E M T A

360 Madison Ave., 17th fl.
New York, NY 10017

646 289- 5413

Contact: Jonathan Murno
EMTA
jmurno@emta.org

For Immediate Release

EMTA SURVEY: QUARTERLY EMERGING MARKETS DEBT TRADING AT US$1.356 TRILLION

Volumes Rise 12% on Year-on-Year Basis

NEW YORK, September 13, 2016—Emerging Markets debt trading volumes stood at US$1.356 trillion in the second quarter of 2016, according to a report released today by EMTA, the trade association for the Emerging Markets debt trading and investment industry. This compares with US$1.211 trillion reported for the second quarter of 2015, a 12% increase, while up 5% from US$1.299 trillion reported in the first quarter.

"Trading volumes were up in the second quarter, as all markets recovered from a very negative start of the year," noted Jane Brauer, Director and EM Sovereign Strategist at Bank of America Merrill Lynch. Brauer added that, "The Emerging Markets debt asset class is currently in a sweet spot with improving fundamentals, strong inflows, increasing issuance and strong year-to-date returns."

Local Markets Instruments at 63% of Volume

Turnover in local markets instruments stood at US$848 billion in the second quarter, accounting for 63% of total reported volume. This compares to US$721 billion in the second quarter of 2015, an 18% increase, and US$819 billion in the first quarter, representing a 4% percent increase.

Indian instruments were the most frequently traded local markets debt in the second quarter, at US$180 billion. Other frequently-traded local instruments were those from Mexico (US$172 billion), South Africa (US$99 billion), Brazil (US$89 billion) and China (US$50 billion).

Eurobond Volumes at US$497 Billion

Eurobond trading stood at US$497 billion in the second quarter, up 2% compared with second quarter 2015's US$487 billion, while up 6% vs. US$471 billion in the first quarter.

52% of Eurobond activity involved sovereign debt issues in the second quarter with Survey participants reporting US$257 billion in sovereign Eurobond turnover. This compared to a 53% share of Eurobond activity in the previous quarter, when such volumes stood at US$248 billion.

Corporate Eurobond trading stood at US$227 billion in the second quarter, accounting for 47% of total Eurobond activity (vs. a 44% share in the previous quarter). Sovereign Eurobond activity accounted for 19% of overall Survey volumes, with corporate trading at 17% of total turnover.

Nine of the ten most frequently traded individual EM Eurobonds in the quarter were from either Argentina or Brazil. They included Argentina's 2026 bond (US$7.8 billion in turnover), Argentina's USD Par bond (US$7 billion), Argentina's 2046 bond (US$4.5 billion), Petrobras' 2021 bond (US$4.5 billion) and Brazil's 2025 bond (US$3.7 billion).

In addition to local markets bonds, and sovereign and corporate Eurobonds, the Survey also includes turnover in warrants, options, loans and Brady bonds. Survey participants reported US$11 billion in warrant and option trades during the quarter, with minimal trading of loans and the industry's few remaining Brady bonds.

Mexican, Indian and Brazilian Instruments Most Frequently Traded Overall

Mexican instruments were the most frequently traded instruments overall, according to Survey participants, with US$216 billion in turnover. This represented a 19% decrease from the US$266 billion reported in the second quarter of 2015, and down 8% vs. first quarter volumes of US$234 billion. Mexican volumes represented 16% of overall volumes.

Indian instruments were the second most frequently traded instruments in the EMTA report, at US$188 billion, according to Survey participants. This represents a 146% increase on the US$77 billion reported in the second quarter last year and a 7% increase on first quarter volumes of US$176 billion. Indian volumes accounted for 14% of total reported volumes.

Third were Brazilian assets, whose volume stood at US$155 billion. This compares to US$159 billion in the second quarter of 2015, a 2% decrease, and a 16% increase on first quarter volume of US$134 billion. Brazilian instrument trading accounted for 11% of Survey volume.

Other frequently traded instruments were securities from South Africa (US$110 billion) and China (US$98 billion).

EMTA's Survey includes trading volumes in debt instruments from over 90 Emerging Market countries, as reported by 45 leading investment and commercial banks, asset management firms and hedge funds.

EMTA recently reported that participants in a similar survey for the CDS markets (although limited in scope to 13 EMTA Board firms) had reported US$286 billion in EM CDS volumes in the second quarter of 2016, up 4% compared to US$275 billion in CDS volume reported in the second quarter of 2015, while representing a 21% drop compared to first quarter's US$363 billion.

For a copy of EMTA's Second Quarter 2016 Debt Trading Volume Survey, please contact Jonathan Murno at jmurno@emta.org or +1 (646) 289-5413.

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NOTE TO EDITORS:
Founded in 1990, EMTA (formerly the Emerging Markets Traders Association) is a not-for-profit corporation dedicated to promoting the orderly development of fair, efficient and transparent trading markets for Emerging Markets instruments, and the integration of the Emerging Markets into the global financial marketplace. EMTA, with over 180 member firms worldwide, has published its Annual Volume Surveys since 1992 and Quarterly Surveys since the first quarter of 1997.

Participants in the EMTA Survey are asked to report trades based on aggregate principal amount (face value), rather than the consideration paid, and no effort is made to adjust for duplicate volumes that may be reported by each side of a trade. In these respects, the Survey's methodology has been the same since its inception.