Weekly FX Newsletter

2024-03-31

Wells Fargo Research Team
Wells Fargo

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Weekly economic and financial commentary

ANALYSIS | 03/29/2024 16:09:20 GMT

Summary

United States: Steady, As She Goes

- This week's economic data largely reinforced existing economic growth patterns. Consumer momentum remains largely intact, inflation continues to inch back down, albeit at a slower pace, and rate-sensitive sectors stayed in a holding pattern.
- Next week: ISM Indices (Mon. & Wed.), Trade Balance (Thu.), Employment (Fri.)

International: Global Central Banks Holding Steady For Now

- This week saw the announcement of monetary policy decisions from both G10 and emerging market economies. Sweden's Riksbank held its policy rate steady at 4.00% and opened the door for either a May or June rate cut. We maintain our call for an initial June cut for now. The South Africa Reserve Bank held its policy rate steady at 8.25% and offered hawkish-leaning guidance.
- Next week: China PMIs (Sun.), Japan Tankan Survey (Mon.), Eurozone CPI (Wed.)

Interest Rate Watch: Dancing with the Stars: The First of Many Ticks Higher in the Longer-Run Median Dot

- Last week, the median "longer-run" dot moved higher in the FOMC's latest Summary of Economic Projections (SEP). The increase in the median dot was small (just 6 bps), but the uptick in the median marks the first time it has been above 2.5% since March 2019. We expect the longer-run dot to continue to cautiously drift higher in coming SEP meetings.

Topic of the Week: Economic Costs of the Francis Scott Key Bridge Collapse

- The Francis Scott Key Bridge collapsed early Tuesday morning when a cargo ship leaving the Port of Baltimore collided with one of the bridge's support pillars. How important is the Port of Baltimore to U.S. goods trade?

Raffi Boyadjian
XM

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Week ahead – Rate cut hopes rest on US jobs report and Eurozone flash CPI [Video]

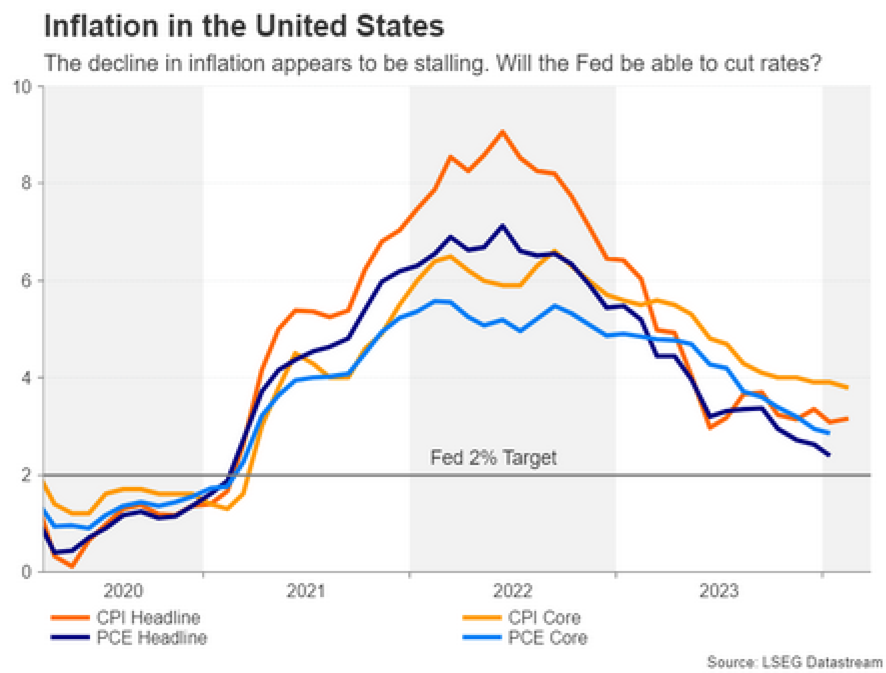
ANALYSIS | 03/29/2024 15:04:00 GMT

- **Nonfarm payrolls report and European flash CPI to shape rate cut bets.**
- **ISM PMIs to also be important for Fed expectations and US dollar.**
- **Canadian employment and Chinese PMIs also on the agenda.**

Fed hawks rear their ugly heads

The March round of policy meetings reinforced June as the likely date when most central banks will begin cutting rates. Yet, doubts remain about whether or not inflation is on a sustainable path downwards, especially in the United States.

Although FOMC members maintained their projection of three rate reductions this year, they appear to have become more reluctant to commit to a specific timeframe for cutting rates. Inflation in the US has stalled around 3.0%, while the labour market remains very tight.



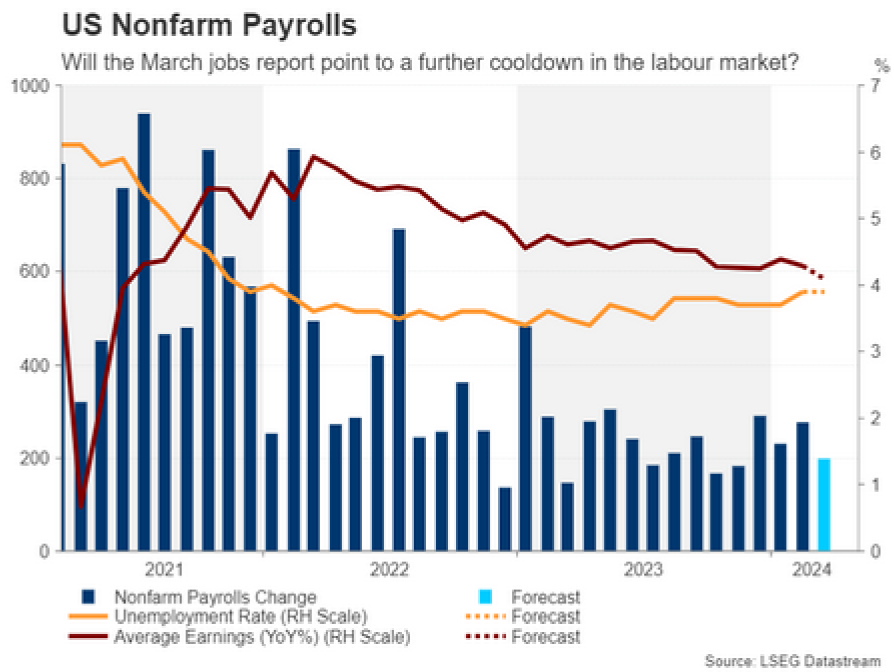
The worry is that cutting **rates** pre-emptively under such settings could refuel inflationary pressures. From the Fed's perspective, the damage to its credibility would be greater in such a scenario than if it were to keep policy restrictive for longer than necessary.

But for the markets, the base case of a soft landing is imperative to feeding **risk appetite** so any change to that outlook risks putting an end to the rally on Wall Street and possibly giving the US dollar a leg up. The best hope for investors therefore is that the incoming data will be neither too hot, nor too cold.

Is the US labour market really cooling?

That's mostly been the case for the labour market, although it has been cooling down so gradually that it has kept the Fed on edge about overheating concerns. But the slowdown became more apparent in February when the unemployment rate ticked up to 3.9% and wage growth moderated to 4.3% y/y.

Jobs growth has stayed solid, however, with **nonfarm payrolls** increasing by 275k. The forecast for March is that the economy added 198k new jobs and the jobless rate held steady at 3.9%, while average hourly earnings growth is expected to have eased to 4.1% y/y.



Friday's data will be preceded by the ISM PMIs. The manufacturing PMI is due on Monday and the services one on Wednesday. The former is anticipated to have improved slightly in March, but the latter is projected to have ticked lower. Other releases will include factory orders and the JOLTS job openings on Tuesday, as well as the ADP employment report on Wednesday.

