June 2021
Canada Market Structure Monthly

MARKET MICROSTRUCTURE OBSERVATIONS

• The average daily volume for TSX-listed securities resumed its downward trend in June 2021 decreasing 11% MoM to 720M shares and down 21% YoY. Liquidity, spread and volatility conditions all improved MoM.

• For non-TSX-listed securities, the average daily volume continued its decline to 575M shares. While this represents a 12% decrease MoM, this is still an increase of 26% YoY. While average quote sized declined, spread and volatility conditions improved MoM.

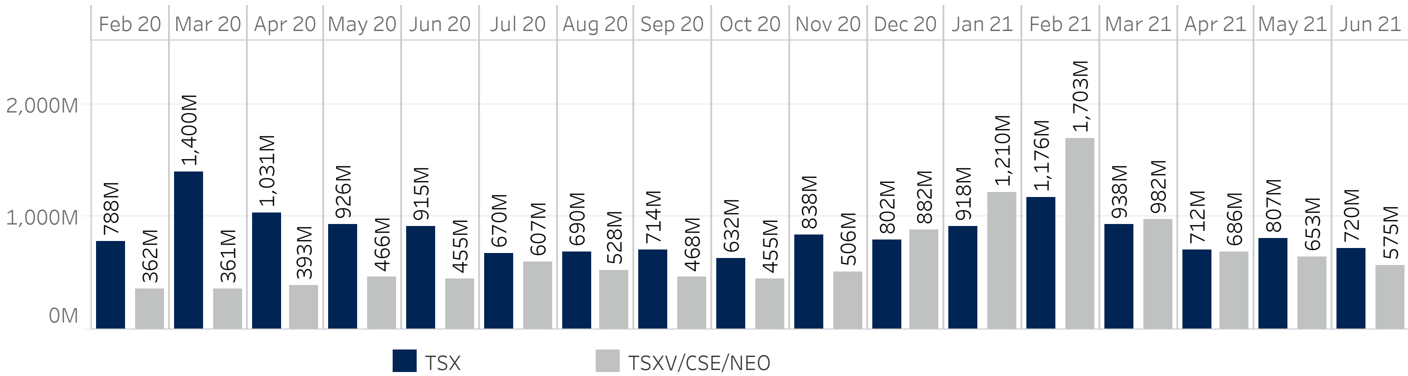
• TSX and non-TSX securities both showed favorable volatility conditions in June, setting a new 12-month low. This continues to emphasize the lack of major macro drivers in June.

CANADA MARKET STRUCTURE NEWS

CBOE LIS Canadian Launch Details
On 17 June, Cboe announced plans to launch Cboe LIS, powered by BIDS, in Canada. Scheduled for February 2022, subject to regulatory approval, the new offering will combine block trading capabilities from MATCHNow and BIDS to deliver block-sized liquidity for Canadian buy- and sell-side participants. Also pending regulatory approval, Cboe will also introduce an expansion to their Canadian conditional offering. The expansion would introduce a “sponsored broker model” in Canada by allowing buy-side traders to interact directly with conditional liquidity via the BIDS Trader application. Another noteworthy proposed amendment is to replace the compliance mechanism (enforcement by symbol) and the pro-rata allocation with a one-to-one matching model (price/broker/size/time priority). All implementation details can be found on the CboeMATCHNow microsite (https://matchnow.cboe.com/).
https://www.marketsmedia.com/cboe-lis-to-launch-in-canada-powered-by-bids/

