

MONTREAL EXCHANGE

Q4 2024
Highlights



Strong trading volume ended the year on a good note

TOTAL ADV of 865k CONTRACTS

In Q4 2024, up **16.7%** vs 2023

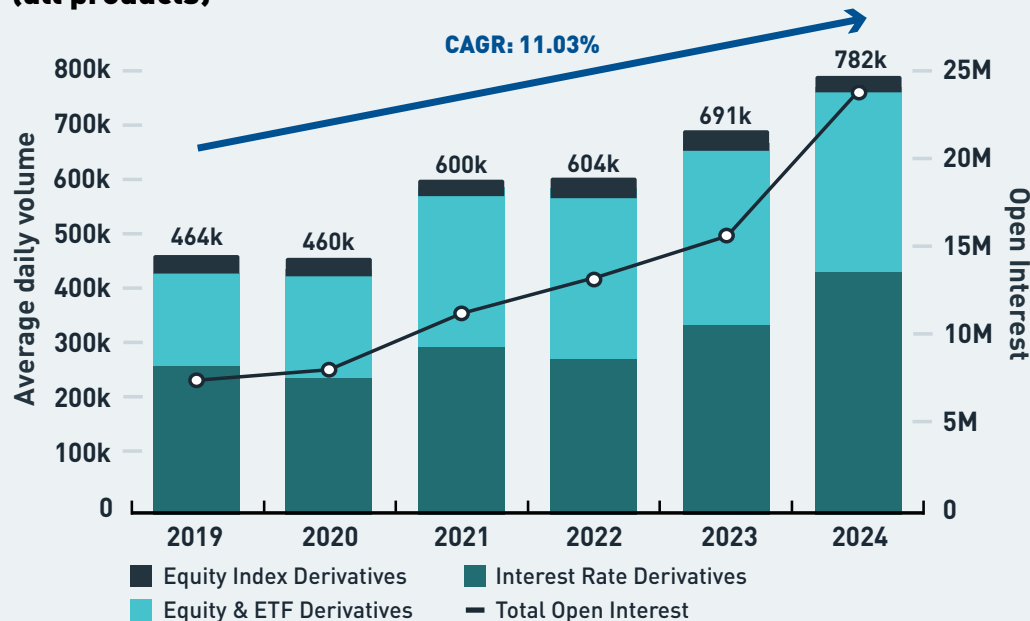
All-time high Total Open Interest of 23.6M contracts, up **52%** vs 2023

A record quarter for ETF Options

New volume milestones for Three-Month CORRA Futures (CRA™) and Bond Futures:

- Three-Month CORRA Futures (CRA): **158k** contracts ADV
- Two-Year Government of Canada Bond Futures (CGZ™): **74k** contracts ADV
- Five-Year Government of Canada Bond Futures (CGF™): **76k** contracts ADV

Average Daily Volume and Open Interest (all products)



Segment	Product	2024 YTD ADV	YoY CHG (%)
IRD	3M CORRA (CRA)	128k	+280%
	2Y CGZ	67k	+54%
	5Y CGF	67k	+38%
	10Y CGB™	165k	+18%
	All IRD Products	435k	+27%
EQD	Index Futures	26k	-21%
	Share Futures	70k	+4%
	ETF Options	103k	+41%
	All EQD Products	348k	-1%

Market Observations

- Interest rates:** The BoC cut rates twice in Q4 with 50bps reductions to address economic challenges and respond to lower inflation rates. The aftermath of US elections drove market action later in the quarter and Canadian bond yields resurged in December, punctuated by political challenges as we enter the new year. Volume-wise, this has been a record quarter for a number of interest rate derivatives, especially in the short end of the curve, where CRA, CGZ and CGF delivered active trading momentum.
- Equity:** With 2024 now behind us and looking back at our quarterly updates, it is obvious that the tone was set early in the year and kept its course. MX's flagship S&P/TSX 60 Index* Standard Futures (SXF™) suffered from the impact of the forward repricing with a contract that went from rolling cheap to now being somewhat expensive (YoY ADV -21%). On the other hand, ETF options volume performed well all year long and finished the year on a strong note once again on the back of structured notes issued by banks and distributed to their retail clients (ADV up 41% YoY). We expect this trend to continue for the near future as it is also happening in other jurisdictions, notably in the US. As we look forward and keep in mind the uncertainty surrounding the Canadian political picture, it is safe to say that a higher volatility regime in the equity market can not be written off and this could lead to an increased usage of derivatives products for hedging and leverage purposes.

