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For Immediate Release

EMTA SURVEY:
2016 ANNUAL EMERGING MARKETS DEBT TRADING AT US$5.167 TRILLION

Fourth Quarter Volume at US$1.132 Trillion

NEW YORK, March 29, 2017—Emerging Markets debt trading volumes stood at US$1.132 trillion in the fourth 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$1.1152 trillion reported for the fourth quarter of 2015, a 2% decrease, while down 18% from US$1.379 trillion reported in the third quarter.

EMTA also announced that 2016 annual EM debt trading stood at US$5.167 trillion. This compares with US$4.727 trillion in 2015, which had been the lowest annual trading since 2009, and representing a 9% year-on-year increase.

Hongtao Jiang, Head of EM Credit Strategy at Deutsche Bank, commented that, “the 9% increase of 2016 volume vs. 2015 can be attributed to strong inflows, volatility related to global political events (Brexit, US elections), and idiosyncratic market developments within EM (India and Argentina being the largest contributors). However, this masks a multi-year declining trend in trading volumes as 2016 total turnover remains substantially lower than 2013 and 2014 levels, reflecting the impact of tighter regulation across banks on their ability in providing liquidity.“

Local Markets Instruments at 59% of Volume

Turnover in local markets instruments stood at US$664 billion in the fourth quarter, accounting for 59% of total reported volume. This compares to US$740 billion in the fourth quarter of 2015, a 10% decrease, and US$878 billion in the third quarter, representing a 24% percent decrease.

Mexican instruments were the most frequently traded local markets debt in the fourth quarter, at US$171 billion. Other frequently-traded local instruments were those from Brazil (US$90 billion), India (US$82 billion), Poland (US$52 billion) and South Africa (US$47 billion).

Eurobond Volumes at US$466 Billion

Eurobond trading stood at US$466 billion in the fourth quarter, up 15% compared with fourth quarter 2015's US$406 billion, and down 7% vs. US$498 billion in the third quarter.

56% of Eurobond activity involved sovereign debt issues in the fourth quarter of 2016, with Survey participants reporting US$264 billion in sovereign Eurobond turnover. This compared to a 51% share of Eurobond activity in the previous quarter, when such volumes stood at US$254 billion.

Corporate Eurobond trading stood at US$188 billion in the fourth quarter, accounting for 40% of total Eurobond activity (vs. a 46% share in the previous quarter). Sovereign Eurobond activity accounted for 23% of overall Survey volumes, with corporate trading at 17% of total turnover.

All three of Saudi Arabia's debut Eurobonds featured in the top ten most frequently traded individual EM Eurobonds in the quarter. These included Saudi Arabia's 2046 bond (the most frequently traded bond overall, at US$6.5 billion) and its 2026 bond (third at $4.5 billion). Other frequently traded bonds include Argentina's 2026 bond (US$6 billion in turnover, in second place) and its 2027 bond (fourth at $3.7 billion), as well as Petrobras' 2021 bond (fifth at US$3.5 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$2 billion in warrant and option trades during the quarter, US$300 million in loan assignments and minimal trading of the industry's few remaining Brady bonds.

Mexican, Brazilian and Indian Instruments Most Frequently Traded Overall

Mexican instruments were the most frequently traded instruments overall, according to Survey participants, with US$222 billion in turnover. This compared to US$227 billion reported in the fourth quarter of 2015 (down 2%), while up 9% vs. third quarter volumes of US$203 billion. Mexican volumes represented 20% of overall volumes.

Brazilian instruments were the second most frequently traded instruments in the EMTA report, at US$132 billion, according to Survey participants. This represents a 3% increase on the US$128 billion reported in the fourth quarter last year and a 14% decrease on third quarter volumes of US$153 billion. Brazilian volumes accounted for 12% of total reported volumes.

Third were Indian assets, whose volume stood at US$88 billion. This compares to US$135 billion in the fourth quarter of 2015, a 35% decrease, and a 59% decrease on third quarter volume of US$216 billion. Indian instrument trading accounted for 8% of Survey volume.

Other frequently traded instruments were securities from China (US$81 billion) and Poland (US$64 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$306 billion in EM CDS volumes in the fourth quarter of 2016, up 21% compared to US$254 billion in CDS volume reported in the fourth quarter of 2015, and a 19% decrease compared to third quarter's US$376 billion.

For a copy of EMTA's Fourth Quarter 2016 or 2016 Annual Debt Trading Volume Surveys, 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.