

November 2021

Canada Market Structure Monthly

MARKET MICROSTRUCTURE OBSERVATIONS

- The average daily volume for TSX listed securities increased in November 2021, by 7% MoM, to 751M shares while down 10% YoY. While liquidity and volatility were reasonably flat MoM there was a noted increase in spreads in the first 30 minutes of trading. This increase in spreads dropped to longer term trend throughout the rest of the day. This seems to indicate a degree of overnight uncertainty risk resulting in increased price discovery occurring in the first 30 minutes.
- For non-TSX listed securities, the average daily volume rose slightly to 572M shares. This represents a 7% increase MoM and an increase of 13% YoY. Liquidity, spread and volatility conditions were flat MoM, with a slight increase noted in the 30 minutes of trading. This echoes the comments above relating to overnight uncertainty risk.
- Block volume in TSX-listed securities continued its upward trend and remained above the 10% of consolidated volume level. These gains were focused primarily on the TSX.

CANADA MARKET STRUCTURE NEWS

Nasdaq CXD – Introduction of Odd Lot Order Book Approved

On 14 November, Nasdaq CXC Limited (Nasdaq Canada) received approval for the launch of a new odd lot order book in CXD as previously outlined in our [September edition](#). Nasdaq Canada plans to launch the facility in 1Q 2022.

<https://www.osc.ca/en/industry/market-regulation/marketplaces/exchanges/recognized-exchanges/nasdaq-cxc-limited-rule-review-notices/notice-approval-odd-lot-order-book-cxd>

New TSX and TSXV DRK Conditional Order Type Approved and Launched

On 22 November, the TSX Inc., launched its new DRK conditional order facility on all TSX and TSXV-listed securities. The new DRK conditional order type can enable market participants to represent orders anonymously without over-filling or double execution, the intention is to provide access to natural block liquidity, while minimizing market impact.

<https://www.osc.ca/en/industry/market-regulation/marketplaces/exchanges/recognized-exchanges/tmx-group-inc-and-tsx-inc-rule-review-notices/notice-approval-tsx-inc>

<https://www.osc.ca/en/securities-law/orders-rulings-decisions/tsx-inc-s-151-ni-21-101-marketplace-operation-2>

<https://app.tmx.com/tsxdrk/en/>

Neo Exchange Requests Comment for Proposed Changes to Its Listing Manual

On 18 November, Neo Exchange Inc., issued a request for comment on proposed changes to their listing manual. The intentions deals with streamlining the minimum listing standards to better reflect the nature of the corporate issues that are seeking to list on NEO. Additional rationale outlined ensures the core factors deemed essential by NEO for a successful public listing, will not create an unnecessary burden for issuers.

<https://www.osc.ca/en/industry/market-regulation/marketplaces/exchanges/recognized-exchanges/neo-exchange-inc-rule-review-notices/request-comments-listing-manual-neo>

Cboe Global Markets Acquisition of Aequitas Neo

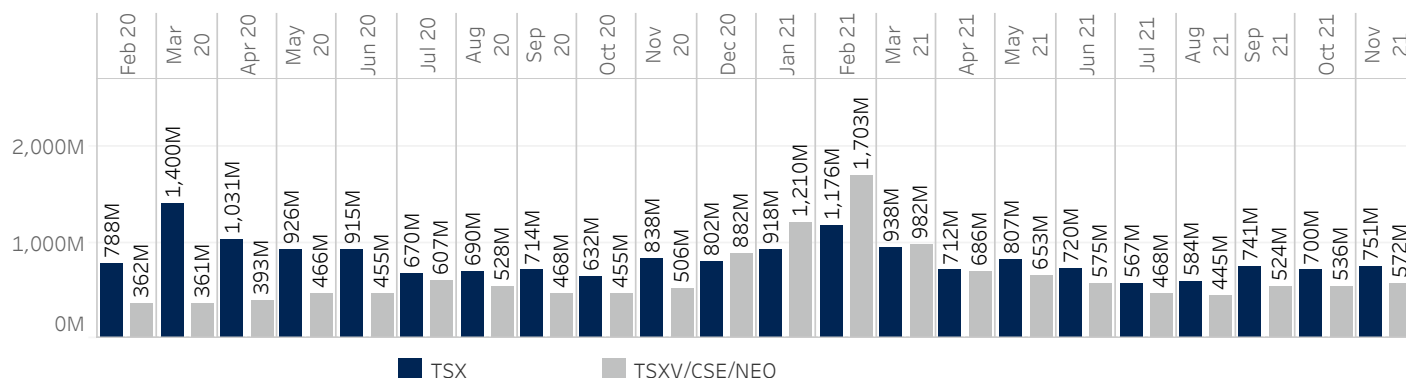
On 15 November, Cboe Global Markets Inc., announced a definitive agreement to acquire Aequitas Innovations, Inc. As owners of MATCHNow and NEO, Cboe will now be able to provide a comprehensive equities platform for the Canadian markets with more than 16.5% market share expected at close.

