EMTA

Bulletin

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Winds of Change at Lehman Brothers, Merrill Lynch and AIG Unsettle the Markets

The financial marketplace, and especially the EM trading market, is known for its capacity to absorb adverse information and move on.

Recent financial storms and their effects on prominent firms such as Lehman Brothers, Merrill Lynch and AIG (as well as Bear Stearns), however, have seemed particularly unsettling, in their suddenness, apparent finality, and implications for both the marketplace and the individuals who work in it.

It is noteworthy how well the Emerging Markets and the EM asset class, hardly known for their stability, have held up over the past year in the midst of extreme volatility in the financial and commodities markets. Despite this, none of us can be immune from the feeling that our collective breath has been taken away by how quickly turbulence can be transmitted from one market or firm to another, and into the personal lives of our colleagues.

Inside

(click on topic for link to page):

Focus on Inflation at EMTA London Summer Forum

Merrill Lynch hosted EMTA's 11th Annual Summer Forum in London on Thursday, June 26, 2008. The event drew over 175 attendees as portfolio managers and sell-side analysts discussed strategies in light of the marketplace's concerns about inflation.

Pablo Goldberg of Merrill Lynch moderated the investor panel that led off the event. Goldberg observed that, during recent visits with European clients, the most obvious theme to emerge was the difficulty in identifying returns in 2008 due to the clouds overhanging the global economy. Goldberg asked panelists to rank their greatest concerns for the Emerging Markets.

Jerome Booth of Ashmore Investment Management stressed the difficulty in generalizing, as each country has its own dynamics and that in fact most of the risks currently are in developed markets. Overall, however, inflation, which has come from domestic demand growth in the EMs, remains the greatest challenge to the markets. Political risk will rise, but Booth was not concerned about a US recession "at all." EM growth will slow down, he opined, as a result of actions taken by local authorities to slow down growth.

EMTA London Summer Forum (continued)

Paul McNamara (Augustus Asset Managers) concurred that inflation remains investors' largest concern. "The question mark over EM is the capacity and willingness of policymakers to do the right thing to fight inflation," he stated. In several economies, governments have allowed inflation to rise, hoping it would then fall on its own without rate hikes. In contrast to Booth, McNamara expected that a US recession would have carry-over effects on emerging countries via the equity markets.

How much are investors concerned about the financial system generally? Booth wasn't over-concerned about further problems with US or EU financial institutions. "They won't disappear…all it means is that they end up being owned by the Chinese or somebody else," he responded.

"Anyone who doesn't think that defaults aren't going to go through the roof this year is mad," declared BlueBay Asset Management's Simon Treacher, who projected that financing for corporates will become much more difficult. "There are names out there that you won't believe are going to have to restructure," he warned.

Panelists were asked to suggest potential surprises for the market. Tom Fallon (La Française des Placements) ventured that an unexpected drop in the price of oil would be a very welcome surprise while an attack on Iran or a breakup of the euro would not be well-received. For Treacher, the departure of the Kirchners from Argentina would provide a positive shock. McNamara feared a Chinese economic slowdown occurring before a US/EU recovery would be "very ugly indeed." A very unlikely, albeit positive, surprise would be for pegged currencies to be guided down slowly, according to Booth.

Closing the formal part of the discussion, panelists revealed their top long and short recommendations. Booth spoke positively on Brazil while McNamara and Fallon voiced concern over India (Fallon cited a recent report that New Delhi may now be spending more on oil subsidies than on education). Treacher recommended Uruguay's inflation-linked assets as well as Iraq and rated any corporate issue without a "decent" covenant package as a sell.

After the panel was opened to audience questions, one participant asked what topics would be addressed at EMTA's 12th Annual Summer Forum next June. Treacher hoped that the global situation would correct itself and the discussion topics would return to EM-specific issues. Booth predicted that the size of institutional investor and Central Bank allocations to EM would be addressed

The investor panel was followed by Brett Diment of Aberdeen Asset Management leading a discussion of sell-side analysts. Diment noted that, while the year had begun with investors fearful of the effects of a US slowdown, the greater concern, as had just been discussed, was now inflation.

"One has to be cautious in saying anything confidently about inflation, given that this round of inflation came to us—and everybody else—as a big surprise," reasoned David Lubin of Citigroup. Three things one should consider in determining whether inflation would continue to haunt the markets, according to Lubin are (1) the policy response by Central Banks, (2) growth, with downward pressure on growth in some countries leading to downward pressure on inflation and (3) capital flows, as countries with high inflation and current account deficits could experience an inflation spiral if they are unable to finance their deficits.

Arend Kapteyn (Deutsche Bank) surmised that the average inflation forecast on the Street calls for a drop of 3 percentage points by the end of 2009. Kapteyn viewed inflation as "a commodity story." Thus it is highly linked to BRIC growth, he commented, as the BRIC countries are the main source of increased commodity demand, rather than emerging countries in general.

In Kapteyn's view, a successful investor has the ability to recognize incorrect calls, and is able to cut losses rather than adhering inflexibly to a position that has not borne fruit. Lubin believed EM investors need to be obsessive, with a willingness to focus on their job "to the exclusion of everything else in life!" For Ghezzi, a successful portfolio manager should play devil's advocate with his/herself and develop alternative scenarios to one's base case.

EMTA London Summer Forum (continued)

The panel concluded with analyst recommendations. Miles reiterated a cautious posture towards EM corporates generally although she saw value in the Asian high-yield market "which has underperformed." She admitted she had few Latin American recommendations (Brazilian corporates are tight although Mexican telecoms could be attractive). Concerns over a large supply pipeline led her to maintain a neutral view on Russia corporates.

Kapteyn recommended long positions in Kazakh banks. Ghezzi urged investors to buy Latin American currencies, with an emphasis on the real and Mexican and Chilean pesos. Hungarian debt was one of Lubin's candidates for overperformance.

Turning to a discussion of currencies, the strength of the Hungarian forint and Turkish lira puzzled both Kapteyn and Lubin. Lubin expected emerging European currencies to have varying reactions to a slowdown in euro-zone growth. The zloty is in the best position, he argued, because Poland is a relatively closed economy and is not export-dependent. In contrast, the forint will be under pressure as Hungary is much more dependent on euro-zone growth for its exports. He added that Hungary has a major structural problem as benefits for unemployed workers combined with other state payments roughly equal the country's minimum wage, locking the country into weak growth and "killing" foreign and domestic investment.

Piero Ghezzi of Barclays Capital noted that the real was supported by strong fundamentals, including high commodity prices. While technical factors have probably weakened, a sell-off would probably require a specific trigger. Ghezzi acknowledged that while he is not a rand expert, the South African currency was "clearly the most vulnerable; the most positive thing to say about it is that technicals are good because no one likes it!" He would take long positions in oil-exporter currencies, the Chinese yuan and the Singapore dollar but would avoid most other Asian FX including the Indian rupee.

Diment polled speakers for thoughts on whether the time had come to buy the EMBI's underperformers, pointing out Argentina, Venezuela, Indonesia and Ukraine as the countries showing the poorest returns in recent months. Ghezzi offered his assessment that Venezuelan debt issuance had very little to do with funding needs but rather was a way to supply dollars to the market; this created distortions. Caracas now is changing its strategy and debt performance will likely improve, he predicted. Argentine debt prices were fundamentally cheap, and though he doesn't believe the country will default, the possibility is high enough that the debt should be avoided.

Kapteyn described his concerns for Ukraine, including liquidity risk, although he conceded it was "starting to look interesting." He echoed Ghezzi's reluctance to recommend Argentina, while acknowledging that some of the short-term dollar debt was tantalizing. Indonesia did not merit a buy, and Venezuela would probably offer better entry levels in the future.

