

September 2021

Canada Market Structure Monthly



MARKET MICROSTRUCTURE OBSERVATIONS

- The average daily volume for TSX-listed securities continued its upward trend in September 2021, increasing 27% MoM to 741M shares and up 4% YoY. While spreads remain flat, liquidity and volatility conditions saw small increases MoM with this return of volume.
- For non-TSX listed securities, the average daily volume reversed recent declines to 524M shares. This represents an 18% increase MoM and an increase 12% YoY. Liquidity, spread and volatility conditions all increased MoM.
- Block volume in TSX-listed securities continued its recent upward trending nearing 10% of all volume. The gains in market share were primarily focused on the TSX.

CANADA MARKET STRUCTURE NEWS

Canadian Securities Administration Releases Position Paper on a New Single Self-Regulatory Organization

The Canadian Securities Administration have formally published an opinion on a new single self-regulatory organization (SRO) and will begin planning for structure and implementation. This single SRO would replace both the Investment Industry Regulatory Organization of Canada and the Mutual Fund Dealers Association of Canada (MFDA). In addition, the two current investor protection funds, the Canadian Investor Protection Fund and the MFDA **Investor Protection Corporation**, would be consolidated. The new SRO and single investor protection fund would help to address the issues identified within Canada's current regulatory framework. This revised structure is intended to foster fair and efficient Canadian capital markets.

https://www.osc.ca/sites/default/files/2021-08/csa_20210803_25-404_new-self-regulatory-organization-framework.pdf

Nasdaq Canada Request for Comment on New Odd Lot Liquidity Providing Orders

On 23 September, Nasdaq CXC Limited, announced its plans to introduce odd lot liquidity provider orders (OLP) into Nasdaq CXD. These orders would allow traders to selectively provide liquidity at the passive side of the national bid best offer while interacting only with marketable odd lot orders. The proposal references how this is intended to allow CXD to compete effectively with MATCHNow's odd lot liquidity orders. A notable difference with MATCHNow's odd lot facility is that in Nasdaq's proposal, marketable odd lot orders will be guaranteed auto-execution, from the designated odd lot member, in the event that no OLP orders are present.

<https://www.osc.ca/en/industry/market-regulation/marketplaces/exchanges/recognized-exchanges/nasdaq-cxc-limited-rule-review-notices/notice-proposed-changes-and-request-2>

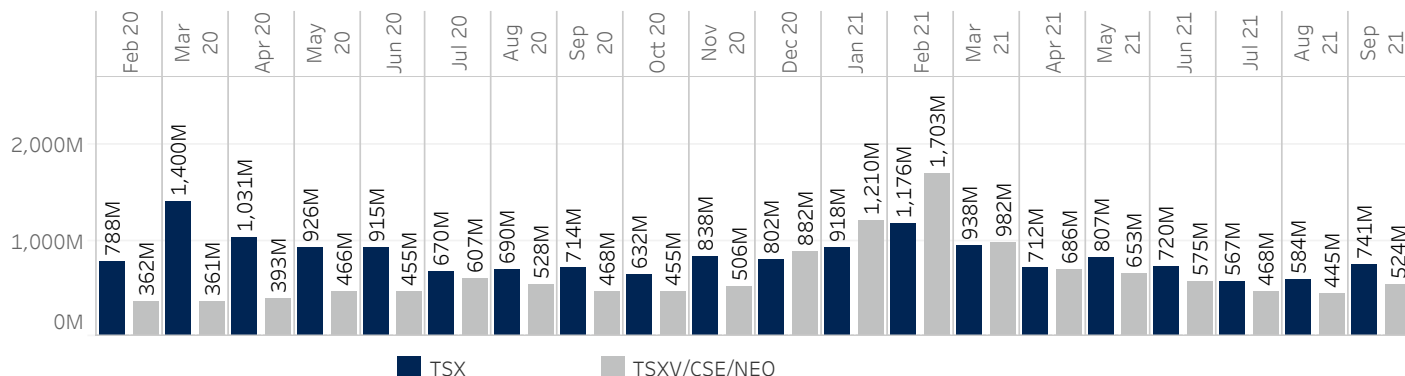
NEO Exchange Notice of Approval for New NEO-D Order Types

On 16 September, NEO Exchange Inc. received approval on its request for comments relating to the proposed addition of a minimum price improvement and odd-lot facility in NEO-D. The planned implementation date has been set for 15 November, 2021.

