

# November 2020

## Canada Market Structure Monthly



### MARKET MICROSTRUCTURE OBSERVATIONS

- TSX-listed average daily volume increased to 838M shares in November 2020, a 32% increase MoM and a 31% increase YoY. Non-TSX listed volumes also saw modest gains, up 11% MoM and 103% YoY.
- Market on Close (MOC) market share for the S&P/TSX 60 dropped down to 11.8% in November 2020, a MoM decline of 42% from October's record high of 20%. MOC market share for the Big Five Canadian banks dipped below 30% after a surge in MOC activity in October propelled market share above 40%.
- Block market share in November 2020 increased to the highest level since February, gaining 7% MoM to 10.1%. Block volumes are still well below the pre-pandemic highs when block market share was over 11%.
- Trading activity in the first thirty minutes across the S&P/TSX 60 and S&P/TSX Composite surged to a one year high in November 2020, only one month after recording one-year lows. The first thirty minutes of trading accounted for 12.3% and 13.4% of the S&P/TSX 60 and S&P/TSX Composite respectively.
- Average spreads in November 2020 increased marginally MoM across all time bins. Volatility also rose across all time bins, with the biggest increases in the first 30 minutes of trading, up 14% MoM across both the S&P/TSX 60 and S&P/TSX Composite.

### CANADA MARKET STRUCTURE NEWS

#### **TSX Inc. Submits Proposal to Introduce Anonymous Broker Preferencing Against Passive Dark Orders**

TSX Inc. submitted a proposal to introduce anonymous broker preferencing against passive dark orders for public comment and regulatory approval. Currently, the TSX only permits broker preferencing on attributed orders. All other dark venues in Canada (MATCHNow, Nasdaq CXD, NEO-D, Instinet) allow anonymous broker preferencing. The public comment period concludes on 7 December and the TSX hopes to implement the proposed features as early as 1Q 2021.

[https://www.osc.gov.on.ca/en/Marketplaces\\_tsx\\_20201105\\_rfc-proposed-amendments.htm](https://www.osc.gov.on.ca/en/Marketplaces_tsx_20201105_rfc-proposed-amendments.htm)

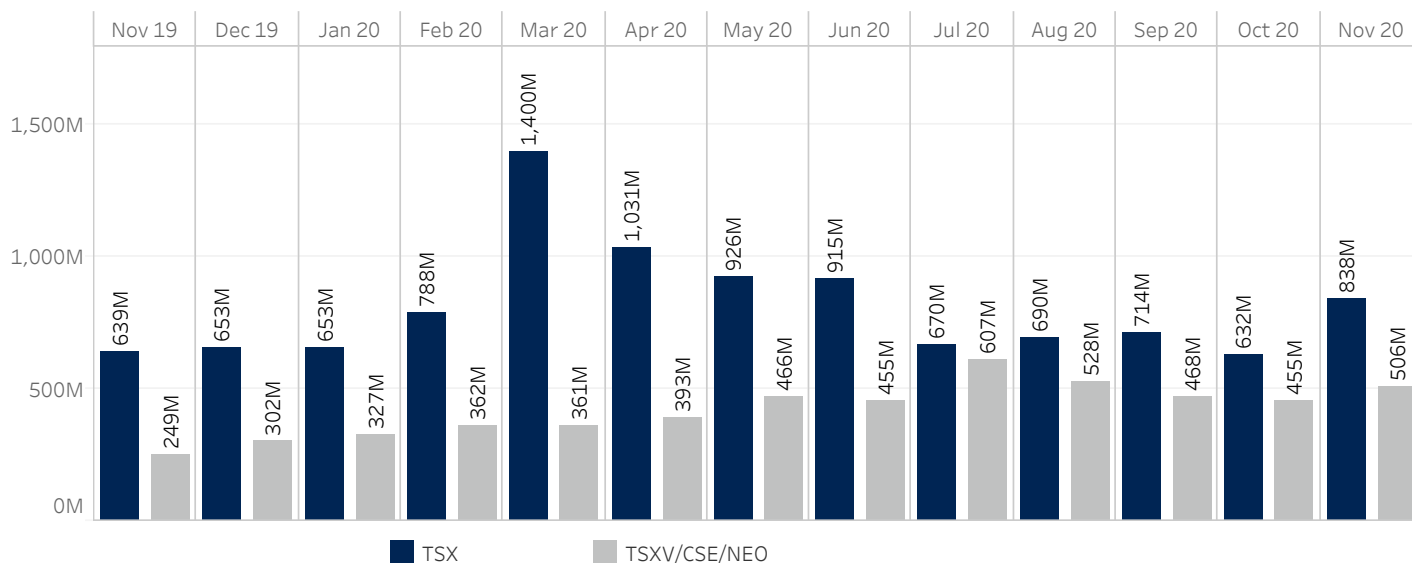
#### **MSCI Inc. to Include NEO-listed Companies in Global Investable Market Indexes**

As part of its updated methodology guide, MSCI Inc. announced that NEO-listed companies will become eligible for inclusion into its Global Investable Market Indexes during the May 2021 semi-annual review. MSCI is the first major index provider to allow non-TSX listed companies to qualify for index inclusion.

