

# IIAC and IIROC Presentations – IIAC Industry Economic Report



Inform  
Influence  
Advance  
Create

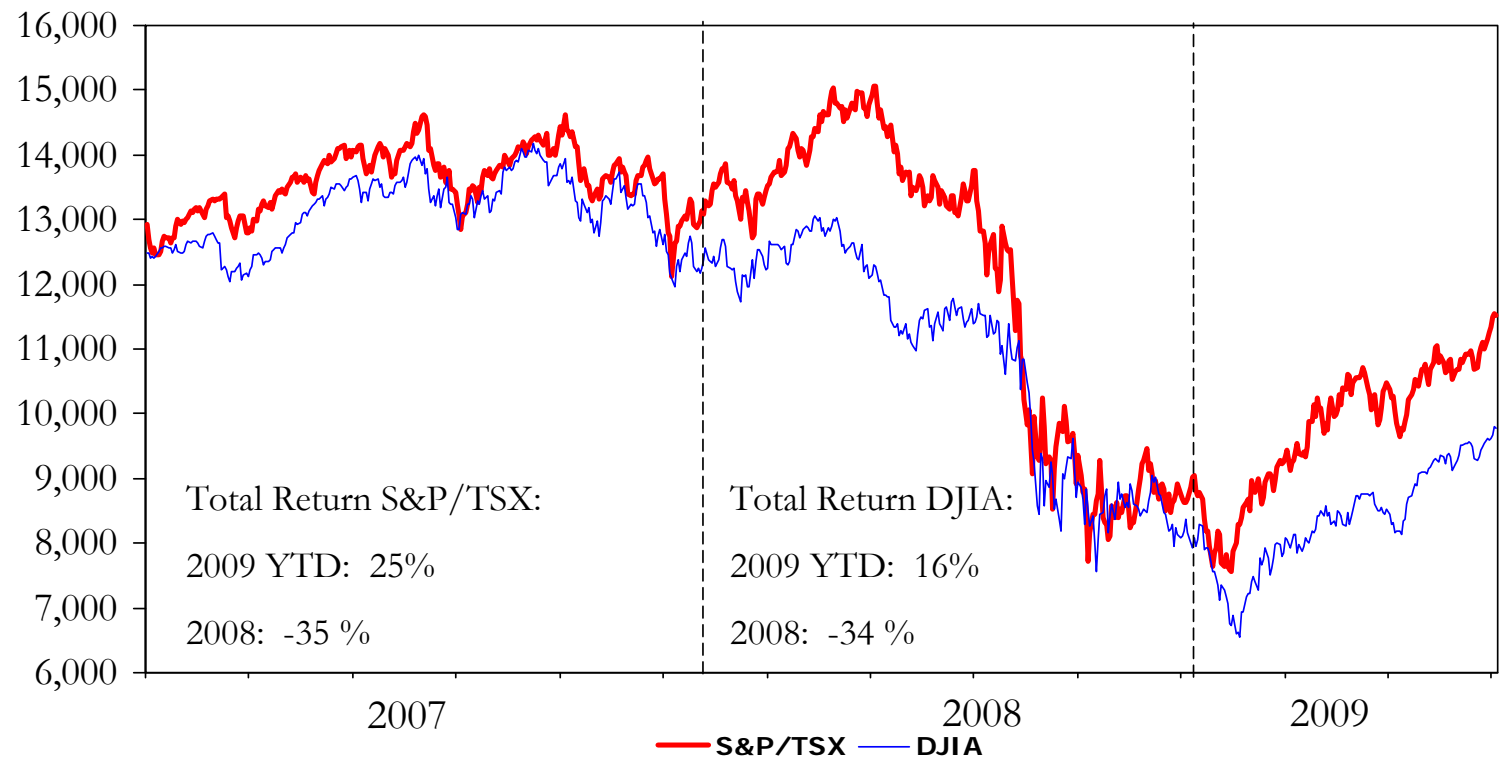
## **Trends and Developments in Canadian Capital Markets and Securities Industry**

