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405 Lexington Avenue
Suite 5304.
New York, NY 10174

646 676 4293

Contact: Jonathan Murno
EMTA
jmurno@emta.org

For Immediate Release

EMTA SURVEY:
QUARTERLY EMERGING MARKETS DEBT TRADING AT US$1.299 TRILLION

Volumes Decline 6% on Year-on-Year Basis

NEW YORK, December 20, 2017—Emerging Markets debt trading volumes stood at US$1.299 trillion in the third quarter of 2017, according to a report released today by EMTA, the trade association for the Emerging Markets debt trading and investment industry. This compares with US$1.379 trillion reported for the third quarter of 2016, a 6% decrease, while up 15% from US$1.132 trillion reported in the second quarter.

EMTA noted that for the first time in its two decades of compiling quarterly EM trading volumes, participants reported greater trading in the Asian region than in Latin America.

Local Markets Instruments at 57% of Volume

Turnover in local markets instruments stood at US$736 billion in the third quarter, accounting for 57% of total reported volume. This compares to US$878 billion in the third quarter of 2016, a 16% decrease, and US$641 billion in the second quarter, representing a 15% percent uptick.

Indian instruments were the most frequently traded local markets debt in the third quarter, at US$131 billion. Other frequently-traded local instruments were those from South Africa (US$95 billion), Brazil (US$95 billion), Mexico (US$78 billion) and China (US$75 billion).

Eurobond Volumes at US$553 Billion

Eurobond trading stood at US$553 billion in the third quarter, up 11% compared with third quarter 2016's US$498 billion, and up 13% vs. US$489 billion in the second quarter.

51% of Eurobond activity involved sovereign debt issues in the third quarter with Survey participants reporting US$284 billion in sovereign Eurobond turnover. This compared to a 53% share of Eurobond activity in the previous quarter, when such volumes stood at US$258 billion.

Corporate Eurobond trading stood at US$209 billion in the third quarter, accounting for 38% of total Eurobond activity (vs. a 39% share in the previous quarter). Sovereign Eurobond activity accounted for 22% of overall Survey volumes, with corporate trading at 16% of total turnover.

The most frequently traded individual EM Eurobonds in the quarter included Argentina's 2117 bond (US$5.4 billion in turnover), Mexico's '27 bond (US$4.5 billion), Argentina's '26 bond (US$4.3 billion), Saudi Arabia's '28 bond (US$3.9 billion) and Argentina's '27 bond (US3.5 billion).

In addition to local markets bonds, and sovereign and corporate Eurobonds, the Survey also includes turnover in warrants, options and loans. Survey participants reported US$9 billion in warrant and option trades during the quarter and US$435 million in loan assignments. EMTA discontinued tracking of Brady bond trades in 2017 due to their minimal volumes.

Brazilian, Indian and Chinese Instruments Most Frequently Traded Overall

Brazilian instruments were the most frequently traded instruments overall, according to Survey participants, with US$143 billion in turnover. This represented a 7% decrease from the US$153 billion reported in the third quarter of 2016, while down 16% vs. second quarter volumes of US$169 billion. Brazilian volumes represented 11% of overall volumes.

Indian instruments were the second most frequently traded instruments in the EMTA report, at US$138 billion, according to Survey participants. This represents a 36% decrease on the US$216 billion reported in the third quarter last year and an 81% increase on second quarter volumes of US$76 billion. Indian volumes also accounted for 11% of total reported volumes.

Third were Chinese assets, whose volume stood at US$129 billion. This compares to US$109 billion in the third quarter of 2016, an 18% increase, and up 34% vs. second quarter volume of US$96 billion. Chinese instrument trading accounted for 10% of Survey volume.

Other frequently traded instruments were securities from Mexico (US$126 billion) and South Africa (US$107 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$359 billion in EM CDS volumes in the third quarter of 2017, down 5% compared to US$376 billion in CDS volume reported in the third quarter of 2016, while 38% above second quarter volume of US$261 billion.

For a copy of EMTA's Third Quarter 2017 Debt Trading Volume Survey, please contact Jonathan Murno at jmurno@emta.org

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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 170 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.