

CORRA: Market Update

CORRA Advisory Group (CAG) Meeting

October 16th, 2025



Since our last CAG meeting in June...

- The much anticipated large September 1st maturity is behind us
- BoC operational update from market notice on September 19th
- Introduction of new term repo tenor

So, where are we now?

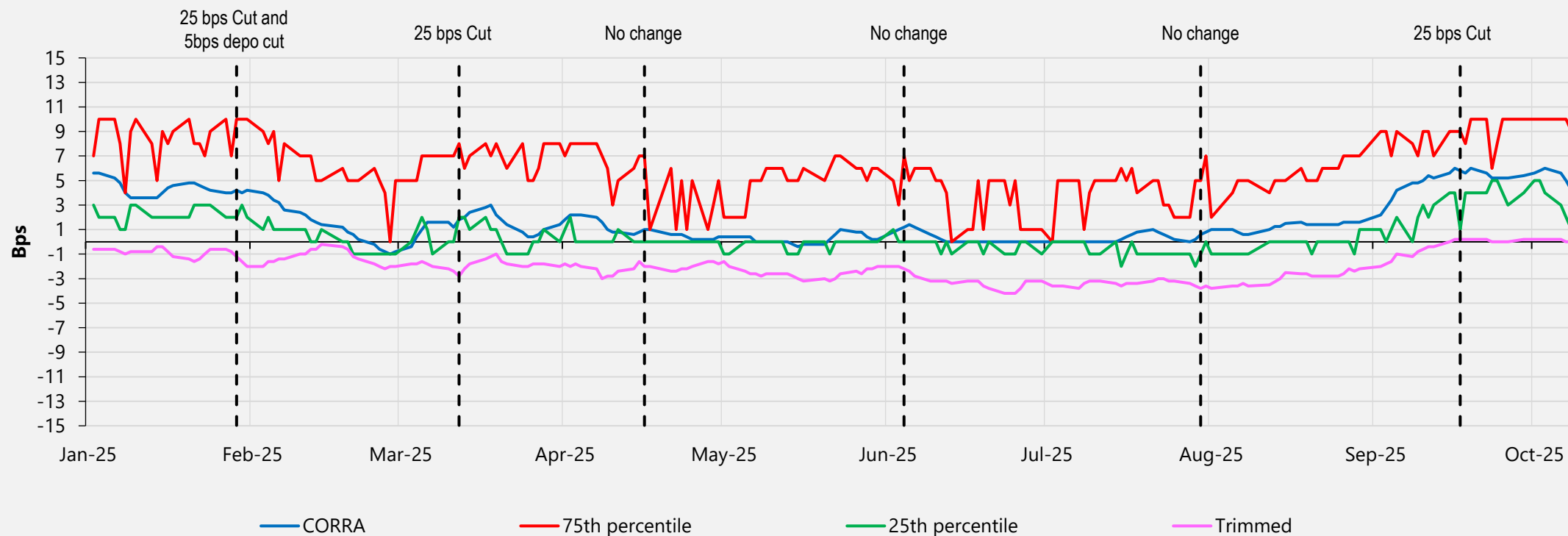
Market notice and changes to BoC term repos

- A few changes were announced through the BoC market notice on September 19th:
 - › **NHA MBS term repo** are to be conducted separate from the regular term repo operations, the first operation was on October 15, 2025 and the term of the NHA MBS repo are 1-month.
 - › In effect since October 1, 2025:
 - › **federal and provincial inflation linked bonds** are eligible to pledge as collateral.
 - › Participants are able to **process substitutions on an unlimited basis** using the dealer interface for settlement on a T+1 basis.
- The repo schedule now also **includes a 2-week term repo** that will be auctioned on a weekly basis, the inaugural operation was on Oct 15th.

CORRA repo rate percentiles since January 2025

- Since the last CAG meeting in June, the CORRA settings printed at or near target for most of the summer before gradually rising into the large September bond maturity and consolidating around +5bps through Q3 quarter-end. Most recently CORRA has declined to +2bps above target.

