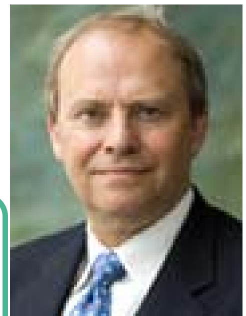
EMTA

Bulletin

4th Quarter 2007 Volume 2007: No. 4 *Rev (11/28/07)*

Anders Åslund of Peterson Institute for International Economics to Deliver Keynote Address at EMTA Annual Meeting



Anders Åslund, Senior Fellow at the Peterson Institute for International Economics, will deliver the keynote address at EMTA's Annual Meeting on December 5, 2007. The meeting will take place at Citigroup, 388 Greenwich Street in lower Manhattan. In his remarks, Dr. Åslund will discuss the economic and political outlook for Russia. EMTA is pleased to host Dr. Åslund's presentation so closely following Russia's state Duma election, scheduled for December 2.

Dr. Åslund, who is also an adjunct professor at Georgetown University, previously worked at the Carnegie Endowment for International Peace from 1994 to 2005, as both a senior associate and as director of the Russian and Eurasian Program. He has also been affiliated with the Brookings Institution and the Kennan Institute for Advanced Russian Studies, and has been an economic advisor to the governments of Russia, Ukraine and Kyrgyzstan.

Dr. Åslund is the author of eight books, including the just-released *Russia's Capitalist Revolution: Why Market Reform Succeeded and Democracy Failed*. He earned his doctorate from Oxford University.

EMTA's Annual Meeting will also include its traditional sell-side and investor panels. Joyce Chang (JPMorgan) will moderate the sell-side panel, which will include Kasper Bartholdy (Credit Suisse), Paulo Leme (Goldman Sachs) and Tulio Vera (Merrill Lynch). Anne Milne of Deutsche Bank will also join the panel as the first corporate research analyst to participate.

The investor panel will be led by Citigroup's Don Hanna, who will poll investors on their expectations for 2008. Speakers will include Jim Barrineau (AllianceBernstein), Simon Treacher (BlueBay Asset Management), Hari Hariharan (NWI Investment Management) and Art Steinmetz (Oppenheimer).

Previous Keynote Speakers at the Annual Meeting have included Brazil's Central Bank President Henrique Mereilles (2006), Peru's Finance Minister Fernando Zavala (2005), Venezuela's Finance Minister Tobias Nobrega (2004), Argentina's Secretary of Finance Guillermo Nielsen (2003), US Treasury Under Secretary for International Affairs John Taylor (2002), Mexico's Finance Minister Francisco Gil Diaz (2001), Brazil's Central Bank President Arminio Fraga (2000), Mexico's Finance Minister Guillermo Ortiz and Brazil's Finance Minister Pedro Malan (1995).

For questions concerning EMTA's Annual Meeting, please contact Jonathan Murno at jmurno@emta.org.

Inside

(click on topic for link to page):

Tel. (646) 637-9100 360 Madison Avenue, New York, NY 10017 Fax (646) 637-9116
www.emta.org

Trade Association for the Emerging Markets

EMTA Survey: Emerging Markets Debt Trading at US$1.680 Trillion for Third Quarter

Local Instruments at 71% of Turnover

Trading in Emerging Markets debt instruments stood at US$1.680 trillion in the third quarter of 2007, according to EMTA's 3Q 2007 Debt Trading Volume Survey. This represents a 4% decline from the US$1.754 trillion in trading reported in the second quarter, while being up 5% compared to turnover in the third quarter of 2006, when trading stood at US$1.599 trillion.

Jane Brauer, Senior Director of Emerging Markets Quantitative Research at Merrill Lynch, noted that, "while EM trading levels declined, likely as a result of global financial market turbulence, the asset class remained relatively strong compared to other credit markets."