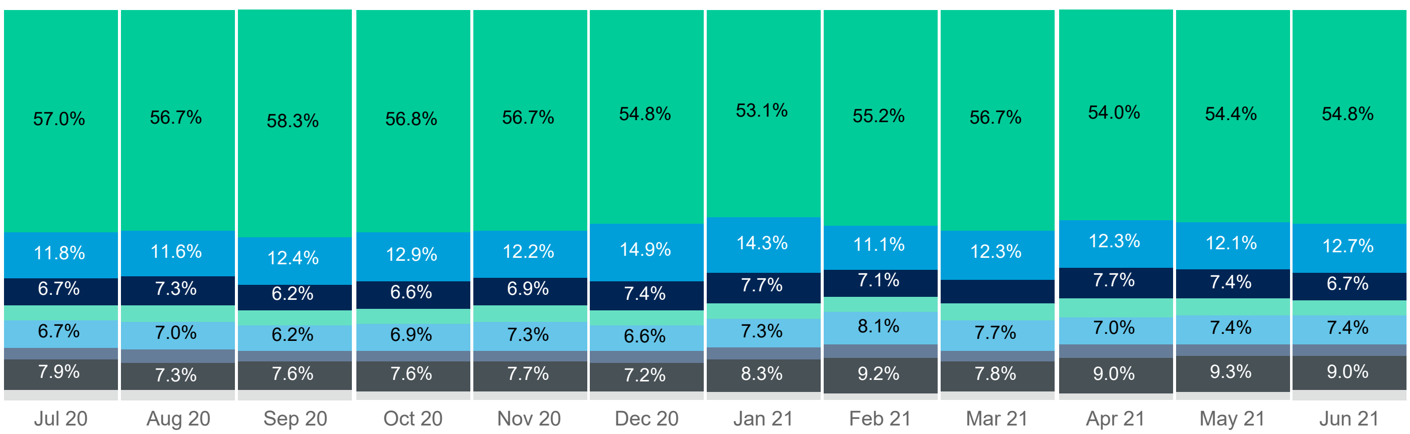
TSX Inc. Request for Comment on Proposed TSX Closing Price Definition
On 17 June, TSX Inc. (TSX) announced its intention to introduce three new definitions to the TSX Rulebook: TSX Last Ask Price, TSX Last Bid Price, TSX Closing Price. These new price definitions will primarily serve to provide market participants with a standardized reference points and an updated closing price for exchange traded funds (ETFs). In the request for comment section, justification focused on ETFs that trade infrequently when compared to their underlying basket of securities. For ETFs, the TSX Closing Price will be defined as the last sale price if it occurred in the last ten minutes of the trading session or the midpoint of the ten-minute TWAP best bid/best offer.
https://www.osc.ca/en/industry/market-regulation/marketplaces/exchanges/recognized-exchanges/tmx-group-inc-and-tsx-inc-rule-review-notices/notice-and-request-comments

Average Daily Market Volume By Listing Exchange (Shares)

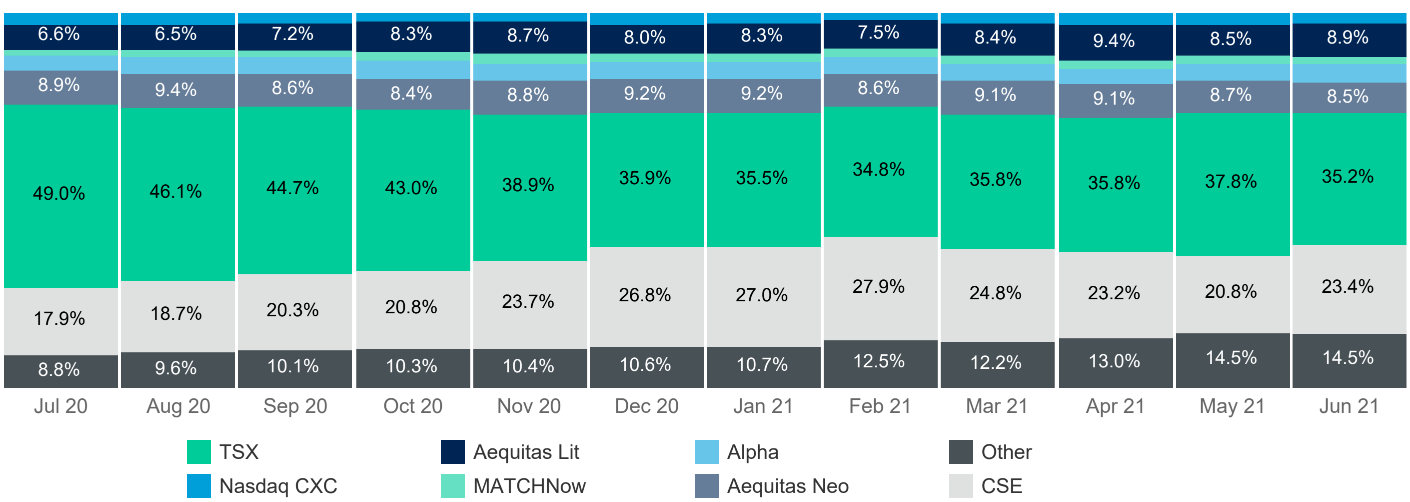


Source data: Virtu Financial

Venue Market Share (TSX-Listed)

