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Canadian Dollar Mixed Against Majors

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In early trading on Thursday, the Canadian dollar showed mixed performance against its major counterparts. While, the loonie dropped to a 10-day low against the yen and the dollar, it advanced against the currencies of Europe and Australia.

Canadian leading index data is due at 8:30 am ET today. A rise of 0.8% is forecast for October, compared to a 1.1% increase in September. The wholesales sales data report is also due at the same time. A decline of 0.5% is expected for September, compared to a 1.4% drop in August.

Yesterday, the Statistics Canada reported that Canada's annual inflation edged higher for the first time since May, as gasoline prices began to level off after large declines compared to a year ago. Consumer prices rose 0.1% in October compared with October 2008, following a 0.9% decline in September.

Still, inflation rose at a slightly slower pace than forecast. Economists were looking for an annual increase of 0.3%.

Against the Japanese yen, the Canadian dollar fell to a 10-day low during Thursday's early trading. The loonie touched 85.51 against the yen around 3:15 am ET, down from Wednesday's close of 84.72. The next downside target for the loonie-yen pair is seen at the 82.12 level.

The Ministry of Economy, Trade and Industry reported that Japan's all industry activity dropped a seasonally adjusted 0.6% month-on-month in September, compared to the 0.9% increase in the previous month. This was the first monthly decline in all industry activity since March 2009, when the index slumped 1.6%. Economists had expected the index to remain flat in September.

The Canadian dollar edged down against its US counterpart during Thursday's early deals and hit a 10-day low of 1.0638, compared to yesterday's close of 1.0550. If the loonie slides further, 1.078 is seen as the next downside target level.

From U.S., the Labor Department is due to release its customary jobless claims report for the week ended November 14th at 8:30 am ET. Economists expect a modest increase in claims to 504,000.

The Conference Board is scheduled to release a report on the U.S. leading index for October at 10 am ET. The consensus estimate calls for a 0.5% increase in the leading indicators index for the month. At the same time, the results of the Philadelphia Federal Reserve's manufacturing survey are due out. Economists expect the diffusion index of current activity to show a reading of 12 for November.

Dallas Federal Reserve Bank President Richard Fisher will deliver the closing address to the Cato Institute's annual monetary policy conference in Washington at 4:45 pm ET.

The Philadelphia Federal Reserve Bank President Charles Plosser is scheduled to speak to the Global Interdependence Center conference on food and water in Singapore both on Thursday and Friday.

The Canadian dollar advanced against its Australian and European counterparts during today's early trading. The loonie hit as high as 0.9754 against the Aussie and 1.5757 against the loonie, compared to yesterday's closing values of 0.9808 and 1.5786 respectively. If the Canadian currency rises further, 0.971 is seen as the next upside target level against the Australian currency and 1.56 level against the euro.

The average weekly wage in Australia was up 5.2 percent on year in August, the Australian Bureau of Statistics said today, following the 6.1 percent annual expansion in July. In the three months to August, weekly wages were up 0.9 percent compared to the previous three months. In the three months to July, wages had risen 1.2 percent.

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