TD Securities

Market Musings

Global Rates, FX & Commodities Strategy

19 September 2023

▶ JAPAN ▶ MACRO ▶ GLOBAL MARKETS

BoJ Getting Closer to the End Game

Alex Loo
FX and Macro Strategist

Prashant Newnaha
Senior Asia-Pacific Rates Strategist

Mark McCormick
Global Head of FX and EM Strategy

Gennadiy Goldberg
Head of US Rates Strategy

The BoJ is getting closer to pulling the trigger to end its negative interest rate policy (NIRP). We believe the BoJ 2% inflation goal is clearly in sight, factoring in the latest inflation data and risks (as well as other events) on the horizon. We expect the BoJ to end its **Yield Curve Control** (**YCC) policy at the Dec'23 meeting** and **exit NIRP in Jan'24** with a 10bps hike in the policy balance rate.

Rates: While the BOJ's exit from YCC and NIRP could continue to pressure global rates higher, we believe that the shift away from both policies, with only a 10bps hike should be manageable for Treasuries. However, with foreign demand for Treasuries continuing to slip, risks during this transition period abound.

FX: Our accelerated timeline for BoJ normalization reinforces our out-of-consensus USDJPY forecast, which sees a push towards 135 in early 2024. However, this week we don't have a strong trading conviction on USDJPY, especially as USDJPY spot matches HFFV for the first time in a while. Our medium-term USDJPY outlook is probably best expressed with put spreads.

BoJ Getting Closer to The Hiking Trigger

There has been a clear hawkish shift in BoJ communications in recent weeks, which we have compiled in the table below, with Governor Ueda's recent comments garnering the most attention. We interpreted the Governor's comments in the recent Yomiuri paper interview as setting the agenda for future discussion of the exit from NIRP, given our expectation that the BoJ is nearing its 2% sustainable inflation goal.

Date	BoJ Member	Comments	Typical Lean
30-Aug	Tamura	"Removing the negative rate would naturally be one of the options". "2% inflation goal clearly within sight"	Hawk
31-Aug	Nakamura	"Japan is trying to emerge from 25 years of deflation. The decision (on when to end low rates) will take time,"	Dove (Sole Dissenter to YCC Tweak in July)
6-Sep	Takata	"I believe Japan's economy is finally seeing early signs of achieving the BOJ's 2% inflation target"	Neutral
7-Sep	Nakagawa	"When we see many people share prospects that wages will keep rising, we may be able to exit (negative rates)."	Dove
9-Sep	Ueda	"It's possible the BOJ will have enough information by year-end to judge if wages will continue to rise." "If the central bank becomes confident prices and wages will keep going up sustainably, ending negative interest rates is among the options available."	Dove

Source: Media reports, TD Securities

Market Musings

The pieces are falling in place for Japan to exit its Quantitative & Qualitative Easing (QQE) with YCC framework in the next few months. CPI ex-fresh food has overshot the 2% target for 16 straight months, with upside risks to prices building from a re-acceleration in commodity prices. Further, by the December meeting, the BoJ could have sufficient data & reasons to announce a policy shift:

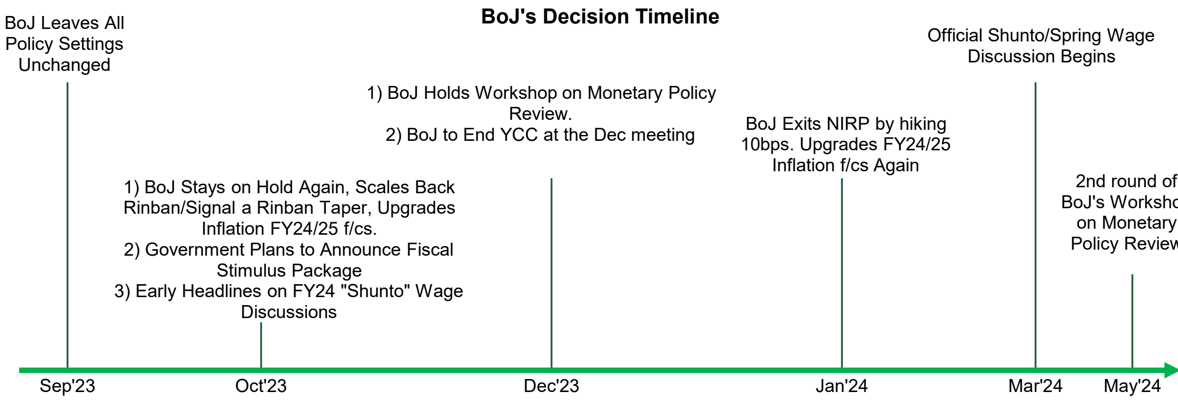
- Kishida is set to announce fresh fiscal stimulus in Oct, which should spur economic activity and provide some offset from a tighter monetary policy stance.
- Japanese firms typically kick off their spring "shunto" wage negotiation in March, but the BoJ could reach out for information on the plans for these talks through its regional branch offices and comments from firm executives.
- The media may also circulate headlines on the "shunto" wage discussions from the Rengo (Japanese Trade Union Confederation) for the next FY as early as next month based on last year's timeline.
- Further, the workshop on the BoJ's "Monetary Policy Review from a Broad Perspective" (Ueda's flagship proposal at his inaugural policy meeting) will kick off in December and could provide the cover to justify that the benefits of YCC at this juncture of the inflation cycle may be waning.