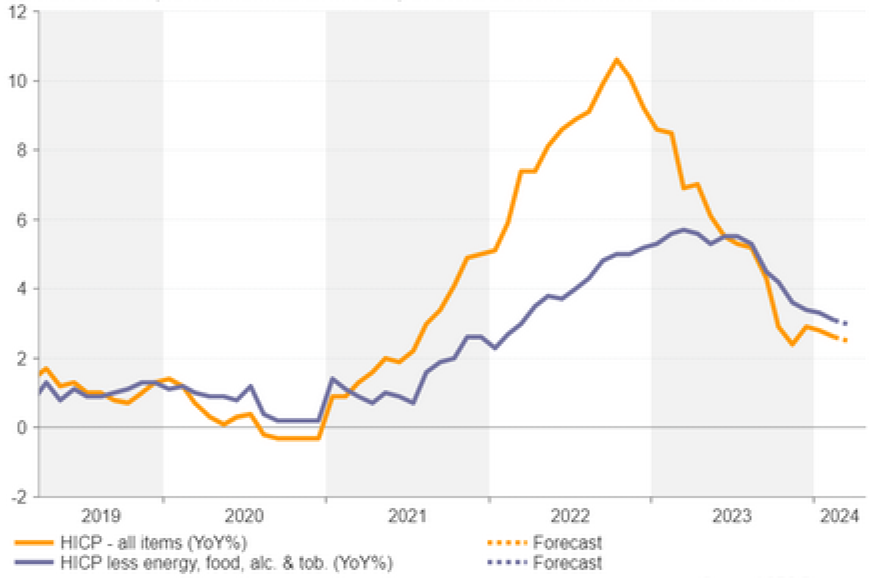
If there's a broadly positive set of figures, particularly if there's a hotter-than-expected NFP print, this would likely deal a further blow to rate cut bets, providing another boost to the dollar.

Eurozone CPI eyed as June rate cut moves closer

As the Fed gets jittery about inflation persisting above the 2% target, there's been better progress for the European Central Bank. Headline CPI declined to 2.6% in February and is forecast to fall further to 2.5% in March. Core CPI that excludes food, energy, alcohol and tobacco prices is expected to edge down to 3.0%.

Eurozone inflation

Another drop in CPI in March would put the ECB on track to cut rates in June



Source: LSEG Datastrear

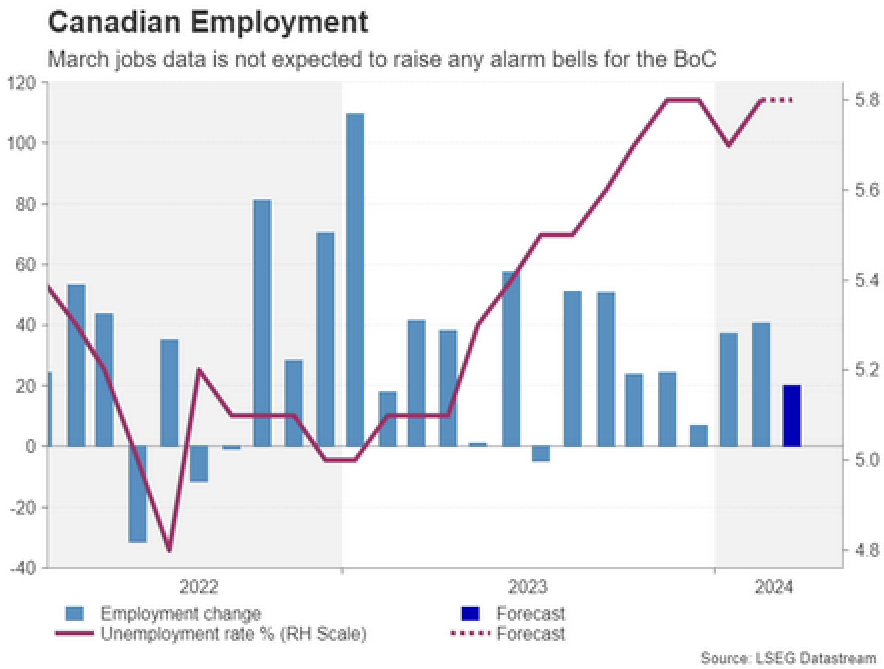
ECB policymakers have been out in droves lately, all calling for a rate cut at the June meeting. A downside surprise would endorse such a move, pressuring the euro, but stronger-than-expected readings could lessen the odds for a June cut.

However, any boost to the euro from stronger numbers would likely be limited and short-lived as one month's data would not be seen as shifting expectations very significantly when there is such a strong consensus within the ECB for a summer cut.

In other data out of the Eurozone, the bloc's unemployment rate is due on Wednesday, producer prices will follow on Thursday, and on Friday, German industrial orders and French industrial production will wrap up the week.

Loonie might shrug off Canadian jobs data

In Canada, employment stats for March will be the highlight, which are released on Friday along with the Ivey **PMI**. The Bank of Canada is another central bank that's headed for starting its easing cycle in June. A cut became more certain after inflation fell more than expected in February, dropping below 3.0%. The labour market has also been slowing in recent months, with the jobless rate climbing to 5.8%.



Employment likely rose slightly, by 20k, in March, which probably won't have a huge impact on rate cut odds, unless there's a big miss or a beat.

The **Canadian dollar** has been on a shallow downtrend versus the greenback in 2024 as US data has been mostly strong. Hence, much of the reaction on Friday will be driven more by US dollar dynamics when the NFP is also due.

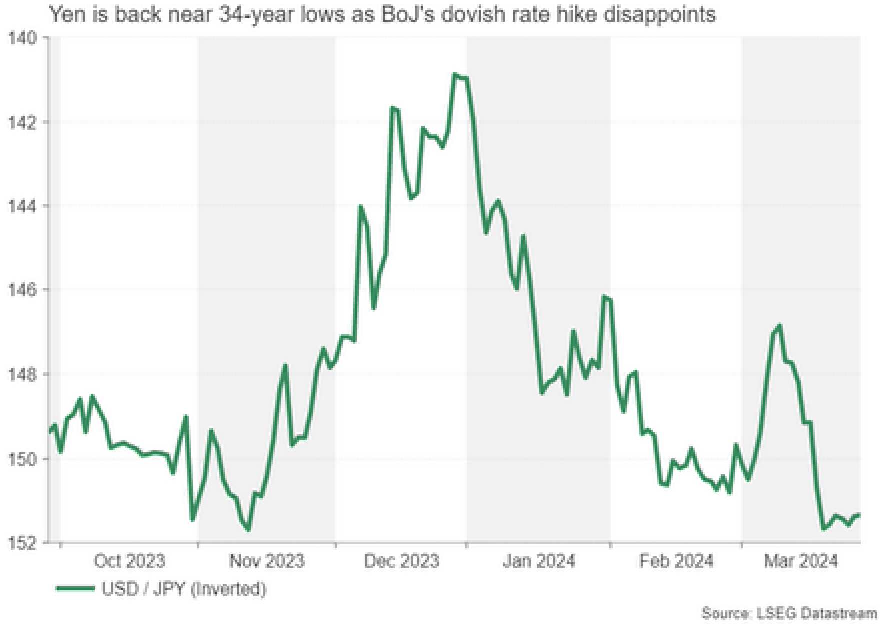
BoJ's Tankan survey and Chinese PMIs on the way too

Fed rate cut expectations will be crucial for the Japanese yen as well, which has come under attack following the Bank of Japan's dovish rate hike and speculation about a possible intervention.

