

# August 2022

## Canada Market Structure Monthly



### MARKET MICROSTRUCTURE OBSERVATIONS

- In August 2022, the average daily volume for TSX listed securities was 625M shares, down 6% MoM but up 7% YoY. Despite deteriorating liquidity conditions MoM, spreads and volatility conditions improved away from June highs.
- In non-TSX listed securities, the average daily volume increased to 278M shares, reversing the recent downward trend. Despite an 11% increase MoM, this was still down 38% YoY. Liquidity, spread and volatility conditions all improved MoM.
- TSX Block volumes reversed their negative trend from the summer, while dark venue market share held onto its market share gains made in July.

### CANADA MARKET STRUCTURE NEWS

#### **MATCHNow Seeks to Modify Conditional Order Interaction Within Its Trading System**

On 18 August 2022, Cboe's MATCHNow (dark ATS) issued a request for comments relating to its notice of proposed changes affecting conditional orders within its trading system. In the event of regulatory approval, the following changes and their respective rollout dates may be implemented:

#### **1 November 2022**

- Large IOC orders can interact with orders resting in the MATCHNow conditional pool.
- Auto-firm-up feature would enable buy-side conditionals to automatically firm up when contras are present in the system.

#### **1 December 2022**

- Firmed-up conditional orders from buy-side clients could interact with all "firm" orders available in MATCHNow.
- Clean-up feature would allow the tail end of uncommitted conditional orders to opt-in and trade against contra orders in MATCHNow.

[https://www.osc.ca/sites/default/files/2022-08/triact\\_20220818\\_changes-to-matchnow-trading-system.pdf](https://www.osc.ca/sites/default/files/2022-08/triact_20220818_changes-to-matchnow-trading-system.pdf)

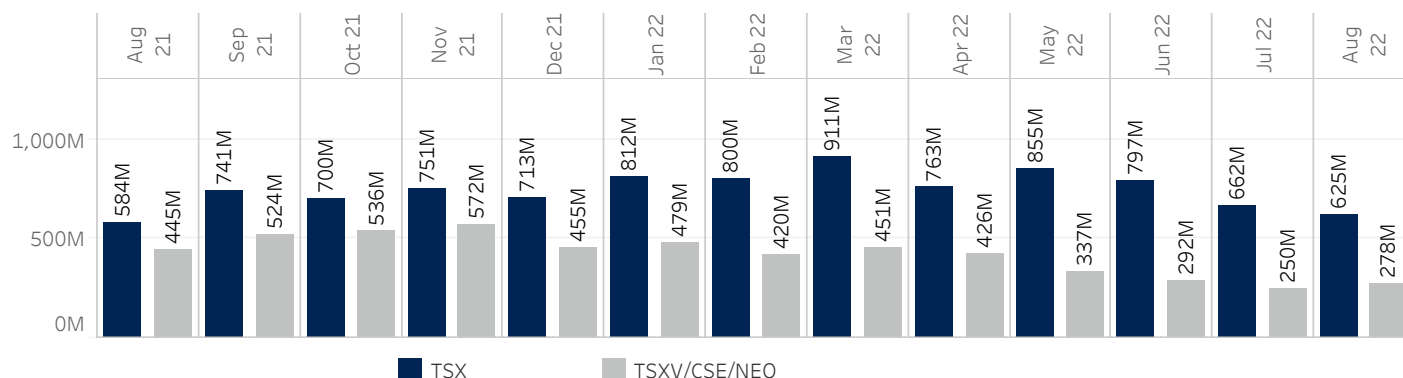
#### **New CSNX Trading Book Scheduled to Launch by the end of September 2022**

On 1 September 2022, CNSX Markets Inc. (CSE) received approval for the introduction of a new trading book, CSE2. It is intended that CSE2 will address the significant growth in online retail activity and the resulting pressure to reduce commission rates. The additional book will not have broker preferencing and will offer an inverted trading fee model which will rebate the active side and of the trade and assess a fee to the passive side of the trade. CSE2 is scheduled to launch on 30 September 2022. To learn more about the differences in functionality between the two CSE books, please consult the link below:

