

December 2021

Canada Market Structure Monthly



MARKET MICROSTRUCTURE OBSERVATIONS

- The average daily volume (ADV) for TSX listed securities decreased in December 2021 by 5% MoM to 713M shares and by 15% YoY. While liquidity was reasonably flat MoM, there was a noted increase in intraday volatility—the result of an environment with decreased ADV and higher uncertainty.
- For non-TSX listed securities, the average daily volume dropped significantly to 455M shares. This represents a 20% decrease MoM and a 48% decrease YoY. Liquidity, spread and volatility conditions were worse MoM and approached the trailing 12-month lows.
- Block volume in TSX listed securities dropped in December with the TSX showing the largest decrease in market share.
- Dark venue market share continued its recent downward trend, registering at only 5.3% which matches the 12-month low set in December 2020.

CANADA MARKET STRUCTURE NEWS

MATCHNow's New Technology for Conditional Orders Approved

On 13 December, TriAct Canada Marketplace LP, operating as MATCHNow, received approval to replace its existing conditional orders technology. The new technology, Cboe LIST Powered by BIDS, will introduce several related changes to how conditionals will be treated in Canada (noted in our [July 2021](#) update). The proposed launch date of the new technology remains 1 February 2022.

<https://www.osc.ca/en/industry/market-regulation/marketplaces/alternative-trading-systems-atss/atss-operating-on-tario/match-now-operated-triact-orders-notices/triact-1>

Canadian Securities Exchange Public Interest Rule Amendments Request for Comment

On 9 December, the Canadian Securities Exchange (CSE), published a request for comment on amendments to its policies and related forms for listed issuers. The proposed changes would broadly look to better quantify the different tiers of listings requirements on the CSE to foster increased competition in the Canadian public listings space.

<https://www.osc.ca/en/industry/market-regulation/marketplaces/exchanges/recognized-exchanges/canadian-securities-exchange-cse-rule-review-notices/canadian-securities>

<https://www.osc.ca/en/industry/market-regulation/marketplaces/exchanges/recognized-exchanges/canadian-securities-exchange-cse-rule-review-notices/canadian-securities-0>

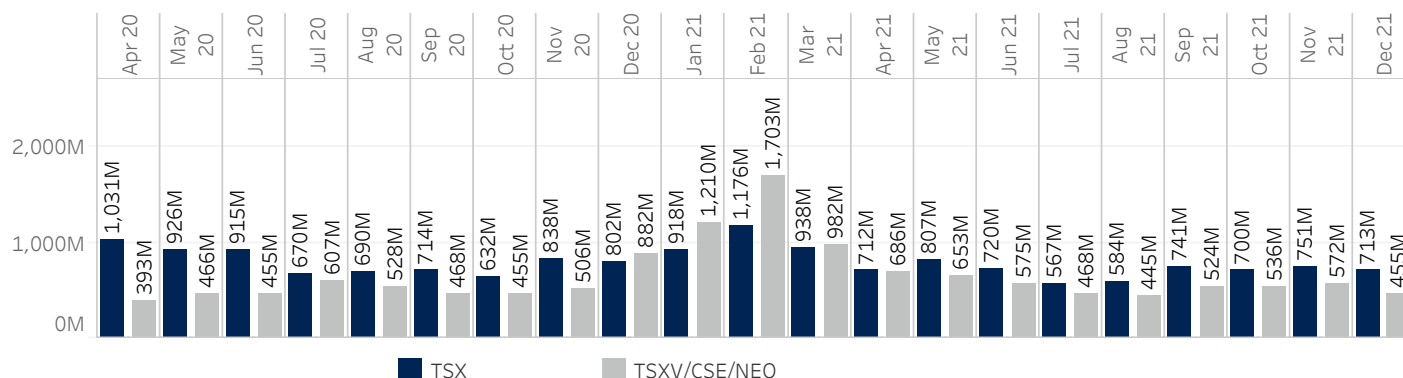
Canadian Securities Exchange Fee Model Proposal Request for Comment

On 9 December, the CSE published a request for comment on their proposed fee model for TSX and TSXV listed securities. This fee proposal intends to provide guaranteed minimum fill (GMF) eligible orders with a rebate when interacting with a resting CSE order. This fee proposal was originally contemplated in 2016, however, it was ultimately removed from regulatory approval after specific concerns related to fair access and informational advantage were brought up in the comment letters. In the current proposal, CSE outlined the benefits to participants and their rationale as to why fair access and information advantage concerns—previously raised—are not relevant in the current market environment.

