

MACRO PRODUCTS

CFIF GoC Bond Liquidity Update

September 2021

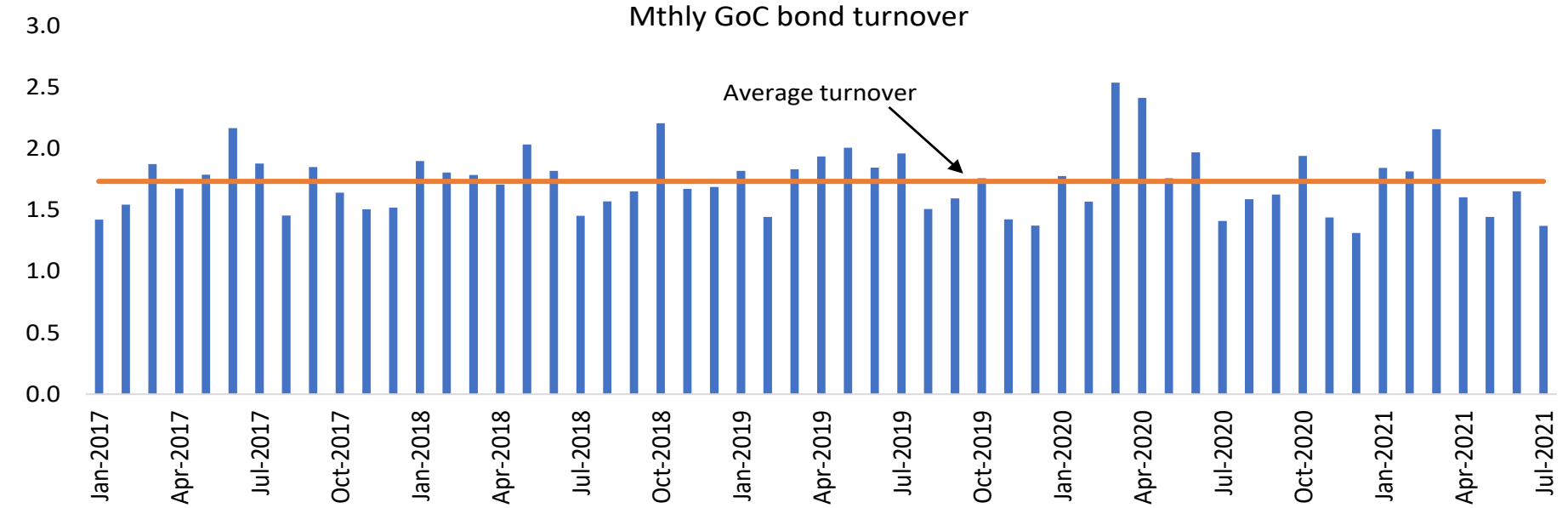
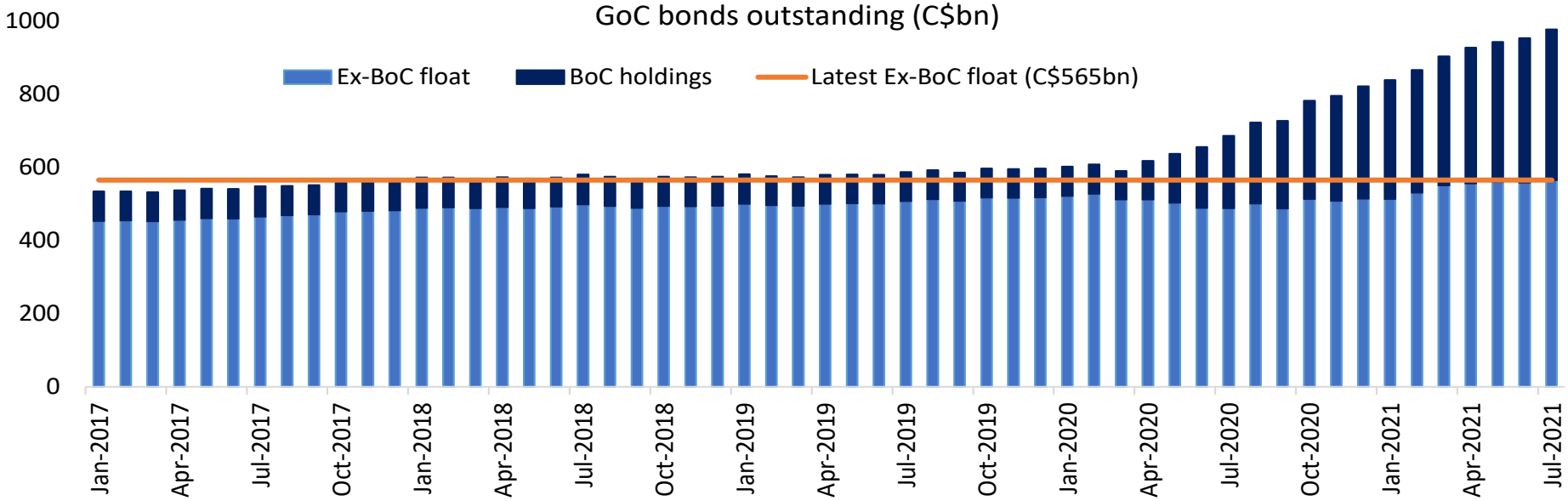
RBC Dominion Securities Inc.