Presentation to IIROC FAS Conference 2009

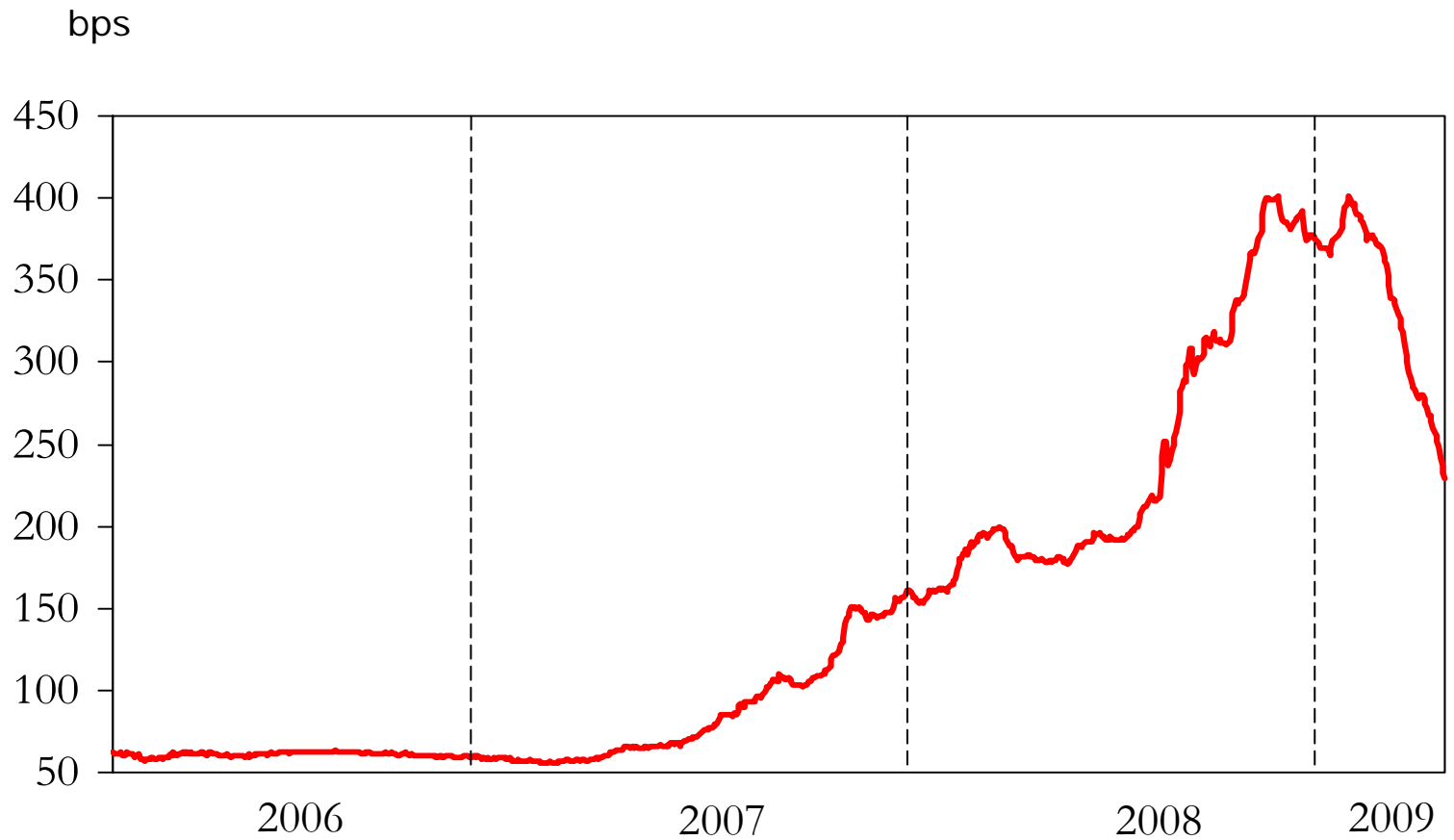
September 25, 2009



# S&P/TSX Composite Index vs. Dow Jones Industrial Average

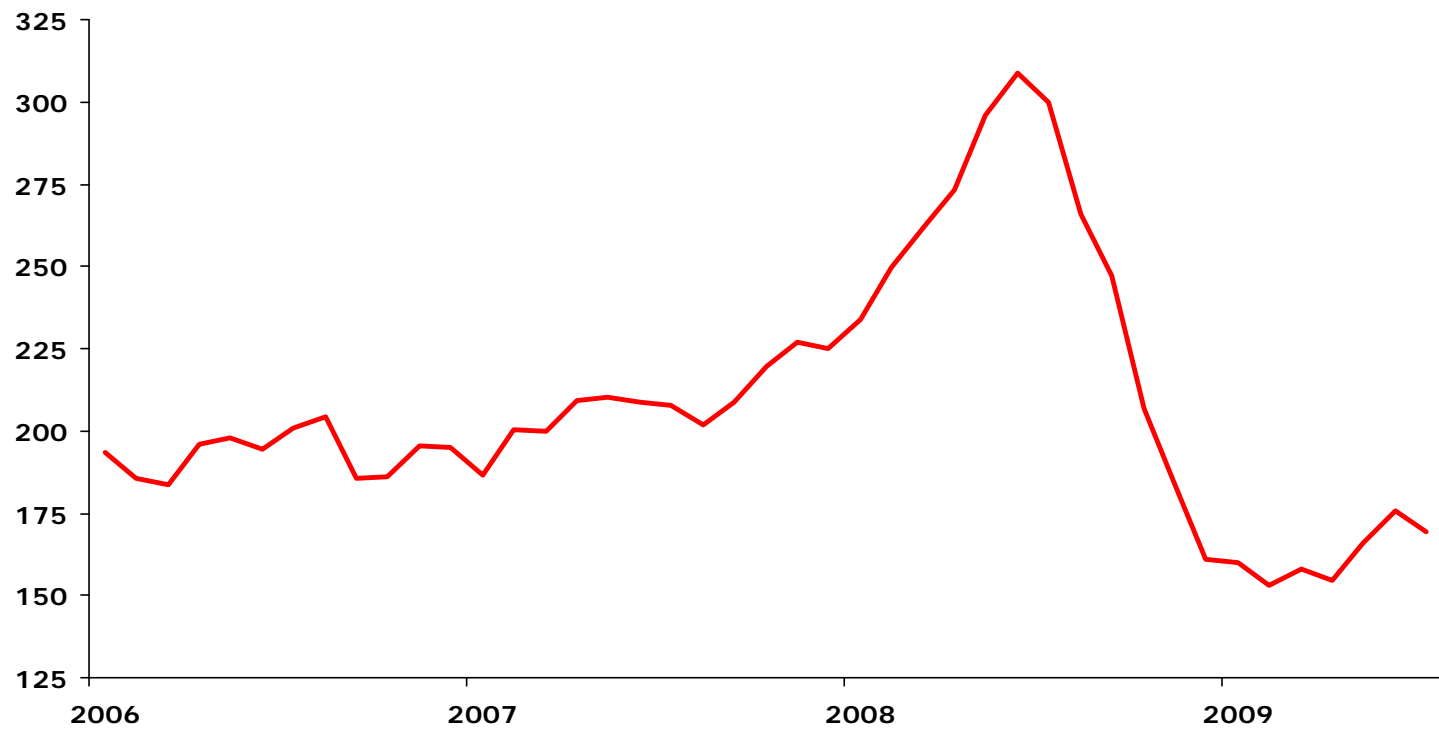