Volume and Open Interest displayed in number of contracts.

Product Highlights

A quarter full of milestones for CORRA, following a successful 2024 benchmark transition

Record trading activity for CRA marked by an impressive daily high of +345,000 contracts traded on BoC day (Dec 11th).

CRA closed the year with nearly 1.3 million contracts in open interest and overall a peak ADV (158k contracts).

One-Month CORRA Futures (COA™): A liquidity program is in place providing tight on-screen liquidity across the four nearest contract months.

Options on Three-Month CORRA Futures (OCR™): Increased participation supported by a market-making program that offers participants an additional tool to hedge and trade Canadian rate exposure.

→ +30,000 contracts traded during the quarter both on-screen and via blocks. Participants leveraging the use of strategies, call/put spreads.

Please refer to our [CORRA microsite](#) for more details including product illustrations and complete specifications.

Bond Futures volume raising the bar

CGZ & CGF:

- Combined ADV of 149k contracts in Q4 2024, up 36% vs Q4 2023
- Combined Open Interest of 372k contracts, up 40% vs Q4 2023

CGB ADV at quarter end: 175k contracts (+14% YoY)

Dynamic basis market trading:

- CGZ EFP volume in Q4: 16k contracts ADV (23% of CGZ volume)
- CGF EFP volume in Q4: 11k contracts ADV (14% of CGF volume)
 - CGB EFR volume: record Q4 (1.5k contracts ADV)

Curve spread actively traded in Q3: 12k ADV for 5Y/10Y spread; 4k ADV for 2Y/5Y spread

- Active trading also observed in the in the 2Y/10Y, 2Y/5Y/10Y and 10Y/30 strategies

The Equity Derivative asset class with notable achievements

Options on ETF ADV up another 40% YoY on top of solid performance over the last three years. The trend is expected to remain strong in line with other jurisdictions including the US.

Launch of Riskless Transaction on Option (RTO) as well as the introduction of an after-4 PM crossing window for RTO transactions that respects a specific set of characteristics (Dec 2nd).

Institutional Content

[US Presidential Election Strategies](#)

[One-Month CORRA Futures: Timely Trade Opportunities](#)

[Summer: Season of Opportunities?](#)

[Awful April: Better Cross Currency Spread Opportunities?](#)

[Trading Mechanics: Price versus Yield Spread](#)

[CORRA in 2024: A Year for Forests \(Not Trees\)](#)

[A Closer Look at Swap / Invoice Spread Opportunities](#)

[The Emergence of Cryptocurrency Futures Trading in Canada](#)

[Using TMX Futures to Position for 2024 Central Bank Rate Cuts](#)

[Cross Currency Opportunities Created by Higher Rates Economic Pessimism Grips Canada Inflation Market](#)

[How to Use TMX Futures to Trade Different Macro and Crisis Scenarios](#)

[Liquidity of Interlisted Stocks in the Canadian Options Markets](#)

[“Free Money Trade”: Astute CGB Basis Traders Found a Free Option](#)

[Potential strategies: Long Canadian Government Bond Futures Contracts](#)

[CORRA Futures \(CRA\): Learn more](#)

Key Milestones and Facts

Overnight trading

- Global participants took advantage of the **overnight trading hours** (8 p.m. to 6 a.m. (ET)) to manage their Canadian exposure during non-local business hours. Since Q4 2021, MX has been open 20.5 hours a day. Visit m-x.ca/yourtime for more information.
- **Overnight Trading Hours** statistics:

Products	Q4 2024 ADV
All products	24.9k
CRA	5.4k
CGB	14.3k
CGF	1.8k
CGZ	2.0k
SXF	1.5k

The activity taking place during the overnight trading hours represents about 5% of MX daily volume on average for eligible products.

- Overnight activity benefited from peak trading during US elections' day with active Asian trading (23k CGB contracts), record-breaking CRA activity during European hours (33k contracts) and an expanding global participant base.

News from the Regulatory Division

• Updated List of Fines for Minor Violations

On October 11, 2024 the Regulatory Division published Circular [117-24](#) updating its List of fines for Minor Violations. The updated list became effective on October 15, 2024 and is published on the Division's [website](#).