BoJ Sequencing

The factors we have detailed above provide catalysts for the BoJ to end NIRP. This is how we expect the BoJ to get there:

- **September 2023**: No changes to any BoJ policies. A recent Bloomberg article cited BoJ officials didn't perceive Ueda's Yomiuri interview comments as a change in view and were consistent with his previous remarks.
- **October 2023**: BoJ upgrades its CPI forecasts and together with fiscal stimulus provides scope for the Bank to announce a scaling back of Rinban (bond purchase) operations or flagging a future cut in Rinban purchases.
- **December 2023:** BoJ workshop on Monetary Policy Review and expectations for wages growth to firm give room for the BoJ to announce an end to YCC. That said, we still expect the Bank to retain its Bank supply operations.
- **January 2024:** BoJ hikes the deposit rate by 10bps.

The timeline below provides additional context on sequencing.



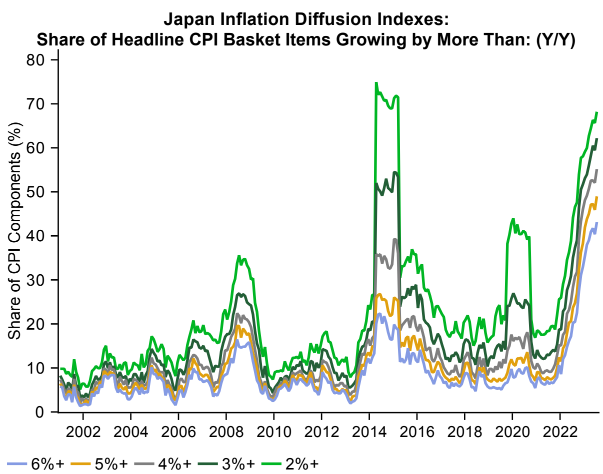
Source: TD Securities

BoJ Can't Ignore the Writing on the Wall for Long

A key pillar of the BoJ's QQE with YCC framework is the Bank's inflation overshooting commitment- the BoJ commits to expand the monetary base until the annual increase in the CPI (ex fresh food)/core CPI exceeds 2% and stays above the target in a stable manner. This 2% inflation goal is clearly in sight in our opinion for the following reasons:

1) The initial pickup in inflation catalysed by energy and supply-chain disruptions now appears to be spreading. **TD's CPI Inflation Diffusion indices for Japan show these pressures are proving to be more broad-based and durable.** We find the shares of the CPI basket registering increases between >2% and >5% are at levels:

- That marked the start of the BoE's hike cycle in Dec 2021
- Is close to the levels that kick-started the ECB's hike cycle in July 2022, but…
- The BoJ has some time up its sleeve to achieve price increases that matched the start of Fed rate hikes in Mar 2022



Source: Japanese Statistics Bureau, TD Securities

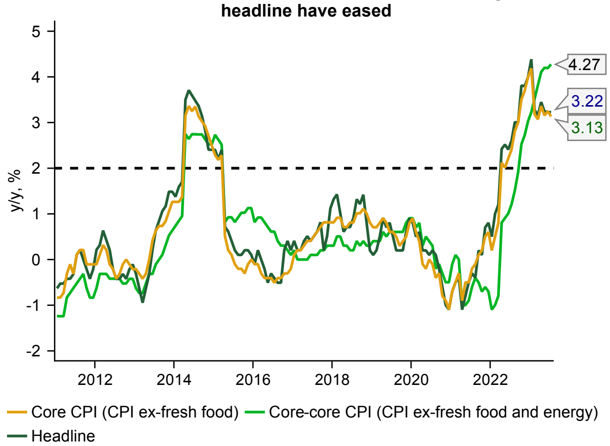
CPI Diffusion Indicies When CBs hiked				Current
Share of Headline CPI Basket Growing (y/y)	US	ECB	UK	Japan
>2%	88%	79%	68%	68%
>3%	81%	70%	58%	63%
>4%	73%	61%	49%	55%
>5%	63%	53%	37%	49%

