Weekly Commercial FX Brief

(03/09/2026-03/13/2026)

USDCAD Forecasts

USDCAD Volatility Outlook

Market Implied USDCAD Ranges*

Spot value for USDCAD 03/10/2026	Week Ahead	Month Ahead
1.3582	1.3477-1.3688	1.3374-1.3794

N.B Option-Implied Ranges

TD Global FX Strategy Forecasts

Global FX Forecasts											
	spot	2026				2027				2028	2029
	9-Mar-26	26Q1	26Q2	26Q3	26Q4	27Q1	27Q2	27Q3	27Q4	28Q4	29Q4
USDCAD	1.36	1.38	1.37	1.35	1.33	1.33	1.32	1.32	1.31	1.30	1.29

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: Risk sentiment, equity performance, and positioning have been the dominant drivers in spot markets. Therefore, we expect CAD to continue outperforming its G10 peers—particularly AUD, EUR, NOK, and SEK—reflecting its energy sensitivity, lower beta profile, and relatively light positioning.

The Week that Was (02 Mar)

Canada:

1. The deteriorating backdrop in the Middle East was the key driver for markets last week as US strikes in Iran and subsequent threats to the Strait of Hormuz saw WTI oil prices surge from $67 to $91 in the span of a week.
2. The S&P Manufacturing/Services PMIs saw a modest improvement in February, while labour productivity contracted by 0.1% q/q in Q4.

United States:

1. The ISM manufacturing survey surprised expectations to the upside in February, staying largely unchanged at 52.4 after observing a meaningful ~5pt increase in January.
2. ISM services exceeded expectations in February, jumping 2.3 pts to 56.1 and reaching its highest level since 2022.
3. Payrolls tumbled 92k in February, falling easily below consensus expectations.
4. Retail sales declined 0.2% m/m in January, weighed down by autos and gasoline sales.

The Week Ahead (09 Mar)

Canada:

1. Geopolitics remain in the drivers' seat as the US war in Iran enters its second week and markets continue to grapple with the implications of surging energy prices as storage capacity quickly depletes.
2. Friday's employment report providing the highlight, where TD looks for a muted (+5k) rebound in job growth.

3. TD looks for manufacturing sales to contract by 3.3% m/m on a large drag from auto production as the trade deficit widens to $1.80bn.

United States:

1. Core CPI likely moderated in February to 0.23% m/m despite our expectation for tariff pass-through to remain a key driver. We look for a stronger headline at 0.25%.
2. We expect January core PCE inflation remained strong at 0.30% m/m with a slightly weaker headline at 0.22%. We also look for personal spending to moderate to 0.1% m/m in the month.
3. Other data this week include declining UMich sentiment due to the Iran conflict, a rebound in JOLTS, and housing data. Developments in the Iran conflict will continue to dominate the market's attention.

	Event	Market	TD	Overview
Americas				
Mixed	**Global (ongoing)** **Iran Conflict**	-	-	Developments in the Iran conflict will continue to dominate market moves in the near-term. Oil prices remain elevated, creating upside risk to headline inflation globally. News on changes in Iranian leadership, activity in the Strait of Hormuz, Kharg Island, and more involvement by GCC countries will be key.
Mixed	**US (11/13 Mar)** **CPI (Feb) & PCE (Jan)** Core CPI (m/m) Core PCE (m/m)	 0.2% 0.4%	 0.23% 0.30%	Core CPI likely moderated in February despite our expectation for tariff pass-through to remain a salient driver. We look for the headline to accelerate to 0.25% m/m as energy prices rebounded. Separately, we project core PCE inflation stayed strong after a PPI report that unveiled underlying services strength. We flag risks to the upside for our below-consensus projection.
Dovish	**Canada (13 Mar)** **Jobs Report (Feb)** Employment UE Rate	 10k 6.6%	 5k 6.7%	We look for CAD employment rise by 5k in February as labour supply drives a 0.2pp jump for the unemployment rate, unwinding some of last month's pullback in the part rate. Monthly hiring intentions have firmed over Jan/Feb but we see less room for upside after the Q4 hiring surge as trade uncertainty remains elevated. Wage growth should see a mild deceleration to 3.2% y/y.

