

September 2020

Canada Market Structure Monthly



MARKET MICROSTRUCTURE OBSERVATIONS

- TSX-listed average daily volume in September 2020 was 714M shares, a 3% uptick MoM and a 5% increase YoY.
- TC Energy Corp (TRP) and Nutrien Ltd (NTR) experienced a surge in trading at the close, with median market on close (MOC) market share exceeding 40% in September 2020. In August, the MOC market share of the two companies was below 10%. Each month, we continue to see a spike in MOC activity across a handful of different companies.
- Block volume market share increased for the fifth consecutive month, gaining 12% MoM to 10.5% in September 2020. This level of block activity has not been seen since before the pandemic, when block market share fluctuated between 10-12%.
- Average spreads and volatility increased for the first time in six months in September 2020, among renewed COVID-19 fears as a second wave surfaced across many developed nations. Volatility increased most prominently in S&P/TSX 60 names, particularly in the last 30 minutes of trading where volatility was up more than 30% MoM. Spreads saw a much smaller uptick, rising 5% MoM on average.
- Following the annual S&P/TSX Composite Review, the total weight of Metals & Mining companies surged to the highest level since 2012. Three mining companies (FVI, NGD, OSK) were added to the index as part of the September rebalance. At the start of the year, Metals & Mining accounted for 8.8% of the index, compared to 13.2% at the end of September representing a 50% weight increase YTD.

Weight of Metals & Mining in S&P/TSX Composite





CANADA MARKET STRUCTURE NEWS

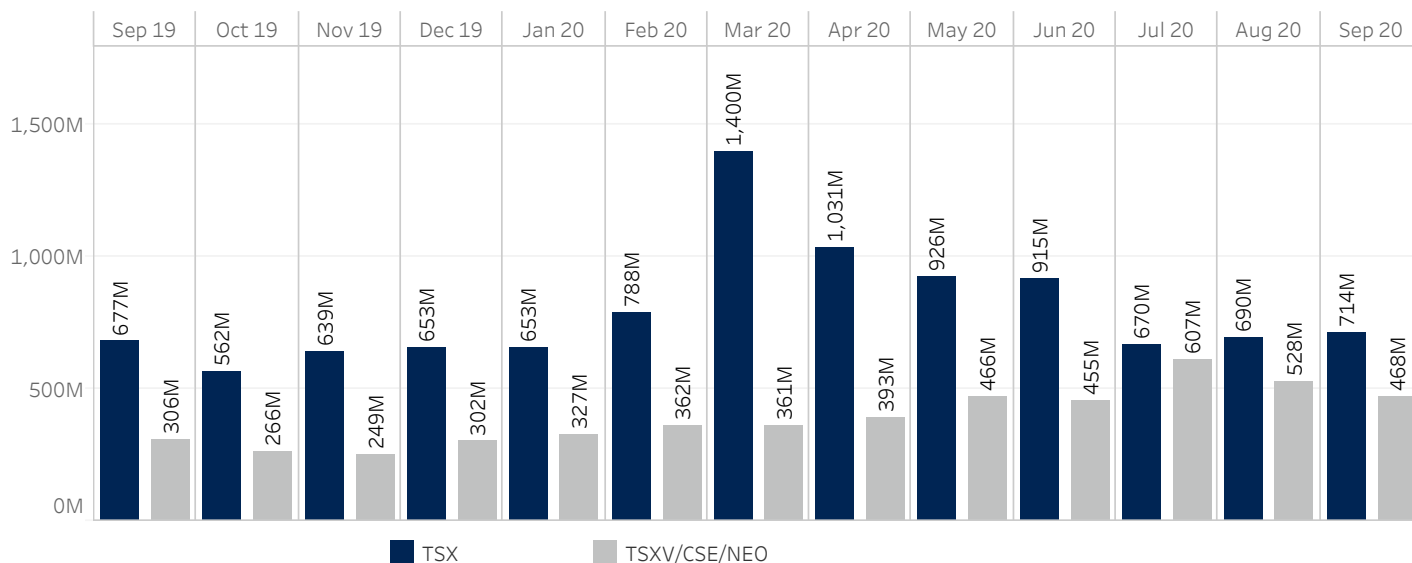
NEO Exchange Proposes Enhanced Publication of Weighted Closing Price for NEO-listed ETFs

