

January 2021

Canada Market Structure Monthly



MARKET MICROSTRUCTURE OBSERVATIONS

- The average daily volume for TSX listed securities in January 2021 rose to the highest level since May, increasing 15% MoM and 41% YoY to 918M shares.
- For Non TSX-listed securities, the average daily volume soared to a record high 1,210M shares in January 2021, fueled by the increase in retail trading. The increase represents a 37% gain MoM and a 270% gain YoY. Unlike last month, when healthcare names comprised the most actively traded stocks, the top ten traded names in January were diversified across several industries including healthcare, materials and technology.
- TSX venue market share for TSX-listed securities in January 2021 declined to the lowest level in over a year at 53%. Although there is significant month-to-month variability, we observe a modest uptick over the last year in NEO-L and the inverted venues. NEO-L, which has the highest level of internalized flow across all marketplaces (broker crosses accounted for 44% of volume on NEO-L in January compared to only 22% on TSX) and the inverted venues are heavily favored for retail order flow, which further highlights the uptick in retail trading we've seen over the last few months.
- Average spreads in January 2021 saw minor increases across most time bins while average volatility experienced minor declines. The MoM fluctuation was the smallest we have seen since before the pandemic...

CANADA MARKET STRUCTURE NEWS

Nasdaq CXC Ltd. Submits Proposal to Amend Order Matching Priority on CX2

Nasdaq CXC Limited (Nasdaq Canada) announced plans to amend order matching priority on its CX2 venue across all securities trading below one dollar. Under the proposal, large size displayed orders that meet a minimum size threshold of 30,000 shares (Large Size Order) will have priority over orders that do not meet the minimum size threshold irrespective of when the Large Size Order is submitted. Order matching would be prioritized by price/broker/large-size/time. If the size of a Large Size Order falls below the minimum size threshold as a result of a partial execution, the order will no longer be considered a Large Size Order and will be given execution priority based on the time it was submitted. The comment period runs until 24 February 2021 with a planned implementation in the first half of 2021 pending regulatory approval.

https://www.osc.gov.on.ca/en/Marketplaces_cxc_20210121_notice-of-proposed-changes.htm

TSX Inc. Receives Regulatory Approval for its Market on Close Modernization Proposal

The Ontario Securities Commission has approved amendments proposed by TSX Inc. to modernize the TSX Market-on-Close facility. For a high-level recap on the changes, please refer to our [October 2020 market structure report](#). The amendments will be implemented in October 2021, subject to stakeholder feedback and industry readiness.

