



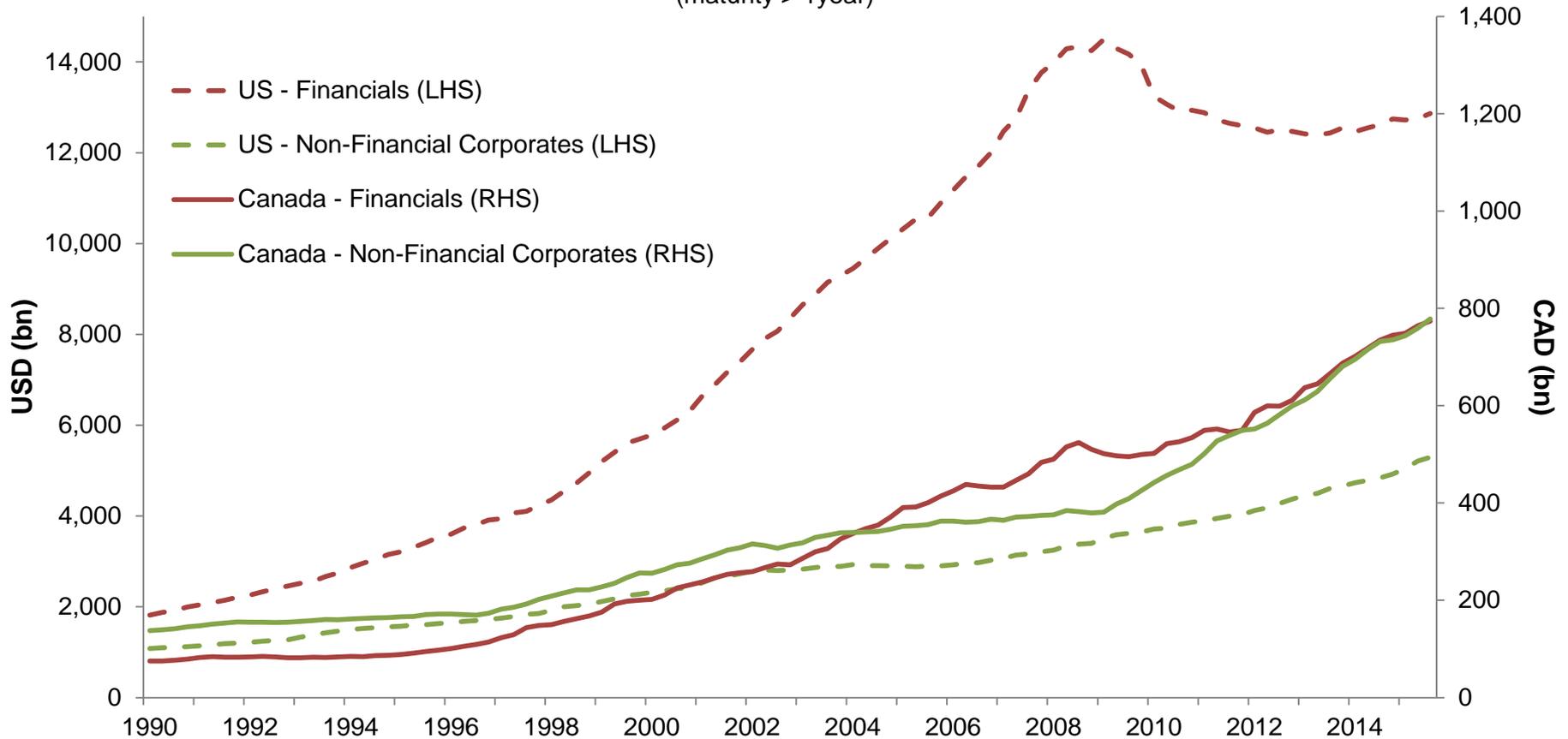
Corporate Bond Market Trends

25 January 2016

Stock of corporate bonds has increased

Debt Securities Outstanding

(maturity > 1 year)



Source: Fed Flow of Funds, Statistics Canada

Trading volumes have increased, but average trade sizes have been relatively stable