Jim Byrd – Managing Director, Global Head of Macro Products



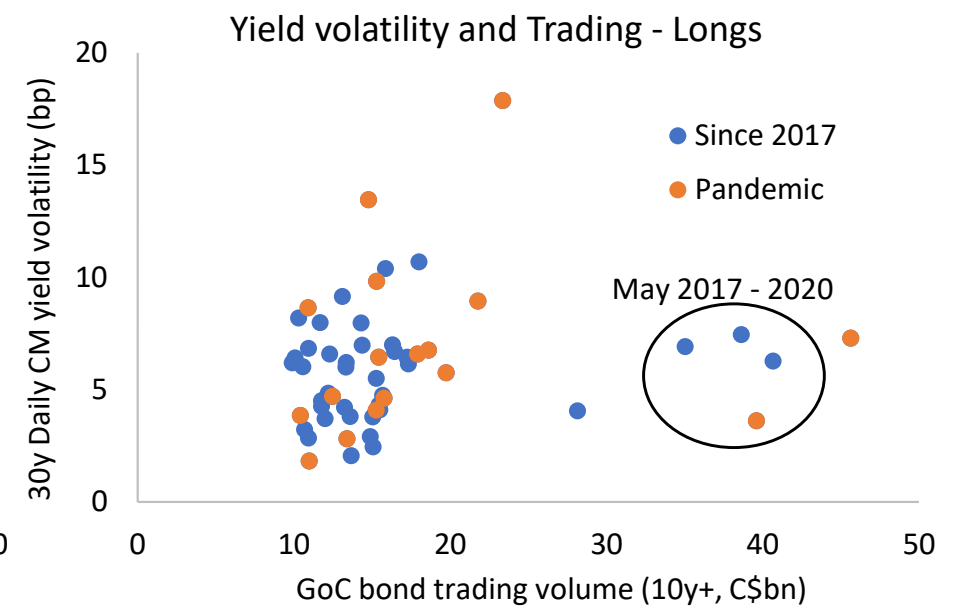
