

Forex Symbol «US Dollar vs Canadian Dollar» or «USDCAD»

USDCAD trading symbol is very popular among traders at the Forex market. Historically, this currency pair appeared in January 1978, due to the detection of large oil deposits in Canada that the country is actively exporting to the present day. The most important purpose of the introduction of this trading instrument was to provide the greatest simplicity in the sale of oil, and set the price of oil for each country separately.

Date of birth of the trading instrument at the currency market is January 3. Initially, the price chart represented in the form of bars, which enjoyed great popularity among traders. After the appearance of a given currency pair in the Forex market, it has gained status as one of the most heavily used tools of trade in the Forex market, which has committed a huge number of trades by buying and selling financial instruments to the most advantageous performance of other trade deals, or make a profit on difference between prices for this currency pair. By 1989, the trading instrument USDCAD has also received a candle on the chart display. It was uncomfortable at first for traders due to the presence of long tails on the chart. For this reason, mapping candlestick chart was initially close to the bar chart.

USDCAD currency pair is quite highly liquid, especially during the working period of the North American markets. A trader can easily make quite realistic prediction on the future price behavior. Thus, in analyzing the graph of this trading instrument, you can see that in most cases, the graph has a bit of candles with long tails, in contrast to the trading instrument USDJPY. The graph is usually not observed unexpected sharp price spikes for no apparent reason, which enables a stable trade by using this symbol.

Canadian dollar is very dependent on world oil prices. Canada is one of the largest world exporters of oil. For this reason with increasing the oil price, the cost of the Canadian dollar is also increasing, and with decreasing the oil prices, the cost the Canadian dollar is falling. Thus, for the currency pair there is a direct dependence on oil world prices.

In carrying out trading activities on a specified financial instrument traders often guided in their forecasts on support and resistance levels, as well as distinct trends, as this type of analysis gives the best chance of making a profit. For the currency pair USDCAD formed distinct levels targeted by traders in the analysis. Historical levels help traders to better define the necessary points of opening the trading positions in the foreign exchange market.

Before the opening of the transaction, you should be familiar with the current situation in the oil market on a daily time period, as well as make a little prediction about future movements in oil prices, since that price is directly related cost of the Canadian dollar. It is necessary to identify in the analysis the emerging and existing shapes such as triangles, reversal, and others.