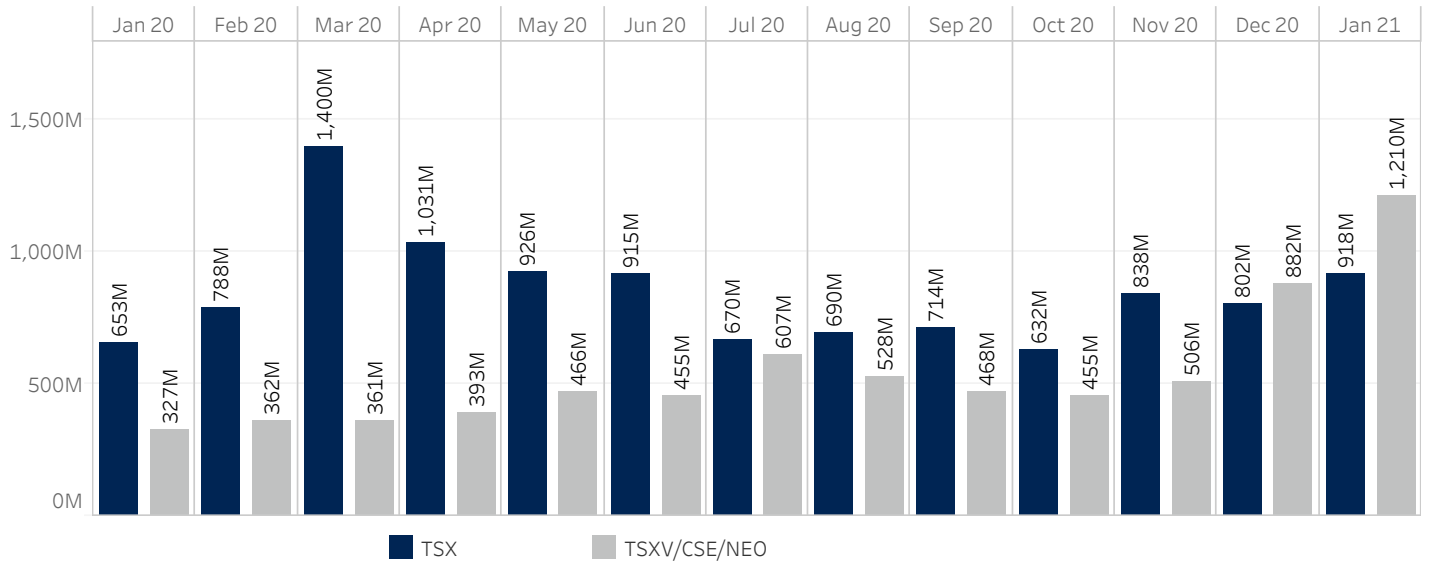
https://www.osc.gov.on.ca/en/Marketplaces_tsx_202010128_noa-modernization.htm

Tradelogiq Markets Inc. Launch Trade Support for NEO-Listed Securities

Tradelogiq Markets Inc. (formerly Omega Securities Inc.) has launched support for NEO-listed securities on its Omega and Lynx marketplaces. The change was originally scheduled to take place on 11 January 2021, however, at the request of subscribers, it was delayed and ultimately implemented on 25 January 2021. In the first week post-launch, just under 10M shares of NEO-listed companies traded on Omega and Lynx.