<https://www.osc.ca/en/industry/market-regulation/marketplaces/exchanges/recognized-exchanges/neo-exchange-inc-rule-review-notices/notice-approval-public-interest-rule-0>

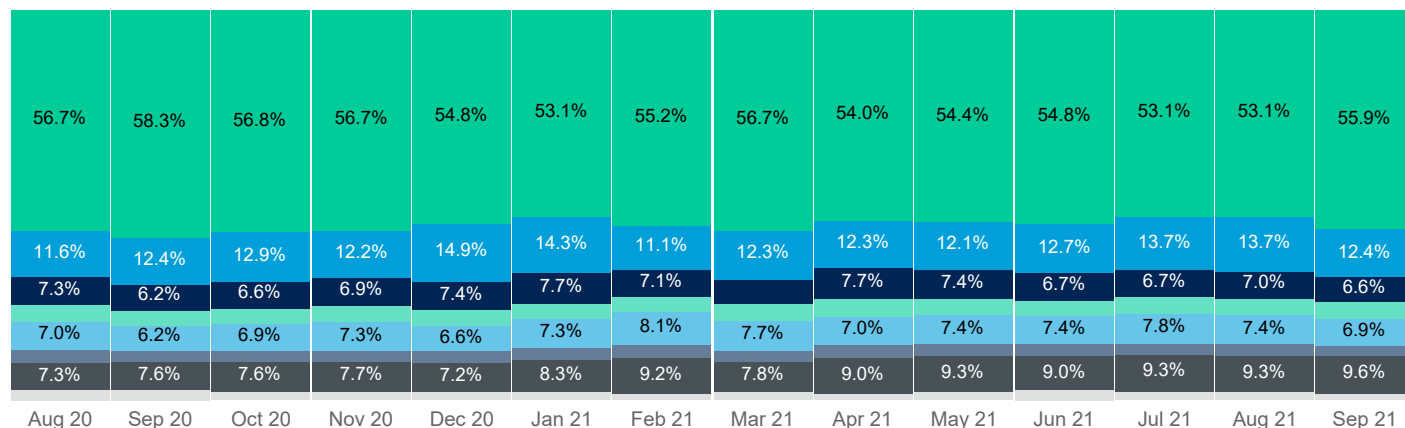


Average Daily Market Volume By Listing Exchange (Shares)