[https://www.msci.com/eqb/methodology/meth\\_docs/MSCI\\_GIMIMethodology\\_Nov2020.pdf](https://www.msci.com/eqb/methodology/meth_docs/MSCI_GIMIMethodology_Nov2020.pdf)

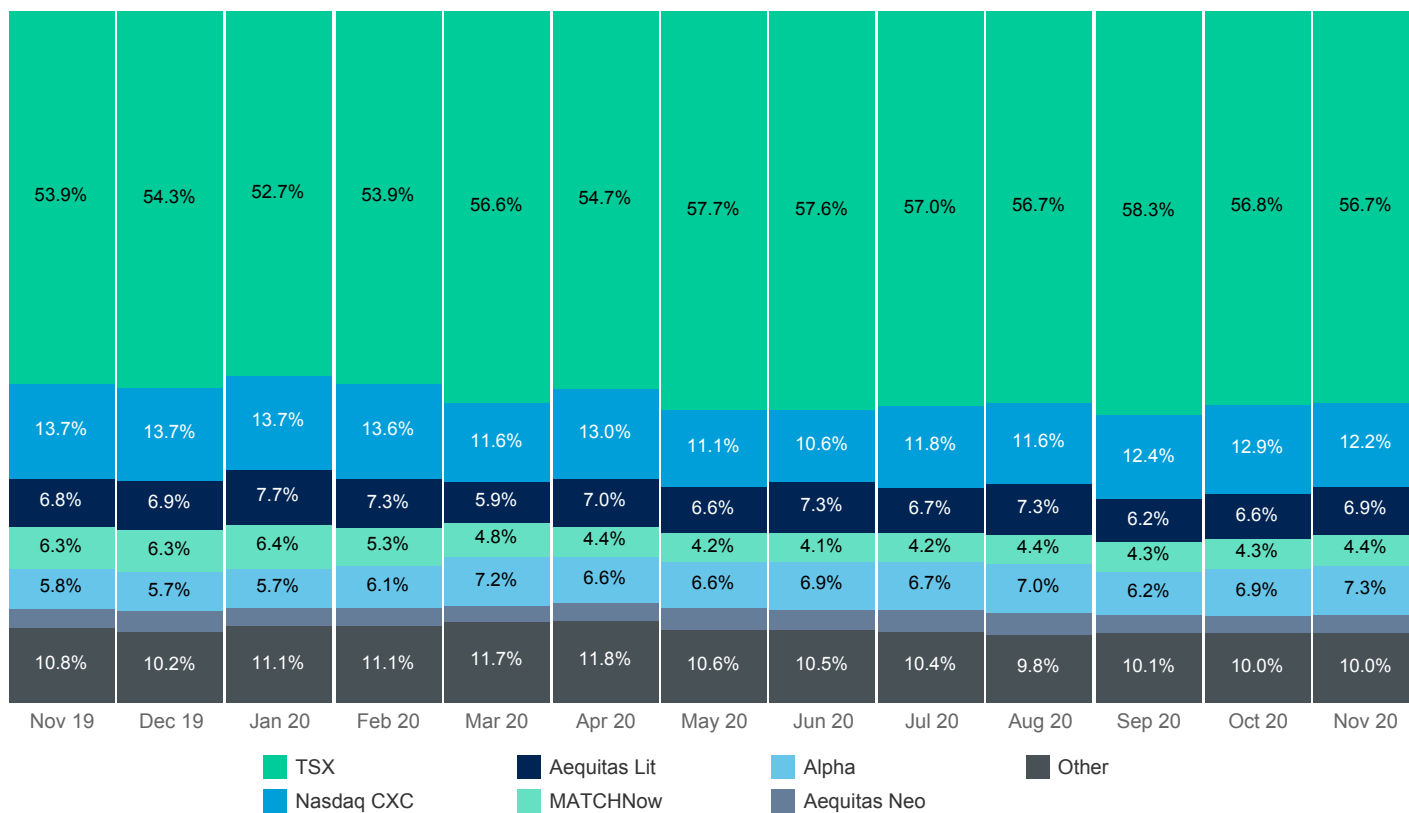


## Average Daily Market Volume By Listing Exchange (Shares)



Source data: Virtu Financial

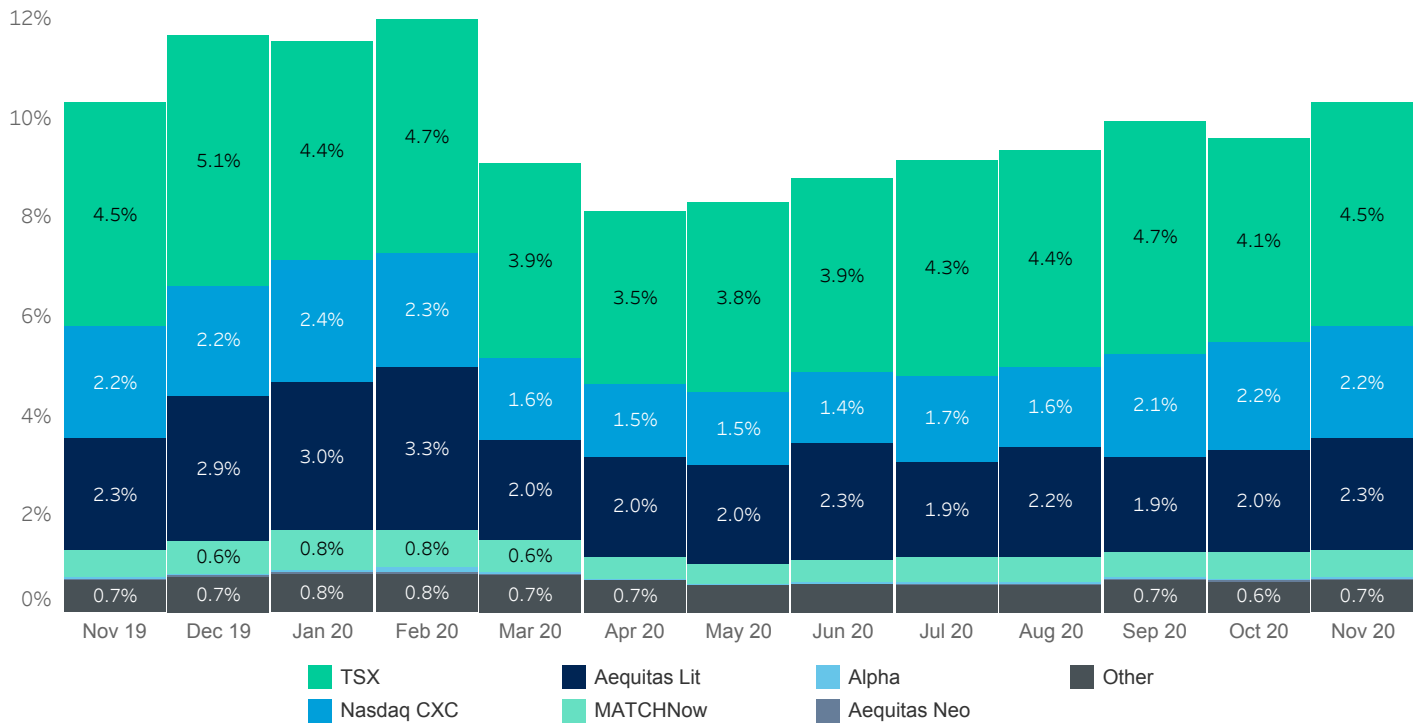
## Venue Market Share



TSX listed securities only; Source data: Virtu Financial

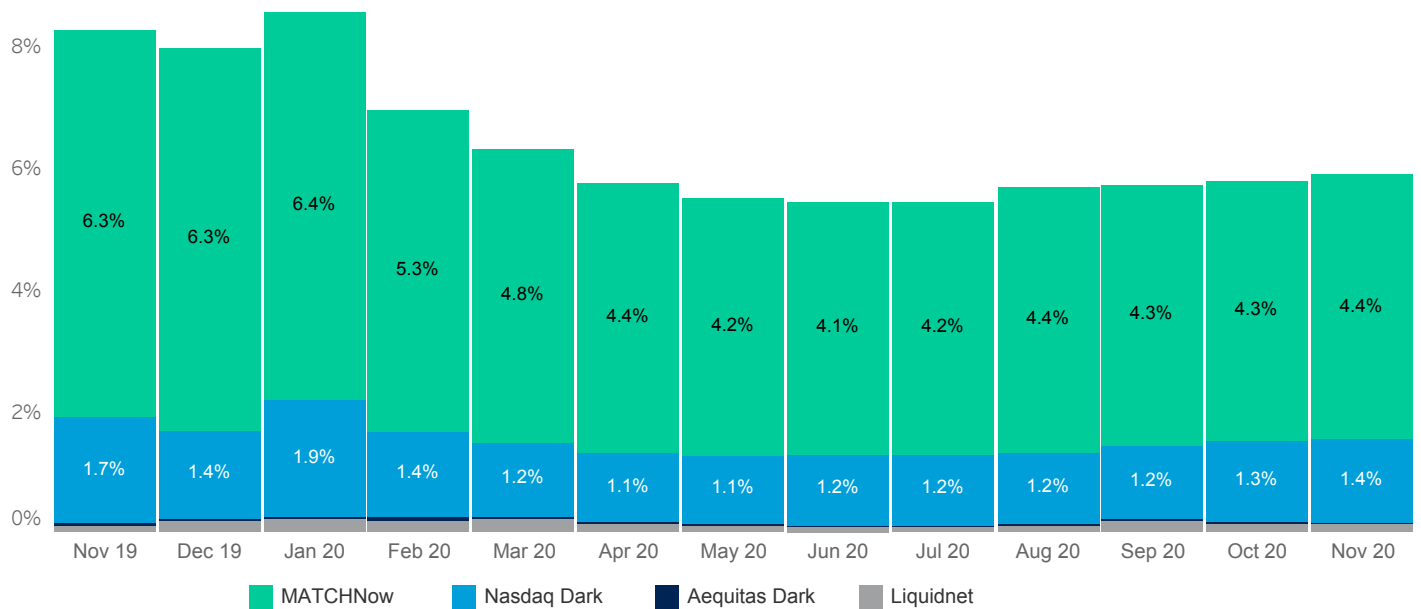


## Block Volume Market Share (% of total volume)



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