Investors are not convinced that the **BoJ** will be in a position to tighten policy again anytime soon after the massive steps taken at the March meeting. Accommodative policy may be required for a while longer to support the economy and ensure that inflation doesn't fall back below 2%. But Monday's quarterly Tankan survey may offer some support to the battered yen if it points to growing optimism by Japanese businesses. Household spending figures out on Friday will also be watched.

No relief in sight for the Japanese yen

Yen is back near 34-year lows as BoJ's dovish rate hike disappoints



Elsewhere, Chinese PMI numbers will likely attract some attention on Monday. The official manufacturing PMI is expected to rise to 49.9 and the alternative Caixin PMI is forecast to improve marginally to 51.0.

Indications that the recovery in the world's industrial powerhouse is gathering pace could lift sentiment at the start of the week when volumes are expected to be light due to the long Easter holiday weekend in many markets, potentially buoying the China-sensitive Australian dollar.

ING Global Economics Team
ING Economic and Financial Analysis

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Key events in developed markets next week

ANALYSIS | 03/28/2024 11:58:37 GMT

Next week, the main focus will be inflation and the labour market in the Eurozone. We expect services inflation to be impacted by the easter effect, while the unemployment rate to be unchanged. In the UK, the Bank of England CFO survey will likely show further inflation progress.

Eurozone: Services inflation expected to come in higher in March

Next week's **eurozone** data will focus on both inflation and the labour market. Inflation had been high month-on-month in February and January thanks to various reasons related to government measures and stronger than hoped for services inflation. In March, services inflation will be impacted by the Easter effect again, as the holiday comes early this year. That adds to inflation due to early holidays, but should subtract from it in May. For the European Central Bank, it will not be easy to look through all of this ahead of the April governing council meeting –but as **ECB President Christine Lagarde** stated at the March press conference, we'll know a lot more in June.

UK: Bank of England CFO survey to show further inflation progress

The Bank of England has said it is watching services inflation and wage growth to guide policy this year, but we also know it pays close attention to its in-house survey of Chief Financial Officers. This has been pointing to less aggressive expectations of price rises among companies, but wage growth expectations have been stuck at around 5% for some time. Those expectations did tick lower in the February survey though, and we'll be looking to see if pay growth is scaled back further in the next survey due next week.

This survey won't move the dial for the BoE's May meeting, where we still think a rate cut is unlikely. But if we get more progress on this survey measure, coupled with some favourable data on CPI for April/May, this could bring a June cut into play. For now, we're sticking with our call for an August rate cut – but it's a relatively close call.

Alexander Kuptsikevich
FxPro Financial Services Limited

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Fed's favourite indicator confirms slowing inflation trajectory

ANALYSIS | 03/29/2024 15:00:59 GMT

Friday's market focus was on US household income and spending data and the Personal Consumption Expenditures Index (PCE), the Fed's preferred measure of inflation.

Core **PCE Price Index** rose 0.3% m/m and 2.8% y/y, which is in line with average expectations and below the previous month's readings of 0.5% and 2.8%, respectively. The lack of surprises here promises to ease pressure on the Fed, as the official CPI numbers in recent months have not created the mood for an imminent easing of policy. Some observers have begun to suggest that the FOMC may not cut **rates** before the end of the year.

Today's data may support expectations of a June cut. A shift in rate expectations from a 64% chance of a June cut to 100% is potentially negative for the dollar.

For February, personal spending rose 0.8% after 0.2% the previous month and 0.5% expected. Incomes rose 0.3% in February but were up 1% in January. Spending keeps pace with incomes, and this is positive for markets as high spending is positive for earnings.

The savings-to-income ratio fell to 3.6% in February, the lowest since December 2022, and a downward trend has continued since the middle of last year.

Kathleen Brooks
XTB UK

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Will they won't they cut rates is the question of Q2?

ANALYSIS | 03/28/2024 13:16:28 GMT

Stock markets seem to rally no matter what is thrown at them **this week**. The S&P 500 is a mere 0.28% away from rising by 10% in Q1. This is the last main day of trading before the Easter holiday, and a couple of key themes are emerging: 1, there has been some significant push back from Fed and **Bank of England** members around the timing of rate cuts, and 2, the Bank of Japan still haven't physically intervened in the FX market to stem yen weakness although they are threatening to do so.

We will probe these two themes below, but as we near the end of the first quarter it's worth noting that 82% of the S&P 500 members are currently above their 200-day sma, 80% of Eurostoxx 50 members are above their 200-day sma, and 72% of FTSE 100 members are above their 200-day sma. This has grown throughout the quarter as the market rally has become broader based and not just focused on tech.

Broadening rally is supportive of stock market gains in Q2

The top performing companies in the S&P 500 so far this year are new member Super Micro Computer, which is higher by more than 259%, and Nvidia, up 82%. Semiconductors were the standout performers in Q1, and what is more spectacular is that Nvidia's 1-year forward BEst P/E ratio does not look that expensive at only 30 times earnings. General Electric, Meta, Disney and Eli Lily are the other top 10 performers in the S&P 500 so far this year. In the past month, there has been a broadening out of the rally. Nvidia has slipped out of the top 10, but Fedex and Decxom have had a strong performance in the past month. The broadening out of the stock market rally in the US may be supportive of further gains as we move into Q2.

Can the FTSE 100 play catch up in Q2?

In the FTSE 100, Rolls Royce is the best performer so far this year, along with Natwest and Barclays. In the past month, Howden Joinery and IAG are both top 10 performers, as they benefit from an uptick in the economy and the prospect of lower interest **rates** giving the consumer a boost. This is a keen reminder that the FTSE 100 has some strong companies, even if the overall index is one of the weakest performers in the West so far this year and is higher by just over 2%. In Europe, the top performers include the banks and SAP, so far this year. Hermes is also one of the better performing luxury stocks, as Kerring was hit by weak sales from Gucci. Japan takes the crown as the best performing stock market in the developed market space. It is higher by more than 20% on a USD basis, however, returns get eroded if you are transferring them back to yen, due to the 34 year low in the Japanese currency, which has accelerated lower in the wake of the **BOJ** 'dovish' rate hike earlier in March. In JPY terms, the Nikkei is higher by 12%.

BoJ intervention that still hasn't happened

The key theme for FX as we move into Q2 is official Japanese intervention risk to stem the decline in the yen. The Japanese PM came out on Thursday and escalated the rhetoric by saying that they were watching the FX market with a 'high sense of urgency', and they won't rule out any options on FX. This hasn't really moved the dial for the yen, and **USD/JPY** is mostly stable as we head into the long weekend. However, as mentioned in previous notes, the BOJ may wait until Friday's core PCE inflation reading before deciding if it needs to intervene or not. A weak inflation reading could trigger USD weakness, which would do the BOJ's work for them. However, If US inflation data is strong, then the BOJ may not be able to keep its powder dry, and it may need to physically buy yen to prop it up, as verbal intervention does not have a historical record of effectiveness.