(Disclosure: Virtu ITG Canada has a minority ownership stake in Aequitas Innovations)

<https://ir.cboe.com/news-and-events/2021/11-15-2021/cboe-global-markets-agrees-acquire-neo-strengthening-global-equities-offering>

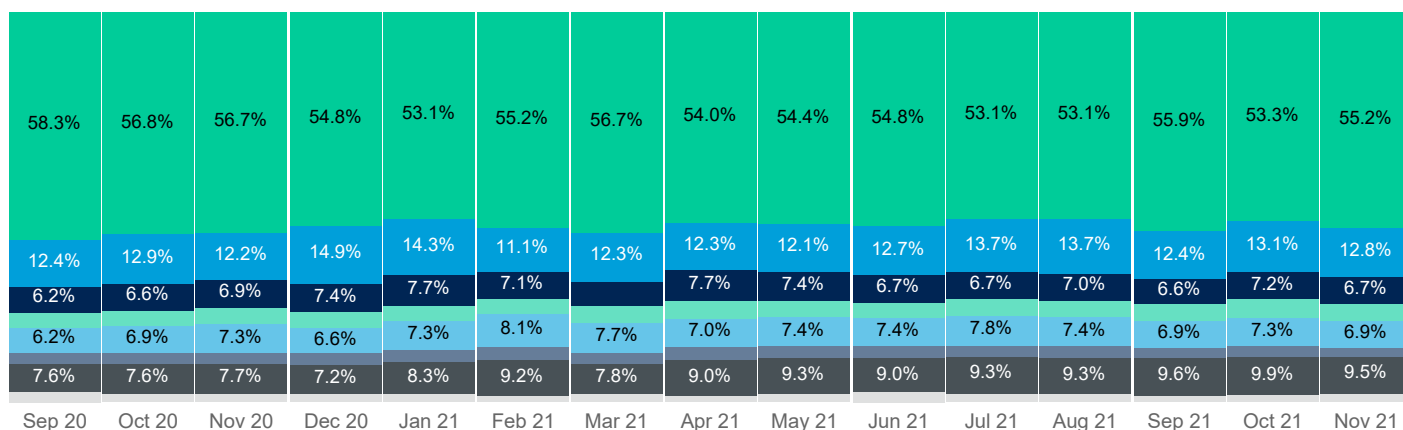


Average Daily Market Volume By Listing Exchange (Shares)