Victoria Miles (JPMorgan), the panel's corporate specialist, discussed potentially vulnerable EM banking systems. Miles expressed greatest concern over the Russian and Ukrainian banking sectors. Although Russia's state-owned banks are benefitting from Russian cash inflows and are increasing market share, the balance sheets of private banks are being stretched as they attempt to maintain their businesses. Imbalances are building in the Russian banking sector, and a hike in reserve requirements is likely. Refinancing risk remains a concern in the Russian corporate market, she believed.

Miles spoke more constructively on Kazakh banks. Although non-performing loans are probably understated, and local banks remain exposed to depressed real estate pricing, the re-accumulation of Central Bank reserves provides comfort, granting the government greater latitude in handling banking sector issues. Pro-active government policies, and a desire to avoid any banking failures, have led JPMorgan recently to raise Kazakhstan to a market-weight ranking, from the "underweight" maintained for the previous 18 months.

Diment asked panelists to describe what makes a good investor in the EM debt asset class. Miles emphasized that most successful investors are open-minded, able to adapt to the unique circumstances of each country, and have both patience and tenacity. Finally, she cited an interest in economic development as a crucial quality.

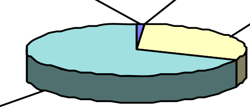
EMTA Survey: Emerging Markets Debt Trading at US$1.218 Trillion in Second Quarter

Local Instruments at 68% of Turnover; Volume Remains Subdued Compared to 2007 Levels

Trading in Emerging Markets debt instruments remained well below 2007 levels in the second quarter of 2008, standing at US$1.218 trillion in the second quarter vs. US$1.754 trillion in the second quarter of 2007, a 31% decrease. However, on a quarterly basis, trading steadied after falling for the three previous quarters, up 3% compared to the revised US$1.186 trillion[i] reported by Survey participants in the first quarter of 2008.

H. David Spegel, Global Head of Emerging Markets Strategy at ING Financial Markets LLC, noted that the second quarter had gotten off to a good start. "Widespread belief that the US Fed's decision to extend liquidity options to investment banks at the end of March helped spark an across-the-board rally for risk-sensitive securities, as investors bet that the worst case had been reached and overcome," he stated. Spegel added that new EM issuance surged as a result (from US$19 billion in the first quarter to US$60 billion in the second quarter), thus helping to boost trading volumes. However, investor sentiment turned more cautious later in the second quarter, which may have limited a greater increase in trading activity.

Volume by Type of Instrument, 2Q 2008



Local Market Instrument Trades Represent 68% of Volume

Local markets trading stood at US$827 billion in the second quarter, down 26% from the US$1.15 trillion reported in the second quarter of 2007, while up 2% from a revised US$808 billion in the first quarter. Local instruments held a 68% share of reported volume, vs. a 64% share in the second quarter of 2007.

Survey participants reported volumes of US$170 billion in Brazilian local market trades, US$103 billion in South African local debt activity and US$73 billion in Turkish local bond turnover. Other frequently traded local instruments were those from Hong Kong (US$71 billion), Argentina (US$61 billion) and the People's Republic of China (US$58 billion).

Sovereign Eurobond Trading at US$234 Billion; Corporates at US$132 Billion

Trading in Eurobonds stood at US$376 billion, declining 37% on a year-on-year basis from US$600 billion in the second quarter of 2007 while up 4% compared to first quarter volume of US$360 billion. Sovereigns accounted for US$234 billion in the second quarter (19% of overall volume) while corporates, at US$132 billion, had an 11% market share.

The most frequently traded Eurobonds were those from Brazil (US$69 billion), Russia (US$45 billion), Venezuela (US$33 billion), Argentina (US$31 billion) and Mexico (US$27 billion).

In addition to local markets bonds, sovereign and corporate Eurobonds, the Survey also includes turnover in options, loans and Brady bonds. Survey participants reported US$10 billion in option trades (1% of volume), US$5 billion in loan assignments (less than 1% of volume) and US$500 million in Brady bond transactions (also less than 1% of Survey turnover).

EMTA Volume Survey (continued)

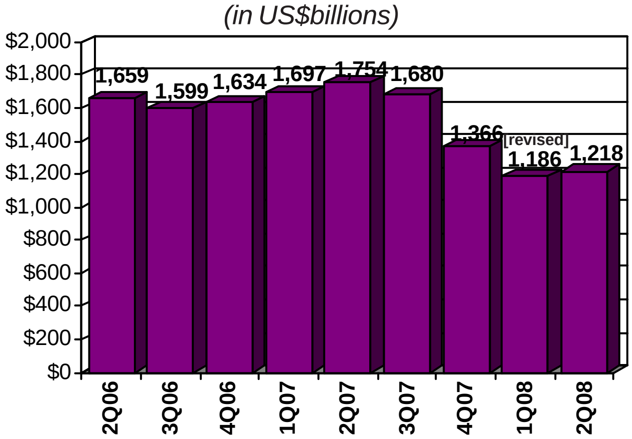
Brazil, South Africa and Argentina Most Frequently Traded Countries

Brazilian instruments were the most frequently traded instruments according to the EMTA Survey, with US$241 billion in turnover. This compares with US$302 billion reported in the second quarter of 2007 (down 20%) and US$239 billion in the first quarter of 2008 (representing a 1% increase). Brazil's 2040 bond remained the most frequently traded industry instrument, accounting for US$20 billion of Survey turnover, although volume was down 63% from second quarter 2007 volume of US$53 billion and down 33% from first quarter 2008 trading of US$30 billion. Brazilian volumes accounted for 20% of total Survey trading.

South African debt jumped to the second most frequently traded instruments, at US$109 billion, compared to US$133 billion in the second quarter of 2007 (down 18%) and US$77 billion in the first quarter of 2008 (up 42%). The majority of South African trading included local market transactions. Spegel noted that "a high level of volatility in local rates likely lifted turnover levels as the first quarter consensus bet for Central Bank easing in the second half of 2008 was violently turned on its head, and aggressive policy tightening was priced into the market." South African volume accounted for 9% of Survey volume.

Aggregate Trading Volume

(in US$billions)



Argentine debt volumes were the Survey's third highest, at US$100 billion (compared with US$146 billion in the second quarter of 2007 and US$82 billion in the first quarter of 2008). Argentine trading represented 8% of the Survey.

Other frequently traded instruments were securities from Turkey (US$91 billion), Hong Kong (US$75 billion), Russia (US$74 billion) and Poland (US$60 billion).

New Issuance Pipeline Strong

Going forward, Spegel was relatively optimistic. "The heavy new issuance pipeline of approximately US$30 billion in sovereigns and US$40 billion in corporates will likely support trading volume levels over the remainder of the year," he commented. However, he noted that if investor redemptions continue to pressure fund managers, "it is possible that secondary-market bond prices will suffer as institutional buyers rotate out of existing positions to acquire new deals rather than draw on their high cash levels."

EMTA's Survey includes trading volumes in debt instruments from over 90 Emerging Market countries. For a copy of EMTA's Second Quarter 2008 Debt Trading Volume Survey, please contact Jonathan Murno at jmurno@emta.org or +44 (20) 7996-3165.

[i]Total originally reported volume for the first quarter for Mexican local instruments of US$95 billion was revised downward to US$53 billion following correction of a participant's submission.

EMTA Board Meeting on June 4, 2008

EMTA's second Board Meeting for 2008 was held at EMTA's office in New York City with teleconferencing links.

Elected to the Board at the beginning of the meeting was Hakan Sofuoglu, who had been nominated by Citigroup to replace his colleague, Carey Lathrop. In addition, Mr. Sofuoglu was elected as a Vice Chair.