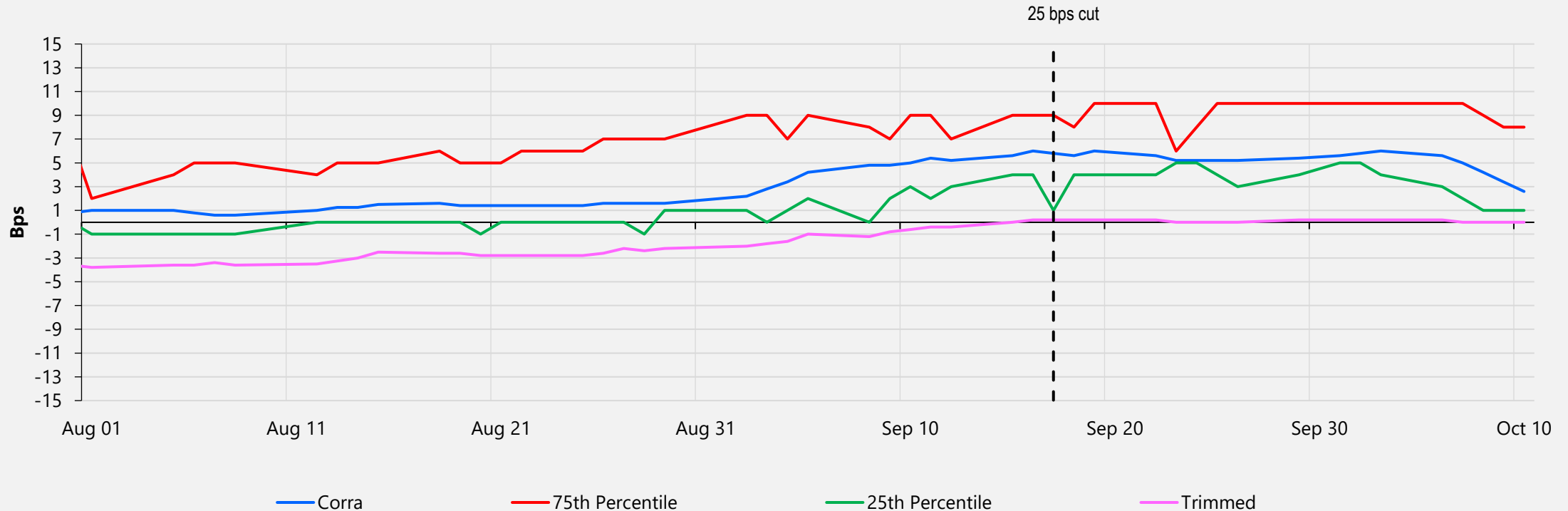
Chart 1: 5-day moving average of CORRA, percentiles, and trimmed rate spread to Target



Repo rate percentiles since August 2025

- Throughout September we observed persistently high CORRA prints as the market adjusted following the large September maturity and quarter-end, it took a few business days in October for CORRA to revert near target.

