

# August 2021

## Canada Market Structure Monthly



### MARKET MICROSTRUCTURE OBSERVATIONS

- The average daily volume for TSX listed securities reversed the downward trend in August 2021, increasing slightly 3% MoM to 584M shares although still down 15% YoY. Liquidity, spread and volatility conditions were flat MoM.
- For non-TSX listed securities, the average daily volume continued its decline to 445M shares. This represents a 5% decrease MoM and a decrease of 17% YoY. The average quote size continued its recent decline, with spread and volatility conditions flat MoM.
- TSX and non-TSX listed securities both showed flat volatility conditions in August, remaining near the 12-month lows. This continues to emphasize the lack of major macro drivers during the month of August.

### CANADA MARKET STRUCTURE NEWS

#### NEO Request for Comment on new Order Types for NEO-D

On 29 July, NEO Exchange Inc., published a request for comment regarding the addition of a Minimum Price Improvement (MPI) order type and an Odd Lot Facility in the NEO-D. Like other MPI order types on MATCHNow and Nasdaq CXD, the MPI order will be automatically adjusted to be pegged one tick more aggressive than the protected NBBO. Additionally, an odd lot auto-execution facility is proposed to be added to NEO-D. Odd lot orders will be auto-executed by a designated market maker or odd lot trader.

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

#### NEO Notice of Withdrawal of Imbalance Only Order for Closing Call

On 29 July, NEO Exchange Inc. announced it would be withdrawing the published, but never implemented, imbalance only order for closing call feature as described in the NEO Exchange Trading Policies. If NEO decides to pursue this feature again, a request for comment will be issued.

<https://www.osc.ca/en/industry/market-regulation/marketplaces/exchanges/recognized-exchanges/neo-exchange-inc-rule-review-notices/notice-withdrawal-imbalance-only-order>

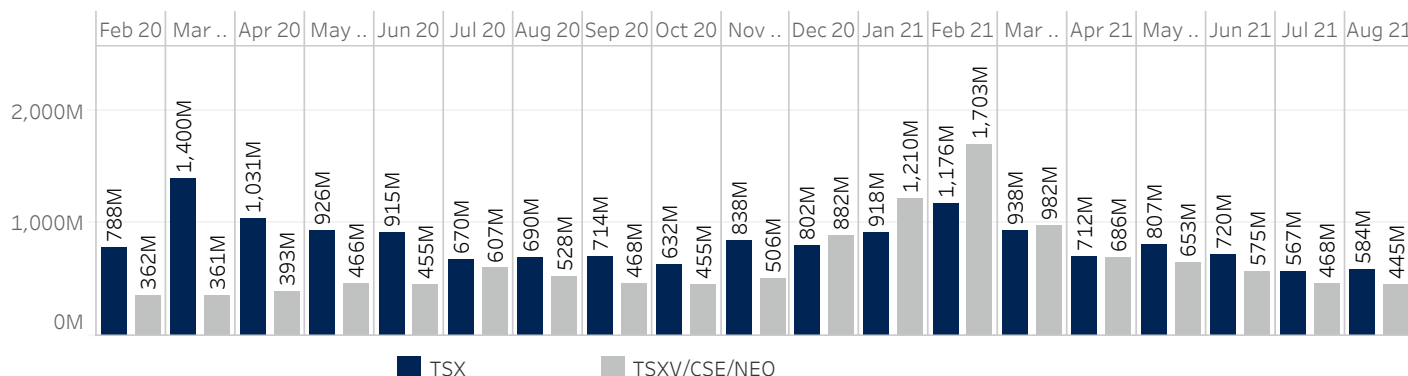
#### TSX Approval on Closing Price Definition Request

On 19 August, TSX Inc. received approval for amendments to the TSX Rule Book related to closing price definitions. As highlighted in our [June market structure update](#), these changes include new definitions for the TSX Last Ask Price, TSX Last Bid Price and an update to the TSX Closing Price. These amendments are intended to provide market participants with more indicative reference prices for exchange traded funds and listed securities.