<https://www.osc.ca/en/industry/market-regulation/marketplaces/exchanges/recognized-exchanges/canadian-securities-exchange-cse-rule-review-notices/proposed-fee-model-tsx>

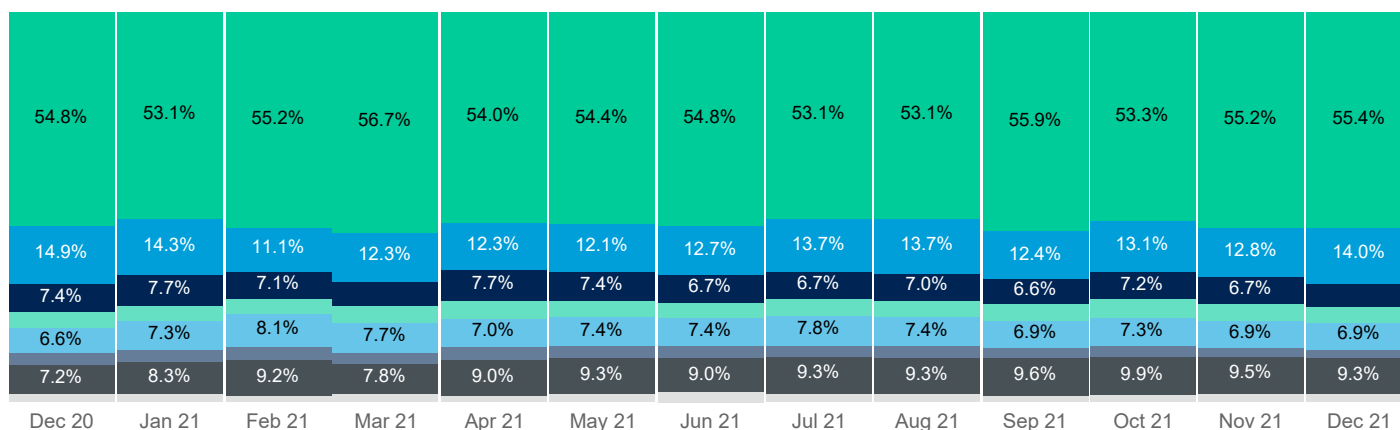


Average Daily Market Volume By Listing Exchange (Shares)

