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**Overview**

- USDCAD rebound from low 1.26s dampens building downside risk.
- EURCAD edges below channel support—bearish.
- GBPCAD struggles to generate more lift above 1.71 area, rally may pause.
- CADMXN holds neutral range near 200-day MA.
- AUDCAD downtrend resumes after Dec peak/reversal.
- CADJPY rally falters around 91.65; minor downside risk evident below 90.30.

**USDCAD**

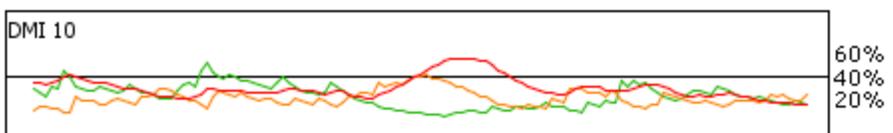
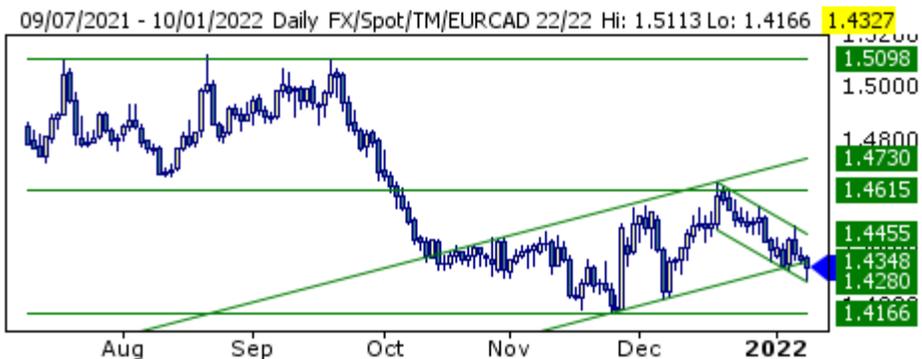
**USDCAD** is trading off the intraday low at the start of the week, having found support against the early Dec low at 1.2610. The USD closed out last week at its lowest in seven weeks, however, and the broader outlook for the USD remains bearish. Still, intraday gains are quite robust and warrant attention. We note key USD support in the low 1.26 zone, reflected in the 100-day MA and the neckline of a possible Head & Shoulders top at 1.2633. Having tested the waters below the neckline trigger today, we think there is little room for the USD to appreciate now and allow this pattern to remain valid. We think a break under support in the low 1.26s will essentially trigger a move back to the low end of the past year's trading range—something we expect to occur after the recent rejections near 1.2950. Resistance is 1.2730/35 and (major) 1.2810.



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**EURCAD**

**EURCAD** retains a soft, technical undertone. The EUR is pressuring the base of the Nov/Jan consolidation—potential bear flag trigger—around 1.4350 after the cross failed to recover through key resistance at 1.4615 in Dec. Price action since that point has been weak and we note a clear pick up in bear trend momentum on the short, medium and long-term charts. That should mean the short-term downtrend that has developed off the Dec peak persists for now at least (resistance at 1.4455 if the cross does find some support in the upper 1.42s today). We are bearish on the outlook for the EUR; the break below the broader channel base at 1.4350 should see the EUR retest the 1.4165 area at least. New cycle lows will point towards additional losses towards 1.37/1.38.

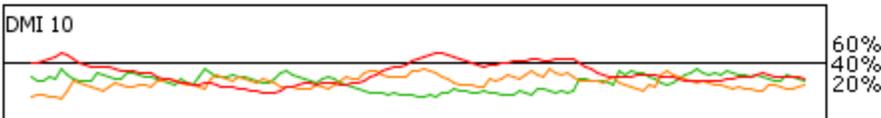


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**GBPCAD**

09/07/2021 - 10/01/2022 Daily FX/Spot/TM/GBPCAD 22/22 Hi: 1.7625 Lo: 1.6648

1.7177



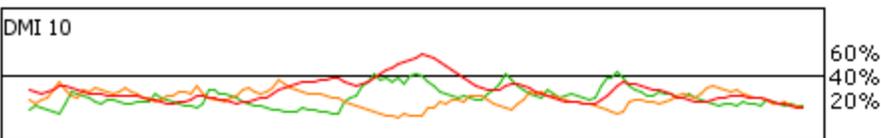
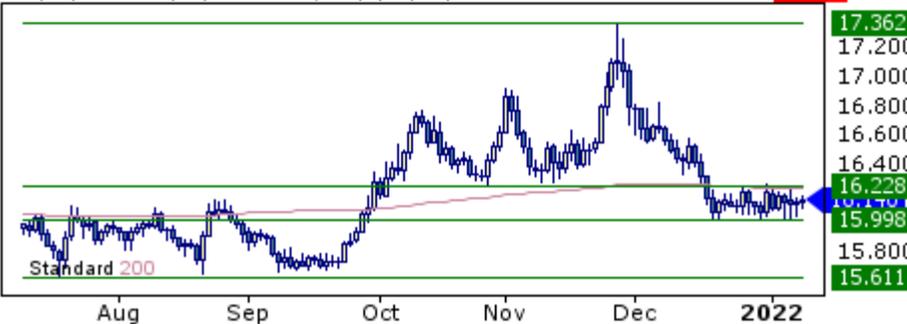
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**GBPCAD** price signals are turning a little mixed as the pound struggles for a stronger sense of direction above 1.71. We still rather think this is a bullish development for the cross and continue to look for the GBP to push on towards 1.75/1.76 range (the top of the broader sideways range in place last year). However, weak price action last Thursday left a bearish candle print on the daily chart (“dark cloud cover”), just a little above the late Dec high. Weakness below the 1.7085 point—the intervening low between these two highs—will signal a deeper setback for the GBP may be developing. We remain bullish in the short run while 1.7085 holds.

