



Press Release



## **S&P, TMX Group to Launch Volatility Index for the Canadian Stock Market**

**Toronto, October 14, 2010** – Standard & Poor’s, the world’s leading index provider, and TMX Group Inc., operator of Toronto Stock Exchange and Montreal Exchange, announced today that they will bring the “fear index” to the Canadian stock market with the launch of the S&P/TSX 60 VIX. The S&P/TSX 60 VIX will seek to measure the 30-day implied volatility of the Canadian stock market using S&P/TSX 60 Index options, which trade on Montreal Exchange. The Index is set to launch on Monday, October 18<sup>th</sup> 2010.

VIX is often referred to as the “fear index” as it measures investors’ expectation of stock market volatility for the next 30-day period. Historically, volatility generally has had negative correlations to the stock market and is considered a useful signal to hedge the potential downturn of the broad equity market. While the S&P/TSX 60 Index options have various expirations, the S&P/TSX 60 VIX indicates the implied volatility of the fixed 30-day period.

“The launch of the S&P/TSX 60 VIX complements the S&P/TSX 60, the leading equity index in Canada,” says Alex Matturri, Executive Managing Director at S&P Indices. “The new volatility index will not only serve as a key metric of market sentiment, but will also foster the development of a volatility trading and hedging market in Canada.”

“We are delighted to provide the Canadian marketplace with a new robust volatility indicator,” adds Alain Miquelon, President and Chief Executive Officer, Montreal Exchange. “Volatility indices -- with the CBOE’s VIX methodology as the recognized standard -- are used worldwide to measure the expected volatility of the stock market over the next month. Partnering with S&P enables us to give investors a powerful tool to gauge market expectations.”

The S&P/TSX 60 VIX approximates the 30-day implied volatility that is derived by the near-term and next-term options. Options roll to the next-term five trading days prior to expiration. CORRA (Canadian Overnight Repo Rate), and 1-, 2-, and 3-month CDOR (Canadian Dealer Offered Rate) rates are used to interpolate the risk free rates of each maturity.

For more information about the S&P/TSX 60 VIX, please visit [www.standardandpoors.com/indices](http://www.standardandpoors.com/indices).

### **About S&P Indices**

S&P Indices, the world’s leading index provider, maintains a wide variety of investable and benchmark indices to meet an array of investor needs. Over \$1.25 trillion is directly indexed to Standard & Poor’s family of indices, which includes the S&P 500, the world’s most followed stock market index, the S&P/Case-Shiller Home Price Indices, the leading measure of U.S. home prices, the S&P Global BMI, an index with approximately 11,000 constituents, the S&P GSCI, the industry’s most closely watched commodities index, and the S&P National AMT-Free Municipal

Bond Index, the premier investable index for U.S. municipal bonds. For more information, please visit [www.standardandpoors.com/indices](http://www.standardandpoors.com/indices).

#### **About Standard & Poor's**

Standard & Poor's, a subsidiary of The McGraw-Hill Companies (NYSE:MHP), is the world's foremost provider of independent credit ratings, indices, risk evaluation, investment research and data. With offices in 23 countries and markets, Standard & Poor's is an essential part of the world's financial infrastructure and has played a leading role for 150 years in providing investors with the independent benchmarks they need to feel more confident about their investment and financial decisions. For more information, visit <http://www.standardandpoors.com>.

#### **About TMX Group (TSX-X)**

TMX Group's key subsidiaries operate cash and derivative markets for multiple asset classes including equities, fixed income and energy. Toronto Stock Exchange, TSX Venture Exchange, Montreal Exchange, Natural Gas Exchange, Boston Options Exchange (BOX), Shorcan, Equicom and other TMX Group companies provide trading markets, clearing facilities, data products and other services to the global financial community. TMX Group is headquartered in Toronto with offices in Montreal, Calgary and Vancouver. For more information about TMX Group, visit our website at [www.tmx.com](http://www.tmx.com).

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