DATE - 04-30-2020

Advisory Notice A20-004

Listing of Three-Month CORRA Futures (CRA)

Bourse de Montréal Inc. (the “Bourse”) wishes to inform market participants that it will list its new Three-Month CORRA Futures on Friday **June 12, 2020**, subject to the completion of the self-certification process as established under the Derivatives Act (CQLR, Chapter I-14.01) and, when applicable, to obtaining final regulatory approvals. This launch date coincides with the Bank of Canada becoming the administrator of the CORRA benchmark under an improved methodology in mid-June.

In preparation for launch, the Bourse invites market participants and key stakeholders to test their systems. The new contract specifications can be found below[1].

The Bourse will initially list 12 quarterly contracts as well as intra-group strategies (spreads, butterflies, strips, etc.) and inter-group strategies with BAX contracts. See below for more details.

The contracts will be added to the High Speed Vendor Feed (HSVF) and Order Book Feed (OBF) using the current messaging protocols three business days before the target launch date to allow vendors to refresh their dictionaries and data repositories. All Information on the new contracts will be made available at www.m-x.ca on the first trading day.

For more information, please visit the Bourse’s CORRA Futures web page.

[1] Note that due to the current market environment and for industry readiness considerations, the minimum price fluctuation for the nearest quarterly contract will be changed from the initial proposition published on the Bourse’s website (from 0.0025 Index points = C$6.25 to 0.005 Index points = C$12.50), until further notice. Therefore, all contracts will have the same tick size on the product launch date.

GENERAL TEST ENVIRONMENT (GTE)

The Three-Month CORRA Futures is currently available for testing in the GTE environment under the symbol **CRA**.

For additional information on this notice, or if you require technical assistance, please contact the Technical Help Desk.

Technical Support Desk
Toll-free : 1-877-588-8489
Local : 514-871-7872
Email : marketops@tmx.com

C|R|A Three-Month CORRA Futures

SPECIFICATIONS	
Underlying	Compounded daily Canadian Overnight Repo Rate Average ("CORRA") during the Reference Quarter.
Trading Unit	Compounded daily Canadian Overnight Repo Rate Average (CORRA) during the Reference Quarter, such that each basis point per annum of interest = $25 per contract. The contract size is C$2500 x Index.
Reference Quarter	Based on International Monetary Market ("IMM") dates. For a given contract, interval from (and including) the 3rd Wednesday of the Contract Reference Month, to (and not including) the 3rd Wednesday of the Delivery Month. The Contract Reference Month is different from the Delivery Month. Contract Reference Month: For each contract, the Contract Reference Month is the month in which the Reference Quarter begins. Delivery Month: For each contract, the Delivery Month is the month in which the Reference Quarter ends. Example for a June contract: The Reference Quarter starts on IMM Wednesday of June, the Contract Reference Month, and ends with

	Termination of Trading on the first business day before IMM Wednesday of September, the contract Delivery Month.
Expiry Cycle	Nearest twelve (12) quarterly contract months.
Price Quotation	Index: 100 – R. R = the compounded daily CORRA for the Reference Quarter.
Minimum Price Fluctuation	0.005 = C\$12.50 for all quarterly contracts*. *Note that the minimum price fluctuation for the nearest quarterly contract will be 0.005 = C\$12.50 until further notice. The Bourse expects to change this minimum price fluctuation to 0.0025 = C\$6.25 in the coming months.
Contract Type	Cash-settled.
Last Trading Day	First business day preceding the 3rd Wednesday of the Delivery Month.
Final Settlement Price	The final settlement price shall be 100 minus the compounded daily CORRA rate over the Reference Quarter. It is calculated in accordance with the following formula: $$R = \left[\prod_{i=1}^{d_o}\left(1+\frac{CORRA_i \times n_i}{365}\right)-1\right]\times\frac{365}{d}\times 100$$ Where: "d_o", the number of Business Days in the Reference Quarter; "i" is a series of whole numbers from one to d_o, each representing the relevant Business Day in chronological order from, and including, the first Business Day in the relevant Reference Quarter; $CORRA_i$ = Canadian Overnight Repo Rate Average ("CORRA") value calculated and representative of the i^{th} day of the Reference Quarter; "n_i" is the number of calendar days in the relevant Reference Quarter on which the rate is $CORRA_i$; "d" is the number of calendar days in the relevant Reference Quarter.
Position Reporting Threshold	300 contracts
Position Limit	Information on position limits can be obtained from the Bourse as they are subject to periodic changes. See Circulars.