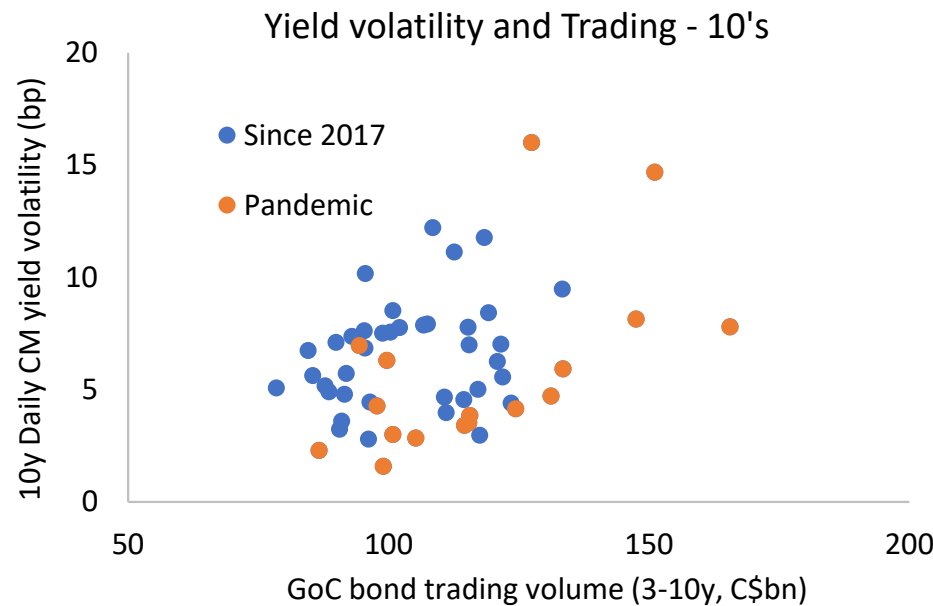
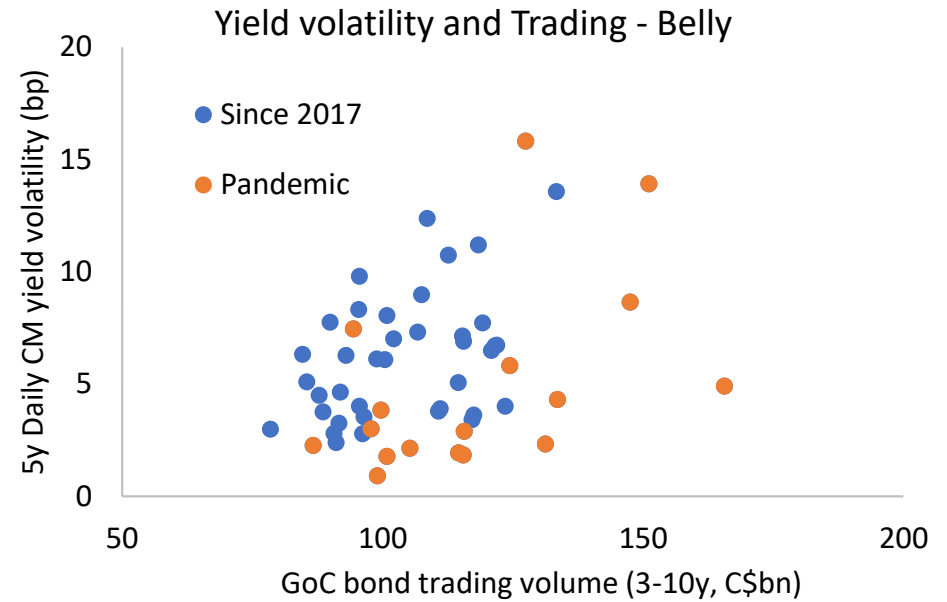
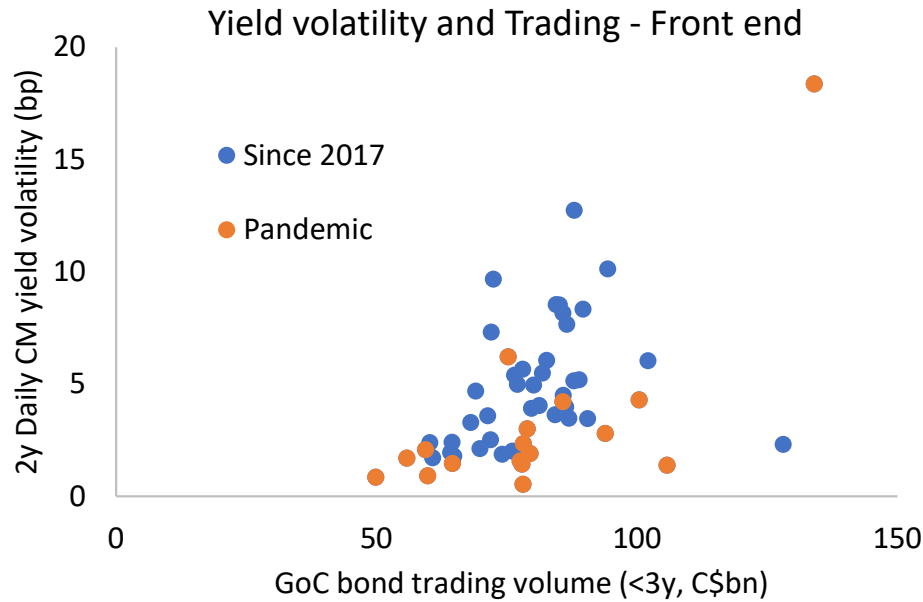
**Capital
Markets**