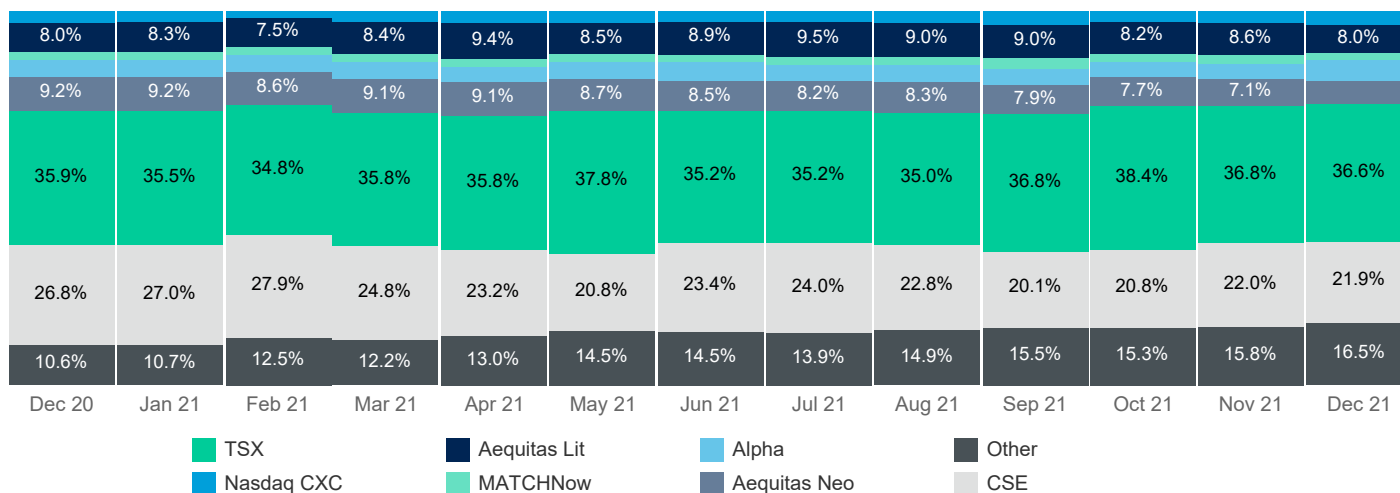


Source data: Virtu Financial

Venue Market Share (TSX-Listed)



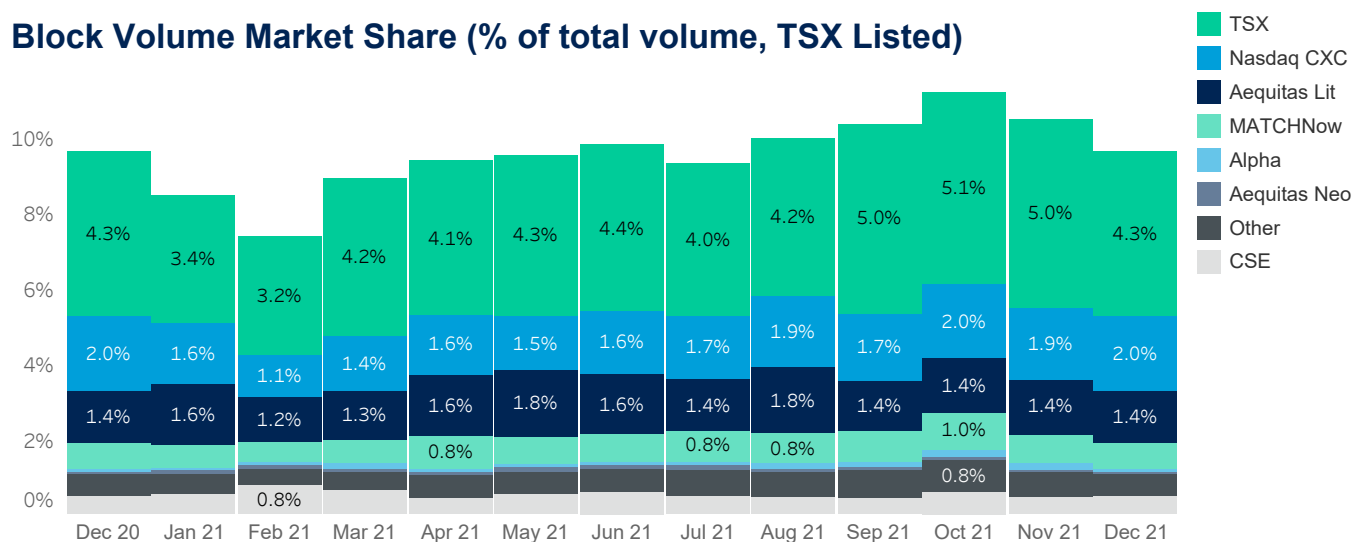
Venue Market Share (Non-TSX-Listed)



