



NOTICE TO MEMBERS

No. 2023 - 025

February 14, 2023

EXCLUSION OF THE NEW 30-YEAR BOND FROM THE 30-YEAR GOVERNMENT OF CANADA BOND FUTURES JUNE 2023 DELIVERY BASKET

Bourse de Montréal Inc. (the “Bourse”) wishes to inform you that it will exclude the newly-issued 30-Year Government of Canada (“GoC”) bond from the 30-Year GoC Bond Futures (“LGB”) June 2023 delivery basket, irrespective of whether this Bond eventually satisfies the delivery standards for this contract expiry.

Specifically, the 2.75% December 2055 GoC bond (the “Bond”) will not be included in the list of deliverable bonds published by the Bourse on a monthly basis for the LGB June 2023 expiry, regardless of whether it ultimately meets the eligibility criteria for the LGB June 2023 delivery basket.

As per [Article 12.412 \(f\)](#) of the rules of the Bourse and [Section C-1802](#) of the rules of Canadian Derivatives Clearing Corporation (“CDCC”), the Bourse shall have the right to exclude any GoC bond from delivery status.

The Bourse has decided to preemptively exclude the Bond given the development stage of the product and the potential impact of the Bond on the LGB June 2023 contract market dynamic. With this decision, the Bourse aims to eliminate the uncertainty associated with the June 2023 deliverable basket and cheapest-to-deliver bond ahead of the March/June roll period for bond futures. This solution was reached after consultation with market practitioners in the interest of the product’s initial growth and to ensure a smooth transition following the recent [specification change](#) to the LGB delivery period.

Considering the unusual nature of the circumstances surrounding the Bond, in the Bourse’s view this situation is sufficiently exceptional to warrant such an intervention. For further clarification, this decision only applies to the LGB June 2023 contract and not to further LGB contract expiries.

For further information, please contact the Market Operations Department at (514) 871-7877.

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CDCC