Source: TD Securities

2) **Re-acceleration in commodity prices presents a big upside risk for core CPI (CPI ex-fresh food).** Core CPI (CPI ex-fresh food) has remained above the 2% level for 16 straight months, though the BoJ argues that it is likely to decelerate given the y/y decline in energy prices and waning pass through of cost increases by firms from higher import prices. However, this assumption has a fair degree of uncertainty given:

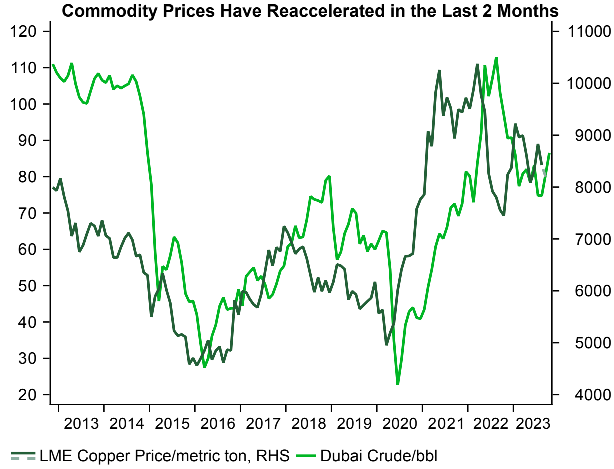
- Energy & commodity prices have rebounded in the past 2 months while the JPY weakness is a pain point for importers.
- Firms may not reduce their cost pass-through to protect profit margins, which may keep inflation more elevated than initially expected.
- Further, core-core CPI (CPI ex-fresh food and energy) inflation also remains stubbornly elevated above the BoJ's 2% target for the last 10 consecutive months at 4.3% y/y, and suggests no let-up in underlying inflation pressures.

Core-core CPI inflation remains at a record level, though core & headline have eased



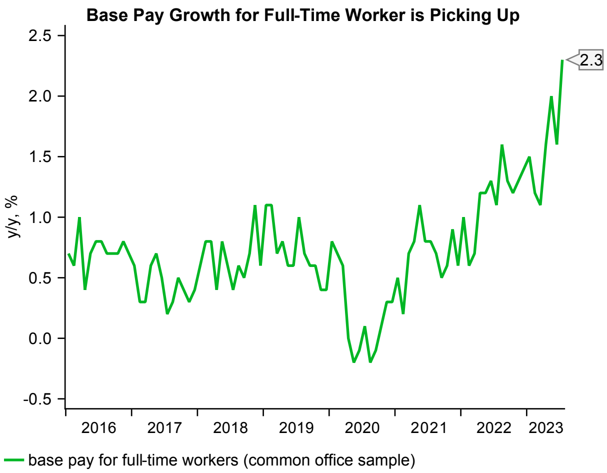
Source: Japanese Statistics Bureau, TD Securities

Commodity Prices Have Reaccelerated in the Last 2 Months

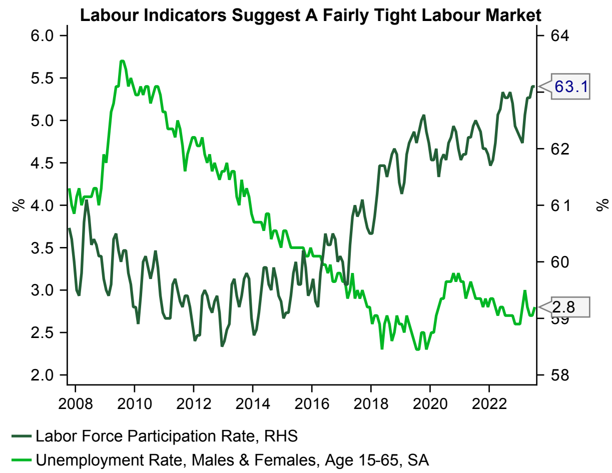


Source: , TD Securities

3) To reflect the rapid price rises and tight labour market conditions, we expect **wage growth to stay firm into FY24**. Presently, base pay of full-time workers has climbed quickly to 2.3% y/y, marking a record high since the series began based on the common office survey (a narrower set of firms that was also surveyed at the same time last year). Given that wage hikes have been suppressed for nearly 3 decades, the shift in firm-workers negotiation may also gain momentum (reflecting a pent-up aspect) as workers demand higher wages to cope with the price rises amid a tight labour market.