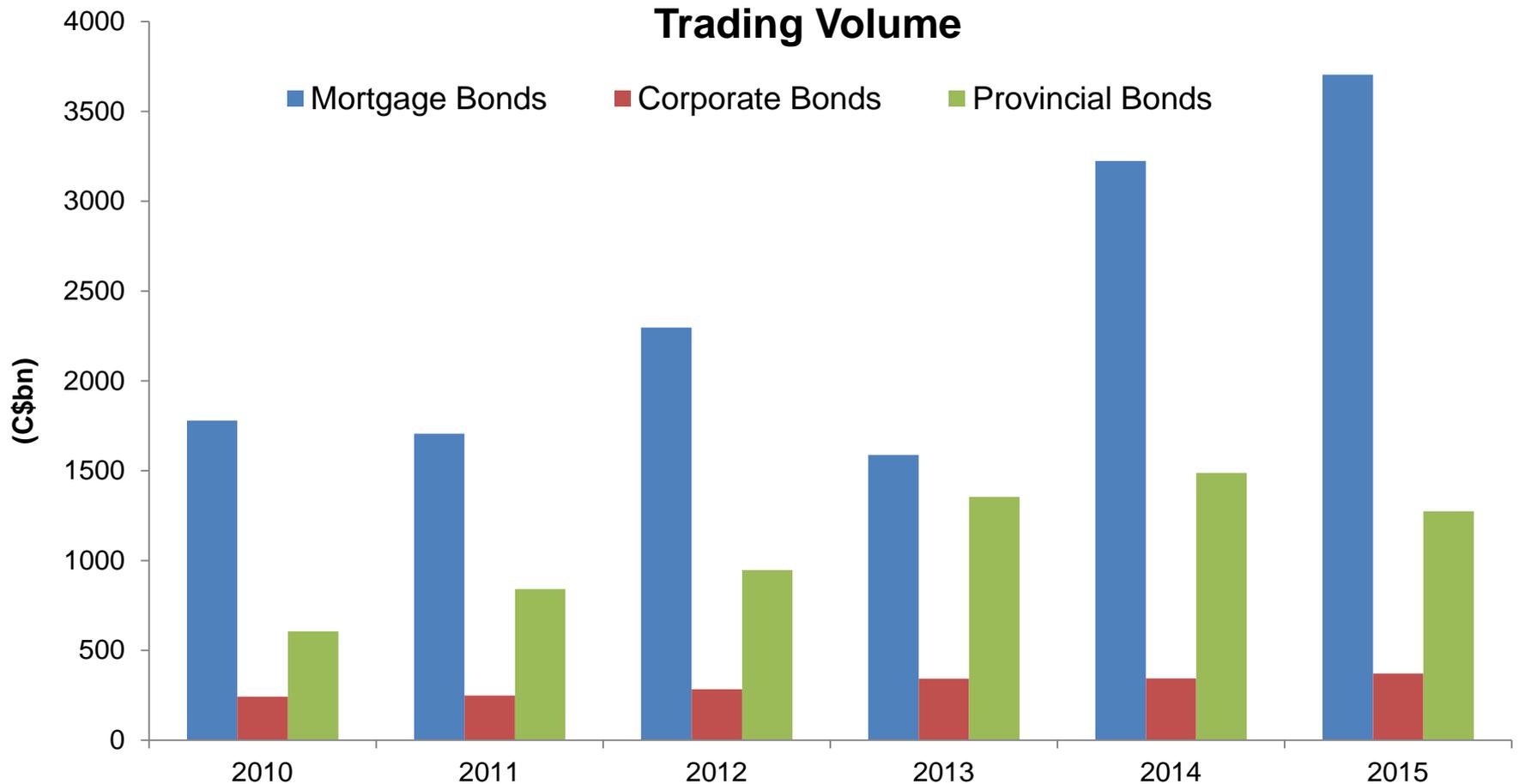
	2010		2011		2012		2013		2014		2015	
	Canada	US	Canada	US*								
Total Trading Volume (\$bn)	233	2,631	240	2,619	275	2,758	332	2,992	334	3,029	360	1,428
Average Trade Size (\$m)	0.60	1.50	0.57	1.40	0.50	1.30	0.58	1.30	0.61	1.20	0.65	1.25
Turnover Proxy	18%	37%	18%	36%	19%	31%	23%	31%	22%	30%	20%	28%

*Up to May 29, 2015

Note: Canadian and US amounts are in the currencies of their respective countries. Turnover is calculated as the median across all individual bonds (each bond's trading volume divided by the bond's outstanding amount)

Source: TRACE, CDS, Statistics Canada, Bloomberg, SIFMA, Bank of Canada calculations

