

Weekly Commercial FX Brief

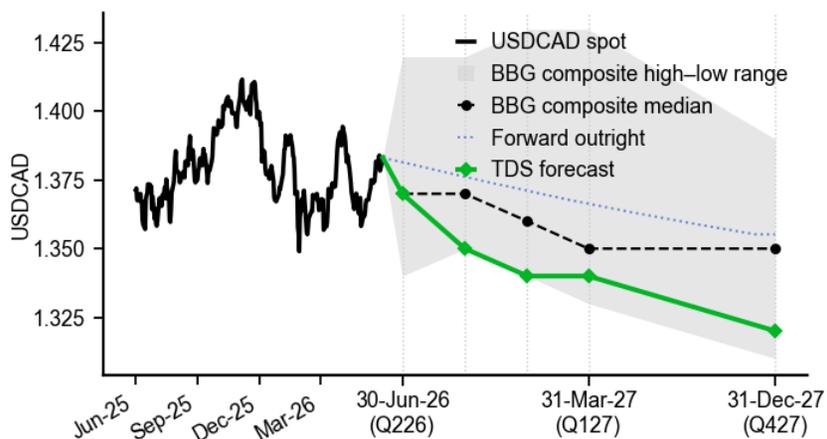
(06/01/2026-06/05/2026)

TD Global FX Strategy Forecasts: USDCAD

Global FX Forecasts										
spot		2026			2027				2028	2029
	1-Jun-26	26Q2	26Q3	26Q4	27Q1	27Q2	27Q3	27Q4	28Q4	29Q4
USDCAD	1.38	1.37	1.35	1.34	1.34	1.33	1.33	1.32	1.30	1.30

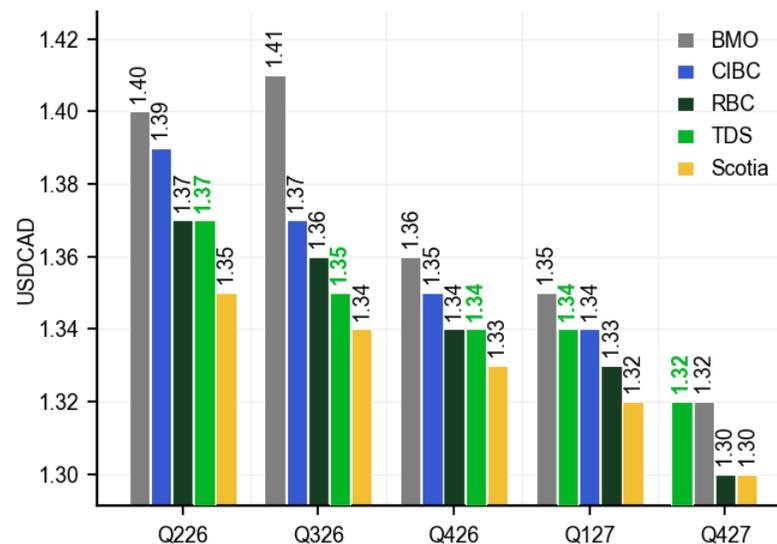
Source: TD Securities

USDCAD — spot vs FXFC forecasts (TDS highlighted)
 history from 2025-06-01 • forecasts through Q427



Source: TD Securities

Big Five USDCAD Spot Forecasts



Submission dates — TDS: 05/19 • BMO: 05/05 • Scotia: 04/21 • CIBC: 04/20 • RBC: 04/13
 Source: TD Securities

FX Commentary

USDCAD is holding around the 1.38 handle, with price action reflecting a modest unwind of BoC tightening premia following Friday’s softer-than-expected GDP print. However, the broader backdrop remains dominated by external drivers. Developments around the US–Iran conflict are introducing asymmetric headline risk. Upside in risk sentiment has translated more efficiently into CAD strength than downside headlines have into weakness.

Heading into this week, we would not expect either jobs report to act as a meaningful market mover despite some bandwidth reopening for the market to engage with labor data amid recent progress in the conflict.

- In Canada, we look for some stabilization in May employment, with a return to modest job gains (TD: +5k vs. market: +10k), while the unemployment rate is expected to hold at 6.9%. There remains scope for a further unwind of residual tightening premia following last Friday’s repricing. However, even the more pronounced widening in the US–Canada rate differential following the initial downside surprise in the February jobs report provided only limited support to USD/CAD. Conversely, only a substantial upside surprise would revive a constructive CAD view and drive a meaningful hawkish repricing of the BoC path, given recent downside data surprises.
- On the US side, the past two employment reports have largely reinforced the view of a stable labor market, with the Fed’s reaction function increasingly skewed toward inflation dynamics rather than employment. Broader US data has continued to exhibit resilience, with the market now priced for an extended hold and the next policy move tilted toward a hike next year. We continue to see a high bar for incoming data to materially shift this view, leaving broader USD direction primarily driven by swings in global risk sentiment.