Minimum Margin Requirements	Information on minimum margin requirements can be obtained from the Bourse as they are subject to periodic changes. See the Futures contracts margin rates page on the Regulatory Division website.
Trading Hours	Regular session: 2:00** a.m.to 4:30 p.m. ET. *Note: During early closing days, the regular session closes at 1:30 p.m.* *** ± 15 seconds*
Clearing Corporation	The Canadian Derivatives Clearing Corporation (CDCC)
Ticker Symbol	CRA

The following Three-Month CORRA Futures contracts will be listed at the open of trading on June 12, 2020.

External Symbol	Contract Reference Month (Reference Quarter Start date)	Delivery Month (Reference Quarter End Date)
CRAM20	June 2020 (06/17/2020)	September 2020 (09/15/2020)
CRAU20	September 2020 (09/16/2020)	December 2020 (12/15/2020)
CRAZ20	December 2020 (12/16/2020)	March 2021 (03/16/2021)
CRAH21	March 2021 (03/17/2021)	June 2021 (06/15/2021)
CRAM21	June 2021 (06/16/2021)	September 2021 (09/14/2021)
CRAU21	September 2021 (09/15/2021)	December 2021 (12/14/2021)
CRAZ21	December 2021 (12/15/2021)	March 2022 (03/15/2022)
CRAH22	March 2022 (03/16/2022)	June 2022 (06/14/2022)
CRAM22	June 2022	September 2022

	(06/15/2022)	(09/20/2022)
CRAU22	September 2022 (09/21/2022)	December 2022 (12/20/2022)
CRAZ22	December 2022 (12/21/2022)	March 2023 (03/14/2023)
CRAH23	March 2023 (03/15/2023)	June 2023 (06/20/2023)

Three-Month CORRA Futures strategies will be available as of the open of trading on June 12, 2020. See below examples of strategies that will be listed.

External Symbol	Strategy Component	Strategy Expiry Month (Expiry Date)
CRAM20CRAU20 (spread)	Buy 1 CRAM20, Sell 1 CRAU20	September 2020 (09/16/2020)
CRAU20CRAZ20 (spread)	Buy 1 (CRAU20), Sell 1 (CRAZ20)	December 2020 (12/16/2020)
CRAZ20CRAH21 (spread)	Buy 1 (CRAZ20), Sell 1 (CRAH21)	March 2021 (03/17/2021)
CRAH21CRAM21 (spread)	Buy 1 (CRAH21), Sell 1 (CRAM21)	June 2021 (06/16/2021)
CRAM20CRAM21 (spread)	Buy 1 (CRAM20), Sell 1 (CRAM21)	September 2020 (09/16/2020)
CRA+U0-2Z0+H1 (butterfly)	Buy 1 (CRAU20), Sell 2 (CRAZ20), Buy 1 (CRAH21)	December 2020 (12/16/2020)
CRA+U0-2H1+U1 (butterfly)	Buy 1 (CRAU20), Sell 2 (CRAH21), Buy 1 (CRAU21)	December 2020 (12/16/2020)
CRAU2004 (1 Year Strip)	Buy 1 (CRAU20), Buy 1 (CRAZ20), Buy 1 (CRAH21, Buy 1 (CRAM21)	December 2020 (12/16/2020)

Three-Month CORRA Futures inter-group strategies with BAX will be available as of the open of trading on June 12, 2020. See below examples of inter-group strategies that will be listed.

External Symbol	Strategy Component	Strategy Expiry Month (Expiry Date)
CRAU20BAXU20	Buy 1 (CRAU20), Sell 1 (BAXU20)	September 2020 (09/14/2020)
CRAZ20BAXZ20	Buy 1 (CRAZ20), Sell 1 (BAXZ20)	December 2020 (12/14/2021)
CRAH21BAXH21	Buy 1 (CRAH21), Sell 1 (BAXH21)	March 2021 (03/15/2021)
CRAM21BAXM21	Buy 1 (CRAM21), Sell 1 (BAXM21)	June 2021 (06/14/2021)
CRAU2004BAXU2004 (1 Yr Spread Strip)	Buy 1 (CRAU20), Buy 1 (CRAZ20), Buy 1 (CRAH21), Buy 1 (CRAM21), Sell 1 (BAXU20), Sell 1 (BAXZ20), Sell 1 (BAXH21), Sell 1 (BAXM21)	September 2020 (09/14/2020)