<https://thecse.com/en/about/publications/notices/notice-2022-002-amendments-to-trading-system-functionality-features>

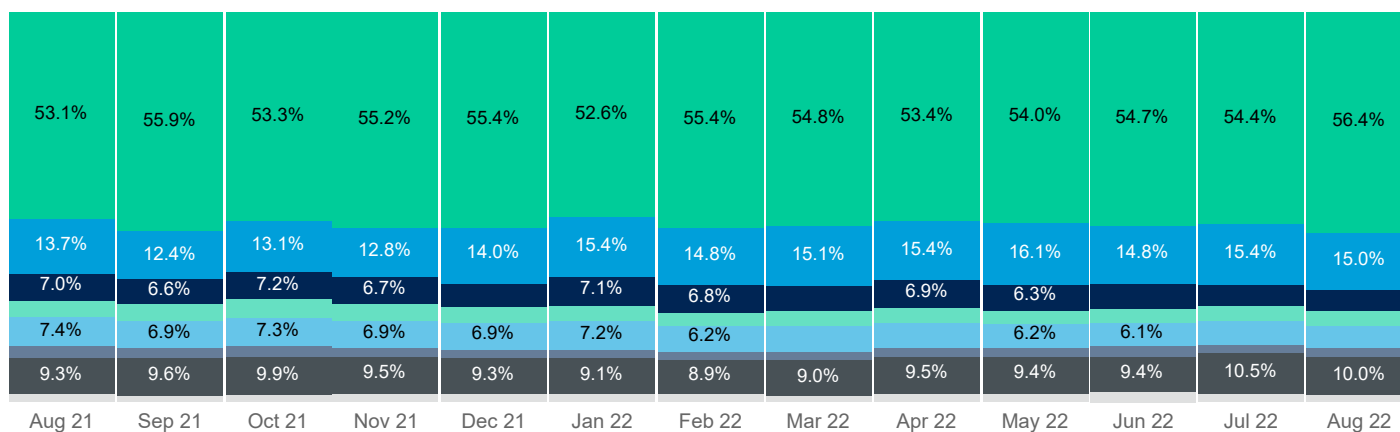


## Average Daily Market Volume By Listing