



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

## NEWS RELEASE

**For immediate release**

### **Heating up for record high**

**TORONTO, Canada, January 30, 2007** – Third quarter results and analysis were released today in the Investment Industry Association of Canada’s quarterly report, *Review of Debt New Issues and Trading*. While trading was more tepid at \$1.5 trillion in the third quarter, down 24.9 per cent quarter-over-quarter and 3.3 per cent year-over-year, debt issuance sizzled. Debt financings in Canada heated up to the second highest on record at 45.7 billion, an increase of 20.8 per cent quarter-over-quarter and 23.2 per cent year-over-year.

“It’s going to be another red-hot year for the debt market,” said Ian Russell, President and CEO of the Investment Industry Association of Canada, “Solid fundamentals, relatively low interest rates and the proliferation in Maple bonds have helped ignite Canada’s growing corporate market. We’re going to see that continue into 2007.”

The solid third quarter followed a strong first half for the debt market. In the first nine months of 2006, total debt trading was \$5.1 trillion, up 15.7 per cent from the same period a year ago while debt financings, at \$127.8 billion for the first three quarters, were up a more modest 8.3 per cent. Canada’s debt market in 2006 will likely break the financing record of \$165 billion in 2004 and trading high of \$5.9 trillion in 2005.

Looking out, the Canadian debt market is not expected to cool down significantly from the record levels in 2006. While the search for higher yields in foreign markets and widening credit spreads are growing concerns in 2007, there is enough positive momentum in the market that should help offset these negatives.

Electronic copies of the report, which includes our special feature on debt market transparency and operational changes affecting the debt market are available at:

<http://www.iiac.ca/en/research/debtReview.php>

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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, the Investment Industry Association 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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