

# Oct 2023

## CA Market Structure Monthly

### MICROSTRUCTURE OBSERVATIONS

- In TSX-listed securities, the average daily volume was 586 million shares in October 2023, down 7% compared to September 2023 and down 10% compared to October 2022. Liquidity, spread and volatility conditions deteriorated as compared to September 2023.
- In non TSX-listed securities, the average daily volume was 266 million shares in October 2023, down 14% compared to September 2023 and down 12% compared to October 2022. Similar to TSX-listed securities, non TSX-listed securities saw liquidity, spread and volatility conditions deteriorate compared to September 2023.
- TSX-listed block volumes increased in October 2023 compared to September 2023. While block volumes decline on TSX, Aequitas Neo experienced a large increase from 1.8% to 2.4% compared to September 2023. Market-wide dark volumes increased slightly compared to September 2023 with MATCHNow benefitting from this increase.

### CA MARKET STRUCTURE NEWS

#### **TRADELOGIQ – New “Periodic Matching” trading model for Lynx ATS**

On October 12, 2023, Tradelogiq announced a proposal to implement a Periodic Matching Model on Lynx ATS. In this proposal, orders will not immediately match when submitted, instead, they participate in discrete, recurring matches every few milliseconds. The model will consist of a Visible Book and a Midpoint Book along with additional new order types. The comment period was open until November 13th, 2023.

[https://www.osc.ca/sites/default/files/2023-10/ats\\_20231012\\_ats-proposed-amendments.pdf](https://www.osc.ca/sites/default/files/2023-10/ats_20231012_ats-proposed-amendments.pdf)

#### **Notice and Request for Comment – Proposed Amalgamation of Aequitas, Neo Exchange and TriAct Canada Marketplace**

On October 19, 2023, Aequitas and Neo Exchange applied to OSC for a proposed amalgamation of Aequitas, Neo Exchange and TriAct Canada Marketplace into a single legal entity - **Cboe Canada Inc.** Comment period on the proposed changes will close on November 20<sup>th</sup>, 2023. Please consult the link below for further details

[https://www.osc.ca/sites/default/files/2023-10/neo\\_20231019\\_rfc.pdf](https://www.osc.ca/sites/default/files/2023-10/neo_20231019_rfc.pdf)

## **CSA/CIRO Request for Feedback on SEC's December 2022 Market Structure Proposals**

On October 19, 2023, the Canadian Securities Administrators (CSA) and the Canadian Investment Regulatory Organization (CIRO) published a notice soliciting comments and feedback on the potential impact of the SEC's December 2022 proposals on Canadian capital markets. Comments are sought to understand compliance costs and potential policy responses since the SEC's proposals would drastically change fundamental elements of U.S market structure and are set to be finalized by April 2024. Consult the link below to view the core components of SEC proposed amendments and the potential implications on Canadian Capital Markets:

<https://www.ciro.ca/news-room/publications/csaciro-staff-notice-23-331-request-feedback-december-2022-sec-market-structure-proposals-and>

## **CIRO Request for Comment – Rule Consolidation Project – Phase 1**

On October 20, 2023, CIRO published for comment Phase 1 of its Rule Consolidation Project (Phase 1 Proposed DC Rules) introducing a common set of rules for both Investment Dealers and Mutual Fund Dealers. Refer to the link below to view the proposed rules in more detail. The comment period ends on December 19, 2023

