

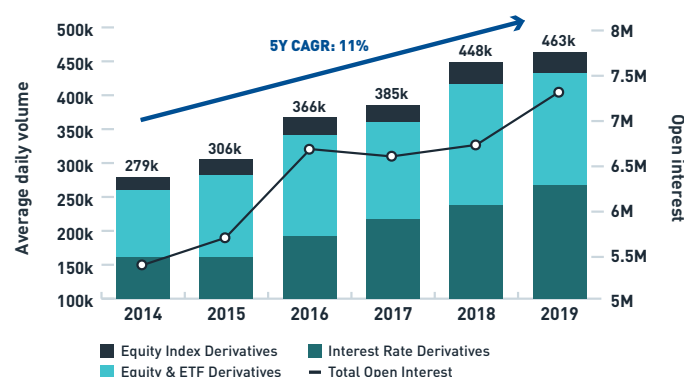
MONTRÉAL EXCHANGE

Q4 2019 Highlights

Record year for the Montréal Exchange's overall volume and open interest!

- Total ADV of 463k contracts, up 3.6% versus 2018.
- Total Open Interest of 7.5M contracts, up 11% versus 2018!

2019 Average Daily Volume and Open Interest (all products)



Comments

- **Interest Rate Market:** Canadian rate expectations changed considerably, bringing volatility in the short-end of the curve. By the end of the year, [BAX contracts](#) were pricing less than 50% chance of a rate cut by the end of 2020. The yields on the 5Y and 10Y segments rose 30 bps, while the term structure remains very flat.
- **Equity Market:** The Canadian stock market had its strongest year since 2009. MX's flagship Index Futures (SXF) saw a 2% volume increase in 2019, following the 24% growth realized in 2018. The volatility observed in Q4, was the lowest of 2019, the VIX Index averaging 14%. Equity options were down by 1% in 2019, following the 27% growth realized in 2018.

Product Highlights

5Y Bond Futures (CGF) Volume up 915% vs 2018

Q4 average daily volume: **22k**

Q4 average daily open interest: **56k**

Q4 EFP volume of **161k** contracts, up 22% vs Q3 2019

Equity Derivatives Records

Share Futures - Daily volume record: **136k** (Oct 16)

Share Futures - Open interest record: **529k** (Dec 19)

Equity Options - Open interest record: **4.9M** (Dec 19)

Product Highlights	2019 ADV	YoY CHG (%)
BAX (3M CAD BA Futures)	119k	3%
CGF (5Y GoC Bond Futures)	17k	915%
CGB (10Y GoC Bond Futures)	127k	10%
SXF (S&P/TSX 60 Index Futures)	31k	2%
Share Futures	18k	319%
Equity Options	116k	-1%

Key Milestones and Facts

Cannabis Index launched, Futures are next!

On November 18, MX introduced the S&P/MX International Cannabis Index in partnership with S&P, designed to measure the performance of cannabis companies trading on the TSX, TSX-V, NYSE or Nasdaq that are significantly involved in the cannabis sector. **Futures contracts based on this index are scheduled to be launched on January 31, 2020.** Details on the Index and the upcoming futures are available on the [S&P/MX International Cannabis Index Futures Webpage](#).

Extended Hours - first full year of trading!

2019 marks the first full calendar year of trading during the extended hours period (2 a.m to 6 a.m [ET]). The average daily volume on products open for trading has increased significantly as market quality continuously improves. Q4 statistics during the extended hours period:

Product	Q4 ADV	Growth vs Q3
All products	15k	8%
BAX	5.2k	26%
CGB	8.2k	1%
SXF	1.1k	13%

Revamped Extended Hours Market Making Program

In an effort to consistently promote robust liquidity, the MX has revamped its Extended Hours market making program for flagship products (BAX & CGB) & has also launched a new market making program for the Five-Year Government of Canada Bond Futures (CGF) in October 2019. Take advantage of competitive on-screen markets as of 2:00 am ET!

CADC 2020, keynote speaker announced!

The 20th edition of the Canadian Annual Derivatives Conference (CADC) will take place on June 9, 2020, at the Four Seasons Hotel in Montréal. MX is delighted to welcome **Marko Kolanovic**, global head of macro quantitative and derivatives research at J.P. Morgan as keynote speaker. Don't miss out on this unique opportunity to stay on top of key Canadian listed derivative market trends! More information about the program available soon, stay tuned!

CORRA Futures

As part of the efforts put forward by the Bank of Canada to promote the development and adoption of CORRA as the main interest rate benchmark rate, the MX plans to launch CORRA Futures in Q2 2020. In Q4 2019, the MX has enhanced his [CORRA Futures Webpage](#) to include information pertaining to the Canadian interest rate benchmark reform and CORRA Futures contract specifications.

Position Limits: Request for comments on proposed changes

A [circular](#) proposing modifications to the methodology used for the calculation and publication of position limits has been published on November 21, 2019. Several rule amendments on how to calculate position limits for both interest rate and equity derivatives are put forward to better reflect product characteristics. Comments on the proposed amendments must be submitted at the latest on January 21, 2020.

"BTC" Functionality Enabled on Additional Share and Index Futures!

On November 29, the MX extended its basis trade on close (BTC) functionality to 43 new Share Futures and 8 Index Futures. The [complete list](#) of Share Futures and Index Futures symbols eligible to trade via the BTC functionality is available on the MX website.

New features available on the MX-R portal!

In 2019, the Regulatory Division established the Participant Portal, a secure electronic platform for the exchange of regulatory information between Approved Participants of the Bourse and the Division. New features are available as of December 17. Participants can now download the list of MX-IDs and Approved Persons directly from the MX-R portal.

Did you know?

- MX is planning to launch two new futures contracts in H1 2020:
 - Equity Derivatives: Cannabis Index Futures (Jan 31)
 - Interest Rate Derivatives: 3M CORRA Futures (Q2)
- MX offers Options contracts on more than 285 equity and 45 ETF classes available for trading
- MX provides many [Educational Trading Tools](#) on its website, here are a few popular resources:
 - [Option Matters blog](#)
 - [Trading Simulator](#)
 - [Covered Call screener](#)
- Archived webinars on US\$ (Options on the US Dollar currency) can be found on [MX website](#).

For more information

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