Nothing settled when it comes to rate cuts

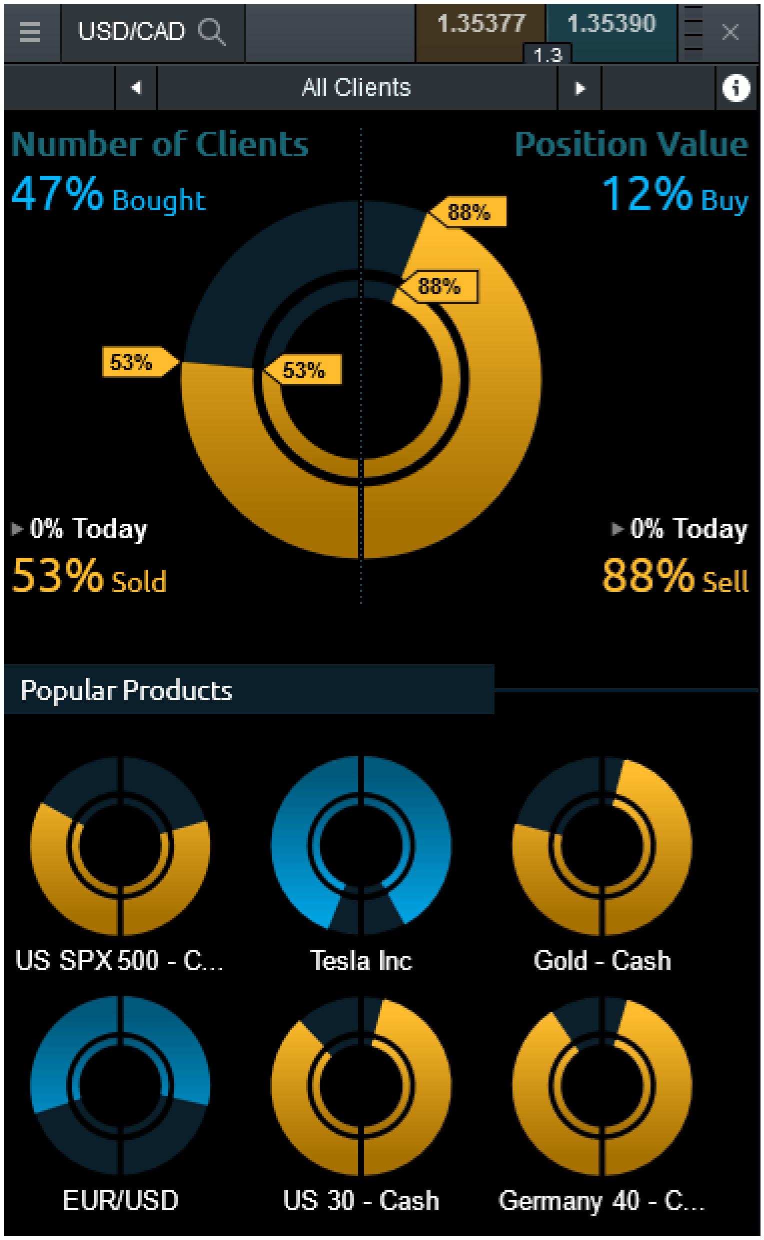
Elsewhere, US Treasury yields are rising across the curve and the 10-year Treasury yield rose to 4.23% earlier on Thursday, before falling back ahead of the US open. The trigger was more hawkish comments from Fed member Christopher Waller, who called recent inflation figures 'disappointing'. He said the economy was strong, and he would need at least a couple of months of improvements in inflation data before he would support a rate cut. The market is currently expecting a rate cut in June, according to the CME Fedwatch tool, and there is now a 60% probability that this will happen. However, this is lower than the 64% chance of a June rate cut 1-week ago. Nothing is settled when it comes to the timing of rate cuts in the US and elsewhere, and, in our view this is the key theme that will drive markets in Q2.