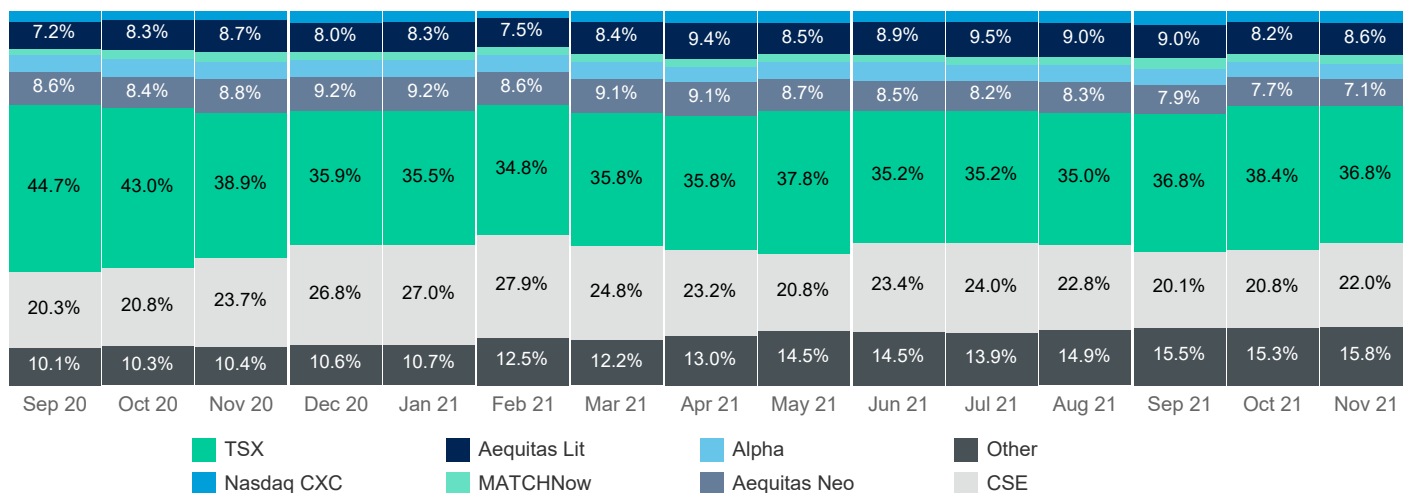


Source data: Virtu Financial

Venue Market Share (TSX-Listed)



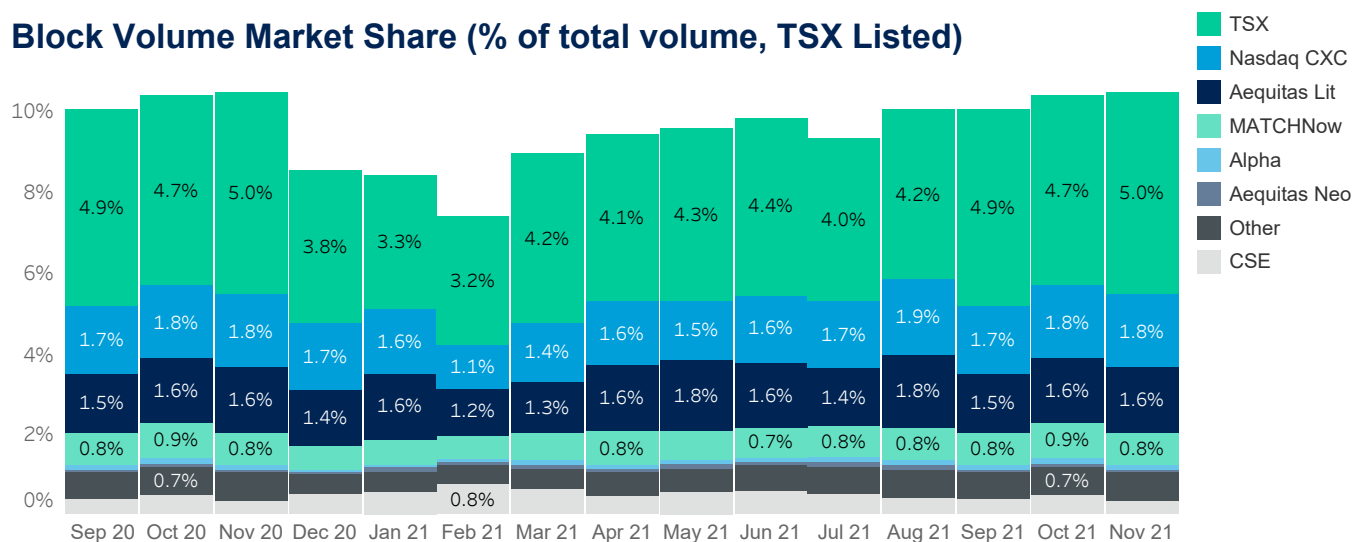
Venue Market Share (Non-TSX-Listed)



