Montréal Exchange Quarterly Derivatives Market Activity Update

Q4 2016

TMX

Capital Formation
- Toronto Stock Exchange
- TSX Venture Exchange
- TSX Private Markets
- TSX Trust

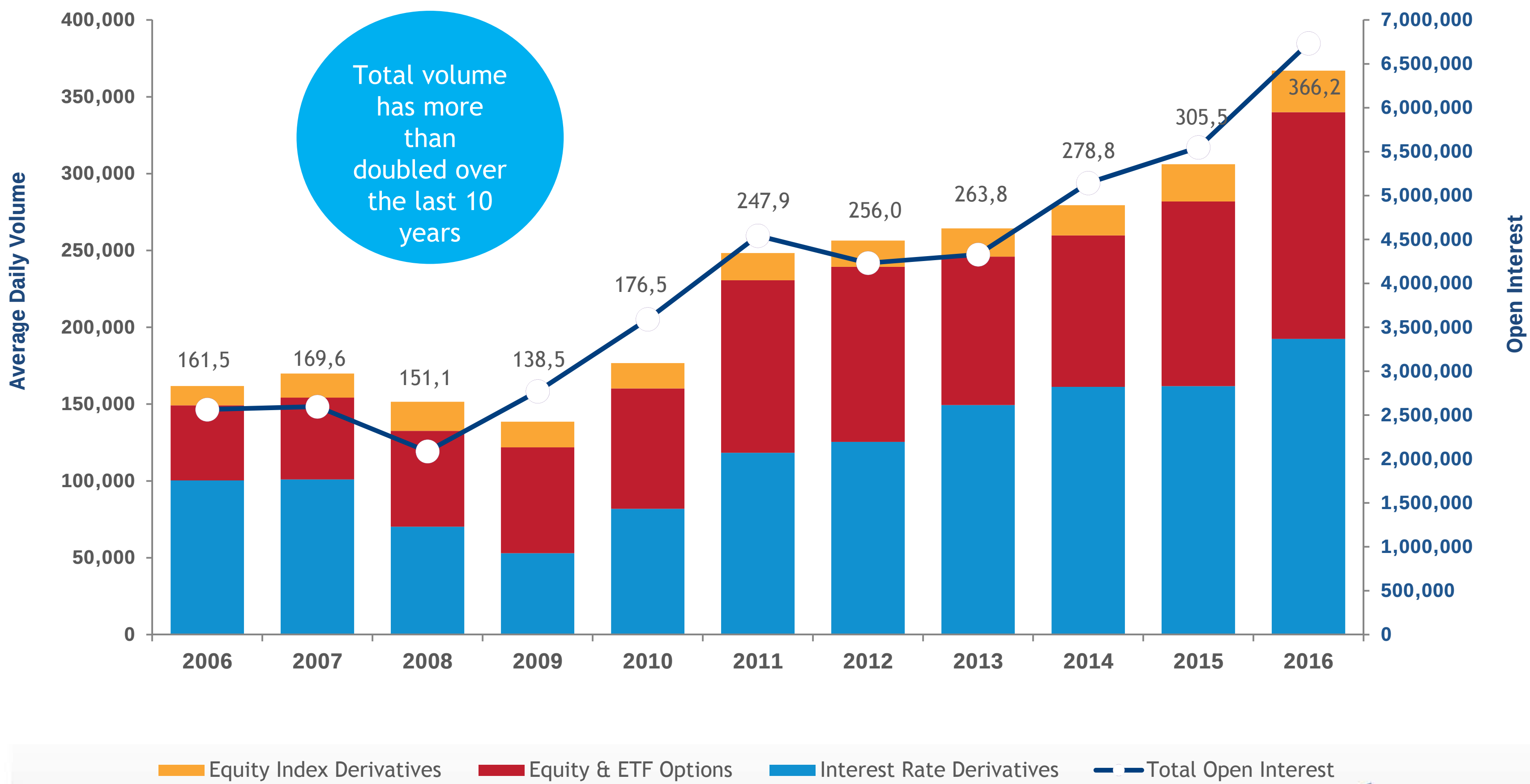
Derivatives
- Montréal Exchange
- CDCC
- BOX

Efficient Markets
- Toronto Stock Exchange
- TSX Venture Exchange
- TSX Alpha Exchange
- CDS
- NGX
- Shorcan