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

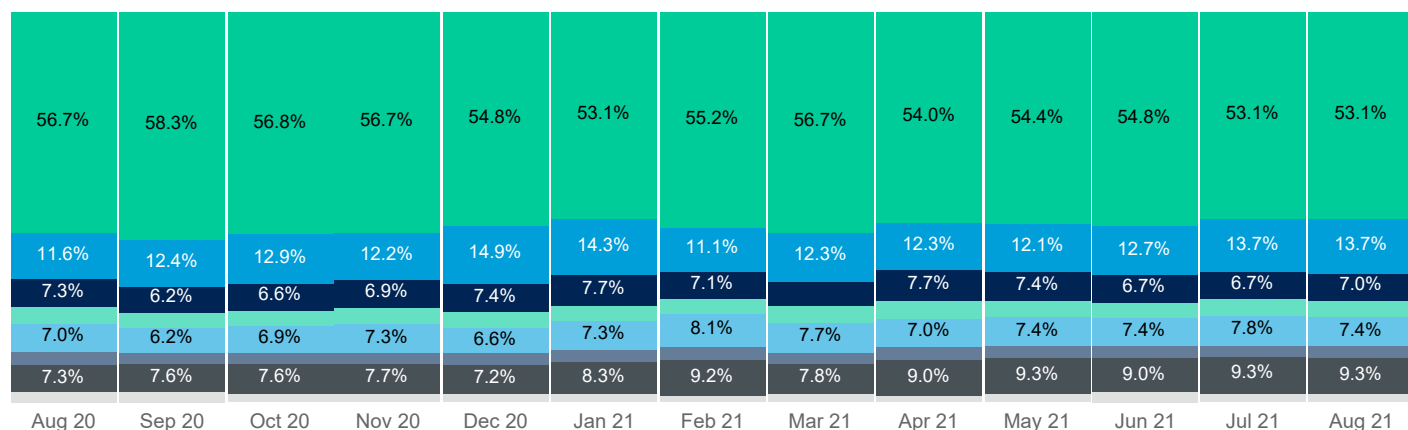


## Average Daily Market Volume By Listing Exchange (Shares)

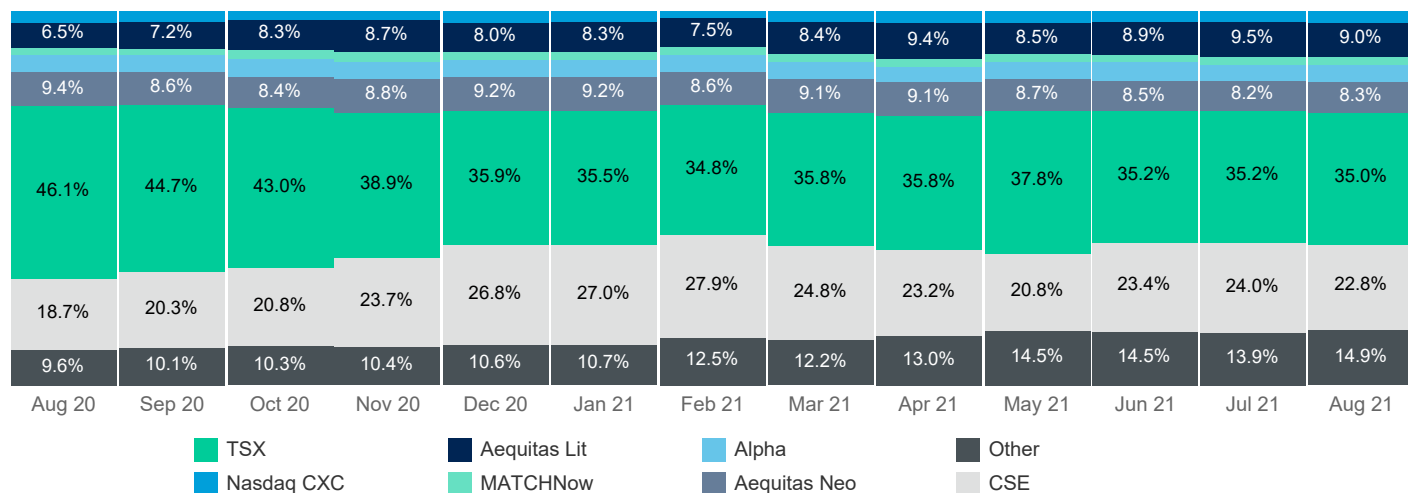