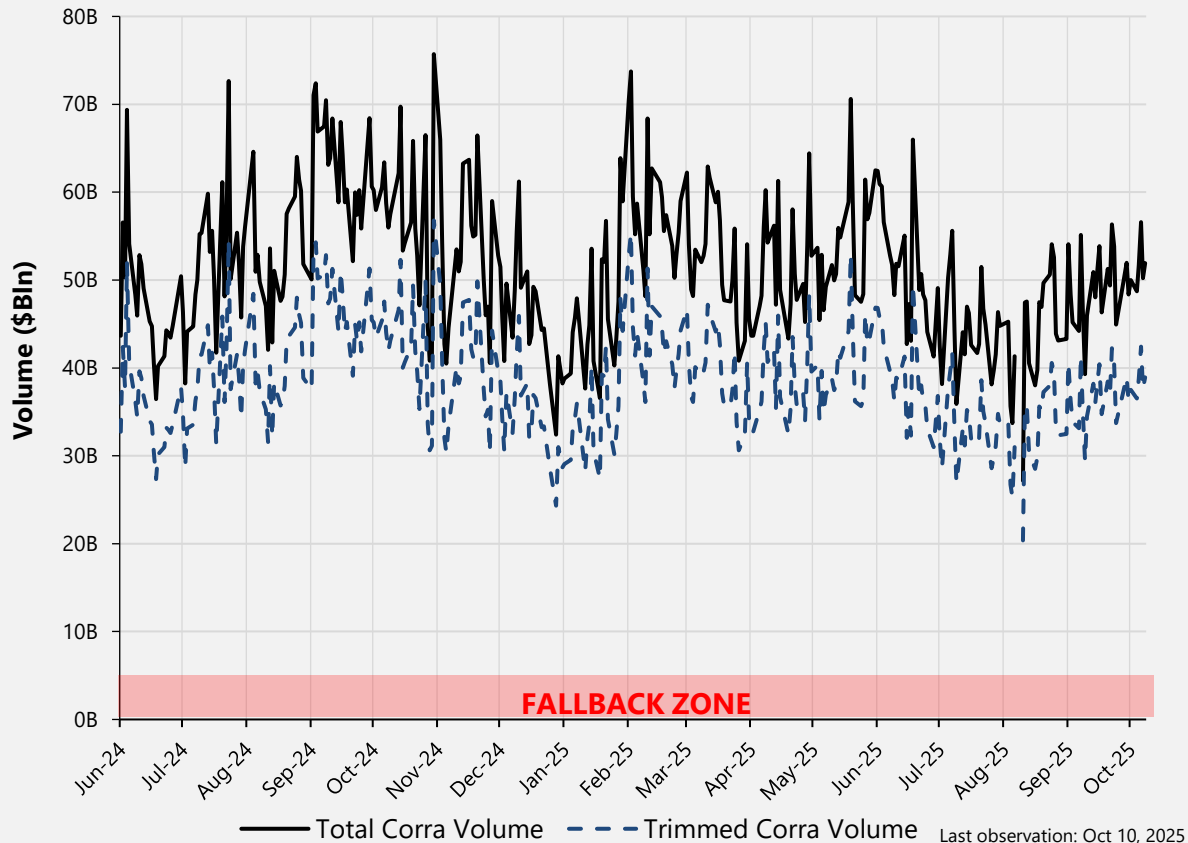
Chart 2: 5-day moving average of CORRA, percentiles, and trimmed rate spread to Target



