

# December 2022

## Canada Market Structure Monthly



### MARKET MICROSTRUCTURE OBSERVATIONS

- For TSX Composite names there was an increase in trading during the last 30 mins and into the close. The close represented 7.1% of the day's volume, a 100% increase from 3.5% in December 2021.
- In December 2022, the average daily volume for TSX listed securities was 699 million shares, down 1% compared to November 2022 and down 2% compared to December 2021. Liquidity, spread and volatility conditions improved compared to November 2022.
- In non-TSX listed securities, the average daily volume increased to 362 million shares. While this represented an 11% increase compared to November 2022, volumes were down 20% compared to December 2021. Liquidity, spread and volatility conditions improved compared to November 2022.
- TSX and non-TSX block volumes increased compared to November 2022. Dark venue market share increased slightly compared to November 2022 and Cboe MATCHNow continued to have the largest market share.

### CANADA MARKET STRUCTURE NEWS

#### **MX Markets Change to Order Entry Session Bundle Fees**

On 1 January 2023, subject to Regulatory approval, TMX Equities will amend its order entry session bundle fees for its TSX, TSXV and Alpha markets. The current rate of a \$500 one-time set-up fee per session bundle will be replaced by a \$250 per month per session bundle fee with a monthly fee cap of \$10,000 per firm.

For more information on these fee changes, please contact your TMX Account Management Team.

#### **CSA and IIROC seek input on regulatory framework for short selling in Canada**

On 8 December 2022, The Canadian Securities Administrators (CSA) and the Investment Industry Regulatory Organization of Canada (IIROC) published a staff notice seeking input from investors, industry and the public on the current regulatory framework surrounding short selling in Canada. Feedback and comments on the staff notice, which includes several consultation questions should be submitted in writing on or before March 8, 2023.

<https://www.securities-administrators.ca/news/csa-and-iiroc-seek-input-on-regulatory-framework-for-short-selling-in-canada/>

#### **Canadian securities regulators outline steps to support transition to T+1**

On 15 December 2022, the Canadian Securities Administrators (CSA) published for comment proposed rule amendments to National Instrument 24-101 Institutional Trade Matching and Settlement (NI 24-101) to support the transition from a two-day Canadian trade settlement cycle (T+2) to a one-day settlement cycle (T+1). The proposed amendments focus on facilitating the shortening of the standard settlement cycle for equity and long-term debt market trades in Canada to align with upcoming changes to the US settlement cycle. The move to a T+1 settlement cycle is expected to occur in 2024, at the same time as the US moves its settlement cycle to T+1. Comments on the proposed amendments to NI 24-101 should be submitted in writing by March 17, 2023.

<https://www.securities-administrators.ca/news/canadian-securities-regulators-outline-steps-to-support-transition-to-t1/>

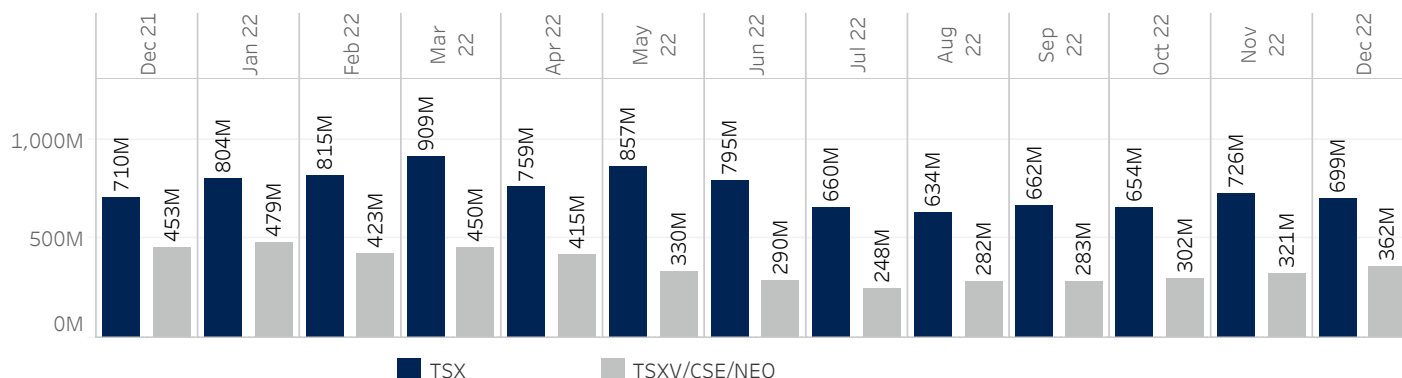
#### **CSA publishes 2022 Systemic Risk Survey results**