Canadian bond trading volumes have grown



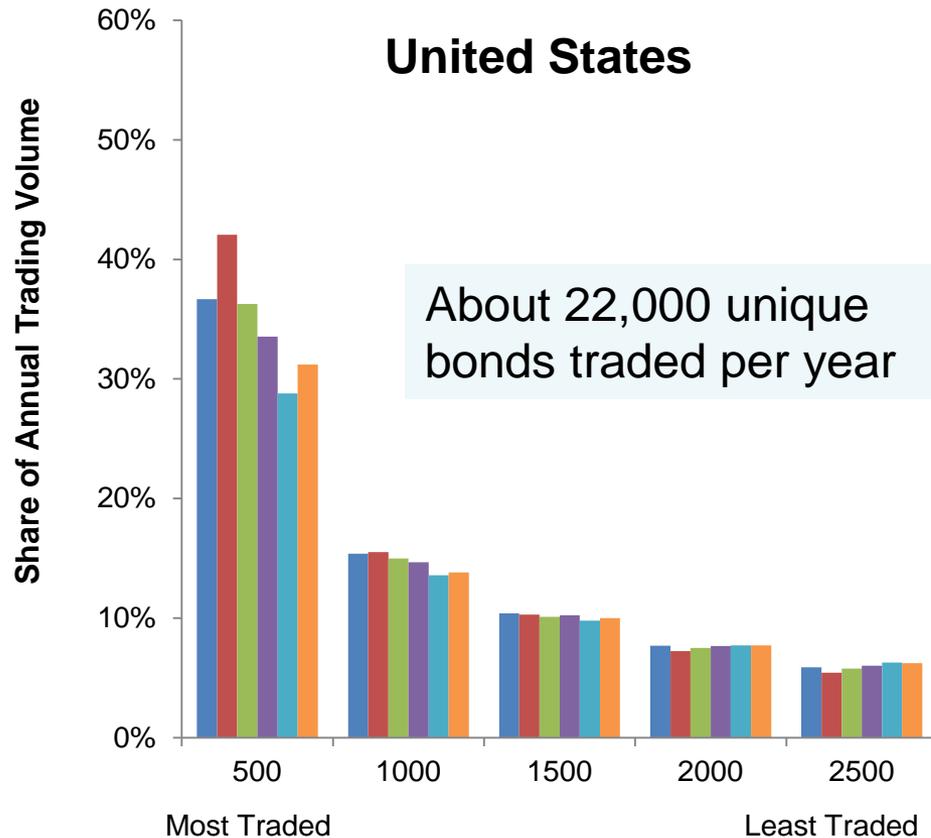
Source: CDS, Bank of Canada calculations

Trading of corporate bonds is concentrated in small number of issues

Trading Concentration

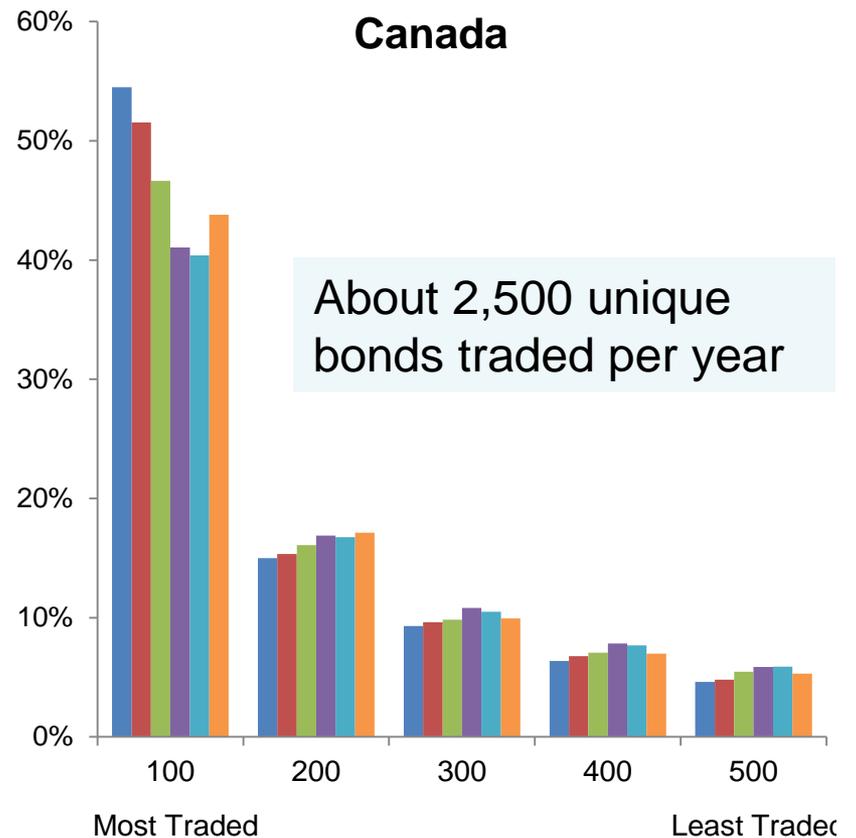
■ 2006 ■ 2008 ■ 2010 ■ 2012 ■ 2014 ■ 2015