# Mid-Term Corporate Canada Yield Spread



Source: Merrill Lynch Research

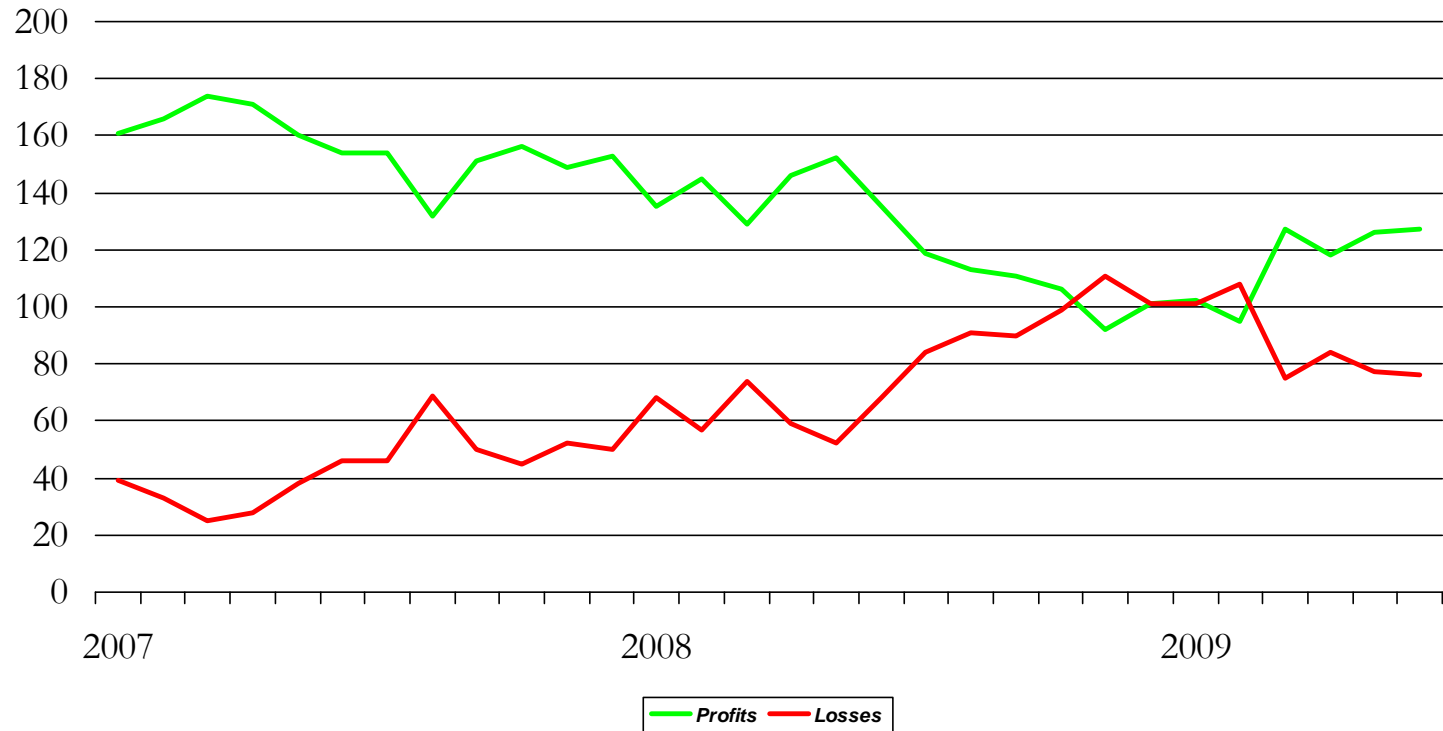
# Commodity Price Index



# Number of Firms with Profits & Losses

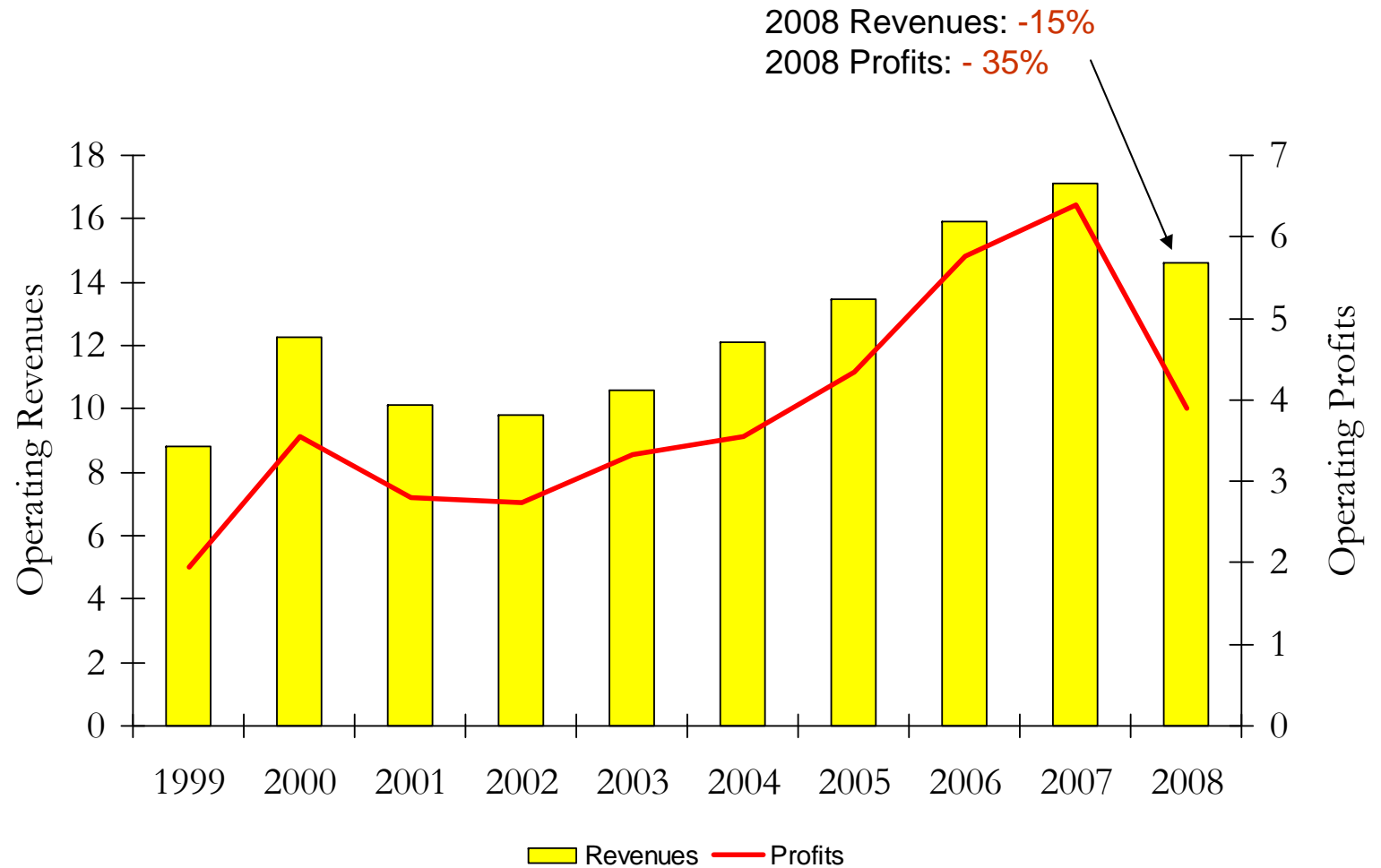
(Monthly)