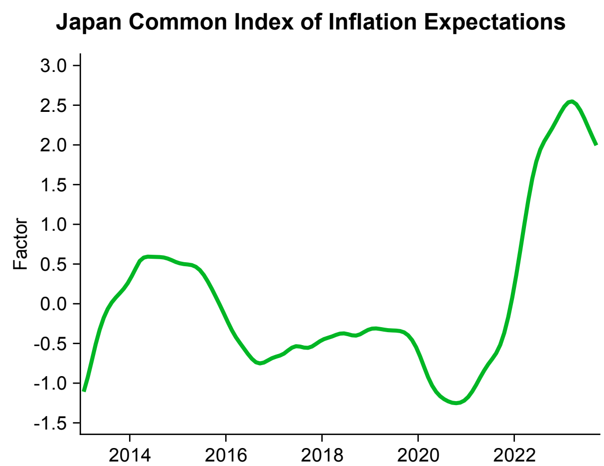
Source: MHLW, TD Securities



Source: Macrobond, TD Securities

4) **Inflation Expectations have shown upward movements - the BoJ watches these developments closely.** Inflation expectations for both households and firms are near record highs, which suggests that the rapid rise in inflation is catching onto firms and households given that inflation expectations in Japan are mostly adaptive. As highlighted above, the shifts in firms' wage- and price-setting behaviour as well as labour management wage negotiation may keep inflation expectations elevated over the horizon, allowing the BoJ to hit its 2% inflation target sustainably. Our in-house Japan inflation expectations factor, modelled on the Federal Reserve's CIE, also shows an unprecedented rise in inflation expectations over the last year or so.

Source: BOJ, METI, OECD, TD Securities

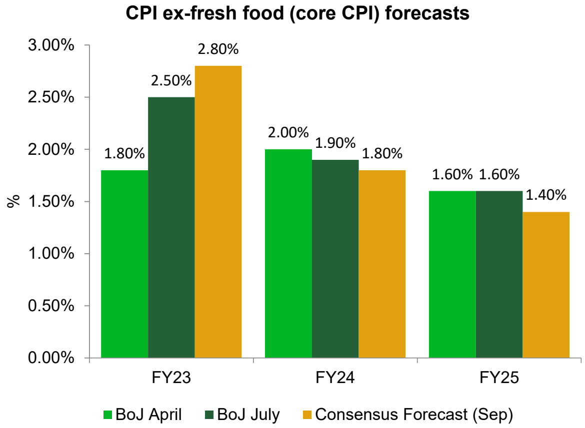


Source: Macrobond, TD Securities

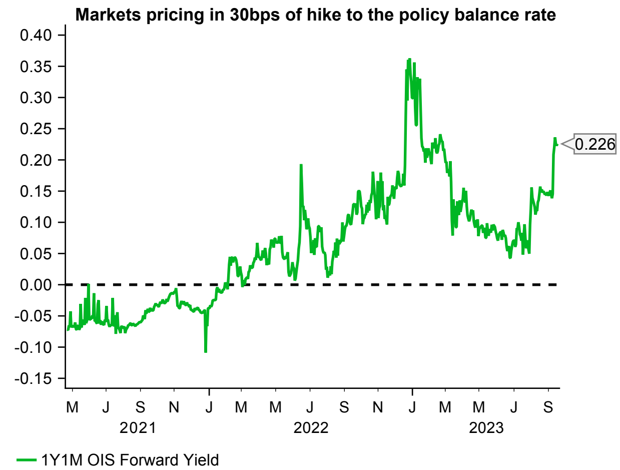
FY23 Marks the Peak in Inflation?

Based on the Bank's July CPI forecasts for FY24/FY25, it suggests that inflation will peak in FY23 and may not revisit above the 2% handle for a long while. However, we doubt inflation will peak for the reasons highlighted in the section above and suspect that the FY24 and FY25 may be bumped up, possibly as soon as at the Oct meeting. Just last week, the ECB revised its inflation forecasts higher on the back of higher energy prices, and it wouldn't be surprising for the BoJ to follow suit. Further, we are also wary of reading too much into the BoJ's current forecasts as the FY23 forecasts were already bumped up twice this year to account for the faster-than-expected price increases.

The decision to keep its FY24 & 25 inflation forecasts below 2% at the July meeting was likely an attempt to steer markets towards believing that its monetary easing stance is here to stay despite the surprise YCC tweak. A bump-up in FY24/25 forecasts at the October meeting will raise speculation of an imminent dismantling of YCC at the next meeting in December.



Source: Bloomberg, BoJ, TD Securities



Source: Bloomberg, TD Securities

The Risks To Our Call

YCC: The BoJ may look at moving the YCC tenor from the 10-year and rolling down to a shorter maturity. This could occur at the Oct meeting or afterwards. However, we don't foresee this playing out as there was little commentary on this option since the new BoJ Governor/Deputy Governors took over. Instead, the Bank could rely on its Bank supply operations to cap yields. A rolldown may risk policy paralysis when a build-up of upside inflation risks warrants a quicker exit of YCC.

