

Weekly Commercial FX Brief

(03/30/2026-04/03/2026)

USDCAD Forecasts

USDCAD Volatility Outlook



Market Implied USDCAD Ranges*

Spot value for USDCAD 03/30/2026	Week Ahead	Month Ahead
1.3939	1.3833-1.4046	1.3731-1.415

N.B Option-Implied Ranges

TD Global FX Strategy Forecasts

Global FX Forecasts									
	Spot	2026				2027			
	30-Mar-26	Q1 Forecast	Q2 Forecast	Q3 Forecast	Q4 Forecast	Q1 Forecast	Q2 Forecast	Q3 Forecast	Q4 Forecast
USDCAD	1.39	1.37	1.36	1.34	1.32	1.32	1.32	1.31	1.31

TD Quant Signal Model

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

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

USDCAD:

The current shock continues to be viewed as transitory, with markets primarily pricing near term inflation risks rather than a material growth shock. As a result, FX moves remain anchored to relative rates and commodity driven terms of trade. This dynamic has been evident in rate moves dampening USD upside versus G10, and in the outperformance of NOK/CAD over SEK/AUD, despite similar crowded positioning and beta to risk sentiment.

Markets are now at an inflection point where they could either enter into an off-ramp or see further escalation and volatile market moves. A defensive tactical long USD positioning remains the path of least resistance for now, in our view.

The Week that Was (23 Mar)

Canada:

1. SEPH/Payroll employment rose by 46k in January for its strongest month since December 2024.
2. Senior Deputy Governor Rogers had little to say on the near-term policy outlook in last week's speech, which was largely focused on the Bank's upcoming mandate review.

United States:

1. The S&P flash PMIs for March were mixed with manufacturing surprising to the upside and services to the downside. Manufacturing increased to 52.4 from 51.6 previously. Services declined to 51.1 from 51.7.

The Week Ahead (30 Mar)

Canada:

1. Tuesday's release of industry-level GDP for January will provide a highlight with TD looking for a mild (-0.1%) contraction, slightly below flash estimates for unchanged activity.
2. International merchandise trade for February gives another look at Q1 growth conditions. TD looks for a smaller trade deficit in February at -\$2.5bn, but much of that stems from higher commodity prices with smaller gains for real exports.
3. We'll also hear more from the Bank of Canada with their Summary of Deliberations from March 18th.

United States:

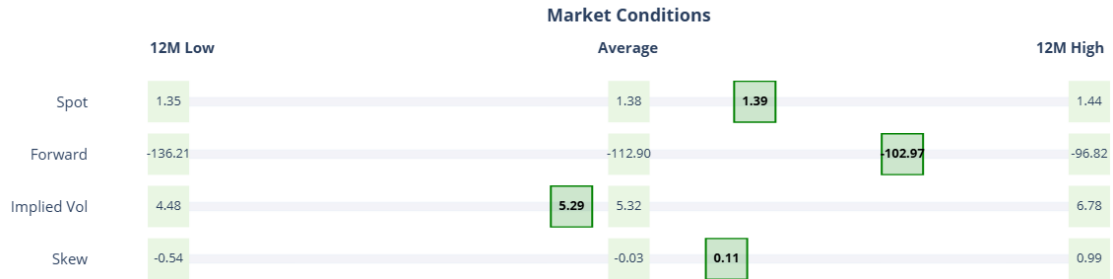
1. We look for March job gains to normalize to 30k after two volatile months. The UE rate will likely remain at 4.4%—with a risk of moving higher.
2. Retail sales likely rebounded to 0.6% m/m with the control group remaining positive at 0.4%.
3. ISM manufacturing likely increased, but negative sentiment from Iran could weigh on the index.

Event	Market	TD	Overview
Americas			
Dovish	US (3 Apr) Jobs Report (Mar)		
	Payrolls	50k	30k
	UE Rate	4.4%	4.4%
Hawkish	US (1 Apr) Retail Sales (Feb, m/m)		
	Headline	0.4%	0.6%
	Control Group	0.3%	0.4%
Mixed	Canada/US (31 Mar/1 Apr) Top-Tier Data		
	CAD GDP (Jan, m/m)	0.1%	-0.1%
	ISM Mfg (Mar)	52.3	53.0



FX Decision Matrix USDCAD

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

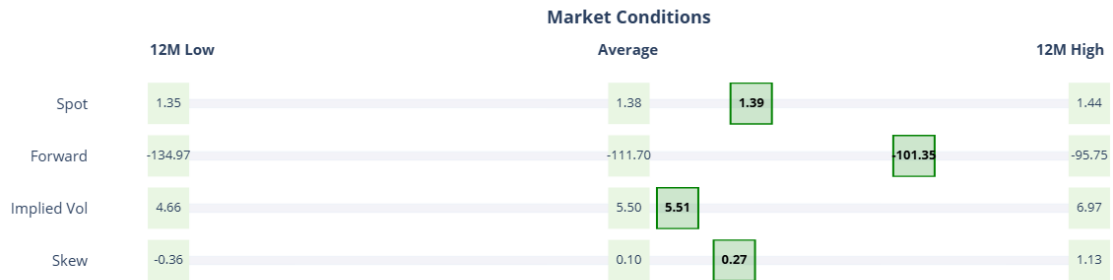


Decision Matrix

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 - 2026-03-31 09:29, Forward - 2026-03-31 09:26, Implied Vol - 2026-03-31 07:04, Skew - 2026-03-31 09:03 @ Europe/London

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



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 - 2026-03-31 09:29, Forward - 2026-03-31 09:26, Implied Vol - 2026-03-31 07:04, Skew - 2026-03-31 09:03 @ Europe/London



Global TD Securities Forecasts

Summary G10 Rates Forecasts										
		Spot	2026				2027			
		27-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	3.75	3.50	3.25	3.00	3.00	3.00	3.00
	3m	3.69	3.61	3.49	3.24	2.99	2.86	2.86	2.86	2.86
	2y	3.98	3.55	3.50	3.45	3.35	3.25	3.30	3.35	3.35
	5y	4.10	3.75	3.70	3.60	3.50	3.40	3.40	3.45	3.40
	10y	4.43	4.15	4.10	4.00	3.85	3.75	3.75	3.75	3.75
	30y	4.96	4.85	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	2.32	2.20	2.20	2.20	2.40	2.90	3.00	3.00	3.00
	2y	2.97	2.50	2.50	2.55	2.60	2.80	3.00	3.00	3.00
	5y	3.21	2.75	2.80	2.90	2.95	3.00	3.05	3.10	3.10
	10y	3.56	3.35	3.30	3.25	3.20	3.25	3.30	3.30	3.30
	30y	3.92	3.85	3.85	3.80	3.80	3.80	3.80	3.80	3.80

Summary Commodities Forecasts								
	2026				2027			
	Q1 Forecast	Q2 Forecast	Q3 Forecast	Q4 Forecast	Q1 Forecast	Q2 Forecast	Q3 Forecast	Q4 Forecast
Gold *	4950	4400	4650	5200	5100	5000	4950	4900
Silver *	84	70	72	72	70	68	65	65
Nymex Crude Oil +-	74	92	90	85	87	87	88	90
Brent Crude Oil +-	73	100	96	90	91	91	92	94

Commodity forecasts are period averages; *London PM Fix \$/oz; ** = LME \$/lb; *+ = CFR China, 62% Fe, dry; + Molybdenum equivalent to moly oxide, FOB USA