In addition to reviewing EMTA's 2007 results against 2008 Budget (with final adjustments resulting in a surplus for 2007 of about $452,000) and EMTA's preliminary results for the 1st Quarter (which are in line with the projected Budget), the Board also discussed the progress made in the possible expansion of EMTA's Volume Survey to include the CDS market, as well as the trade settlement backlog in Venezuela's Oil Obligations and Nigeria's Payment Adjustment Rights (see page 20). After some discussion, the Board recommendation was to propose that the monthly conference calls of the current Warrants Working Group be brought to an end. EMTA will assess whether the conference calls should be reinstated pending market input.

The next meeting of EMTA's Board is scheduled to be held sometime in the month of October 2008.

Special Events

Former Central Bank Directors Discuss Outlook for the Brazilian Economy at EMTA Forum in São Paulo

EMTA's Forum in São Paulo was a high octane event featuring four ex-Central Bank Directors and a former Minister of Communications discussing the outlook for the Brazilian economy. The event, held on May 28, 2008, was made possible with the generous support of Banco Itaú which sponsored the event.

EMTA Board Members Rudi Fischer (Banco Itaú) delivered welcoming remarks and expressed EMTA's delight at holding its inaugural Forum in São Paulo Forum. He was followed by EMTA Board Member Peter Geraghty (Dresdner Kleinwort) who briefly described EMTA's mission and summarized its current activities.

Sergio Werlang of Banco Itaú delivered the day's keynote remarks, speaking on the future direction of the Brazilian economy and its reaction to the global credit crisis. Werlang voiced optimism that Brazil's growth would continue despite concerns that an economic slowdown in the world's industrialized economies would have dramatic effects on emerging countries.

Before launching into his discussion of the Brazilian economy, Werlang summarized the mortgage crisis in the US. He noted his forecast of annual US growth of 1.3% in 2008 with the possibility of growth contracting 0.3% in the fourth quarter.

Generally, the de-coupling hypothesis seems to be supported by economic data, according to Werlang. He illustrated his argument with slides showing the US accounts for both a decreasing amount of global imports and a decreasing percentage of global GDP, while the share of Emerging Markets in global GDP is on the rise.

Werlang argued that Brazil's credit rating, which was recently raised to investment grade by two of the major international credit ratings agencies, could go higher based on such factors as improving debt-to-GDP ratio. He projected that all three agencies could rate Brazil at the BBB/Baa2 level by 2009. However, Werlang cautioned that upgrades could be hindered by slow progress on economic reforms, and that other emerging countries could become more competitive than Brazil if their reform efforts bore greater fruit.

EMTA Forum in São Paulo (continued)

At the conclusion of his presentation, Werlang detailed his economic forecasts for Brazil. He predicted a primary surplus of 3.8% in both 2008 and 2009; 5.5% inflation in 2008 before declining to 4.5% in 2009 and 2010; the real reaching 1.63 per dollar and GDP trending to 4.5% annually.

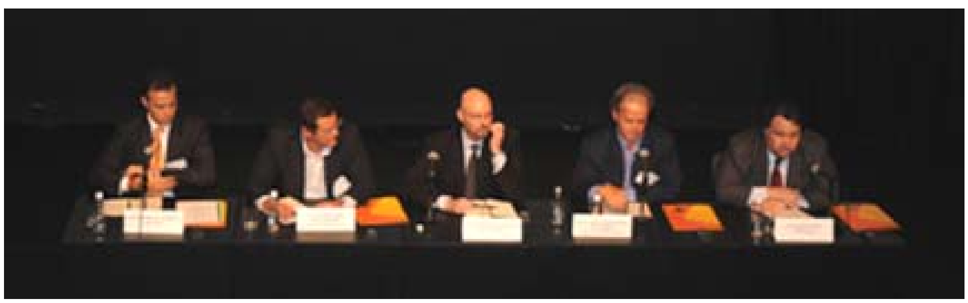
Click Here for a copy of Werlang's presentation.

Ruari Ewing of the International Capital Markets Association (ICMA) delivered a presentation on Regulatory Developments from a European Perspective. After introducing ICMA and its mission, Ewing gave an overview of the EU regulatory framework. He described the EU's attempts to create a single market in the financial services industry via a number of directives including the Prospective Directive, the Transparency Directive, the Market Abuse Directive and the Markets in Financial Instruments Directive (MiFID).

Ewing also discussed moves towards harmonization between the EU and US regulatory regimes, based on the Cox-McCreevy entente, and listed the issues involved, including a principles vs. a rules-based approach, ex-post enforcement vs. ex-ante supervision and the effects of residual intra-EU differences. Ewing stressed the importance of uniform global regulation in dealing with a global financial market.

Click Here for a copy of Ewing's presentation.

Guilherme da Nóbrega (Banco Itaú) then moderated the Forum's panel discussion. Da Nobrega invited each of the former government officials to give their thoughts on topics including inflation and likely monetary policy over the next eighteen months, the balance of payments and the exchange rate, and fiscal risks.



The majority of the discussion focused on Brazil's rising inflation and the appropriate response by policy–makers. There was general consensus that the Banco Central would have to raise interest rates by approximately three percentage points in order to combat inflation from the Bank's former employees. However opinions differed on how that three point increase should be implemented.

Quest Asset Management's Luiz Carlos Mendonça de Barros was among the most hawkish on the panel, calling for Brazil's Monetary Policy Committee (COPOM) to hike rates by 0.75% at its upcoming meeting.

Eduardo Loyo of UBS Pactual and Alexandre Schwartsman of Banco Santander disagreed, stating that a hike of 0.5% would be sufficient. Schwartsman disputed comments by industry analysts who have suggested that Brazil's rise in inflation is due to external food inflation, and asserted instead that much of it has been driven by a rise in domestic demand. Luiz Fernando Figueiredo of Mauá Investments expressed confidence in the Central Bank's rate hike policy as pursued to date, and stressed the importance of watching economic data in determining future increases.

The meeting, which was held in Portuguese with simultaneous English translation, concluded with a cocktail reception hosted by Banco Itaú.

Special Events (continued)

Argentina's Economic Prospects Remain Positive, Affirms Miguel Kiguel at EMTA's Forum in Buenos Aires

EMTA held its first Forum in Buenos Aires, Argentina on Friday May 30, 2008. Banco Itaú sponsored the event, which was held in association with the International Capital Markets Association (ICMA). The event, conducted in Spanish with simultaneous English translation, attracted over 100 market participants.

Miguel A. Kiguel, former Undersecretary of Finance at Argentina's Ministry of Finance and current Executive Director of EconViews, delivered a relatively optimistic keynote address on the prospects for the Argentine economy. Kiguel argued that, notwithstanding a number of concerns, the economic outlook for Argentina remained favorable and that financing needs for the next few years were indeed manageable.

Inflation remains the main problem facing the Argentine economy, Kiguel acknowledged, and it will continue to pose a challenge for policymakers. His own forecast for inflation was that it would rise above 25% in Argentina in 2008, with inflation in smaller provinces dramatically higher than that in Buenos Aires. Inflationary expectations in the market are now above 30% according to his research.

However, Argentina's twin surpluses "reduce macroeconomic risks even if the external environment deteriorates," Kiguel asserted. After declining in 2007, the primary surplus will rebound in 2008 due to higher export tax revenues. Argentina continues to benefits from strength in the prices of its commodity exports.

The Central Bank, Kiguel noted, has intervened in the market in order to avoid a nominal depreciation of the peso by selling dollars and has been able to maintain financial stability. The country's exchange rate policy is torn between maintaining price stability and keeping exports competitive.