CORRA Volume

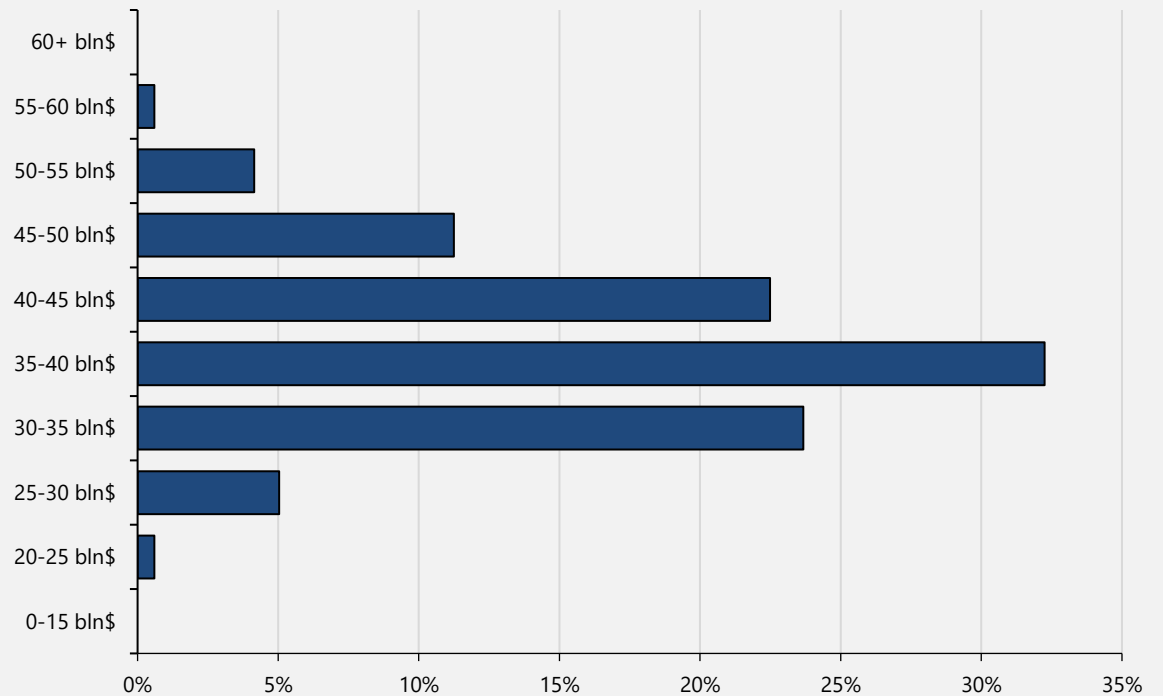
- CORRA volume continues to be robust and trade within a range of \$45bln-\$55bln since our last CAG in June, while the average daily trimmed volume for that period has been \$35bln.

Chart 3: CORRA daily trimmed volumes since June 1 2024



Source: Bank of Canada

Chart 4: Relative frequency of daily CORRA trimmed volume since June 1 2024



Source: Bank of Canada

Last observation: Oct 10, 2025

CORRA Spread to Target and OR Volume

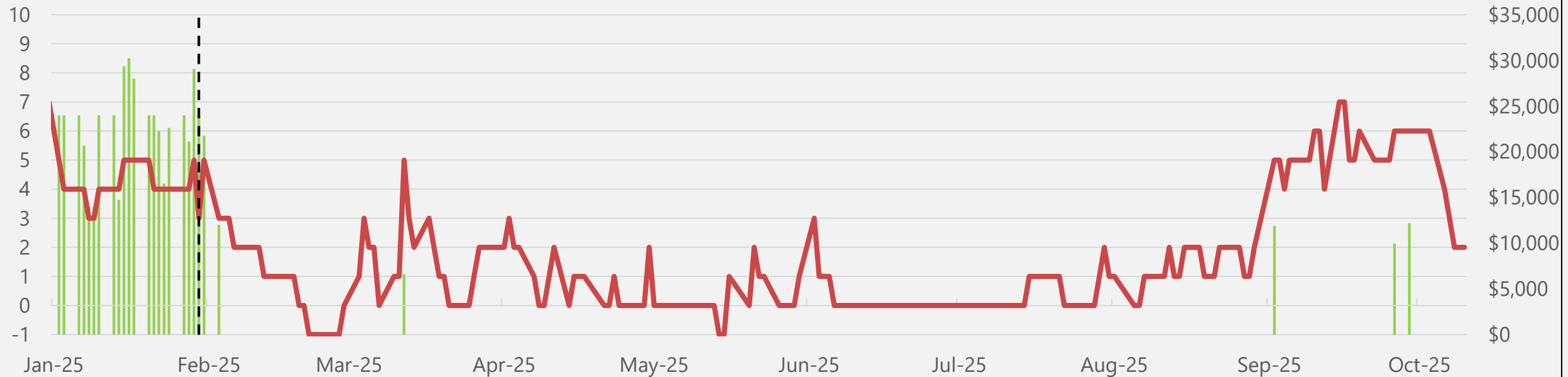
Chart 5: CORRA spread to target with OR Volume

