

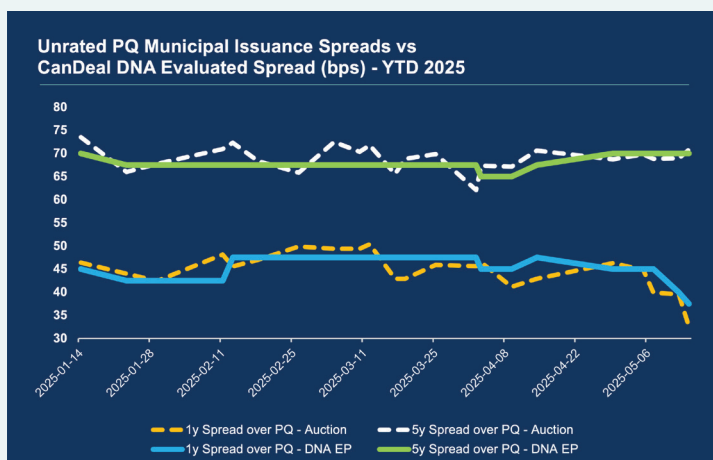
CanDeal Observations

Canadian Fixed Income Markets — Data Driven Insights

13 June 2025

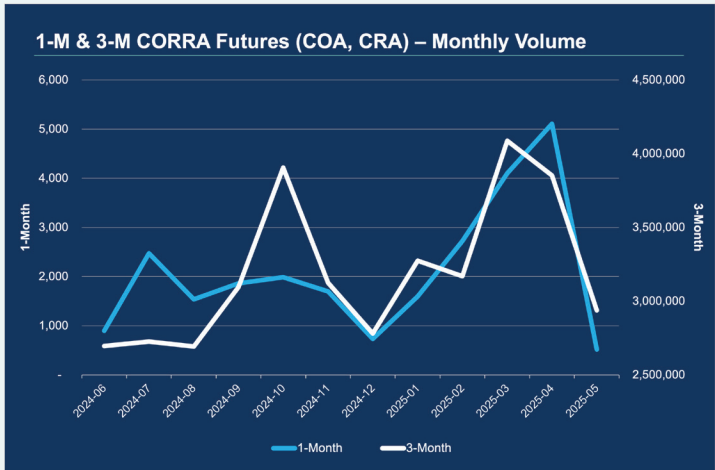
Our new issue of *CanDeal Observations* is here! With almost half of the year already gone, there is no doubt that the Canadian fixed income market experienced a high degree of uncertainty in 2025, with all its associated challenges. In this issue, we provide a high-resolution view of how recent events impacted different markets, such as Québec Municipal Bonds, Montreal Exchange (MX) Corra Futures market and Corporate Bonds Issuance.

Noisy But True



At left is an illustration of how CanDeal DNA evaluates the Province of Québec (PQ) Unrated Municipal bonds using the issuance spread over a PQ yield curve. The auction process ensures a competitive bid for each PQ Muni bond issuance, from the biggest to the smallest. This market does exhibit daily variance but in terms of trends, we can see that the 1- and 5-year spread levels have remained relatively stable through 2025 so far, with a recent dip in the 1-year spread as shorter-term maturities seem to have recently gained in popularity.

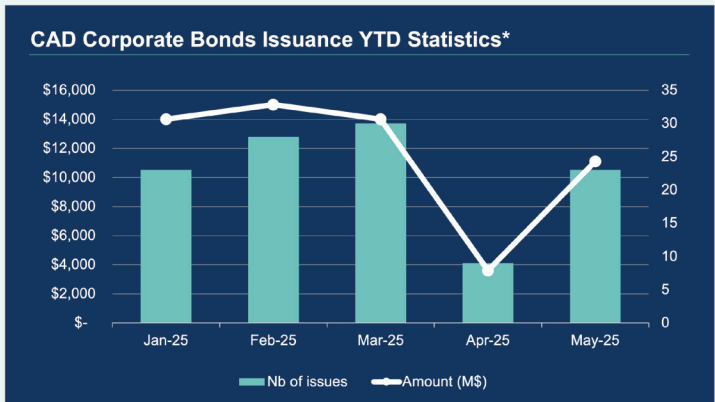
Holding Hands



Source – Montréal Exchange: COA (1-M), CRA (3-M)