Calendar

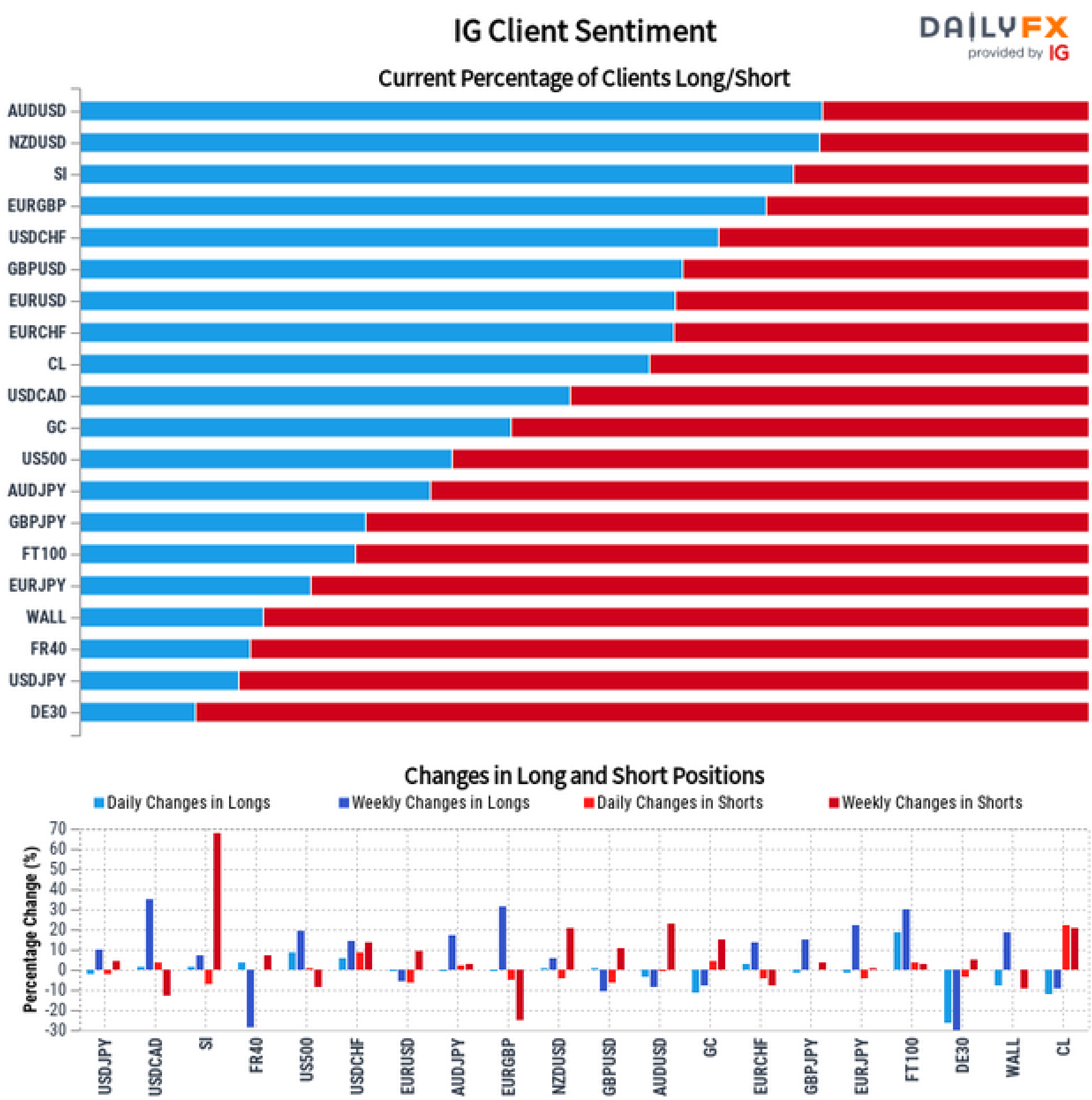
Market Calendar +

Day | Week | Month | W/E Fri 05 Apr | Market Impact | Event Type | Search

DATE		IMPACT	EVENT	FORECAST
Sunday 31 March 2024				
31 Mar	19:50	●●●	Business Sentiment Survey - Tankan - Big Manufacturers Diffusion Index	10
31 Mar	19:50	●●●	Business Sentiment Survey - Tankan - Big Non-Manufacturers Index	33
31 Mar	19:50	●●●	Business Sentiment Survey - Tankan - Capital Expenditures	9.2%
31 Mar	19:50	●●●	Business Sentiment Survey - Tankan - Small Manufacturers Index	-2
31 Mar	19:50	●●●	Business Sentiment Survey - Tankan - Small Non-Manufacturers Index	15
Monday 01 April 2024				
01 Apr	10:00	●●●	Purchasing Managers Index - PMI - ISM - Manufacturing	48.4
Tuesday 02 April 2024				
02 Apr	03:55	●●●	Purchasing Managers Index - PMI - Markit - Manufacturing	41.6
02 Apr	04:00	●●●	Purchasing Managers Index - PMI - Markit - Manufacturing	45.7
02 Apr	08:00	●●●	Consumer Price Index - CPI - Preliminary - YoY	2.2%
02 Apr	08:00	●●●	Consumer Price Index - EU-Harmonized CPI - Preliminary - YoY	2.4%
02 Apr	10:00	●●●	Factory Orders - Total Orders - MoM	1%
Wednesday 03 April 2024				
03 Apr	05:00	●●●	Consumer Price Index - Flash Estimate - CPI - YoY	2.6%
03 Apr	05:00	●●●	Consumer Price Index - Flash Estimate - CPI Ex-Food and Energy - YoY	3.2%
03 Apr	05:00	●●●	Employment - Unemployment Rate	6.4%
03 Apr	08:15	●●●	ADP National Employment Report - Private Payrolls Forecast	130K
03 Apr	10:00	●●●	ISM Non-Manufacturing Survey - Employment Index	-
03 Apr	10:00	●●●	ISM Non-Manufacturing Survey - New Orders Index	-
03 Apr	10:00	●●●	ISM Non-Manufacturing Survey - Prices Index	-
03 Apr	10:00	●●●	Purchasing Managers Index - PMI - ISM - Non-Manufacturing Index	52.6
03 Apr	10:30	●●●	EIA/DOE Weekly Petroleum Status Report - Crude Oil Stocks (Net Change)	-
Thursday 04 April 2024				
04 Apr	04:00	●●●	Purchasing Managers Index - PMI - Markit - Composite	49.9
04 Apr	08:30	●●●	Trade Balance - Trade Balance	800M
04 Apr	08:30	●●●	Employment - Unemployment Claims - WoW	214K
04 Apr	08:30	●●●	Trade Balance - Trade Deficit - MoM	-67B
Friday 05 April 2024				
05 Apr	02:00	●●●	Manufacturing Orders - Industrial Orders - MoM	0.6%
05 Apr	08:30	●●●	Employment - Employment Change	25K
05 Apr	08:30	●●●	Employment - Unemployment Rate	5.9%
05 Apr	08:30	●●●	Employment - Non-Farm Payrolls	200K
05 Apr	08:30	●●●	Employment - Unemployment Rate	3.9%


USD/CAD
1.35377
1.35390
1.3
All Clients
Number of Clients
47% Bought
Position Value
12% Buy
88%
88%
53%
53%
0% Today
53% Sold
0% Today
88% Sell
Popular Products
US SPX 500 - C...
Tesla Inc
Gold - Cash
EUR/USD
US 30 - Cash
Germany 40 - C...

SUMMARY TABLE



USD/CAD		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
MARKET PRICE **1.3543**	LAST REVISED	**'24** MAR	**'24** JUN	**'24** SEP	**'24** DEC	**'25** MAR	**'25** JUN	**'25** SEP	**'25** DEC
ANZ	Mar 26		1.3200	1.3000	1.2800	1.2600	1.2600	1.2600	1.2600
BMO	Mar 29	1.3470	1.3430	1.3330	1.3230	1.3130	1.3030	1.2930	1.2830
BNP Paribas	Mar 18		1.3500	1.3500	1.3500	1.3400	1.3400	1.3400	1.3400
Bank of America	Mar 28		1.3400	1.3200	1.3000	1.3000	1.3000	1.3000	1.3000
Citi	Mar 22	1.3600	1.3600	1.4000	1.4000	1.4000			1.2500
Crédit Agricole	Mar 28	1.3600	1.3700	1.3400	1.3600	1.3400	1.3200	1.3000	1.2800
Danske	Feb 14		1.3700	1.3900	1.4400	1.4400			
Goldman Sachs	Mar 25		1.3400	1.3200	1.3000	1.3000			1.3000
HSBC	Feb 13	1.3300	1.3200	1.3100	1.3000	1.3000	1.3000		
ING	Feb 16	1.3500	1.3300	1.2900	1.2800				1.2700
MUFG	Mar 1	1.3500	1.3400	1.3200	1.3000				
Nomura	Feb 21	1.3600	1.3500	1.3500	1.3500				1.3200
Nordea	Jan 26	1.3500	1.3200		1.3000				1.2500
RBC	Feb 28	1.3400	1.3600	1.3300	1.3100	1.3100	1.3000	1.3000	1.2900
SEB	Feb 27	1.3500	1.3400	1.3200	1.2900	1.2800			
Scotiabank	Feb 15	1.3300	1.3300	1.2800	1.2800	1.2700	1.2700	1.2500	1.2500
Société Générale	Mar 11	1.3300							
TD Bank	Feb 28	1.3600	1.3800	1.3700	1.3600	1.3300	1.3100	1.2800	1.2500
UniCredit	Feb 12		1.3500	1.3400	1.3300	1.3200	1.3100	1.3000	1.2800
		'24 MAR	**'24** JUN	**'24** SEP	**'24** DEC	**'25** MAR	**'25** JUN	**'25** SEP	**'25** DEC
Max		1.3600	1.3800	1.4000	1.4400	1.4400	1.3400	1.3400	1.3400
Min		1.3300	1.3200	1.2800	1.2800	1.2600	1.2600	1.2500	1.2500
Average		1.3475	1.3452	1.3331	1.3252	1.3216	1.3013	1.2914	1.2802
Std Deviation		0.0132	0.0207	0.0388	0.0534	0.0611	0.0296	0.0346	0.0336
n =		13	18	17	18	14	10	9	14

MAR
29
8:53 AM

CIBC: Concerns Over Persistent Inflation Following Latest US Core PCE Print

By eFXdata

Synopsis:

CIBC expresses concerns over persistent inflation in the US following the release of the latest Core PCE inflation figures. The data, which is closely watched by the Federal Reserve, showed a higher than expected increase for the second month in a row, highlighting the ongoing challenge of returning to the Fed's 2% inflation target. The report also indicated robust consumer spending, particularly in services, which could add to inflationary pressures.

Key Points:

- **Inflation Gauge Remains High:** Core PCE prices rose by 0.3% month-on-month in February, aligning with expectations, but a revision for January showed an increase to 0.5%, suggesting underlying inflation may be more persistent than previously thought.
- **Consumer Spending Rebounds:** February saw a significant rebound in nominal consumer spending by 0.8%, surpassing the anticipated 0.5% increase, with real spending also up by 0.4% despite poor weather impacts in January.
- **Services Consumption and Saving Rate:** Services consumption increased by 0.6% in real terms, pointing to strong demand, while the saving rate dipped to 3.6% from 4.1%, indicating potential concerns about household financial resilience.
- **Income Growth Steady but Below Expectations:** Personal income growth remained steady at 0.3%, albeit slightly below expectations, potentially influencing future consumer spending patterns.

Conclusion:

The latest Core PCE inflation figures present a mixed outlook for the US economy, with continued robust consumer spending, especially in services, raising questions about the persistence of inflationary pressures. The slight uptick in inflation and strong demand may pose challenges for the Federal Reserve's efforts to guide inflation back to its target level. CIBC notes that while Fed officials have expressed the intention not to overreact to short-term data fluctuations, the recent figures underscore the complexities of achieving a stable inflation rate amidst strong consumer activity.

Source: CIBC Research/Market Commentary

MAR
28
4:30 PM

Goldman: Anticipated Fed and ECB Policy Trajectories Through 2025

By eFXdata

Synopsis:

Goldman Sachs outlines its projections for the monetary policy paths of both the Federal Reserve and the European Central Bank (ECB) over the coming years. The firm expects the Fed to initiate a series of rate cuts starting in June 2024, eventually reaching a terminal rate range of 3.25-3.5%. In contrast, the ECB is forecasted to begin cutting rates in June 2024, with a series of reductions leading to a policy rate of 2.25%.

