

Q4
09

NEW ISSUES & TRADING EQUITY

REPORT FOR THE FOURTH QUARTER

BUOYANT EQUITY MARKETS LIFT FINANCINGS IN 2009

The strong recovery in global equity markets that began in March of 2009 helped borrowers attract new capital leading to a record setting year for Canadian equity financings. During the fourth quarter, total equity issuance totaled \$16.7 an increase of 6% from Q3. On the year, total equity issuance in 2009 was \$61.3 billion and represented a 50% increase from 2008 (Chart 1). The resource sector (Mining, Oil & Gas) was a major driving force representing almost half of the equity underwritings for the year. This was largely due to higher commodity prices which helped lift the S&P/TSX Composite up over 35% in 2009.

Small business financings characterized by equity underwritings under \$10 million more than doubled during the fourth quarter raising \$1.4 billion on over 850 offerings. For the year, small equity financings totaled \$3 billion – on pace with 2008 levels, but down 45% from 2007.

Trading activity also picked up as a result of heated equity markets. Trading on Alternative Trading Systems grew at an exponential pace with 27 billion shares exchanging hands— a significant jump compared to the mere 2.4 billion recorded in 2008. Trading activity on the TSX and TSX Venture remained robust surpassing its previous record high in 2008.

A strong second half pushed common equity financings to new highs with \$42.8 billion raised during the year. The resource sector accounted for over 60% of common equity issuance while the financial sector represented 19%. The IPO market cooled down in Q4 dropping 53% from the previous quarter but gained 90% on the year with \$2.7 billion in financings. Secondary offerings rose to \$31.5 billion for 2009— an increase of 74% from 2008 levels. Private placements improved by 60% from the previous quarter but still below previous years numbers (Chart 2).

Preferred share issuance posted its lowest quarterly total for the year with \$1.2 billion in capital on 9 offerings, but still managed to reach an all time high of \$9.7 billion in 2009. Offerings from financial institutions were once again the main driver comprising of over 80% of total preferred share issuance for the year (Chart 3).

Chart 1: Total equity issuance

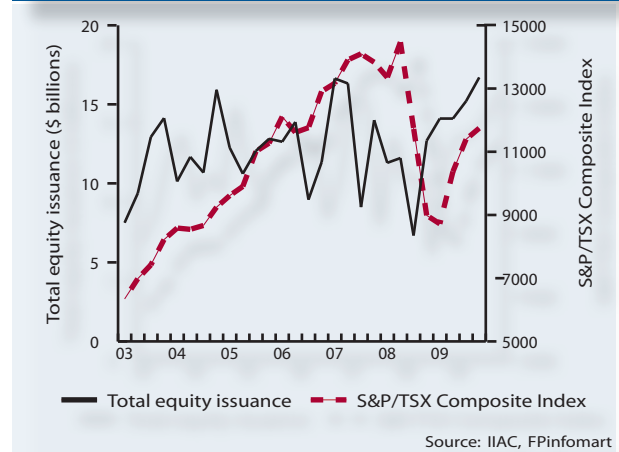


Chart 2: Common equity financings

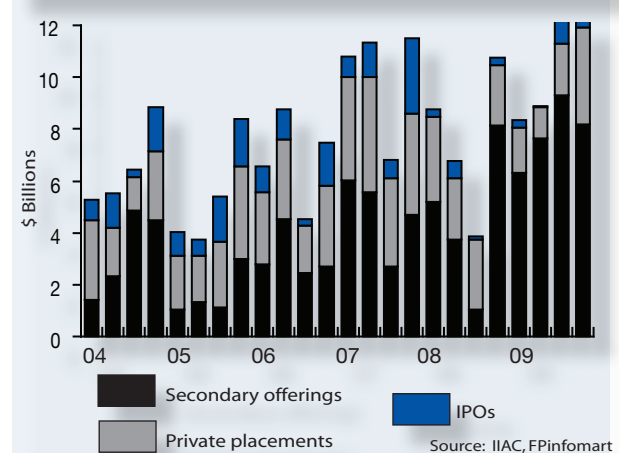
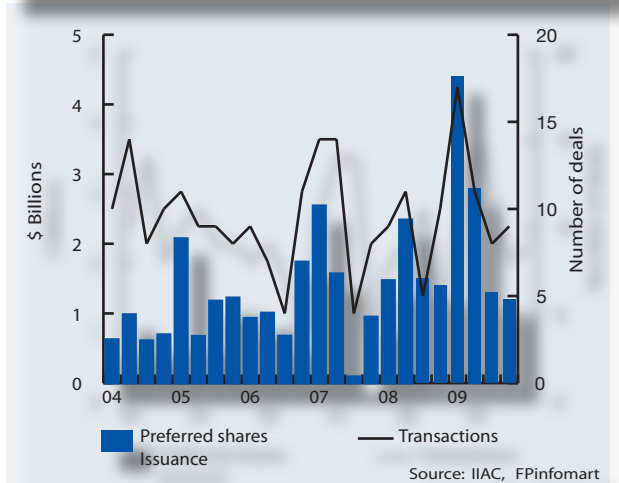