# of Firms

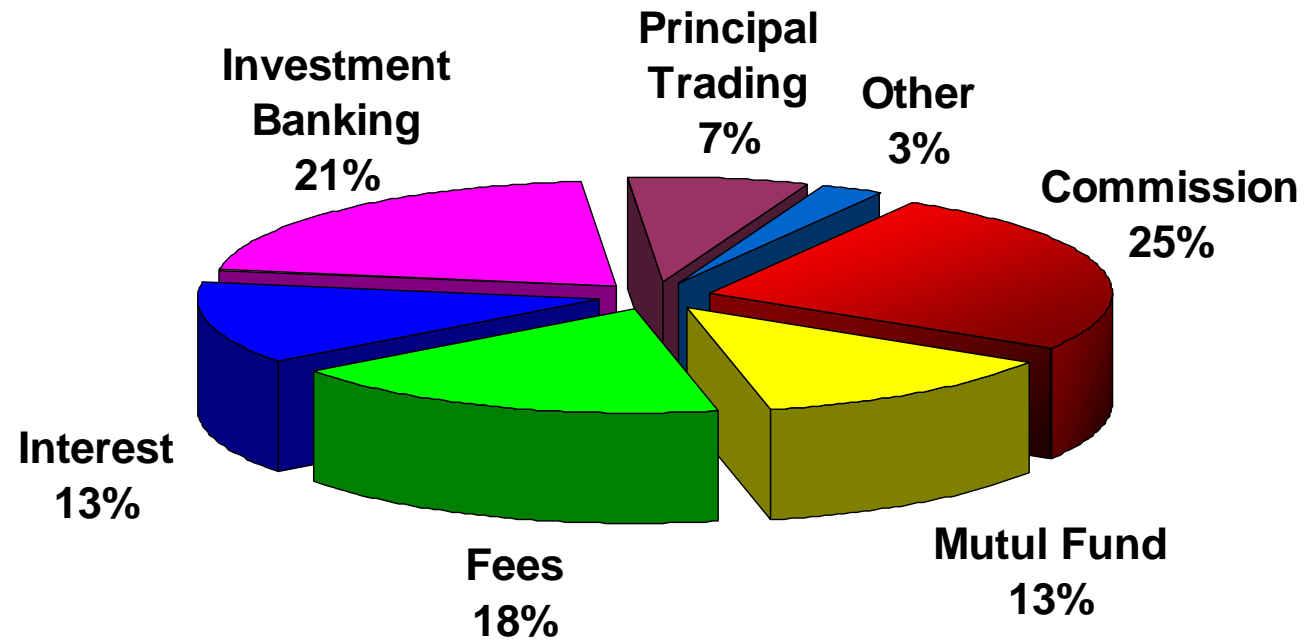


# Industry Operating Revenues and Profits

\$ billions

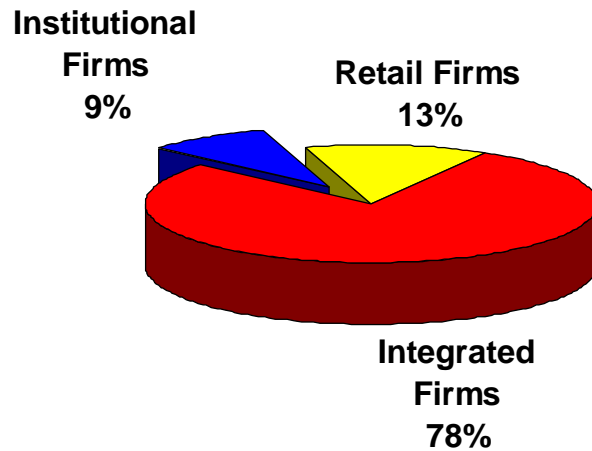


# Industry Revenues 2008

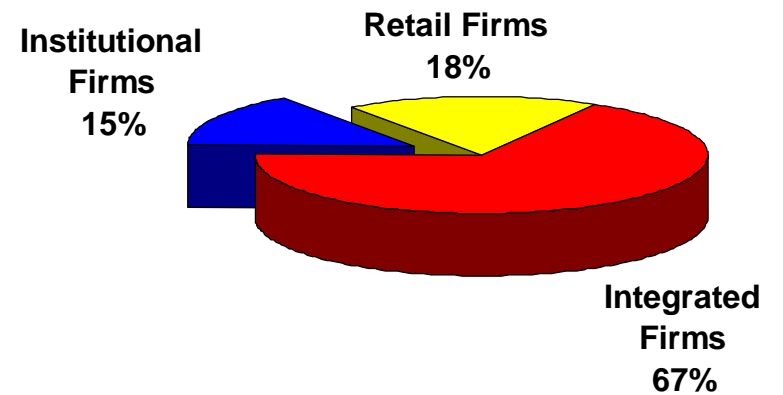


# Industry Revenue Broken by Dealer Category

2001