Key Points:

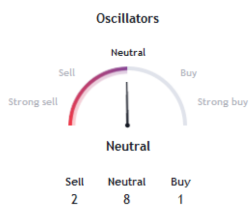
- **Federal Reserve Outlook:**
  - **Holding Pattern:** Anticipated to maintain the current fed funds rate range (5.25-5.5%) until June.
  - **Rate Cuts:** Projected to cut rates by 25 basis points in June, September, and December 2024, followed by four additional cuts in 2025, and one final cut in 2026.
  - **Balance Sheet Adjustment:** Expected reduction of the Treasury runoff cap from $60 billion to $30 billion monthly post-May FOMC meeting.
- **European Central Bank Forecast:**
  - **Steady Stance:** Predicted to hold the policy rate at 4.00% until a June cut.
  - **Rate Reductions:** Foreseen series of 25 basis point cuts per meeting, reducing the policy rate to 2.25% with a total of five cuts in 2024 and two more in 2025.

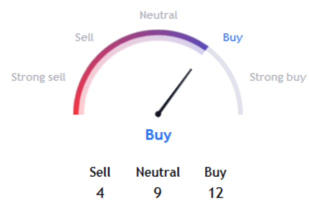
Conclusion:

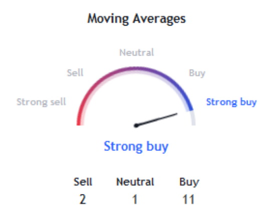
Goldman Sachs provides a detailed forecast for the future actions of the Fed and ECB, suggesting a cautious approach towards easing monetary policy. While both central banks are projected to start cutting rates in June 2024, the pace and extent of these cuts differ, reflecting divergent economic conditions and policy considerations. This analysis offers valuable insights for market participants navigating the evolving interest rate environment.

Source: Goldman Sachs Research/Market Commentary

USD/CAD Weekly Technicals







Oscillators ›

Name	Value	Action
Relative Strength Index (14)	52.03166	Neutral
Stochastic %K (14, 3, 3)	87.65759	Neutral
Commodity Channel Index (20)	57.73202	Neutral
Average Directional Index (14)	13.40741	Neutral
Awesome Oscillator	−0.00041	Neutral
Momentum (10)	0.01116	Sell
MACD Level (12, 26)	0.00090	Buy
Stochastic RSI Fast (3, 3, 14, 14)	88.99435	Neutral
Williams Percent Range (14)	−17.63898	Sell
Bull Bear Power	0.01188	Neutral
Ultimate Oscillator (7, 14, 28)	53.63071	Neutral

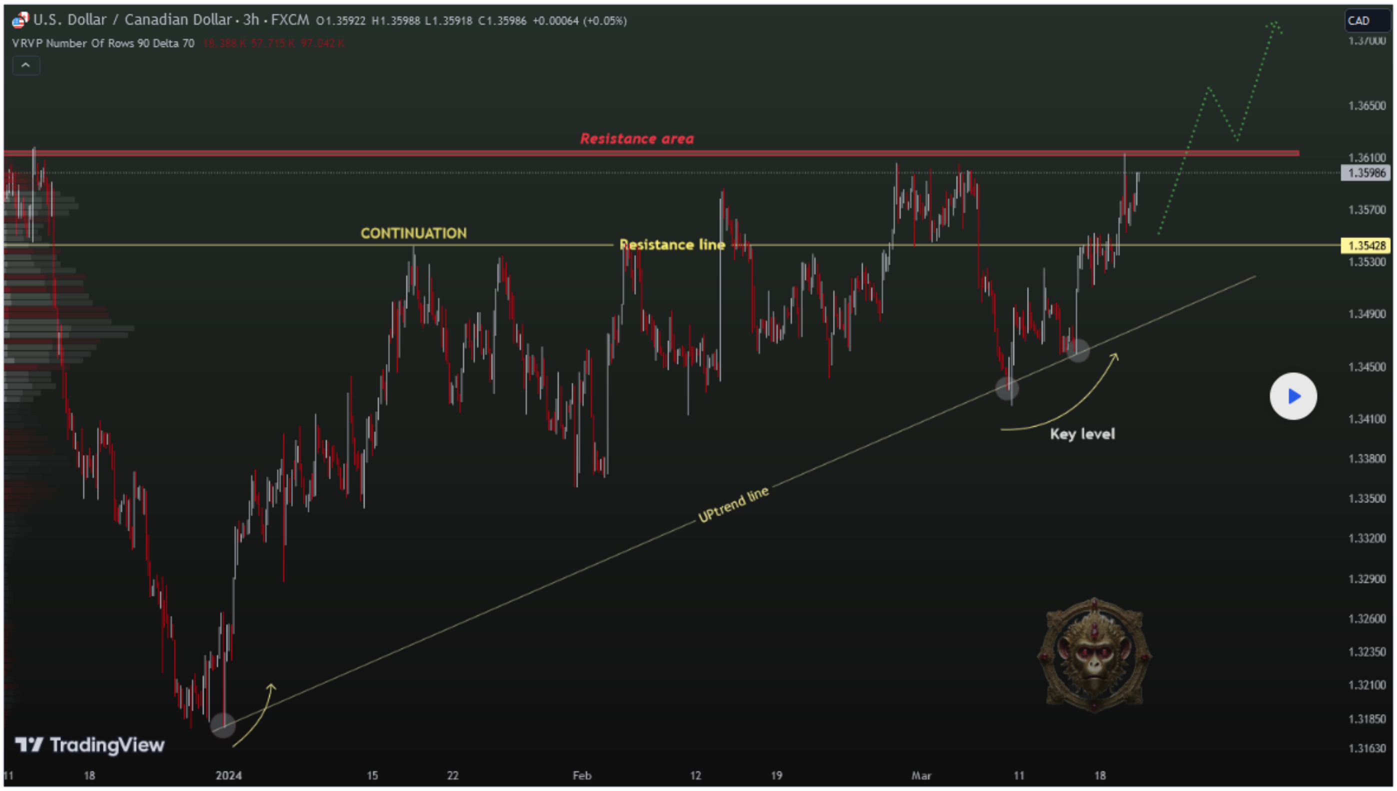
Moving Averages ›

Name	Value	Action
Exponential Moving Average (10)	1.35163	Buy
Simple Moving Average (10)	1.35069	Buy
Exponential Moving Average (20)	1.35051	Buy
Simple Moving Average (20)	1.34782	Buy
Exponential Moving Average (30)	1.35002	Buy
Simple Moving Average (30)	1.35376	Sell
Exponential Moving Average (50)	1.34734	Buy
Simple Moving Average (50)	1.34825	Buy
Exponential Moving Average (100)	1.33631	Buy
Simple Moving Average (100)	1.33879	Buy
Exponential Moving Average (200)	1.32132	Buy
Simple Moving Average (200)	1.30783	Buy
Ichimoku Base Line (9, 26, 52, 26)	1.35380	Neutral
Volume Weighted Moving Average (20)	—	—
Hull Moving Average (9)	1.35722	Sell