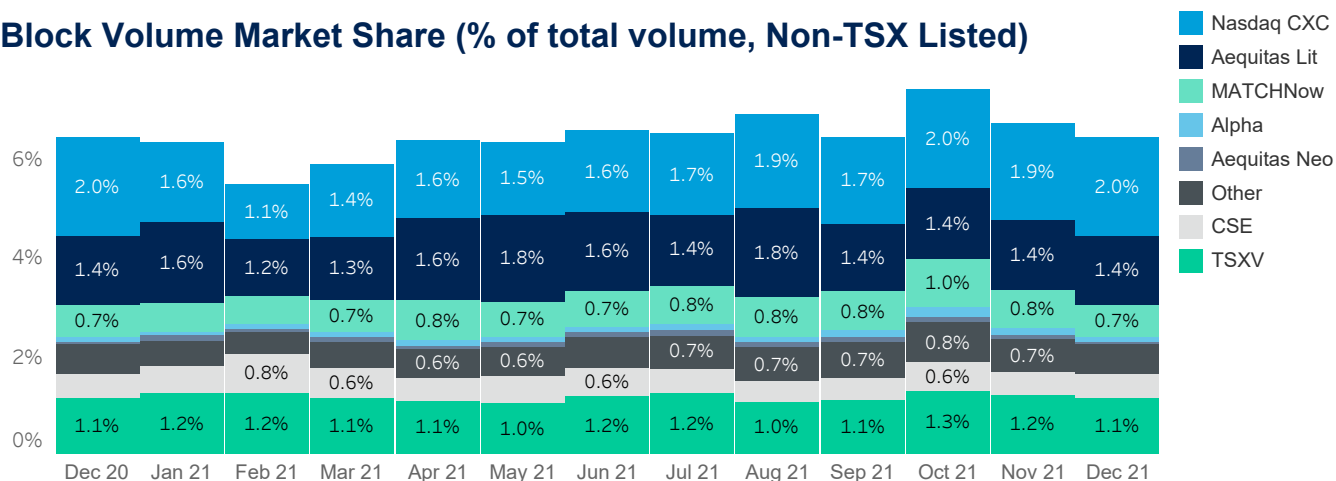
Source data: Virtu Financial



Block Volume Market Share (% of total volume, TSX Listed)

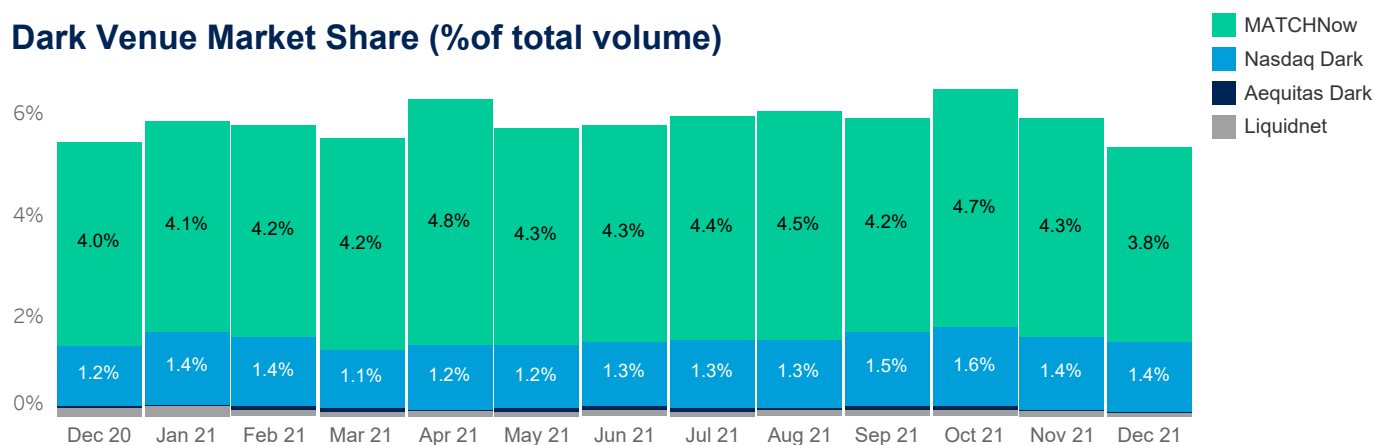


Block Volume Market Share (% of total volume, Non-TSX Listed)



Blocks defined as >5100 shares and > \$30,000 CAD or >=\$100K CAD; Source data: Virtu Financial

Dark Venue Market Share (% of total volume)