Local Market Volumes at US$1.191 Trillion

In contrast to other instruments included in EMTA's Survey, activity in local treasury instruments rose on both a quarter-on-quarter and year-on-year basis. Third quarter 2007 local market volume stood at US$1.191 trillion, rising 16% from third quarter 2006 volume of US$1.024 trillion and up 7% compared with second quarter volume of US$1.115 trillion. Local market instruments' market share reached its highest level since EMTA began conducting the Survey in 1997, at 71%, a dramatic increase from 64% of total reported volume in the third quarter of 2006, as well as in the second quarter of 2007.

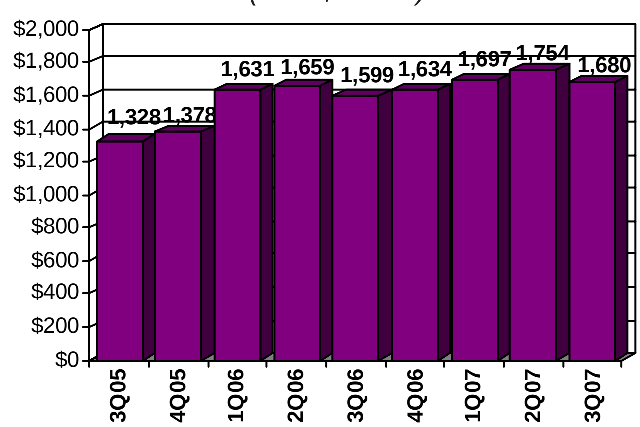
The most frequently traded local markets instruments were bonds issued by Mexico (US$309 billion), Brazil (US$181 billion), South Africa (US$133 billion), Argentina (US$100 billion) and Turkey (US$91 billion). Volumes in the local treasury instruments in these five countries accounted for 68% of all local market trading reported to EMTA.

Eurobond volume stood at US$468 billion in the third quarter. This represents a 14% decline compared to US$544 billion in the third quarter of 2006 and a 22% drop from second quarter 2007 activity of US$600 billion. Participants in the Survey reported US$126 billion in Brazilian Eurobond volumes, US$64 billion in Russian Eurobond turnover and US$35 billion in Venezuelan Eurobond activity. The most frequently traded individual Eurobond instruments were the Brazil 2040 bond (US$60 billon in turnover), Russia 2030 bond (US$22 billion), Turkey 2030 bond (US$14 billion) and Venezuela 2027 bond (US$11 billion). Eurobond market share stood at 28%, its lowest level since 1999 when Brady bonds dominated the industry.

"We are experiencing a scarcity of sovereign Eurobond supply with little end in sight," Brauer commented. "While inflows continue into the asset class, the supply-demand imbalance has become extreme and new money is investing without turning over," she stated.

Aggregate Trading Volume

(in US$billions)



EMTA Volume Survey (continued)

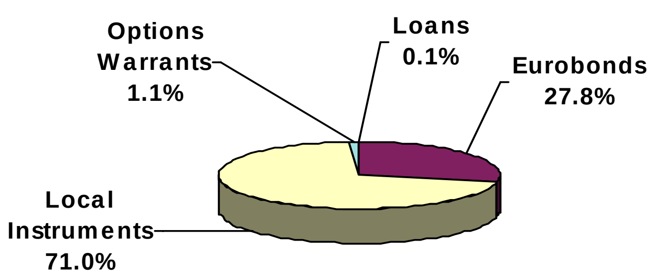
Corporate Bond Trading Remains at Historic High Levels

Corporate bond volume retreated from the record level set in the previous quarter, while still registering its second highest level of activity in the Survey. Corporate turnover declined to US$148 billion in the third quarter from US$213 billion in the second quarter (a 30% drop) while 56% higher than third quarter 2006 levels of US$95 billion. Corporate market share stood at 9% of overall trading (compared to 12% in the previous quarter). Brauer attributed this decline to a combination of investors seeking liquid assets and dealers becoming "less willing to position than they had in the first half of the year."

The most frequently traded individual corporate issue was the Gazprom 2034 bond (US$1.144 billion) followed by Hutchinson Whampoa's 2033 issue (US$657 million) and Gazprom issues due in 2016 and 2013 (US$519 million and US$482 respectively). EMTA began listing several large corporate bonds in the second quarter; prior to that, corporate issues had only been broken down by country in the Survey.