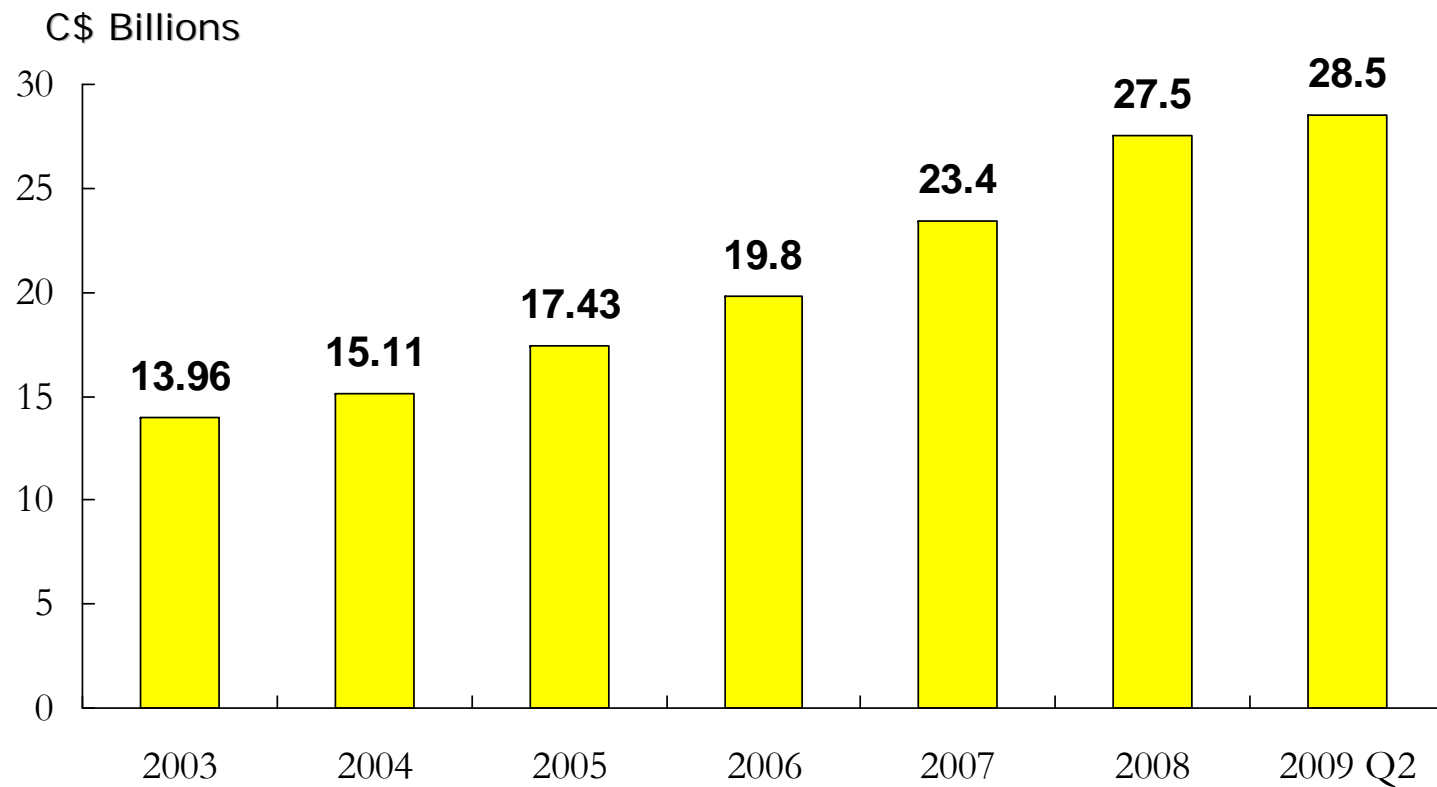
2008



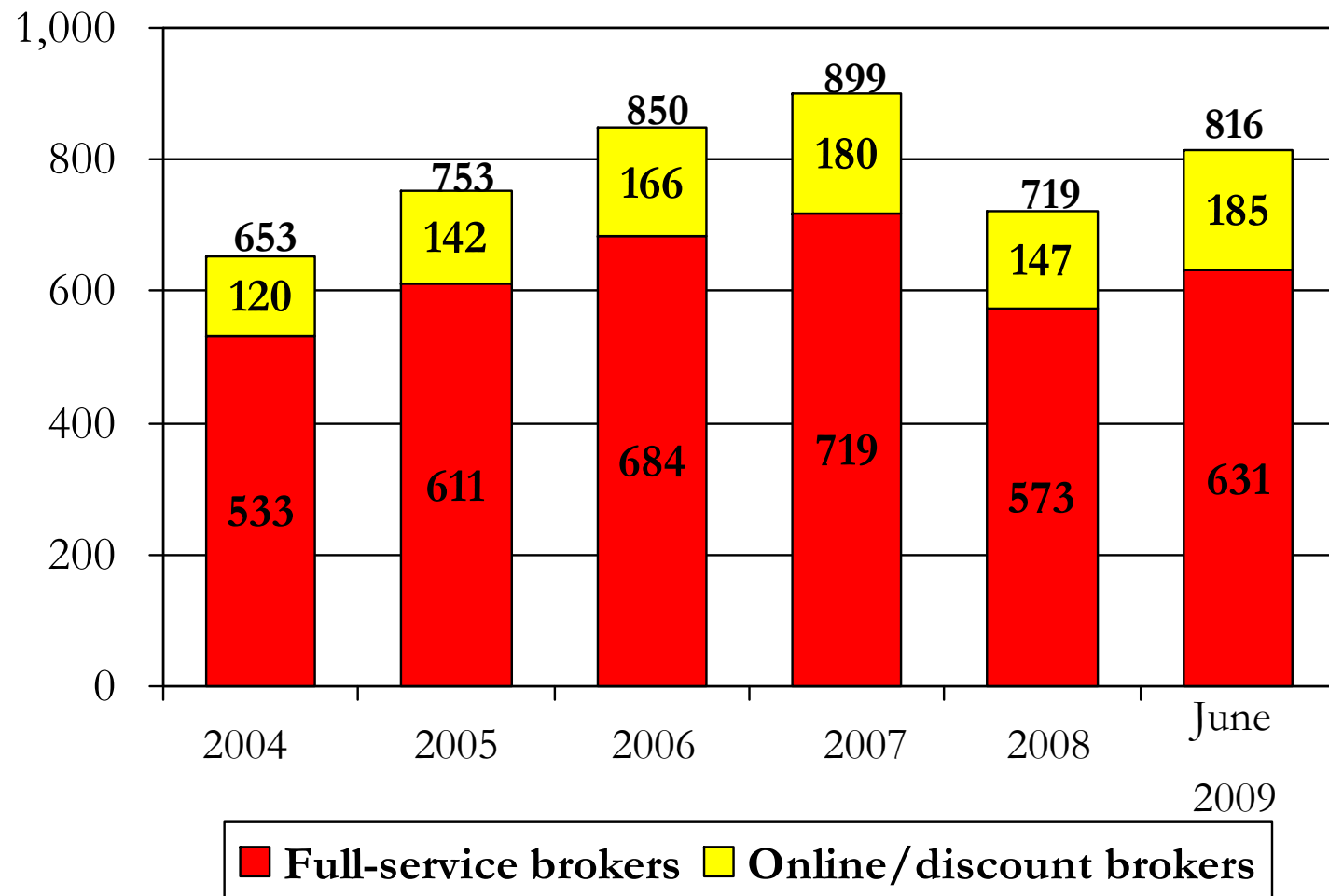
# Industry Employment



# Regulatory Capital



# Retail Brokerage Industry Assets

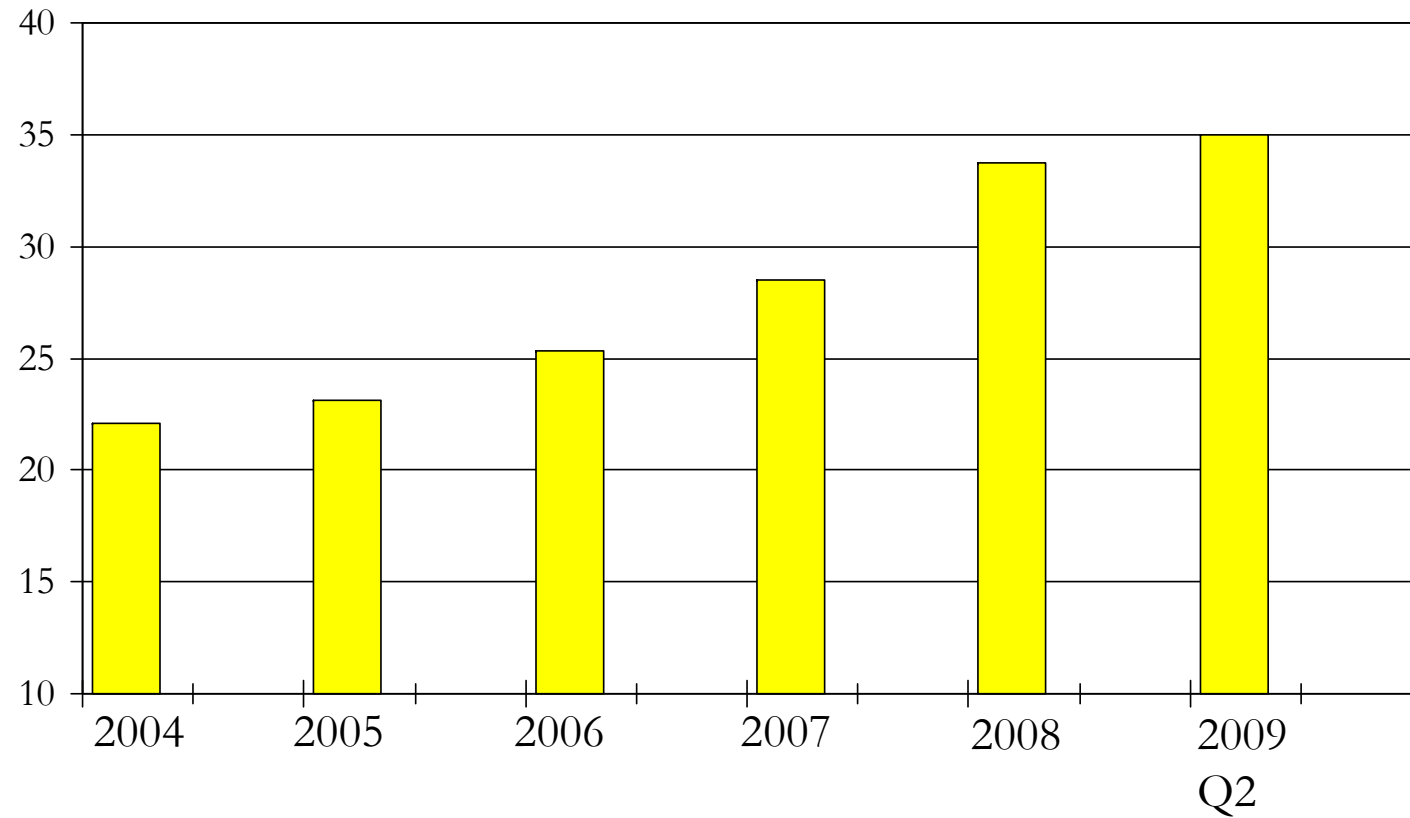


Source: Investor Economics



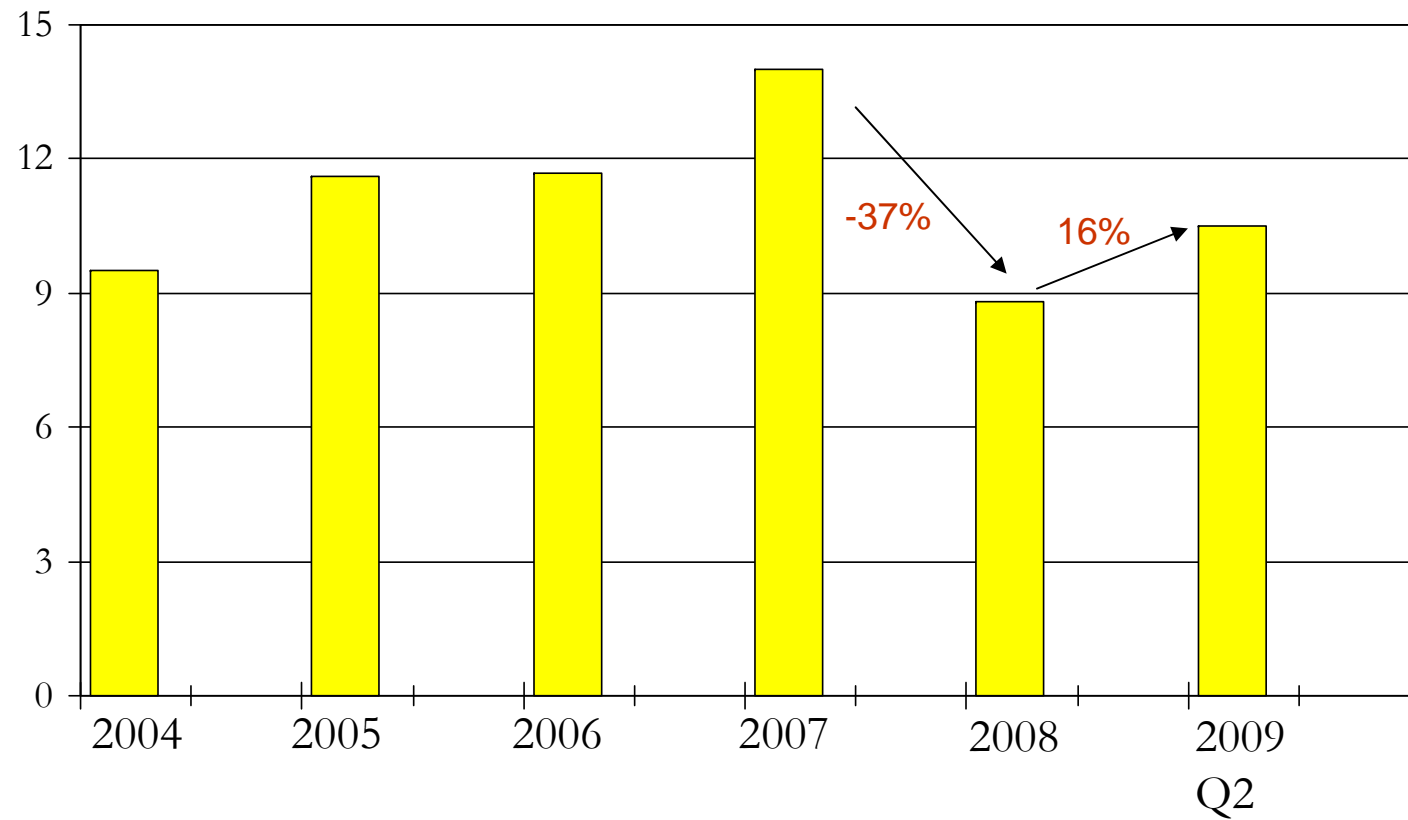