Kiguel dismissed concerns about a potential default as "exaggerated" due to a number of factors including the large stock of international reserves, decreased pressure on financial resources due to the country's twin surpluses, a recovery in the banking system and the flexible exchange rate. The recent farmer's strike "has changed the political and social climate but economic variables are still solid," he affirmed, although he recognized that a continuing political crisis could eventually lead to economic deterioration.

Despite overall favorable economic conditions, Kiguel did not have encouraging words for investors who did not tender their debt in Argentina's 2005 debt swap. An agreement with holdouts was unlikely, he stated.

Click Here for Kiguel's presentation.

EMTA Forum in Buenos Aires (continued)

Following Kiguel's remarks on inflation, EMTA Board Director Rudi Fischer invited audience participation in the event. Attendees were asked to provide, on an anonymous basis, their forecasts for Argentine inflation in 2008 and 2009. Results showed that the average forecast for inflation in 2008 was 27% while attendees' average 2009 inflation forecast was 24%. In addition, a poll of audience members showed that the average prediction for Argentine GDP was 7% in 2008, and 4% in 2009.

The event also included a presentation by Ruari Ewing of ICMA who repeated his discussion of a European perspective on regulatory developments (see page 8).

Click Here for Ewing's presentation.

Concluding the event, Marcelo Nicoletti of Itaú Asset Management led an off-the-record panel discussion. Speakers included Ricardo Maxit (Galileo Argentina SGFCI), Juan Veron (HSBC Maxima AFJP), Adolfo Kopouchian (TPCG Valores Sociedad de Bolsa) and Javier Kulesz (UBS Pactual).

The panel discussed a wide range of topics including their recommendations for 2008, their expectations for fiscal policy, thoughts on the future direction of commodity pricing and the political situation in Argentina.

Special Events (continued)

EMTA Attends Africa Forum

At the invitation of the U.S. Treasury, EMTA representatives and members attended the seventh U.S.-Sub-Saharan Africa Trade and Economic Cooperation Forum (AGOA Forum) in Washington D.C. in July. The AGOA Forum offers an opportunity for Finance Ministers from African countries, U.S. government representatives, and stakeholders from the public and private sector to interact surrounding policy reform issues that facilitate investment, trade between the U.S. and Africa, and economic growth in Africa generally. The forum complements the Trade and Development Act of 2000, which has lowered trade barriers between the U.S. and African countries.

Highlights of the Forum included remarks by Secretary of State Condoleezza Rice, who noted that Africa's economy as a whole has grown by 7% over the last year, and by Department of the Treasury Assistant Secretary for International Affairs Clay Lowery, who observed that private capital flows to Africa exceeded aid last year for the first time since 1999. Acknowledging that African economies are in transition, Tom Gibeon of Emerging Capital Partners noted that experienced EM investors "don't look for perfect governance, they look for improving governance." In his remarks, however, Deputy Prime Minister and Minister of Trade Uhuru Kenyatta of Kenya reflected that lowered trade barriers are not enough; more investment capital must be attracted to take advantage of these conditions. World Bank Managing Director Ngozi Okonjo-Iweala noted that Africa not only needs more capital, but that it needs capital that can encourage self-sustained growth.

While the lowering of trade barriers was praised, the discussion on the floor echoed the need for more investment to take advantage of African opportunities. Improved perceptions about Africa, the need for infrastructure to support capacity, and the establishment of more and better relationships between African businesses and financial sectors and U.S. counterparts were all cited as necessary steps forward. Sessions on foreign investment and private equity confirmed that the need for regulatory reform and a more robust legal system remains a significant obstacle to investment in many countries, even as a small but vibrant community of private equity investors has benefited from African opportunities.

For further information, please contact Starla Griffin at sgriffin@emta.org.

EMTA Corporate Bond Forum Scheduled for September 17th in New York

EMTA's Corporate Bond Forum will take place on Wednesday, September 17, 2008 at the Parker Meridien Hotel at 118 West 57th Street in New York. The event will be sponsored by ING Financial Markets. This event follows EMTA's second annual London Corporate Bond Forum held in January, where, among other things, panelists generally agreed that local currency corporate bonds were the "wave of the future".

Jonathan Schiffer of Moody's Investor Service will deliver a presentation on "The Relationship Between the Kazakh Government and Kazakh Banks." David Spegel (ING Financial Markets) will moderate the event's panel discussion. Panelists will include Aaron Holsberg (ABN Amro), Anne Milne (Deutsche Bank), Alfredo Chang (Lehman Brothers Asset Management) and Katherine Renfrew (TIAA-CREF Asset Management).

Invitations were sent to EMTA members in late August. Attendance is complimentary for EMTA members; there is a US$500 registration fee for non-members.

Special Events (continued)

EMTA Fall Forum

EMTA's Fall Forum will be held on Tuesday, October 7, 2008. The event will, once again, be hosted by Lehman Brothers at its office at 745 Seventh Avenue in New York City.

Lehman's Guillermo Mondino will moderate a panel of industry experts. Panelists will include Alberto Ramos (Goldman Sachs) and Eric Ollum (ING Financial Markets). Additional panelists are expected to be announced shortly.

For further information, please contact Jonathan Murno of EMTA at jmurno@emta.org.

EMTA Special Presentation - EM Corporate Bonds: Legal and Practical Considerations for Investors Scheduled for October 15th in London

EMTA Special Presentation "Emerging Markets Corporate Bonds: Legal and Practical Considerations - As Important as Fundamentals?" to take place in London on Wednesday, October 15, 2008

EMTA is pleased to announce a special presentation: "Emerging Markets Corporate Bonds: Legal and Practical Considerations - As Important as Fundamentals?" that will take place in London on Wednesday, October 15, 2008. Fitch Ratings will host this event at their offices at 101 Finsbury Pavement, London, EC2A 1RS from 3:00 PM to 5:00 PM (registration will commence at 2:45 PM), and will be followed by a cocktail reception. This event is one in a series of EMTA seminars focusing on the Emerging Market corporate bond world as corporate issues continue to dominate Emerging Market debt issuance. This event complements the annual EM Corporate Bond Forums in New York and London, and seminars on EM Corporate Bond Covenants, which have been held in New York.

The event will open with a keynote address by Trevor Pitman, Group Managing Director, Non-Financial Corporates for Fitch. His address will cover issues including:

- Overview of Rating Agency approach to EM corporates – weighing qualitative and quantitative analysis
- Corporate governance; local legal frameworks and political risk (Yukos and Mechel)
- Recovery framework: Capping or no capping (Russia vs. South Africa)
- Analyzing corporate groups
- Analyzing bond documentation (Myronivsky Hliboproduct, Ventrelt Holding)

Victoria Miles of JP Morgan will moderate a panel discussion that will include Konstantin Kroll from Allen & Overy's Moscow Office; Diane Roberts from Ashursts, London Office; Robin Forrest of Ashmore Investment Management; and John Hatton of Fitch Ratings. The panel will focus on:

- Deal structures – What practical protection can documentation provide?
- Jurisdictional peculiarities and risks, with focus on CIS region
- Creditor remedies in practice (Naftogaz and Yukos)
- Work-outs in practice

The registration notice for this event will be distributed shortly. For general information please contact Starla Griffin at sgriffin@emta.org.

Special Events (continued)

EMTA's Third Annual Forum in Singapore Set for October 23, 2008

EMTA's Singapore Forum will be held on Thursday, October 23, 2008 at the Fullerton Hotel. The event will include panels of investor and sell side speakers and will be sponsored by ING Wholesale Bank. Following the panel discussions, a cocktail reception will be held for Forum participants and attendees.