Source data: Virtu Financial

## Venue Market Share (TSX-Listed)



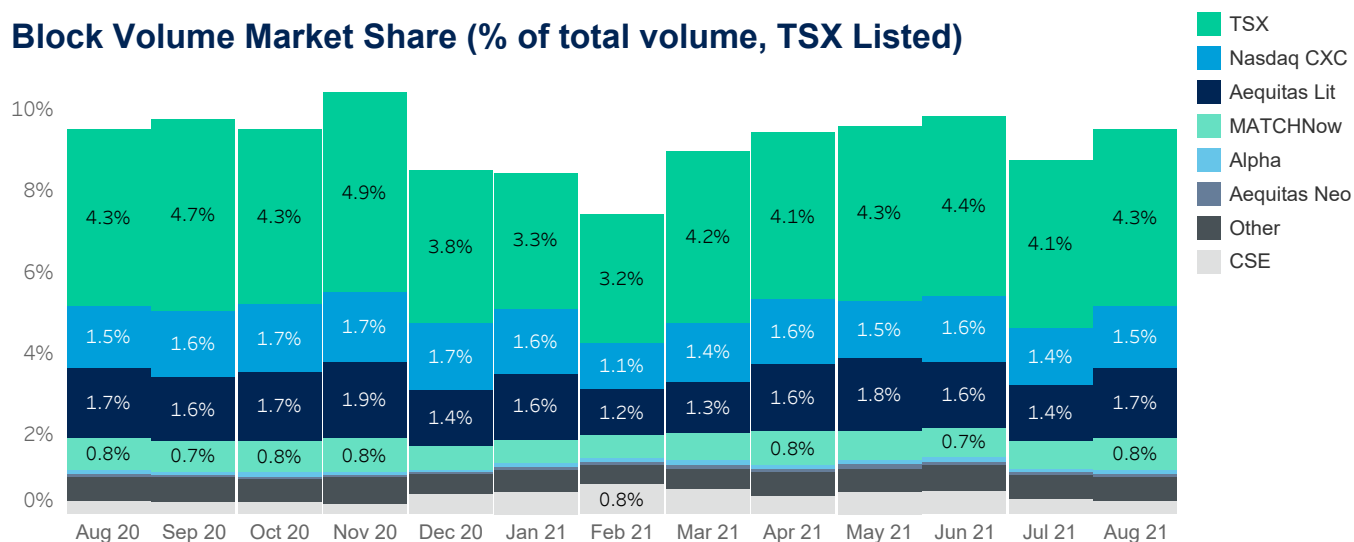
## Venue Market Share (Non-TSX-Listed)