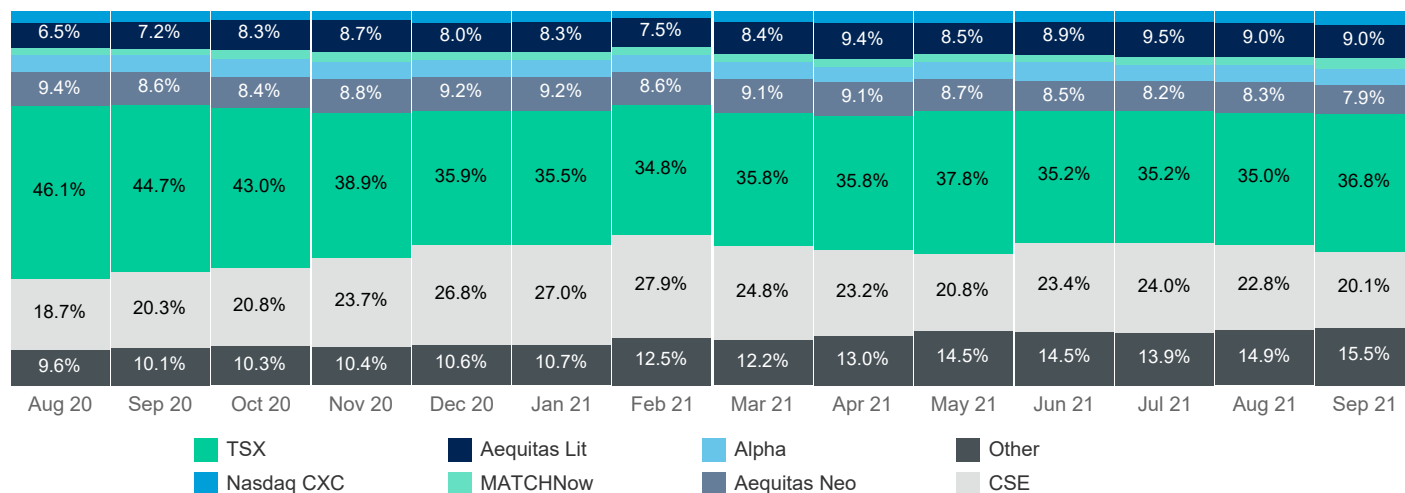


Source data: Virtu Financial

Venue Market Share (TSX-Listed)



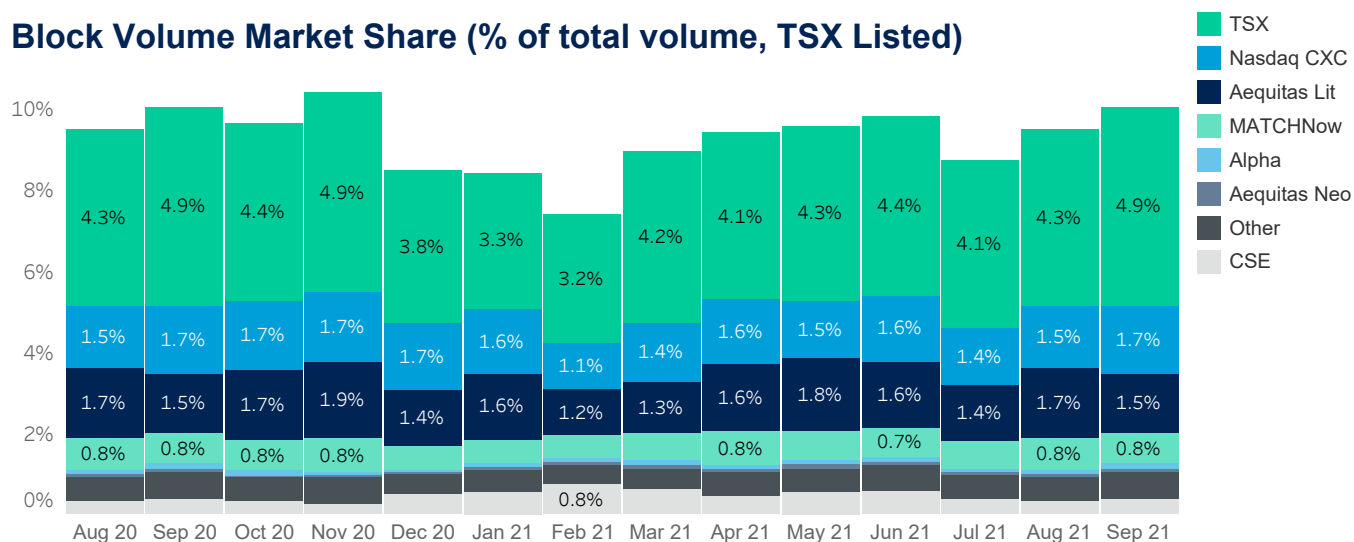
Venue Market Share (Non-TSX-Listed)