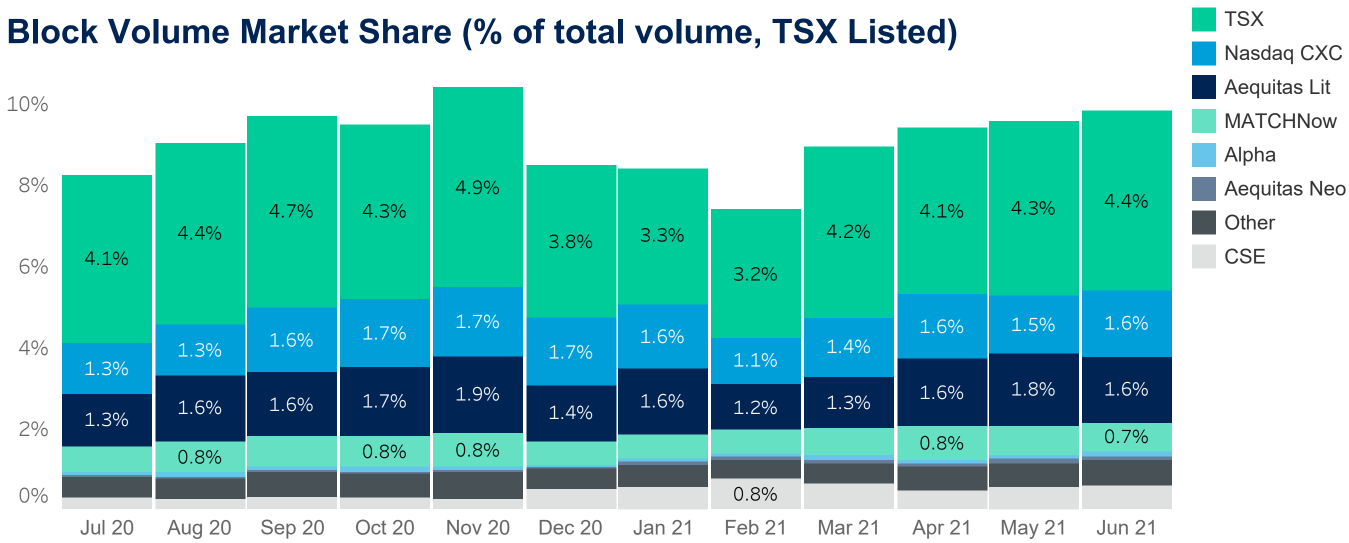


Venue Market Share (Non-TSX-Listed)