Chart 3: Preferred shares financings



2009 SUMMARY OF EQUITY NEW ISSUANCE

							Percentage change		
	Q4 09	Q3 09	Q2 09	Q1 09	2009	2008	Q4/Q3 09	Q4 09/Q4 08	2009/2008
Issuance	\$ Billions								
Common equity	12.6	12.9	8.9	8.4	43.0	30.2	-2.1%	17.3%	42.1%
Income trusts	2.8	1.5	2.4	1.2	7.8	2.7	80.2%	798.7%	186.3%
Preferred shares	1.2	1.3	2.8	4.4	9.7	6.8	-13.7%	-19.3%	43.7%
Limited partnerships	0.2	0.1	0.3	0.3	0.9	1.1	93.9%	34.7%	-24.1%
Total Equity Issuance	16.7	15.8	14.4	14.4	61.3	40.8	5.8%	32.4%	50.1%
Issues	Number								
Common equity	993	707	580	442	2,722	2,222	40.5%	117.8%	22.5%
Income trusts	26	13	25	10	74	35	100.0%	550.0%	111.4%
Preferred shares	9	8	11	17	45	35	12.5%	-10.0%	28.6%
Limited partnerships	17	4	10	10	41	63	325.0%	21.4%	-34.9%
Total Number of Issues	1,045	732	626	479	2,882	2,355	42.8%	115.9%	22.4%

COMMON EQUITY ISSUANCE

							Percentage change		
	Q4 09	Q3 09	Q2 09	Q1 09	2009	2008	Q4/Q3 09	Q4 09/Q4 08	2009/2008
Issuance	\$ Billions								
Initial public offerings	0.7	1.6	0.1	0.3	2.7	1.4	-53.0%	142.4%	90.1%
Secondary issues	8.2	9.3	7.7	6.3	31.5	18.1	-12.0%	0.4%	74.0%
Private placements	3.7	2.0	1.2	1.8	8.7	10.7	85.4%	61.0%	-19.1%
Total Common Equity	12.6	12.9	8.9	8.4	42.8	30.2	-2.1%	17.3%	41.7%
Issues	Number								
Initial public offerings	35	22	18	24	99	226	59.1%	52.2%	-56.2%
Secondary issues	105	73	79	46	303	147	43.8%	425.0%	106.1%
Private placements	853	612	483	372	2,320	1,849	39.4%	106.5%	25.5%
Total Number of Issues	993	707	580	442	2,722	2,222	40.5%	117.8%	22.5%

INCOME TRUST ISSUANCE

							Percentage change		
	Q4 09	Q3 09	Q2 09	Q1 09	2009	2008	Q4/Q3 09	Q4 09/Q4 08	2009/2008
Issuance	\$ Billions								
Initial public offerings	1.2	0.1	1.0	0.1	2.3	0.5	0.0%	1996.6%	347.7%
Secondary issues	1.5	1.2	1.4	1.1	5.3	2.1	23.5%	498.0%	149.6%
Private placements	0.1	0.2	0.0	0.0	0.3	0.1	0.0%	n.m.	139.6%
Total Trust Issuance	2.8	1.5	2.4	1.2	7.8	2.7	80.3%	799.0%	186.3%
Issues	Number								
Initial public offerings	9	4	7	1	21	6	125.0%	800.0%	250.0%
Secondary issues	16	8	17	8	49	25	100.0%	433.3%	96.0%
Private placements	1	1	1	1	4	4	0.0%	-50.0%	0.0%
Total Number of Issues	26	13	25	10	74	35	100.0%	333.3%	111.4%

TRADING VOLUME

Source: TSX							Percentage change		
	Q4 09	Q3 09	Q2 09	Q1 09	2009	2008	Q4/Q3 09	Q4 09/Q4 08	2009/2008
	\$ Billions								
TSX	27.2	28.3	33.0	30.0	118.5	109.2	-4.0%	-17.6%	8.5%
TSX Venture	15.3	12.5	11.1	8.1	46.8	44.1	22.5%	42.6%	6.1%
ATS	11.4	7.5	5.4	2.8	27.1	2.4	52.1%	1274.0%	1023.0%
Total Trading Volume	53.8	48.3	49.4	40.9	192.7	155.7	11.6%	20.9%	23.8%

TRADING VALUE

Source: TSX							Percentage change		
	Q4 09	Q3 09	Q2 09	Q1 09	2009	2008	Q4/Q3 09	Q4 09/Q4 08	2009/2008
	\$ Billions								
TSX	335.6	345.9	370.9	345.9	1,398.4	1,853.2	-3.0%	-16.8%	-24.5%
TSX Venture	6.7	4.6	3.1	1.8	16.1	23.8	44.8%	250.3%	-32.4%
ATS	138.0	91.3	62.5	34.1	325.8	46.6	51.2%	715.9%	599.5%
Total Trading Value	480.2	441.8	436.5	381.8	1,740.3	1,923.6	8.7%	13.7%	-9.5%

Q4/09 TOP COMMON EQUITY ISSUES

Issuer	Value (\$ Millions)	Percentage of Common equity issuance
Source: FP Infomart, IIAC		
Manulife Financial Corporation	2,500.4	19.8%
Centerra Gold Inc.	908.3	7.2%
Crescent Point Energy	575.3	4.6%

2009 COMMON EQUITY ISSUANCE BY SECTOR

Sector	Value (\$ Millions)	Percentage of Common equity issuance
Source: FP Infomart, IIAC		
Oil & Gas	12,515.1	29.2%
Financials	8,046.4	18.8%
Mining	13,578.8	31.7%
Services	1,545.6	3.6%
Real Estate	763.5	1.8%
Manufacturing	813.7	1.9%
Forestry	762.2	1.8%
Utilities	595.6	1.4%
Other	4,249.1	9.9%
Totals	42,870.0	100.0%

2009 INCOME TRUST ISSUANCE BY SECTOR

Sector	Value (\$ Millions)	Percentage of Trust issuance
Source: FP Infomart, IIAC		
Financials	2,420.9	30.6%
Manufacturing	114.7	1.4%
Oil & Gas	3,083.0	38.9%
Real Estate	1,050.3	13.3%
Utilities	689.5	8.7%
Services	314.3	4.0%
Other	248.5	3.1%
Totals	7,921.6	100.0%

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Comments

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