

Recognizing an extraordinary year of Canadian bond trading

By Warren Lovely & Ethan Currie

It's been a few years since we last handed out our *Fixed Income Trading Awards*. But a truly exceptional year of trading warrants some recognition. So, with tongue planted firmly in cheek, our 2025 awards go to...

Turn up the volume award ➤ **Annual bond trading** – Two-way trade in Canadian dollar bonds set a fresh annual record in 2025. Total volumes were up 7% vs. 2024 and are nearly 50% higher than two years ago. It's increasingly clear that we've entered a structurally busier regime, with primary supply and secondary trading apt to remain elevated from here.

Quarter for your thoughts award ➤ **Quarterly bond trading** – 2025:Q4 came within a hair's breadth (0.1%-pts) of a new quarterly record (which was set in 2025:Q2). Not all that long ago, C\$3 trillion was considered a routine quarter for domestic bond trading. Scratch that. Domestic bond volumes have eclipsed C\$5 trillion for six straight quarters and counting.

Happy holidays award ➤ **Monthly bond trading** – Given the first two 'awards', it may follow that December trading was relatively brisk. Indeed, total volumes in Dec-25 were more than 60% higher than the prior trend for that particular month of the year. So much for an end-of-year lull.

All season tire award ➤ **Total bond trading, all sectors** – There's less of a seasonal skew to secondary trading these days. For instance, the coefficient of variation (i.e., standard deviation-to-mean) in monthly volumes declined for a third straight year in 2025. Sure, Feb-25 volumes were low(ish), given fewer trading days. Ditto for Aug-25, when market participants enjoyed summer holidays. But more than ever, bond market liquidity is maintaining relatively good traction the whole year through.

Lion's share award ➤ **GoC bonds** – No surprise, the lion's share of secondary activity centred on the sovereign in 2025, where investor attachment broadened and deepened. As of 2025:Q4, Canadas had accounted for at least 80% of total domestic bond volumes for twelve consecutive quarters. Supply creates demand and likewise bolsters secondary volumes. So look for more of the same in 2026, as Ottawa implements an ambitious, debt-financed capital investment strategy.

Belly buster award ➤ **GoC bonds, 3-10 years** – No segment was busier than the 3-10Y bucket of the GoC market in 2025. Volumes shot 22% higher in the belly, surpassing total trade in all remaining GoC tenors. By comparison, full-year bond volumes declined in each of the 0-3Y, >10Y and RRBs buckets of the GoC market, which brings us to...

Left unprotected award ➤ **GoC real return bonds** – Notwithstanding a faint heartbeat late in the year, GoC RRB volumes totaled just C\$12 billion in 2025. That was nearly 80% below the annual peak set in 2021, accounting for a scant 0.1%(!) of total GoC trading. There may be almost C\$50 billion of sovereign linkers outstanding, but Ottawa's earlier decision to axe the program has seen secondary liquidity (mostly) dry up.

Crown me award ➤ **Federal Crown bonds** – No major sector saw a larger increase in secondary trading in 2025 than Federal Crowns (+33% vs. 7% for market as a whole). There was ample, albeit seasonal trade in CMBs, where a record number of accounts played in the name. Meanwhile, CPPIB and PSP Capital (both counted here) are increasingly relevant names. With the CMB program expanding and PSEs remaining active issuers, Crowns should remain a very vibrant sector in 2026.

Home and away award ➤ **Provincial bonds** – With funding needs elevated, provinces are sensibly steering plenty of product to international

markets. Crucially, however, the domestic market remains plenty liquid. Full-year volumes expanded 8% in 2025. While led by the 3-10Y sector, provincials remain a strategically important source of primary supply and secondary liquidity for long-end players, which segues to...

Long live longs award ➤ **Over 10-year bonds, all sectors** – Steeper curves hint at a less voracious appetite for long product, but long-end liquidity has held up reasonably well. In the GoC market, >10Y volumes just set a fresh record for the month of December and 30Y auctions have been generally well subscribed of late. Elsewhere, an above average 40% of provincial trading was carried out in the >10Y sector in 2025, in line with the relative share of new issue supply. Long live the long bond!