Market Insights
- TMX Datalinx
- TMX Insights
- TMX Atrium
- eXplore

Market Solutions
- AgriClear

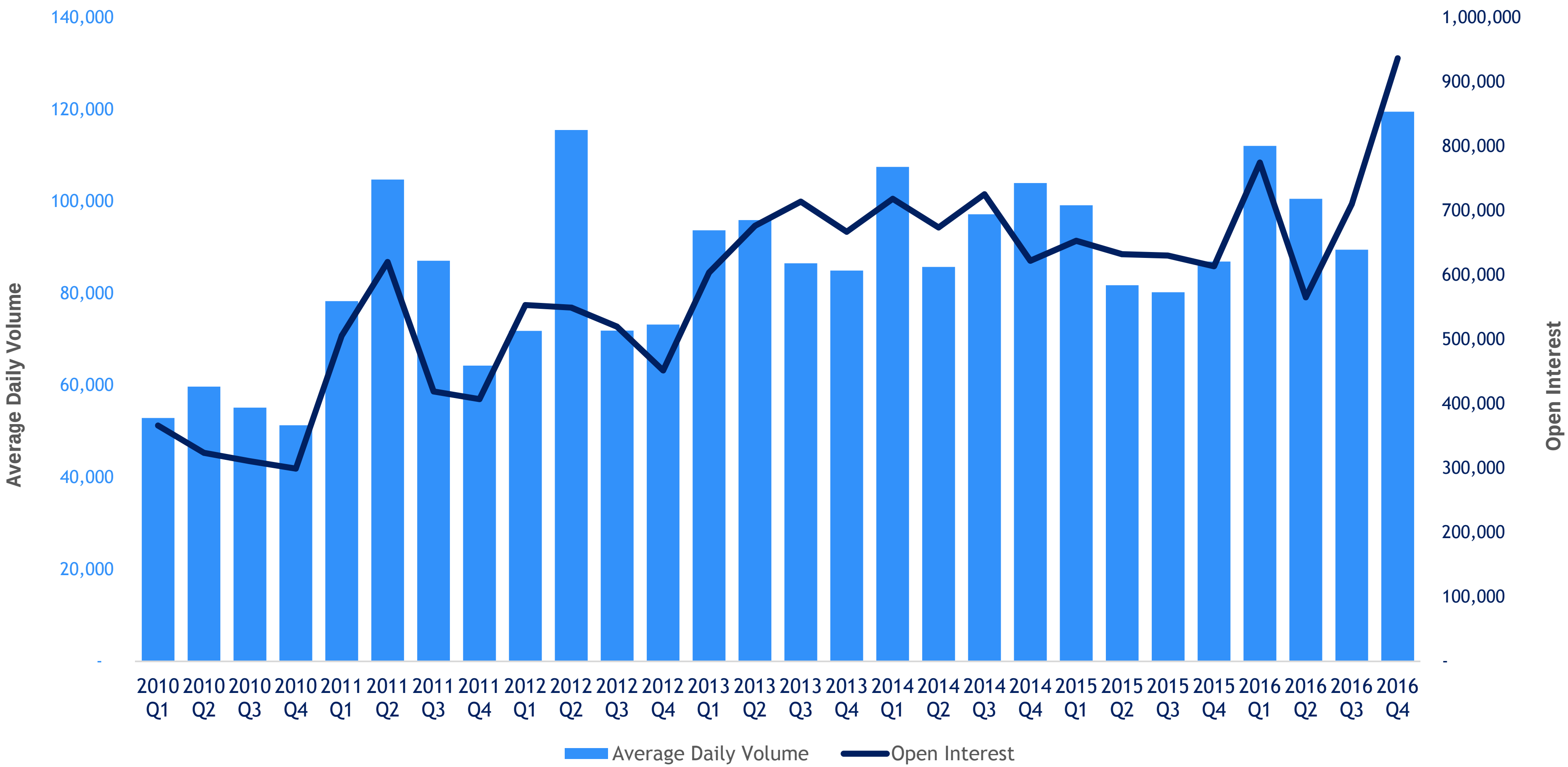
Montréal Exchange Average Daily Volume & Open Interest



Note: Average daily volume for 2016 is representative of Q1, Q2, Q3 and Q4 2016.

SHORT-TERM INTEREST RATE DERIVATIVES

Three-Month Bankers' Acceptance Futures (BAX) Volume and Open Interest



- Based on Canadian Dollar Offered Rate (CDOR)
- C$1,000,000 nominal value of Canadian bankers' acceptances with a three-month maturity
- Cash settlement
- Price increment:
    - 0.005 = C$12.50 per contract for the six (6) nearest listed contract months, including serials
    - 0.01 = C$25.00 per contract for all other contract months
- 3 years of quarterly contracts: Whites, Reds and Greens, and two (2) nearest non-quarterly months (serials)