TSX listed securities only; Source data: Virtu Financial



Quotesize in Shares

		4Q 20	1Q 21			2Q 21			3Q 21			4Q 21		
		Dec 20	Jan 21	Feb 21	Mar 21	Apr 21	May 21	Jun 21	Jul 21	Aug 21	Sep 21	Oct 21	Nov 21	Dec 21
First 30 Min	S&P/TSX 60	712	765	739	778	834	808	871	842	862	912	889	839	868
	S&P/TSX Composite	803	852	865	894	953	952	1,076	987	1,015	1,057	1,088	992	1,046
	Non-TSX-Listed	10,122	11,000	13,258	9,500	8,203	8,492	7,778	6,394	5,729	6,073	6,360	6,702	5,071
Mid Day	S&P/TSX 60	912	947	938	951	1,032	1,017	1,107	1,040	1,052	1,095	1,096	1,021	1,004
	S&P/TSX Composite	998	1,052	1,097	1,103	1,176	1,205	1,321	1,206	1,246	1,280	1,313	1,212	1,221
	Non-TSX-Listed	7,531	8,575	10,247	7,403	6,381	6,481	5,900	5,000	4,600	4,900	5,292	5,000	4,165
Last 30 Min	S&P/TSX 60	1,164	1,180	1,205	1,155	1,287	1,251	1,327	1,250	1,256	1,309	1,274	1,219	1,128
	S&P/TSX Composite	1,305	1,318	1,363	1,304	1,424	1,475	1,568	1,442	1,467	1,497	1,517	1,448	1,413
	Non-TSX-Listed	9,374	10,500	12,168	8,832	7,381	7,992	7,111	6,033	5,600	5,904	6,383	5,900	5,000

Spread Bps

First 30 Min	S&P/TSX 60	5.5	6.3	6.0	5.9	5.1	5.3	4.7	5.0	4.8	4.9	5.0	5.5	5.4
	S&P/TSX Composite	12.4	13.5	13.1	12.9	11.9	11.6	10.6	11.6	11.2	10.8	10.5	10.6	11.2
	Non-TSX-Listed	194.2	188.7	185.2	175.0	171.5	175.1	166.7	174.0	164.9	170.1	170.5	163.9	175.4
Mid Day	S&P/TSX 60	3.7	4.0	3.8	3.8	3.4	3.3	3.1	3.4	3.2	3.2	3.2	3.4	3.4
	S&P/TSX Composite	7.5	7.9	7.8	8.0	7.1	7.2	6.6	7.0	6.8	6.8	7.0	7.1	7.4
	Non-TSX-Listed	151.5	145.8	142.9	134.3	134.9	136.7	135.1	132.3	125.0	128.2	128.6	123.2	122.0
Last 30 Min	S&P/TSX 60	3.1	3.3	3.2	3.1	2.8	2.7	2.5	2.6	2.5	2.5	2.5	2.7	2.8
	S&P/TSX Composite	6.5	7.0	6.9	7.0	6.4	6.3	5.8	6.0	5.9	5.8	6.0	6.1	6.4
	Non-TSX-Listed	149.7	144.9	142.9	135.4	133.3	135.8	133.4	131.6	124.3	129.9	126.8	123.5	125.7

One Minute Volatility Bps

First 30 Min	S&P/TSX 60	13.7	14.0	14.3	15.1	11.0	13.1	10.5	11.0	11.2	12.2	11.9	11.9	13.5
	S&P/TSX Composite	18.0	18.5	18.9	19.9	14.8	18.0	14.3	15.1	15.2	15.6	15.3	15.0	17.4
	Non-TSX-Listed	22.8	22.0	25.0	26.4	18.2	19.0	16.7	17.7	18.0	19.6	17.5	19.9	24.0
Mid Day	S&P/TSX 60	4.6	4.6	4.5	5.3	3.6	3.8	3.2	3.6	3.4	3.8	3.5	3.6	4.6
	S&P/TSX Composite	5.3	5.4	5.4	6.5	3.8	4.5	3.4	3.9	3.4	3.9	3.7	3.9	4.7
	Non-TSX-Listed	6.7	6.5	7.7	9.4	5.7	5.8	5.0	6.1	5.7	6.3	5.8	5.8	7.1
Last 30 Min	S&P/TSX 60	4.5	4.7	4.5	5.2	3.6	4.2	3.4	3.6	3.2	3.6	3.4	3.5	4.6
	S&P/TSX Composite	4.9	5.0	4.9	5.9	3.8	4.4	3.4	3.5	2.9	3.4	3.2	3.4	4.6
	Non-TSX-Listed	5.9	6.9	5.5	8.0	6.6	5.4	4.4	5.4	5.2	6.8	4.9	4.9	6.7