NEO Exchange submitted a proposal to expand visibility of the weighted closing price publication for NEO-listed ETFs. Currently, the official closing price for NEO-listed ETFs is set by the national last sale price nearest to 4:00pm ET or, if there were no trades in the last 15 minutes of trading, the closing price is set to the time-weighted average midpoint of the national best bid and offer during that period. NEO is proposing to publish this weighted closing price at 4:30pm ET via a zero-volume cross trade attributed to the NEO Exchange (broker 301). The rationale for the proposal is to improve accessibility and increase transparency for closing prices on NEO-listed ETFs.

https://www.osc.gov.on.ca/en/Marketplaces_neo_20200924_rfc-weighted-closing-price-eligible-securities.htm

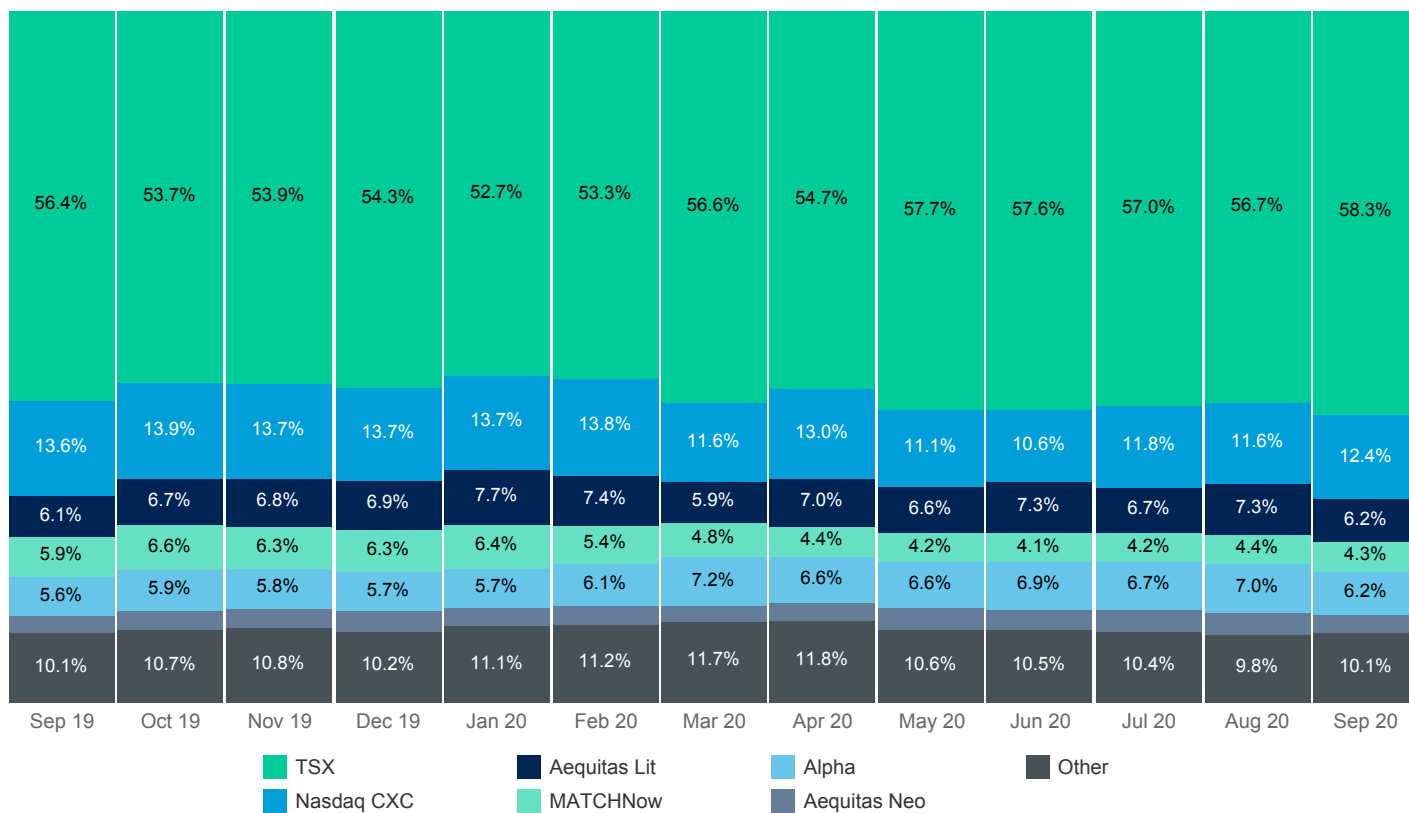


Average Daily Market Volume By Listing Exchange (Shares)