# Client Cash Holdings

Annual; C\$ Billions

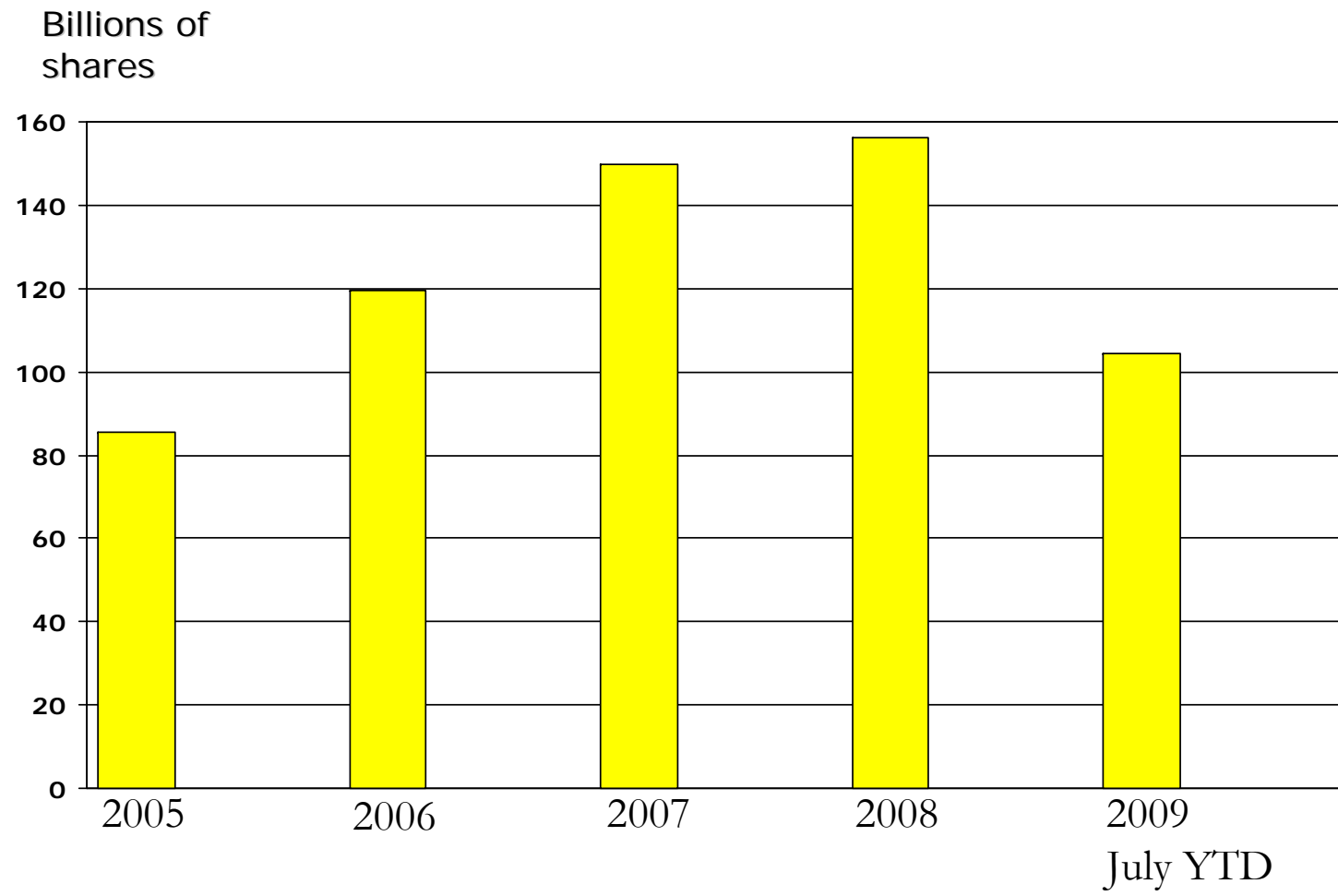


# Client Margin Debt

Annual; C\$ Billions



# Total Equity Trading



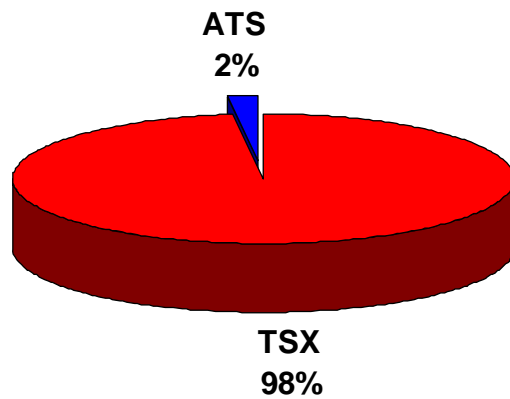
Source: TSX Review