The BoJ could end YCC at its October 30 meeting, but we believe this is too early. The BoJ has waited so long and there is no pressing need to shift policy until Japanese officials have had time to assess the impact of a potential US government shutdown.

On the other hand, the BoJ may judge that it will not have sufficient data by year-end to discern if a virtuous wage-price cycle is taking place and push the decision to end YCC until after March 2024 (the start of Shunto wage negotiation). Consequently, this also pushes the end of NIRP further down the timeline.

NIRP: The BoJ could well wait after the official Shunto wage negotiations, feeling more assured after seeing the initial results of the wage discussions and then proceeding to hike in April. However, we believe January is a more opportune time as the BoJ could take a leaf out of ECB's book whereby the ECB proceeded with a back-to-back exit of its easy monetary policy, with a 50bps hike in July 2022 shortly after ending its QE program in June.

Will the BoJ Run Out of Time?

We expect the US to head into a recession in Q1 2024 and the risk of a US hard landing next year may jeopardise the BoJ's policy normalisation efforts given the global spillover effects from a rapid slowdown in the US economy.

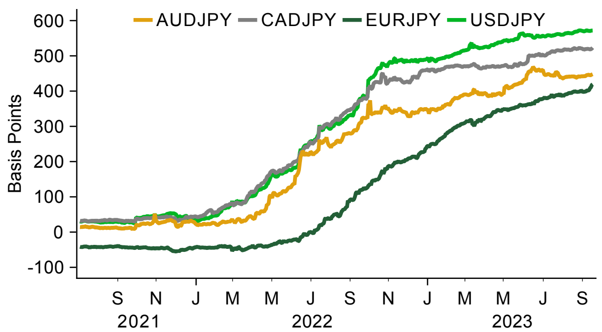
Market Musings

We are not projecting a significant BoJ tightening cycle - we only have a 10bps increase, taking the policy balance rate to zero, in contrast to market pricing that is anticipating 30bps of hikes (1y1m Japan OIS). We don't anticipate the impact of the BoJ exit from QQE+ YCC to have a significant impact on JGB yields because:

- Japan Lifer buying should pick up and cap yields and 10yr JGB yield is unlikely to extend much above 1%
- If the call is for a hard US landing, and we have cuts priced in elsewhere over 2024, that should cap JGB yields too.

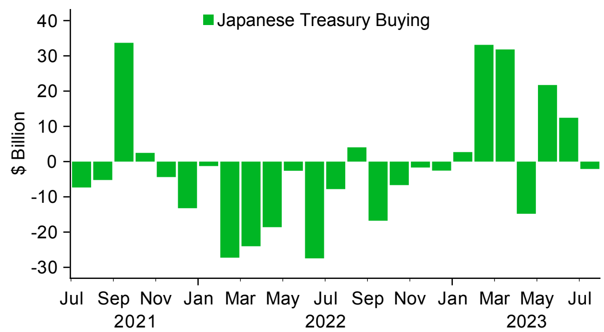
On a relative basis, the big shock for markets now will be if our US call for aggressive Fed cuts is realized, as markets currently believe the US soft-landing story.

Cost of Hedging Foreign Debt to JPY Remains Extremely High



Note: Represents annualized cost of rolling 3m xxxJPY hedge.
Source: Bloomberg, TD Securities

Japanese Investors Have Been Hesitant Buyers in 2023, But Mostly Concentrated in MBS



Note: Purchases converted to USD at JPY during period.
Source: Japan MOF, TD Securities

Rates: Gradual Upward Pressure

Given the significant Japanese investments in global debt markets, a notable shift in BoJ policy may have repercussions beyond Japan. The BoJ is likely to tread cautiously after having witnessed the UK LDI crisis and the collapse of SVB — both of which were triggered by an excessively rapid rise in rates. As such, the direct impact of higher JGB yields may have manageable consequences for Treasuries. However, if Japanese investors shift more of their investments domestically, this trend could exacerbate the upward drift in global rates. We see several factors through which the BoJ exit from YCC and higher JGB yields could impact Treasuries:

- **Less hedged buying:** For Japanese investors, the cost of buying Treasuries and other foreign debt has become notably unattractive given the enormous rise in hedging costs (LHS figure above). As such, Japanese investors have favored JGBs in lieu of foreign debt this year. The BoJ's exit from YCC and negative yields would only exacerbate the attractiveness of the domestic market relative to foreign debt, sapping demand for foreign rates further.
- **Less unhedged buying:** Despite higher hedging costs, flows from Japanese investors into foreign debt have persisted this year. These flows have been largely driven by long-end unhedged investors and may have focused more on spread products given the relative cheapness of MBS. Japanese Lifers tend to allocate a portion of their investments to global debt each year, but the gradual exit from BoJ easing could allow them to increase the allocation to domestic investments. A key risk in this scenario is the JPY. If Japanese investors perceive that a strengthening of the yen is forthcoming, they may begin to actively sell their foreign debt holdings rather than simply increasing JGB allocations, pressuring global yields even higher.