More than meets the eye award ➤ **Municipal bonds** – Strictly speaking, secondary trading in municipal bonds declined 9% in 2025. There was less inter-dealer trade and screen trade waned. Still, institutional investors were more active than ever. Ditto for non-residents, where two-way trade in munis shot up more than 50% year-on-year.

Credit where credit is due award ➤ **Corporate bonds** – Corporate volumes may have eased 2% in 2025, but credit was in demand post 'Liberation Day' (in Canada as elsewhere). Non-residents increased their footprint, accounting for a record 20% of full-year trade. While corporate bucketing needs to be treated with caution (given the prevalence of callable structures), long corporates attracted solid and broad demand, reflected in relatively flat(ter) corporate credit curves.

Regular recognition award ➤ **'Client' volumes** – In many corners of Canada's bond market, it's not been unheard of for inter-dealer flow and 'anonymous systems' to jointly account for ~40% of total trade. Without invalidating these flows, a larger share of last year's activity was carried out with end investors. This was particularly true in government spread product, as domestic banks, institutional clients and non-residents were considerably more active. On the subject of non-residents...

Foreign legion award ➤ **Non-resident volumes** – When talk turns to non-residents, we often focus on the GoC (where relative volumes and ownership shares are greatest). But non-residents are increasingly active in other segments of the market. In 2025, non-residents accounted for their largest-ever share of annual trade in each of: Crowns, provincials, municipals and corporates. Given this leverage to and reliance on non-residents, foreign investor attitudes towards Canada bear close scrutiny.

Repo man (and woman) award ➤ **Bond market repo trading** – Testifying to the increasing prevalence of leveraged trades, bond market repo volumes vaulted higher last year. Total bond repo was up 20% in 2025, with the ratio of repo to cash continuing to expand. As the BoC earlier warned, the heavy use of leverage (including by hedge funds) is a potential risk. But as things stand, related demand is helping to absorb elevated govi supply while adding significant investor breadth.

Market makeover award ➤ **Money market trading** – Finally, a brief word on money market volumes. They're down of course (roughly 30% lower year-on-year), owing to structural changes, including the end of BAs. More money market volume is getting channeled through GoC T-bills, where all end investor types were more active last year. As with bonds, non-residents have been turned on by GoC T-bills, boosting their trade share meaningfully in 2025 (to 26%).

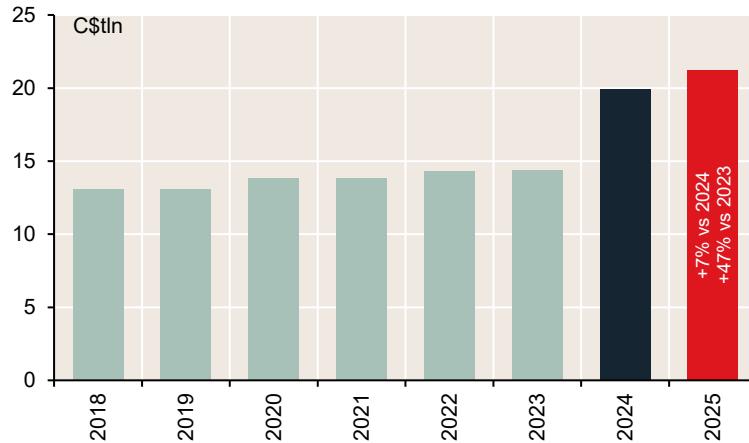
Congrats to all our winners. Select awards are illustrated on pages 2-3.



Note: All text and charts in this Market View refer to CIRO's publicly available aggregated bond volume data.
These data are available on a monthly frequency and can be accessed here: [CIRO Bond and Money Market Secondary Trading Statistics](#)