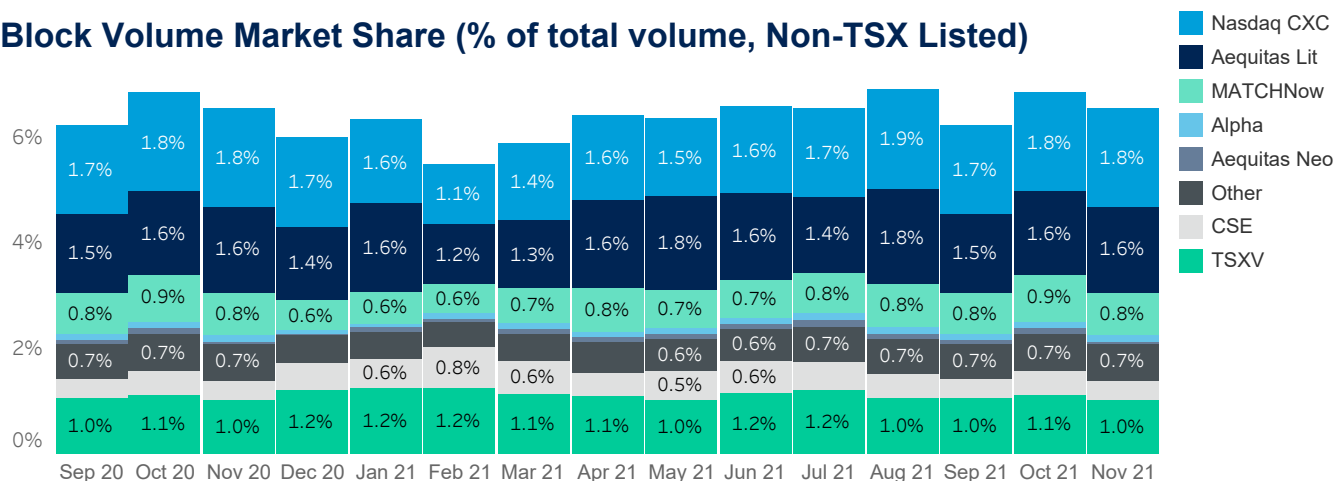
Source data: Virtu Financial



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

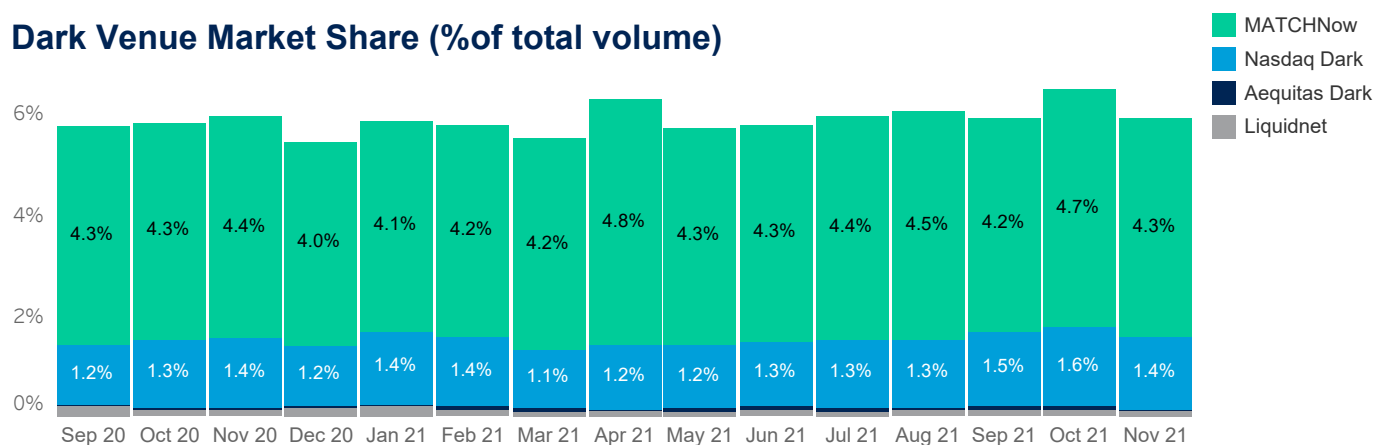


Block Volume Market Share (% of total volume, Non-TSX Listed)