While the BoJ's exit from YCC and NIRP could continue to pressure global rates higher, we believe that a shift away from both policies, with only a 10bps hike, should be manageable for Treasuries. However, with foreign demand for Treasuries continuing to slip, risks during this transition period abound.

FX: Stronger JPY but Waiting for US Data to Cool First

The BoJ has started to make the transition to normalization. It is lagging all the major (and EM) central banks, but the macro backdrop is sound enough to scrap an outdated policy framework. Various measures of inflation, ranging from official measures to the Tankan report, highlight that price pressures are rising across Japan. Our tracking of inflation data trends shows JPY with the strongest level relative to the EUR, USD and Asia more broadly.

Likewise, fiscal policy will remain growth supportive for years to come. To this end, Japan's macro backdrop will support higher inflationary pressures in the quarters ahead. These changes will probably alter the capital flow environment, especially as domestic investors start to repatriate foreign assets at home. What's more, we also expect a rise in foreign investment in Japan, underscoring the extremely undervalued JPY and relative outperformance of the equity market.

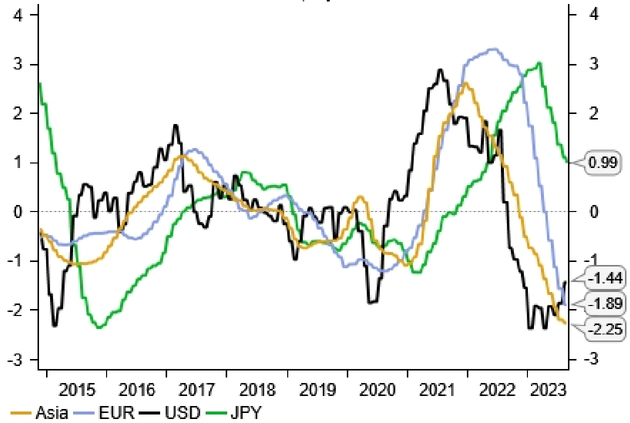
While we see little evidence so far of pension and lifers bringing capital back home, this process will evolve over time. Our tracking of the weekly MoF capital flow data shows a rise in outflows since the latest YCC tweak. Longer-term outflows likely rose, highlighting the aggressive bear steepening of the US curve. We expect this to change over time. For one thing, the rise in JGB yields will provide an opportunity for pension funds and lifers to rebalance their portfolio back into domestic bonds.

Our accelerated timeline for scrapping YCC and NIRP should speed up this process. Lifers also hold very low hedge ratios. A boost in hedging ratios would also benefit the JPY over the medium-term. These capital flow dynamics also dovetail with a peak in US yields, and prospects that the US economy slows into 2024. We expect the US to slide into a 2024 recession, which is likely to lead to rate convergence between the US and Japan, reducing the rate differentials.

For this week's meeting, however, we don't have a strong conviction about USDJPY. Relative to HFFV, it is mostly trading where it should, while our positioning model still shows the market has some long JPY exposure. That said, our forecasts imply a deep correction lower in USDJPY, consistent with some adjustments in the negative flow dynamics seen over the past few years. Into early 2024, we're looking for a move below 140 and a push to 135 in Q1. A view that is likely better expressed with USDJPY put spreads than spot.

Inflation data trends remain the strongest in JPY

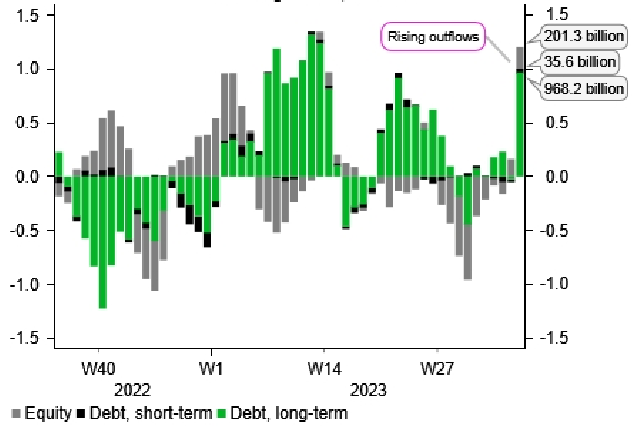
Inflation data trends, adjusted with a z-score



