

# RBC Holds Off Hard-Charging Rivals

## 2017 Greenwich Leaders: Canadian Fixed Income

Q3 2017

Even as some of its biggest rivals expand their businesses, RBC Capital Markets is widening its lead over the competition in Canadian Fixed Income.

RBC tops the list of the 2017 Greenwich Share Leaders<sup>SM</sup> in Canadian Fixed Income, outpacing number two-ranked TD Securities, BMO Capital Markets, CIBC, and Scotiabank.

RBC also secured a designation as a 2017 Greenwich Quality Leader<sup>SM</sup> in each of the four categories assessed by Greenwich Associates in its annual research. RBC is the sole Greenwich Quality Leader in Canadian Fixed Income Trading. The firm joins BMO Capital Markets as Quality Leaders in Fixed-Income Research, and is a Quality Leader in Fixed-Income Sales along with BMO and TD Securities. The 2017 Overall Greenwich Fixed-Income Quality Leaders are BMO, RBC and TD Securities.

“Over the past 12 months, all the leading Canadian fixed-income dealers have upped their game, and in response, RBC has also significantly upgraded its platform,” says Greenwich Associates consultant Peter Kane.

### Greenwich Share Leaders — 2017



#### Overall Canadian Fixed-Income Market Share

Broker	Statistical Rank
RBC Capital Markets	1
TD Securities	2
BMO Capital Markets	3T
CIBC	3T
Scotiabank	5

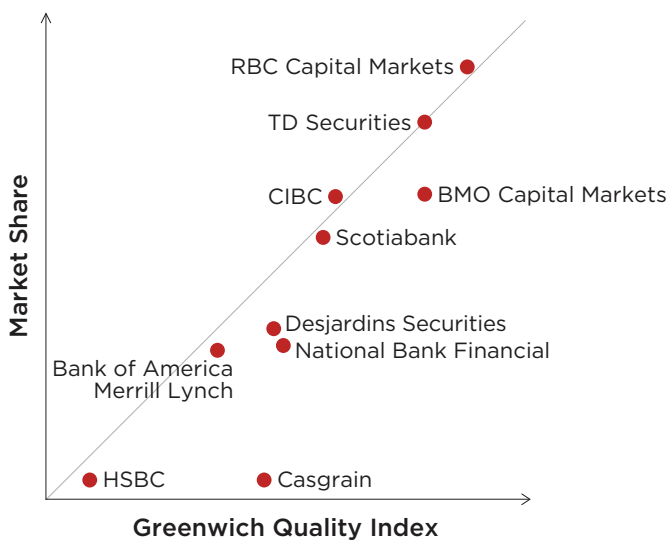
Note: Based on responses from 87 fixed-income investors in 2017. Top five leading dealers are cited including ties.  
Source: Greenwich Associates 2017 Canadian Fixed-Income Study

Several key elements are contributing RBC’s success. For starters, the firm has invested heavily in its technology systems across its FICC business, including trading and other client-facing platforms, as well as its internal CRM system, which helps the dealer deliver industry-leading levels of client service. In addition, RBC has seemingly mastered the art of recruiting a young pool of talent and training them to deliver high quality service.

“Across capital markets, buy-side organizations are complaining about the loss of experienced sell-side professionals due to the ‘juniorization’ of sales-trading and other roles,” says Peter Kane. “But RBC has succeeded in integrating younger employees into the coverage mix effectively while maintaining top-quality service. Much of this, we believe, has to do with investments in internal training and supporting programs.”

RBC will have to stay on top of its game if it wants to maintain its lead over hard-charging rivals like BMO Capital Markets and TD Securities. TD Securities in particular is showing significant momentum by stepping up its performance in rates products while maintaining its already highly rated franchise in credit.

### MARKET SHARE vs. RELATIONSHIP QUALITY



Note: Based on 87 responses.  
Source: Greenwich Associates 2017 Canadian Fixed-Income Study

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## Greenwich Quality Leaders – 2017



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### Canadian Fixed-Income Overall Quality

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#### Dealer

BMO Capital Markets  
RBC Capital Markets  
TD Securities

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### Canadian Fixed-Income Sales Quality

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#### Dealer

BMO Capital Markets  
RBC Capital Markets  
TD Securities

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### Canadian Fixed-Income Research Quality

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#### Dealer

BMO Capital Markets  
RBC Capital Markets

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### Canadian Fixed-Income Trading Quality

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#### Dealer

RBC Capital Markets

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Note: Based on responses from 86 fixed-income investors in 2017. Leaders are cited in alphabetical order including ties.  
Source: Greenwich Associates 2017 Canadian Fixed-Income Study

“CIBC also deserves recognition for notching impressive gains in market share and quality ratings across sales and trading over the past 12 months,” says Peter Kane.

Outside the “Big Five” dealers, Casgrain is another firm worth special note this year due to its proficiency in provincial bonds. Although relatively small, the Montreal-based, family-owned firm’s prominence in provincial bond secondary trading attracts lucrative new issue origination business. “It’s no accident that you find Casgrain alumni in the senior ranks of the leading dealers across Canada,” says Peter Kane.

## Greenwich Share and Quality Leaders

Greenwich Associates asked the 87 major Canadian institutional investors participating in its 2017 Canadian Fixed-Income Investors Study to name the dealers they used in a range of fixed-income products, to estimate the amount of trading business allocated to each dealer and to rate the quality of these dealers in a series of product and service categories. Based on those results, the five dealers with the biggest market share in individual product categories are named Greenwich Share Leaders. Dealers receiving quality ratings topping those of competitors by a statistically significant margin are named Greenwich Quality Leaders.

*Peter Kane advises on fixed-income markets in Canada.*

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## METHODOLOGY

Between February and May 2017, Greenwich Associates conducted 87 interviews with institutional investors active in fixed income in Canada. Interview topics included trading and research activities and preferences, product and dealer use, service provider evaluations, market trend analysis, and investor compensation.

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