

Weekly FX Brief

(06/22/2026-06/26/2026)



TD Global FX Strategy Forecasts: USDCAD

Global FX Forecasts									
spot	2026			2027				2028	2029
22-Jun-26	26Q2	26Q3	26Q4	27Q1	27Q2	27Q3	27Q4	28Q4	29Q4
USDCAD	1.42	1.37	1.35	1.34	1.33	1.33	1.32	1.30	1.30

Source: TD Securities

Trading range implied off the option surface with ATM setting the width and RR shaping the skew

	Spot value 6/22/2026	Week Ahead	Month Ahead	Global Volatility Outlook
EURUSD	1.14	1.14-1.15	1.13-1.16	
GBPUSD	1.32	1.31-1.33	1.3-1.35	
EURGBP	0.86	0.86-0.87	0.86-0.87	
USDCAD	1.42	1.41-1.43	1.4-1.44	
AUDUSD	0.7	0.69-0.71	0.69-0.72	
USDJPY	162	160-164	158-165	
USDCHF	0.81	0.8-0.82	0.79-0.83	
USDMXN	17.34	17.08-17.6	16.91-17.78	



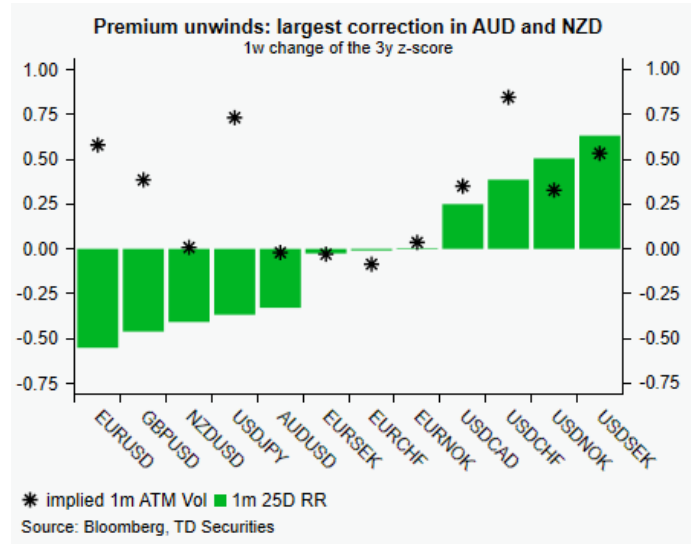
FX Commentary

It has been an eventful week, with the U.S. once again at the center of it all. On the geopolitical front, Trump formally agreed to an interim peace framework with Iran at the G7 summit on Wednesday evening. The agreement reads less as a definitive resolution and more as a ceasefire framework, with the core dispute over Iran's nuclear program effectively deferred into a 60-day negotiation window. Markets have shown little inclination to price the deal on its optics. Instead, with the focus on the near-term easing in supply risk, crude has retraced toward pre-conflict levels. FX markets remain dislocated from the move in oil, continuing to price through the lens of relative monetary policy. Indeed, Warsh's first FOMC meeting delivered as a market mover – and then some.

Beyond the hawkish hold, he brought his task force and made it clear that he is not in favor of forward guidance. The absence of the Chair's projection means the median dot now becomes less a guidance on the Fed's reaction function. The key question over the coming weeks is whether Committee members heed the chairman's inclination. The more striking takeaway, however, is the degree of internal dispersion. In our view, a June meeting chaired by Powell would not have seen 9 Fed officials penciling in rate hikes this year. Taken together, we expect more volatility and less clarity around the Fed's reaction function. We no longer project easing in our forecast horizon and look for

the FOMC to stay on hold going forward. Risks are now two-sided with a lean toward reducing policy accommodation.

Nevertheless, the market appears to be expressing a one-way conviction rather than pricing two-way risks in the near term. We see more compressed volatility and evident demand for USD upside hedges — most notably in lower-yielding currencies such as SEK and CHF. In contrast, USDCAD stands out for its flat skew, suggesting the market is not materially paying for CAD depreciation tails over the one-month horizon. The extent to which the USDCAD uptrend is already stretched relative to other USD/G10 pairs leaves it more vulnerable to a trend reversal.



The Week that Was (15 June)

Event	Market	TD	Actual
FOMC Decision	Fed Funds Upper 3.75% IORB 3.65%	Fed Funds Upper 3.75% IORB 3.65%	Fed Funds Upper 3.75% IORB 3.65%
US Retail Sales (May, m/m)	Headline 0.5% Control Group 0.4%	Headline 0.8% Control Group 0.4%	Headline 0.9% Control Group 0.7%
CA Retail Sales (Apr, m/m)	Headline 0.6% Ex. Auto 0.8%	Headline 0.7% Ex. Auto 0.7%	Headline 0.5% Ex. Auto 0.1%

Source: Bloomberg, TD Securities

- US retail sales posting broad firm numbers, with the headline and control group coming in above expectations. Revisions were minor. This should be positive for the tracking of consumer spending for goods this quarter but note that services -- the larger part of the spending basket -- remained subdued. Canada's retail sales signal came in softer than expected by comparison. The ex-autos measure up just 0.1% (TD: +0.7%, market: +0.8%) or -0.7% without autos or gas. That marks the second consecutive decline for the ex. autos/gas measure and the largest 2-month decline since late 2024.

