

2013 Greenwich Leaders: Canadian Equities

Q2 2013

Amid a sharp slowdown in institutional trading activity, RBC Capital Markets has maintained its position as the leading broker in Canadian equity trading. According to the results of Greenwich Associates 2013 Canadian Equity Investors Study, RBC Capital Markets captured a trading share of 14.1% of institutional trading volume last year. BMO Capital Markets and TD Securities tied for second place with trading shares of 11.3–11.7%, followed by Scotiabank at 9.4% and CIBC at 8.9%. These brokers are the 2013 Greenwich Share Leaders in Canadian Equity Trading.

RBC Capital Markets also takes the top spot in Canadian equity research and advisory by capturing 16.7% of the institutional research vote—the process by which institu-

tions determine which sell-side providers of research and advisory services will be used and compensated. BMO Capital Markets is second in those terms with a vote share of 13.1%, followed by CIBC and TD Securities, which are tied with vote shares of 11.6 and 11.0% respectively, and Scotiabank at 9.4%.

“With the slowdown in trading activity in Canadian equities causing a 10% contraction in the amount of brokerage commissions paid by intuitions, those leading Canadian firms find themselves in the same situation faced by U.S. brokers for the past several years: fighting for market share as a means of maintaining trading revenues,” says Greenwich Associates consultant Jay Bennett.

Greenwich Share and Quality Leaders — 2013



Canadian Equity Research/Advisory Portfolio Managers Vote Share*

Broker	Market Penetration	Statistical Rank
RBC Capital Markets	16.7%	1
BMO Capital Markets	13.1%	2
CIBC	11.6%	3T
TD Securities	11.0%	3T
Scotiabank	9.4%	5

Canadian Equity Trading Share*

Broker	Market Penetration	Statistical Rank
RBC Capital Markets	14.1%	1
BMO Capital Markets	11.7%	2T
TD Securities	11.3%	2T
Scotiabank	9.4%	4T
CIBC	8.9%	4T



Canadian Equity Research and Analyst Service Quality – Portfolio Managers

Broker
RBC Capital Markets

Canadian Equity Sales Quality

Broker
BMO Capital Markets
RBC Capital Markets

Canadian Equity Trading Quality**

Broker
BMO Capital Markets
RBC Capital Markets

Note: Based on 55 respondents for Canadian Equity Research/Advisory Vote Share, Canadian Equity Sales and Research and Analyst Service Quality. Based on 56 respondents for Canadian Equity Trading Share and Canadian Equity Trading Quality. *Greenwich Associates Research/Advisory Vote Share and Trading Share represent a broker's relative importance to the buy-side institutions within the Greenwich Associates universe. Scores are based upon the amount of business conducted with each respondent and the size of each responding institution based on commission spend with the sell-side community. Share leaders are based on top five brokers including ties. Quality leaders cited in alphabetical order including ties. **Equity trading encompasses sales trading, execution, sector trading, and electronic trading. Source: Greenwich Associates 2013 Canadian Equity Investors Study

Greenwich Quality Leaders

BMO Capital Markets and RBC Capital Markets are the 2013 Greenwich Quality Leaders in Canadian Equity Trading. Greenwich Quality Leaders are firms that receive client quality ratings that top those awarded to competitors by a statistically significant margin. Among portfolio managers, RBC Capital Markets is the 2013 Greenwich Quality Leader in Canadian Equity Research and Analyst Service. The 2013 Greenwich Quality Leaders in Canadian Equity Sales are BMO Capital Markets and RBC Capital Markets.

Consultant Jay Bennett advises on the institutional equity markets globally.

Methodology

Greenwich Associates interviewed 55 Canadian equity fund managers about the research and sales services they receive and 56 Canadian equity traders about the trading services they receive from their brokers in Canada. They were also asked about current market practices, trend and compensation. Interviews were conducted between December 2012 and February 2013.

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