Exchange (Shares)

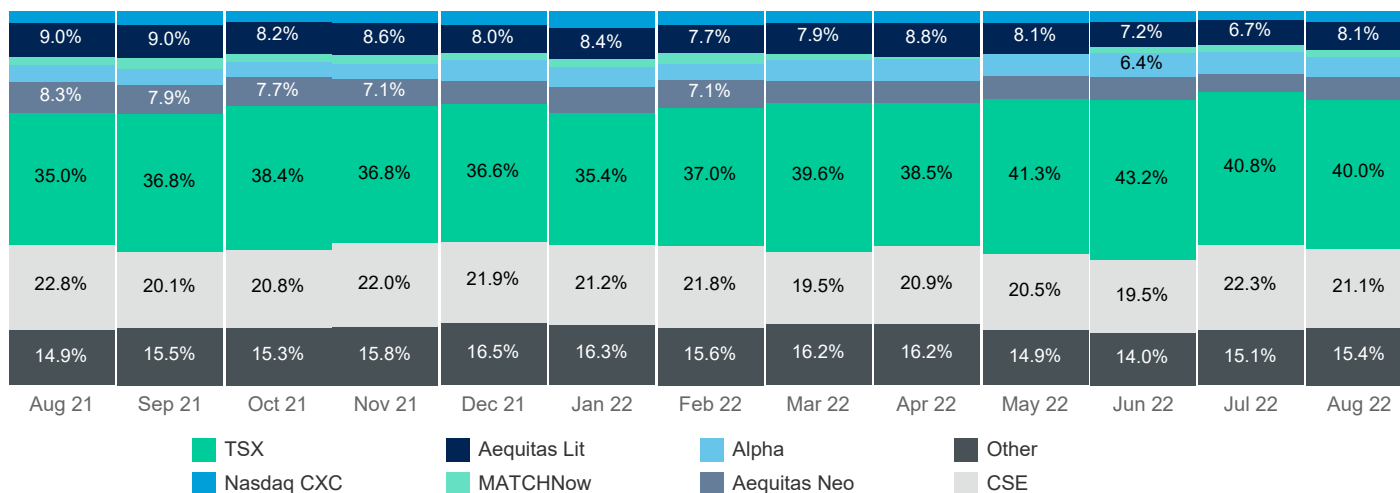


Source data: Virtu Financial

## Venue Market Share (TSX-Listed)



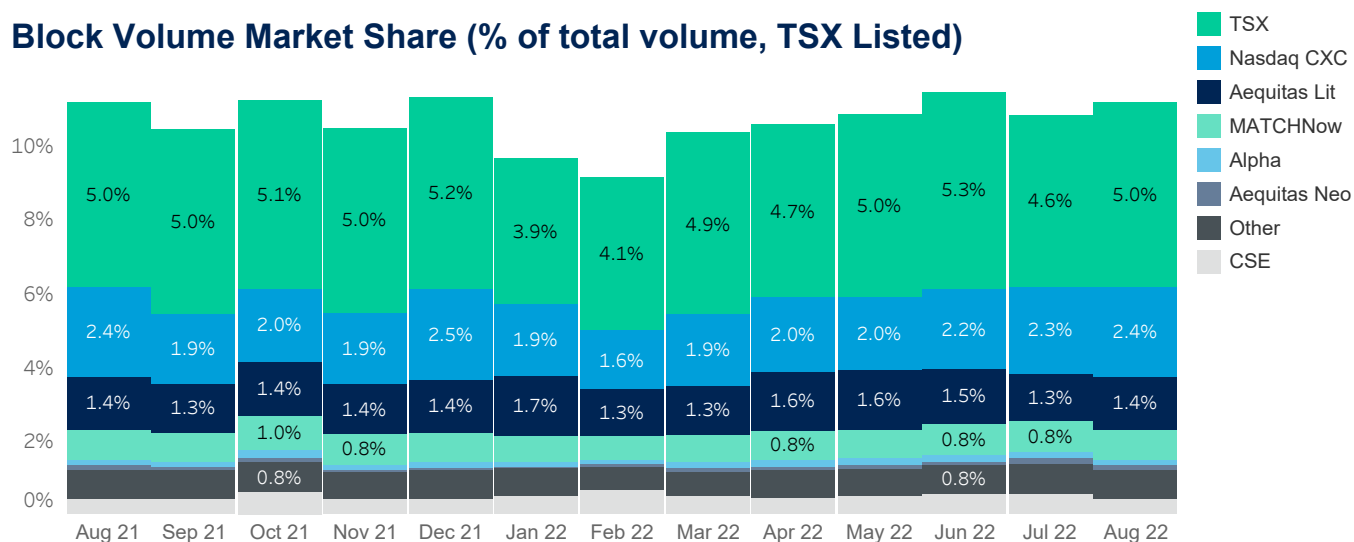
## Venue Market Share (Non-TSX-Listed)