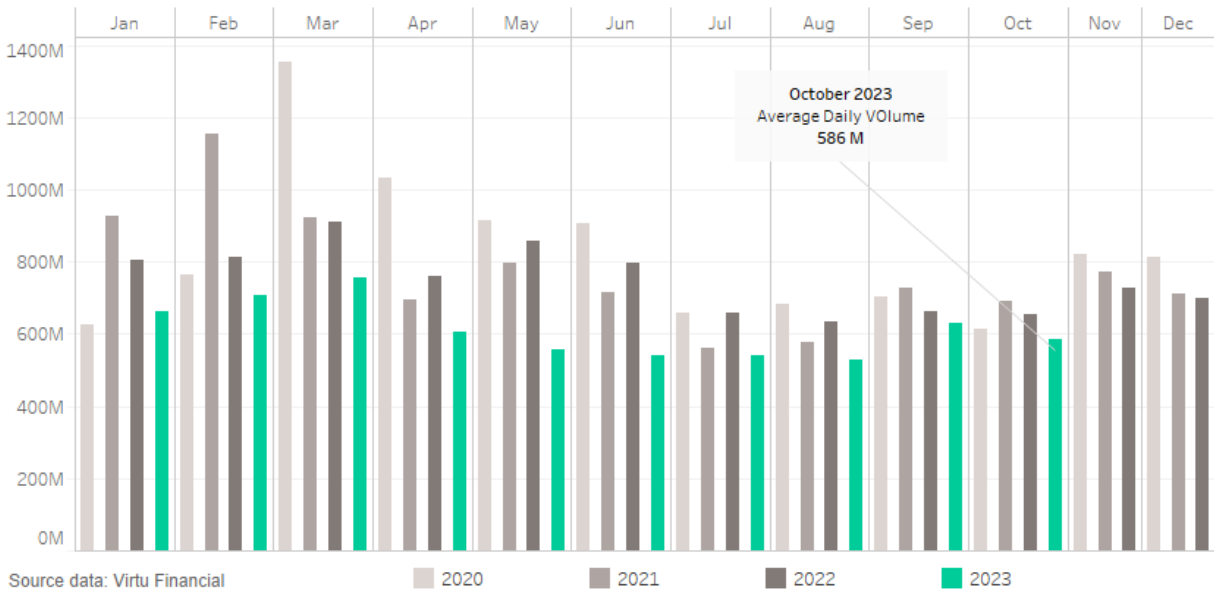
[https://www.osc.ca/sites/default/files/2023-10/ciro\\_20231020\\_rfc\\_rule-consolidation-project.pdf](https://www.osc.ca/sites/default/files/2023-10/ciro_20231020_rfc_rule-consolidation-project.pdf)

## **Amendments TO UMIR and IDPC RULES To Facilitate Move To T+1 Settlement**

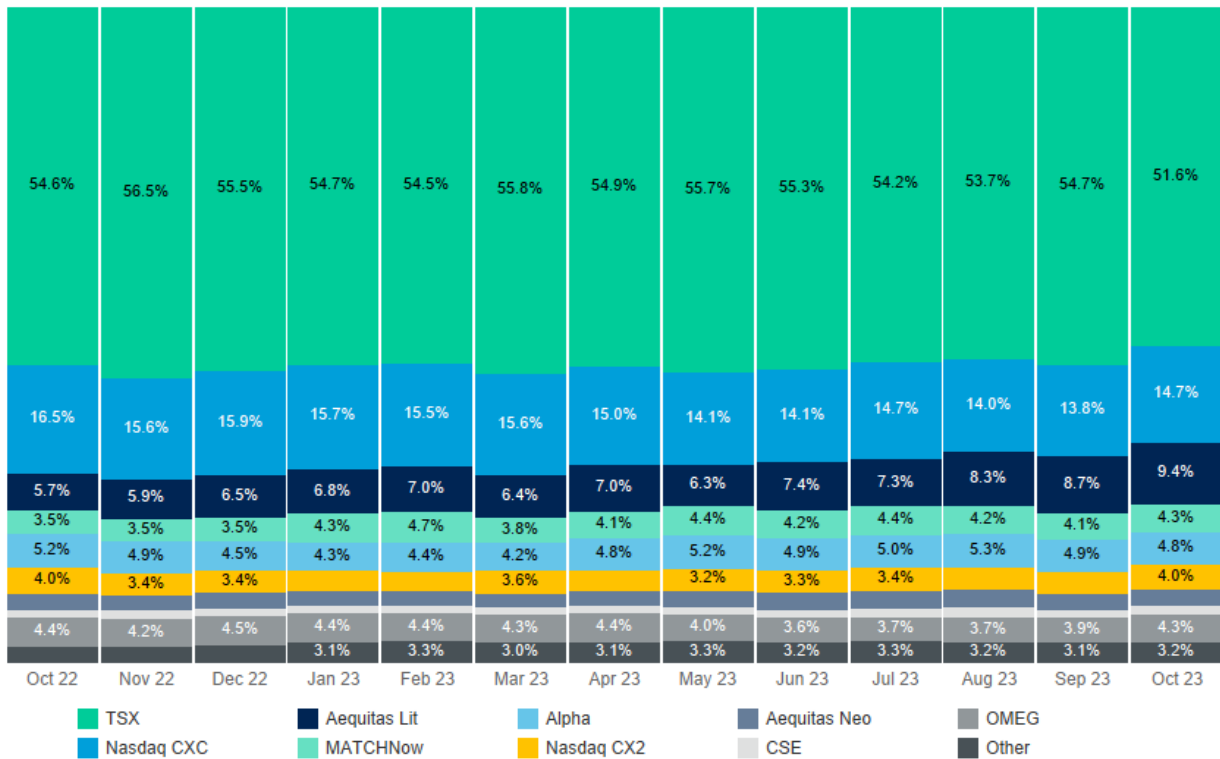
On October 26, 2023, the OSC approved CIRO's proposed amendments to the UMIR and IDPC rules to facilitate the move to a T+ 1 settlement cycle. The Amendments will be effective May 27<sup>th</sup>, 2024, assuming there is no delay in the industry's implementation of T+1 settlement.