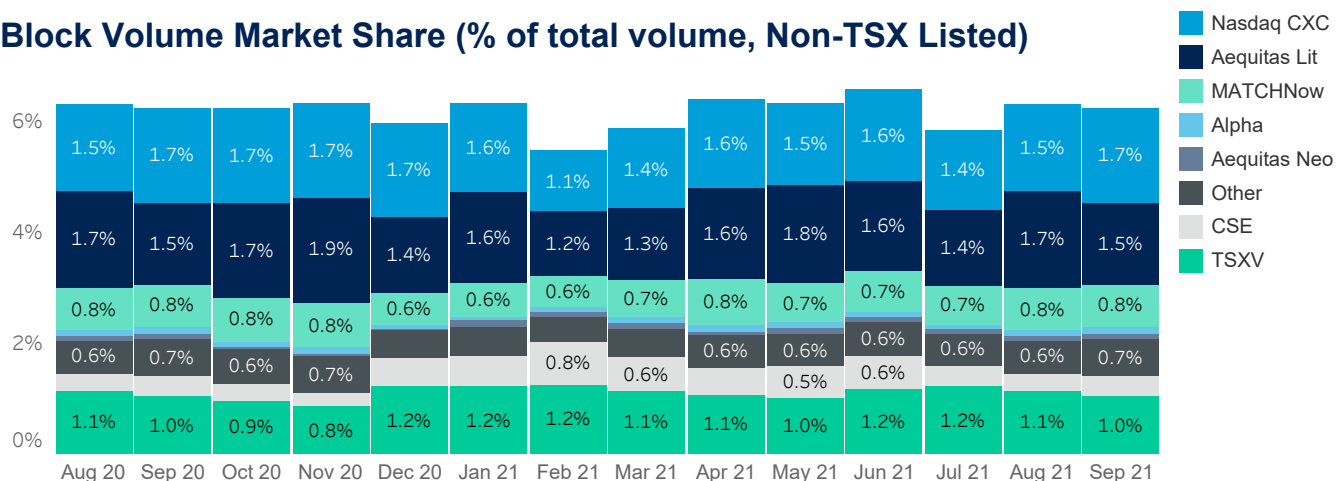
Source data: Virtu Financial



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

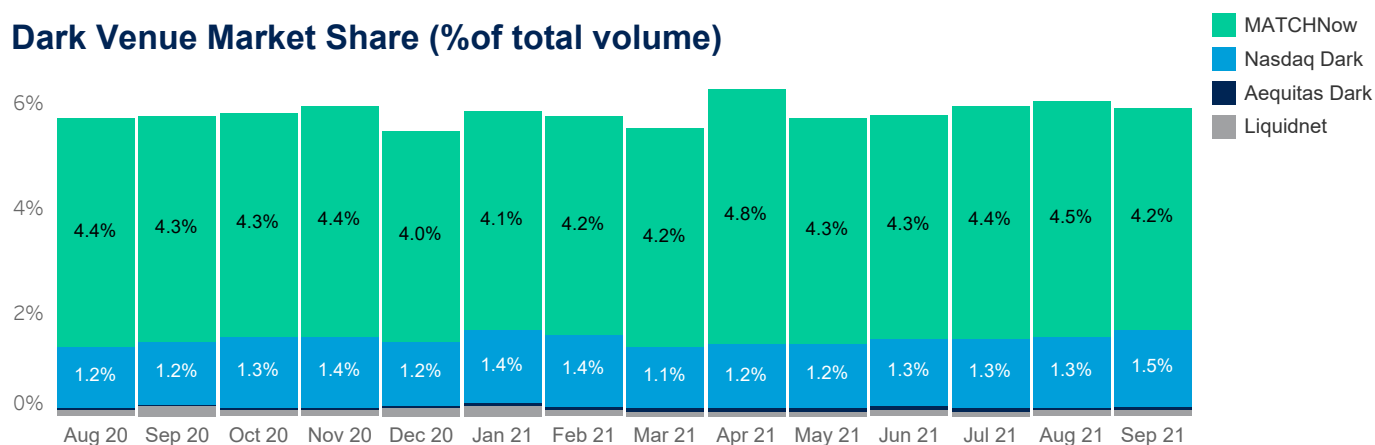


Block Volume Market Share (% of total volume, Non-TSX Listed)



