



NEWS RELEASE

Montreal Exchange to Launch FTSE Canada Bank Credit Index Futures

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A first-of-its kind credit derivatives product that allows market participants to manage specific Canadian credit risk

Toronto, Ontario--(Newsfile Corp. - June 17, 2025) - The Montréal Exchange (MX), Canada's derivatives exchange, today announced its intention to introduce the FTSE Canada Bank Credit Index Futures (CBC)*, a first-of-its kind credit derivatives product designed to meet the evolving needs of market participants, slated for a Q1 2026 launch.

Based on the **FTSE Canada Bank Credit Spread Index**, the contract isolates the credit spread component of a portfolio of Canadian Bank bonds. This provides transparent, flexible and direct exposure to Canadian bank sector credit risk, which gives participants another tool to manage credit exposure. This newly created, innovative index - designed to reflect the Canadian bank credit market - will serve as the Futures contract underlying and is now available to participants.

"Developed in collaboration with FTSE Russell and the Canadian Fixed Income Forum, our credit spread futures will complement our current yield curve futures, generating greater value for our clients," said Robert Tasca, Managing Director, Derivatives Products and Services, Montréal Exchange. "This expansion offers Canadian and international firms the transparency of a capital-efficient listed product to better manage their credit exposure."

The CBC contract will be designed to complement existing fixed income instruments, like cash bonds, exchange-

traded funds and total return swaps, while offering distinct benefits, such as:

- Targeted Credit Exposure: Gain direct exposure to the credit spread of Canadian banks through a futures contract built on a representative and liquid bond index.
- Expanded Yield Curve Access: Add new liquid points to the Canadian-listed yield curve, enhancing curve construction and trading precision.
- Efficient Hedging Tool: Manage spread risk, portfolio duration and liquidity needs with a standardized, exchange-traded solution.
- Versatile Trading Strategies: Implement tactical credit views, replicate synthetic long/short credit positions, or execute relative value trades.

"We're excited to be working with the Montréal Exchange to offer Canadian credit spread futures to the market," said Marina Mets, Head of Americas, Fixed Income and Convertibles at FTSE Russell, an LSEG business. "We're committed to fostering evolution in the markets we serve, and our newly launched FTSE Canada Bank Credit Spread Index further promotes our position as a leader in fixed income and multi-asset index solutions."

"The CAD credit future was born from a working group of the Canadian Fixed Income Forum (CFIF), a Bank of Canada sponsored committee," said Karl Wildi, Managing Director and Vice-Chair, Global Markets, CIBC Capital Markets and CFIF member. "The idea was to create a liquid, standardized beta credit product for use in the Canadian market. The concept was to create a product that could repatriate credit hedging that had migrated to the U.S. market, facilitate easier access to Canadian credit exposure for international investors, and provide a liquid product for portfolio managers to manage core Canadian credit risk."

For more information on FTSE Canada Bank Credit Index Futures, please visit m-x.ca/cbc.

*subject to completion of the applicable regulatory process

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