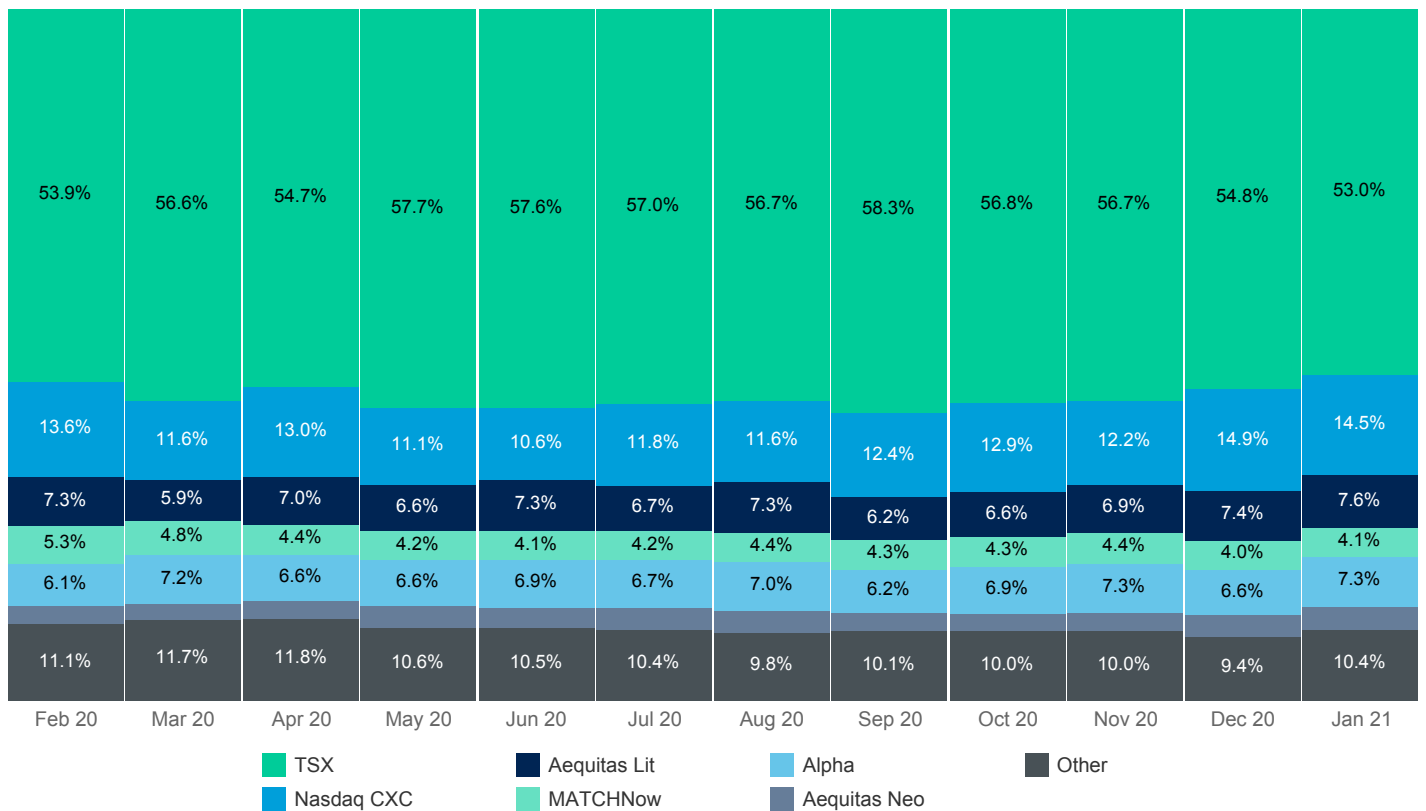


Average Daily Market Volume By Listing Exchange (Shares)



