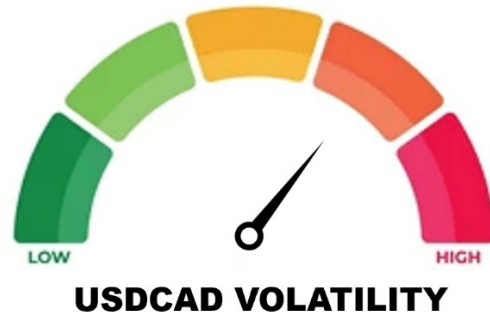


# Weekly Commercial FX Brief

(04/20/2026-04/24/2026)

## USDCAD Forecasts

### USDCAD Volatility Outlook



Market Implied USDCAD Ranges\*

Spot value for USDCAD 04/21/2026	Week Ahead	Month Ahead
1.365	1.3572-1.3729	1.3479-1.3823

N.B Option-Implied Ranges

## TD Global FX Strategy Forecasts

Global FX Forecasts									
	Spot	2026				2027			
	21-Apr-26	Q1 Actual	Q2 Forecast	Q3 Forecast	Q4 Forecast	Q1 Forecast	Q2 Forecast	Q3 Forecast	Q4 Forecast
USDCAD	1.36	1.39	1.37	1.35	1.34	1.34	1.33	1.33	1.32

### TD Quant Signal Model

G10	< 1 Month ↓	1 - 3 Months	12 - 18 Months
CAD			

Modelled signals using <1 month = High Frequency Fair Value, 1-3 month = GMPCA, 12-18 months = Low Frequency Fair Value

## USDCAD:

We see limited USD upside on new flare-ups for the current Middle East conflict and continue to have a bearish USD bias. While geopolitical risk triggered a positioning correction, the safe-haven response was lackluster. There is limited scope for a 2022-style USD surge as the US economy is resilient but no longer exceptional. Resilience alone is necessary—but not sufficient—for a sustained USD rally. In a backdrop of recovering global growth, eventually lower US rates and fiscal buffers, the setup favors risky assets and is USD-negative. “Hedge America” trade could intensify as the US becomes a growing source of uncertainty.

The CAD has already returned to pre conflict levels versus the USD after a modest rally during the conflict. Market-implied 3m CAD volatility has drifted lower alongside a compression in one-sided skew and tail-risk pricing. CAD would continue to trade near current levels through Q2 unless a meaningful catalyst emerges to shift market sentiment.

## The Week that Was (13 Apr)

### Canada:

1. Manufacturing sales saw a sharp (+3.6%) increase in February on a rebound in auto production, while wholesale trade rose by 2.0% for the same month.
2. Housing starts were more downbeat with a deceleration to a 236k annual rate in March, while existing home sales were flat (-0.1% m/m) in March after four months of contraction.
3. PM Carney secured his Parliamentary majority with three by-election victories on Monday. Finance Minister François-Philippe Champagne announced that the next Fiscal Update will be delivered on April 28th.

### United States:

1. March PPI surprised to the downside, with the headline rising only 0.5% m/m (cons: 1.1%). Core PPI inflation was also subdued with ex food & energy and ex food, energy, & trade printing a subdued 0.1% and 0.2% m/m, respectively.

2. The PCE-relevant details of the report were slightly stronger than we had expected. We revised up our core PCE estimate to 0.26% m/m (from 0.23% originally) and headline to 0.64% (from 0.61% originally).

## **The Week Ahead (20 Apr)**

### **Canada:**

1. Canadian CPI rose by 0.9% m/m in March led by higher gasoline prices (+21% m/m), which brought the yearly pace of inflation to 2.4% y/y - its highest pace since last February. Although the headline increase was eye-catching in an objective sense, it did fall short of market estimates by 0.2 p.p.
2. We look for retail sales to rise by 0.7% m/m in February to build on their solid performance last month, with stronger auto sales helping to underpin the headline print.
3. The Bank of Canada's Business Outlook Survey showed improvement in Q1, though the data was collected before the escalation in the Persian Gulf.

### **United States:**

1. Further news on a ceasefire extension or potential escalation in Iran will dominate market moves this week.
2. Kevin Warsh's confirmation hearing will be the other key event this week, but we do not expect significantly different views from current Fed speak.
3. We expect retail sales increased sharply in March at 1.7% m/m, largely due to higher gasoline prices.
4. We expect some improvement in both preliminary April S&P PMIs.

Event	Market	TD	Overview
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### Americas

Hawkish	<b>US (21 Apr)</b>			We expect retail sales increased sharply in March, largely due to higher gasoline prices. Strong control group sales—also somewhat supported by core goods inflation—will also likely support the headline. We look for only a sideways move in auto sales. Food services sales, the only services category in the report, were likely strong as well at 0.7%.
	<b>Retail Sales (Mar, m/m)</b>	1.3%	1.7%	
	Headline	0.2%	0.6%	
Dovish	<b>Canada (20 Apr)</b>			Headline CPI is set to <b>firm by 0.7pp</b> to 2.5% y/y in March as prices rise by 1.1% m/m. Higher energy prices will provide the key catalyst, with an offset from decelerating food inflation due to base-effects from last year's HST pause. We do not expect material spillovers to core inflation measures with CPI-trim/median forecast to rise 0.2% m/m and hold at 2.3% y/y.
	<b>CPI (Mar, y/y)</b>	2.6%	2.5%	
	Core	2.35%	2.3%	
Neutral	<b>US (21 Apr)</b>			The Senate will hold a hearing on Kevin Warsh's Fed Chair confirmation. We do not expect Warsh to offer policy views significantly different from current FedSpeak. The oil shock presents risks to both sides of the mandate. Comments on his plans for the balance sheet will be of note. However, his confirmation may be delayed as the investigation into Powell is still ongoing.
	<b>Warsh Confirmation Hearing</b>	-	-	