Chart 1: Assessing growth in Cdn bond trading volumes

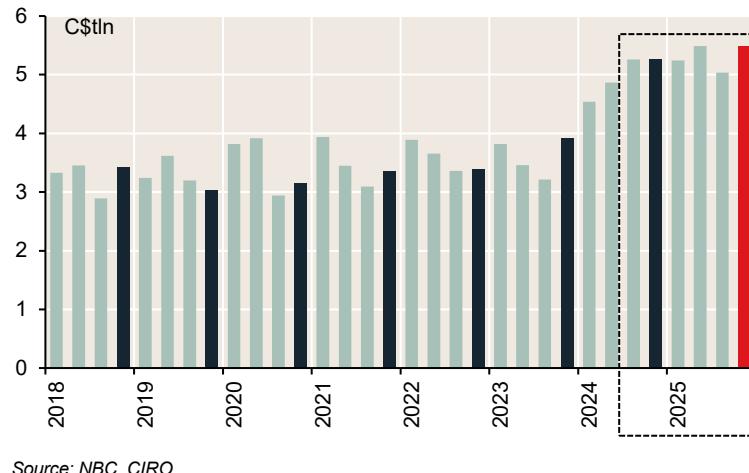
Cdn domestic bond trading volumes: Annual, all sectors



Source: NBC, CIRO

Chart 2: Volumes exceed C\$5tn for six straight quarters

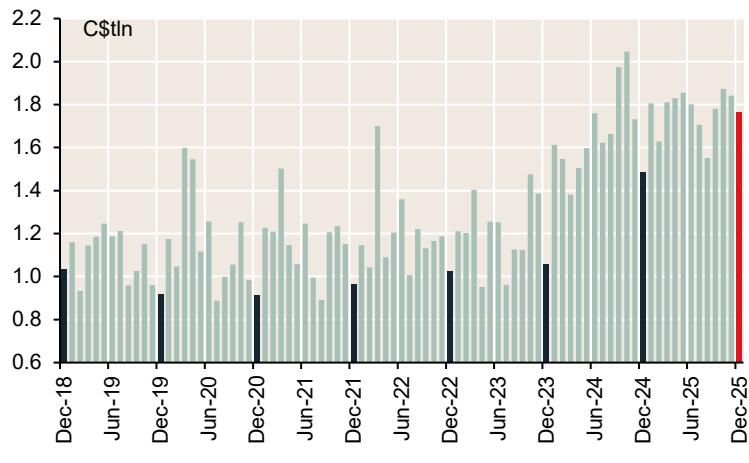
Cdn domestic bond trading volumes: Quarterly, all sectors



Source: NBC, CIRO

Chart 3: Holiday shopping bond trading in full swing

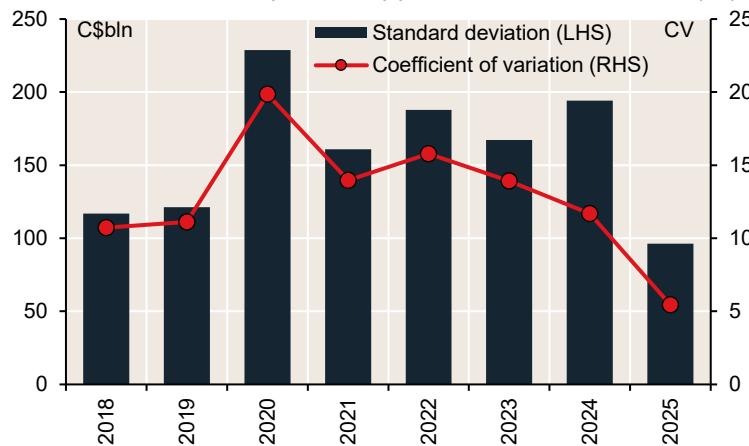
Cdn domestic bond trading volumes: Monthly, all sectors



Source: NBC, CIRO

Chart 5: ... as volume volatility (outright/relative) steps down

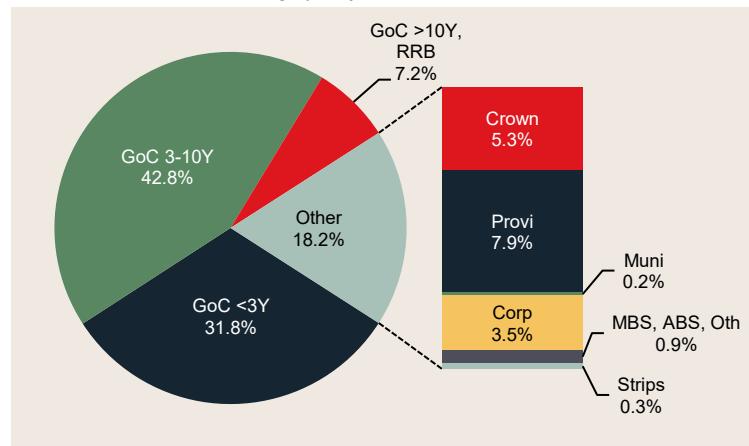
Standard deviation of monthly volumes by year, and coefficient of variation (CV)



