Global Daily Packet

TD Global Daily - North America Open

Global Rates, FX & Commodities Strategy
15 May 2026

New Trades

Position	Entry Level	Target Level	Stop-Loss
Retaining short ACGB 06/31	4.7575% (initiated 13 Apr)	5.00%	4.60%

G10 Data and Events

ET	UKT		Event	Market	TD	Comment
08:15	13:15	▼	CAD Housing Starts (Apr)	245k	240k	Deceleration from 6m trend
08:30	13:30		USD Empire Manufacturing (May)	7		
08:30	13:30		CAD Int'l Securities Transactions (Mar)			
08:30	13:30	▼	CAD Manufacturing Sales mom (Mar)	3.50%	3.20%	Large contribution from petroleum refineries
09:15	14:15	▼	USD Industrial Production mom (Apr)	0.30%	0.20%	Rebound in manufacturing

Source: TD Securities, Bloomberg. Calendar last updated on 12 May 2026

Key: ▲ Upside Risk ▼ Downside Risk

EM Data and Events

ET	UKT	Event	Market	TD	Comment

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TD Strategy Change of View

US — New Fed Call: Maintaining Altitude

We are revising our Fed call and no longer expect rate cuts in 2026. With the Iran conflict in a stalemate, oil prices still high, and supply chains stressed, we no longer see inflation progress as feasible this year. Additional easing in 2027 is still our base case once impacts from Iran subside. The next move for the FOMC is still more likely to be a cut than a hike. Risks of labor market acceleration are low, and inflation expectations remain well-anchored.

Our new inflation outlook has core CPI and PCE inflation ending 2026 higher than they started. The SEP projections at the June FOMC will likely be adjusted hawkishly with the median official looking for no easing in 2026.

We also expect that the FOMC statement's easing bias will be dropped in June, a win for the hawks. Incoming Fed Chair Warsh will likely support the change as he garners credibility with the majority of the Committee.

Risks are varied to our forecast given the heightened uncertainty surrounding the Iran conflict. Prolonged hostilities with stable financial conditions and elevated oil prices could keep the Fed on hold even longer. On the other hand, a material growth shock could force it to ease sooner.

Rates: We expect the curve to remain flat in the near-term before steepening in 2027 after the Fed begins to ease. We now expect 10y rates to end the year at 4.25%.

FX: The Fed staying on hold makes us less bearish on the USD than before. However, we still maintain a downward USD forecast path in 2026 on asymmetric USD risks owing to developments in Iran along with the Fed maintaining a relatively less hawkish stance vs global central banks.

Watch and Listen

Replay | Webinar: What's Next for the Fed: Discussing Our New Fed Call

Market Signals

US

US Market Update

The curve flattened on Thursday, with oil also modestly increasing on the day. We updated our Fed call, pushing cuts back to March 2027. With this, we update our YE forecast for 10y rates to 4.25% and expect the curve to remain flat throughout the year. Retail sales came in at expectations, while jobless claims came in slightly higher than consensus. News from China came from President Trump, saying that Xi offered to help on Iran and wants to see the Strait open. Miran submitted his resignation to the President, effective upon the swearing in of Warsh as Fed Chair.

On Friday, focus continues to be on the Middle East and geopolitics, though we will have industrial production data released in the morning.

G10 Data and Events

Previews for the Day Ahead

Canada Manufacturing Sales (Mar) ▼	We look for manufacturing sales to rise another 3.2% m/m in March, building on their 3.6% gain the prior month (market: +3.5%). Higher gasoline prices will provide the key driver with a 20% increase in the price at the pump which will translate to an outsized contribution from petroleum refineries in March. Transportation products will provide another tailwind on stronger auto production, while other components should see more modest gains, consistent with the smaller increase for non-energy exports in March. Real manufacturing sales should see a muted performance with the 2.4% m/m increase for industrial prices, which would translate to only a mild tailwind for industry-level GDP.

Overnight Commentary

US Retail Sales (Apr)	Retail sales printed in line with expectations at 0.5% m/m in April (TD: 0.6%, consensus: 0.5%), but down from 1.6% in March as gasoline station and auto sales led the moderation. The control group also rose 0.5% m/m, a tick above consensus but in line with our forecast (0.4% m/m in real terms, according to our calculation). Online sales was the main driver, jumping 1.1% m/m. Interestingly, bars/restaurant spending — the only services category in this report — picked up 0.6% m/m after slowing to 0.1% in March. All in, the US consumer is remaining resilient, also likely supported by the last leg of tax refunds (particularly high income households).

EM Data and Events

Previews for the Day Ahead

China Activity Data (Apr)	Industrial dominance likely supersedes consumption again in April. Strong exports growth in Apr should translate to an upside beat in output this month and we expect a firm print at 6.1% y/y (cons: 6.0%, prior: 5.7%). Overall output will be driven by key sectors such as chips and communication equipment. Retail sales, however, may disappoint again at 1.5% (cons: 2.0%, prior: 1.7%) as our high frequency tracker of white goods and automobiles continue to edge lower over Apr and reflects the current two-speed growth track for the economy.

Overnight Commentary

China Credit Data (Apr)	New yuan loans contracted by CNY11.5bn (prior: CNY2995bn) in April'26, not seen since July 2025. On an annual basis, new yuan loans continued its downtrend at 5.6% y/y (prior: 5.7%) which shouldn't be a surprise to markets as Beijing steers away from credit creation to drive economic growth. Looking at the household sector within new yuan loans, the slow recovery in the housing market probably kept households at the sidelines for property purchases. Looking at corporates, non-financial business's loans growth was lackluster at CNY388bn and reflects low private-sector confidence. We expect credit growth to stay muted this year as China veers towards quasi-fiscal tools to support key industries while the PBoC is turning more neutral on monetary policy which may put a lid on appetite for new credit.