

Fixed Income Market Data Survey of Institutional Investors

August, 2005

CanX, a financial information company focused on the Canadian capital markets, conducted a survey of institutional investors on their interest and use of fixed income market data. The purpose of the survey was to see what markets and types of information were of interest to institutional investors.

The survey was e-mailed to 444 institutional investors throughout Canada. The survey was e-mailed beginning July 13th, 2005 over the course of two days to all 444 individuals. All 444 e-mails were followed by a phone call over the next two weeks to ask for their participation in the survey. Of the original 444, 312 individuals were contacted by the follow-up phone call. The rest were either away, did not call back or could not be reached. The collection of survey responses ended on July 27th, about two weeks after the initial e-mailing.

Of the 444 inquiries, 88 individuals or 19.8% responded to the survey. The results were tabulated over the next week, and were presented on August 3rd, 2005 by CanX. This final report on the Survey is made available by CanX to all interested parties. The rest of this document summarizes the results of the survey.

CanX thanks all survey participants for their time and interest in the project.

Start of Survey Results

1. What is your company's annual revenue?		
	Responses	Percent
Under \$20M	14	17.7%
\$20M - \$50M	8	10.1%
\$50M - \$100M	3	3.8%
\$100M - \$250M	9	11.4%
Over \$250M	45	57.0%
Total number of respondents	79	100.0%

* Note: 9 survey participants did not answer this question.

2. Please indicate the approximate number of trades you execute per month in each class?

Canadian Securities							
	Under 5	10-20	20-25	25-50	50-100	Over 100	Total
T-Bills	50% (20)	10% (4)	15% (6)	12% (5)	5% (2)	8% (3)	40
BA	35% (18)	29% (15)	12% (6)	10% (5)	4% (2)	12% (6)	52
CP	16% (6)	22% (8)	19% (7)	16% (6)	14% (5)	14% (5)	37
Repo	50% (8)	19% (3)	12% (2)	0% (0)	6% (1)	12% (2)	16
OIS	89% (8)	0% (0)	0% (0)	0% (0)	0% (0)	11% (1)	9
FX	33% (14)	24% (10)	14% (6)	12% (5)	5% (2)	12% (5)	42
Treasury Bonds	26% (9)	15% (5)	15% (5)	21% (7)	12% (4)	12% (4)	34
Provincial Bonds	40% (14)	29% (10)	9% (3)	6% (2)	9% (3)	9% (3)	35
Corporate Bonds	31% (9)	28% (8)	21% (6)	3% (1)	3% (1)	14% (4)	29
Futures	67% (12)	11% (2)	6% (1)	0% (0)	6% (1)	11% (2)	18
Equities	40% (6)	7% (1)	0% (0)	20% (3)	13% (2)	20% (3)	15
Other	42% (5)	25% (3)	8% (1)	8% (1)	8% (1)	8% (1)	12
U.S. Securities							
	Under 5	10-20	20-25	25-50	50-100	Over 100	Total
T-Bills	69% (11)	19% (3)	6% (1)	0% (0)	0% (0)	6% (1)	16
BA	72% (13)	22% (4)	0% (0)	0% (0)	0% (0)	6% (1)	18
CP	53% (8)	7% (1)	20% (3)	0% (0)	13% (2)	7% (1)	15
Repo	71% (5)	0% (0)	0% (0)	0% (0)	0% (0)	29% (2)	7
OIS	80% (4)	0% (0)	0% (0)	0% (0)	0% (0)	20% (1)	5
FX	35% (11)	19% (6)	13% (4)	6% (2)	10% (3)	16% (5)	31
Treasury Bonds	75% (9)	17% (2)	0% (0)	0% (0)	0% (0)	8% (1)	12
Corporate Bonds	67% (6)	11% (1)	0% (0)	11% (1)	0% (0)	11% (1)	9
Futures	50% (7)	14% (2)	7% (1)	0% (0)	7% (1)	21% (3)	14
Equities	33% (3)	0% (0)	11% (1)	11% (1)	0% (0)	44% (4)	9
Other	57% (4)	0% (0)	14% (1)	0% (0)	14% (1)	14% (1)	7
Global Securities							
	Under 5	10-20	20-25	25-50	50-100	Over 100	Total
T-Bills	90% (9)	0% (0)	0% (0)	0% (0)	0% (0)	10% (1)	10
BA	86% (6)	0% (0)	0% (0)	0% (0)	0% (0)	14% (1)	7
CP	75% (6)	0% (0)	0% (0)	0% (0)	0% (0)	25% (2)	8
Repo	83% (5)	0% (0)	0% (0)	0% (0)	0% (0)	17% (1)	6
OIS	80% (4)	0% (0)	0% (0)	0% (0)	0% (0)	20% (1)	5
FX	59% (10)	18% (3)	0% (0)	6% (1)	0% (0)	18% (3)	17
Treasury Bonds	89% (8)	0% (0)	0% (0)	0% (0)	0% (0)	11% (1)	9
Corporate Bonds	71% (5)	0% (0)	0% (0)	0% (0)	14% (1)	14% (1)	7
Futures	75% (6)	0% (0)	12% (1)	0% (0)	0% (0)	12% (1)	8
Equities	38% (3)	0% (0)	25% (2)	12% (1)	0% (0)	25% (2)	8
Other	100% (4)	0% (0)	0% (0)	0% (0)	0% (0)	0% (0)	4
Total number of respondents							79

* Note: 9 survey participants did not answer this question.