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	
		Nov 20	Dec 20	Jan 21	Feb 21	Mar 21	Apr 21	May 21	Jun 21	Jul 21	Aug 21	Sep 21	Oct 21	Nov 21
First 30 Min	S&P/TSX 60	627	713	765	739	779	836	810	870	844	864	913	890	839
	S&P/TSX Composite	730	784	831	846	869	935	930	1,043	965	996	1,027	1,057	970
	Non-TSX-Listed	7,712	10,122	11,000	13,258	9,500	8,203	8,492	7,778	6,394	5,729	6,073	6,360	6,702
Mid Day	S&P/TSX 60	797	913	947	938	952	1,033	1,019	1,109	1,042	1,052	1,095	1,097	1,023
	S&P/TSX Composite	879	976	1,035	1,073	1,080	1,150	1,173	1,286	1,177	1,212	1,243	1,275	1,182
	Non-TSX-Listed	5,570	7,531	8,575	10,247	7,403	6,381	6,481	5,900	5,000	4,600	4,900	5,292	5,000
Last 30 Min	S&P/TSX 60	1,063	1,168	1,180	1,206	1,157	1,291	1,255	1,328	1,249	1,257	1,310	1,273	1,220
	S&P/TSX Composite	1,170	1,267	1,291	1,323	1,270	1,385	1,427	1,519	1,400	1,428	1,442	1,472	1,403
	Non-TSX-Listed	6,891	9,374	10,500	12,168	8,832	7,381	7,992	7,111	6,033	5,600	5,904	6,383	5,900

Spread Bps

First 30 Min	S&P/TSX 60	6.1	5.5	6.3	6.0	5.9	5.1	5.3	4.7	5.0	4.8	4.9	5.0	5.5
	S&P/TSX Composite	13.0	12.1	13.3	12.8	12.5	11.5	11.2	10.3	11.2	10.8	10.4	10.1	10.3
	Non-TSX-Listed	200.0	194.2	188.7	185.2	175.0	171.5	175.1	166.7	174.0	164.9	170.1	170.5	163.9
Mid Day	S&P/TSX 60	4.0	3.7	4.0	3.8	3.8	3.4	3.3	3.1	3.4	3.2	3.2	3.2	3.4
	S&P/TSX Composite	7.5	7.3	7.8	7.7	7.8	6.9	7.0	6.4	6.8	6.6	6.5	6.7	6.9
	Non-TSX-Listed	148.6	151.5	145.8	142.9	134.3	134.9	136.7	135.1	132.3	125.0	128.2	128.6	123.2
Last 30 Min	S&P/TSX 60	3.1	3.1	3.3	3.2	3.1	2.8	2.7	2.5	2.6	2.5	2.5	2.5	2.7
	S&P/TSX Composite	6.4	6.4	6.9	6.8	6.9	6.2	6.1	5.6	5.8	5.7	5.6	5.8	5.9
	Non-TSX-Listed	143.8	149.7	144.9	142.9	135.4	133.3	135.8	133.4	131.6	124.3	129.9	126.8	123.5