**CADMXN**

09/07/2021 - 10/01/2022 Daily FX/Spot/TM/CADMXN Hi: 17.362 Lo: 15.611

16.140

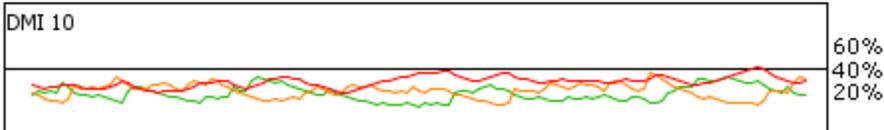
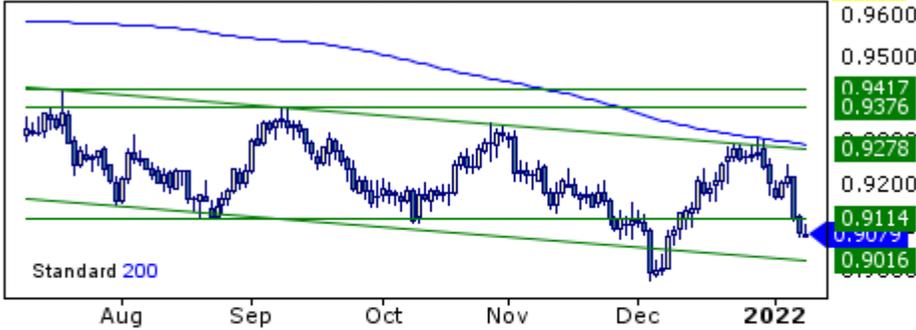


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**CADMXN** is more or less unchanged from our last update, with the cross trapped in a tight range between support around 16 and resistance near 16.23 (200-day MA). Price action is flat and trend momentum is declining significantly as a consequence. This appears to be a consolidation in the market ahead of a further push lower in the CAD but this is a low-conviction call and we do note that the daily and weekly charts reflect solid demand for the CAD on dips.

**AUDCAD**

09/07/2021 - 10/01/2022 Daily FX/Spot/TM/AUDCAD 22/22 Hi: 0.9417 Lo: 0.8973 **0.9079**

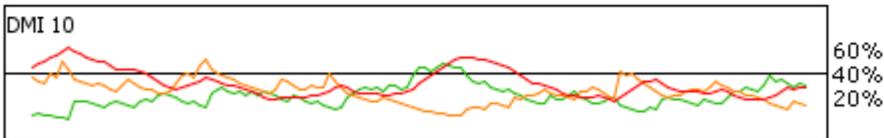


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**AUDCAD** is trading higher today, barely, but the technical tone for this cross is weaker, much as we expected after the late year stall around the 200-day MA (forming a bearish “engulfing” line on the daily chart and a weekly “dark cloud cover” signal as part of that rejection). Combined, these signals suggest a more sustained push lower in store for the AUD, in our opinion. The low 0.91 zone has failed to show much support for the AUD and we note that short, medium and long-term DMI signals are tilting bearish-AUD again, suggesting the downdraft will extend (rather than stabilize around 0.91) amid limited opportunities for the AUD to rally. We spot minor resistance at 0.9115/20 now. Support is 0.8975.

**CADJPY**

09/07/2021 - 10/01/2022 Daily FX/Spot/TM/CADJPY 22/22 Hi: 93.020 Lo: 84.680 **90.840**



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**CADJPY's** rally has stalled; it remains to be seen if this is a big setback for the cross but short-term price signals do suggest some building downside risks for the CAD here. The CAD has met stiff resistance at 91.65 on two occasions over the past week and heavy losses so far today (potentially negative from a technical point of view) suggest a test at least of the intervening low at 90.32 (potential double top trigger). We note that trend oscillators are aligned bullishly for the CAD which should mean limited downside risk for the cross at the moment but loss of support around 90.30 could see the cross retest the 89 area before gains resume. Cautious in the short run but we remain bullish in the longer term (for 100+ potentially).

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