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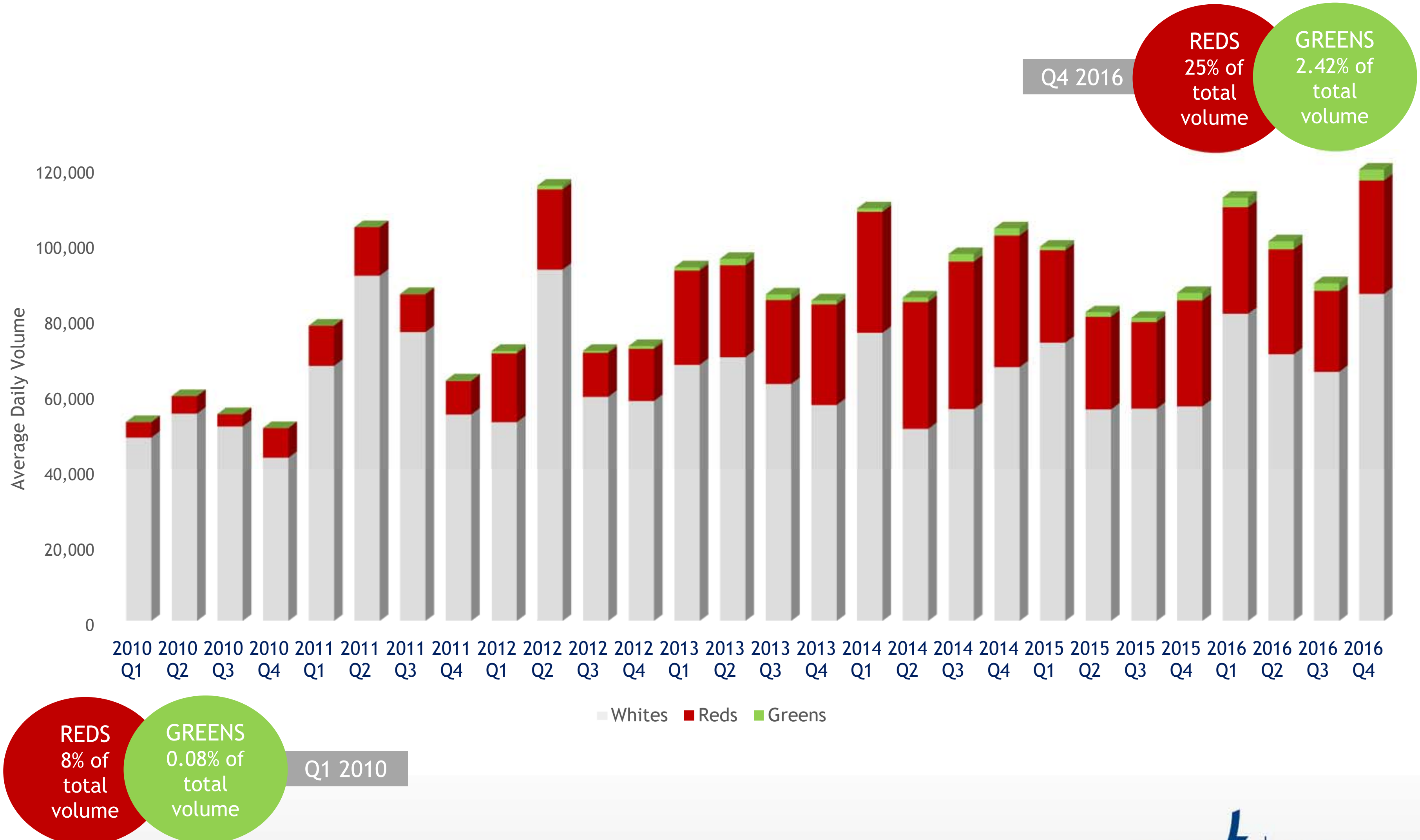
BAX Reds and Greens Volume



