



INVESTMENT INDUSTRY ASSOCIATION OF CANADA
ASSOCIATION CANADIENNE DU COMMERCE DES VALEURS MOBILIÈRES

NEWS RELEASE

For immediate release

Market woes lead to decline in financings

Toronto, January 21, 2008 – Total equity issuance in Canada fell to \$8.5 billion in the third quarter, down 48 per cent from the previous quarter and six per cent year over year. On the trading front, volumes took a small step back as 34 billion shares were exchanged on both the TSX and the junior Venture markets combined. The Investment Industry Association of Canada (IIAC) issued today its quarterly [*Review of Equity New Issues & Trading*](#), entitled “Market woes end financings streak” in reference to third quarter equity issuance falling for the first time in 18 consecutive quarters below the \$9 billion mark.

“Weaker conditions in credit markets stemming from the negative impacts of the subprime market fallout depressed equity issuance volumes,” said Ian Russell, President and CEO of the Investment Industry Association. “A looming global slowdown, in particular south of the border, and fragile corporate profits will likely dampen the level of financings through 2008.”

The lull in financings was broad-based and extended to all major issuance categories. Common equity issues declined 39 per cent quarter over quarter, while preferred share issuance raised only nominal amounts through a handful of deals. Income trusts were also hard hit, as anticipated, down 52 per cent quarter over quarter.

Despite the slowdown in the third quarter, year-to-date figures indicate a strong showing for 2007, thanks to the stellar results achieved in the first half. “With three quarters now on the books, the industry is still on track to finish the year in record territory, and surpass \$50 billion in equity issuance for the first time,” concluded Russell.

Visit www.iiac.ca for the Association’s commentary and statistics in its quarterly publication [*Review of Equity New Issues and Trading*](#).

The Investment Industry Association of Canada (IIAC), formerly the industry association arm of the Investment Dealers Association of Canada (IDA), advances the position of the Canadian investment industry on regulatory and public policy issues. As the professional association for the industry, IIAC has a mandate to promote efficient, fair and competitive capital markets for Canada while helping its member firms across the country succeed in the industry.

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