Move higher in GoC bond float much less than gross issuance; Turnover data close to pre-pandemic



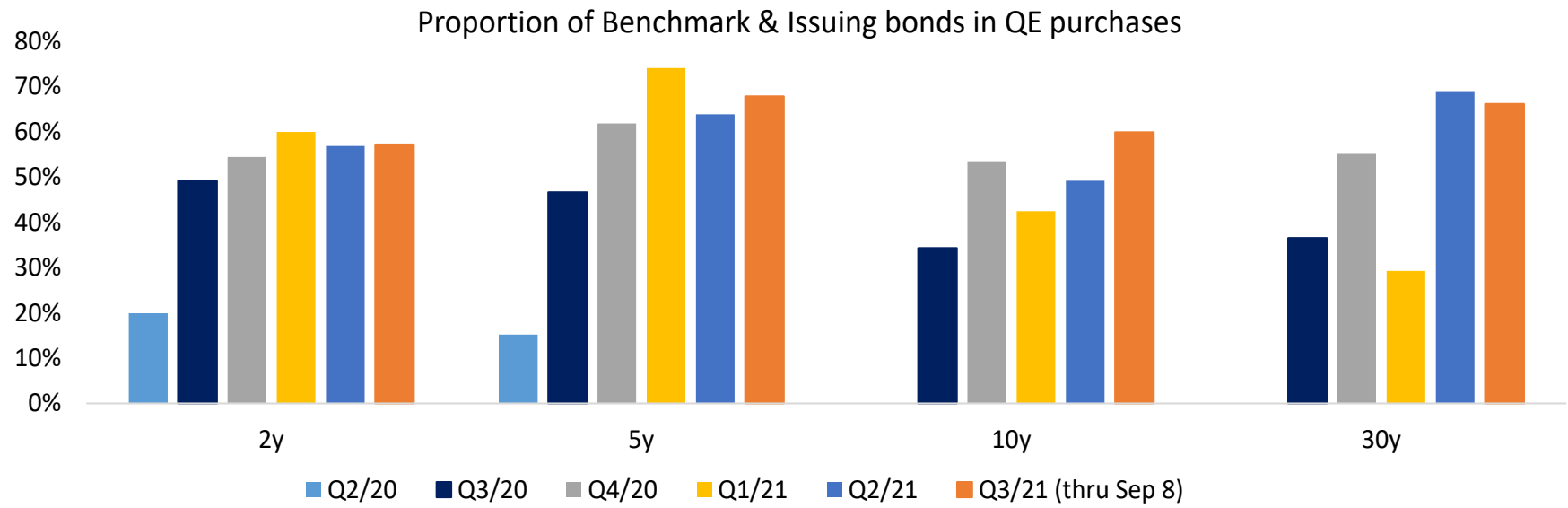
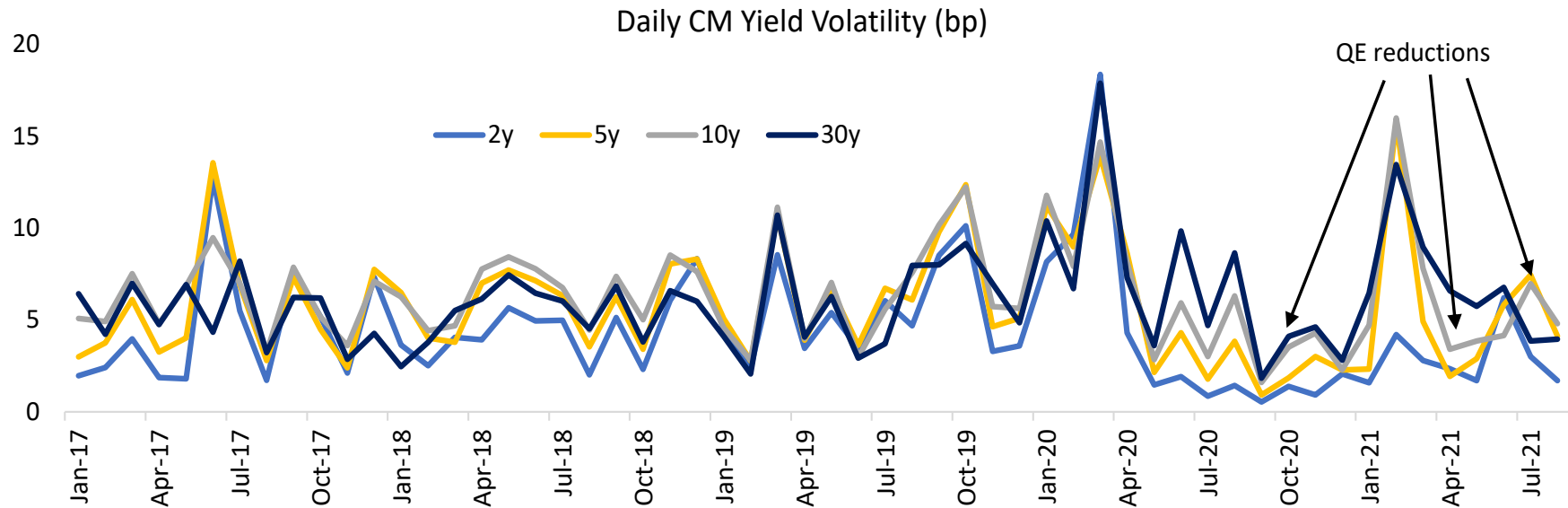
Source: Bank of Canada, IIROC,, Haver Analytics, RBC Capital Markets