On 15 December 2022, the Canadian Securities Administrators (CSA) published results of its first annual systemic risk survey, which was conducted last fall to solicit views on financial risks from market participants. The findings summarize responses received from more than 600 Canadian portfolio managers and investment dealers between October and November 2022. Overall, survey participants indicated that they were most concerned about rising interest rates, household debt, the housing market, the geopolitical environment and cyber vulnerabilities.

<https://www.securities-administrators.ca/resources/csa-surveys/csa-systemic-risk-survey-2022/>

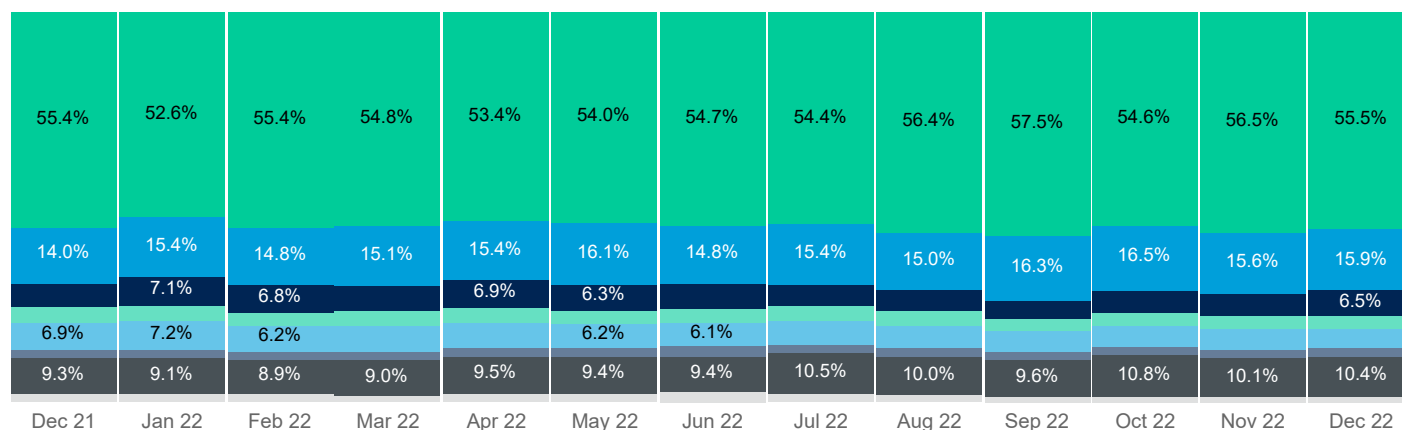


## Average Daily Market Volume By Listing Exchange (Shares)

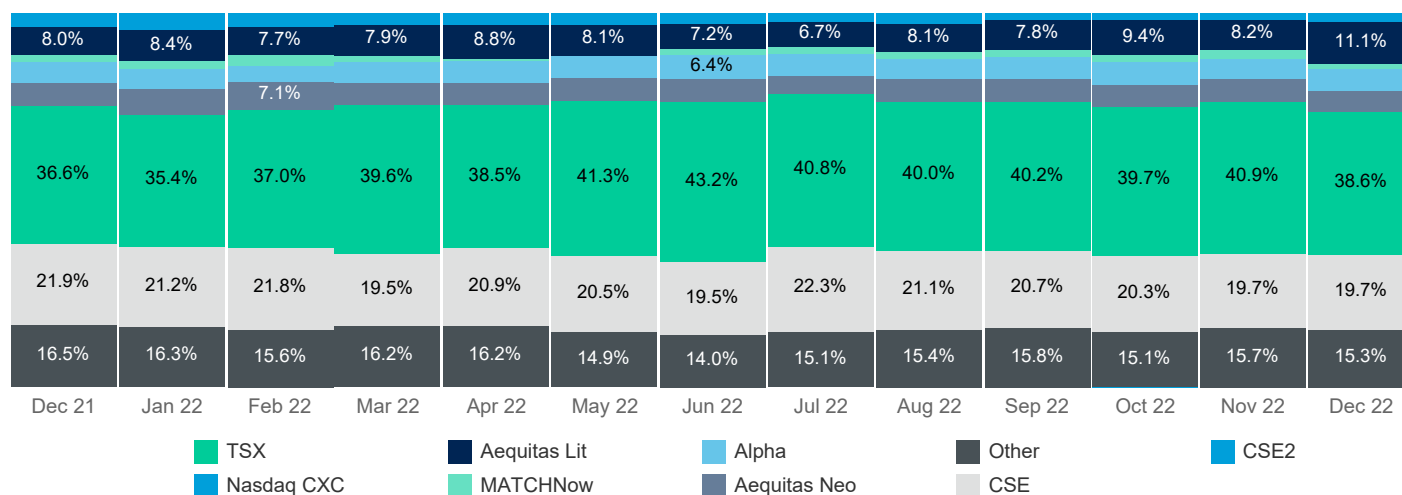


Source data: Virtu Financial

## Venue Market Share (TSX-Listed)



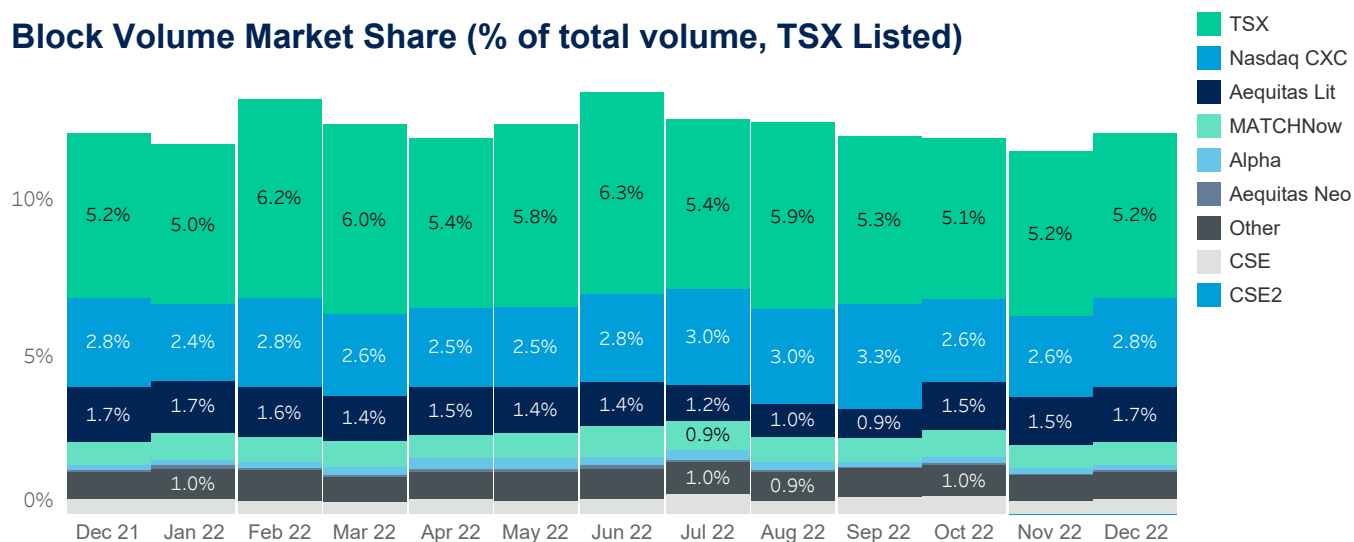
## Venue Market Share (Non-TSX-Listed)



