

## **Minutes of the CORRA Advisory Group (CAG) meeting**

Hybrid, 15 January 2026, 11:00 a.m. to 11:45 a.m.

### **1. Introduction**

The Chair welcomed members to the meeting.

### **2. CORRA market update**

A representative from the Bank of Canada (the Bank) presented on recent trends in CORRA rate settings. He noted that since the last CAG meeting, CORRA has generally set slightly above the Bank's target rate, although there were larger spikes around Canadian bank year-end (October 31<sup>st</sup>) and calendar year-end. However, funding pressures around these dates were short-lived and CORRA declined close to the Bank's target rate shortly after. Repo volumes underpinning CORRA remained robust between \$36 billion and \$66 billion since the last CAG meeting. The average daily trimmed volume for this period was \$41 billion. Finally, he noted that term repos outstanding are growing and account for an increasing share of assets matched to settlement balances.

Members agreed that repo markets have generally functioned well over calendar year-end. Buy-side firms noted that they had no issues obtaining repo financing, although rates were marginally higher around year-end.

### **3. Update on CORRA Futures trading activity**

Alexandre Prince, Executive Director, Interest Rate Derivatives, at the Montreal Exchange provided a summary of trading activity in CORRA Futures in 2025. He noted that trading volumes of the 3-month CORRA Futures contract (CRA) were very strong, averaging 170,000 contracts daily. This represents a 33% increase from 2024 and is 40% greater than the largest BAX trading volume. Trading volumes in extended hours (between 8pm ET and 6am ET) have also grown, reflecting more interest from international investors. Trading is concentrated in the first year contracts, representing 60% of trading volume. He highlighted two initiatives that the Montreal Exchange is working on. First, to increase liquidity in the back-end of the CORRA futures curve (2<sup>nd</sup> and 3<sup>rd</sup> year of contract expiries), it is setting up a partnership to incentivise market making. Second, it is currently working to list contracts in the 4<sup>th</sup> and 5<sup>th</sup> years of expiry.

Trading volume of the 1-month CORRA Futures contract (COA) has increased but there remains scope for it to grow. Mr. Prince noted that the Montreal Exchange implemented a new liquidity development program in November 2025 with three proprietary trading firms to make markets in the 1-month contract. This is in addition to the two Canadian banks that are already actively quoting prices. He emphasized the importance of end users supporting the contract as it is used in the calculation of the Term-CORRA benchmark. Finally, he highlighted that trading activity in options on 3-month CORRA Futures (OCR) has been sporadic with average monthly volume of 7000 contracts. However, when compared to options on Fed Funds futures in the US, there is an opportunity for trading volumes to increase.

#### **4. Topics for future discussion**

Members discussed topics that CAG should focus on in 2026. They agreed that monitoring the developments in CCMS should be the focus for CAG this year.

#### **5. Other business**

A representative from the Bank informed members that the Bank is currently working on implementing the new methodology to calculate the minimum volume threshold MVT for CORRA. Following the completion of this phase, the Bank will initiate a testing period to ensure that the calculation and publication is robust. The new methodology is expected to “go live” at the end of the first quarter of 2026 if no issues are identified during the testing phase.

Danny Auger, co-chair of the CIMPA Standardized Baskets subgroup provided a progress update. He informed members that the standardized GoC GC basket in CCMS has been developed and is currently being tested. Once the testing phase has been completed, the GC basket will be activated in production. Work is on-going to develop standard mapping procedures for CIRO reporting entities to ensure that accurate CORRA data is captured from trading of the GoC baskets.