<https://www.osc.ca/en/industry/market-regulation/self-regulatory-organizations-sro/canadian-investment-regulatory-organization-ciro/ciro-rule-review/notice-commission-2>

## Average Daily Market Volume (Shares, TSX Listed)

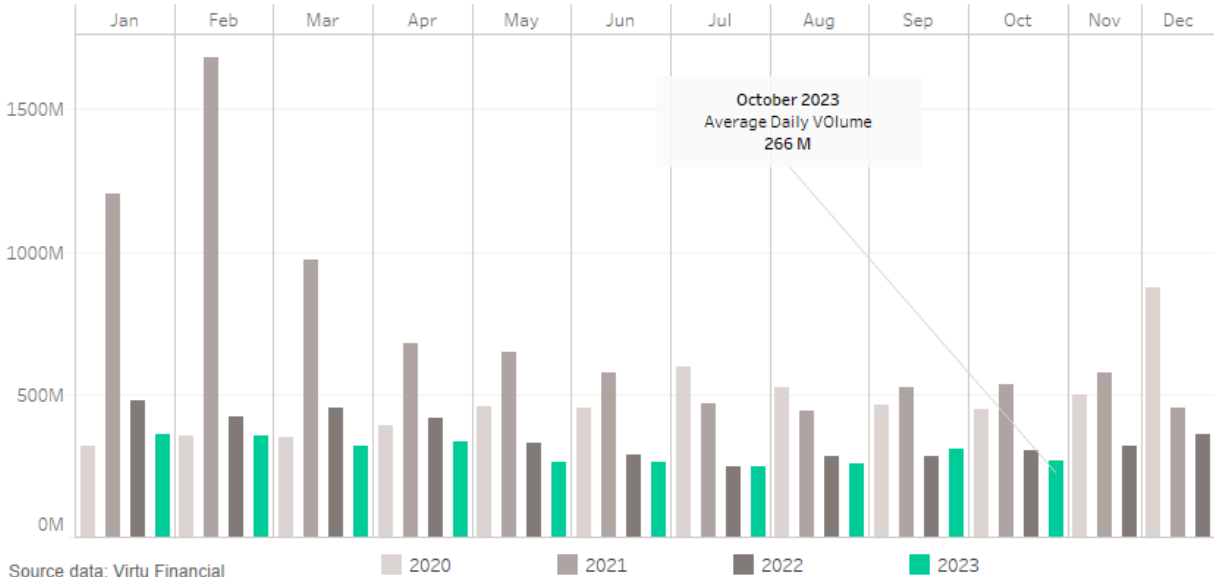


## Venue Market Share (TSX Listed)

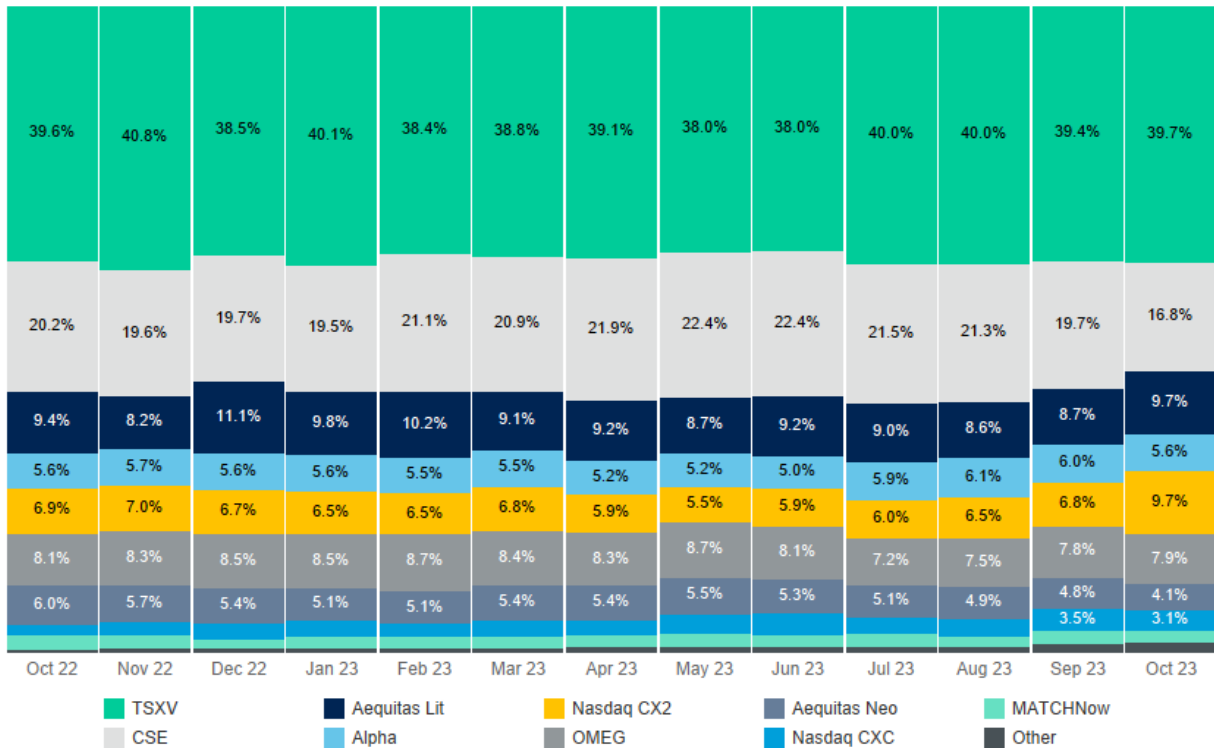


Source data: Virtu Financial

## Average Daily Market Volume (Shares, Non-TSX Listed)

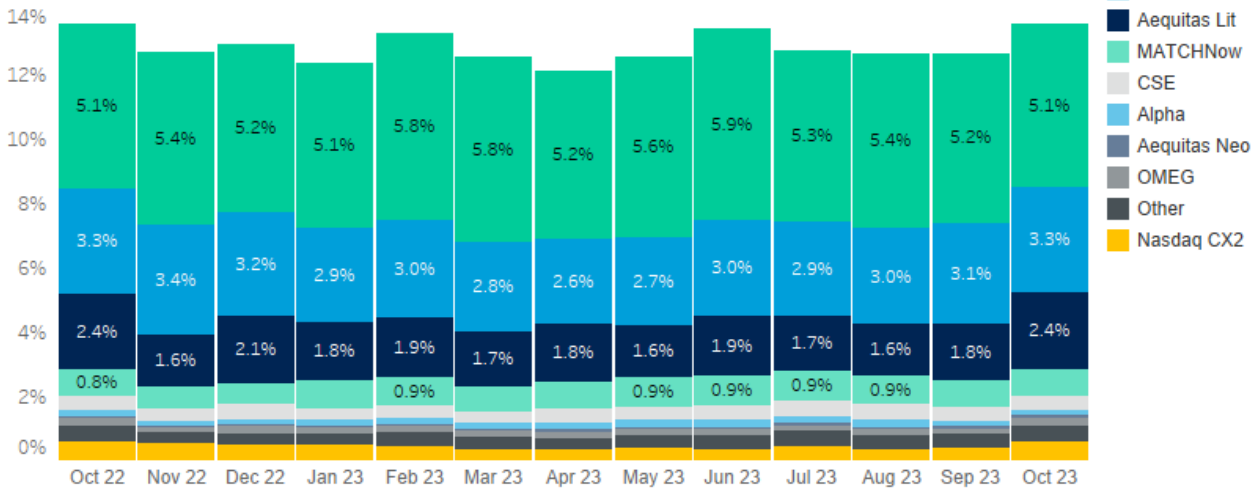


## Venue Market Share (Non-TSX Listed)

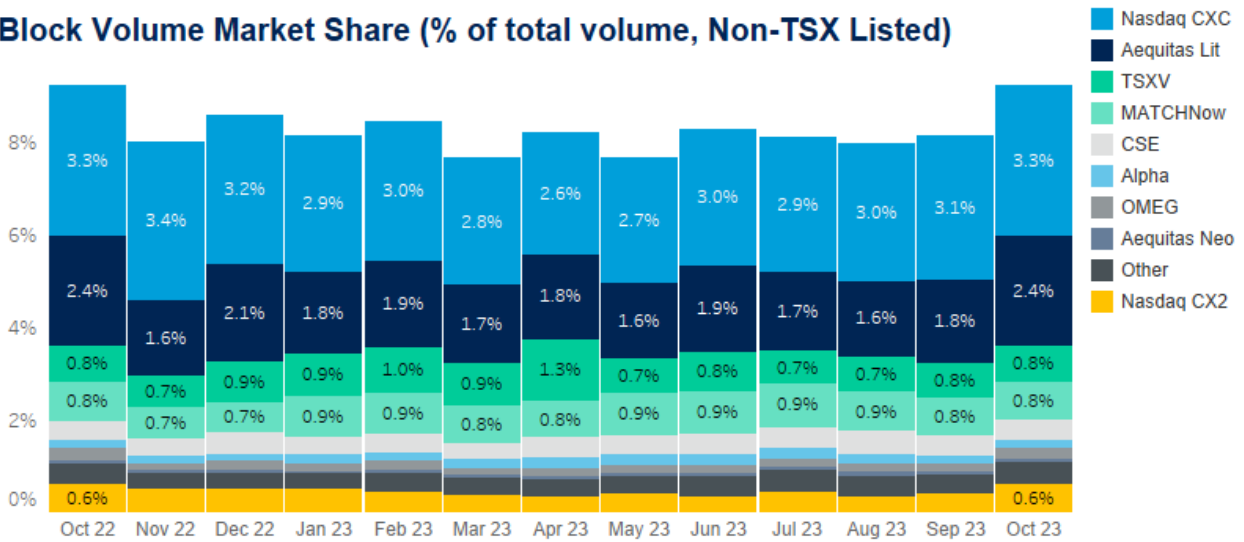


Source data: Virtu Financial

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

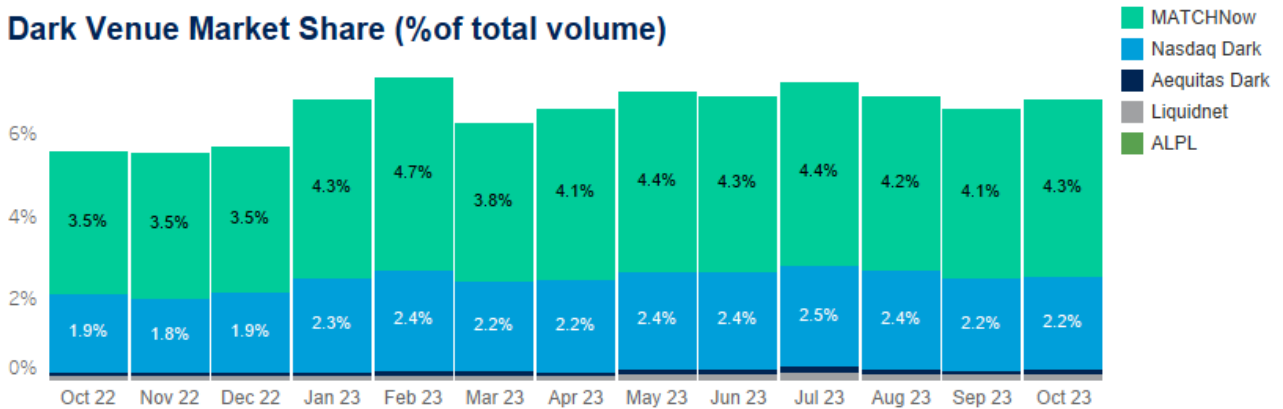


### Block Volume Market Share (% of total volume, Non-TSX Listed)



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 22			1Q 23			2Q 23			3Q 23			4Q 23