One Minute Volatility Bps

First 30 Min	S&P/TSX 60	16.8	13.7	14.0	14.3	15.1	11.0	13.1	10.5	11.0	11.2	12.1	12.0	11.9
	S&P/TSX Composite	20.5	18.0	18.5	19.0	19.6	14.5	17.7	13.9	14.6	14.6	15.2	14.8	14.7
	Non-TSX-Listed	23.6	22.8	22.0	25.0	26.4	18.2	19.0	16.7	17.7	18.0	19.6	17.5	19.9
Mid Day	S&P/TSX 60	5.5	4.6	4.6	4.5	5.3	3.6	3.8	3.2	3.6	3.4	3.8	3.5	3.6
	S&P/TSX Composite	6.1	5.3	5.4	5.5	6.5	3.8	4.4	3.4	3.9	3.4	3.8	3.6	3.8
	Non-TSX-Listed	8.5	6.7	6.5	7.7	9.4	5.7	5.8	5.0	6.1	5.7	6.3	5.8	5.8
Last 30 Min	S&P/TSX 60	5.3	4.5	4.7	4.5	5.2	3.6	4.2	3.4	3.6	3.2	3.6	3.4	3.5
	S&P/TSX Composite	5.7	4.9	5.0	5.0	5.9	3.8	4.4	3.5	3.5	2.9	3.4	3.2	3.4
	Non-TSX-Listed	8.7	5.9	6.9	5.5	8.0	6.6	5.4	4.4	5.4	5.2	6.8	4.9	4.9

Percent MDV by Time of Day

Open	S&P/TSX 60	0.6%	0.5%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%
	S&P/TSX Composite	0.6%	0.5%	0.6%	0.6%	0.5%	0.5%	0.6%	0.5%	0.5%	0.5%	0.5%	0.6%	0.6%
	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	12.1%	11.4%	12.2%	35.7%	12.0%	12.7%	14.4%	13.8%	13.1%	13.2%	14.7%	14.3%	14.4%
	S&P/TSX Composite	13.7%	12.4%	13.6%	39.3%	12.9%	13.0%	14.5%	13.6%	13.9%	13.8%	14.0%	14.1%	14.2%
	Non-TSX-Listed	21.2%	21.0%	21.2%	60.2%	19.2%	18.7%	18.7%	19.4%	19.0%	17.9%	18.4%	18.8%	19.4%
Last 30 Min	S&P/TSX 60	30.6%	33.5%	33.2%	90.8%	31.2%	32.6%	33.1%	36.2%	32.0%	29.7%	31.2%	29.8%	32.1%
	S&P/TSX Composite	23.1%	23.9%	22.1%	62.2%	22.3%	25.0%	24.9%	25.3%	25.5%	23.0%	23.1%	22.4%	24.0%
	Non-TSX-Listed	10.3%	9.4%	9.7%	26.8%	10.1%	9.3%	9.1%	9.3%	9.0%	8.7%	8.7%	8.1%	8.3%
Close	S&P/TSX 60	11.8%	18.6%	11.5%	11.4%	11.3%	9.3%	6.5%	7.0%	6.8%	6.5%	6.5%	7.3%	6.4%
	S&P/TSX Composite	3.6%	5.8%	4.3%	4.9%	4.0%	4.5%	4.0%	4.0%	4.3%	3.4%	3.4%	4.1%	3.9%
	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%