3. Please indicate sources you consult prior to executing a trade (select as many as required) and grade them on ease of use:						
	1 (Hard)	2	3	4	5 (Easy)	Response Average
CanX Pilot	0% (0)	3% (1)	20% (6)	37% (11)	40% (12)	4.13
Bloomberg	2% (1)	0% (0)	6% (3)	32% (17)	60% (32)	4.49
Reuters	0% (0)	8% (2)	28% (7)	20% (5)	44% (11)	4
Telerate	11% (2)	0% (0)	21% (4)	42% (8)	26% (5)	3.74
Investment Dealer/Bank by Phone	3% (2)	3% (2)	7% (4)	33% (20)	54% (33)	4.31
Investment Dealer/Bank Website	3% (1)	6% (2)	26% (9)	29% (10)	37% (13)	3.91
CanDeal	22% (2)	0% (0)	0% (0)	44% (4)	33% (3)	3.67
CBID	8% (1)	0% (0)	46% (6)	15% (2)	31% (4)	3.62
CanPX	6% (1)	0% (0)	19% (3)	6% (1)	69% (11)	4.31
Central Bank Website	11% (2)	17% (3)	6% (1)	44% (8)	22% (4)	3.5
Total number of respondents						82

* Note: 6 survey participants did not answer this question.

4. Please indicate any other sources you consult prior to executing a trade that are not mentioned above:
▪ Free FX web site for FX trades
▪ Bank reports
▪ Telephone calls to compare the BA rates
▪ Globe Investor for the stock trades
▪ FXAll
▪ Other information sources such as newspapers and internet news services
▪ Our bank
▪ Market news services
▪ Standard and Poor's
▪ Omega Tradestation Live Data Feed.

5. Price Types – please indicate which type of data is most useful to you in formulating trade decisions:				
	Not Useful	Useful	Very Useful	Total
Indicative pricing - Posted bids and offers that must be confirmed by telephone or electronically prior to execution.	8% (7)	61% (54)	31% (27)	88
Firm Quotes - Posted bids and offers that are executable by telephone or electronically without prior confirmation.	10% (9)	36% (32)	54% (47)	88
Previous Trade Data - Actual trade data from recent transactions.	16% (14)	57% (50)	27% (24)	88
Total number of respondents (note: all survey participants answered this question)				88

6. Please answer each of the following questions:				
	Yes	No	Don't Know	Total
Are you aware that in 2001 CanPX was recognized as the information processor for the Canadian fixed income markets by the Canadian Securities Administrators (CSA)?	19% (17)	66% (58)	15% (13)	88
Does CanPX provide good coverage of the Canadian government securities markets?	36% (32)	1% (1)	63% (55)	88
Does CanPX provide good coverage of the Canadian corporate bond market?	8% (7)	9% (8)	83% (73)	88
Do you consult CanPX products regularly?	24% (21)	62% (55)	14% (12)	88
Is CanPX cost effective?	18% (16)	2% (2)	80% (70)	88
Total number of respondents (note: all survey participants answered this question)				88

7. Please list other bonds you believe should be represented by CanPX below:	
▪ All BCE Inc. bonds	▪ ONT 5.60% 02-06-2035
▪ All Bell Canada bonds	▪ provincial bonds
▪ As many corporates as possible	▪ Repos
▪ BC FERRY SERVICES	▪ ROYAL BK 3.70% 24-JUN-2010
▪ BELL 6.10% 16-MAR-2035	▪ RY 6.10% 22-01-2013
▪ Bell 6.25% 12-Apr-12	▪ SCMU Corporate Index
▪ ETRHWY 6.47% 27-07-2029	▪ TELESAT
▪ GEORGE WESTON	▪ TELUS 8.8% 22-SEP-2025
▪ HIGHWAY 407 5.96% DEC-2035	▪ TERASEN
▪ HYDRO ONE 5.36% MAY2036	▪ Too many to list
▪ MALI 6.24% 16-02-2016	▪ Westcoast Energy
▪ Municipal bonds	▪ YPG HOLDINGS
▪ ONT 5.00% 08-03-2014	

8. Please tell us what will help to improve price discovery and transparency for the Canadian Fixed Income Markets:
▪ Free sources over the internet.
▪ Quotes on Strip bonds, rolls would be really good to have.
▪ More issuers, more issues by existing new issuers, spread and benchmarks.
▪ Access to all screens (dealer's, broker's and other's) tradable or not. Access to firm quotes and previous trade data. If the information exists somewhere on a screen, it should be available to all clients, within the same system (if possible).
▪ Easier access to reliable and timely pricing information for a large number of outstanding issues.
▪ For corporate bonds, spreads over bench and/or curve would be a great addition.
▪ Live market spreads on corporate bonds.
▪ Broader client input.
▪ Exchange traded Fed and provincial bell weather bonds.
▪ For retail, a more comprehensive multi-dealer co-mingled executable market like the CBID model.
▪ As indicated in Question 8, the database should ideally include as many corporate bonds as possible with as much history as possible.
▪ Feeds that never go down.
▪ I would be very interested in live data feed with current, transparent, executable pricing for Government of Canada futures and options.