Tim Condon (ING Wholesale Bank) will moderate the sell-side panel, which will also include Moh Siong Sim (Citibank), Damien Wood (Credit Suisse), Martin Hohensee (Deutsche Bank) and David Fernandez (JPMorgan).

The investor panel will be led by Aaron Low (Lumen Advisors) and will also feature Barry Field (Ashmore Investment Management), Lee Boon Keng (DBS), Liew Tzu Mi (Government of Singapore Investment Corporation) and Goetz Eggelhoefer (Rohatyn Group).

Admission is complimentary for EMTA Members; there is a US$500 registration fee for non-members. Invitations will be e-mailed to EMTA Members in mid-September.

For further information please contact Jonathan Murno at jmurno@emta.org.

EMTA's Third Annual Forum in Hong Kong Slated for October 27, 2008

EMTA's Third Annual Forum in Hong Kong has been scheduled for Monday, October 27, 2008. This lunch-time event will include a panel discussion moderated by Tim Condon (ING Wholesale Bank). At press time confirmed speakers include Dong Tao (Credit Suisse) and Qing Wang (Morgan Stanley). Additional panelists are expected to be announced shortly.

The event, which will be held at the Mandarin Oriental Hotel, will be sponsored by ING Wholesale Bank.

Attendance is complimentary for EMTA Members. There is a US$250 registration fee for non-members. Invitations will be sent to EMTA Members in mid-September.

Please contact Jonathan Murno of EMTA at jmurno@emta.org for further information.

Special Events (continued)

London Benefit Sells Out for Fifth Consecutive Year

Despite the global credit crunch, organizers of the Emerging Market Benefit Ball in London were delighted that, for the fifth consecutive year, all 960 seats to the event have sold out—once again, almost immediately. This year's event, "Africa!" will be held at the Old Billingsgate Market on Friday, October 17, 2008.

Organizers have announced that among the items being auctioned off this year include skydiving with the Red Devils, use of a holiday home in St Lucia, three-days sailing for eight people on a luxury yacht in the Aegean, dinner at the Ivy with BBC World Affairs Editor John Simpson, a night out with Led Zeppelin guitarist Jimmy Page, a visit to Soccer AM and the Sky Sports studios, dinner for 12 at La Grande Marque restaurant, and more. Other prizes are expected to be announced shortly on the Benefit website at www.emball.net.

The event is made possible with the generous support of Absa Capital affiliated with Barclays Capital, Renaissance Capital and Standard Bank. Additional support is also being provided by The Royal Bank of Scotland, UBS and Principal Search. MarketAxess will also provide funding for the event by donating half of the proceeds of its Annual Charity Trading Day.

Last year's event raised over £300,000 (US$600,000). Beneficiaries for the 2008 event are:

- **Cotlands**, www.cotlands.org, which provides support for children affected by the HIV/AIDS pandemic in South Africa;
- **Task Brasil**, www.taskbrasil.org.uk, which provides shelter and vocational training for street children in Rio de Janeiro;
- **Health Unlimited**, www.healthunlimited.org, which provides basic health care to rural communities around the globe;
- **Downside Up**, www.downsideup.org, which provides support and education for children in Russia with Downs Syndrome and
- **EMpower**, www.empowerweb.org, a grant-making foundation which connects the Emerging Markets community with innovative grassroots organizations enabling young people to lead healthy, productive lives.

Please contact Jonathan Murno at jmurno@emta.org for more information, or visit the Event website at www.emball.net.

Special Events (continued)

New York Charity Benefit Slated for December 4, 2008

The annual New York Emerging Markets industry charity benefit will be held on Wednesday, December 4, 2008 at the Sheraton Hotel's Metropolitan Ballroom on West 53rd Street in New York City. The event will immediately follow EMTA's Annual Meeting and will once again be sponsored by MarketAxess' Annual Charity Trading Day.

Tables of ten are priced at $12,500 with an early bird discount of $10,000 per table for invoices settled in full by October 1, 2008. EM industry members are also encouraged to support the event as an advertiser in the evening's program, donating auction items or making cash contributions.

The EMCB Planning Committee began work on the event this past Spring. At meetings held on May 6, 2008 and June 17, 2008, committee members reviewed applications from 12 nominated charities. After lengthy deliberations and interviews with 7 semi-finalist organizations, the committee selected five beneficiaries for the 2008 event:

- **EMpower** - a grant-making foundation which connects the Emerging Markets community with innovative grassroots organizations enabling young people to lead healthy, productive lives www.empowerweb.org;
- **Orphaned Starfish Foundation,** dedicated to working with orphans and disadvantaged children throughout Latin America www.orphanedstarfish.org;
- **Sri Lanka Cares,** which rebuilds and restores homes lost and damaged by the Asian Tsunami www.srilankacare.org;
- **WaterPartners International**, which works to promote health in Latin America, Africa and Asia by increasing access to safe drinking water www.water.org;
- and **WorldFund** which provides financial, managerial and technical assistance to partner schools in impoverished Latin American neighborhoods www.worldfund.org.

Last year's Gala raised a record of just under $500,000 and had a record low expense ratio of 19%. Proceeds from the 2007 Ball were distributed earlier this year to organizations working to improve health and education in Emerging countries, as well as to fund micro-grants for entrepreneurs.

The EMCB continues to welcome new members. If you are interested in joining the Planning Committee, please contact Jonathan Murno of EMTA at jmurno@emta.org.

Paris Club Meets with Private Sector

On June 11, the Paris Club held its annual meeting with private sector creditors to discuss recent developments and issues of common concern. These annual meetings were initiated in 1999 as a step towards making the Paris Club more transparent to non-Paris Club creditors. As in past years, the IIF collaborated with the Paris Club Secretariat to organize the event. Paris Club Creditors from the G8 (as well as several observer countries), the IMF and World Bank were in attendance for the official sector. Representatives of the IIF and EMTA member firms made up the private sector side.

The meeting provided the Paris Club Secretariat with an opportunity to update the private sector on recent Paris Club deals. Likewise, the private sector reported on recent London Club negotiations, and developments in other country default scenarios. Several new issues were also included on the 2008 agenda. A great deal of focus was given to the role of "emerging creditors" to low-income countries and their interplay with the Paris Club, in particular as regards the Paris Club policy of comparable treatment. The emergence of new sovereign borrowers was also examined, with the World Bank providing a report on its non-concessional borrowing policies to low-income countries, and the IMF making a presentation on its parameters for new lending to sub-Saharan Africa. This latter presentation highlighted several of the issues that were discussed at EMTA's Africa Workshop held in London on November 5, 2007, and underscored the IMF's desire for continued dialogue with EMTA members about Africa, its capital markets and investments in them.

Other issues on the agenda included (i) the impact of the credit crisis on Emerging Markets, (ii) the state of the Argentine economy, and (iii) the IIF Principles on Stable Capital Flows and Fair Debt Restructurings in Emerging Markets. An unscheduled discussion about the activities of distressed debt (sometimes called "Vulture") funds also took place. Several new Paris Club initiatives were also suggested, as set forth below.

Emerging Creditors

"Emerging creditors" to low-income countries have become a prominent issue for the Paris Club. This is true as regards current debtor countries, for example, with respect to Iraq, where the Paris Club is trying to coordinate Paris Club and non-Paris Club creditors. It is also an issue as regards new lending into countries that have been the recipients of Paris Club debt relief. New lending by countries such as China, India and Brazil into sub-Saharan Africa and East Asia are examples of the latter. The emergence of these new lenders has raised questions about (i) how the new creditors will be coordinated in the event of a default, (ii) whether and how the Paris Club policy of comparable treatment should be applied to non-Paris Club members, and (iii) how this new lending co-exists within the Paris Club debt relief framework.