United States



Source: TRACE

Canada

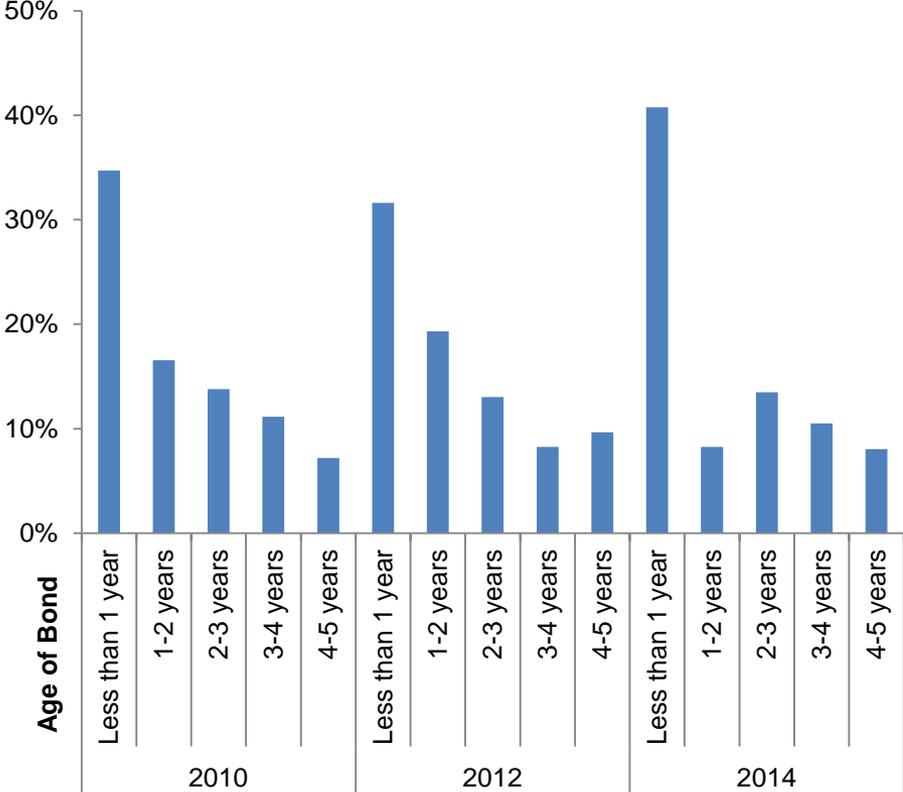


Source: CDS

Bond trading decreases as a bond ages

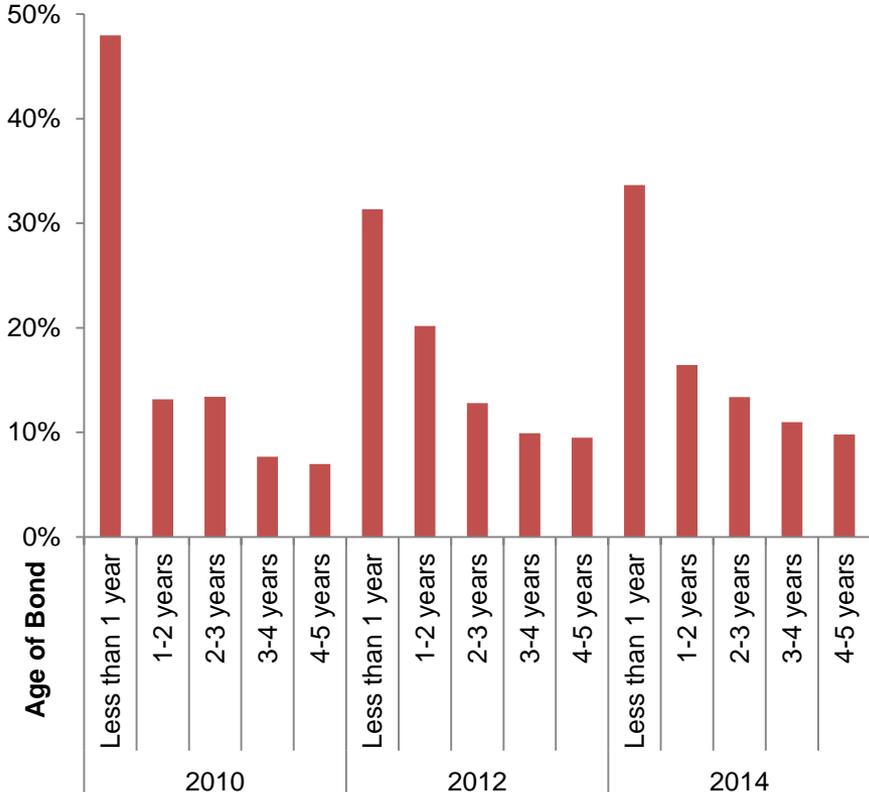
Distribution of trading volume by age of the bond