# Equity Trading Market Share

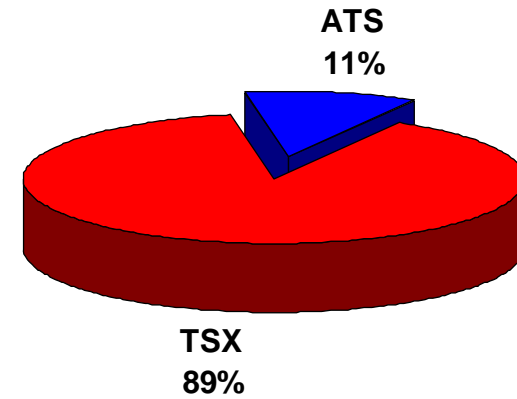
## Volume Traded: TSX vs. ATS

Q3 2008



■ TSX ■ ATS

Q2 2009



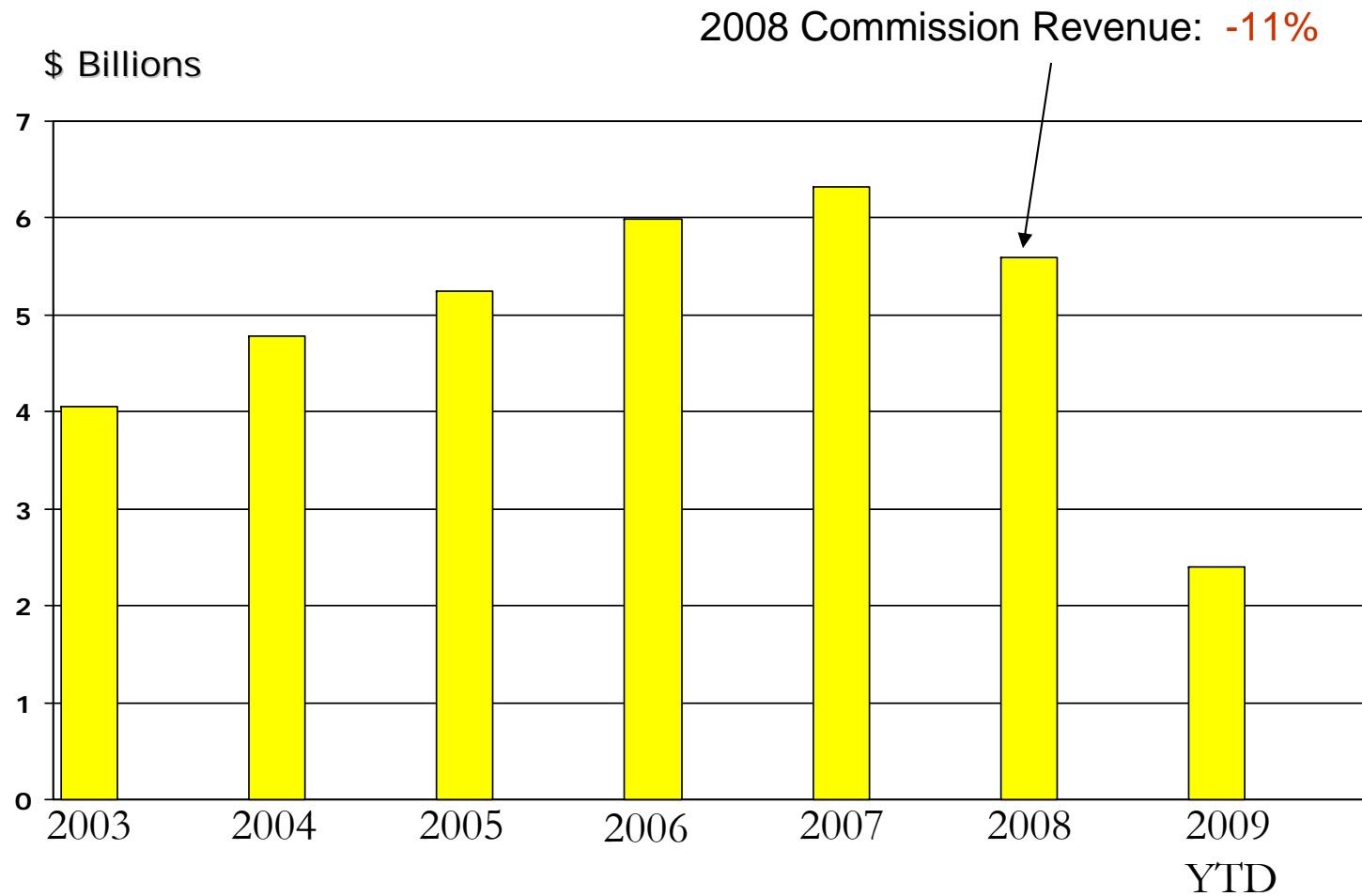
■ TSX ■ ATS



Source: IIROC

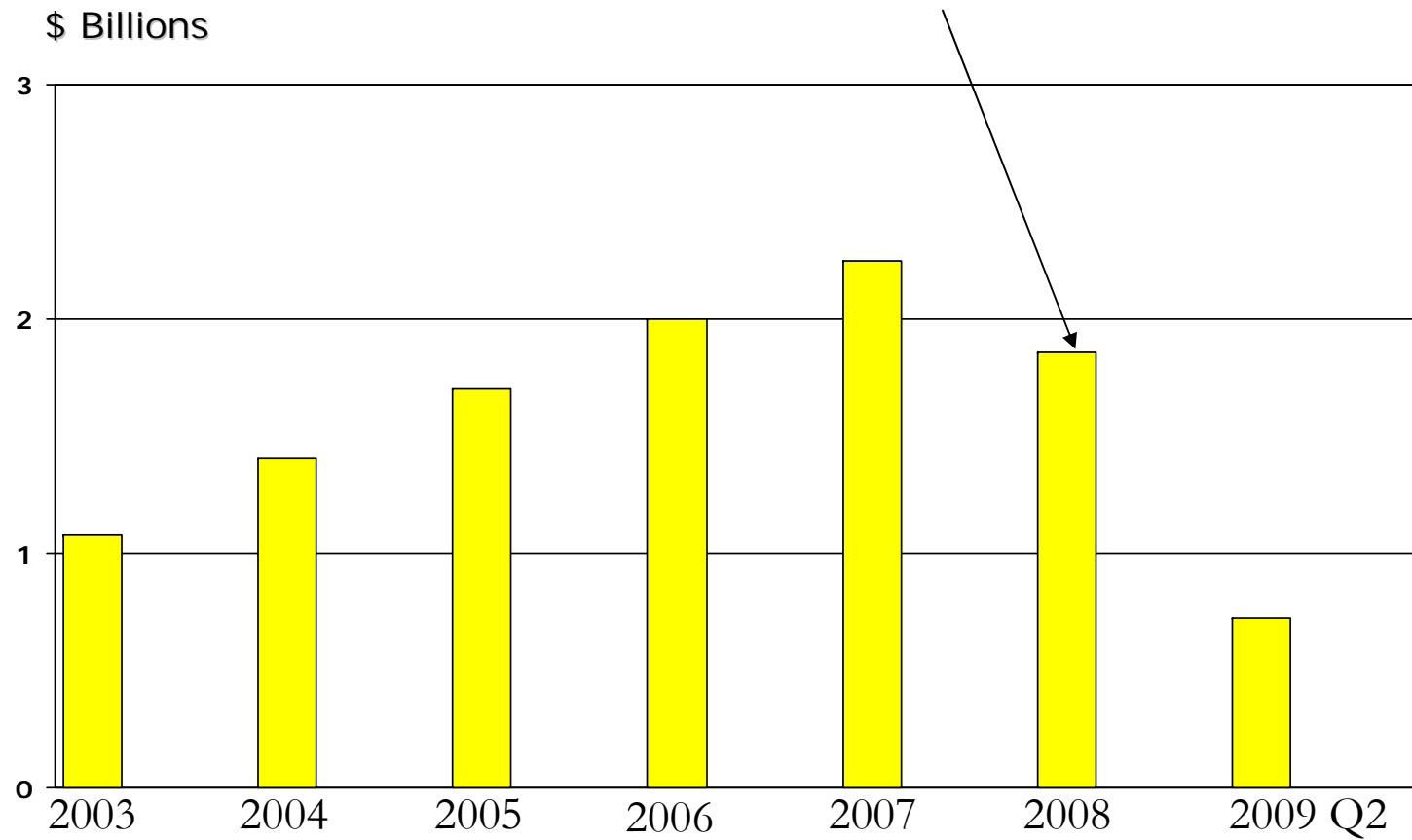
# Commission Revenue

(including mutual fund sales)