In addition to local markets bonds and Eurobonds, the Survey also includes turnover in options, loans and Brady bonds. Survey participants reported US$19 billion in option trades, US$2 billion in loan assignments and US$707 million in Brady bond transactions.

Volume by Type of Instrument, 3Q 2007



Mexico, Brazil and Argentina Lead Volumes

The most frequently traded instruments in the Survey were Mexican securities, at US$339 billion. This compares with US$403 billion in the third quarter of 2006 (a 16% decrease) and US$373 billion in the second quarter of 2007 (a 9% decline). 91% of all reported Mexican trades included Mexican local instruments. Mexican market share declined for the fifth consecutive quarter, at 20% of all Survey volume in the third quarter.

Brazilian volumes were the second most frequently traded instruments, with US$314 billion in reported turnover in the third quarter. This equals the amount reported in the third quarter of 2006 and is a 4% increase from second quarter 2007 transactions of US$302 billion. Brazilian market share stood at 19% of overall Survey volume.

Trading in Argentine debt instruments, the third most frequently traded assets, stood at US$146 billion in the third quarter. This represents a near-doubling of third quarter 2006 volume of US$76 billion, while being unchanged from second quarter 2007 trading. Argentine market share stood at 9%.

Other frequently traded instruments were those from South Africa (US$142 billion), Turkey (US$128 billion), Russia (US$86 billion) and Poland (US$84 billion). The Survey includes volumes in over 90 Emerging Market countries.

Softer Volumes Expected in Fourth Quarter

Brauer expects that fourth quarter trading volumes will be softer than those in the third quarter. "Unlike other years, the motivation to position before year-end is very low and balance sheets are becoming more precious," she explained.

EMTA's Survey is based on volume reported by 58 firms involved in Emerging Markets debt trading. For a copy of EMTA's Third Quarter 2007 Volume Survey, please contact Jonathan Murno at jmurno@emta.org or +1 (646) 637-9105.

EMTA Board Meeting on October 3, 2007

EMTA's third Board Meeting for 2007 was held on October 3 at the offices of J.P. Morgan Chase in New York City and Merrill Lynch in London, with the usual video and teleconferencing links.

Elected to the Board at the beginning of the meeting were Bert van Keulen (HSBC Bank), Martin Marron (J.P. Morgan Chase), Nick Riley (Morgan Stanley), and Todd Morakis (UBS), each of whom had been nominated by their respective firms to replace colleagues. In addition, Martin Marron (J.P. Morgan Chase) was elected as a Co-Chair.

In addition to reviewing EMTA's preliminary results for the first half of this year (which are in line with the projected Budget), the Board also discussed the trade settlement backlog in Venezuela's Oil Obligations and Nigeria's Payment Adjustment Rights and EMTA's Netting Facilities (see pages 17-19), as well as the possible expansion of EMTA's Volume Survey to include the CDS market.

The next meeting of EMTA's Board is scheduled to be held sometime in late January or early February of 2008.

Effects of Sub-Prime Crisis, Corporate Market Prime Topics at EMTA Fall Forum

Lehman Brothers hosted EMTA's Fall Forum in New York City on Wednesday, October 10, 2007. The event included a panel composed of a mix of investors, sell-side analysts and a representative of the corporate bond market. Approximately 125 market participants attended, with Guillermo Mondino of Lehman Brothers acting as the Forum's event moderator.

Bracebridge Capital's Mike Rashes kicked off the Forum with his thoughts on the global economic outlook. "The 800-pound gorilla in the room is the US housing market," Rashes observed, continuing that it would be difficult to discuss the future for credit markets without addressing prospects for that sector. Rashes cited data which suggested that US house prices would fall further. He noted that the response to the problem has been some orthodox measures such as interest rate cuts in the US and a flooding of liquidity into the financial system, but interestingly, heterodox policy measures have also been adopted, e.g., extending the definition of collateral at the discount window and extending the term of discount loans.

Where do we go from here? Rashes argued that equity prices, job growth, inflation, and weakness in the US dollar, combined, hardly make a case for further rate cuts. He added that traditional principles of corporate finance make it unclear whether it is a good time to buy EM sovereign Eurobonds. Local markets are doing well across the Board, Rashes acknowledged, but is this is a function of economic fundamentals or "another way for investors to express bearishness on the dollar?"