USDCAD → Day Analysis | BUY Setup ↗ LONG

U.S. Dollar / Canadian Dollar (FX:USDCAD) 1.35359 −0.00040 −0.03%

TheGrove PREMIUM Updated Mar 28



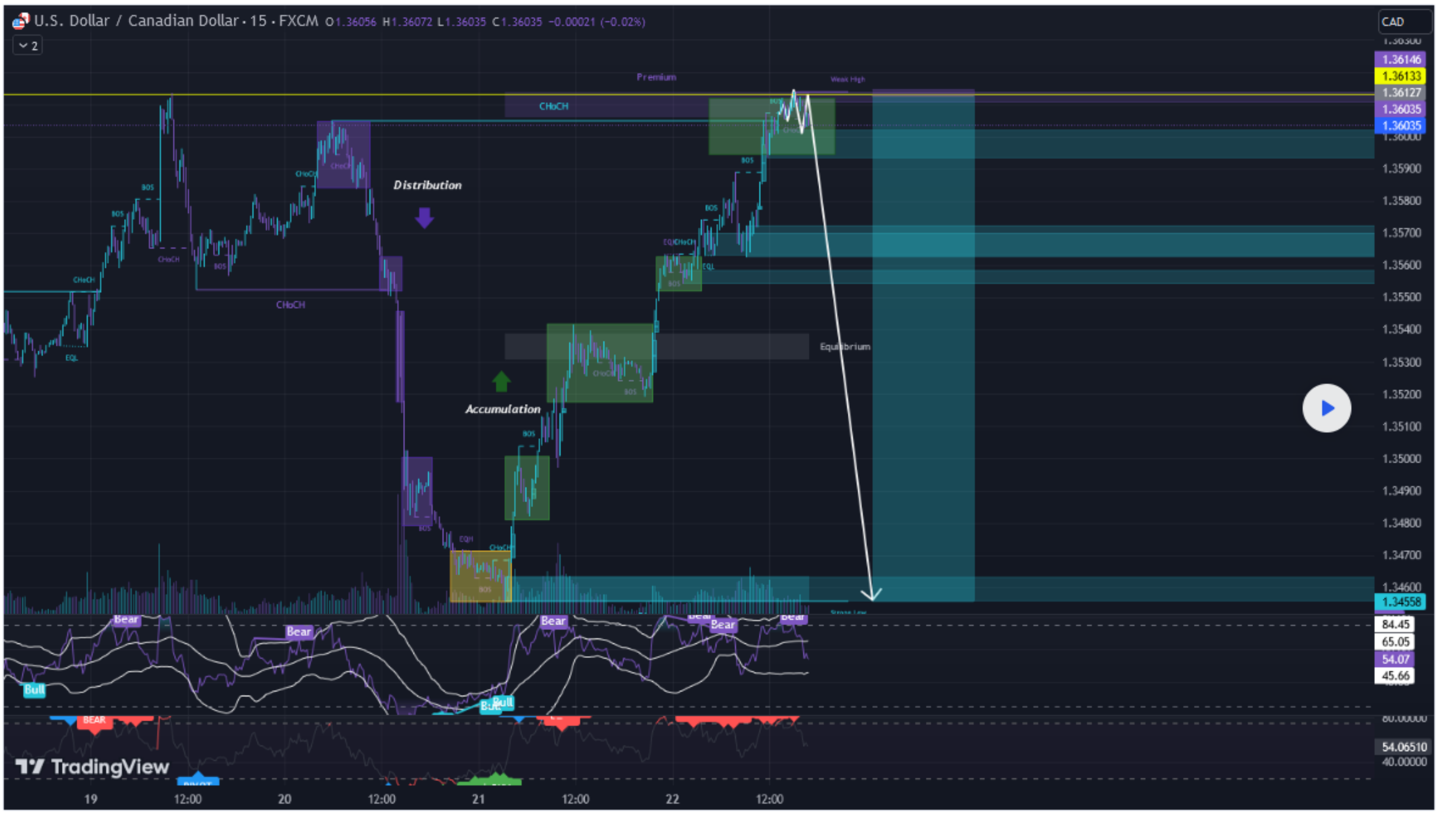
Trend Analysis Harmonic Patterns Chart Patterns USDCAD usdcadlong usdcadanalysis usdcadsetup usdcadsignal tradeanalysis ideasdetrading tradingsignals Forex

12 29

USDCAD is going to Tank down but when.. SHORT

U.S. Dollar / Canadian Dollar (FX:USDCAD) 1.35359 −0.00040 −0.03%

Charliepips11 ESSENTIAL Mar 24



Wave Analysis | Chart Patterns | Beyond Technical Analysis | USDCAD | usdcadshort | usdcadanalysis | usdcadsignal | usdcadprediction | usdcadsetup | usdcadforecast | usdcadidea | usdcadshortsetup

18 50

So to break this trade down down properly I started by looking on the daily time frame and saw there was a bullish liquidity purge, came down to our 1H time frame to confirm that we are indeed inside of a order block and to be clear about this particular setup its the "Holy Grail" or Elliot wave pattern. To see things a little more clear I've used the 15 or 5 MIN time frame to spot out the distribution and accumulation phases and liquidity has been swept from March 19th. I'd look for a 5 Min entry at 1.36127 and target the very bottom consolidation at 1.34558. SL at 1.36146. To maximize any profits trail stop losses!! secure the BAG and good luck!

USDCAD - Already Over-Sold! Again... SHORT

U.S. Dollar / Canadian Dollar (FX:USDCAD) 1.35359 −0.00040 −0.03%

TheSignalyst PREMIUM Updated Mar 29

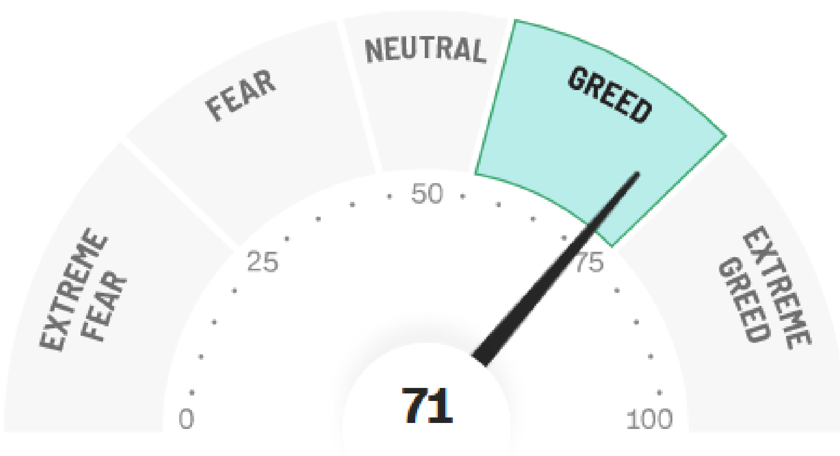
Trend Analysis · Chart Patterns · Beyond Technical Analysis · USDCAD · Forex · Bearish Patterns · reversal · longterm · breakout

3 17

Fear & Greed Index

What emotion is driving the market now?
Learn more about the index

Overview Timeline



Previous close
Greed 70

1 week ago
Greed 67

1 month ago
Extreme Greed 77

1 year ago
Fear 41

Last updated Mar 28 at 8:59:51 PM ET

7 FEAR & GREED INDICATORS

MARKET MOMENTUM

S&P 500 and its 125-day moving average

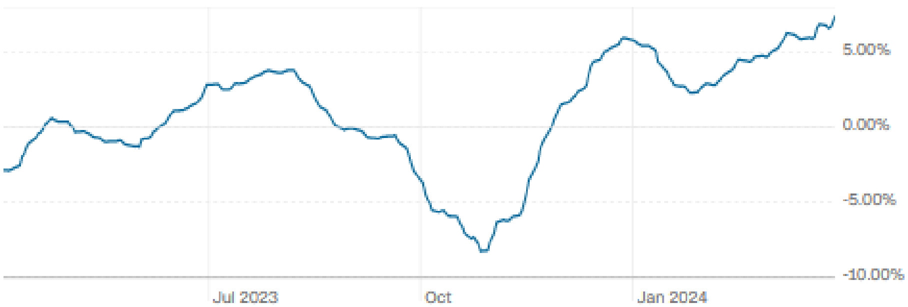
Last updated Mar 28 at 5:20:15 PM EDT

It's useful to look at stock market levels compared to where they've been over the past few months. When the S&P 500 is above its moving or rolling average of the prior 125 trading days, that's a sign of positive momentum. But if the index is below this average, it shows investors are getting skittish. The Fear & Greed Index uses slowing momentum as a signal for Fear and a growing momentum for Greed.

