

- USDCAD makes tentative rebound, gains to extend above 1.2835 for 1.29/1.30.
- EURCAD weaker after range ceiling caps again; may retest low 1.53s.
- GBPCAD little change, holds broader range; watch 1.7440/45 area for bull trigger.
- CADMXN weakens below consolidation base, may edge to 100-week MA at 15.32.
- AUDCAD rally shows signs of minor unraveling below 0.9815.
- CADJPY weakens, tests daily trend support.

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**USDCAD's** broad and sustained sell-off is showing signs of stabilizing in the short run. Bearish trend momentum has moderated and is showing signs of reversing on the shorter-term (intraday and daily) oscillators and the USD pushed higher to just below the 40-day MA (1.2806) overnight. We think the salient, technical feature for USDCAD lies on the weekly chart at present; after reaching a new cycle low last week, the USD's subsequent push to 1.2834 and the higher close on the week leaves a bullish outside range reversal, a strong sign that the USD downtrend is poised to correct somewhat higher. This would be in keeping with typical seasonal trends which tend to favour USD gains through Q1. The near-term trigger for an additional push higher for the USD stands at 1.2835, effectively a double bottom trigger after the USD's rebounds from the 1.2625/30 zone (now key daily support). We think gains through 1.2835 target a potential rise to as much as 1.3035/40 over the next 2-4 weeks.

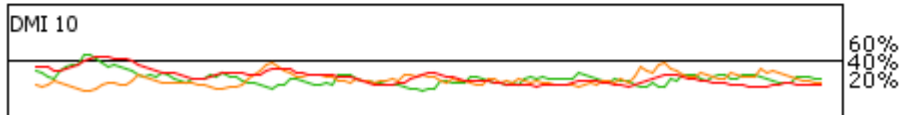
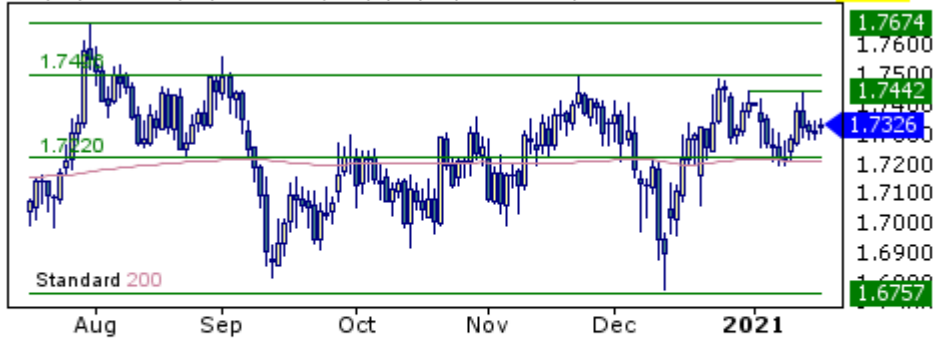


**EURCAD** has weakened, in line with expectations, even if losses last week fell a little short of the retest of 1.5315 that we thought likely. Recall that weekly price action through late 2020 formed a clear, bearish reversal ("evening star" top) while trend indicators show a pick-up in bearish trend momentum on the daily and weekly oscillators. The EUR has rebounded modestly over the past couple of sessions but the rebound appears to be taking the form of a minor consolidation (bear flag) ahead of another push lower. We think near-term losses below 1.5400/10 will prompt another test of the low 1.53s. A weekly close under 1.5315/25 should see the EUR drop extend towards 1.5125—the 50% retracement support of the 2020 rally.



**GBPCAD** is little changed and holds within the recently established trading range. Trend signals are weak and neutral across short, medium and longer term time frames which suggest the GBP will continue to bounce around randomly between support around 1.72 (reinforced by the 200-day MA) and resistance at 1.75. We do think, however, that a push through 1.7440/45 will tip the balance towards a topside break out—price patterns suggest this may be the neckline of a bullish, inverse Head & Shoulders formation forming within the broader range trade.