Paris Club (continued)

Several prominent "emerging creditors" attended the meeting, including representatives from Abu Dhabi, Brazil, China Eximbank, Kuwait, South Africa, South Korea, and Turkey, among others. Although invited to provide remarks on their official lending policies, most of these emerging creditors chose to remain silent. Interesting comments were provided, however, by one or two countries, who specifically questioned whether it was appropriate to extend the Paris Club policy of comparable treatment to these new lenders. Reminiscent of private sector concerns that a straight-forward application of comparable treatment was not appropriate due to the complex political nature of some official lending, some of these emerging creditors also voiced concern. The reticence stemmed from the fact that some of these emerging creditors are less developed than Paris Club members, so the budget implications of following Paris Club debt relief terms would be greater in these developing countries. They also suggested that the complex political relationships that might have influenced lending policies needed to be taken into account.

The Paris Club Chairman declared that the Paris Club is open and ready to become larger and accept new members, but noted that it might be necessary for the Paris Club to evolve in its own right, i.e., convening ad hoc creditors committees for certain countries as it seeks to find an appropriate coexistence and coordination with these new lenders.

Updates on Paris Club and Private Sector Activities

The Paris Club Secretariat and IIF took turns summarizing their activities with respect to specific countries. These included, among others, updates on Angola, Cote d'Ivoire, Republic of Congo, Liberia, Sudan and Argentina. Richard Segal of Renaissance Capital provided summaries of the country updates below.

Angola

The Paris Club reported on its recently agreed comprehensive rescheduling agreement with Angola. At present, most overdue debts have been repaid, and the remaining overdue interest will be reimbursed in three tranches over two years. Because the repayments will occur at "close to market terms," a formal Standby or Policy Support agreement with the IMF is not necessary (in contrast with Argentina's approximate $6 billion Paris Club debt). Because most creditor nations signed off on the Angola buyback, the country is now widely eligible for export credit insurance, albeit on expensive terms. The World Bank's Debt Sustainability Framework places the country in 'moderate' risk of debt distress over the medium term, but officials note that the country is borrowing heavily at present. The Paris Club, IMF and World Bank are pleased that debt relief and buybacks, combined with better fundamentals generally, have provided countries with "new borrowing space." However, they are also concerned to prevent an unsustainable buildup of new debt, particularly if the loans are non-concessional and from non-Paris Club official creditors.

Cote d'Ivoire

London Club debt rescheduling talks are likely to commence later this summer, as soon as arrears with the African Development Bank have been resolved. The framework for the formal negotiations has already been put in place. The presidential elections scheduled for November 30 may be delayed slightly, but there are no expectations of significant delays.

Paris Club (continued)

Republic of the Congo

BNP Paribas provided updates with respect to the London Club rescheduling with the Republic of the Congo, which was concluded successfully last year in an agreement that led to the issuance of a Eurobond, rather than a restructured loan. Commercial bank officials characterized the negotiations as a helpful example of 'good faith' discussions by both sides.

Liberia

Paris Club officials discussed the Liberia debt relief in some detail and stressed that while it was never in doubt that 90%-plus debt cancellation would be forthcoming, the talks were rather complicated, because of the requirement that creditor nations collectively generate $1.5 billion worth of financial support for the debt reduction. Discussions with London Club officials have commenced on an ad hoc basis. Liberia has selected an external advisor to assist with debt reconciliation and expectations are that formal negotiations with the London Club will also follow 'good faith principles.'

Sudan

The situation of the Sudan was held up for special discussion due to the fact that it has been in default for 23 years, but continues to gain access to international finance from new creditors. London Club creditors are concerned about the lack of interest on the part of the Sudanese government in rescheduling its defaulted commercial debt, and voiced concern about the avenues of funding from the Middle East and oil traders, who are financing Sudan despite the default status.

Argentina

Nicola Stock, who represents the Italian retail investors who are holders of defaulted Argentine bonds, and co-chairs GCAB with Hans Humes of Greylock Capital, provided a brief update on Argentina. Six years from the date of default, Italian retail investors still hold US$ 6 billion in debt (excluding interest), which is similar in size to the entire Paris Club debt owed by Argentina. He summarized the on-going litigation against Argentina (including 106 cases in the United States and 350 in Germany), which is more or less unchanged, although the ICSID case is finally underway as of April. Mr. Stock highlighted that the change in government in Argentina since the default had not resulted in any change of attitude towards outstanding creditors, despite the spat of healthy economic growth that Argentina had been enjoying (although he noted that the economic situation was worsening.) He also expressed concern about rumors circulating that Argentina had approached the Paris Club to start discussing its outstanding Paris Club debt. Of course it is unclear how the policy of comparable treatment might work in this case. In response, the Paris Club's Mr. Musca stated unequivocally that no approach had been made. Meanwhile, the IMF confirmed that consultations with Argentina under Article IV will commence in the fall.

"Vulture" Fund Debate

An unscripted debate about so-called "Vulture" funds was commenced by Hans Humes of Greylock Capital, who expressed his concern that "Vulture" funds had been getting a disproportionate amount of attention from politicians, not to mention the press, and was particularly concerned about two legislative initiatives in the United States and France to "outlaw" their activities. His primary concern was that any legislation that aimed to bar the activities of so-called "Vultures" could inadvertently and adversely affect many other aspects of the financial markets. He also said that the term "Vulture" fund was used too loosely and that, in general, the rhetoric surrounding the issue should be toned down.

Paris Club (continued)

The Paris Club expressed its concern that claims against HIPC countries should not fall into the hands of creditors who would pursue a strategy of suing on the claims and not respect debt relief terms. Mr. Humes and several others in the private sector agreed that such a strategy could be disruptive, but that it served a purpose in terms of holding bad debtors to account. Furthermore, they argued, the legislation being contemplated could do more harm than good.

Another private sector participant suggested that sometimes it was governments, not commercial creditors, selling their claims (including claims on HIPC countries) to creditors who later pursued this approach. And finally, it was pointed out that perhaps all of the hype surrounding so-called “Vulture” funds was overblown since no one could definitively state what kind of impact they have had on the sovereign default and debt relief cases.

In response, the Paris Club decided to convene a Working Group to educate non-Paris Club countries to ensure that claims, particularly claims against HIPC countries, do not fall into the hands of creditors who purchase with the sole intent of bringing suit to enforce the debt claim. It was also agreed that the IIF, EMTA and the Paris Club would collaborate on a fact-based report regarding the impact of such a strategy on sovereign restructurings and debt relief cases.

Impact of Credit Crunch on Emerging Markets

Hung Tran from the IIF summarized the impact of the credit crunch on Emerging Markets by underscoring that most EM countries had remained resilient, although the threat of rising inflation was ominous. He also singled out Argentina for its declining economic performance.

Robert Gray of HSBC ended the session with his report on how the IIF Principles for Stable Capital Flows and Fair Debt Restructurings in Emerging Markets have been working in practice since they were presented to the market in November 2004 and endorsed by the G20.

For more information about the 2008 Paris Club meeting with private sector creditors, please contact Starla Griffin at sgriffin@emta.org.

Bond & Warrant Trading & Settlement

Multilateral and Trilateral Netting and Offsets for Nigeria Payment Adjustment Rights and Venezuela Oil Obligations

In the past year, EMTA sponsored a Multilateral Netting Facility for Nigeria Payment Adjustment Rights, eight Offset Facilities for Venezuela Oil Obligations and one Trilateral Netting and two Offset Facilities for Nigeria Payment Adjustment Rights. Taken together, 18 market participants successfully completed the netting and offset of deliveries and payments with an aggregate gross value (net of residual unsettled positions) of over US$100 million, which represents significant progress in the EM trading industry's effort to clear the longstanding settlement backlog for Nigeria's and Venezuela's Warrants.