Paulo Leme (Goldman Sachs) warned that there was still downside risk for the US economy for the next nine months, although he still expected US economic growth to be positive. EM countries which are more tied to US business cycles (such as Mexico and Central American countries) could suffer more than others, he stated. Leme questioned whether the markets were properly pricing this risk in.

HSBC Halbis' Mike Gagliardi recalled being told "it's all about politics" when he first started in the Emerging Markets debt industry two decades ago, and commented that the market might be "nearly immune—not totally" to developments in the US economy. On the other hand, the market reacts strongly to local political developments, he asserted.

The panel's corporate expert, Eric Ollum of ING Financial Markets, reviewed recent developments in the EM corporate bond market. Ollum reminded the audience that EM corporate issuance has been exceeding sovereign issuance for a while now. Ollum recommended Brazil's agricultural sector because of its low production costs, globally traded product, and the bio-fuel frenzy pushing up prices in corn, soy and sugar. His enthusiasm for Kazakh banks had tempered in the weeks prior to the Forum.

Gagliardi voiced his opinion that the market has become increasingly disciplined, and at least with regards to Kazakh banks, "Bullsh*% Inc." will not be issuing paper anymore, he stressed. "There was a lot of that…you might not like the credit, you might not like the way it stands relative to its peers, but you aren't going to be seeing companies that just should not be borrowing money anymore," he affirmed.

EMTA Fall Forum (continued)

Leme viewed growth of the corporate market as a natural evolution of the EM market. Rashes stated that the ability for corporates to access funds via the international bond markets augurs well for the equity market, and also suggests that the EM securitization markets won't be too far behind.

What are the new frontiers in EM, and what new assets will we discuss a year from now, Mondino polled the panel. Gagliardi admitted to being a fan of African sovereigns including Ghana, most African currencies and Mongolia, while avoiding Fiji and the Seychelles. Ollum sees the next frontier as corporates denominated in local currencies and cited the ruble-denominated corporate market in Russia as well as the peso-denominated corporate market in Mexico (conceding that the latter is difficult for foreigners to access). Leme saw structured products (such as the Mexican mortgage market) as a new frontier, with Brazil perhaps following. Rashes expects more development of the corporate CDS market, as well as inflation swaps, global NTNBs and Argentine local CDS.

Special Events

EMTA Forum in Hong Kong: Opinions Vary on Global Outlook

EMTA's Second Annual Hong Kong Forum was held at the Ritz-Carlton Hotel on Monday, September 24, 2007 and was hosted by ING Wholesale Banking. The event included a lunchtime panel discussion and was attended by approximately 100 participants in the EM debt markets.

Tim Condon of ING Wholesale Banking opened the panel by thanking attendees for braving the day's typhoon conditions in order to participate. He noted that, despite hoping to focus on other issues, it remained impossible to discuss the EM debt markets without first addressing the US economic outlook.

Investor representatives Anthony Chan (AllianceBernstein) and Suvir Mukhi (Income Partners Asset Management) were the most optimistic of the speakers in their assessment that EM countries will post respectable gains in 2008. Walter Molano (BCP Securities) disagreed, referring to himself as "suicidal" about the outlook, and advising investors to be vigilant, with consumer spending data for the 2007 holiday season on the horizon. Warren Mar (JPMorgan) stated that his firm's outlook stood somewhere in between the buy-side speakers' relative optimism and Molano's serious concerns.

Panelists also expressed diverging opinions on the potential for a decoupling of US financial markets from their Asian (ex-Japan) counterparts. Ultimately decoupling is possible according to the buy-siders, with Mukhi noting that a US financial crisis would still have a global impact. Molano saw decoupling as ultimately a political issue.

Mar expects to see an increase of EM corporate issuances to the tune of US$150 billion in 2007 compared with US$100 billion in 2006. He also predicted that crossover investors will play a larger role in the corporate market in the future. Mukhi voiced optimism on the Asian corporate outlook in particular, with acquisitions prompting companies to obtain more market financing. He anticipates new sectors and new countries to access the market.