Source: NBC, CIRO | Note: CV is a measure of relative standard deviation (St.Dev/Mean); All sector aggregate is presented

Chart 6: GoC once again home to over 80% of trading

Share of Canada bond trading by major sector / term: 2025



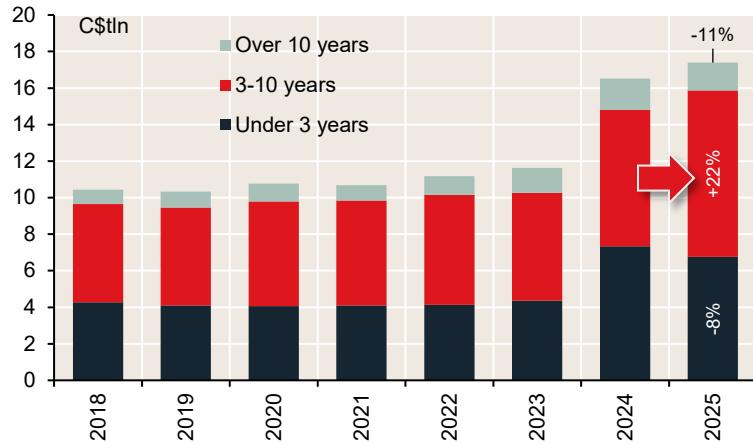
Source: NBC, CIRO



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Chart 7: GoC trading was particularly busy in the belly

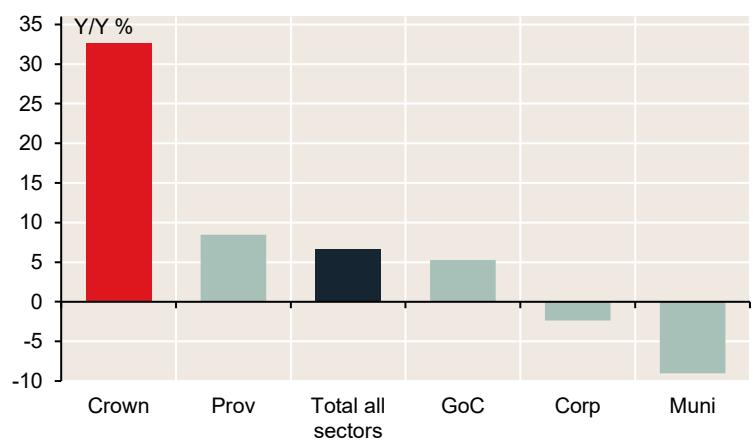
Total annual GoC bond trading by term



Source: NBC, CIRO

Chart 9: Crowns seeing the largest Y/Y jump in volumes

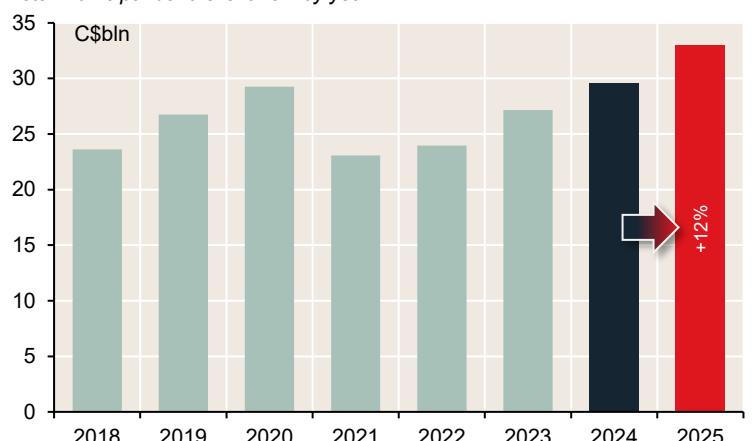
2025 year-over-year % change in total Canada bond trading volumes, by sector