Percent MDV by Time of Day

Open	S&P/TSX 60	0.5%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.7%	0.6%	0.7%	0.6%	0.6%	0.6%
	S&P/TSX Composite	0.5%	0.6%	0.6%	0.5%	0.5%	0.6%	0.5%	0.5%	0.5%	0.5%	0.6%	0.6%	0.5%
	Non-TSX-Listed	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
First 30 Min	S&P/TSX 60	11.5%	12.2%	35.7%	12.0%	12.7%	14.4%	13.8%	13.1%	13.3%	14.7%	14.3%	14.4%	13.5%
	S&P/TSX Composite	12.5%	13.6%	39.3%	13.0%	13.1%	14.6%	13.6%	14.0%	13.8%	14.2%	14.2%	14.3%	13.3%
	Non-TSX-Listed	21.0%	21.2%	60.2%	19.2%	18.7%	18.7%	19.4%	19.0%	17.9%	18.4%	18.8%	19.4%	17.3%
Last 30 Min	S&P/TSX 60	33.5%	33.2%	90.8%	31.2%	32.6%	33.1%	36.6%	32.0%	29.7%	31.2%	29.8%	32.1%	34.0%
	S&P/TSX Composite	23.7%	21.9%	61.9%	22.1%	24.2%	24.3%	24.9%	24.9%	22.4%	22.9%	22.1%	23.5%	25.4%
	Non-TSX-Listed	9.4%	9.7%	26.8%	10.1%	9.3%	9.1%	9.3%	9.0%	8.7%	8.7%	8.1%	8.3%	8.0%
Close	S&P/TSX 60	18.3%	11.5%	11.4%	11.3%	9.3%	6.5%	7.0%	6.8%	6.5%	6.5%	7.3%	6.4%	6.7%
	S&P/TSX Composite	5.5%	4.1%	4.7%	3.7%	4.2%	3.8%	3.8%	4.1%	3.2%	3.3%	3.9%	3.7%	3.7%
	Non-TSX-Listed	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

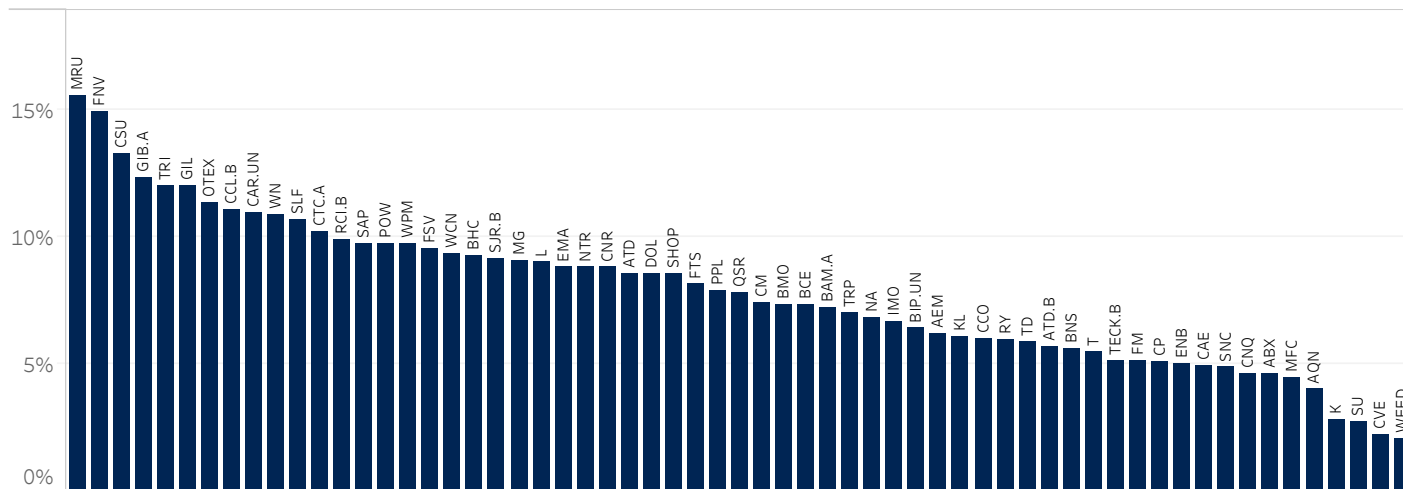
Median used for all metrics

One minute volatility is calculated using the difference between the high and low price within a one minute time bin, divided by that bin's VWAP

Source data: Virtu Financial



December 2021 Median MOC % of Daily Volume - S&P/TSX 60



Source data: Virtu Financial



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