		Oct 22	Nov 22	Dec 22	Jan 23	Feb 23	Mar 23	Apr 23	May 23	Jun 23	Jul 23	Aug 23	Sep 23	Oct 23
First 30 Min	S&P/TSX 60	823	855	916	854	798	840	892	877	889	897	895	911	865
	S&P/TSX Composite	1,027	1,051	1,099	1,118	1,002	1,056	1,122	1,079	1,094	1,041	1,016	1,024	1,014
	Non-TSX-Listed	4,599	4,778	4,969	4,945	4,969	4,763	6,191	5,930	5,259	5,021	5,261	6,182	5,950
Mid Day	S&P/TSX 60	965	1,008	1,057	1,025	953	1,017	1,104	1,106	1,112	1,114	1,100	1,115	1,094
	S&P/TSX Composite	1,220	1,278	1,325	1,350	1,221	1,294	1,424	1,359	1,365	1,326	1,255	1,281	1,246
	Non-TSX-Listed	4,421	4,421	4,650	4,650	4,477	4,464	5,650	5,631	5,000	4,583	4,875	5,498	5,281
Last 30 Min	S&P/TSX 60	1,165	1,174	1,165	1,192	1,084	1,150	1,222	1,191	1,209	1,280	1,245	1,268	1,215
	S&P/TSX Composite	1,476	1,497	1,482	1,566	1,415	1,500	1,596	1,534	1,541	1,583	1,507	1,528	1,507
	Non-TSX-Listed	4,127	4,394	4,586	4,582	4,634	4,803	5,988	5,747	5,000	4,456	4,781	5,494	5,308

## Spread Bps

First 30 Min	S&P/TSX 60	6.5	6.6	6.2	6.2	6.1	6.1	5.3	6.2	6.3	5.8	6.3	6.3	6.9
	S&P/TSX Composite	14.8	13.9	13.4	13.4	13.2	13.5	11.7	12.7	12.5	11.9	12.4	12.4	13.9
	Non-TSX-Listed	219.5	218.1	215.1	210.5	203.5	212.6	198.5	184.3	192.3	182.5	180.4	186.6	190.4
Mid Day	S&P/TSX 60	3.9	3.8	3.7	3.6	3.7	3.7	3.3	3.8	3.8	3.5	3.9	3.9	4.2
	S&P/TSX Composite	8.6	8.3	8.3	8.4	8.4	8.3	7.6	8.2	8.1	7.7	8.1	8.2	9.3
	Non-TSX-Listed	151.8	156.6	157.1	149.3	137.1	149.3	138.9	126.0	130.7	124.2	124.9	120.5	124.5
Last 30 Min	S&P/TSX 60	2.9	2.9	2.8	2.8	2.9	2.8	2.5	2.8	2.8	2.6	2.7	2.8	3.0
	S&P/TSX Composite	7.5	7.1	7.2	7.4	7.4	7.2	6.8	7.2	7.4	7.0	7.3	7.5	8.0