Source data: Virtu Financial

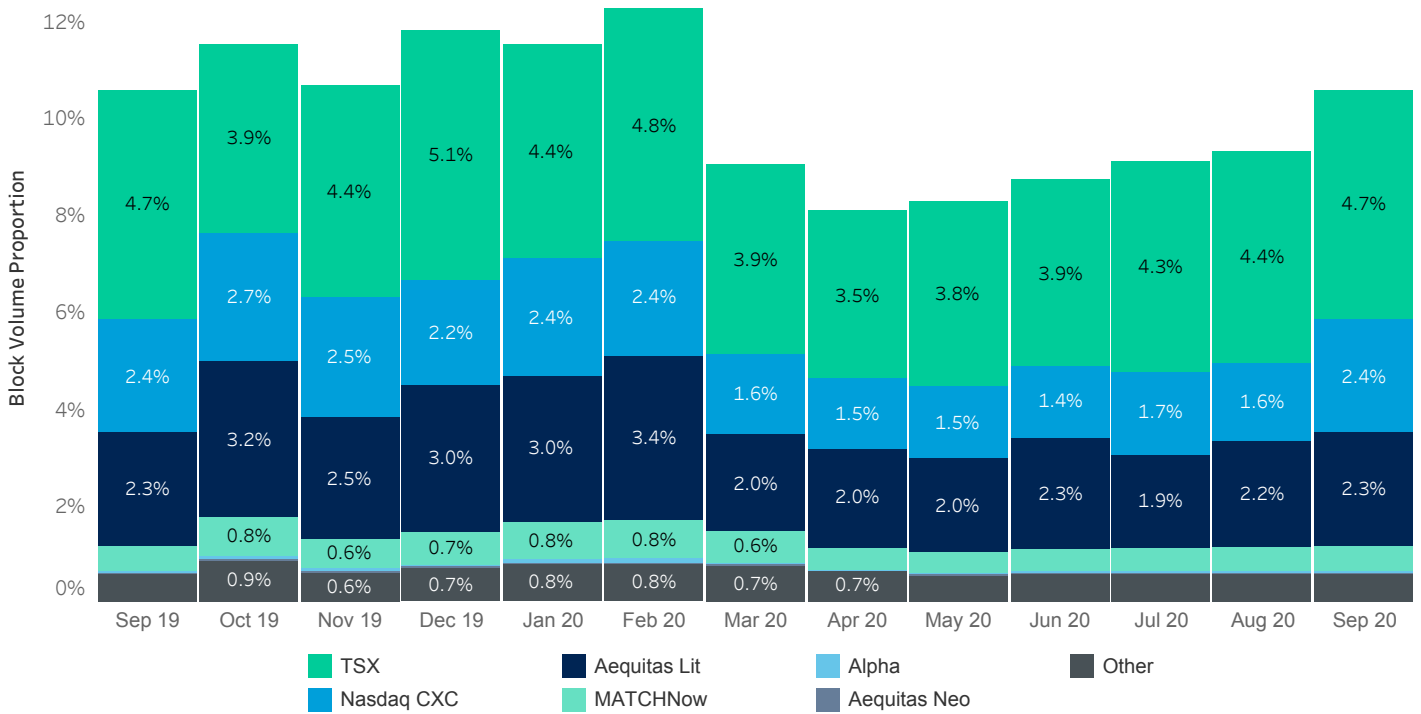
Venue Market Share



TSX listed securities only; Source data: Virtu Financial

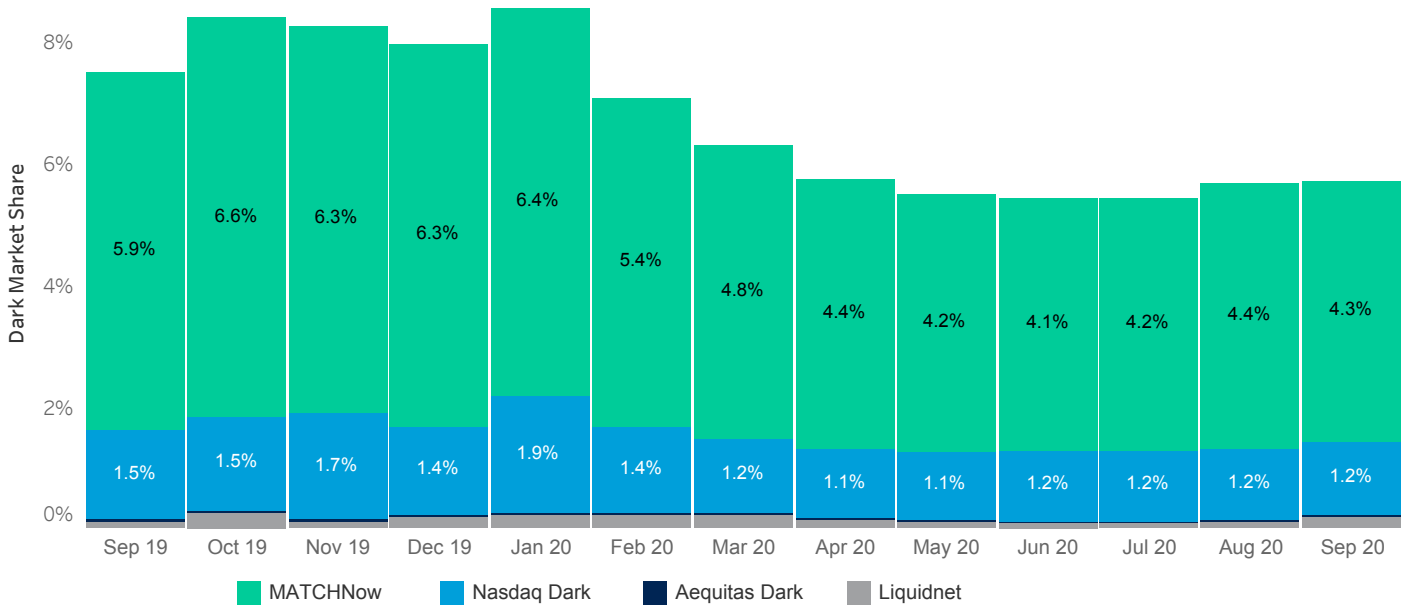


Block Volume Market Share



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

		3Q 19	4Q 19			1Q 20			2Q 20			3Q 20		
		Sep 19	Oct 19	Nov 19	Dec 19	Jan 20	Feb 20	Mar 20	Apr 20	May 20	Jun 20	Jul 20	Aug 20	Sep 20
First 30 Min	S&P/TSX 60	578	594	599	640	605	608	500	482	502	520	608	629	653
	S&P/TSX Composite	612	624	650	704	689	700	592	548	541	570	646	678	709
Mid Day	S&P/TSX 60	861	855	901	1,012	1,007	960	617	627	754	730	808	848	841
	S&P/TSX Composite	881	874	936	1,072	1,067	1,035	731	700	803	812	871	913	930
Last 30 Min	S&P/TSX 60	1,278	1,310	1,356	1,514	1,422	1,373	675	759	962	953	1,033	1,069	1,015
	S&P/TSX Composite	1,226	1,213	1,298	1,474	1,417	1,415	843	908	1,086	1,105	1,137	1,182	1,168

Spread Bps