The Week Ahead (22 June)

Date	Event	Market	TD	Actual
22-Jun	CA CPI (May, y/y)	Headline 3.0% Core 2.05%	Headline 3.1% Core 2.05%	Headline 3.2% Core 2.05%
25-Jun	US PCE (May, m/m)	Core PCE 0.3% Personal Spending 0.5%	Core PCE 0.36% Personal Spending 0.5%	

Source: Bloomberg, TD Securities

- In Canada, headline CPI surprised to the upside at 3.2% y/y in May as prices rose by 1.0% m/m, fueled by another large contribution from energy products along with seasonal tailwinds and some mean reversion in travel-related components. CPI-trim/median were unchanged at 2.0%/2.1% y/y but firmed to 2.3% on a 3m annualized basis. The upside surprise in May leaves CPI tracking further above BoC projections from the April MPR, but we do not see anything in this report to keep the Bank from looking through headline CPI going forward. Core inflation measures are not showing any broad pressures from higher oil prices and indicators of CPI breadth declined from April. We look for the BoC to remain patient and stay on hold through 2026.
- In the U.S., We expect core PCE prices to show strong services inflation in May despite weak goods prices, as tariff passthrough has largely dissipated. Headline PCE will be higher at 0.49% m/m due to energy prices. Our forecast assumes 0.55% m/m for supercore after a strong PPI for the month. We look for personal spending to grow 0.5%, which reflects a moderation in real terms to 0.0%.

Global TD Securities Forecasts

		Global Macro Forecast Summary (%)											
		25Q4	26Q1	26Q2	26Q3	26Q4	27Q1	27Q2	27Q3	27Q4	2025	2026	2027
US	GDP Growth (q/q saar)	0.5	2.0	2.3	1.8	2.0	1.9	2.2	2.1	2.2	2.1	2.1	2.0
	Headline CPI (y/y)	2.8	2.7	4.1	4.0	4.0	3.8	2.7	2.5	2.5	2.7	3.7	2.9
	Core CPI (y/y)	2.7	2.5	2.9	2.9	3.0	3.0	2.7	2.6	2.6	2.9	2.8	2.7
	Fed Funds Rate (eop, upper)	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75
Canada	GDP Growth (q/q saar)	-1.0	-0.1	2.0	2.2	2.1	1.8	1.7	1.6	1.6	1.9	0.7	1.8
	Headline CPI (y/y)	2.2	2.2	2.9	2.9	2.8	2.6	2.0	1.8	1.8	2.1	2.7	2.1
	Core CPI (y/y, avg)	2.8	2.3	2.1	2.2	2.2	2.5	2.4	2.2	2.0	2.9	2.2	2.3
	Overnight Rate (eop)	2.25	2.25	2.25	2.25	2.25	2.75	2.75	2.75	2.75	2.25	2.25	2.75

Summary Commodities Forecasts

		Spot		2026				2027			
		19-Jun-26	Q1 A	Q2 F	Q3 F	Q4 F	Q1 F	Q2 F	Q3 F	Q4 F	
Precious Metals*	Gold	\$/oz	4152	4856	4525	4550	4700	5100	5350	5300	5250
	Silver	\$/oz	65	84	77	79	81	83	85	83	80
	Platinum	\$/oz	1673	2200	2000	2050	2075	2150	2225	2200	2100
	Palladium	\$/oz	1257	1705	1525	1575	1650	1725	1750	1650	1625
Other Metals**	Copper	\$/lb	6.18	5.82	6.12	6.12	5.84	5.81	5.67	5.67	5.67
	Zinc	\$/lb	1.65	1.47	1.59	1.51	1.47	1.44	1.44	1.35	1.35
	Lead	\$/lb	0.88	0.88	0.91	1.00	1.00	0.96	0.96	0.98	0.98
	Nickel	\$/lb	8.01	7.86	8.50	8.28	8.05	7.82	7.82	7.94	7.94
	Aluminum	\$/lb	1.54	1.45	1.66	1.68	1.67	1.66	1.66	1.64	1.64
	Iron Ore [†]	\$/tonne	96	103	109	110	105	100	100	90	90
Energy	Nymex Crude Oil	\$/bbl	77	72	99	105	97	95	92	89	89
	Brent Crude Oil	\$/bbl	80	78	102	108	100	98	95	92	92
	Heating Oil	\$/gal	3.17	2.93	3.90	4.00	3.60	3.35	3.25	3.20	3.20
	Gasoline	\$/gal	2.98	2.25	3.35	3.50	3.25	3.15	3.00	2.90	2.90
	Natural Gas	\$/MMBtu	3.21	3.45	2.85	3.25	3.00	3.00	3.00	3.25	3.25
	AECO Natural Gas	\$/MMBtu	1.27	1.50	1.06	1.25	1.00	1.20	1.20	1.50	1.50

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