With the Bank of Canada (BoC) holding the discount rate steady at their last two meetings in the face of uncertain economic conditions, future bets on BoC rate cuts have been drastically reduced in May after a strong start to the year. Still, there has been impressive growth in the Montreal Exchange (MX) Term CORRA futures trading in 2025, with total volumes for the first five months up 313% y/y for the 1-month and 59% y/y for the 3-month. Finally, one can't help to notice how the 1-month and 3-month volumes' monthly variations appear to be increasingly correlated in the 1st half of 2025 when compared to the 2nd half of 2024.

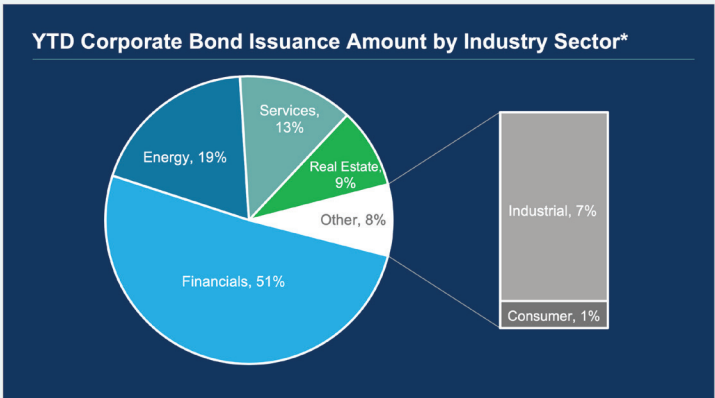
V-Shaped Issuance Recovery



*YTD as of May 31, 2025. Excluding Commercial ABS, NHA MBS and Money Market Securities.

After 3 months of relative stability, new corporate issuance of CAD bonds almost ground to a halt in April (3.6B\$ vs 14B\$ in March) while Canadian companies assessed the potential damages of Liberation Day. Confidence seems to have come back quickly in May with a 208% increase in amount issued vs April, still not all the way back to early 2025 levels.

Canada's Corporate Pie



*YTD as of June 10, 2025. Excluding Commercial ABS, NHA MBS and Money Market Securities.

When looking at corporate bond issuance in terms of industry sectors, not surprisingly, the Financial sector cuts the biggest slice of the corporate bond issuance "pie", with over half of the amount issued YTD. The Energy sector comes in a distant second at 19% while the Services sector gets on the podium with 13% of the corporate bond issuance total amount in 2025.

CanDeal DNA Wins Another Industry Award

CanDeal DNA has once again been named as the 2025 **Best Evaluated Pricing Service Provider/Vendor**! This means that CanDeal DNA has been designated by WatersTechnology with back-to-back wins in both the Inside Market Data & Inside Reference Data Awards and the Buy-Side Technology Awards.



**Inside Market Data &
Inside Reference Data**
Awards Winner 2025

Best evaluated pricing
service provider/vendor
CanDeal DNA

About CanDeal DNA and CanDeal

Along with CanDeal Markets and CanDeal Solutions, CanDeal DNA is part of CanDeal Group. CanDeal DNA was formed to provide market participants globally with wide coverage and a high-resolution view for Canadian fixed income pricing, reference data and analytics. Launched in 2001 by Canada's six largest banks, CanDeal Markets is the leading electronic marketplace for institutional trading in Canadian bonds, money market instruments and interest rate swaps. CanDeal Solutions is an internal incubator for developing innovative workflows and applications for trading, risk management and compliance including an industry collaboration for KYC and AML.

Analyze the Market, Evaluate Your Options

CanDeal Data & Analytics (DNA) provides intraday pricing and security master details for over 95,000 Canadian Fixed Income instruments and is committed to including new instruments as they become available to the marketplace.

Contact us at DNASales@candeal.com for sample data or to inquire about subscribing to our money market, bond, asset-backed, mortgage-backed or Yankee universes. Visit the [CanDeal](https://www.candeal.com) website for additional details.



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