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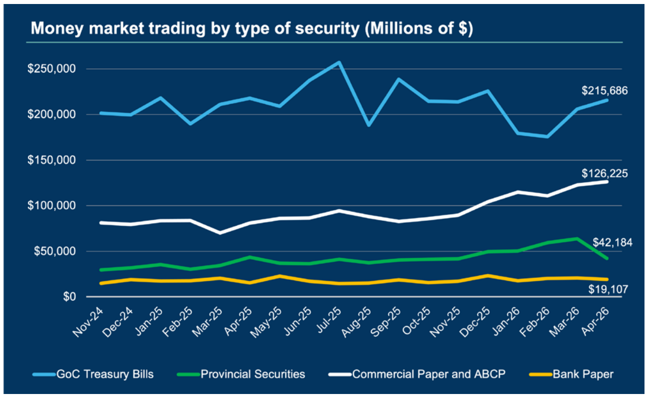
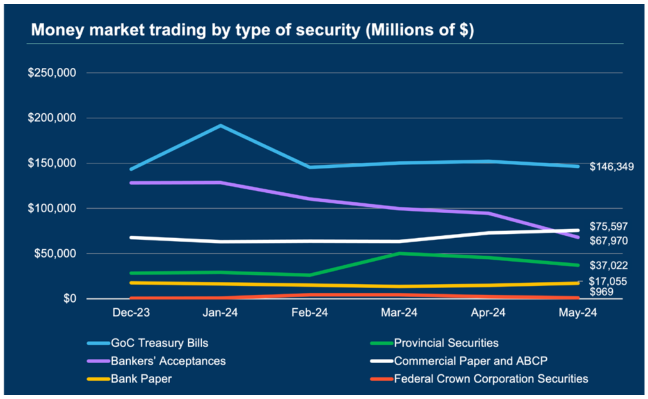
Canadian Fixed Income Markets — Data Driven Insights

09 June 2026

Transition Day – CORRA and Term CORRA, two years later: Where have all the BA dollars gone?

Our early issues of CanDeal Observations highlighted trading activity in Canadian money market instruments to profile then current trading volumes by each money market instrument type. In June 2024, the market was preparing to transition away from CDOR to CORRA and Term CORRA and Bankers Acceptance (BA) issuance cessation was imminent. At that moment of market evolution, we wondered where would all the BA dollars go?





*The charts above have been produced by CanDeal using data published by the **Canadian Investment Regulatory Organization** (CIRO·OCRI) and available **here**.*

Recent trading activity is captured in the chart above showing money market trade volumes by instrument type for the period November 2024 to April 2026.

Two years later and compared to the chart above, we can see those BA dollars went to CP/ABCP in large proportion (a 55%+ increase in volume over the last 18 months) and fulfilled some increased borrowing needs for the federal and provincial governments. Raise your hand if you expected this result?

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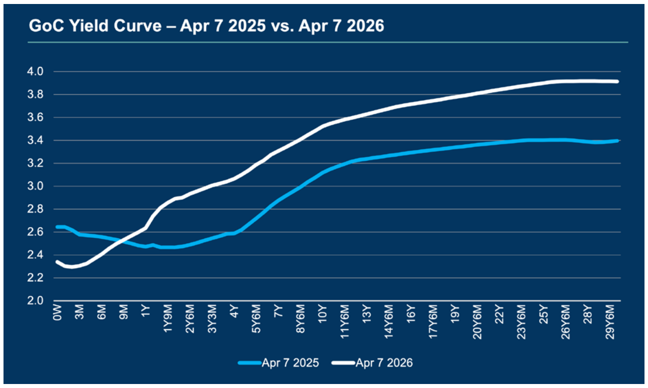
Liberation Day, 1 year later – Steeper but not cheaper

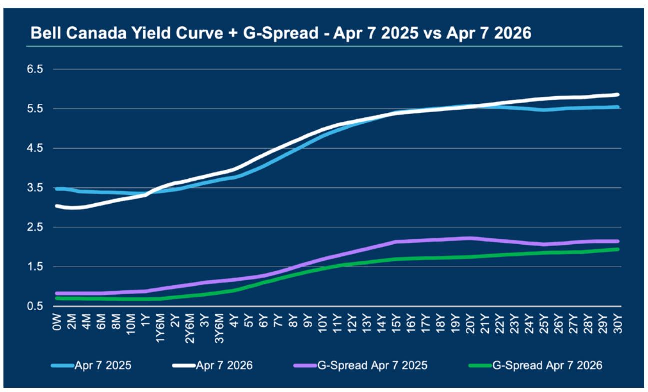
The Liberation Day announcement was loud, triggering, and shook-up markets worldwide. One year later, what is the impact on Canadian rates? Higher yields and a steeper yield curve.