		4Q 19		1Q 20			2Q 20			3Q 20			4Q 20	
		Nov 19	Dec 19	Jan 20	Feb 20	Mar 20	Apr 20	May 20	Jun 20	Jul 20	Aug 20	Sep 20	Oct 20	Nov 20
First 30 Min	S&P/TSX 60	599	640	608	608	500	481	500	520	609	621	653	683	638
	S&P/TSX Composite	650	707	693	701	591	547	540	570	648	667	709	746	720
Mid Day	S&P/TSX 60	901	1,012	1,010	964	617	629	753	730	810	845	841	835	815
	S&P/TSX Composite	940	1,077	1,075	1,041	732	700	800	812	871	911	930	895	869
Last 30 Min	S&P/TSX 60	1,356	1,514	1,429	1,393	675	764	962	953	1,040	1,068	1,015	1,085	1,082
	S&P/TSX Composite	1,308	1,486	1,438	1,429	845	923	1,084	1,104	1,140	1,180	1,169	1,219	1,164

## Spread Bps

First 30 Min	S&P/TSX 60	4.6	4.3	4.4	4.6	14.9	11.1	7.6	7.2	6.8	6.2	6.5	5.9	6.0
	S&P/TSX Composite	9.3	8.6	8.8	9.6	28.5	23.1	18.1	16.5	13.9	12.5	12.4	11.8	12.2
Mid Day	S&P/TSX 60	3.0	2.8	2.8	2.9	7.7	5.5	4.6	4.5	4.4	4.1	4.3	4.1	4.0
	S&P/TSX Composite	6.3	5.8	5.8	5.9	15.0	11.5	9.8	9.2	7.9	7.3	7.5	7.1	7.2
Last 30 Min	S&P/TSX 60	2.4	2.3	2.3	2.3	6.0	4.3	3.6	3.5	3.3	3.1	3.3	3.1	3.0
	S&P/TSX Composite	5.3	5.1	5.0	5.1	12.2	9.3	8.2	7.7	6.8	6.4	6.5	6.1	6.1