Source data: Virtu Financial

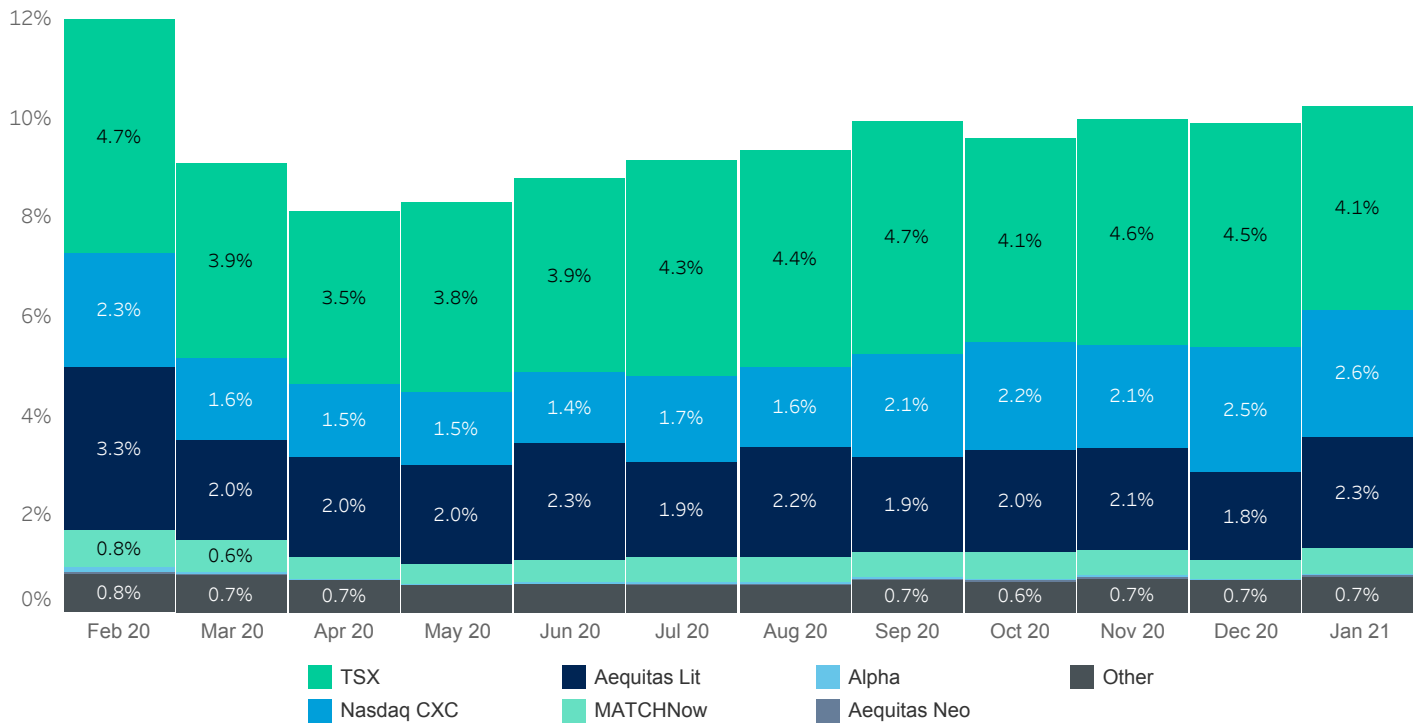
Venue Market Share



TSX listed securities only; Source data: Virtu Financial

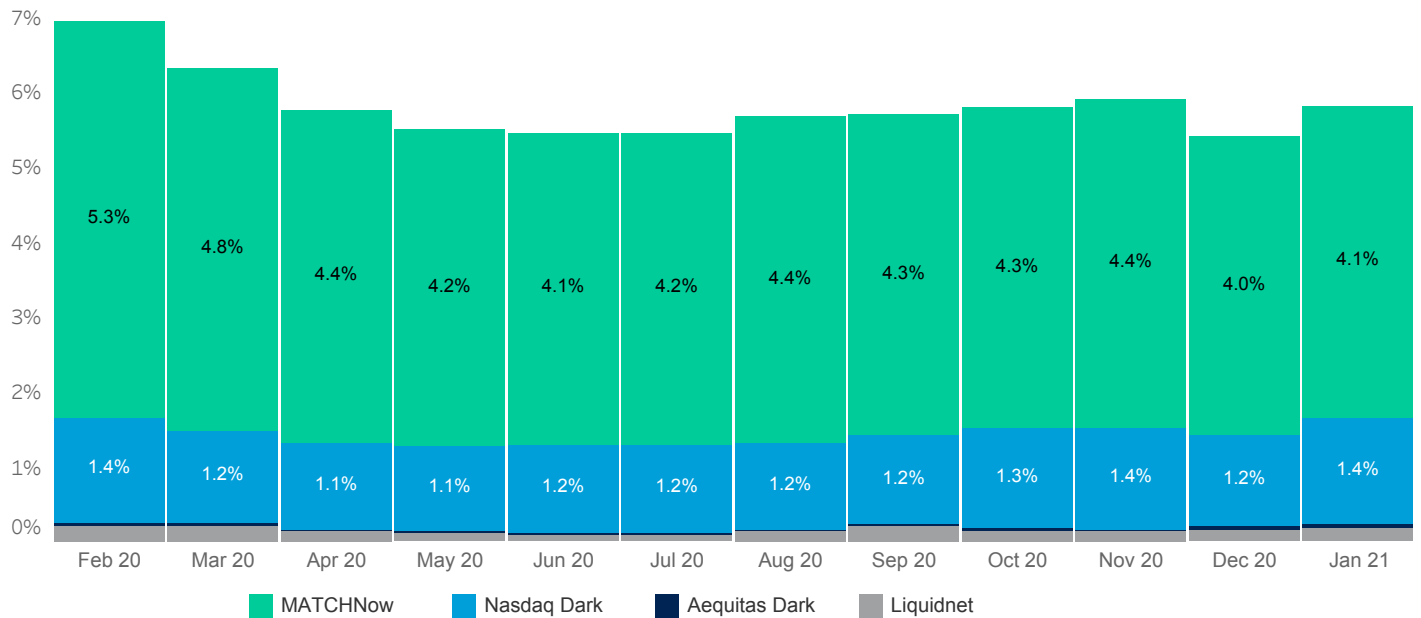


Block Volume Market Share (% of total volume)



