Recent Developments in Canadian Fixed-Income Market Liquidity
October 2, 2018
Price-based metrics indicate that liquidity has been relatively unchanged in benchmark GOC bonds since the last year.
Average trade size has increased for both benchmark and non-benchmark government bonds

**Number of trades**
21-day moving average, daily data

**Trade size**
21-day moving average, daily data

Sources: Canadian Depository for Securities and Bank of Canada calculations
Last observation: August 31, 2018
Price-based metrics suggest aggregate liquidity in the provincial bond market has been stable over the last year.

**Price-impact and bid-ask proxy**
21-day moving average, daily data

Sources: Canadian Depository for Securities and Bank of Canada calculations   
Last observation: August 31, 2018
...and so has trading activity in the provincial bond market

Number of trades and Trade size
Monthly data

Turnover ratio and Zero-trade days
Monthly data

Sources: Canadian Depository for Securities and Bank of Canada calculations
Last observation: August 2018
Price-based metrics indicate that corporate bond market liquidity has changed little since September 2017.

**Price impact and bid-ask proxy**
4-week moving average, weekly data

Sources: Canadian Depository for Securities and Bank of Canada calculations  
Last observation: August 31, 2018
...and trading activity in the corporate bond market gives a similar picture.

**Number of trades and Trade size**
- Monthly data
- Number of trades (left scale)
- Trade size (right scale)

**Turnover ratio and Zero-trade days**
- Monthly data
- Turnover ratio (left scale)
- Zero-trade days (right scale)

Sources: Canadian Depository for Securities, Thomson Reuters and Bank of Canada calculations

Last observation: August 2018
Metrics show increased liquidity since 2010 for high credit quality corporate bonds, trend less clear for lower quality bonds.

**Bid-ask proxy (since 2010)**
4-week moving average, weekly data

**Turnover ratio (since 2010)**
Monthly data

Sources: Canadian Depository for Securities and Bank of Canada calculations

Last observation: August 31, 2018