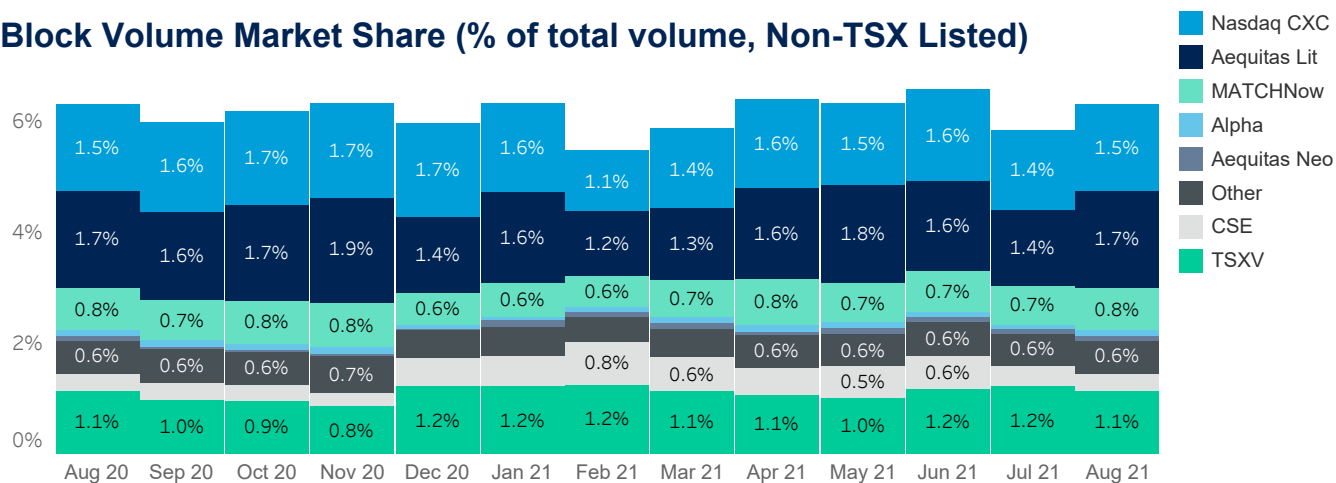
Source data: Virtu Financial



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

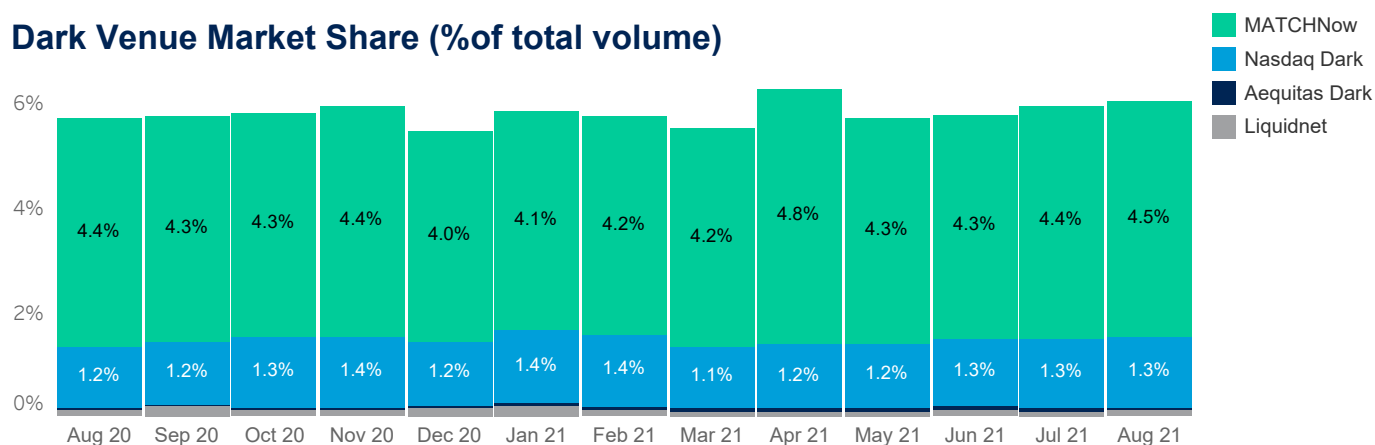


## Block Volume Market Share (% of total volume, Non-TSX Listed)



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	
		Aug 20	Sep 20	Oct 20	Nov 20	Dec 20	Jan 21	Feb 21	Mar 21	Apr 21	May 21	Jun 21	Jul 21	Aug 21
First 30 Min	S&P/TSX 60	620	653	680	636	727	776	746	786	843	820	880	856	871
	S&P/TSX Composite	685	722	755	727	779	824	839	863	930	925	1,035	957	990
	Non-TSX-Listed	10,065	8,732	8,066	7,712	10,122	11,000	13,258	9,500	8,203	8,492	7,778	6,394	5,729
Mid Day	S&P/TSX 60	845	846	841	814	930	960	953	968	1,051	1,037	1,127	1,061	1,071
	S&P/TSX Composite	925	940	901	876	973	1,029	1,069	1,080	1,150	1,169	1,277	1,172	1,208
	Non-TSX-Listed	7,525	6,227	5,536	5,570	7,531	8,575	10,247	7,403	6,381	6,481	5,900	5,000	4,600
Last 30 Min	S&P/TSX 60	1,079	1,039	1,105	1,089	1,197	1,204	1,243	1,182	1,321	1,285	1,350	1,278	1,281
	S&P/TSX Composite	1,202	1,190	1,230	1,167	1,260	1,279	1,315	1,266	1,379	1,416	1,506	1,391	1,421
	Non-TSX-Listed	9,000	7,737	7,050	6,891	9,374	10,500	12,168	8,832	7,381	7,992	7,111	6,033	5,600