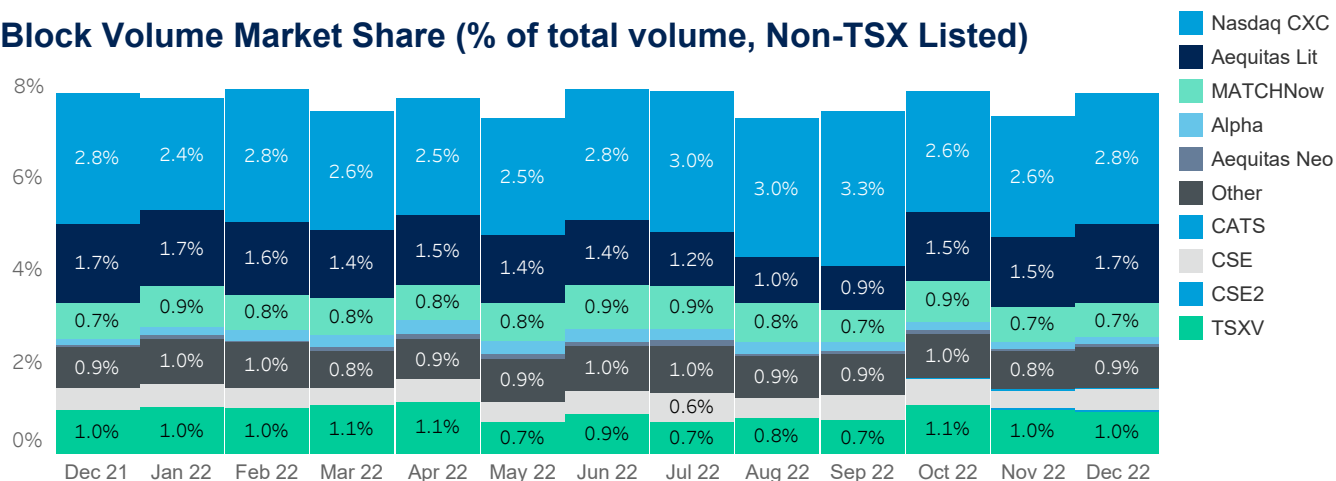
Source data: Virtu Financial



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

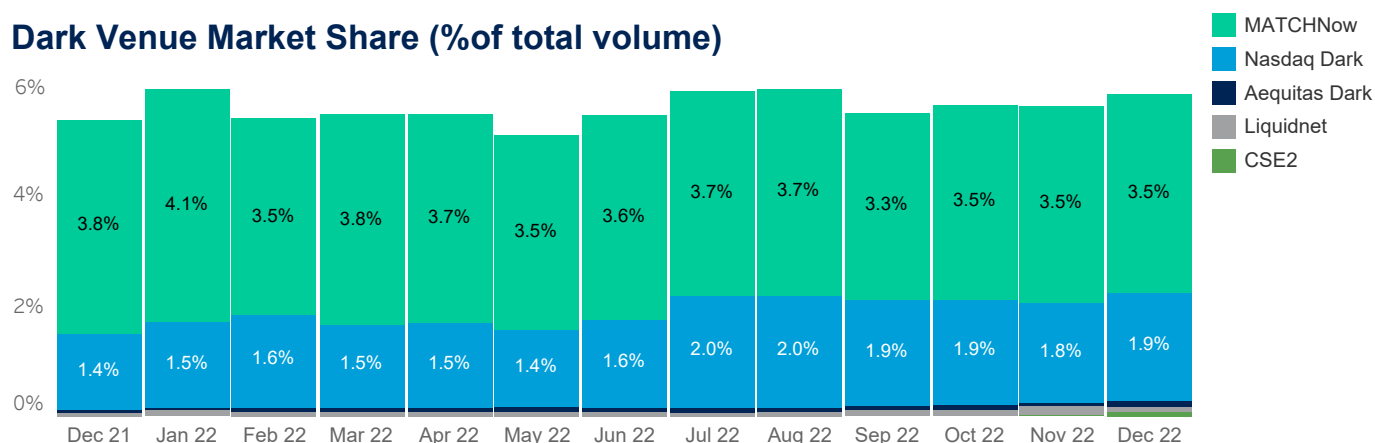


## Block Volume Market Share (% of total volume, Non-TSX Listed)



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 21	1Q 22			2Q 22			3Q 22			4Q 22		
		Dec 21	Jan 22	Feb 22	Mar 22	Apr 22	May 22	Jun 22	Jul 22	Aug 22	Sep 22	Oct 22	Nov 22	Dec 22
First 30 Min	S&P/TSX 60	873	819	761	801	800	769	864	900	803	795	836	870	930
	S&P/TSX Composite	1,047	957	883	954	997	961	1,070	1,103	961	946	1,032	1,055	1,106
	Non-TSX-Listed	5,071	5,189	5,000	6,079	5,540	5,120	4,698	4,334	4,388	4,500	4,599	4,778	4,969
Mid Day	S&P/TSX 60	1,011	977	929	952	914	909	1,013	1,080	994	971	980	1,024	1,075
	S&P/TSX Composite	1,216	1,156	1,089	1,132	1,136	1,145	1,249	1,317	1,188	1,170	1,219	1,286	1,336
	Non-TSX-Listed	4,165	4,050	4,265	5,300	5,170	4,828	4,748	4,459	4,771	4,609	4,418	4,419	4,650
Last 30 Min	S&P/TSX 60	1,139	1,080	1,017	1,035	973	976	1,112	1,207	1,216	1,175	1,206	1,207	1,201
	S&P/TSX Composite	1,407	1,330	1,260	1,311	1,255	1,243	1,371	1,419	1,401	1,387	1,475	1,508	1,494
	Non-TSX-Listed	5,000	4,774	4,625	5,606	5,300	5,103	4,752	4,428	4,486	4,394	4,158	4,417	4,605

## Spread Bps

First 30 Min	S&P/TSX 60	5.5	5.6	5.7	6.0	5.9	6.4	6.0	6.5	6.0	5.9	6.4	6.5	6.2