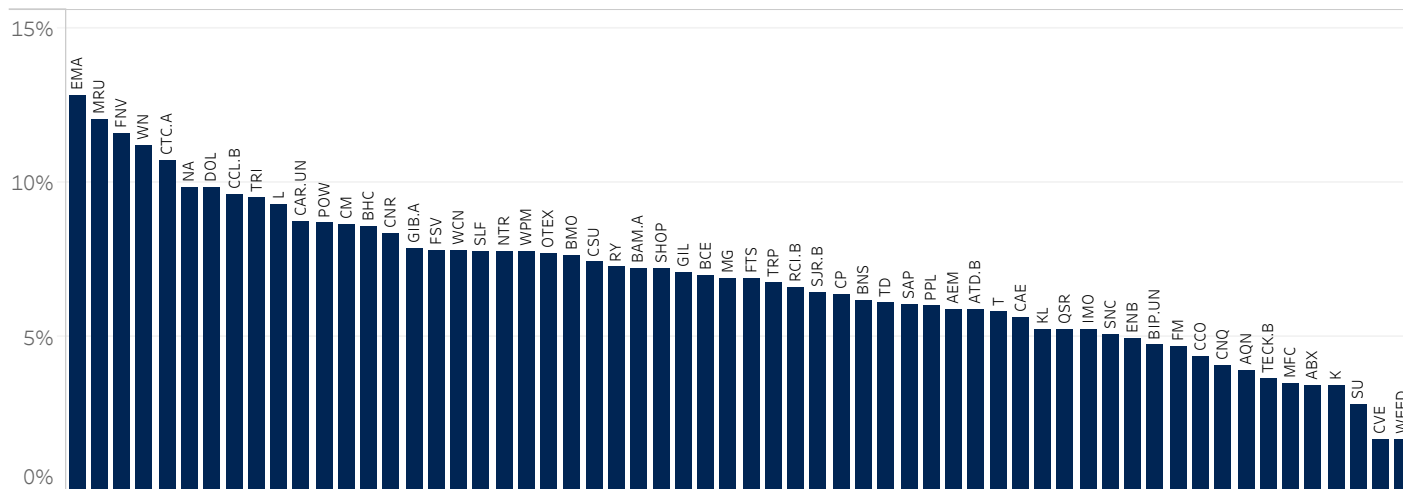
Median used for all metrics

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



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



Source data: Virtu Financial



ABOUT VIRTU

Virtu is a leading financial services firm that leverages cutting-edge technology to provide execution services and data, analytics and connectivity products to its clients and deliver liquidity to the global markets. Leveraging its global market making expertise and infrastructure, Virtu provides a robust product suite including offerings in execution, liquidity sourcing, analytics and broker-neutral, multi-dealer platforms in workflow technology. Virtu's product offerings allow clients to trade on hundreds of venues across 50+ countries and in multiple asset classes, including global equities, ETFs, foreign exchange, futures, fixed income and myriad other commodities. In addition, Virtu's integrated, multi-asset analytics platform provides a range of pre and post-trade services, data products and compliance tools that clients rely upon to invest, trade and manage risk across global markets.

To learn more, contact your sales representative or call our desk at:

APAC+852.2846.3553 | **CAN**+1.416.874.0800 | **EMEA**+44.20.7670.4066 | **US**+1.646.682.6199
info@virtu.com | www.virtu.com

© 2021 Virtu Financial, Inc. All rights reserved. Not to be reproduced or retransmitted without permission. These materials are for informational purposes and are not intended to be used to make trading or investment decisions, they are not intended as an offer to sell or the solicitation of an offer to buy any security or financial product, and are not intended as advice (investment, tax or legal). The information contained herein includes Virtu proprietary information and/or has been taken from sources we believe to be reliable, but we do not represent or warrant that such information is accurate or complete and it should not be relied upon as such.

Analytics products and services referenced herein may not be subject to oversight by regulatory authorities in one or more jurisdictions, including in Europe, where such products and services are offered by Virtu ITG Ventures Limited, registered in Ireland No. 295549 ("VIVL"). VIVL does not engage in regulated activity.

Securities products and services are offered by the following subsidiaries of Virtu Financial, Inc. In the U.S., Virtu Americas LLC, member FINRA and SIPC; in Canada, Virtu ITG Canada Corp., member Canadian Investor Protection Fund and Investment Industry Regulatory Organization of Canada; in Europe, Virtu ITG Europe Limited, registered in Ireland No. 283940 ("VIEL") (VIEL is authorized and regulated by the Central Bank of Ireland), and Virtu Financial Ireland Limited, registered in Ireland No. 471719 ("VFIL") (VFIL is authorized and regulated by the Central Bank of Ireland). The registered office of VIEL and VFIL is Whitaker Court, Whitaker Square, Sir John Rogerson's Quay, Dublin 2, Ireland; in Asia, Virtu ITG Hong Kong Limited (SFC License No. AHD810), Virtu ITG Singapore Pte Limited (CMS License No. 100138-1), and Virtu ITG Australia Limited (AFS License No. 219582).