First 30 Min	S&P/TSX 60	4.6	4.8	4.6	4.3	4.4	4.6	14.9	11.2	7.5	7.2	6.8	6.2	6.5
	S&P/TSX Composite	10.1	10.2	9.3	8.6	8.9	9.7	28.5	23.3	18.0	16.5	14.0	12.5	12.4
Mid Day	S&P/TSX 60	3.2	3.2	3.0	2.8	2.8	2.9	7.7	5.5	4.6	4.5	4.4	4.1	4.3
	S&P/TSX Composite	6.5	6.4	6.3	5.8	5.8	5.9	14.9	11.6	9.8	9.2	8.0	7.3	7.5
Last 30 Min	S&P/TSX 60	2.4	2.5	2.4	2.3	2.3	2.3	6.0	4.4	3.6	3.5	3.3	3.1	3.3
	S&P/TSX Composite	5.5	5.5	5.3	5.1	5.0	5.1	12.1	9.3	8.2	7.7	6.8	6.4	6.5

One Minute Volatility Bps

First 30 Min	S&P/TSX 60	12.0	11.2	11.0	10.6	10.0	12.4	51.8	30.1	22.1	21.3	16.7	15.3	17.3
	S&P/TSX Composite	14.8	13.6	13.3	12.5	12.1	14.9	56.7	36.1	27.4	26.6	20.7	19.4	21.0
Mid Day	S&P/TSX 60	4.1	3.9	3.4	3.3	3.2	3.9	22.9	11.8	7.7	7.6	5.5	5.1	6.2
	S&P/TSX Composite	4.1	3.9	3.4	3.0	3.1	3.8	22.9	12.9	8.3	8.2	6.2	5.7	6.6
Last 30 Min	S&P/TSX 60	3.7	3.6	3.0	3.0	3.2	3.6	26.5	12.8	8.5	7.4	5.4	4.7	6.2
	S&P/TSX Composite	3.4	3.3	2.8	2.6	2.7	3.1	25.4	13.3	8.6	7.7	5.7	5.0	6.1