	Non-TSX-Listed	149.3	146.4	144.6	137.8	135.0	140.4	133.3	122.8	127.5	123.6	121.2	119.7	126.6

## One Minute Volatility Bps

First 30 Min	S&P/TSX 60	16.9	14.2	13.5	11.9	12.1	13.6	11.0	11.8	10.6	9.9	10.9	10.7	14.0
	S&P/TSX Composite	20.8	18.2	16.6	15.1	15.5	17.3	13.5	14.2	12.4	11.9	13.0	12.5	16.2
	Non-TSX-Listed	23.2	20.7	22.8	17.7	17.9	21.4	15.7	15.1	13.6	13.0	14.6	15.6	17.0
Mid Day	S&P/TSX 60	6.1	5.2	4.7	4.0	4.4	5.5	3.7	4.2	3.5	3.2	4.0	3.8	5.2
	S&P/TSX Composite	6.5	5.6	4.8	4.1	4.4	5.7	3.5	3.9	2.9	2.7	3.5	3.3	4.8
	Non-TSX-Listed	7.3	6.3	5.7	4.5	5.3	7.3	5.0	4.8	4.4	4.4	5.0	4.8	6.0
Last 30 Min	S&P/TSX 60	5.5	5.0	4.9	4.0	4.7	5.1	3.8	4.2	3.7	3.4	3.7	3.8	4.5
	S&P/TSX Composite	5.2	4.9	4.5	3.8	4.3	4.7	3.1	3.6	3.0	2.6	3.1	3.1	4.0
	Non-TSX-Listed	6.7	5.4	5.4	3.8	4.7	6.2	4.0	4.0	3.5	2.9	3.8	3.9	4.4