EMTA's Board has recently proposed that the monthly conference calls of the current Working Group be brought to an end. EMTA will assess whether the conference calls should be reinstated pending market input.

Nigeria Payment Adjustment Rights

To assist market participants in better understanding the Nigeria Rights, and the background of the settlement and payment backlog, EMTA has prepared a Nigeria Primer (November 20, 2007), which includes the formula for determining the number of Rights related to the Bonds and a history of prior payments.

Click Here for the Fiscal Agent notice regarding the calculation for the May 15, 2008 payment.

Venezuela Oil Obligations

To assist market participants in better understanding the Venezuela Oil Obligations, and the background of the settlement and payment backlog, EMTA's Venezuela Primer (November 20, 2007) includes the formula for determining the number of Oil Obligations related to the Bonds and a history of prior payments.

The April 15, 2008 Oil Obligations payment was made to holders of record as of March 31, 2008, and EMTA recommended that trades be "ex-dividend" on March 27. Click Here for the Fiscal Agent's notice regarding the payment's calculation.

Mexico VRR Payment

The last scheduled payment on Mexico VRRs was made on June 30, 2008 to Series F VRR holders of record as of June 16, 2008, and EMTA recommended that trades be "ex-dividend" on June 12. Click Here for the Fiscal Agent's notice regarding the VRR payment's calculation.

Click Here for EMTA's Primer on Mexico VRR's.

EMTA Members: To obtain the password for the Members Only area, please e-mail sortiz@emta.org

Website Updates and Additions

Key Industry Views

EMTA continues to recognize publications by leading research analysts and others that highlight noteworthy industry topics. In recent weeks, EMTA has made the following additions to the Key Industry Views area of EMTA's website:

- "Brazil: Making the Grade." May 30, 2008 - Paul Sheard and Guillermo Mondino (Lehman Brothers).
- "Brazil Update: Investment Grade Reinforced." May 30, 2008 - Jose Carlos de Faria (Deutsche Bank).

New Developments

These and other recent news items can be found in the New Developments area of EMTA's website.

- August 21, 2008 - EMTA Corporate Bond Forum in New York, Sponsored by ING Financial Markets, to be Held on September 17, 2008.
- August 21, 2008 - EMTA Forum in Singapore to be Held on October 23, 2008 and EMTA Forum in Hong Kong to be Held on October 27, 2008. Invitations to be distributed shortly.
- August 20, 2008 - EMTA Announces 2Q Debt Trading Stood at US$1.218 Trillion.
- August 19, 2008 - Moody's Upgrades Peru's Foreign-Currency Government Bond Rating from Ba2 to Ba1.
- August 15, 2008 - Standard & Poor's Upgrades Trinidad & Tobago's Long-Term Sovereign Rating from A- to A.
- August 13, 2008 - Holiday Schedule for EM Bond Trades for UK Summer Bank and US Labor Day Holidays.
- August 11, 2008 - Standard & Poor's Downgrades Argentina's Long-Term Foreign Currency Rating from B+ to B.
- August 7, 2008 - Standard & Poor's Downgrades the Seychelles' Long-Term Foreign Currency Rating from CCC to SD.
- August 5, 2008 - Standard & Poor's Upgrades Lebanon's Long-Term Foreign Currency Rating from CCC+ to B-.
- August 1, 2008 - Standard & Poor's Downgrades The Seychelles' Long-Term Foreign Currency Rating from B to CCC.
- July 31, 2008 - Notice from Seychelles Noteholders Committee Regarding Payment of Seychelles' Euro-denominated Bond Due 2011.
- July 31, 2008 - Standard & Poor's Upgrades People's Republic of China's Long-Term Sovereign Credit Rating from A to A+.
- July 22, 2008 - Standard & Poor's Upgrades Uruguay's Long-Term Foreign-Currency Rating from B+ to BB-.

Website (continued)

- July 21, 2008 - Annual Emerging Markets Benefit to be Held in New York City on December 4, 2008.
- July 16, 2008 - Moody's Upgrades Russia's Government Bond Rating from Baa2 to Baa1.
- July 15, 2008 - Emerging Markets Benefit in London Scheduled for Friday, October 17, 2008. Tickets Now on Sale.
- July 14, 2008 - Standard & Poor's Upgrades Peru's Long-Term Foreign Currency Rating from BB+ to BBB- (Investment Grade).
- June 30, 2008 - EMTA Corporate Bond Forum in New York to Be Held on September 17, 2008. Invitations to be distributed shortly.
- June 19, 2008 - Moody's Upgrades Colombia's Foreign-Currency Government Bond Rating from Ba2 to Ba1.
- June 18, 2008 - Holiday Schedule for EM Bond Trades for US Independence Day Holiday.
- June 16, 2008 - Calculations for Payments on Mexico VRR's, Series F, Announced.
- June 12, 2008 - Standard & Poor's Downgrades Ukraine's Long-Term Foreign Currency Rating from BB- to B+.
- June 4, 2008 - EMTA Annual Summer Forum in London to be Held on June 26, 2008.
- June 3, 2008 - EMTA's Second Quarter Bulletin is Now Available in our Bulletin Section.
- June 2, 2008 - EMTA Summer Forum in London to be Held on June 26, 2008. Invitations to be distributed shortly.
- May 30, 2008 - "The Economy in 2008: Challenges and Risks in A More Difficult External Environment." Presentation by Miguel A. Kiguel (Econviews) at EMTA Forum in Buenos Aires.
- May 30, 2008 - "Regulatory Developments: The European Perspective." Presentation by Ruari Ewing (ICMA) at EMTA Forum in Buenos Aires.

Website (continued)

Reminders: Visit the *Employment, From the Market* and *Litigation* areas

Their are a few relatively new and updated areas of EMTA's website: Employment in the Job Opportunities area, From the Market in the Activities and Services area and Litigation in the EM Background area.

Because of the difficult employment environment resulting from the credit crunch, EMTA has revised the Job Opportunities area of its website to include both:

- listings of employment opportunities in the EM trading and investment community posted (for a fee) by prospective employers (Job Opportunities); and
- summary resumes posted (free of charge) by individuals seeking employment positions in the EM trading and investment industry (Jobs Wanted).

For the sake of accommodating individual preferences and sensitivities, postings may contain as much, or as little, detail as desired, and initial contact between prospective employers and employees may be arranged through EMTA.

The Job Opportunities/Employment area includes opportunities and applicants from around the globe in the EM trading and investment community. We especially encourage you to pass along the address of this site to former colleagues who are currently seeking positions in the EM debt industry.

To post an employment opportunity, please contact Jonathan Murno of EMTA at (212) 313-1005 or at jmurno@emta.org. To post a summary resume, please contact Suzette Ortiz of EMTA at (212) 313-1006 or at sortiz@emta.org.

From the Market contains items submitted to EMTA that are deemed of general interest to the Emerging Markets trading and investment community. Decisions to post items are at EMTA's discretion, and the responsibility for content of each posted item lies solely with its author. Items in a variety of formats such as articles, opinions, transcriptions, and graphics, among others, are appropriate for this area. To submit postings to this area, please contact Suzette Ortiz at sortiz@emta.org or (212) 313-1006.

The website's latest addition, Litigation, is where various legal cases are posted that may be of interest to the EM trading and investment community. Cases can be viewed alphabetically in the more comprehensive List of Cases, as well as by specific subject matter category in reverse chronological order. If you are aware of any pertinent information which would be useful to post here, please contact Aviva Werner at awerner@emta.org or (212) 313-1010.