Percent MDV by Time of Day

Open	S&P/TSX 60	0.5%	0.5%	0.6%	0.6%	0.6%	0.6%	0.6%	0.7%	0.6%	0.6%	0.5%	0.6%	0.5%
	S&P/TSX Composite	0.5%	0.4%	0.5%	0.5%	0.6%	0.6%	0.6%	0.6%	0.5%	0.5%	0.5%	0.5%	0.5%
First 30 Min	S&P/TSX 60	10.7%	10.4%	10.6%	11.3%	10.9%	11.0%	10.8%	11.1%	12.2%	11.7%	11.7%	11.4%	11.2%
	S&P/TSX Composite	10.9%	10.2%	10.7%	11.0%	11.0%	11.3%	10.8%	11.5%	12.7%	11.8%	12.3%	12.8%	12.1%
Last 30 Min	S&P/TSX 60	28.2%	27.5%	27.2%	28.8%	28.9%	27.8%	28.2%	30.6%	29.7%	30.0%	32.5%	29.4%	33.4%
	S&P/TSX Composite	21.4%	21.8%	21.3%	22.4%	22.5%	21.9%	22.1%	24.6%	22.9%	22.9%	24.8%	22.9%	23.9%
Close	S&P/TSX 60	12.3%	8.6%	8.6%	11.1%	9.9%	10.1%	8.4%	8.9%	8.9%	12.3%	11.4%	9.9%	15.8%
	S&P/TSX Composite	4.3%	4.0%	4.3%	5.1%	4.5%	4.7%	3.6%	3.8%	4.0%	4.9%	5.5%	5.2%	5.3%

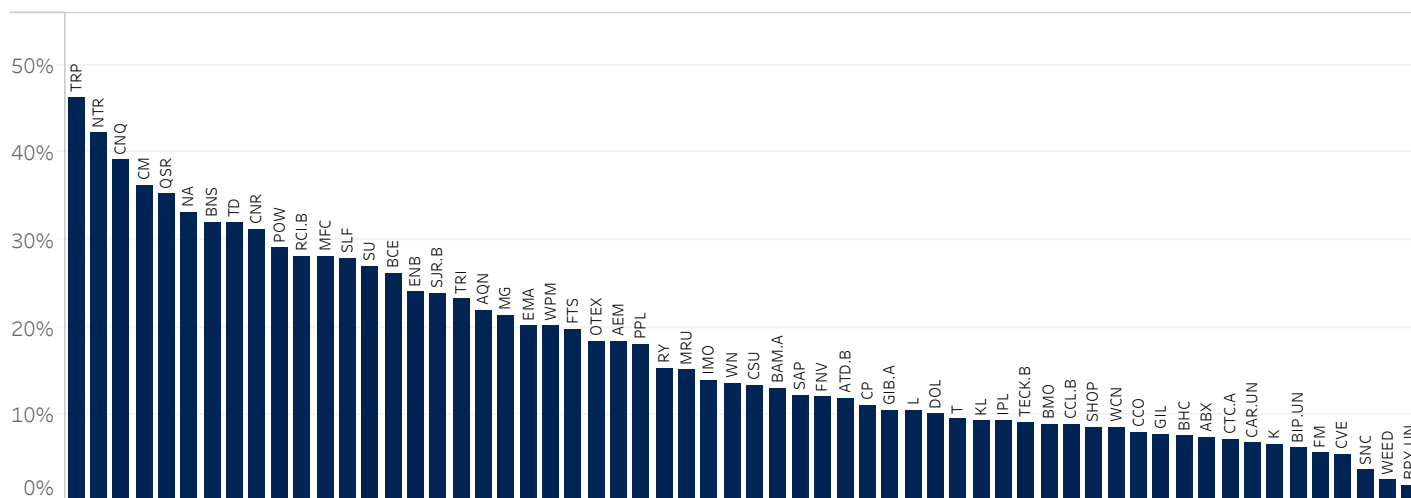
Median used for all metrics

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 2020 Median MOC % of Daily Volume - S&P/TSX 60



Source data: Virtu Financial



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