Source: NBC, CIRO

Chart 11: End investors more Muni active than ever

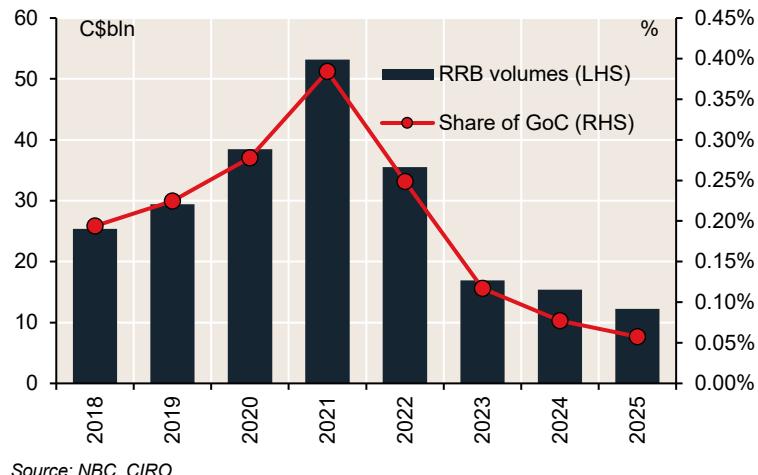
Total municipal bond client flow by year



Source: NBC, CIRO | Note: 'Client flow' refers to total volumes excluding interdealer and anonymous system trading

Chart 8: Real return bond sector continues to dry up

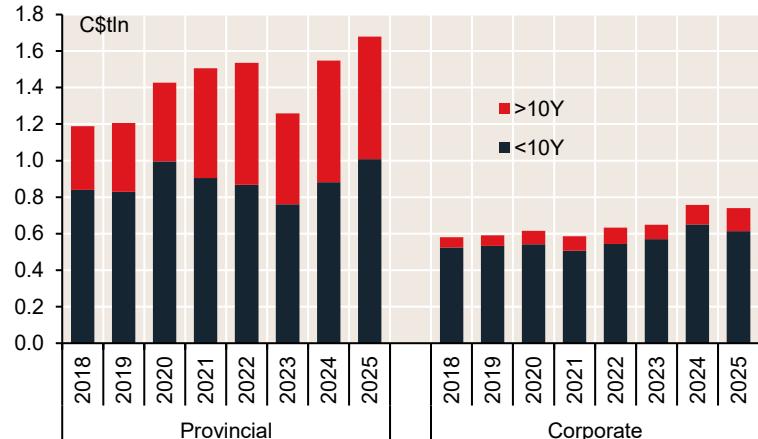
Total GoC RRB trading by year, and as a share of total GoC trading



Source: NBC, CIRO

Chart 10: Long provincials remain particularly active

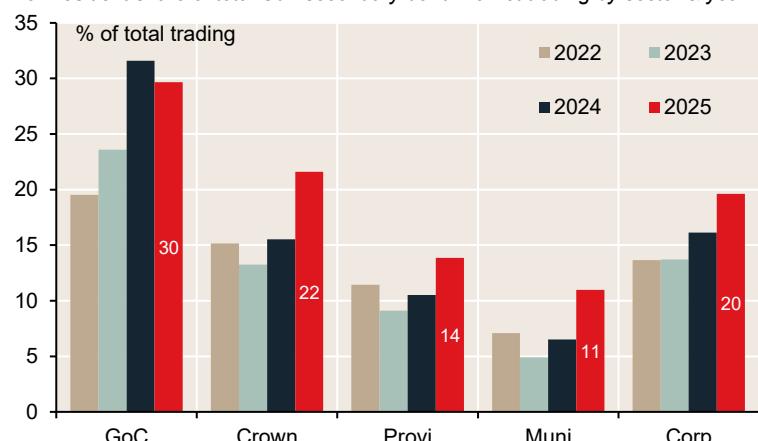
Total annual provincial & corporate bond trading by term



Source: NBC, CIRO | Note: In 2025, total provincial volume +8% & total corporate volume -2%

Chart 11: End investors more Muni active than ever

Non-resident share of total Cdn secondary bond market trading by sector & year



Source: NBC, CIRO



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