## Spread Bps

First 30 Min	S&P/TSX 60	6.2	6.5	5.9	6.1	5.4	6.2	5.9	5.9	5.0	5.3	4.6	5.0	4.8
	S&P/TSX Composite	12.9	13.0	12.2	12.7	11.8	12.9	12.5	12.2	11.0	11.0	10.0	10.9	10.4
	Non-TSX-Listed	215.1	214.0	201.1	200.0	194.2	188.7	185.2	175.0	171.5	175.1	166.7	174.0	164.9
Mid Day	S&P/TSX 60	4.1	4.4	4.2	4.0	3.7	4.0	3.8	3.8	3.4	3.3	3.1	3.3	3.1
	S&P/TSX Composite	7.5	7.7	7.3	7.4	7.2	7.8	7.6	7.7	6.8	6.8	6.2	6.6	6.4
	Non-TSX-Listed	169.2	166.5	157.5	148.6	151.5	145.8	142.9	134.3	134.9	136.7	135.1	132.3	125.0
Last 30 Min	S&P/TSX 60	3.2	3.4	3.2	3.1	3.0	3.3	3.2	3.1	2.8	2.7	2.5	2.6	2.5
	S&P/TSX Composite	6.6	6.8	6.3	6.3	6.2	6.8	6.6	6.7	6.1	5.9	5.5	5.6	5.5
	Non-TSX-Listed	164.4	161.3	152.7	143.8	149.7	144.9	142.9	135.4	133.3	135.8	133.4	131.6	124.3

## One Minute Volatility Bps

First 30 Min	S&P/TSX 60	15.4	17.2	14.3	16.8	13.7	14.0	14.1	15.1	11.1	13.1	10.5	11.0	11.1
	S&P/TSX Composite	19.5	21.1	17.7	20.4	18.0	18.5	18.9	19.4	14.6	17.6	13.9	14.5	14.4
	Non-TSX-Listed	26.5	22.7	20.4	23.6	22.8	22.0	25.0	26.4	18.2	19.0	16.7	17.7	18.0
Mid Day	S&P/TSX 60	5.0	6.2	5.3	5.5	4.6	4.6	4.5	5.3	3.6	3.8	3.2	3.6	3.4
	S&P/TSX Composite	5.6	6.7	5.6	6.1	5.3	5.4	5.5	6.5	3.8	4.4	3.4	3.9	3.5
	Non-TSX-Listed	9.3	11.3	8.6	8.5	6.7	6.5	7.7	9.4	5.7	5.8	5.0	6.1	5.7
Last 30 Min	S&P/TSX 60	4.7	6.2	4.9	5.3	4.5	4.7	4.5	5.2	3.6	4.1	3.4	3.6	3.2
	S&P/TSX Composite	5.0	6.1	4.9	5.7	4.9	5.0	5.0	6.0	3.9	4.5	3.5	3.5	3.0
	Non-TSX-Listed	10.7	9.8	9.8	8.7	5.9	6.9	5.5	8.0	6.6	5.4	4.4	5.4	5.2