STOCK PRICE STRENGTH

EXTREME GREED

Net new 52-week highs and lows on the NYSE



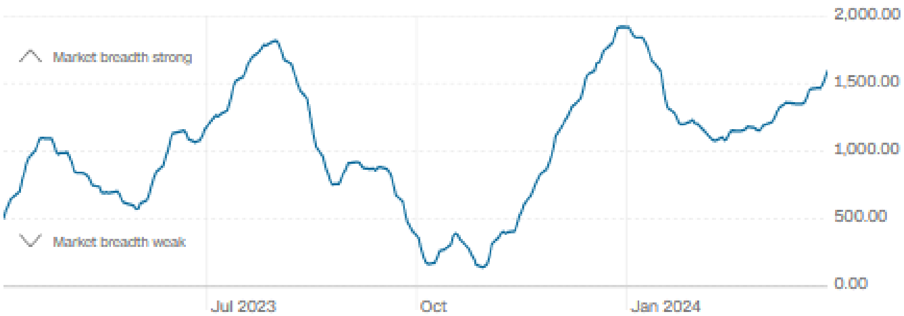
Last updated Mar 28 at 8:59:51 PM EDT

A few big stocks can skew returns for the market. It's important to also know how many stocks are doing well versus those that are struggling. This shows the number of stocks on the NYSE at 52-week highs compared to those at 52-week lows. When there are many more highs than lows, that's a bullish sign and signals Greed.

STOCK PRICE BREADTH

EXTREME GREED

McClellan Volume Summation Index



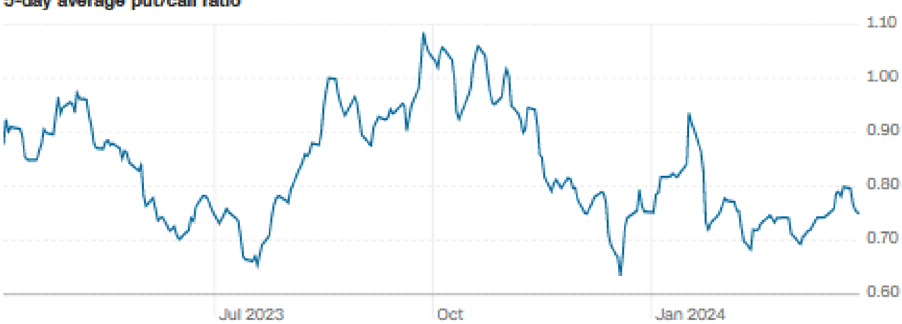
Last updated Mar 28 at 8:59:51 PM EDT

The market is made up of thousands of stocks. And on any given day, investors are actively buying and selling them. This measure looks at the amount, or volume, of shares on the NYSE that are rising compared to the number of shares that are falling. A low (or even negative) number is a bearish sign. The Fear & Greed Index uses decreasing trading volume as a signal for Fear.

PUT AND CALL OPTIONS

GREED

5-day average put/call ratio

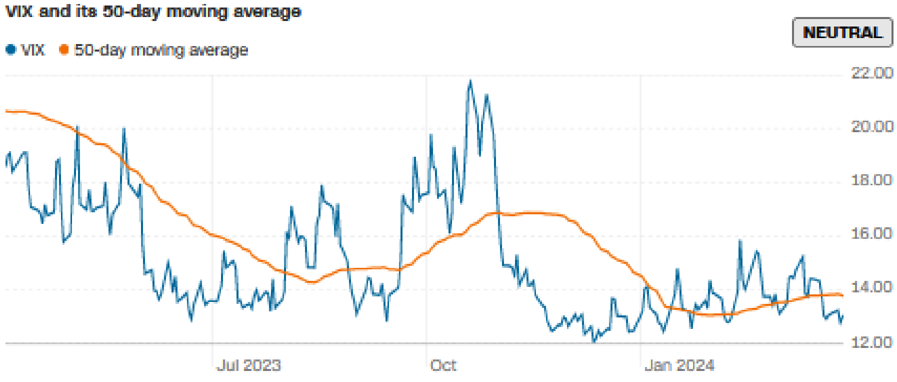


Last updated Mar 28 at 4:50:29 PM EDT

Options are contracts that give investors the right to buy or sell stocks, indexes or other financial securities at an agreed upon price and date. Puts are the option to sell while calls are the option to buy. When the ratio of puts to calls is rising, it is usually a sign investors are growing more nervous. A ratio above 1 is considered bearish. The Fear & Greed Index uses a bearish options ratio as a signal for Fear.

MARKET VOLATILITY

VIX and its 50-day moving average



Last updated Mar 28 at 4:15:01 PM EDT

The most well-known measure of market sentiment is the CBOE Volatility Index, or VIX. The VIX measures expected price fluctuations or volatility in the S&P 500 Index options over the next 30 days. The VIX often drops on days when the broader market rallies and soars when stocks plunge. But the key is to look at the VIX over time. It tends to be lower in bull markets and higher when the bears are in control. The Fear & Greed Index uses increasing market volatility as a signal for Fear.

SAFE HAVEN DEMAND

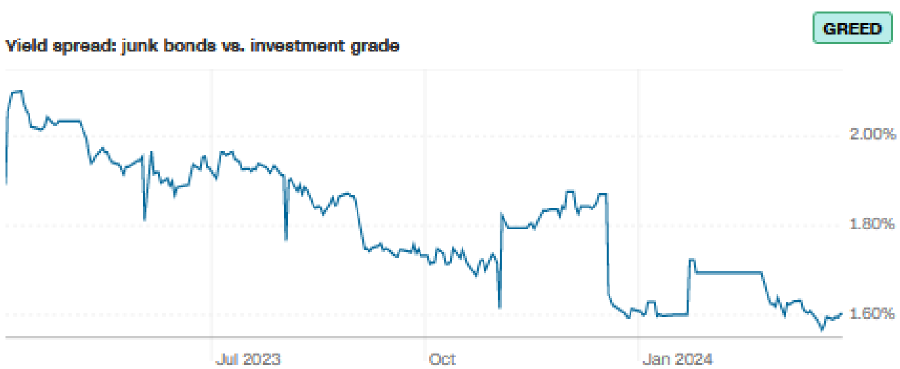
Difference in 20-day stock and bond returns

Last updated Mar 28 at 3:59:59 PM EDT

Stocks are riskier than bonds. But the reward for investing in stocks over the long haul is greater. Still, bonds can outperform stocks over short periods. Safe Haven Demand shows the difference between Treasury bond and stock returns over the past 20 trading days. Bonds do better when investors are scared. The Fear & Greed Index uses increasing safe haven demand as a signal for Fear.

JUNK BOND DEMAND

Yield spread: junk bonds vs. investment grade



Note: The frequent drops of the yield spread on the Junk Bond Demand chart usually appear on the ex-dividend date. The spread typically bounces back after the dividend is paid and normalizes over time.

Last updated Mar 28 at 8:00:00 PM EDT

Junk bonds carry a higher risk of default compared to other bonds. Bond yields – or the return you get on investing in a bond - dip when prices go up. If investors crave junk bonds, the yields drop. Likewise, yields rise when people are selling. So a smaller difference (or spread) between yields for junk bonds and safer government bonds is a sign investors are taking on more risk. A wider spread shows more caution. The Fear & Greed Index uses junk bond demand as a signal for Greed.