Miscellaneous

Information for Volume Survey Participants

As a reminder, EMTA collects volume data from market participants for its Debt Trading Volume Surveys on a quarterly schedule. EMTA contacts its survey participants approximately one week before the end of each quarter. Look for the EMTA Volume Survey e-mails!

If you are not currently a participant in the EMTA Volume Survey and believe you can contribute data for this purpose, or wish to find out more about being a survey participant, please contact Jonathan Murno at jmurno@emta.org or (212) 313-1005. Individual Survey responses are kept strictly confidential.

EMTA is Your Forum

Questions arise from time to time about EMTA's policies regarding views expressed in items posted on its website or by speakers or panelists at EMTA events.

For the record, EMTA, by long-standing custom, does not necessarily endorse such views. Items posted on EMTA's website and speakers and panelists at EMTA events are selected because EMTA believes that they will be of topical interest to our Members and to the broader market and will contribute to the expression and free exchange of views and information in the marketplace.

EMTA is always interested in getting market feedback on the effectiveness of our website, events and activities generally. Please take the time to let us know whether or not you agree with what you see on our website or hear at one of our events and, most important, whether there is more that EMTA should be doing, or doing differently, to better serve the EM marketplace.

EMTA Membership Update

EMTA's newest Members include:

- **Baillie Gifford**
- **J.P. Morgan Asset Management**
- **James Caird Asset Management**

If you are interested in EMTA Membership, or if you know of prospective Members, please contact Michael M. Chamberlin at mchamberlin@emta.org or (212) 313-1001, Starla Griffin at sgriffin@emta.org or (44-207) 996-3165, Jonathan Murno at jmurno@emta.org or (212) 313-1005 or Suzette Ortiz at sortiz@emta.org or (212) 313-1006. Also, in the Membership area of EMTA's website, we offer information about our various Membership categories and benefits and about how to join the Association.

SAVE THE DATE!
Thursday, December 4, 2008

EMTA Annual Meeting

Annual NYC EM
Charity Benefit

EMTA Hotlines

Topic	Contact	Telephone
Asia	Jonathan Murno/Leslie Payton Jacobs	(212) 313-1005/1003
Clearing Corp.	Michael Chamberlin/Starla Griffin	(212) 313-1100/(44-207) 996-3165
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Credit Derivatives	Leslie Payton Jacobs	(212) 313-1003
EM Bond Charts	Aviva Werner	(212) 313-1010
EM Charity Benefits	Jonathan Murno	(212) 313-1005
EM Litigation	Aviva Werner	(212) 313-1010
EMTA Annual Meeting	Jonathan Murno	(212) 313-1005
EMTA Governance	Michael Chamberlin	(212) 313-1000
EMTA Quarterly Forums	Jonathan Murno	(212) 313-1005
EMTA Rate Quotation Services	Leslie Payton Jacobs	(212) 313-1003
FX and Currency Derivatives	Leslie Payton Jacobs	(212) 313-1003
International Financial Architecture	Michael Chamberlin	(212) 313-1000
Investor Issues	Michael Chamberlin/Aviva Werner	(212) 313-1000/1010
Legal/Compliance	Aviva Werner	(212) 313-1010
Library and Archive Requests	Evelyn Ramirez	(212) 313-1008
Loan and Bond Trading	Aviva Werner	(212) 313-1010
Local Markets	Aviva Werner/Leslie Payton Jacobs/ Starla Griffin	(212) 313-1010/1003/ (44-207) 996-3165
Market Information/Research	Jonathan Murno	(212) 313-1005
Membership	Jonathan Murno/Starla Griffin/ Suzette Ortiz	(212) 313-1005/(44-207) 996-3165/ (212) 313-1006
Netting: Multilateral Netting Facilities	Aviva Werner	(212) 313-1010
Paris Club	Starla Griffin	(44-207) 996-3165
Press Inquiries	Jonathan Murno	(212) 313-1005
Repos/Securities Lending	Aviva Werner	(212) 313-1010
Volume Survey	Jonathan Murno	(212) 313-1005
Warrants/VRR's	Aviva Werner	(212) 313-1010
Website	Suzette Ortiz	(212) 313-1006

EMTA staff can also be reached through the general telephone number (212) 313-1000, at the following e-mail addresses or through EMTA's website (www.emta.org).

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Evelyn Ramirez	eramirez@emta.org
Aviva Werner	awerner@emta.org

EMTA Calendar

Thurs., July 3	Recommended 2:00 p.m. (NYC) Early Market Close
Fri., July 4	Recommended Market Close (NYC) Independence Day Recommended 12:00 Noon (London) Early Market Close
Mon., Aug. 25	Recommended Market Close (London) Summer Bank Holiday
Fri., Aug. 29	Recommended 2:00 p.m. (NYC) Early Market Close
Mon., Sept. 1	Recommended Market Close (NYC) Labor Day Recommended 12:00 Noon (London) Early Market Close
Wed., Sept. 17	**Corporate Bond Forum** **Sponsored by ING Financial Markets LLC** **Parker Meridien Hotel, 118 W 57th St (NYC)**
October*	**Board Meeting (NYC/London)**
Tues., Oct. 7	**Fall Forum** **Lehman Brothers** **745 Seventh Avenue (NYC)**
Fri., Oct. 10	Recommended 2:00 p.m. (NYC) Early Market Close
Mon., Oct. 13	Recommended Market Close (NYC) Columbus Day Recommended 12:00 Noon (London) Early Market Close
Wed., Oct. 15	**Special Presentation - EM Corporate Bonds: Legal and Practical Considerations for Investors** **Hosted by Fitch Ratings (London)**
Fri., Oct. 17	**2008 Emerging Markets Benefit (London)** **Old Billingsgate Market** **London**
Thurs., Oct. 23	**EMTA Singapore Forum** **Fullerton Hotel** **1 Fullerton Square (Singapore)**
Mon., Oct. 27	**EMTA Hong Kong Forum** **The Ritz-Carlton Hotel** **3, Connaught Road** **Central District (Hong Kong)**

* **Details TBA**

EMTA Calendar (cont)

Mon., Nov. 10	Recommended 2:00 p.m. (NYC) Early Market Close
Tues., Nov. 11	Recommended Market Close (NYC) Veterans' Day Recommended 12:00 Noon (London) Early Market Close
Tues., Nov. 18	**ISDA/EMTA Symposium: A Primer on Documenting Non-Deliverable Forwards, Options and Swaps (NYC)**
Wed., Nov. 26	Recommended 2:00 p.m. (NYC) Early Market Close
Thurs., Nov. 27	Recommended Market Close (NYC) Thanksgiving Day Recommended 12:00 Noon (London) Early Market Close
Fri., Nov. 28	Recommended 2:00 p.m. (NYC) Early Market Close
Thurs., Dec. 4	**EMTA Annual Meeting** **Citigroup, 388 Greenwich Street (NYC)** **2008 Emerging Markets Benefit (NYC)** **Metropolitan Ballroom** **Sheraton Hotel, 811 Seventh Avenue** **NYC**
Wed., Dec. 24	Recommended 2:00 p.m. (NYC) Early Market Close
Thurs., Dec. 25	Recommended Market Close (NYC/London) Christmas Day
Fri., Dec. 26	Recommended Market Close (London) Boxing Day
Wed., Dec. 31	Recommended 2:00 p.m. (NYC) Early Market Close
Thurs., Jan. 1, 2009	Recommended Market Close (NYC/London) New Year's Day (2009)
Fri., Jan. 2	Recommended 2:00 p.m. (NYC) Early Market Close