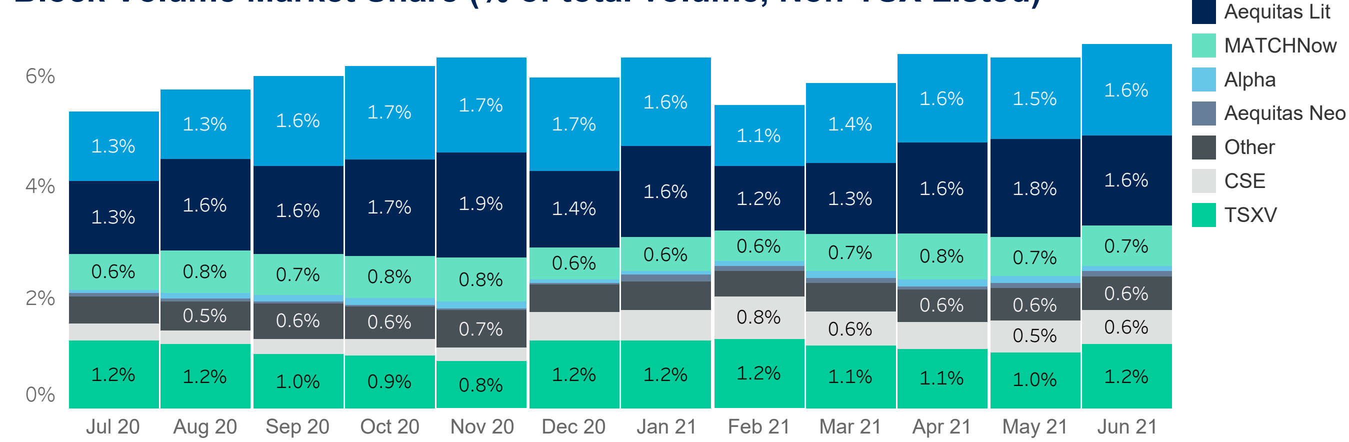


Source data: Virtu Financial

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

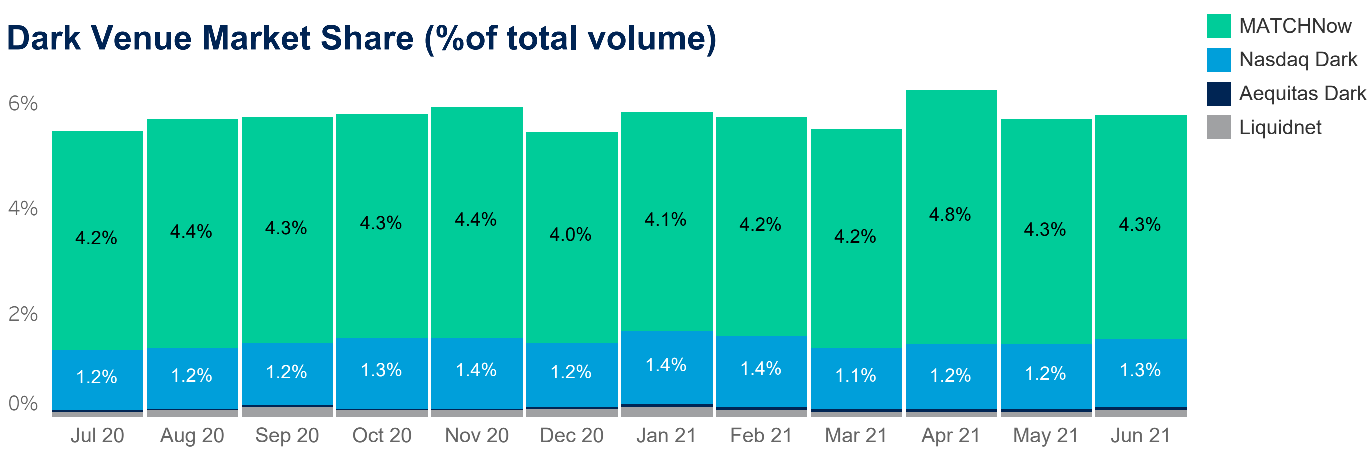


Block Volume Market Share (% of total volume, Non-TSX Listed)



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

		2Q 20	3Q 20			4Q 20			1Q 21			2Q 21		
		Jun 20	Jul 20	Aug 20	Sep 20	Oct 20	Nov 20	Dec 20	Jan 21	Feb 21	Mar 21	Apr 21	May 21	Jun 21
First 30 Min	S&P/TSX 60	520	609	621	653	683	638	741	780	755	793	848	825	878
	S&P/TSX Composite	584	661	685	722	755	728	779	824	840	863	930	926	1,035
	Non-TSX-Listed	9,373	11,111	10,065	8,732	8,066	7,712	10,122	11,000	13,258	9,500	8,203	8,492	7,778
Mid Day	S&P/TSX 60	730	810	845	841	835	815	940	967	961	970	1,054	1,042	1,130
	S&P/TSX Composite	820	889	926	941	902	877	973	1,029	1,069	1,081	1,150	1,170	1,277
	Non-TSX-Listed	7,341	8,349	7,525	6,227	5,536	5,570	7,531	8,575	10,247	7,403	6,381	6,481	5,900
Last 30 Min	S&P/TSX 60	953	1,040	1,068	1,015	1,085	1,082	1,190	1,206	1,243	1,190	1,313	1,285	1,354
	S&P/TSX Composite	1,117	1,169	1,206	1,190	1,231	1,167	1,260	1,279	1,315	1,266	1,379	1,417	1,507
	Non-TSX-Listed	8,750	9,978	9,000	7,737	7,050	6,891	9,374	10,500	12,168	8,832	7,381	7,992	7,111

