

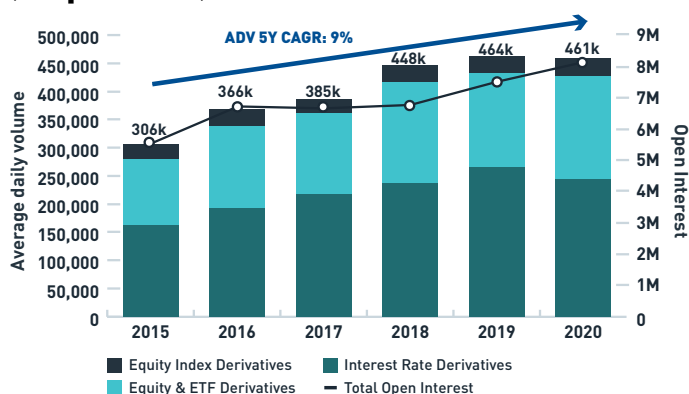
MONTREAL EXCHANGE

Q4 2020 Highlights

Strong Performance in a Volatile Market Environment

- **Total ADV of 460k contracts** for the year, in line with 2019.
- **Total Open Interest of 8.1M contracts** at year end, **up 8% YoY**.

Average Daily Volume and Open Interest (all products)



Segment	Product	ADV	YoY chg (%)
IRD	CGZ	4.6k*	N/A
	CGF	22k	32%
	CGB	128k	1%
	SXF	32k	4%
EQD	Share Futures	46k	164%
	ETF Options	37k	17%

*Since the launch of the CGZ market-making program on December 1.

Comments

- **Interest Rate Market:** The BoC stays the course towards a steady low target key overnight rate and will continue its quantitative easing program until the economic recovery is well underway.
- **Equity Market:** The Canadian stock market continued its up trend in Q4 (up 8%), ending the year in positive territory. Volatility continued to fluctuate, bringing more activity in the equity and ETF options markets.

Product Highlights

STIR Futures Updates

BAX Reds and Greens % of total volume increased to 44% in Q4

BAX open interest at quarter end: 1.1M, up 15% YoY

BAX EFR quarterly volume record: 265k contracts

CORRA futures (CRA) record monthly volume: 3.4k contracts (Nov)

Spotlight on 2Y (CGZ) and 5Y (CGF) GoC Bond Futures in Q4

CGZ average daily volume since launch: 4.6k contracts

Active basis market:

- CGZ EFP volume since launch: 49k contracts
- CGF EFP volume: 204k contracts (15% of CGF volume), up 27% YoY

Curve strategies actively quoted and traded:

- 5Y / 10Y strategy volume: 236k contracts, up 116% YoY
- 2Y / 5Y strategy volume: 7k contracts

Positive Year for Index Futures

SXF index futures average daily volume: 32k, up 4% YoY

SXK (banks index) yearly volume record: 59k contracts

Strong Year for Single Share Futures (SSF)

SSF ADV: 46,5k, RevCon (options) ADV: 2.5k, total ADV: 49k YTD

Basis Trade on close (BTC): 88% of SSF volume YTD

Options Market Continued to Perform Well in Challenging Market Conditions

ETF options: 37k contracts, up 17% YoY

USD options (USX) yearly volume: 25k contracts

Volume and Open Interest displayed in number of contracts

Key Milestones and Facts

Extended Hours Updates

The average daily volume of products available for trading between 2 a.m. and 6 a.m. (ET) continues to rise and now represents a significant portion of MX volume. YTD statistics during the extended hours period:

- All products: 15k ADV, up 28% YoY
- BAX: 5k ADV | CGB: 9k ADV | SXF: 1.5k ADV

Launch of ESG futures!

The [S&P/TSX 60 ESG Index* Futures \(SEG\)](#) was launched on December 14. This new contract enhances investors' ability to manage risk and gain exposure to ESG and sustainable investing in Canada. A market-making program is in place to support the development of ESG investing. Visit the [Sustainable investing at TMX landing page](#) to learn more about TMX's ESG offering and initiatives.

Launch of 2Y GoC Bond Futures (CGZ)

Since December 1, a new market-making program is in place to support the development of the CGZ contract (CVA Comdty). The CGZ features an underlying nominal of C\$100,000 and a tick value of 0.005 = C\$5 per contract. The launch enables more Canadian curve trade strategies, as listed below. Vendor codes for products and strategies can be found [here](#).

- 2Y / 5Y GoC bond futures spread (3:1 ratio)
- 2Y / 10Y GoC bond futures spread (6:1 ratio)
- 5Y / 10Y GoC bond futures spread (2:1 ratio)
- 2Y / 5Y / 10Y GoC bond futures butterfly (6:4:1 ratio)

Upcoming Launch of Canadian Dividend Index Futures* (SDV)

MX intends to launch a new S&P/TSX 60 Dividend Index Futures contract on February 2, 2021. This product will offer investors exposure to Canadian company dividends, facilitating multiple trading strategies. The product is available in the general test environment (GTE). Refer to the [Advisory Notice](#) for product specifications.

CORRA Futures (CRA) Update

Since the launch on June 12, robust market conditions have been observed in the outrights and in CRA / BAX strategies. Key YTD statistics:

- 13k+ contracts traded across seven different expiries
- 360+ transactions | open interest of 5.6k contracts at year end

Option Education Events!

MX offers multiple options education events designed to provide retail investors with the knowledge they need to successfully navigate the options market. Check for periodic updates on upcoming events on the [Option Matters](#) blog!

Publication for Comments

In Q4 2020, MX published several files for comments on amendments planned for Q1 2021:

- Amendments to [trade cancellation and/or price adjustment](#)
- Amendments to equity index and share futures [daily settlement procedures](#)

Visit the [Circulars](#) section of the MX website to stay informed!

Decommissioning of Old MX Diffusion Protocols

The HSVF D4 and OBF A1 (non-BTC) protocols will be decommissioned as of March 1, 2021. Market participants are strongly encouraged to upgrade to the new versions in order to ensure a smooth transition. More details can be [found here](#).

Inclusion of Margin Relief for SXF-SXM Futures Combinations

Since November 30, 2020, the Regulatory Division of the Bourse includes margin relief for S&P/TSX 60 Index* Standard Futures ("SXF") and Mini Futures ("SXM") combinations in the daily margin rates file published on its [website](#). See the [circular](#) for more information.

Did you know?

- On February 9, MX will host a Macro Strategy & Quantitative Investing webinar. Click [here](#) for more information and to register!
- USX (USD options) regained momentum in 2020, with an ADV of 100 contracts. See the USD [offering](#) and [quotes](#), and start integrating USX in your portfolio today!
- SXK (Canadian Banks Index futures) has a multiplier of only C\$20, making it suitable for smaller investors and for multiple trading strategies.

For more information

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