OR Operation Corra/Target Spread

Can\$ millions

Basis points

Jan 29 Depo Rate Cut 5bps



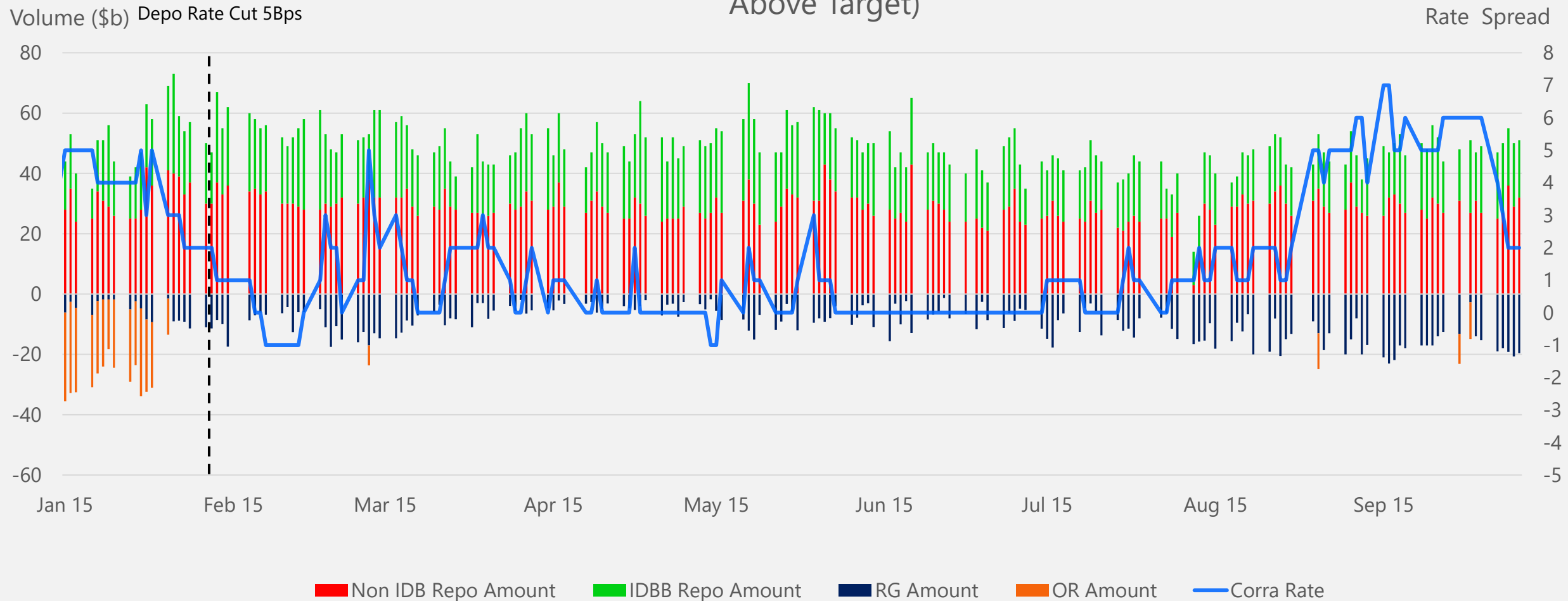
Source: Bank of Canada calculations

Last observation: Oct 10, 2025

Overview funding market structure

Chart 6:

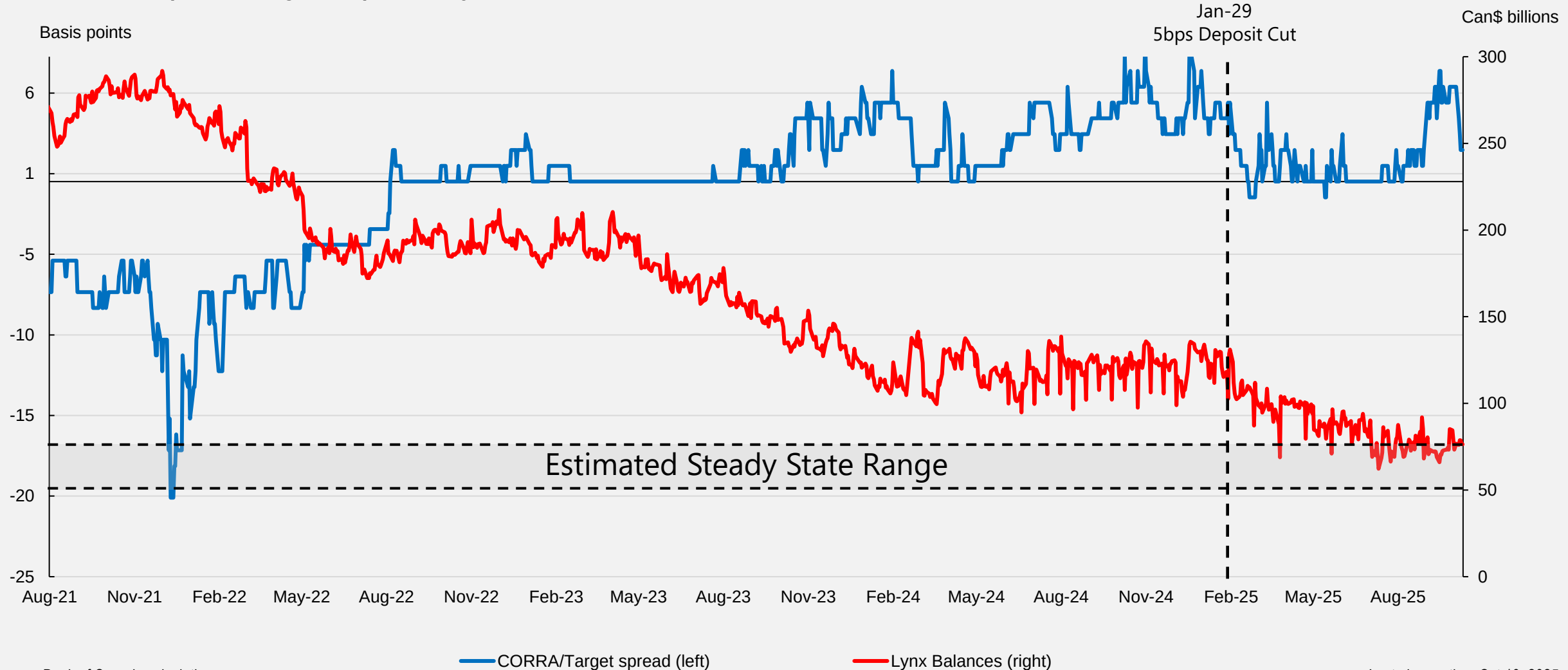
Dealer Funding Sources Amounts (\$Billions), Lynx Balance (\$Billions), Corra Rate Right (Bps Above Target)