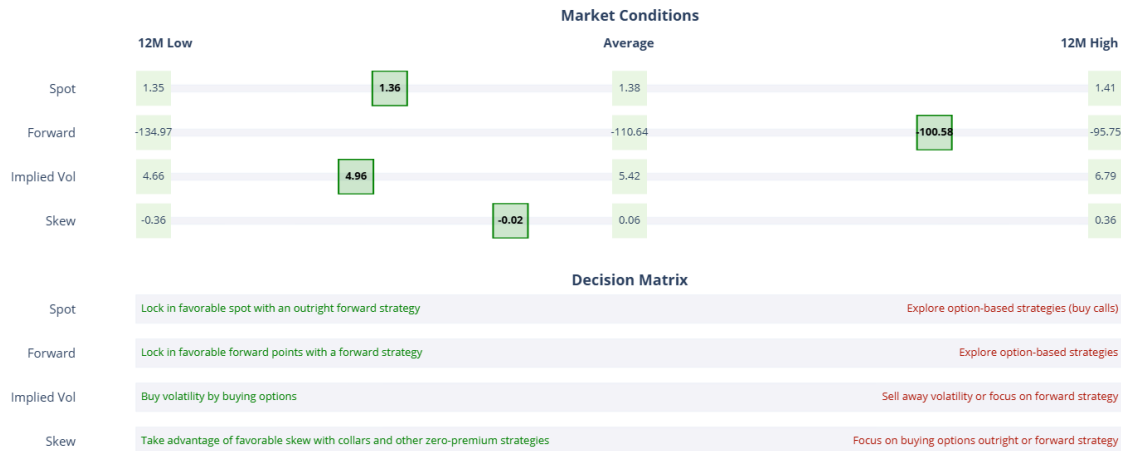
## FX Decision Matrix USDCAD

### USDCAD; 6M Tenor; 1Y Historical Range; USD Seller



\*Quotes as of: Spot - 2026-04-21 08:30, Forward - 2026-04-21 08:30, Implied Vol - 2026-04-21 07:32, Skew - 2026-04-21 07:03 @ Europe/London

# USDCAD; 6M Tenor; 1Y Historical Range; USD Buyer



\*Quotes as of: Spot - 2026-04-21 08:30, Forward - 2026-04-21 08:30, Implied Vol - 2026-04-21 07:32, Skew - 2026-04-21 07:03 @ Europe/London



## Global TD Securities Forecasts

Summary G10 Rates Forecasts										
		Spot	2026				2027			
		17-Apr-26	Q1 A	Q2 F	Q3 F	Q4 F	Q1 F	Q2 F	Q3 F	Q4 F
United States	Fed Funds Rate *	3.75	3.75	3.75	3.50	3.25	3.00	3.00	3.00	3.00
	3m	3.68	3.68	3.49	3.24	2.99	2.86	2.86	2.86	2.86
	2y	3.71	3.83	3.50	3.45	3.35	3.25	3.30	3.35	3.35
	5y	3.84	3.98	3.70	3.60	3.50	3.40	3.40	3.45	3.40
	10y	4.24	4.35	4.10	4.00	3.85	3.75	3.75	3.75	3.75
	30y	4.87	4.91	4.80	4.70	4.60	4.45	4.40	4.45	4.40
Canada	Overnight Rate	2.25	2.25	2.25	2.25	2.25	2.75	3.00	3.00	3.00
	3m	2.27	2.33	2.20	2.20	2.40	2.90	3.00	3.00	3.00
	2y	2.77	2.89	2.50	2.55	2.60	2.80	3.00	3.00	3.00
	5y	3.04	3.14	2.80	2.90	2.95	3.00	3.05	3.10	3.10
	10y	3.44	3.51	3.30	3.25	3.20	3.25	3.30	3.30	3.30
	30y	3.87	3.90	3.85	3.80	3.80	3.80	3.80	3.80	3.80

Summary Commodities Forecasts										
			2026				2027			
			Q1 Actual	Q2 Forecast	Q3 Forecast	Q4 Forecast	Q1 Forecast	Q2 Forecast	Q3 Forecast	Q4 Forecast
<b>Precious Metals*</b>	Gold	\$/oz	4873	4400	4650	5200	5100	5000	4950	4900
	Silver	\$/oz	84	70	73	73	70	68	65	65
	Platinum	\$/oz	2208	1800	2000	2075	1950	1950	1900	1900
	Palladium	\$/oz	1712	1650	1675	1650	1625	1650	1625	1625
<b>Energy</b>	Nymex Crude Oil	\$/bbl	73	92	90	85	87	87	88	90
	Brent Crude Oil	\$/bbl	78	100	96	90	91	91	92	94
	Heating Oil	\$/gal	2.95	3.80	3.60	3.30	3.15	3.15	3.15	3.20
	Gasoline	\$/gal	2.27	3.00	2.85	2.70	2.65	2.65	2.63	2.68
	Natural Gas	\$/MMBtu	3.47	3.60	3.80	3.75	3.75	3.75	4.00	4.00
	AECO Natural Gas	\$/MMBtu	1.49	1.60	1.80	1.75	1.95	1.95	2.25	2.25

Source: TD Securities // Commodity forecasts are period averages; \*London PM Fix; \*\*LME; +CFR China, 62% Fe, dry

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