Yield volatility has fallen after early pandemic increase; Correlated with lower trading volumes



Source: Bloomberg, IIROC, Haver Analytics, RBC Capital Markets

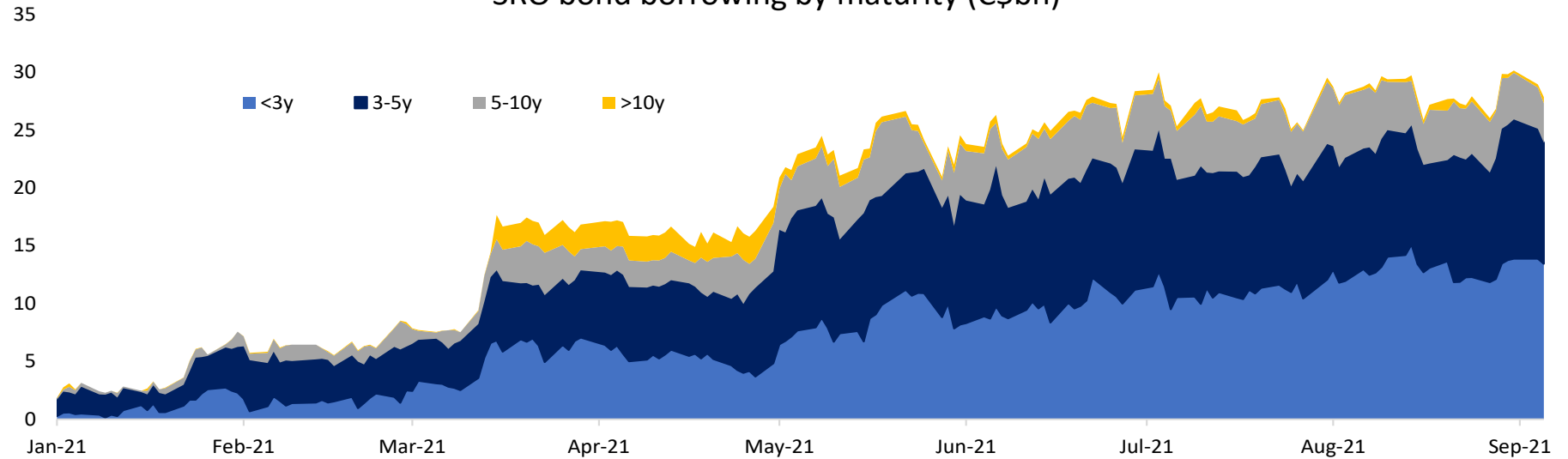
Telegraphed tapers had limited volatility impact; QE purchases shifting to benchmarks, issuing bonds