Spread Bps

		Jun 20	Jul 20	Aug 20	Sep 20	Oct 20	Nov 20	Dec 20	Jan 21	Feb 21	Mar 21	Apr 21	May 21	Jun 21
First 30 Min	S&P/TSX 60	7.2	6.8	6.2	6.5	5.9	6.0	5.3	6.2	5.8	5.8	5.0	5.2	4.6
	S&P/TSX Composite	16.9	14.5	12.9	12.9	12.2	12.7	11.8	12.9	12.5	12.2	11.0	11.0	10.0
	Non-TSX-Listed	238.6	232.6	215.1	214.0	201.1	200.0	194.2	188.7	185.2	175.0	171.5	175.1	166.7
Mid Day	S&P/TSX 60	4.5	4.4	4.1	4.3	4.1	4.0	3.6	4.0	3.8	3.8	3.4	3.3	3.1
	S&P/TSX Composite	9.4	8.2	7.5	7.7	7.3	7.4	7.2	7.8	7.6	7.7	6.8	6.8	6.2
	Non-TSX-Listed	187.5	181.8	169.2	166.5	157.5	148.6	151.5	145.8	142.9	134.3	134.9	136.7	135.1
Last 30 Min	S&P/TSX 60	3.5	3.3	3.1	3.3	3.1	3.0	3.0	3.2	3.1	3.1	2.8	2.7	2.5
	S&P/TSX Composite	8.0	7.1	6.6	6.8	6.3	6.3	6.2	6.8	6.6	6.7	6.1	5.9	5.5
	Non-TSX-Listed	181.8	178.4	164.4	161.3	152.7	143.8	149.7	144.9	142.9	135.4	133.3	135.8	133.4

One Minute Volatility Bps

		Jun 20	Jul 20	Aug 20	Sep 20	Oct 20	Nov 20	Dec 20	Jan 21	Feb 21	Mar 21	Apr 21	May 21	Jun 21
First 30 Min	S&P/TSX 60	21.3	16.5	15.3	17.3	14.1	16.6	13.6	14.0	14.1	15.0	11.0	13.0	10.5
	S&P/TSX Composite	26.9	20.7	19.5	21.2	17.7	20.4	17.9	18.5	18.9	19.4	14.6	17.6	13.9
	Non-TSX-Listed	27.5	23.8	26.5	22.7	20.4	23.6	22.8	22.0	25.0	26.4	18.2	19.0	16.7
Mid Day	S&P/TSX 60	7.6	5.5	5.0	6.2	5.3	5.5	4.5	4.6	4.5	5.3	3.6	3.7	3.2
	S&P/TSX Composite	8.2	6.1	5.6	6.7	5.6	6.1	5.3	5.4	5.5	6.5	3.8	4.4	3.4
	Non-TSX-Listed	12.0	10.2	9.3	11.3	8.6	8.5	6.7	6.5	7.7	9.4	5.7	5.8	5.0
Last 30 Min	S&P/TSX 60	7.4	5.4	4.6	6.2	4.9	5.3	4.5	4.7	4.5	5.1	3.6	4.1	3.4
	S&P/TSX Composite	7.6	5.6	5.0	6.1	4.9	5.7	4.9	5.0	5.0	6.0	3.9	4.5	3.5
	Non-TSX-Listed	10.6	10.1	10.7	9.8	9.8	8.7	5.9	6.9	5.5	8.0	6.6	5.4	4.4