United States



Source: TRACE

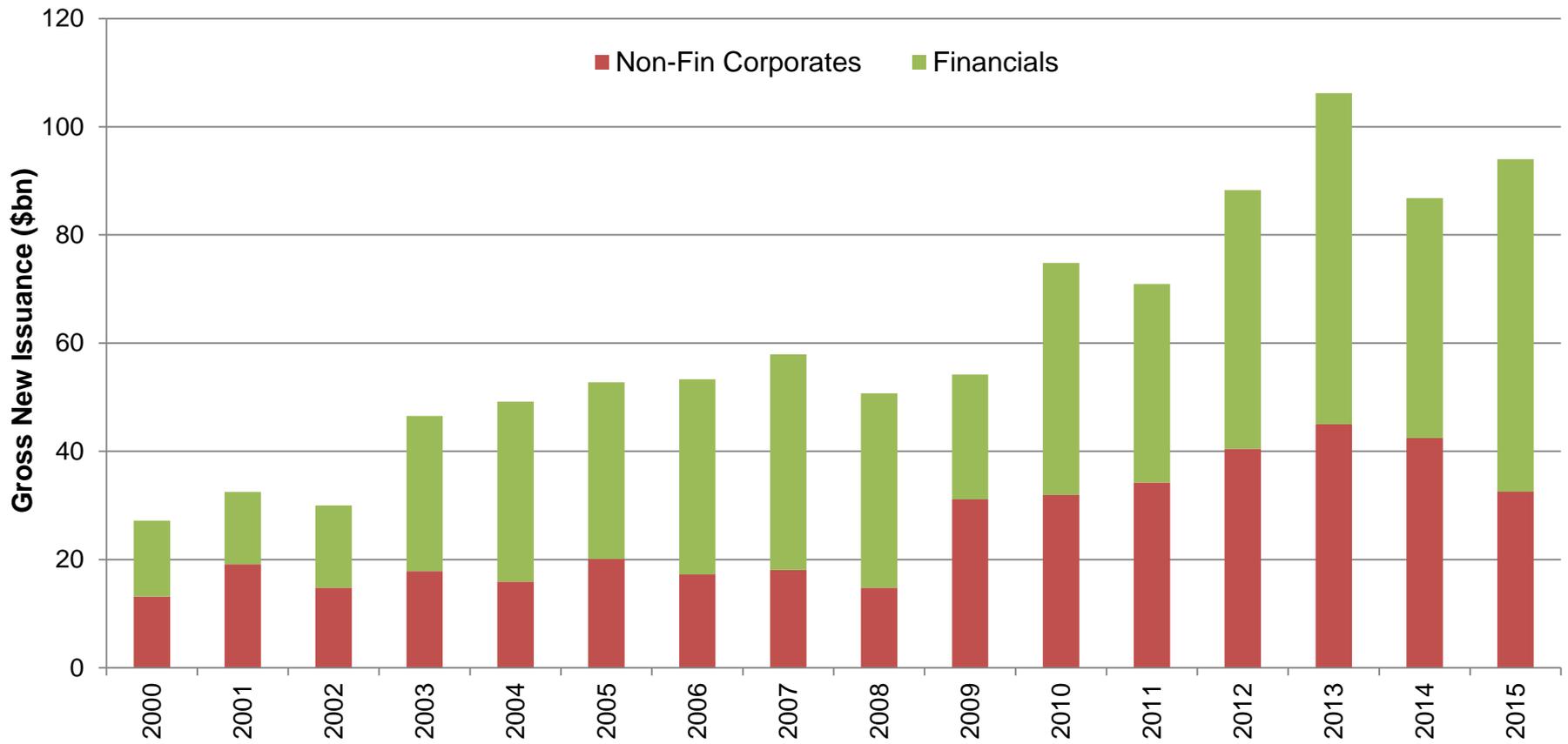
Canada



Source: CDS

New corporate issuance in Canada has increased

Gross New Corporate and Financial Issuance in Canada



Source: Bank of Canada