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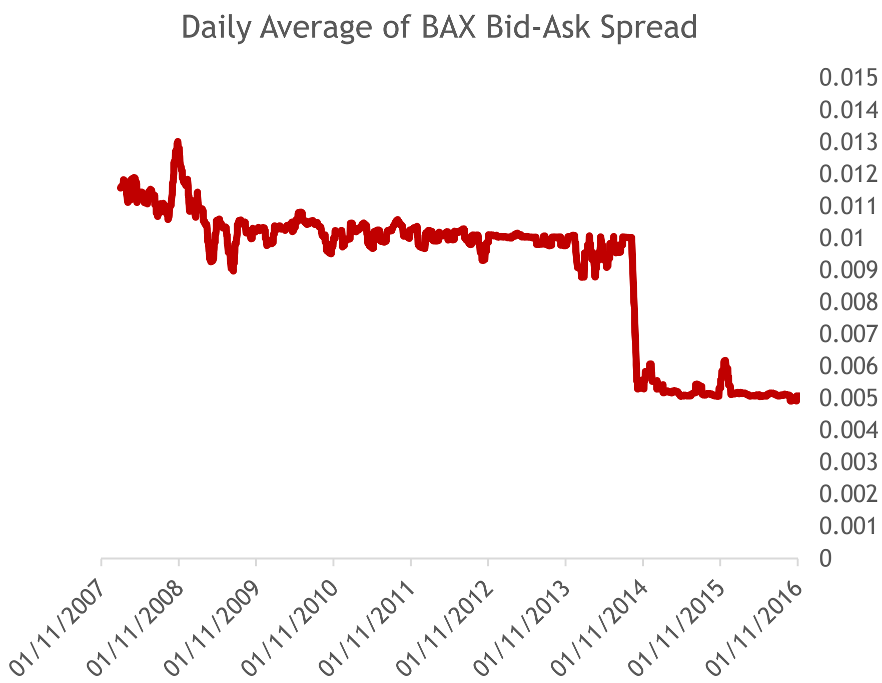
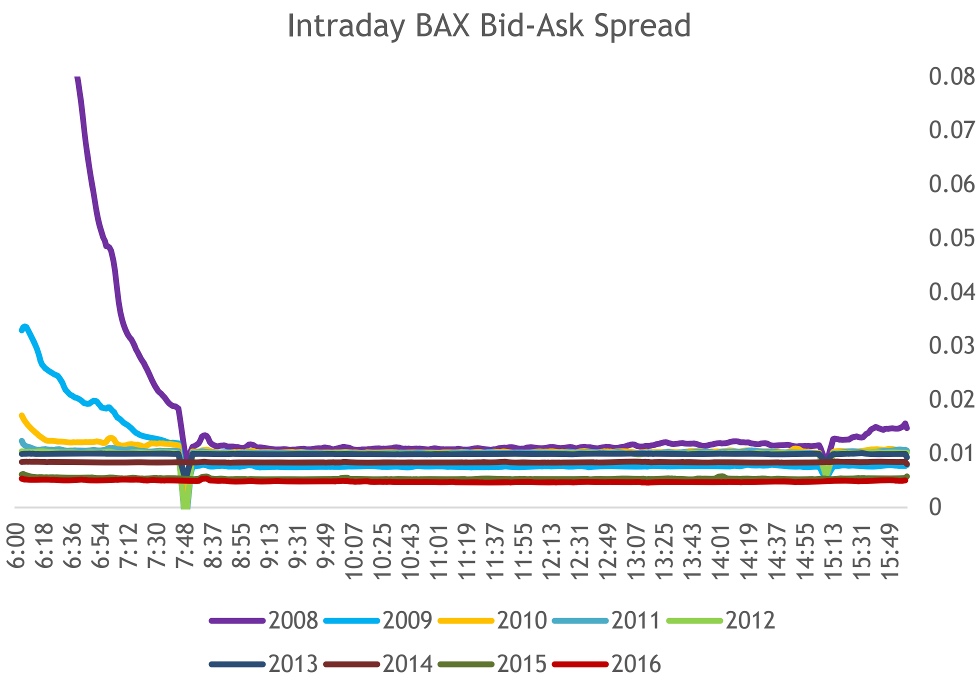
BAX Bid-Ask Spread Improvement