• Designated Representative - Reminder relating to the Appointment and Qualifications

On November 14, 2024, the Regulatory Division published Circular [133-24](#) to remind Approved Participants of the requirements pertaining to the appointment of a Designated Representative, including the qualifications and responsibilities of the appointed individual and notifying the Division of changes. The Division also invited all Approved Participants to review existing appointments and ensure that the appropriate individual is appointed as Designated Representative.

• Reports of Accumulated Positions on Derivatives (LOPR) - Reminder Concerning LOPR Reportable Dates

On December 18, 2024 the Regulatory Division published Circular [150-24](#) to remind Approved Participants of their obligation to file daily reports of accumulated positions ("LOPR") in accordance with Article 6.500 of the Rules and to inform Approved Participants of the reportable dates based on the Bourse's 2025 Holiday schedule.

• Notice of Withdrawal - Amendments to the Rules of the Bourse Regarding Position Limits on Government of Canada Bond Listed Products

On December 20, 2024, the Regulatory Division published Circular [152-24](#) to withdraw the Request for Comments [148-23](#) with respect to proposed amendments to Article 6.309B.

Last MX Technical User Group Roadmap Webinar

The Technology Quarterly Roadmap for Q3 2024 was conducted on July 31, 2024, with over 160 people signed up and 140 live attendees. The turnout was the largest since inception. The main topics focused on the new Montréal Exchange Protocols with changes required for regulatory required client identifier, CDCC enhancements for GCM along with new Ops Import files, the MX FIA SIFMA Disaster Recovery schedule, and upcoming changes to the PAR report. The next webinar will be held on January 22, 2025, where users will be updated on the progress of the client identifiers project as well as other future endeavours.

Government of Canada Bond Futures Inter-Commodity spreads on Bloomberg and LSEG Data & Analytics

The following [codes and feeds](#) are available to execute GoC yield curve spread transactions, a beneficial functionality to trade at different points on the curve in a single transaction.

Curve Spread Product	Ratio of contracts	Bloomberg	LSEG Data & Analytics ¹	MX HSVF OBF Feeds ¹
5yr (CGF) vs 10 yr (CGB)	2 : 1	XQCN Comdty	CGF-CGBF20	2CGFF0-1CGBF0
2yr (CGZ) vs 5 yr (CGF)	3 : 1	CVXQ Comdty	CGZ-CGFF20	3CGZF0-1CGFF0
2yr (CGZ) vs 10 yr (CGB)	11 : 2	CVCN Comdty	CGZ-CGBF20	11CGZH0-2CGBH0
2 yr (CGZ) vs 30 yr (LGB)	20 : 1	CVLGB Comdty	CGZ-LGBF20	20CGZF0-1LGBF0
5 yr (CGF) vs 30 yr (LGB)	7 : 1	XQLGB Comdty	CGF-LGBF20	7CGFF0-1LGBF0
10 yr (CGB) vs 30 yr (LGB)	7 : 2	CNLGB Comdty	CGB-LGBF20	7CGBF0-2LGBF0

¹ F Character represents F for Front month Symbol and can either be H, M, U or Z. 20 (or 0) in the examples stands for 2020, but will be represented by the actual real expiry calendar year.

Key Exchange Notices

- Technical Notice 24-010: [The Montreal Exchange Launches a New Format of PAR Reports December 2nd 2024](#)
- Technical Notice 24-009: [Launch of the SFTP Solution for Client and Order Identifier](#)
- Advisory Notice A24-016: [The Montreal Exchange Launch of Special Trading Session \(RTO Trades\) December 2, 2024](#)
- Advisory Notice A24-017: [Holiday Network Freeze](#)
- Circular 129-24: [Self-certification: Amendments to the Rules of the Bourse de Montréal to define Riskless Transactions on Options](#)



Did you know?

- Investors can access the latest CORRA-related benchmark developments, including recent news and initiatives on MX's [CORRA microsite](#). A new strategy guide for Options on Three-Month CORRA Futures has also been published and is accessible [here](#).
- MX offers [listed options](#) on four Bitcoin ETFs and four Ether ETFs from different ETF providers, enabling investors to access diversification and growth potential of cryptocurrencies.
- Put/Call ratios are available daily under the Trading section of the [MX website](#).
- Real-Time bid/ask quotes are available on the MX website for Canadian options and futures contracts. [Sign up](#) for a free account and create a "My Quotes" portfolio to easily keep track of your options and future positions.

For more information

INTEREST RATE DERIVATIVES

irderivatives@tmx.com

EQUITY DERIVATIVES

equityderivatives@tmx.com



m-x.ca

 m-x.ca/linkedin

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