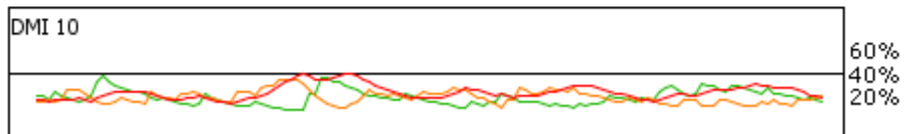
17/07/2020 - 18/01/2021 Daily FX/Spot/TM/GBPCAD 22/22 Hi: 1.7674 Lo: 1.6775 **1.7326**



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**CADMXN** has encountered stiffer resistance through the upper 15s, as we expected, and is pressuring the base of the consolidation support (a bear flag formation, in effect) around 15.51. Weekly price action looks soft and suggests building downside risks. However, trend oscillator signals here too are fairly weak and rather suggest the CAD may have some trouble establishing more downside momentum in the short run. The loss of weekly support (100-week MA) at 15.32 should see a quick retest of the late 2020 low (15.23). Below here we see support at 14.95.

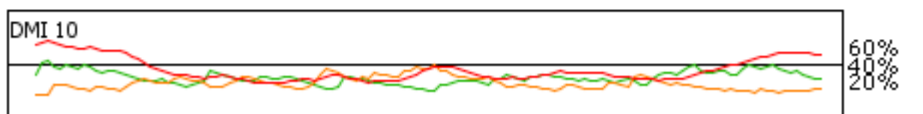
17/07/2020 - 18/01/2021 Daily FX/Spot/TM/CADMXN Hi: 17.099 Lo: 15.282 **15.451**



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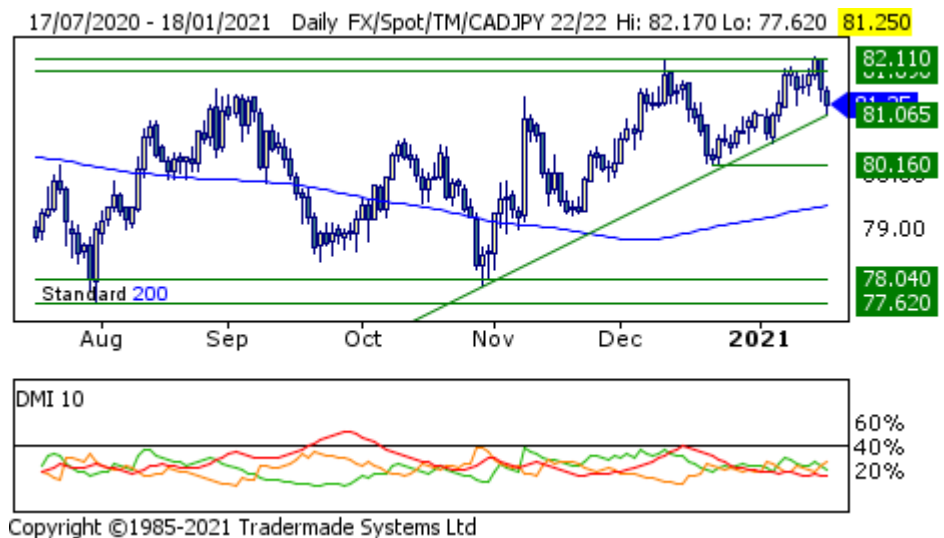
**AUDCAD's** resilient uptrend is showing signs of fraying around the edge. Shorter-term trend momentum (DMI) signals are turning bearish (intraday) or show weakening bullish trend strength (daily). Daily price action rather suggests a minor double top may have formed (downside break triggered by today's move below 0.9814). Downside risks look relatively limited at the moment (potentially) extending to the low 0.97s. But we also note that the daily range shows a clearly narrowing trend which is usually indicative of a broader loss of trend intensity and rising downside risk.

17/07/2020 - 18/01/2021 Daily FX/Spot/TM/AUDCAD Hi: 0.9901 Lo: 0.9248 **0.9806**



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**CADJPY** looks soft. Consecutive daily declines of some significance have put the CAD in line to pressure daily trend support at 81.05/10. More broadly, another—not unexpected—failure around the 82 level sets up a possible double top signal (only triggered and in play on further weakness below 80.16, however). Trend strength oscillators are weak, which rather favours more choppy range trading. Look for better selling on minor gains and for weakness to pick up on a break under trend support in the low 81 area, however.



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