Blocks defined as >10K shares and > \$100,000; TSX listed securities only; Source data: Virtu Financial

Dark Venue Market Share (% of total volume)



TSX listed securities only; Source data: Virtu Financial



Quotesize in Shares

		1Q 20			2Q 20			3Q 20			4Q 20			1Q 21
		Jan 20	Feb 20	Mar 20	Apr 20	May 20	Jun 20	Jul 20	Aug 20	Sep 20	Oct 20	Nov 20	Dec 20	Jan 21
First 30 Min	S&P/TSX 60	628	625	507	492	498	524	612	628	654	678	634	744	786
	S&P/TSX Composite	697	704	601	557	523	562	647	674	707	747	715	783	825
Mid Day	S&P/TSX 60	1,038	997	631	641	755	742	817	847	846	828	807	942	972
	S&P/TSX Composite	1,088	1,053	738	706	788	808	867	901	928	892	863	972	1,024
Last 30 Min	S&P/TSX 60	1,488	1,445	694	786	954	964	1,045	1,056	1,021	1,073	1,084	1,188	1,218
	S&P/TSX Composite	1,452	1,446	865	941	1,049	1,100	1,128	1,159	1,164	1,208	1,163	1,256	1,269

Spread Bps

First 30 Min	S&P/TSX 60	4.4	4.8	15.3	11.5	7.7	7.3	6.7	6.1	6.4	5.9	6.1	5.4	6.0
	S&P/TSX Composite	8.9	9.8	29.1	23.7	17.8	16.2	13.6	12.3	12.3	11.8	12.3	11.3	12.2
Mid Day	S&P/TSX 60	2.8	2.9	7.9	5.6	4.6	4.4	4.3	4.1	4.3	4.2	4.0	3.7	3.9
	S&P/TSX Composite	5.9	6.0	15.2	11.8	9.7	9.0	7.8	7.2	7.3	7.1	7.2	7.0	7.5
Last 30 Min	S&P/TSX 60	2.3	2.3	6.0	4.4	3.6	3.4	3.3	3.1	3.3	3.1	3.0	3.0	3.2
	S&P/TSX Composite	5.1	5.2	12.3	9.4	8.1	7.5	6.8	6.3	6.4	6.1	6.1	6.0	6.4

One Minute Volatility Bps

First 30 Min	S&P/TSX 60	10.2	12.6	52.5	29.7	22.9	21.1	17.0	15.4	17.2	14.4	17.2	13.6	13.4
	S&P/TSX Composite	11.8	14.7	56.8	36.0	27.9	25.6	20.7	19.2	20.7	17.6	20.4	17.5	16.8
Mid Day	S&P/TSX 60	3.1	3.8	22.8	11.7	8.0	7.3	5.7	5.1	6.1	5.4	5.6	4.6	4.5
	S&P/TSX Composite	3.0	3.7	22.5	12.6	8.3	7.8	6.3	5.6	6.5	5.6	6.2	5.3	5.0
Last 30 Min	S&P/TSX 60	3.1	3.5	26.2	12.6	8.6	7.3	5.5	4.7	6.2	5.2	5.4	4.6	4.5
	S&P/TSX Composite	2.6	3.0	24.7	12.9	8.7	7.4	5.9	5.0	6.0	5.2	5.8	4.9	4.7