Percent MDV by Time of Day

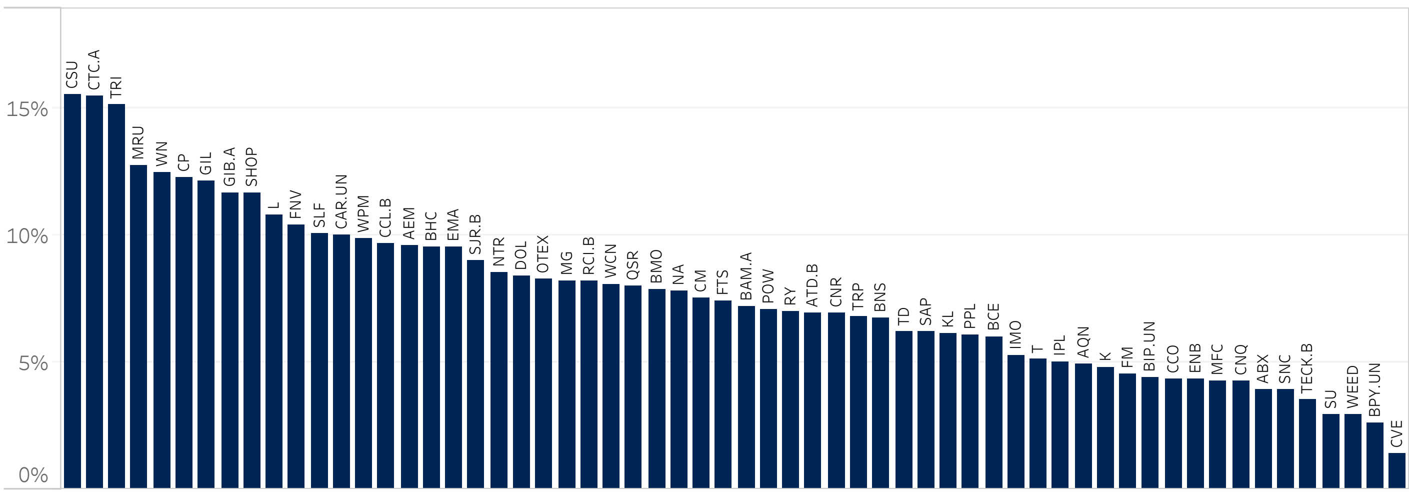
		Jun 20	Jul 20	Aug 20	Sep 20	Oct 20	Nov 20	Dec 20	Jan 21	Feb 21	Mar 21	Apr 21	May 21	Jun 21
Open	S&P/TSX 60	0.6%	0.5%	0.6%	0.5%	0.5%	0.6%	0.5%	0.6%	0.6%	0.6%	0.6%	0.6%	0.7%
	S&P/TSX Composite	0.5%	0.5%	0.5%	0.5%	0.5%	0.6%	0.5%	0.6%	0.6%	0.5%	0.5%	0.6%	0.5%
	Non-TSX-Listed	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

		Jun 20	Jul 20	Aug 20	Sep 20	Oct 20	Nov 20	Dec 20	Jan 21	Feb 21	Mar 21	Apr 21	May 21	Jun 21
First 30 Min	S&P/TSX 60	11.7%	11.6%	11.3%	11.2%	10.5%	12.3%	11.5%	12.2%	36.1%	12.0%	12.8%	14.5%	14.0%
	S&P/TSX Composite	11.7%	12.3%	13.0%	12.3%	12.0%	13.7%	12.4%	13.3%	39.1%	12.7%	12.9%	14.5%	13.5%
	Non-TSX-Listed	21.4%	21.3%	21.6%	20.9%	21.1%	21.2%	21.0%	21.2%	60.2%	19.2%	18.7%	18.7%	19.4%
Last 30 Min	S&P/TSX 60	30.0%	32.4%	29.4%	33.4%	36.8%	30.7%	33.7%	33.2%	91.5%	32.4%	33.1%	33.8%	36.6%
	S&P/TSX Composite	22.6%	24.4%	22.7%	23.4%	23.6%	23.2%	24.2%	22.5%	62.5%	22.6%	25.5%	24.9%	25.3%
	Non-TSX-Listed	10.7%	9.5%	9.7%	10.1%	10.4%	10.3%	9.4%	9.7%	26.8%	10.1%	9.3%	9.1%	9.3%

		Jun 20	Jul 20	Aug 20	Sep 20	Oct 20	Nov 20	Dec 20	Jan 21	Feb 21	Mar 21	Apr 21	May 21	Jun 21
Close	S&P/TSX 60	12.3%	11.4%	9.9%	15.8%	20.2%	11.8%	18.6%	11.8%	12.1%	11.7%	9.7%	6.6%	7.0%
	S&P/TSX Composite	4.8%	5.0%	4.7%	4.8%	4.8%	3.8%	5.9%	4.5%	5.1%	4.3%	4.6%	4.1%	4.1%
	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

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



Source data: Virtu Financial

ABOUT VIRTU

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