

## CFN News, Issue 4 - August 1, 2017

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[www.cannex.com](http://www.cannex.com)



## CANNEX Update

Not a sleepy summer by any means! For the first time in seven years the overnight lending rate set by the Bank of Canada has been increased - moving from 0.50% to 0.75%. A number of economists are predicting an additional move in the overnight rate before the end of 2017 ... most bets are on the October 24th announcement.

It's only been two weeks since the BofC rate increase, but we were curious to see if there were any interesting changes in terms for GIC purchases. We looked at terms less than one year, one year and greater than one year for the months of July 2017, June 2017 and July 2016. See the results in **Just the Numbers Please**, found below.

September is already gearing up to be a busy yet fun month. If you don't happen to catch Kim Muise and Lisa Perreault at the IIROC 2017 FAS Annual Conference (Sept. 7-10) in beautiful Kelowna, then look for them at the DICE Golf Tournament (Sept. 19) at Sleepy Hollow Golf & Country Club.

The annual Deposit Industry Charity Event (DICE) brings together financial institutions, brokers, and professionals in the Canadian term deposit industry for a day on the links.

And what a great way to spend a day ... raising funds for Kids Help Phone, spending time with your industry colleagues and playing 18 holes of golf! **Registration is now open!**

AND the winner of the **Alex Melvin Leadership Award** is ... Michael Williams. This peer-to-peer award honours an individual within the Deposit or Insurance industry who embraces some of the characteristics that Alex modelled so clearly for us in his life:

- Intrinsically genuine, optimistic and empathetic towards others.
- Confident, decisive and accountable for the betterment of the industry.
- Inspiring and motivating cohesiveness among industry participants.

### **Congratulations Michael!**



Congratulations to **Michael Williams** (left), 2017 recipient of the **Alex Melvin Leadership Award**. The award was presented by Andrew Melvin (right) at the 2017 CAILBA National Conference & AGM.

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## **Network Notices**

We are pleased to introduce our newest Participants to transact on the CANNEX Financial Network.

### **New Issuers:**

- **ATB Financial** - For more information about ATB Financial products please contact Samuel George at 780-392-9394 or [sgeorge3@atb.com](mailto:sgeorge3@atb.com).
- **Effort Trust** - For more information about Effort Trust products please contact Eric Weisz at 416-924-4680 or [eweisz@efforttrust.com](mailto:eweisz@efforttrust.com).

### **New Dealer:**

- **Educators Financial Group**

Click [here](#) for the full list of Issuers and Dealers that use CFN, CANNEX's automated GIC/term deposit application processing and administration service.

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## CFN Client News

**Home Capital Appoints Yousry Bissada as President and CEO** (PDF)

July 12, 2017

**Street Capital Appoints New President and CEO**

June 29, 2017

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## Industry News and Links

### Bank of Canada:

**Bank of Canada increases overnight rate target to 3/4 per cent** (PDF)

July 12, 2017

**Bank of Canada publishes 2018 schedule** (PDF)

July 26, 2017

### CDIC:

**By-law Amending the Canada Deposit Insurance Corporation Deposit Insurance Information By-law** (PDF)

July 15, 2017

**Corporate Plan Summary** (PDF)

June 9, 2017

**Important information for broker-trustees**

June 8, 2017

### OSFI:

**Advisory 2017-01 - Restrictions on the use of the words "bank", "banker" and "banking"**

June 30, 2017

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**Bank of Canada: Canadian Interest Rate Lookup**

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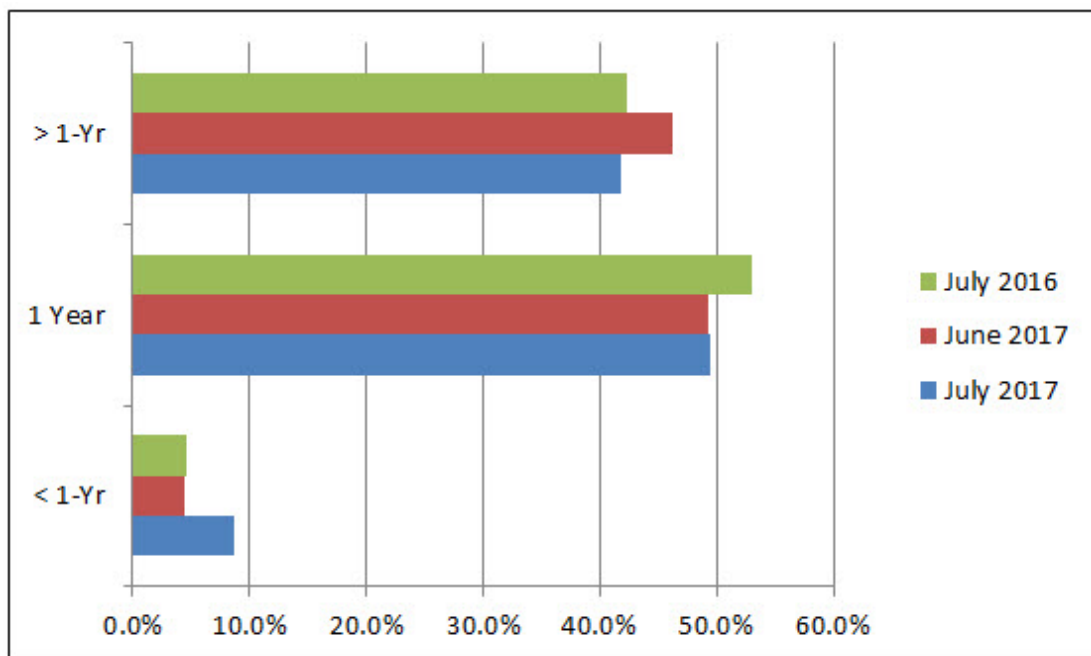
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## Just the Numbers Please

In this issue of CFN News, we look at data generated by transactions that have occurred on the CANNEX Financial Network.

Largest single GIC transaction, YTD: \$61.4 million (1 year term). This occurred in February 2017.

We wanted to see what the mix of terms were for GIC purchases (measured in \$ value) across the months of July 2017, June 2017 and July 2016. We looked at three cross sections of term - anything less than one year, one year and anything greater than one year. We found a significant spike in the less than one year term during July 2017 - see chart below. With the speculation and uncertainty of another overnight lending rate increase this year, it appears more money was leaning toward the shorter term GICs.



Allocation of new GIC purchases to terms of i) less than 1 year; ii) 1 year and iii) greater than 1 year, by dollar value.

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In the prior issue of CFN News we had a look at GIC purchases flowing through CFN that were less than or equal to \$100,000, expressed as a percentage of total dollar value of GIC purchases. We thought it would be interesting to update the data to July. Here are our findings, when comparing 2017 to 2016:

	2017	2016	Difference
January	58.4%	57.2%	1.2%
February	60.0%	67.0%	-7.0%
March	60.3%	58.5%	1.8%
April	63.0%	56.6%	6.4%
May	67.3%	62.0%	5.3%
June	75.1%	61.9%	13.2%
July	66.4%	58.0%	8.4%

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Upcoming Bank of Canada Interest Announcement Dates for **2017**: September 6, October 25\* and December 6.

Upcoming Bank of Canada Interest Announcement Dates for **2018**: January 17\*, March 7, April 18\*, May 30, July 11\*, September 5, October 24\* and December 5.

\* *Monetary Policy Report* published

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