FX Decision Matrix USDCAD

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

Market Conditions

	12M Low		Average	12M High
Spot	1.35	**1.36**	1.39	1.44
Forward	-136.21		-114.17	**-100.53** -96.82
Implied Vol	4.48	**5.29**	5.36	6.78
Skew	-0.54	**-0.04**	0.03	1.27

Decision Matrix

Spot	Consider option strategies	Lock in favorable spot
Forward	Explore option-based strategies	Lock in favorable forward points with a forward strategy
Implied Vol	Buy volatility by buying options	Sell away volatility or focus on forward strategy
Skew	Focus on buying options outright or forward strategy	Take advantage of favorable skew with collars and other zero-premium strategies

*Quotes as of: Spot - 2026-03-10 12:00, Forward - 2026-03-10 12:00, Implied Vol - 2026-03-10 11:13, Skew - 2026-03-10 11:59 @ Europe/Lond

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

Market Conditions

	12M Low		Average	12M High
Spot	1.35	**1.36**	1.39	1.44
Forward	-134.97		-112.98	**-99.09** -95.82
Implied Vol	4.66	**5.52**	5.55	6.97
Skew	-0.36	**0.12**	0.16	1.41

Decision Matrix

Spot	Lock in favorable spot with an outright forward strategy	Explore option-based strategies (buy calls)
Forward	Lock in favorable forward points with a forward strategy	Explore option-based strategies
Implied Vol	Buy volatility by buying options	Sell away volatility or focus on forward strategy
Skew	Take advantage of favorable skew with collars and other zero-premium strategies	Focus on buying options outright or forward strategy

*Quotes as of: Spot - 2026-03-10 12:00, Forward - 2026-03-10 12:00, Implied Vol - 2026-03-10 11:13, Skew - 2026-03-10 11:59 @ Europe/Lond

Global TD Securities Forecasts

Summary G10 Rates Forecasts										
		Spot	2026				2027			
		06-Mar-26	Q1 F	Q2 F	Q3 F	Q4 F	Q1 F	Q2 F	Q3 F	Q4 F
United States	Fed Funds Rate *	3.75	3.75	3.50	3.25	3.00	3.00	3.00	3.00	3.00
	3m	3.66	3.49	3.24	2.99	2.86	2.86	2.86	2.86	2.86
	2y	3.58	3.50	3.45	3.25	3.15	3.20	3.25	3.30	3.35
	5y	3.73	3.75	3.70	3.50	3.35	3.40	3.45	3.50	3.55
	10y	4.14	4.15	4.10	3.90	3.75	3.75	3.75	3.75	3.75
	30y	4.75	4.85	4.80	4.55	4.40	4.40	4.45	4.45	4.50
Canada	Overnight Rate	2.25	2.25	2.25	2.25	2.25	2.75	3.00	3.00	3.00
	3m	2.21	2.20	2.20	2.20	2.40	2.90	3.00	3.00	3.00
	2y	2.62	2.50	2.50	2.55	2.60	2.80	3.00	3.00	3.00
	5y	2.93	2.75	2.80	2.90	2.95	3.00	3.05	3.10	3.10
	10y	3.38	3.35	3.30	3.25	3.20	3.25	3.30	3.30	3.30
	30y	3.83	3.85	3.85	3.80	3.80	3.80	3.80	3.80	3.80

Summary Commodities Forecasts									
	Spot	2026				2027			
	06-Mar-26	Q1 F	Q2 F	Q3 F	Q4 F	Q1 F	Q2 F	Q3 F	Q4 F
Gold *	5117	4800	5000	4875	4650	4600	4500	4500	4400
Silver *	83.67	86	82	70	65	62	60	68	70
Nymex Crude Oil +-	86	60	62	64	64	65	65	67	67
Brent Crude Oil +-	89	64	66	67	67	68	68	70	70