

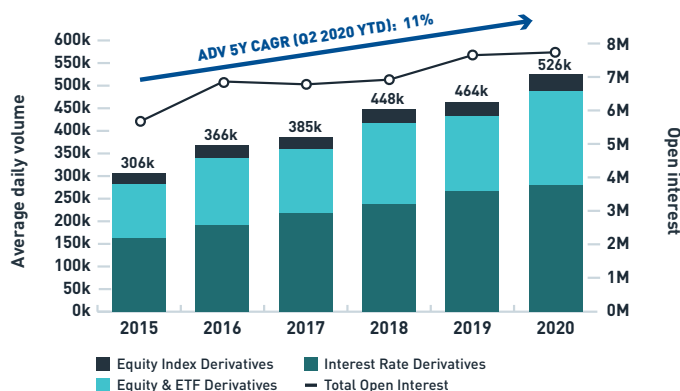
MONTRÉAL EXCHANGE

Q2 2020 Derivatives Highlights

Trading statistics show strong H1 performance for the Montréal Exchange

- **Total ADV of 526k** contracts for January-June period, **up 12% YoY**
- **Record total open interest of 9.5M contract** (June 15), **up 15% YoY**

Average Daily Volume and Open Interest (all products)



Comments

- **Interest Rate Market:** The Canadian yield curve remains extremely flat, especially at the short-end. Trading opportunities were mostly seen further down the curve as strong GoC bond futures volume persisted, driven by record basis transactions. Cash vs. bond futures trades (EFP & EFR) in H1 2020 increased by a whopping 37% YoY.
- **Equity Market:** The Canadian stock market rose in the 2nd quarter, being up 16%. The information technology sector (led by Shopify) recorded a gain of 49%. Volatility continued to stay high compared to historical averages in recent years.

Product Highlights

STIR futures and options updates

BAX Reds and Greens proportion of total volume increased to 32%

BAX Options (OBX) average daily volume: 5k, up 48% YoY

Launch of 3M CORRA Futures (June 12)

Strong results for GoC bond futures

5Y (CGF) average daily volume: 24k, up 91% YoY

CGF open interest: 59k, up 29% YoY

CGF 2nd best quarter for basis volume: 186k contracts

CGB quarterly record for basis volume: 500k contracts

5Y/10Y strategy volume: 94k contracts, up 113% vs Q2 2019

High market volatility drives index derivatives

SXF index futures average daily volume: 37k, up 21% YoY

SXK (banks index) open interest: 10k, up 581% YoY

Single share futures continue to rise

SSF ADV: 67k, RevCon (options) ADV: 5,4K, total ADV: 72k

SSF daily volume record: 469k (June 26)

SSF monthly volume record: 117k ADV (June)

SSF open interest record: 1.3M (June 12)

Basis trade on Close (BTC): 95% of SSF volume in Q2

Options market benefited from a volatile environment

ETF options: 40k ADV, up 18% vs Q2 2019

USD options (USX): 7.4k volume, up 573% vs Q2 2019

Segment	Product	YTD ADV	YoY CHG (%)
IRD	OBX	5k	48%
IRD	CGF	24k	91%
IRD	CGB	134k	3%
EQD	SXF	37k	21%
EQD	Share Futures	67k	344%
EQD	ETF Options	39k	13%

Key Milestones and Facts

Extended hours updates

The average daily volume on products available for trading between 2 a.m and 6 a.m (ET) remained strong despite a challenging market environment. Q2 statistics during the extended hours period:

- **All products: 11k ADV**, representing 5% of daily volume
- **CGF: 203 ADV, up 322%** vs Q2 2019
- **SXF: 1.5k ADV, up 141%** vs Q2 2019

CORRA futures

On June 12, MX introduced 3M CORRA futures, for which the underlying is the compounded daily CORRA over the Reference Quarter. Since launch, robust market conditions have been observed in the outright contracts and in CORRA Futures / BAX strategies.

June ADV	200 contracts
June Open Interest	2,447 contracts

Click [here](#) for more details about the product and the Canadian benchmark transition, and access educational webinars featuring the Bank of Canada, CIBC Capital Markets and AIMCo.

Comments requested!

In June, MX published some files for comments, including:

- Modification of the **tick size** on BAX Greens contracts
- Update of the **settlement price** procedure for index futures
- Implementation of **block transactions** for BAX Whites contracts

The end of the comment period varies depending on the file.

Visit the [Montréal Exchange's circular](#) web page for more details.

Average price services coming soon!

The MX is planning to introduce its Average Pricing System ("APS") on August 10, 2020. This exchange-hosted service will provide average price calculations for transactions and will allow Participants and/or Clearing Members to select a number of trades and group them together for average pricing across client accounts. Click [here](#) for more information on the APS functionality.

Register for options education events!

The MX offers multiple options education events, in the form of short webinar sessions, designed to provide retail investors with the knowledge needed to successfully navigate the options market. Topics covered include:

- Pricing models and greeks
- Options trading and volatility
- The dividend effect

Check out the upcoming events directly on the [Option Matters](#) blog!

CTD change for CGB and increase of the deliverable basket sizes

The June CGB roll enabled the yearly CGB cheapest-to-deliver ("CTD") bond change, which is now the 2.25% June 2029 for the September contract. Following the BoC actions to support financial markets, the deliverable amounts for the June CGF and CGB contracts increased to C\$34B and C\$46B respectively. These are projected to remain high for the upcoming expiries.

Did you know?

- MX often partners with key firms to host webinar sessions on key industry topics. Talk to your MX representatives to stay informed on upcoming events, or [register](#) to one of our distribution lists.
- SXK (Canadian banks index futures) has a multiplier of only C\$20, making it suitable for smaller investors and for multiple trading strategies. Find out more about MX's Sector Index futures [here](#).
- In July and August, MX and OptionsPlay are organizing [weekly sessions](#) to discuss the markets, economics and trade ideas for Canadian equity and options markets.

For more information

[m-x.ca](https://www.m-x.ca)

INTEREST RATE DERIVATIVES

irderivatives@tmx.com

EQUITY DERIVATIVES

equityderivatives@tmx.com

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