low so far and trend indicators remain bearishly aligned on the medium and longer run studies

Copyright ©1985-2017 Tradermade Systems Ltd while the market is heading for a fourth weekly close below trend support off the mid-2016 lows. All in, the broader technical backdrop suggests ongoing downside risks for the Kiwi in the short to medium term. A break under support in the 0.68 zone would imply adrop towards the 0.65/0.67 range.