Last observation: Oct 10, 2025

CORRA Spread to Target vs LYNX Balances

Chart 7: CORRA spread to target compared to Lynx balances



Source: Bank of Canada calculations

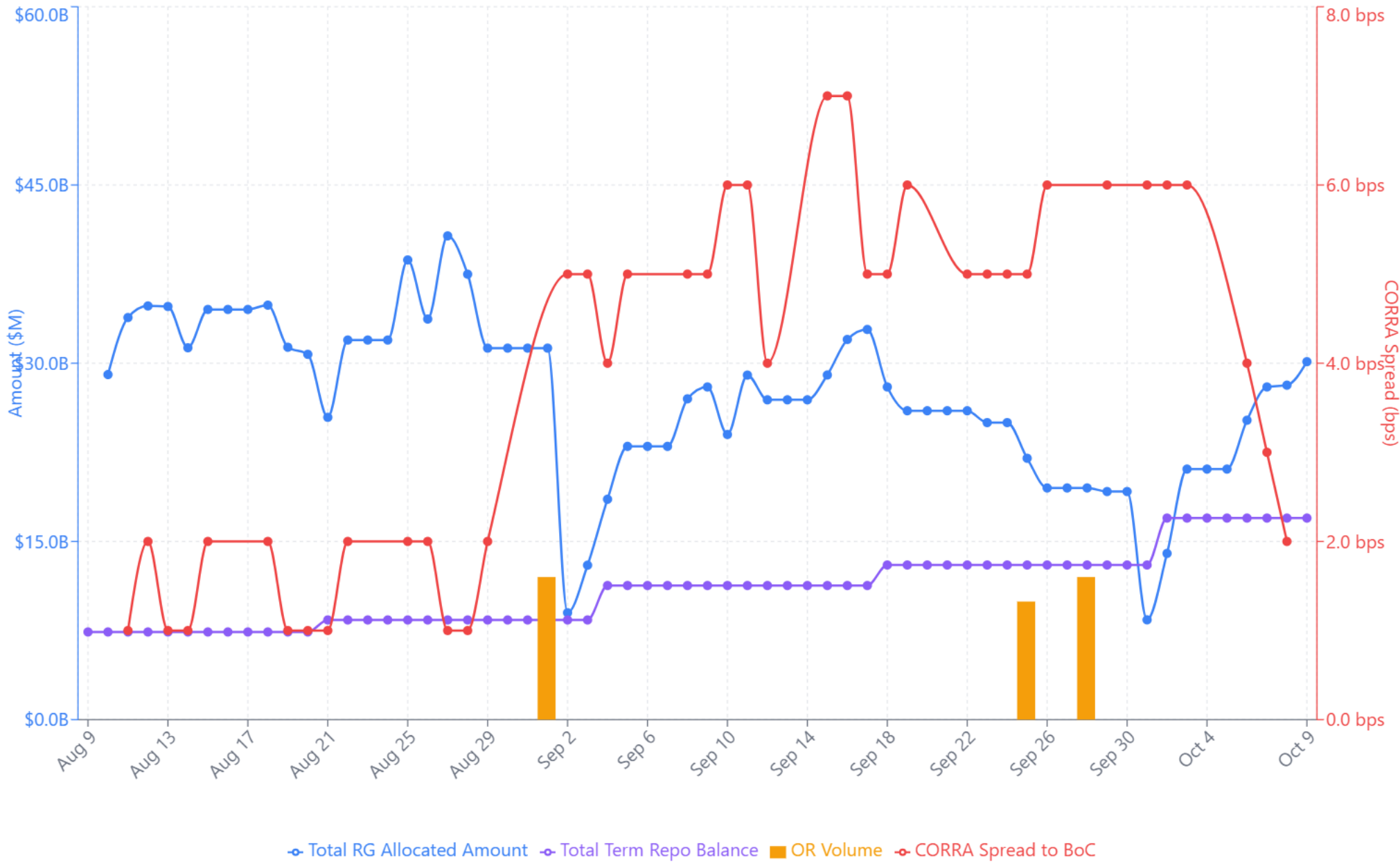
Last observation: Oct 10, 2025

A low-angle, upward-looking perspective of several modern skyscrapers with glass facades. The buildings are arranged in a way that they appear to converge towards the top of the frame, creating a sense of height and scale. The glass reflects the sky and clouds, adding depth to the image. A semi-transparent dark grey horizontal band is positioned across the middle of the image, serving as a background for the text.

Merci

RG, Term Repo, OR Daily Volumes and CORRA Spread to the BoC

Total RG Allocated, Term Repo Balance, and CORRA Spread (August 1 - October 9, 2025)



CIMPA Standardized Basket Working Group Update

- The CCMS TMX/Clearstream teams have developed and demonstrated the “locked” standardized GoC GC basket, which was well received by the participants in the working group.
- Weekend of Oct 17th is the planned deployment into production, it will then be available in the OSCAR drop down menu for testing.
- On going work to develop standard mapping procedures for CIRO reporting entities to ensure accurate CORRA data is captured.
- Planned testing sessions already in place between CIRO and a few dealers to follow GoC GC basket trades through the reporting cycle.

Updated timeline for the Basket working group