	S&P/TSX Composite	11.5	11.4	11.5	12.0	12.2	14.1	13.4	14.6	13.8	14.3	14.8	13.9	13.3
	Non-TSX-Listed	175.4	172.4	163.1	175.4	170.5	204.9	215.7	229.8	201.2	220.6	219.5	218.1	215.1
Mid Day	S&P/TSX 60	3.4	3.6	3.4	3.6	3.5	4.0	3.8	4.1	3.8	3.9	3.8	3.8	3.7
	S&P/TSX Composite	7.5	7.7	7.6	7.6	7.5	8.9	8.3	8.6	8.1	8.7	8.6	8.3	8.3
	Non-TSX-Listed	122.0	124.2	122.2	132.7	129.0	145.0	152.7	163.9	143.0	148.3	151.6	156.4	156.9
Last 30 Min	S&P/TSX 60	2.9	2.9	2.8	2.7	2.7	3.1	3.0	3.0	2.9	3.0	2.9	2.9	2.8
	S&P/TSX Composite	6.6	6.7	6.7	6.5	6.4	7.5	7.2	7.5	7.2	7.8	7.5	7.1	7.2
	Non-TSX-Listed	125.7	125.5	125.5	133.3	129.0	147.1	144.9	155.4	140.9	140.7	150.4	147.7	145.5

## One Minute Volatility Bps

First 30 Min	S&P/TSX 60	13.4	13.9	14.0	15.4	14.4	17.2	15.4	15.9	13.9	14.2	17.0	14.3	13.5
	S&P/TSX Composite	17.6	17.9	17.9	19.1	17.7	21.0	20.0	22.3	18.1	18.6	20.8	18.3	16.5
	Non-TSX-Listed	24.0	24.1	22.7	18.6	21.3	36.5	33.1	30.9	20.9	22.1	23.2	20.7	22.8
Mid Day	S&P/TSX 60	4.5	5.2	4.9	5.4	5.1	7.3	5.8	5.3	4.6	6.0	6.1	5.2	4.7
	S&P/TSX Composite	4.7	5.7	5.5	6.1	5.6	8.2	6.8	6.0	5.0	6.3	6.5	5.6	4.8
	Non-TSX-Listed	7.1	9.2	7.1	6.3	7.2	12.5	9.7	8.0	6.2	6.9	7.3	6.3	5.7
Last 30 Min	S&P/TSX 60	4.6	5.2	5.4	5.2	4.9	7.5	5.8	5.1	4.3	5.9	5.6	5.1	5.0
	S&P/TSX Composite	4.5	5.1	5.3	5.2	5.1	7.3	5.7	4.8	3.9	5.4	5.2	4.9	4.5
	Non-TSX-Listed	6.7	8.6	6.2	5.6	6.6	11.3	7.7	6.4	5.4	6.7	6.7	5.4	5.4