That said, we expect USD/CAD to remain choppy around the 1.38 handle this week, with a sustained break below 1.37 likely hinging on further developments in US–Iran negotiations.

	Spot value 6/1/2026	Week Ahead	Month Ahead	Global Volatility Outlook
EURUSD	1.16	1.16-1.17	1.15-1.18	
GBPUSD	1.35	1.34-1.36	1.32-1.37	
EURGBP	0.86	0.86-0.87	0.86-0.87	
USDCAD	1.38	1.38-1.39	1.37-1.4	
USDJPY	159	158-161	157-162	
AUDUSD	0.72	0.71-0.73	0.7-0.73	

The Week that Was (25 May)

- In Canada, Q1 National Accounts surprised sharply to the downside with activity contracting by 0.1% q/q (annualized) on the heels of a 1.0% pullback in Q4, leaving Canada in its first technical recession since the pandemic. The combination of softer GDP data for Q1 & March should help to quell speculation around 2026 rate hikes, although we continue to see a high bar for cuts.
- In the U.S., a light data calendar last week was highlighted by a slowdown in activity indicators. While the data showed little inflation risk from the labor market and broader activity; still-high oil prices will keep the Fed focused on the inflation side of the mandate. We believe continued supply chain disruptions leave more room for Iran-related inflation passthrough into core over the next few months.

The Week Ahead (1 June)

- In Canada, Friday's employment report will provide the key focus for Canadian investors with TD and the market looking for some stabilization with a return to positive job growth in May (TD: +5k, market: +10k) as the unemployment rate holds stable at 6.9%.
- In the U.S., May payrolls (TD: +60k, market: +85k) will likely show a still-stable labor market that will allow the Fed to remain on hold while assessing the inflation risks.

Global TD Securities Forecasts

Global Macro Forecast Summary (%)										
		25Q4	26Q1	26Q2	26Q3	26Q4	27Q1	27Q2	27Q3	27Q4
US	GDP Growth (q/q saar)	0.5	2.0	2.0	1.8	2.0	2.1	2.4	2.2	2.3
	Headline CPI (y/y)	2.8	2.7	4.1	4.0	4.0	3.8	2.7	2.5	2.5
	Core CPI (y/y)	2.7	2.5	2.9	2.9	3.0	3.0	2.7	2.6	2.6
	Fed Funds Rate (eop, upper)	3.75	3.75	3.75	3.75	3.75	3.50	3.25	3.00	3.00
Canada	GDP Growth (q/q saar)	-0.6	1.5	1.9	2.1	2.0	1.7	1.6	1.5	1.5
	Headline CPI (y/y)	2.2	2.2	3.0	2.9	2.7	2.7	2.1	2.2	2.1
	Core CPI (y/y, avg)	2.8	2.3	2.2	2.2	2.3	2.5	2.3	2.2	2.0
	Overnight Rate (eop)	2.25	2.25	2.25	2.25	2.25	2.75	2.75	2.75	2.75

Source: TD Securities

Summary Commodities Forecasts

		Spot	2026				2027				
		29-May-26	Q1 A	Q2 F	Q3 F	Q4 F	Q1 F	Q2 F	Q3 F	Q4 F	
Precious Metals*	Gold	\$/oz	4518	4856	4400	4650	5200	5100	5000	4950	4900
	Silver	\$/oz	76	84	70	73	73	70	68	65	65
	Platinum	\$/oz	1920	2200	1800	2000	2075	1950	1950	1900	1900
	Palladium	\$/oz	1383	1705	1650	1675	1650	1625	1650	1625	1625
Other Metals**	Copper	\$/lb	6.19	5.82	6.35	6.01	5.59	5.56	5.56	5.67	5.67
	Zinc	\$/lb	1.60	1.47	1.53	1.51	1.47	1.44	1.44	1.35	1.35
	Lead	\$/lb	0.91	0.88	1.02	1.00	1.00	1.01	1.01	0.98	0.98
	Nickel	\$/lb	8.57	7.86	8.39	8.05	7.94	7.37	7.37	7.14	7.14
	Aluminum	\$/lb	1.70	1.45	1.68	1.60	1.60	1.61	1.61	1.54	1.54
	Iron Ore [†]	\$/tonne	100	103	106	100	100	95	95	90	90
Energy	Nymex Crude Oil	\$/bbl	88	72	92	90	85	87	87	88	90
	Brent Crude Oil	\$/bbl	93	78	100	96	90	91	91	92	94
	Heating Oil	\$/gal	3.61	2.93	3.80	3.60	3.30	3.15	3.15	3.15	3.20
	Gasoline	\$/gal	3.17	2.25	3.00	2.85	2.70	2.65	2.65	2.63	2.68
	Natural Gas	\$/MMBtu	3.29	3.45	3.60	3.80	3.75	3.75	3.75	4.00	4.00
	AECO Natural Gas	\$/MMBtu	1.41	1.50	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