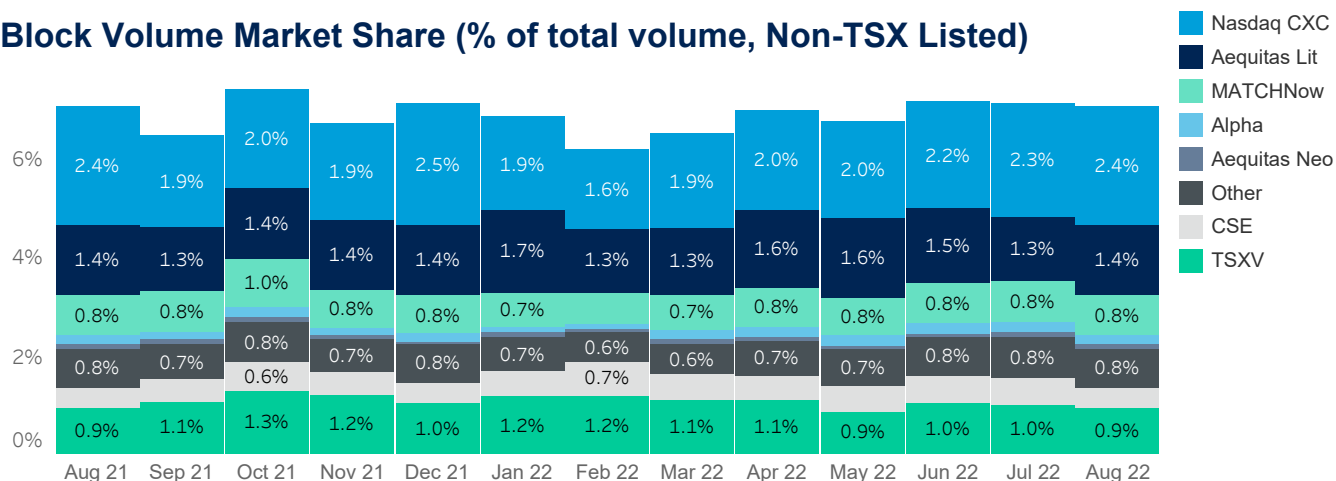
Source data: Virtu Financial



## Block Volume Market Share (% of total volume, TSX Listed)

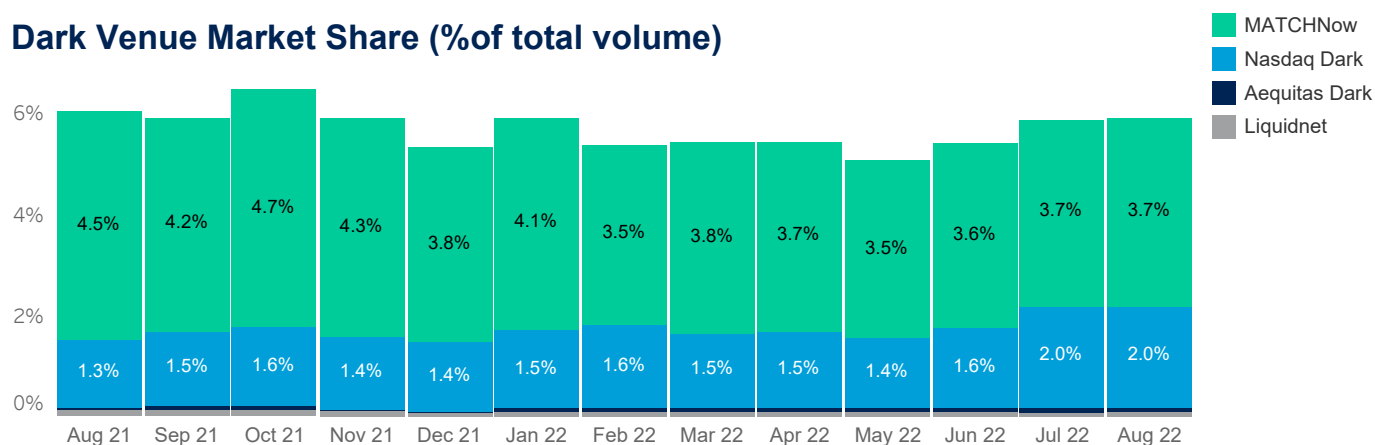


## Block Volume Market Share (% of total volume, Non-TSX Listed)



Blocks defined as >5100 shares and > \$30,000 CAD or >=\$100K CAD; Source data: Virtu Financial