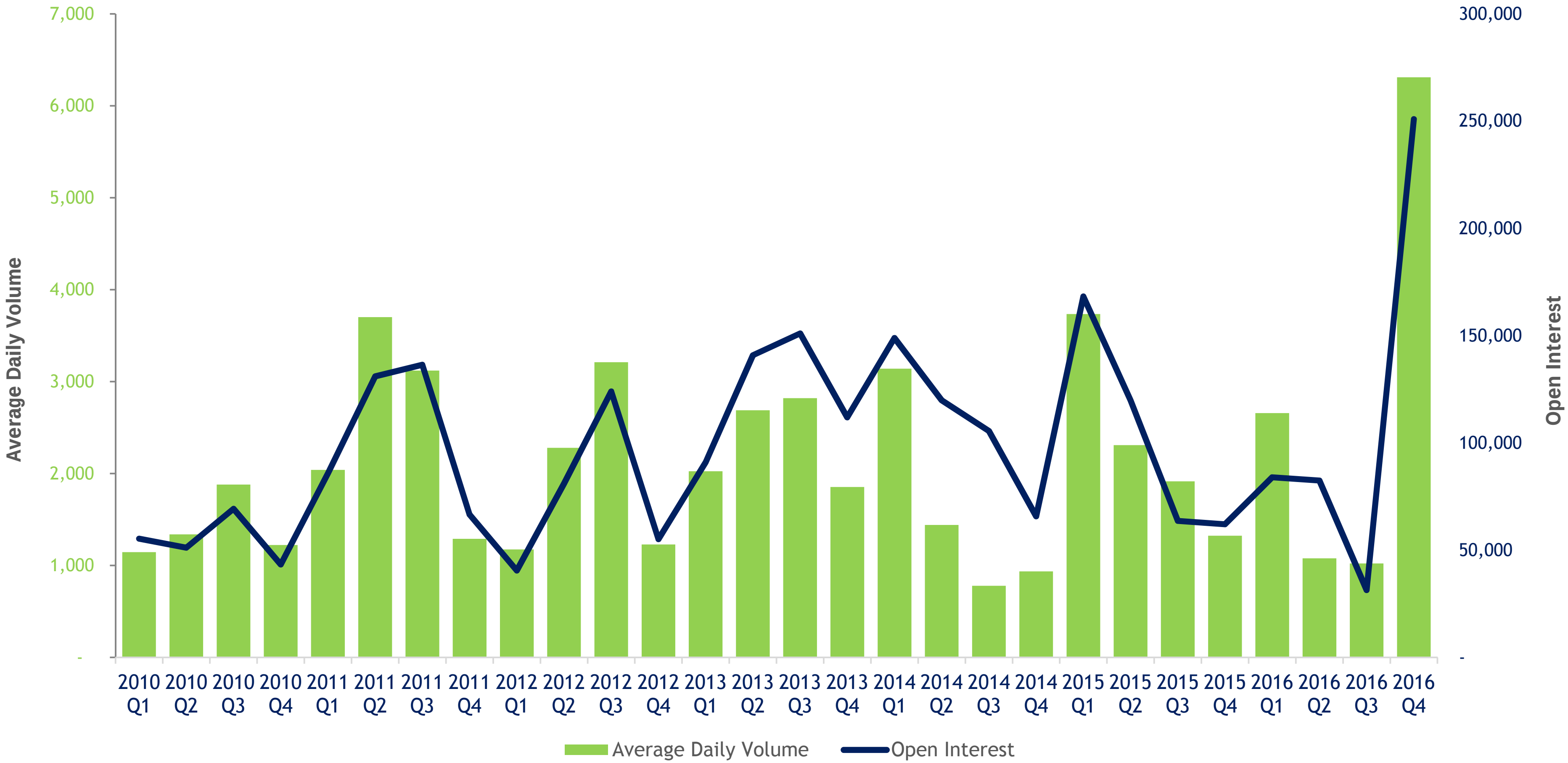


Note: 20-day moving average of daily average bid-ask spread (8:20-16:00)

Note: Five minute averages of the bid-ask spread

- BAX front month was used to compute bid-ask spreads

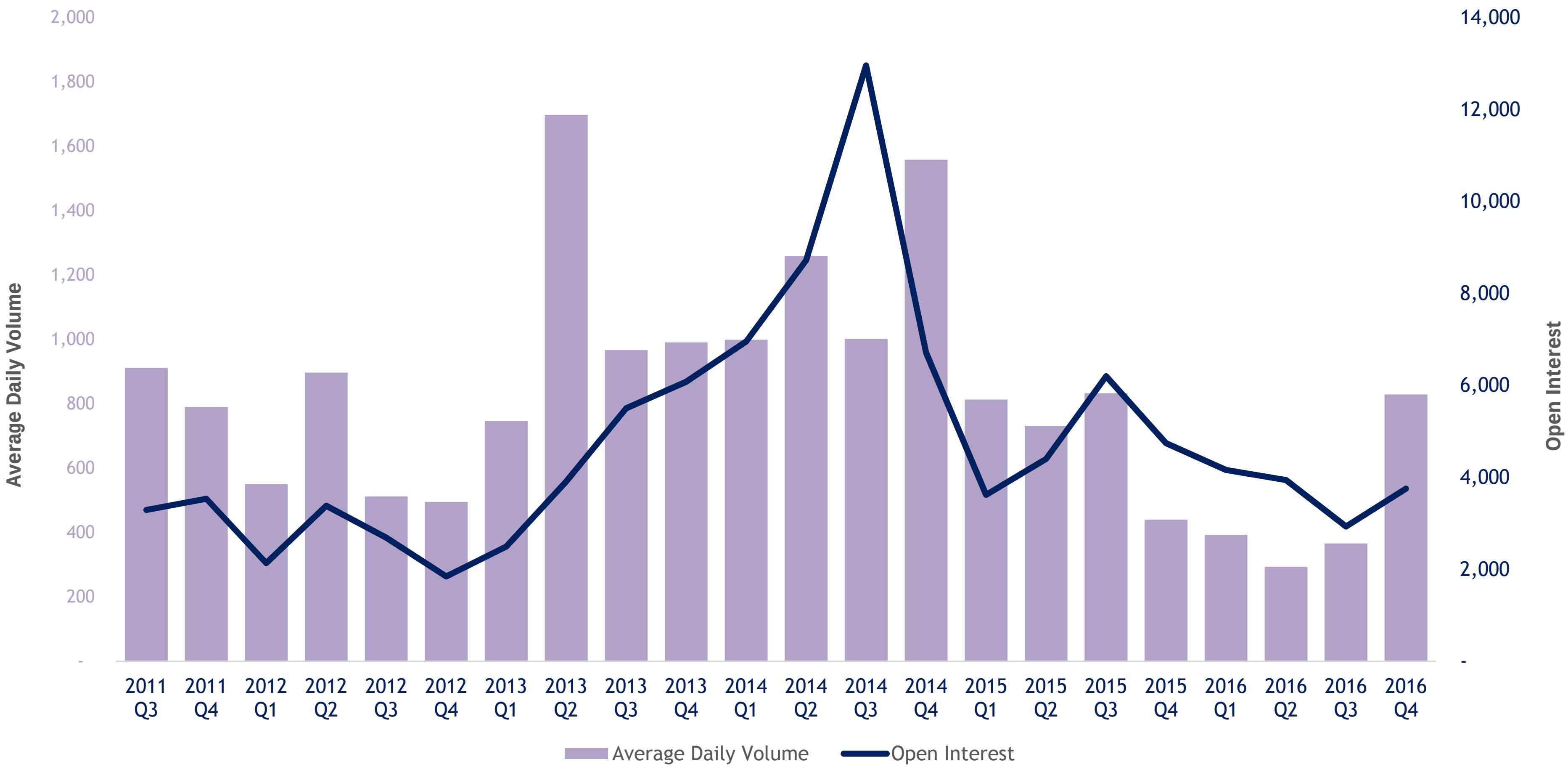
Options on BAX (OBX)
Volume and Open Interest