	Apr 7 2025	Apr 7 2026	Y/Y Variation
2-10 basis	65.2 bps	63.3 bps	-1.9 bps
2-30 basis	93.1 bps	102.4 bps	9.3 bps
5-30 basis	72.9 bps	77.5 bps	4.7 bps

Today – The Credit Paradox

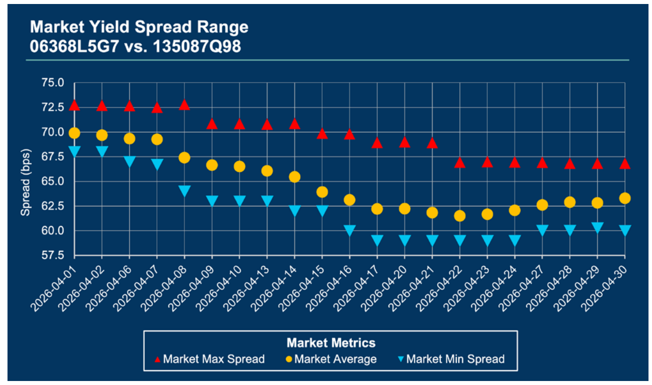
And while Canadian yields are trending higher, credit spreads have compressed significantly in the last year as institutional investors are hunting for basis points, especially in Canadian corporate bonds.



G-Spread	Apr 7 2025	Apr 7 2026	Y/Y Variation
2 year	98.9 bps	72.6 bps	-26.2 bps
5 year	124.3 bps	99.5 bps	-24.7 bps
10 year	169.1 bps	145.0 bps	-24.2 bps
30 year	214.7 bps	194.2 bps	-20.5 bps

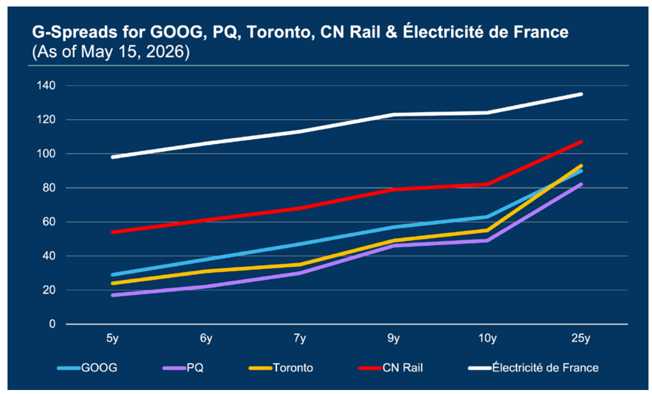
A good example shown above, corporate bonds from issuers such as Bell Canada have been in high demand during the last year as Bell Canada's G-Spreads have narrowed by 20 bps or more across the entire curve.

Signal, Noise, and Everything In Between



When looking at contributed spreads for a Canadian bank bond over the month of April 2026, we see a couple of things. First, spreads over GoC benchmarks for bank bonds seem to be compressing even more as we head into the summer. Second, in times of agreement (April 1 to 7 and April 27 to 30), the dispersion in spreads stays relatively tight within 5-7 bps from max to min, while in times of adjustment (April 8 to 24), we clearly see a widening of the dispersion in spreads to between 8-10 bps, so please, beware of simple averages.

Maple Market Goes Mega-Cap



Finally, to illustrate once more Canada's bond market attractiveness and appetite for diversification, Alphabet recently came to the Canadian market with a massive $8.5B issuance across the entire curve.

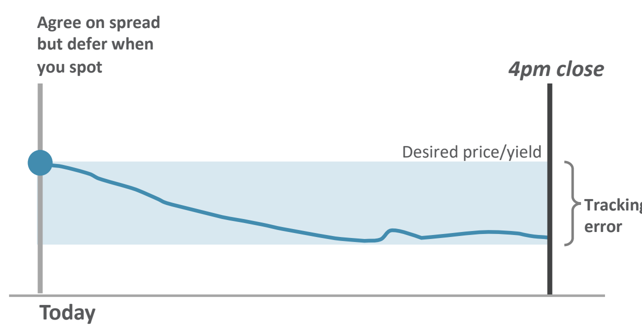
As we can see above, just 10 days after issuance, the bonds are trading at G-Spreads that are almost equivalent to government credits such as City of Toronto and Province of Québec, and are significantly tighter than other top Canadian domestic issuers such as CN Rail as well as notable Maple issuers such as Électricité de France. It seems mega is a cap we like.

Then, and Now – CanDeal Markets Deferred Spotting & Negotiated Benchmark

Available for corporate bonds, Provincials, CMBs and others, **CanDeal's Deferred Spotting** feature solves for **List O'Clock**!

Pioneered by CanDeal Markets and CanDeal DNA and exclusive to our Evolution platform, Deferred Spotting enables your confirmed intraday spread trades to execute at 4:00pm benchmark prices ensuring predictable outcomes regardless of subsequent intraday credit volatility. It also eliminates Tracking Error to the FTSE Canada Bond Indexes by using the same benchmark price provided to FTSE by CanDeal DNA.

For line sizes over $5MM and maturities over 10 years, the automated Negotiated Benchmark protocol gives our clients the ability to negotiate the benchmark price now, or anytime before 4:30pm ET.



And Next, FRNs!

Another feature designed to improve efficiencies and outcomes for our trading partners, look for updates regarding **Floating Rate Notes** on your Evolution platform or email sales@candeal.com for details.