## Dark Venue Market Share (% of total volume)



TSX listed securities only; Source data: Virtu Financial



## Quotesize in Shares

|              |                   | 3Q 21  |        | 4Q 21  |        |        | 1Q 22  |        |        | 2Q 22  |        |        | 3Q 22  |        |
|--------------|-------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
|              |                   | Aug 21 | Sep 21 | Oct 21 | Nov 21 | Dec 21 | Jan 22 | Feb 22 | Mar 22 | Apr 22 | May 22 | Jun 22 | Jul 22 | Aug 22 |
| First 30 Min | S&P/TSX 60        | 862    | 912    | 887    | 836    | 866    | 818    | 759    | 800    | 807    | 786    | 881    | 915    | 823    |
|              | S&P/TSX Composite | 1,011  | 1,054  | 1,085  | 994    | 1,049  | 970    | 884    | 945    | 993    | 958    | 1,068  | 1,101  | 965    |
|              | Non-TSX-Listed    | 5,729  | 6,073  | 6,360  | 6,702  | 5,071  | 5,189  | 5,000  | 6,079  | 5,540  | 5,120  | 4,698  | 4,334  | 4,388  |
| Mid Day      | S&P/TSX 60        | 1,050  | 1,093  | 1,094  | 1,020  | 1,005  | 968    | 921    | 952    | 915    | 914    | 1,026  | 1,093  | 1,006  |
|              | S&P/TSX Composite | 1,242  | 1,273  | 1,316  | 1,216  | 1,222  | 1,165  | 1,092  | 1,130  | 1,135  | 1,145  | 1,248  | 1,310  | 1,190  |
|              | Non-TSX-Listed    | 4,600  | 4,900  | 5,292  | 5,000  | 4,165  | 4,050  | 4,265  | 5,300  | 5,170  | 4,828  | 4,748  | 4,459  | 4,771  |
| Last 30 Min  | S&P/TSX 60        | 1,253  | 1,299  | 1,274  | 1,217  | 1,127  | 1,068  | 1,009  | 1,036  | 974    | 985    | 1,125  | 1,237  | 1,240  |
|              | S&P/TSX Composite | 1,468  | 1,487  | 1,520  | 1,450  | 1,417  | 1,343  | 1,259  | 1,313  | 1,261  | 1,244  | 1,372  | 1,413  | 1,407  |
|              | Non-TSX-Listed    | 5,600  | 5,904  | 6,383  | 5,900  | 5,000  | 4,774  | 4,625  | 5,606  | 5,300  | 5,103  | 4,752  | 4,428  | 4,486  |

## Spread Bps

|              |                   |       |       |       |       |       |       |       |       |       |       |       |       |       |
|--------------|-------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| First 30 Min | S&P/TSX 60        | 4.8   | 4.9   | 4.9   | 5.4   | 5.4   | 5.6   | 5.6   | 5.9   | 5.8   | 6.4   | 6.0   | 6.5   | 6.0   |
|              | S&P/TSX Composite | 11.2  | 10.9  | 10.6  | 10.8  | 11.4  | 11.3  | 11.5  | 11.9  | 12.0  | 14.0  | 13.2  | 14.4  | 13.6  |
|              | Non-TSX-Listed    | 164.9 | 170.1 | 170.5 | 163.9 | 175.4 | 172.4 | 163.1 | 175.4 | 170.5 | 204.9 | 215.7 | 229.8 | 201.2 |
| Mid Day      | S&P/TSX 60        | 3.2   | 3.2   | 3.3   | 3.4   | 3.4   | 3.5   | 3.4   | 3.6   | 3.5   | 4.0   | 3.8   | 4.0   | 3.8   |
|              | S&P/TSX Composite | 6.8   | 6.8   | 7.0   | 7.2   | 7.5   | 7.7   | 7.5   | 7.5   | 7.4   | 8.8   | 8.2   | 8.5   | 8.0   |
|              | Non-TSX-Listed    | 125.0 | 128.2 | 128.6 | 123.2 | 122.0 | 124.2 | 122.2 | 132.7 | 129.0 | 145.0 | 152.7 | 163.9 | 143.0 |
| Last 30 Min  | S&P/TSX 60        | 2.5   | 2.5   | 2.5   | 2.7   | 2.9   | 2.8   | 2.8   | 2.7   | 2.7   | 3.0   | 3.0   | 3.0   | 2.9   |
|              | S&P/TSX Composite | 5.9   | 5.8   | 6.0   | 6.2   | 6.5   | 6.6   | 6.7   | 6.4   | 6.4   | 7.4   | 7.2   | 7.4   | 7.0   |
|              | Non-TSX-Listed    | 124.3 | 129.9 | 126.8 | 123.5 | 125.7 | 125.5 | 125.5 | 133.3 | 129.0 | 147.1 | 144.9 | 155.4 | 140.9 |