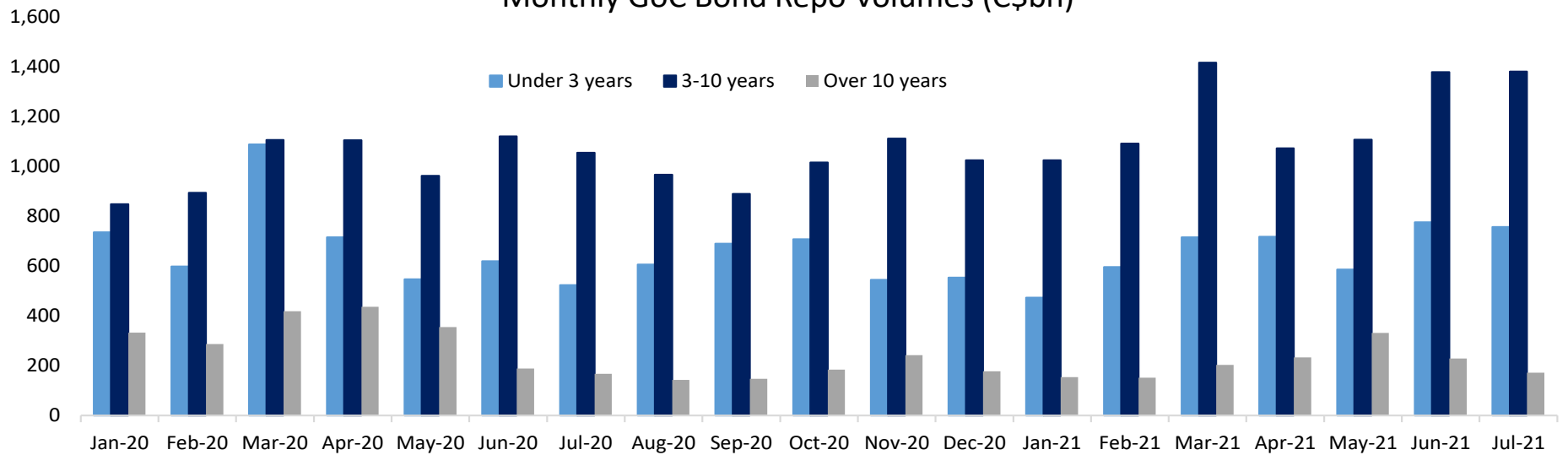
Source: Bloomberg, Bank of Canada, RBC Capital Markets

SROs supporting market liquidity at the front-end and belly as repo activity expands

SRO bond borrowing by maturity (C\$bn)