Percent MDV by Time of Day

Open	S&P/TSX 60	0.6%	0.7%	0.6%	0.7%	0.6%	0.6%	0.5%	0.6%	0.6%	0.5%	0.6%	0.5%	0.6%
	S&P/TSX Composite	0.6%	0.6%	0.6%	0.6%	0.6%	0.5%	0.5%	0.5%	0.5%	0.5%	0.6%	0.5%	0.6%
First 30 Min	S&P/TSX 60	11.1%	11.4%	10.8%	11.2%	12.2%	11.6%	11.8%	11.3%	11.9%	10.5%	12.4%	11.8%	12.0%
	S&P/TSX Composite	10.9%	11.4%	10.8%	11.6%	12.8%	11.6%	12.2%	12.7%	12.4%	11.8%	13.4%	12.3%	12.8%
Last 30 Min	S&P/TSX 60	27.5%	28.0%	27.5%	31.0%	30.2%	31.8%	32.4%	29.4%	32.6%	37.2%	31.5%	33.7%	30.9%
	S&P/TSX Composite	22.5%	21.9%	22.4%	24.4%	23.2%	23.2%	24.8%	23.2%	24.3%	24.5%	23.5%	24.6%	22.3%
Close	S&P/TSX 60	9.8%	10.2%	8.5%	8.8%	8.7%	11.5%	11.4%	9.9%	13.7%	21.0%	13.9%	15.4%	11.6%
	S&P/TSX Composite	4.7%	4.8%	3.7%	3.6%	3.7%	5.1%	5.5%	5.3%	5.2%	4.9%	4.3%	5.7%	4.8%

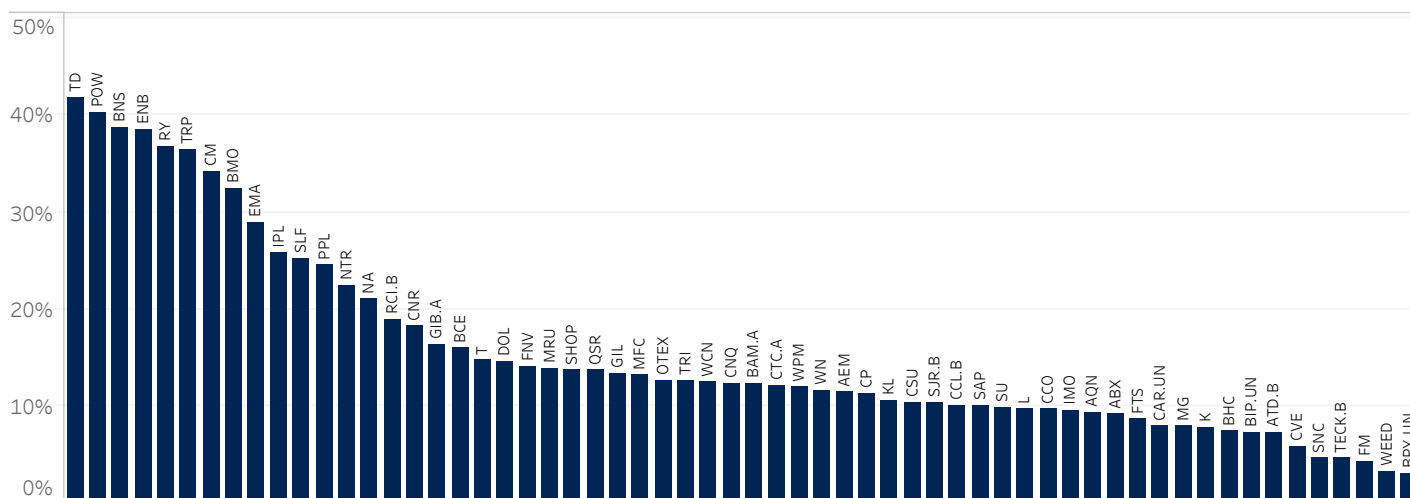
Median used for all metrics

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



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



Source data: Virtu Financial



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