## Percent MDV by Time of Day

Open	S&P/TSX 60	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.7%	0.5%	0.6%	0.5%	0.4%	0.5%	0.5%
	S&P/TSX Composite	0.5%	0.5%	0.6%	0.6%	0.5%	0.5%	0.5%	0.5%	0.5%	0.4%	0.4%	0.4%	0.4%
	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	13.5%	13.0%	13.5%	13.6%	12.5%	12.6%	12.4%	13.0%	12.9%	9.7%	10.4%	10.2%	10.1%
	S&P/TSX Composite	13.3%	12.4%	13.4%	13.9%	12.8%	12.6%	12.8%	13.7%	13.4%	11.4%	11.4%	11.4%	10.5%
	Non-TSX-Listed	17.3%	17.4%	17.5%	17.1%	18.0%	18.7%	18.9%	19.8%	20.2%	18.5%	18.0%	19.4%	17.4%
Last 30 Min	S&P/TSX 60	34.2%	33.6%	35.0%	34.6%	38.7%	36.4%	40.9%	36.1%	36.8%	36.3%	31.5%	32.5%	36.7%
	S&P/TSX Composite	25.0%	22.9%	25.8%	25.0%	25.0%	26.3%	24.5%	26.2%	25.8%	26.2%	26.1%	25.5%	26.8%
	Non-TSX-Listed	8.0%	8.4%	8.9%	8.2%	7.6%	7.2%	7.2%	6.7%	6.7%	6.9%	6.3%	6.0%	6.2%
Close	S&P/TSX 60	6.9%	6.7%	7.5%	6.9%	7.8%	6.7%	7.3%	7.4%	7.4%	16.3%	12.2%	12.8%	18.7%
	S&P/TSX Composite	3.5%	3.6%	3.9%	3.7%	4.2%	3.7%	4.4%	4.5%	4.5%	6.6%	5.7%	6.5%	7.1%
	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%

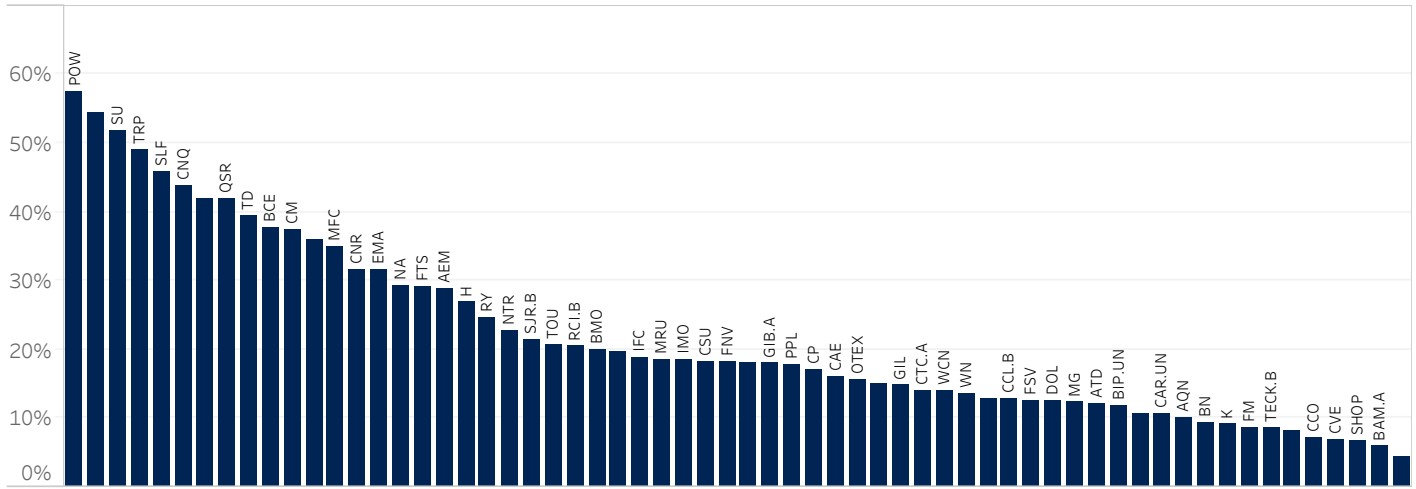
Median used for all metrics

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 2022 Median MOC % of Daily Volume - S&P/TSX 60



Source data: Virtu Financial



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