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

		3Q 20	4Q 20			1Q 21			2Q 21			3Q 21		
		Sep 20	Oct 20	Nov 20	Dec 20	Jan 21	Feb 21	Mar 21	Apr 21	May 21	Jun 21	Jul 21	Aug 21	Sep 21
First 30 Min	S&P/TSX 60	642	665	627	713	765	739	779	836	810	870	844	864	913
	S&P/TSX Composite	726	758	728	784	831	846	869	935	929	1,043	964	996	1,028
	Non-TSX-Listed	8,732	8,066	7,712	10,122	11,000	13,258	9,500	8,203	8,492	7,778	6,394	5,729	6,073
Mid Day	S&P/TSX 60	828	822	797	913	947	938	952	1,033	1,019	1,109	1,042	1,052	1,095
	S&P/TSX Composite	944	901	878	976	1,035	1,073	1,081	1,150	1,173	1,286	1,176	1,213	1,244
	Non-TSX-Listed	6,227	5,536	5,570	7,531	8,575	10,247	7,403	6,381	6,481	5,900	5,000	4,600	4,900
Last 30 Min	S&P/TSX 60	1,006	1,074	1,063	1,168	1,180	1,206	1,157	1,291	1,255	1,328	1,249	1,257	1,310
	S&P/TSX Composite	1,196	1,231	1,170	1,267	1,291	1,322	1,268	1,386	1,427	1,517	1,400	1,428	1,443
	Non-TSX-Listed	7,737	7,050	6,891	9,374	10,500	12,168	8,832	7,381	7,992	7,111	6,033	5,600	5,904

Spread Bps

First 30 Min	S&P/TSX 60	6.5	6.0	6.1	5.5	6.3	6.0	5.9	5.1	5.3	4.7	5.0	4.8	4.9
	S&P/TSX Composite	13.1	12.4	13.0	12.1	13.3	12.8	12.5	11.5	11.2	10.3	11.2	10.8	10.4
	Non-TSX-Listed	214.0	201.1	200.0	194.2	188.7	185.2	175.0	171.5	175.1	166.7	174.0	164.9	170.1
Mid Day	S&P/TSX 60	4.4	4.2	4.0	3.7	4.0	3.8	3.8	3.4	3.3	3.1	3.4	3.2	3.2
	S&P/TSX Composite	7.8	7.4	7.5	7.3	7.8	7.7	7.8	6.9	7.0	6.4	6.8	6.6	6.5
	Non-TSX-Listed	166.5	157.5	148.6	151.5	145.8	142.9	134.3	134.9	136.7	135.1	132.3	125.0	128.2
Last 30 Min	S&P/TSX 60	3.4	3.2	3.1	3.1	3.3	3.2	3.1	2.8	2.7	2.5	2.6	2.5	2.5
	S&P/TSX Composite	6.8	6.4	6.4	6.4	6.9	6.8	6.9	6.2	6.1	5.6	5.8	5.7	5.6
	Non-TSX-Listed	161.3	152.7	143.8	149.7	144.9	142.9	135.4	133.3	135.8	133.4	131.6	124.3	129.9

One Minute Volatility Bps

First 30 Min	S&P/TSX 60	17.3	14.2	16.8	13.7	14.0	14.3	15.1	11.0	13.1	10.5	11.0	11.2	12.1
	S&P/TSX Composite	21.2	17.8	20.5	18.0	18.5	19.0	19.6	14.5	17.7	13.9	14.6	14.6	15.2
	Non-TSX-Listed	22.7	20.4	23.6	22.8	22.0	25.0	26.4	18.2	19.0	16.7	17.7	18.0	19.6
Mid Day	S&P/TSX 60	6.2	5.3	5.5	4.6	4.6	4.5	5.3	3.6	3.8	3.2	3.6	3.4	3.8
	S&P/TSX Composite	6.6	5.6	6.1	5.3	5.4	5.5	6.5	3.8	4.4	3.4	3.9	3.4	3.8
	Non-TSX-Listed	11.3	8.6	8.5	6.7	6.5	7.7	9.4	5.7	5.8	5.0	6.1	5.7	6.3
Last 30 Min	S&P/TSX 60	6.2	4.9	5.3	4.5	4.7	4.5	5.2	3.6	4.2	3.4	3.6	3.2	3.6
	S&P/TSX Composite	6.0	4.9	5.7	4.9	5.0	5.0	5.9	3.8	4.4	3.5	3.5	2.9	3.4
	Non-TSX-Listed	9.8	9.8	8.7	5.9	6.9	5.5	8.0	6.6	5.4	4.4	5.4	5.2	6.8