## One Minute Volatility Bps

|              |                   |      |      |      |      |      |      |      |      |      |      |      |      |      |
|--------------|-------------------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| First 30 Min | S&P/TSX 60        | 11.0 | 11.9 | 11.7 | 11.6 | 13.3 | 13.9 | 13.8 | 15.4 | 14.3 | 17.0 | 15.3 | 15.8 | 13.7 |
|              | S&P/TSX Composite | 15.1 | 15.6 | 15.1 | 15.1 | 17.5 | 17.8 | 17.9 | 19.0 | 17.6 | 21.0 | 19.9 | 22.0 | 18.1 |
|              | Non-TSX-Listed    | 18.0 | 19.6 | 17.5 | 19.9 | 24.0 | 24.1 | 22.7 | 18.6 | 21.3 | 36.5 | 33.1 | 30.9 | 20.9 |
| Mid Day      | S&P/TSX 60        | 3.3  | 3.7  | 3.4  | 3.5  | 4.4  | 5.2  | 4.9  | 5.3  | 5.0  | 7.3  | 5.8  | 5.3  | 4.6  |
|              | S&P/TSX Composite | 3.4  | 3.8  | 3.6  | 3.9  | 4.7  | 5.7  | 5.5  | 6.0  | 5.6  | 8.2  | 6.8  | 6.0  | 5.0  |
|              | Non-TSX-Listed    | 5.7  | 6.3  | 5.8  | 5.8  | 7.1  | 9.2  | 7.1  | 6.3  | 7.2  | 12.5 | 9.7  | 8.0  | 6.2  |
| Last 30 Min  | S&P/TSX 60        | 3.1  | 3.5  | 3.3  | 3.4  | 4.5  | 5.2  | 5.4  | 5.2  | 4.9  | 7.5  | 5.8  | 5.1  | 4.3  |
|              | S&P/TSX Composite | 2.9  | 3.4  | 3.2  | 3.4  | 4.5  | 5.1  | 5.3  | 5.2  | 5.0  | 7.3  | 5.7  | 4.8  | 3.9  |
|              | Non-TSX-Listed    | 5.2  | 6.8  | 4.9  | 4.9  | 6.7  | 8.6  | 6.2  | 5.6  | 6.6  | 11.3 | 7.7  | 6.4  | 5.4  |

## Percent MDV by Time of Day

|              |                   |       |       |       |       |       |       |       |       |       |       |       |       |       |
|--------------|-------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Open         | S&P/TSX 60        | 0.6%  | 0.6%  | 0.6%  | 0.6%  | 0.6%  | 0.6%  | 0.6%  | 0.6%  | 0.6%  | 0.6%  | 0.7%  | 0.5%  | 0.6%  |
|              | S&P/TSX Composite | 0.5%  | 0.5%  | 0.6%  | 0.6%  | 0.5%  | 0.5%  | 0.6%  | 0.6%  | 0.5%  | 0.5%  | 0.5%  | 0.5%  | 0.5%  |
|              | Non-TSX-Listed    | 0.0%  | 0.0%  | 0.0%  | 0.0%  | 0.0%  | 0.0%  | 0.0%  | 0.0%  | 0.0%  | 0.0%  | 0.0%  | 0.0%  | 0.0%  |
| First 30 Min | S&P/TSX 60        | 13.2% | 14.5% | 14.1% | 14.3% | 13.5% | 12.8% | 13.4% | 13.4% | 12.6% | 12.6% | 12.4% | 12.9% | 13.1% |
|              | S&P/TSX Composite | 13.8% | 14.1% | 14.1% | 14.3% | 13.3% | 12.4% | 13.4% | 13.8% | 12.8% | 12.6% | 12.8% | 13.7% | 13.5% |
|              | Non-TSX-Listed    | 17.9% | 18.4% | 18.8% | 19.4% | 17.3% | 17.4% | 17.5% | 17.1% | 18.0% | 18.7% | 18.9% | 19.8% | 20.2% |
| Last 30 Min  | S&P/TSX 60        | 29.8% | 31.8% | 29.7% | 31.5% | 34.2% | 33.5% | 35.1% | 34.8% | 39.2% | 36.9% | 41.4% | 36.1% | 36.6% |
|              | S&P/TSX Composite | 22.7% | 22.9% | 22.0% | 23.5% | 25.1% | 23.0% | 25.9% | 25.2% | 25.3% | 26.5% | 24.6% | 26.4% | 25.8% |
|              | Non-TSX-Listed    | 8.7%  | 8.7%  | 8.1%  | 8.3%  | 8.0%  | 8.4%  | 8.9%  | 8.2%  | 7.6%  | 7.2%  | 7.2%  | 6.7%  | 6.7%  |
| Close        | S&P/TSX 60        | 6.4%  | 6.6%  | 7.3%  | 6.4%  | 6.9%  | 6.7%  | 7.8%  | 6.9%  | 7.8%  | 6.7%  | 7.4%  | 7.4%  | 7.4%  |
|              | S&P/TSX Composite | 3.2%  | 3.3%  | 3.7%  | 3.7%  | 3.6%  | 3.6%  | 4.0%  | 3.8%  | 4.3%  | 4.0%  | 4.5%  | 4.5%  | 4.6%  |
|              | Non-TSX-Listed    | 0.0%  | 0.0%  | 0.0%  | 0.0%  | 0.0%  | 0.0%  | 0.0%  | 0.0%  | 0.0%  | 0.0%  | 0.0%  | 0.0%  | 0.0%  |