## One Minute Volatility Bps

First 30 Min	S&P/TSX 60	11.0	10.6	10.0	12.4	51.8	30.0	22.2	21.3	16.5	15.3	17.3	14.1	16.6
	S&P/TSX Composite	13.3	12.5	12.0	15.1	56.9	36.2	27.6	26.6	20.4	19.3	21.0	17.5	20.0
Mid Day	S&P/TSX 60	3.4	3.3	3.2	3.9	22.9	11.7	7.7	7.6	5.5	5.0	6.2	5.3	5.5
	S&P/TSX Composite	3.4	3.0	3.1	3.8	22.9	12.8	8.3	8.2	6.1	5.6	6.6	5.6	6.0
Last 30 Min	S&P/TSX 60	3.0	3.0	3.2	3.6	26.5	12.8	8.4	7.4	5.4	4.6	6.2	4.9	5.3
	S&P/TSX Composite	2.8	2.6	2.7	3.1	25.4	13.3	8.6	7.7	5.7	5.0	6.1	4.9	5.7

## Percent MDV by Time of Day

Open	S&P/TSX 60	0.6%	0.6%	0.6%	0.7%	0.6%	0.7%	0.6%	0.6%	0.5%	0.6%	0.5%	0.5%	0.6%
	S&P/TSX Composite	0.5%	0.5%	0.6%	0.6%	0.6%	0.6%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
First 30 Min	S&P/TSX 60	10.6%	11.3%	10.9%	11.4%	10.8%	11.2%	12.1%	11.7%	11.6%	11.3%	11.2%	10.5%	12.3%
	S&P/TSX Composite	10.8%	11.0%	10.9%	11.4%	10.8%	11.7%	12.6%	11.8%	12.3%	12.8%	12.1%	11.8%	13.4%
Last 30 Min	S&P/TSX 60	27.2%	28.8%	28.4%	27.8%	28.2%	31.0%	29.0%	30.0%	32.4%	29.4%	33.4%	36.8%	30.7%
	S&P/TSX Composite	21.4%	22.1%	22.5%	22.0%	22.1%	24.7%	23.2%	22.9%	24.9%	23.1%	24.1%	24.3%	23.5%
Close	S&P/TSX 60	8.6%	11.1%	9.9%	10.2%	8.4%	8.9%	8.9%	12.3%	11.4%	9.9%	15.8%	20.2%	11.8%
	S&P/TSX Composite	4.3%	5.1%	4.5%	4.7%	3.6%	3.8%	4.0%	4.9%	5.5%	5.2%	5.3%	5.0%	4.2%

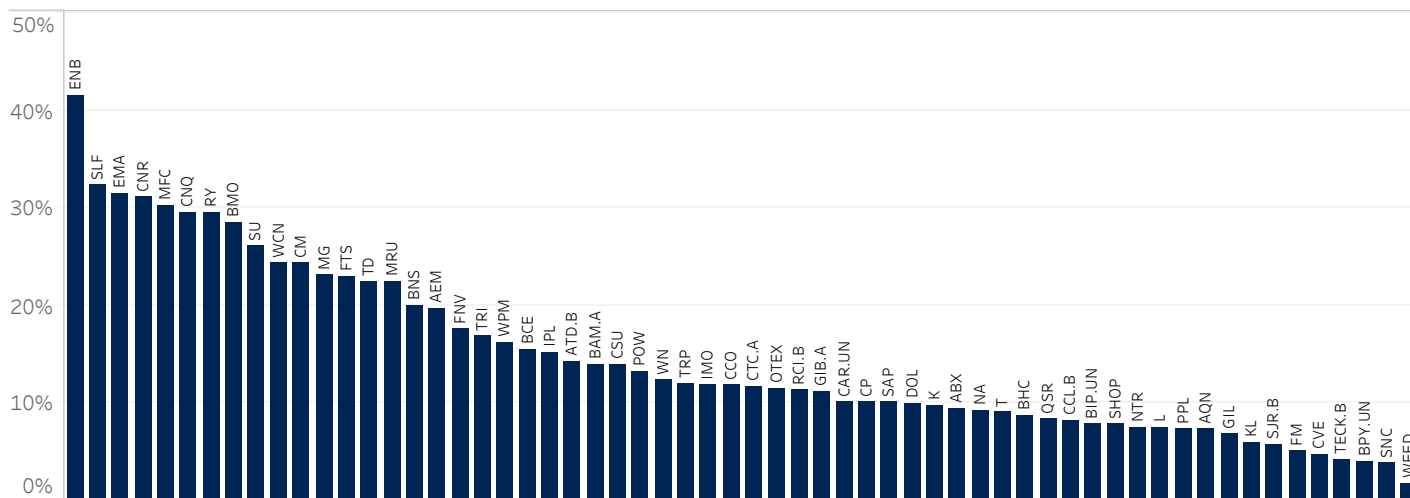
Median used for all metrics

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 2020 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

© 2020 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).