Source: Bloomberg, Macrobond, TD Securities

Japanese investors still exploring the ROW

Net foreign assets, JPY trillion



Source: Bloomberg, Macrobond, TD Securities

TD Securities

Recent Publications

Global Rates, FX & Commodities Strategy

Region	Publication	Date
Global Macro		
Weekly	Upcoming Week - The Big Three (18 Sep)	15 Sep
	Week Ahead: Canada Macro Market Movers	18 Sep
	Week Ahead: US Macro Market Movers	18 Sep
Commentary	ECB Commentary: Smells Like Terminal Spirit	15 Sep
	ECB Flash Commentary: It's a Hike!	14 Sep
	US CPI (Aug): Incremental Progress	13 Sep
	Trading the ECB	13 Sep
US	An Early Look at the September CPI	18 Sep
Canada	CAD Supply Update: Small Victories	8 Sep
Rates		
Weekly	What's My Rate Again?	15 Sep
US	An Early Look at the September CPI	18 Sep
	Weekly Fund Flows — Equities Lead Inflows	15 Sep
	Weekly Fund Flows — Bonds Lead Global Inflows	8 Sep
	Treasury Supply: Rock Meets Hard Place	6 Sep
Canada	Canadian Q2 National Balance Sheets: Adjusting to QT	13 Sep
	CAD Supply Update: Small Victories	8 Sep
Europe	Weekly Fund Flows — Equities Lead Inflows	15 Sep
	Long-End GBPUSD Basis: Out of sync	11 Sep
	Weekly Fund Flows — Bonds Lead Global Inflows	8 Sep
Trades	Enter 2y EUR Swap Spread Wideners	18 Sep
FX		
Trades	Closing Short SEKJPY and EURMXN	7 Sep
EM		
Analysis	Weekly Fund Flows — Equities Lead Inflows	15 Sep
	Weekly Fund Flows — Bonds Lead Global Inflows	8 Sep
Trades	Closing Short SEKJPY and EURMXN	7 Sep
Commodities		

TD Securities

Global Strategy

Global Rates, FX & Commodities Strategy

Global Strategy			
Rich Kelly	Head of Global Strategy	richard.kelly@tdsecurities.com	44 (0)20 7786 8448
Global Macro			
James Rossiter	Head of Global Macro Strategy	james.rossiter@tdsecurities.com	44 (0)20 7786 8422
Oscar Munoz	Chief US Macro Strategist	oscar.munoz@tdsecurities.com	1 212 827 7405
Robert Both	Macro Strategist	robert.both@tdsecurities.com	1 416 983 0859
Alex Loo	FX and Macro Strategist	alex.loo@tdsecurities.com	65 6500 8047
Lucas Krishan	Analyst	lucas.krishan@tdsecurities.com	44(0)20 7786 8425
Global Rates			
Andrew Kelvin	Head of Canadian and Global Rates Strategy	andrew.kelvin@tdsecurities.com	1 416 983 7184
Prashant Newnaha	Senior Asia-Pacific Rates Strategist	prashant.newnaha@tdsecurities.com	65 6500 8047
Gennadiy Goldberg	Head of US Rates Strategy	gennadiy.goldberg@tdsecurities.com	1 212 827 7180
Pooja Kumra	Senior European & UK Rates Strategist	pooja.kumra@tdsecurities.com	44 (0)20 7786 8433
Chris Whelan	Senior Canada Rates Strategist and Head of Portfolio and ESG Strategy	chris.whelan@tdsecurities.com	1 416 983 0445
Molly McGown	US Rates Strategist	molly.mcgown@tdsecurities.com	1 212 827 6169
Portfolio & ESG			
Jose Gonzalez	Senior Portfolio and ESG Strategist	jose.a.gonzalez@tdsecurities.com	44 (0) 20 7786 8424
Izidor Flajsman	Portfolio and ESG Strategist	izidor.flajsman@tdsecurities.com	44 (0)207 786 8414
Chris Whelan	Senior Canada Rates Strategist and Head of Portfolio and ESG Strategy	chris.whelan@tdsecurities.com	1 416 983 0445
FX and EM			
Mark McCormick	Global Head of FX and EM Strategy	mark.mccormick@tdsecurities.com	1 416 982 7784
Alex Loo	FX and Macro Strategist	alex.loo@tdsecurities.com	65 6500 8047
Ray Ng	FX Quantitative Strategist	ray.ng@tdsecurities.com	1 905 921 9659
Commodities			
Angela Yang	Associate	angela.z.yang@tdsecurities.com	
Bart Melek	Head of Commodity Strategy	bart.melek@tdsecurities.com	1 416 983 9288
Ryan McKay	Senior Commodity Strategist	ryan.mckay@tdsecurities.com	1 416 982 5816
Daniel Ghali	Senior Commodity Strategist	daniel.ghali@tdsecurities.com	1 416 983 8075
Global Editor			
Jacqui Douglas	Global Editor	jacqui.douglas@tdsecurities.com	44 (0)20 7786 8439

In locations in Asia where the Bank does not hold licenses to conduct business in financial services, it is not our intention to, and the information contained in this document should not be construed as, conducting any regulated financial activity, including dealing in, or the provision of advice in relation to, any regulated instrument or product. This publication is for general information only, without addressing any particular needs of any individual or entity, and should not be relied upon without obtaining specific advice in the context of specific circumstances.