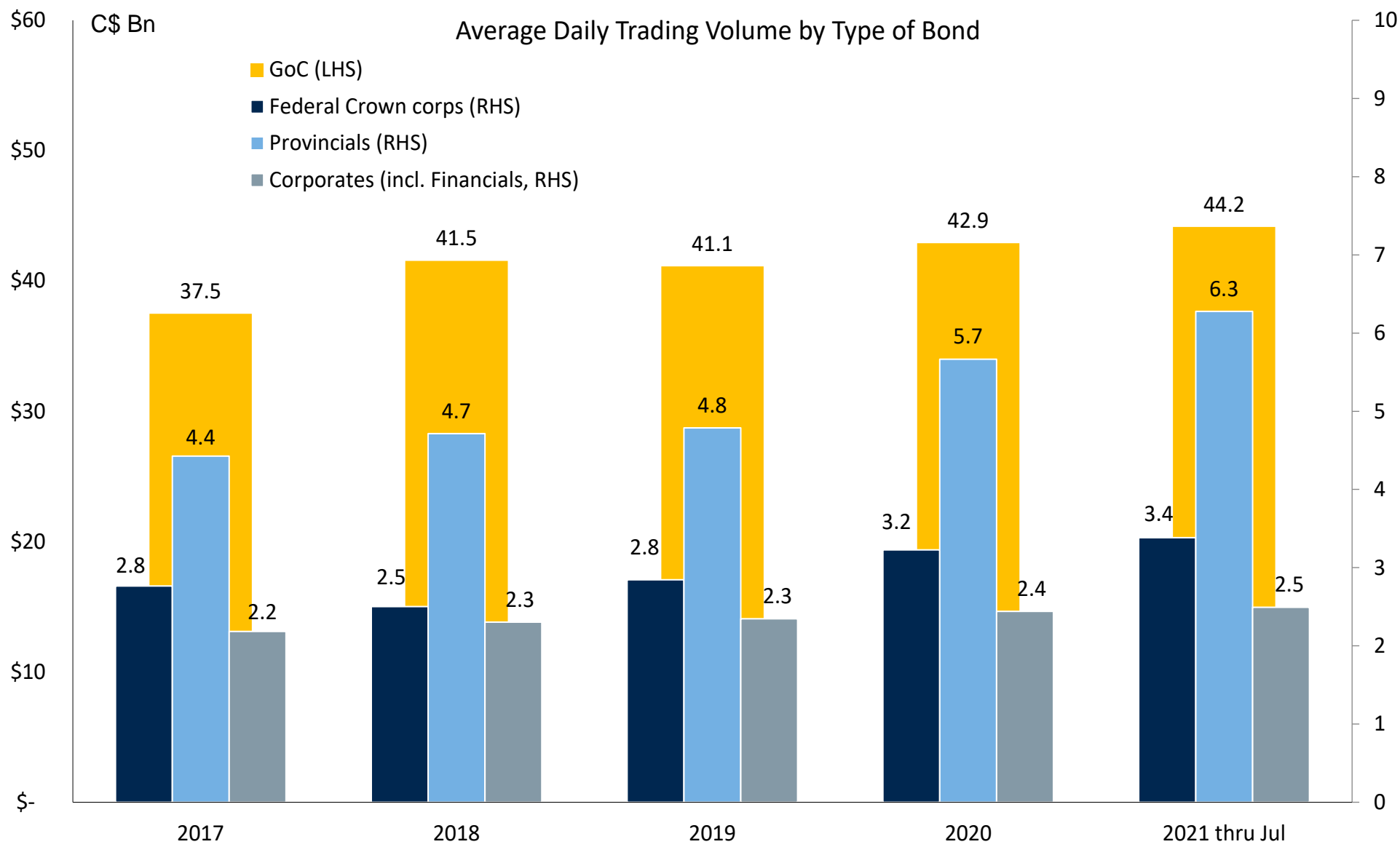


Monthly GoC Bond Repo Volumes (C\$bn)



Source: Bank of Canada, IIROC, RBC Capital Markets

Rise in daily trading volumes most pronounced in provincials during the pandemic



Source: IIROC, Bank of Canada, RBC Capital Markets