## Percent MDV by Time of Day

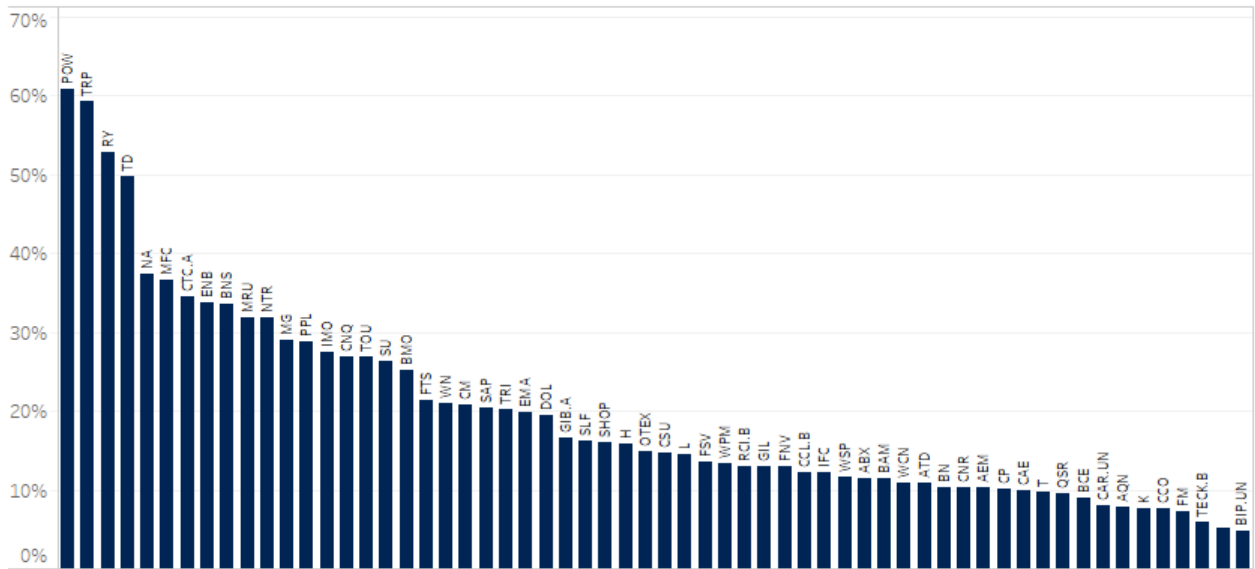
Open	S&P/TSX 60	0.4%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.4%	0.5%	0.4%	0.5%	0.5%
	S&P/TSX Composite	0.4%	0.4%	0.4%	0.4%	0.5%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.5%	0.5%
	Non-TSX-Listed	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
First 30 Min	S&P/TSX 60	10.4%	10.1%	10.1%	8.9%	9.7%	9.5%	9.4%	9.9%	8.9%	8.9%	8.9%	8.1%	8.8%
	S&P/TSX Composite	11.4%	11.3%	10.5%	10.0%	10.7%	10.2%	10.0%	10.6%	10.1%	9.9%	9.9%	8.9%	9.8%
	Non-TSX-Listed	18.0%	19.4%	17.5%	17.6%	17.0%	18.0%	18.0%	16.4%	17.4%	18.8%	19.2%	17.7%	16.8%
Last 30 Min	S&P/TSX 60	13.5%	13.3%	13.6%	13.3%	13.1%	13.5%	13.1%	15.0%	14.5%	14.1%	14.3%	14.4%	14.6%
	S&P/TSX Composite	14.0%	13.8%	13.7%	13.8%	13.9%	13.8%	13.4%	14.5%	14.6%	14.3%	14.8%	14.6%	15.1%
	Non-TSX-Listed	11.5%	10.9%	10.8%	10.3%	11.3%	10.8%	10.0%	10.7%	11.3%	12.1%	12.4%	12.4%	12.1%
Close	S&P/TSX 60	12.3%	12.8%	18.2%	15.2%	18.5%	18.1%	19.3%	13.8%	19.1%	19.9%	19.3%	21.5%	15.1%
	S&P/TSX Composite	5.6%	6.3%	7.2%	6.5%	8.1%	7.9%	9.1%	6.9%	8.7%	8.2%	7.5%	9.1%	6.9%
	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

## October 2023 Median MOC % of Daily Volume - S&P/TSX 60



Source data: Virtu Financial

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