MONTRÉAL EXCHANGE

Redesigned 30-Year Canadian Bond Futures

October 1st, 2026, Montréal Exchange is launching a new market making program on 30-year Government of Canada bond futures (LGB).

First active contract LGBZ26

(December 2026 expiry)

Overview of the specification changes applicable to the December 2026 expiry and subsequent contract terms

- Realignment of the delivery period with that of other bond futures contracts.
- Change of notional coupon from 6% to 4%.
- Reduction of the delivery basket to a single bond.

Market Makers

- National Bank Financial
- Toronto-Dominion Securities

Benefits

- Increased number of liquid points on the Canadian listed yield curve
- Facilitate hedging for longer maturity instruments
- Enhance cross-market trade opportunities
- Enable more trading strategies alongside the 2Y/5Y/10Y GoC bond futures contracts

Liquidity development supported by strong underlying market

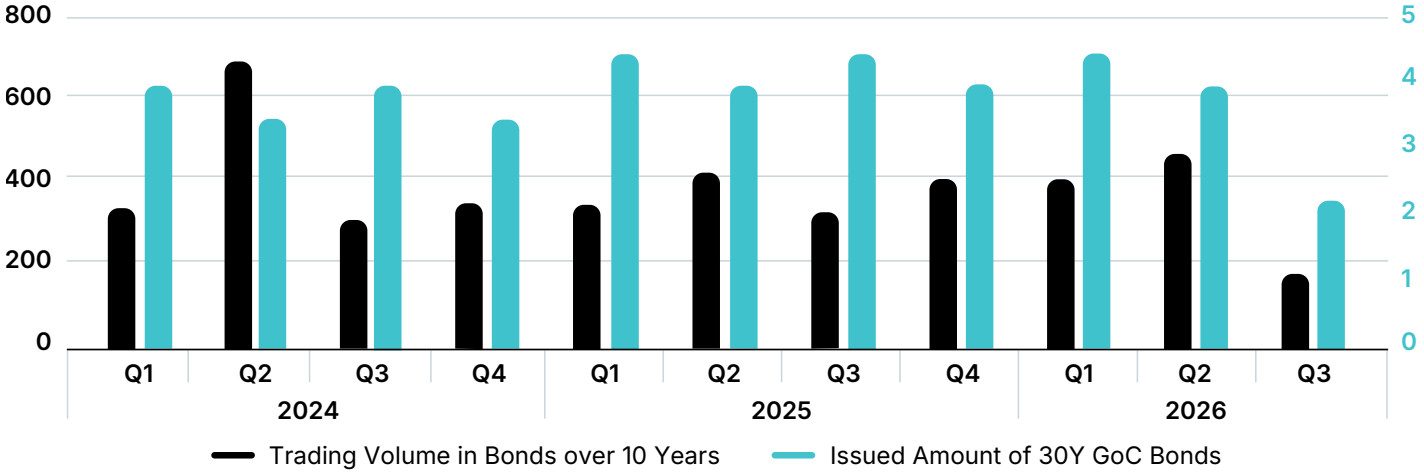
- Significant daily activity in underlying cash 10Y+ segment (ADV of C$4B)
- Record 30Y GoC bond issuances lead to more trading opportunities and risk management needs

Key Contract Specifications

Bloomberg Ticker	LGBA Comdty
Contract Size (underlying)	C$100,000 nominal value of a GoC bond
Notional Coupon	4%
Price Quotation	Per C$100 nominal value
Minimum Price Fluctuation	0.05 = C$50 per contract
CTD bond	Can 3.5% December 2057
Duration (of the CTD)*	18 years
DV01 ($ per contract)*	C$185
Remaining Term to Maturity of Deliverable Bonds	29-32 years
Minimum Outstanding Amount of Deliverable Bonds	C$12 billion
Contract Type	Physical delivery of eligible Government of Canada bonds - 30Y benchmark issues only

* Indicative level

GoC Bond Trading and Issuance (in C$B)



Source: IIROC and Bank of Canada statistics

Trading Strategies & Uses

Along with the flagship 2-year, 5-year and 10-year Government of Canada bond futures (CGZ, CGF and CGB), LGB is a cost-efficient and simple way to:

- Manage interest rate risk, duration and portfolio risk profiles
- Hedge GoC bond holdings
- Replicate synthetic bond positions (long or short)
- Trade yield spread between countries
- Canadian credit spread trades
- Basis and invoice spread strategies

Curve Trades

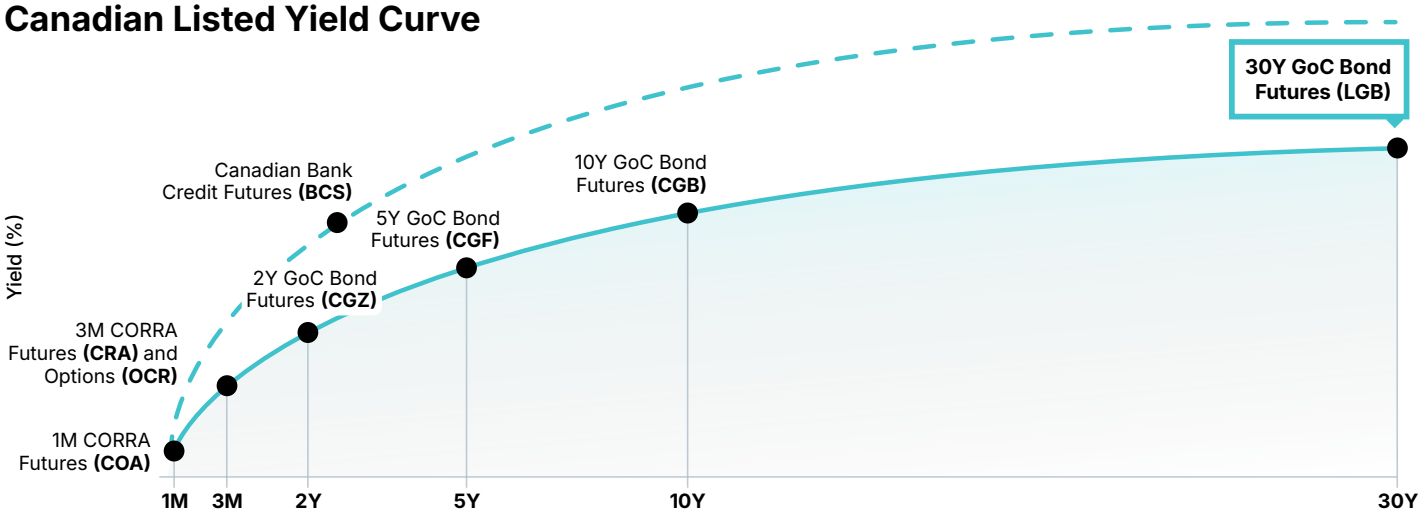
- Ability to trade curve spread strategies against CGZ, CGF or CGB in a single transaction via the Inter-Group Strategy (IGS) functionality
- Trade using a predefined ratio, reducing inherent execution risk
  - Ex: 10Y / 30Y GoC bond futures spread ratio: 2CGB-1LGB
  - Strategy pricing: (Listed leg1 ratio x Leg1 price) - (Listed leg2 ratio x Leg2 price)
- Implied pricing algorithm allows outright quotes to imply orders in the spread book, and quotes in the spread book to imply into the respective outright order books

Key available curve strategies

(Example shown for the December 2026 contracts)

- 2Y / 30Y GoC bond futures spread (10:1 ratio): 10CGZZ26-1LGBZ26
- 5Y / 30Y GoC bond futures spread (7:2 ratio): 7CGFZ26-2LGBZ26
- 10Y / 30Y GoC bond futures spread (2:1 ratio): 2CGBZ26-1LGBZ26
- 2Y / 5Y / 30Y GoC bond futures butterfly (10:-7:1 ratio): 10CGZZ26-7CGFZ26+1LGBZ26
- 2Y / 10Y / 30Y GoC bond futures butterfly (10:-4:1 ratio): 10CGZZ26-4CGBZ26+1LGBZ26
- 5Y / 10Y / 30Y GoC bond futures butterfly (7:-8:2 ratio): 7CGFZ26-8CGBZ26+2LGBZ26

Canadian Listed Yield Curve



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