- Quoted in points where each 0.01 point (1 basis point) represents C$25
- Price increment:
  - 0.005 = C$12.50 per contract
  - 0.001 = C$2.50 per contract for cabinet trades

GOVERNMENT OF CANADA BOND FUTURES

Five-Year Government of Canada Bond Futures (CGF) Volume and Open Interest



- C$100,000 nominal value of a Government of Canada bond with a 6% notional coupon
- Physical delivery of eligible Government of Canada bonds
- Price increment: 0.01 = C$10 per contract

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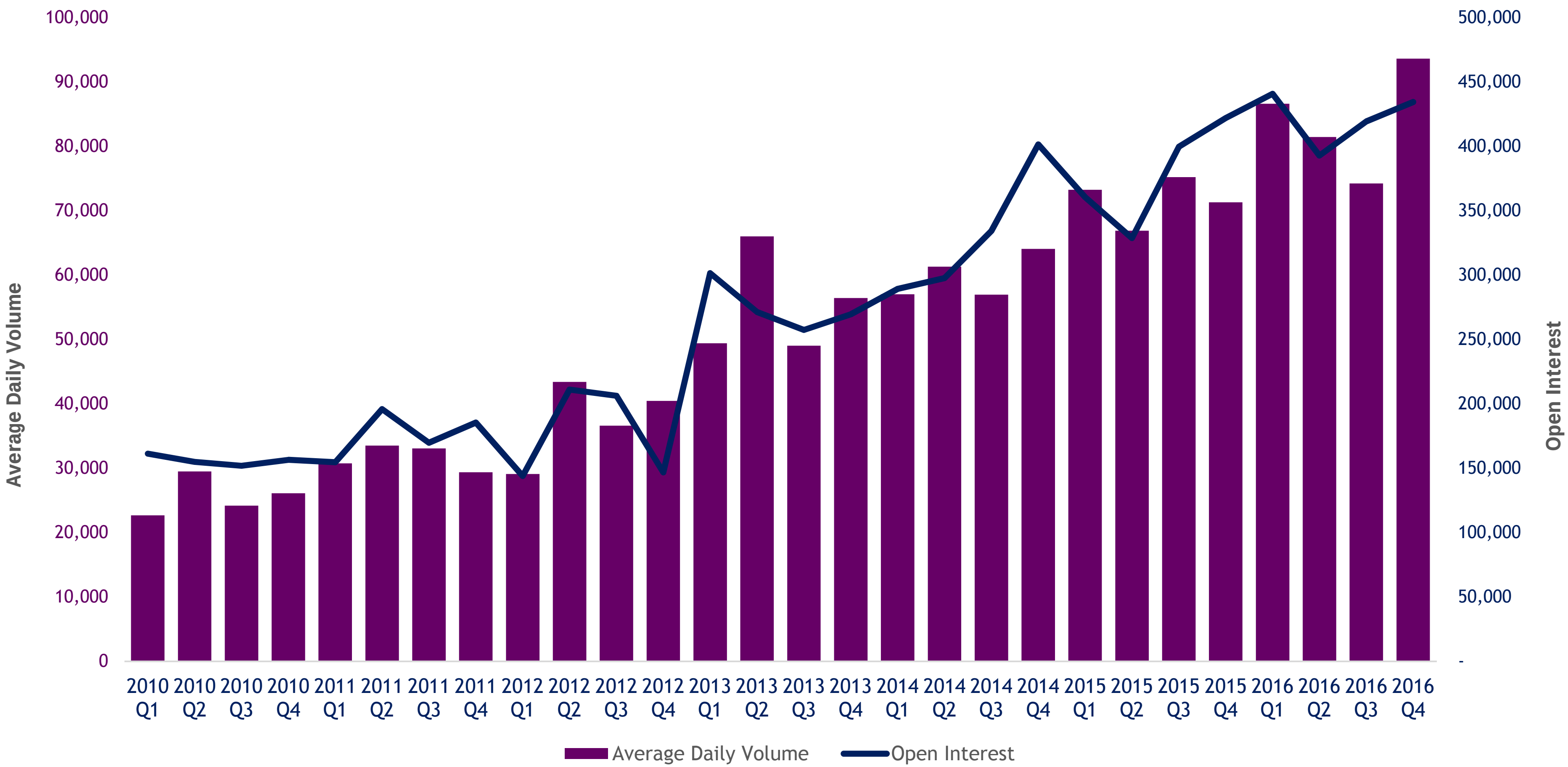
Ten-Year Government of Canada Bond Futures (CGB) Volume and Open Interest