## Percent MDV by Time of Day

Open	S&P/TSX 60	0.6%	0.5%	0.5%	0.6%	0.5%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.7%	0.9%
	S&P/TSX Composite	0.5%	0.5%	0.5%	0.6%	0.5%	0.6%	0.6%	0.5%	0.5%	0.6%	0.5%	0.5%	0.8%
	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%	11.3%	10.5%	12.2%	11.5%	12.1%	36.1%	12.0%	12.8%	14.4%	13.8%	13.1%	13.3%
	S&P/TSX Composite	13.0%	12.3%	12.0%	13.7%	12.4%	13.3%	39.1%	12.7%	13.0%	14.5%	13.5%	13.8%	13.7%
	Non-TSX-Listed	21.6%	20.9%	21.1%	21.2%	21.0%	21.2%	60.2%	19.2%	18.7%	18.7%	19.4%	19.0%	17.9%
Last 30 Min	S&P/TSX 60	29.4%	33.4%	36.5%	30.5%	33.6%	33.1%	90.8%	32.4%	32.6%	33.8%	36.3%	32.5%	29.6%
	S&P/TSX Composite	22.7%	23.5%	23.6%	23.2%	24.2%	22.5%	62.5%	22.6%	25.5%	24.9%	25.3%	25.9%	23.2%
	Non-TSX-Listed	9.7%	10.1%	10.4%	10.3%	9.4%	9.7%	26.8%	10.1%	9.3%	9.1%	9.3%	9.0%	8.7%
Close	S&P/TSX 60	9.4%	15.5%	19.6%	11.6%	18.2%	11.7%	11.7%	11.4%	9.7%	6.4%	7.0%	7.0%	6.5%
	S&P/TSX Composite	4.7%	4.8%	4.8%	3.8%	5.9%	4.5%	5.1%	4.3%	4.6%	4.1%	4.1%	4.5%	4.5%
	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%

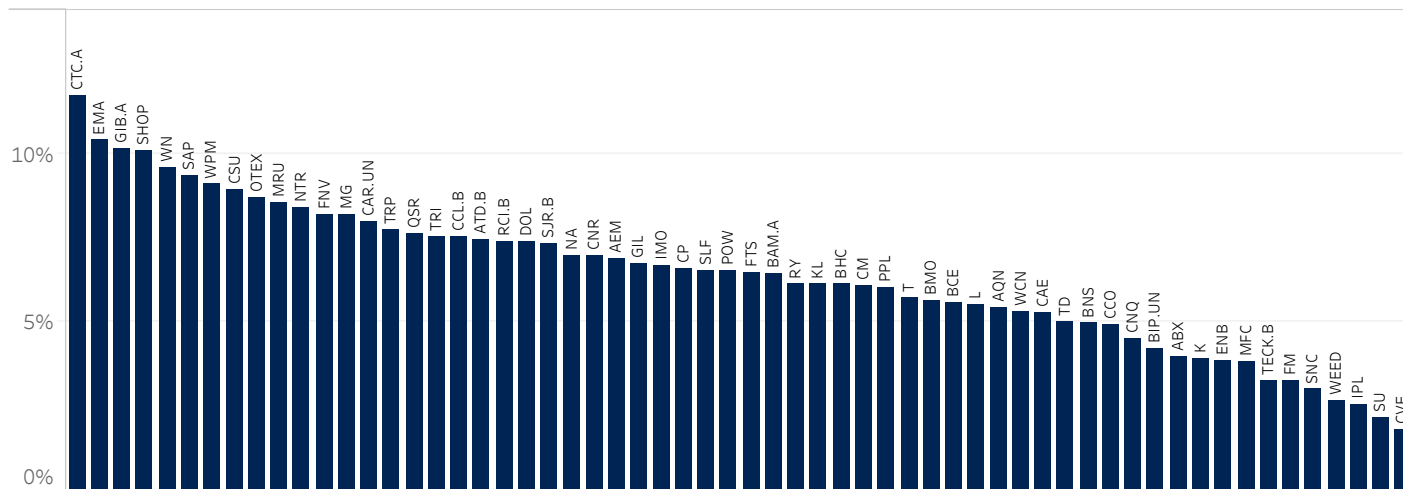
Median used for all metrics

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



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



Source data: Virtu Financial



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info@virtu.com | www.virtu.com

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