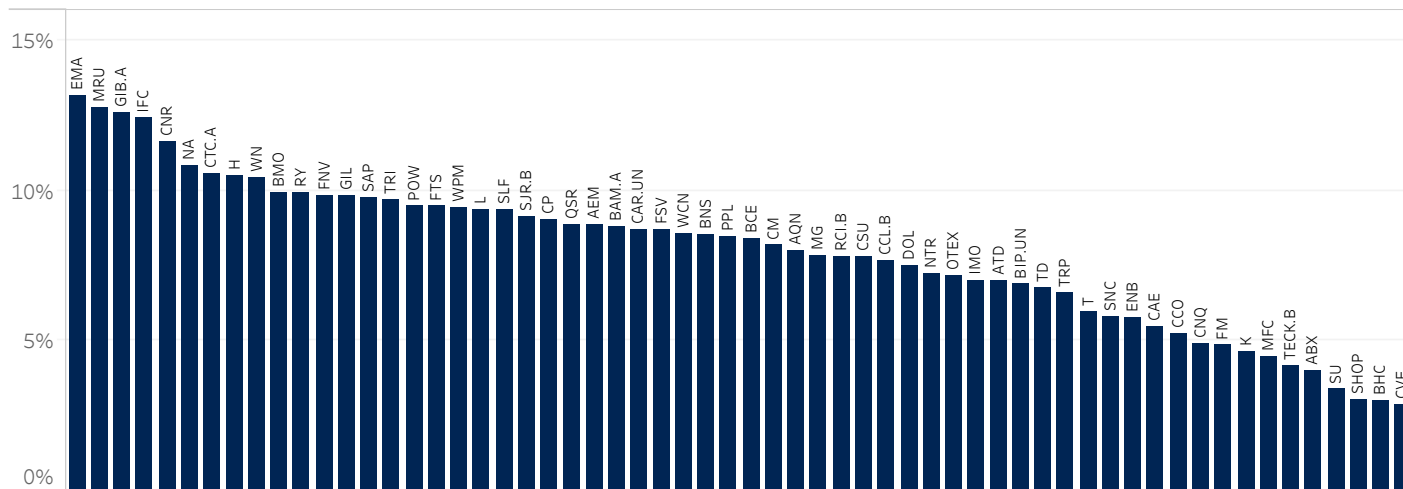
Median used for all metrics

One minute volatility is calculated using the difference between the high and low price within a one minute time bin, divided by that bin's VWAP

Source data: Virtu Financial



## August 2022 Median MOC % of Daily Volume - S&P/TSX 60



Source data: Virtu Financial



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