- C$100,000 nominal value of a Government of Canada bond with a 6% notional coupon
- Physical delivery of eligible Government of Canada bonds
- Price increment: 0.01 = C$10 per contract

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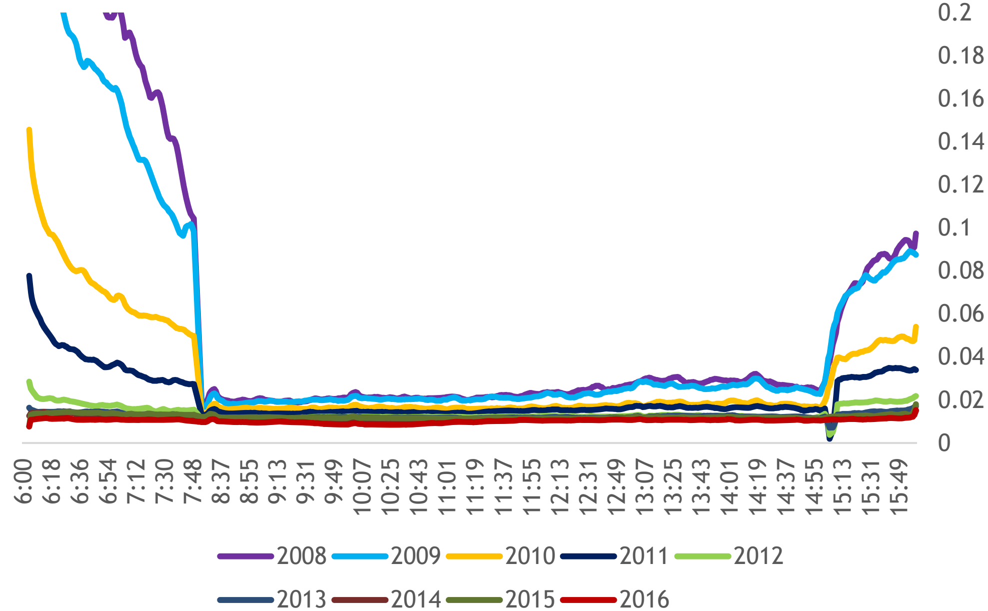
CGB Bid-Ask Spread Improvement

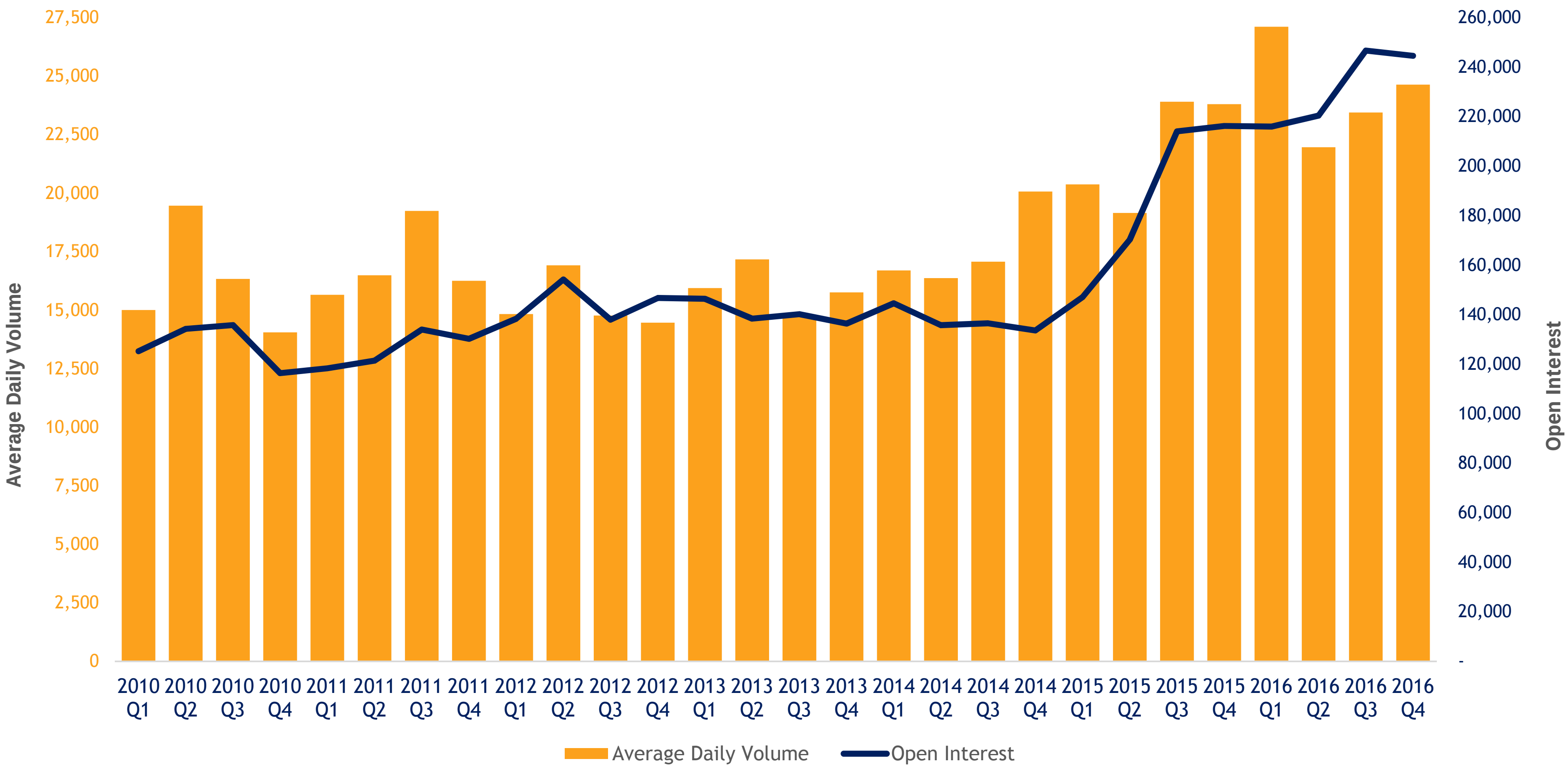
Note: 20-day moving average of daily average bid-ask spread (8:20-16:00)



