

MONTREAL EXCHANGE

2018 Highlights

Interest Rate Derivatives

CGB volume up 20% YoY

- Daily volume record: 922K (Nov 26)
- Open interest record: 997K (May 24)

OBX volume up 37% YoY

- Daily volume record: 54K (Dec 7)
- Open interest record: 365K (Dec 7)

Product	ADV	5Y CAGR
BAX	116K	5%
OBX	4.4K	13%
CGF	1.6K	8%
CGB	115K	16%

Market Commentary

BoC accelerated its rate hike policy in 2018 with three increases before the end of October, providing trading opportunities across the curve. See market expectations based on BAX prices at: m-x.ca/marc_terme_bax_rate_expectations_en.php.

Equity Derivatives

SXF volume up 24% YoY

- Open interest record: 457K (June 11)
- Monthly volume record: 1.1M (Dec)

Equity options volume up 27% YoY

- Monthly volume record: 3.1M (Dec)
- Open interest record: 4.3M (Dec 12)

ETF options volume up 27% YoY

- Monthly volume record: 2.2M (July)
- Open interest record: 3.2M (July 20)

Product	ADV	5Y CAGR
SXF	31K	14%
Equity Options	117K	7%
ETF Options	58K	38%

Market Commentary

Volatility in the stock market increased in 2018, the VIX Index was 50% higher in 2018 compared to 2017, on average. This, along with the legalization of cannabis in Canada, enabled strong growth in MX's equity derivatives market.

Key Milestones and Facts

MX had another record year!

- Overall average daily volume **up 17%**
- New monthly total volume record in October (**11M**)
- Quarterly volume record in Q4 (**494K ADV**)
- New annual volume record in 2018 (**112M**)
- 29 new records established

Extended Hours: IRD markets are now open as of 2 a.m. ET

The extension of MX trading hours on interest rate derivatives products successfully launched on October 9.

First 3 months (Oct-Dec) statistics (during the 2 a.m. to 6 a.m. period):

- **Over 550K** contracts traded
- **Average daily volume of 9,600** contracts
- **Over 40 participating firms**
- Robust market quality and liquidity conditions

Extended hours on SXF and other Index futures set to launch on February 25, 2019.

Launch of BTC functionality to trade Index and Share Futures

Already **307K** contracts traded through the basis trade on close functionality since June 8. Significant volume increase seen in Q4 with 37K contracts traded on SXF (**123% increase** from Q3) and 190K contracts traded on share futures (**275% increase** from Q3). More than **60 underlying** futures contracts are available. List available at:

m-x.ca/f_publications_en/btc_symbols_en.pdf.

Launch of 1/2 ticks in BAX Reds

Minimum price fluctuation of 0.005 was implemented in BAX second year of expiry contracts on March 16. Results: **BAX Reds ADV increased 15%** and their weight in total BAX volume is **up 5%** (vs previous 6M).

For more information:

INTEREST RATE DERIVATIVES

irderivatives@tmx.com

Large volume in cannabis options!

In 2018, **5M** contracts of cannabis options traded which represented a total of **17% of the equity options volume**.

New 5Y GoC Bond Futures (CGF) Market Making Program

On December 3, MX partnered with **RBC Capital Markets** and **TD Securities** to drive growth in the five-year point of the Canadian listed yield curve.

First month statistics (December 2018):

- Average daily volume of over **5,000 contracts**
- Open interest increased significantly (**17K**)
- Activity in the basis market has increased significantly with over **\$2B** of underlying notional traded.

Introduction of dynamic price limits functionality

DPL on equity and ETFs options was gradually launched in fall, allowing improved management and protection of orders during periods of short term market volatility.

Index Futures now close at 4:30 p.m. ET

Effective as of Sept. 24. Previous closing time was 4:15 p.m.

Did you know?

- Share futures are now available on more than 75 equity and ETF classes. Full list available at m-x.ca/nego_liste_cat_en.php.
- Bond Futures EFPs can be done on many underlying fixed income instruments. Refer to rule 6380 for details m-x.ca/f_regles_en/06_en.pdf.
- Position limits for futures and options on futures are updated monthly. Refer to circulars for updates m-x.ca/publi_circulaires_en.php.
- MX lists options and share futures on a fixed income ETF (XCB).

EQUITY DERIVATIVES

equityderivatives@tmx.com

m-x.ca

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