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Takeovers in Q3 Second-Highest on Record

By Grant Surridge, Financial Post

The Canadian mergers and acquisitions market shook off the bloodletting in global credit markets this summer and posted its second-largest showing ever in the third quarter.

About \$91-billion in deals were done over July to September, compared with the record-breaking \$106-billion in mergers completed in the second quarter when mega deals such as BCE Inc. boosted the number.

"There's been a pause in the frantic buyout activity we saw earlier in the year," said Ian Macdonell, managing director of investment boutique

Crosbie, which conducted the survey. But he said it was still an impressive result driven by stalwart corporate balance sheets.

"It was a strong quarter ... The second quarter was really the anomaly," he said.

The activity was broadly based across all sectors of the economy, although the industrial products segment led the way with high-profile deals such as that for Stelco Inc.

Private equity firms made up about 9% of the deal value for transactions over \$100-million, down from the 42% they accounted for in the second quarter.

Mr. Macdonell said the strong loonie did not appear to have deterred foreign acquirers, who, if anything, took the high-flying currency as an indicator of a robust domestic economy.