Note: Five minute averages of the bid-ask spread

EQUITY INDEX FUTURES

S&P/TSX 60 Index Futures (SXF)
Volume and Open Interest



- Notional $Value of one SXF contract: C$200 multiplied by S&P/TSX 60 Index Standard Futures contract value
- Cash settlement
- Price Increment:
  - 0.10 index points for outright positions
  - 0.01 index points for calendar spreads

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OFF-EXCHANGE TRANSACTIONS

Block Trades and Crosses

BLOCK TRADES	ELIGIBLE PRODUCTS	MINIMUM VOLUME THRESHOLD
	ONX	1,000 contracts
	OIS	200 contracts
	BAX (Reds and Greens)	Reds: 1,000 contracts / Greens: 500 contracts
	OBX	2,000 contracts
	CGB	1,500 contracts
	CGZ/CGF/LGB	500 contracts
	Futures Contracts on S&P/TSX Indices *(Only block trades priced at a basis to the index close, BIC) **	100 contracts (execution of block trades priced at a BIC)
	PRESCRIBED TIME DELAY IS 15 MINUTES FOR ALL ELIGIBLE PRODUCTS	

Note: Block trades available for other products

* Futures contracts on S&P/TSX indices: No outright block trades

CROSSES	ELIGIBLE PRODUCTS	MINIMUM VOLUME THRESHOLD	PRESCRIBED TIME DELAY
	BAX/ONX/OIS	No Threshold	• 5 seconds (front month, BAX: 1st four quarterly months) • 15 seconds (remaining months & strategies)
	OBX/OGB	• ≥ 250 contracts • < 250 contracts	• 0 seconds (all expiry months & strategies) • 5 seconds (all expiry months & strategies)
	Government of Canada Bond Futures Contracts	No Threshold	• 5 seconds
	Futures Contracts on S&P/TSX Indices	• ≥ 100 contracts • < 100 contracts	• 0 seconds (all expiry months) • 5 seconds (all expiry months & strategies)

Note: Crosses available for other products

For more information, visit http://m-x.ca/publi_procedures_en.php.

Exchange for Physical, Exchange for Risk & SXF Riskless Basis

Exchange for Physical (EFP)

Transaction whereby two parties enter into an agreement in which one party purchases a cash market position and simultaneously sells a corresponding futures contract position and the other party sells the cash market position and simultaneously purchases the corresponding futures contract position.

Exchange for Risk (EFR)

Transaction whereby two parties enter into an agreement in which one party purchases an over-the-counter derivative instrument and simultaneously sells a corresponding futures contract and the other party sells the over-the-counter derivative instrument and simultaneously purchases the corresponding futures contract.

EFP and EFR transactions permitted on following instruments:	
• Interest rate futures contracts	• Futures contracts on S&P/TSX indices

SXF Riskless Basis

- Riskless basis cross transactions on listed futures contracts on S&P/TSX indices
- Purchase/sale of index futures contracts against cash instruments for an average cash market price plus a pre-negotiated basis

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