Hong Kong SAR (China)

This document, which is intended to be issued in Hong Kong SAR (China) ("Hong Kong") only to Professional Investors within the meaning of the Securities and Futures Ordinance (the "SFO") and the Securities and Futures (Professional Investor) Rules made under the SFO, has been distributed through Toronto-Dominion Bank, Hong Kong Branch, which is regulated by the Hong Kong Monetary Authority and the Securities and Futures Commission.

Japan

For Japanese residents, please note that if you have received this document from The Toronto-Dominion Bank entities based outside Japan, it is being provided to qualified financial institutions (“QFI”) only under a relevant exemption to the Financial Instruments and Exchange Act.

If you have received this document from TD Securities (Japan) Co., Ltd., it is being provided only to institutional investors. TD Securities (Japan) Co., Ltd. is regulated by the Financial Services Agency of Japan and is distributing this document in Japan as a Type 1 Financial Instruments Business Operator registered with the Kanto Local Finance Bureau under registration number, Kinsho 2992, and a member of Japan Securities Dealers Association.

New Zealand

The Toronto-Dominion Bank is not a “registered bank” in New Zealand under the Reserve Bank Act 1989.

Singapore

This report is distributed in Singapore by The Toronto-Dominion Bank, Singapore Branch, and recipients in Singapore of this report are to contact The Toronto-Dominion Bank, Singapore Branch in respect of any matters arising from, or in connection with, this report. The Toronto-Dominion Bank, Singapore Branch is regulated by the Monetary Authority of Singapore. Where this report is issued or promulgated in Singapore, it is only intended for distribution to a person who is an accredited investor, expert investor or institutional investor as defined in the Securities and Futures Act (Cap. 289), the Securities and Futures (Prescribed Specific Classes of Investors) Regulations 2005, or the Securities and Futures (Classes of Investors) Regulations 2018 issued by the Monetary Authority of Singapore.

United Kingdom and Europe

The Toronto-Dominion Bank and TD Bank Europe Limited are regulated for investment business conducted in the UK by the UK Financial Conduct Authority. TD Global Finance unlimited company is regulated for investment business conducted in Ireland by the Central Bank of Ireland. This document is prepared, issued or approved for issuance in the UK by the Toronto-Dominion Bank, TDBEL and/or in Europe by TD Global Finance unlimited company in respect of investment business. Insofar as the document is issued in or to the United Kingdom, it is intended only to be issued to persons who (i) are persons falling within Article 19(5) ("Investment professional") of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "Financial Promotion Order"), (ii) are persons falling within Article 49(2)(a) to (d) ("High net worth companies, unincorporated associations, etc.") of the Financial Promotion Order, or (iii) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated. Insofar as the document is issued in or to the European Union, it is intended only to be issued to persons categorised as 'Per Se Professional' or 'Eligible Counterparties' as defined in S.I. No 375 of 2017, European Union (Markets in Financial Instruments) Regulations 2017, Schedule 2. Clients in the United Kingdom wishing to effect transactions in any security discussed herein should do so through a qualified salesperson of TD Bank Europe Limited. European clients wishing to effect transactions in any security discussed herein should do so through a qualified salesperson of TD Global Finance unlimited company. Article 20 Market Abuse Regulation 596/2014 ("MAR") requires market participants who produce or disseminate Investment Recommendations or other information recommending or suggesting an investment strategy to take reasonable care that such information is objectively presented, and to disclose their interests or indicate conflicts of interest.

In accordance with the MAR requirements, see the Investment Recommendations Disclaimer for relevant information in relation to The Toronto-Dominion Bank – London Branch, TDBEL and TD Global Finance unlimited company.

United States

U.S. clients wishing to effect transactions in any security discussed herein must do so through a registered representative of TD Securities (USA) LLC.

TD Securities is a trademark of TD Bank and represents TD Securities Inc., TD Securities (USA) LLC and TD Securities Limited and certain investment and corporate banking activities of TD Bank and its subsidiaries. TD Cowen is a division of TD Securities and is the name under which Cowen and Company, LLC and certain entities that fall under the brand TD Securities conduct certain of its businesses.