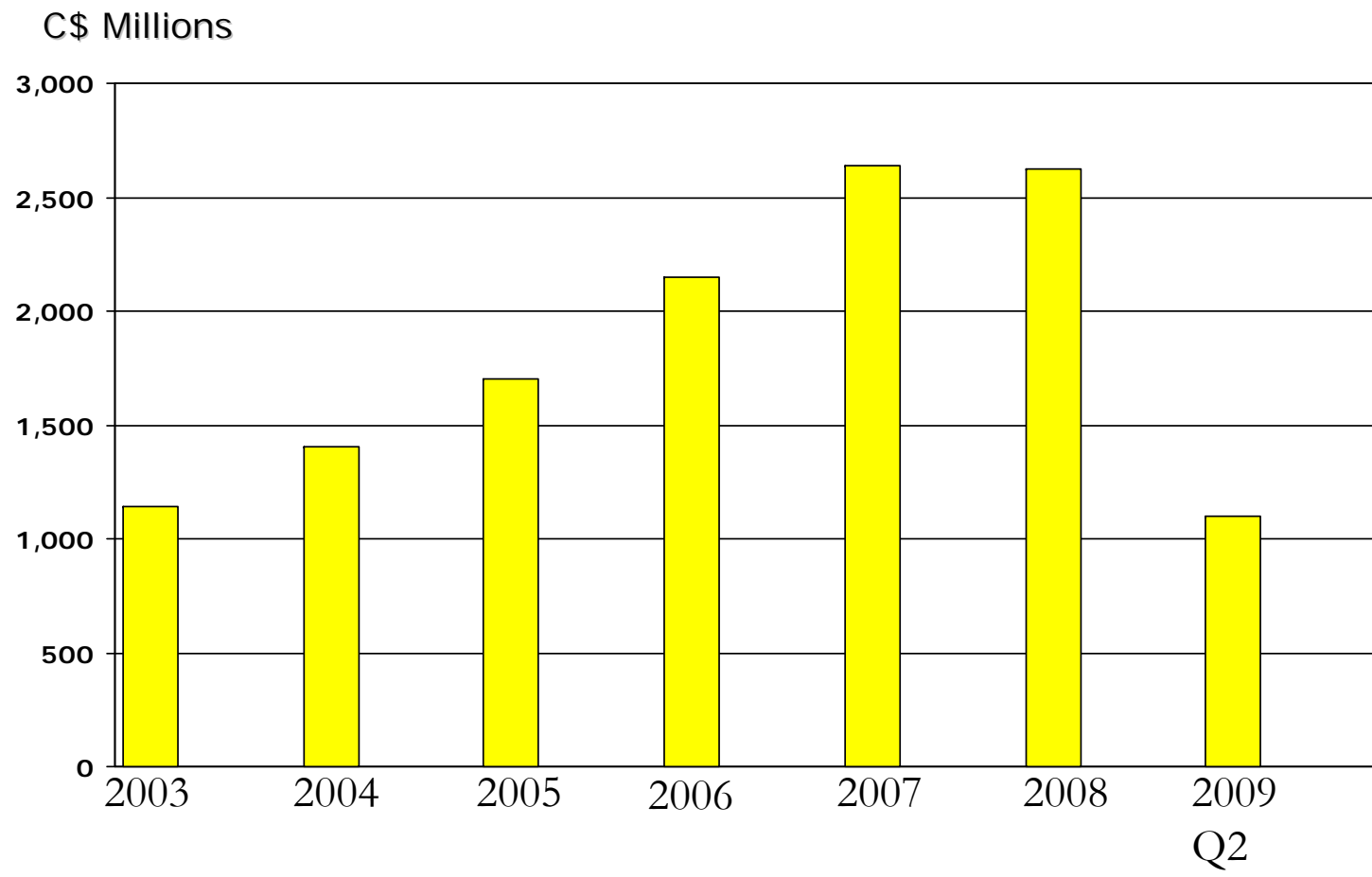


# Mutual Fund Revenues

2008 Mutual Fund Revenues: - 17%

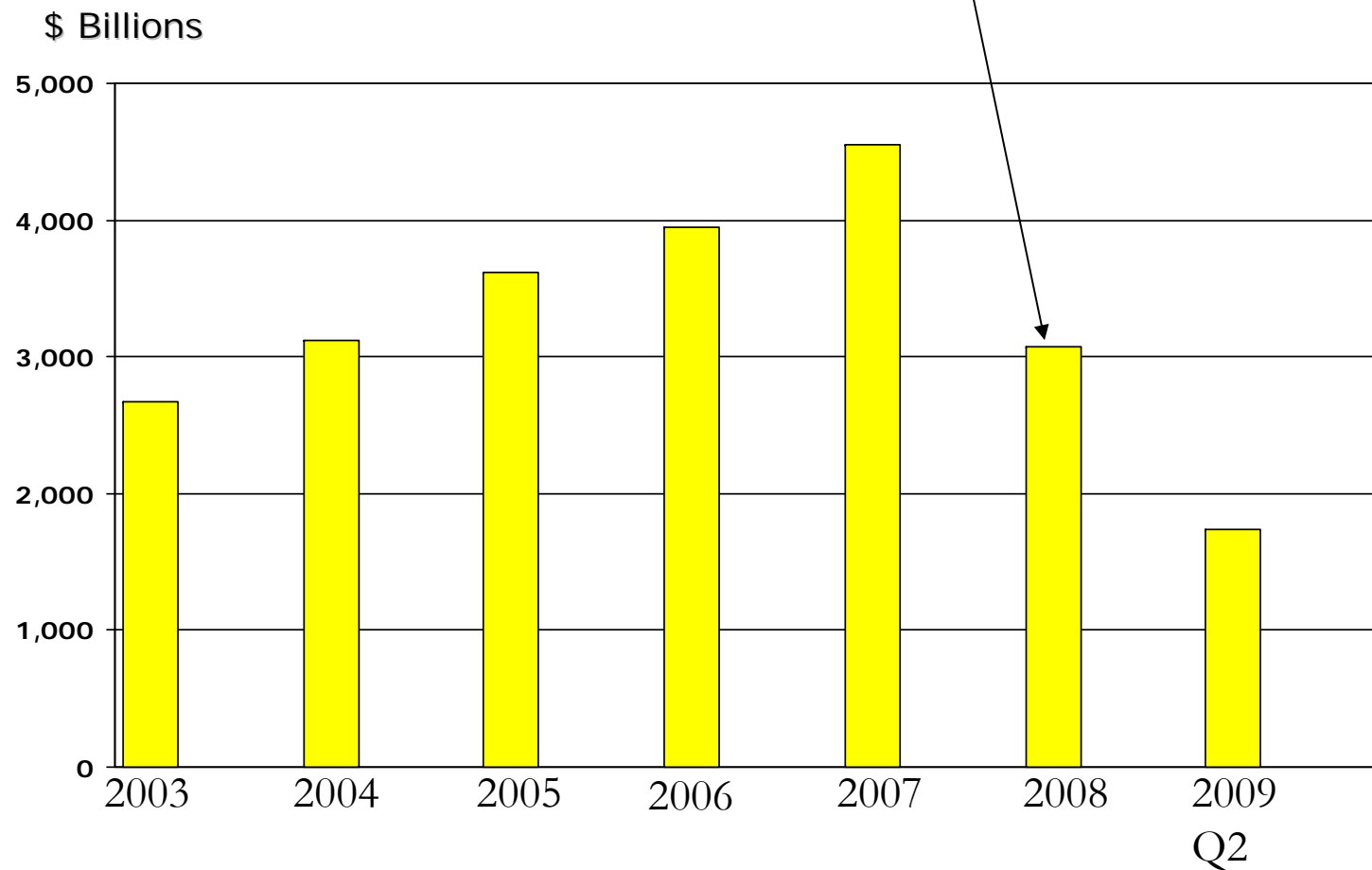


# Fee Revenue



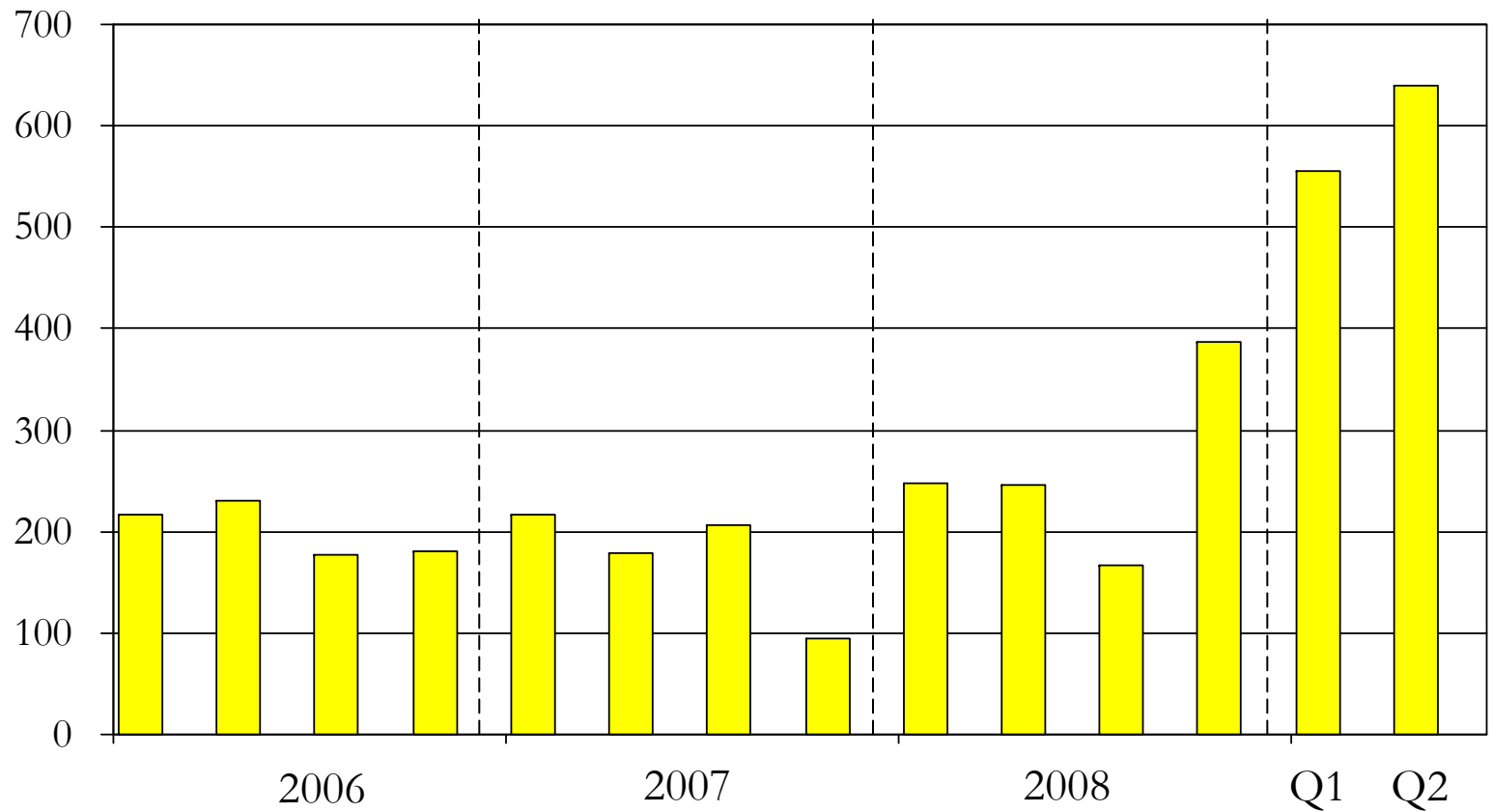
# Investment Banking Revenue

2008 Investment Banking Revenues: - 32%



# Fixed Income Trading Revenue

Quarterly;  
C\$ Millions



# Industry Outlook

- Investor Confidence building but at a measured pace
  - Obstacles:
    - Madoff, Stanford, Jones
- Revenues and margins squeezed
  - Restructuring operations for cost savings
- Large integrated firms well positioned:
  - Balanced business base
  - Fixed income/debt origination
  - Economies of Scale
- Coping with a ' New Regulatory Environment'.



# IIAC Advocacy and Member Support Initiatives

- **Responding to Pending & Proposed Changes to QI Regulations**
  - Obama Administration “Green Book” Proposals
  - IRS Announcement 2008-98
  - Basis Reporting
  - QI Treatment of TFSAs
- **GST/PST Harmonization**
- **Incorporation of Sales People**
- **2009 Trust Unit Tax Reporting**
- **4<sup>th</sup> Annual Securities Day on Parliament Hill**



Questions?