Percent MDV by Time of Day

Open	S&P/TSX 60	0.5%	0.5%	0.6%	0.5%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%
	S&P/TSX Composite	0.5%	0.5%	0.6%	0.5%	0.6%	0.6%	0.5%	0.5%	0.6%	0.5%	0.5%	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	11.3%	10.5%	12.1%	11.4%	12.2%	35.7%	12.0%	12.7%	14.4%	13.8%	13.1%	13.2%	14.7%
	S&P/TSX Composite	12.3%	12.1%	13.7%	12.4%	13.6%	39.3%	12.9%	13.0%	14.5%	13.4%	13.9%	13.8%	13.9%
	Non-TSX-Listed	20.9%	21.1%	21.2%	21.0%	21.2%	60.2%	19.2%	18.7%	18.7%	19.4%	19.0%	17.9%	18.4%
Last 30 Min	S&P/TSX 60	33.3%	36.1%	30.6%	33.5%	33.2%	90.8%	31.2%	32.6%	33.1%	36.2%	32.0%	29.7%	31.2%
	S&P/TSX Composite	23.3%	23.5%	23.1%	23.9%	22.1%	62.2%	22.3%	25.0%	24.9%	25.3%	25.5%	23.0%	23.2%
	Non-TSX-Listed	10.1%	10.4%	10.3%	9.4%	9.7%	26.8%	10.1%	9.3%	9.1%	9.3%	9.0%	8.7%	8.7%
Close	S&P/TSX 60	14.7%	19.6%	11.8%	18.6%	11.5%	11.4%	11.3%	9.3%	6.5%	7.0%	6.8%	6.5%	6.5%
	S&P/TSX Composite	4.6%	4.7%	3.6%	5.8%	4.3%	4.9%	4.0%	4.5%	4.0%	4.0%	4.3%	3.4%	3.4%
	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%

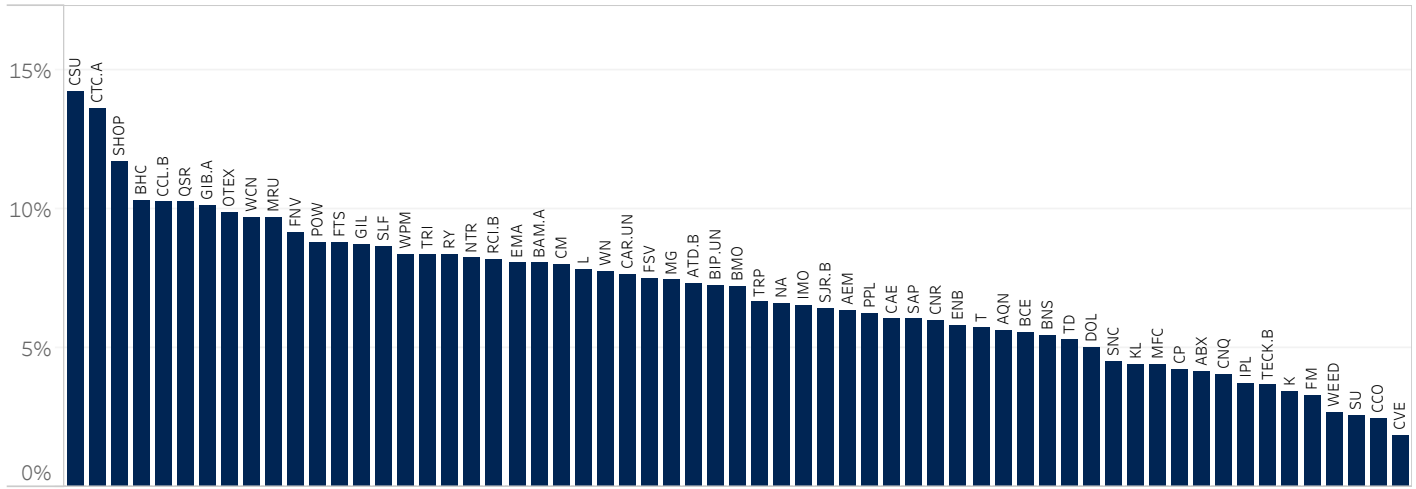
Median used for all metrics

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



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



Source data: Virtu Financial



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