Molano described the "pent-up demand" that is a result of the industry's "dirty secret"—i.e. that dealers have been focusing on their own financing needs since the August financial crisis rather than those of their clients. He anticipates smaller issues coming from new markets such as Mongolia, Azerbaijan and Georgia.

Condon concluded the panel by asking for recommendations about where investors would make the most money over the next twelve months. Chan recommended the Philippines on both the sovereign and local currency side. Mar spoke optimistically on EM corporate plays citing the Chinese property sector, Russian telecoms and select Argentine corporates in particular; he cautioned that the asset class remains vulnerable to headline risks and urged investors to trade the ranges. Mukhi agreed that portfolio managers "have to be nimble" and move in and out of securities, and recommended Asian banks that have widened on sub-prime fears. Molano suggested that investors consider Argentine GDP warrants, Province of Buenos Aires 2018 bonds and RUB-denominated bonds.

Special Events (continued)

ADB Chief Economist Dr. Ifzal Ali Delivers Keynote Address at EMTA Forum in Singapore

Dr. Ifzal Ali, Chief Economist of the Asian Development Bank, delivered the keynote address at EMTA's Second Annual Singapore Forum. The event took place at the Fullerton Hotel on September 26, 2007 and was sponsored by ING Wholesale Banking.

Dr. Ali began his discussion of the outlook for Asian growth by asserting that "the story for 2007 is that growth is *soaring.*" He added that he remains optimistic about Asian growth while acknowledging that the "level of haziness" had recently increased, explaining that Asia will not be immune to a global growth slowdown. Dr. Ali's base case was that US growth will slow down but will not go into recession.

The outlook for Asian growth has in fact increased since Dr. Ali spoke at an EMTA Forum in New York in April, he pointed out, with India and the People's Republic of China the main drivers. Dr. Ali cautioned that the inflation outlook for Asia has also increased. "This is the China story," he stated, with "definite signs" that the long-anticipated "overheating" of the Chinese is now taking place.

South Asia, which has traditionally been the laggard in Asian growth, is showing signs of vast improvement…so much so that Dr. Ali believes it will be the new growth pole over the next decade. Dr. Ali also described India's "inclusive growth challenge," warning that if the benefits of economic improvement are not widely distributed, political instability might result.

"The Philippines is a country that performs well, and then falls apart," Dr. Ali observed. The country's challenges include raising investment rates, increasing public infrastructure and social spending and improving the business climate.

Dr. Ali emphasized that credit market turbulence was not a replay of the 1997 Asian crisis. Central bank reserves provide a strong buffer, domestic financial institutions are stronger, the corporate sector has reduced its debt exposure, and asset valuations are in line with fundamentals.

Will Asia catch pneumonia if the US sniffles? "A most resounding NO!" concluded Dr. Ali, although developing Asia would also not be immune to a US slowdown. In addition to a US economic slowdown, other risks include avian flu, a move towards greater trade protectionism, geopolitical risks, political uncertainties and a slowdown in the reform process.

Click Here for the full text of Dr. Ali's presentation.

Tim Condon (ING Wholesale Banking) led the sell-side panel discussion, which immediately followed Dr. Ali's presentation. Claudio Piron (JPMorgan) summarized his firm's forecast for the global economic outlook, which called for a further 25 bp US FOMC rate cut in the fall while also expecting the Fed to "take back" cuts in the second half of 2008. Piron was cautiously optimistic about the global environment while acknowledging that the chances of a recession are not negligible, at 25-30%.

Special Events (continued)

Martin Hohensee of Deutsche Bank announced that his firm's house view was similar, while wondering aloud if the sub-prime debacle was "*the* issue" or "the canary in the coal mine." Bear Stearns' John Stuermer expressed concerns both that banks will all cut credit lines at the same time; and that the Fed will add too much liquidity to the global economic system. Finally Damien Wood of Credit Suisse agreed with the majority of his Asian clients who expected the markets to tighten. Pushed by Condon to elaborate on whether the sub-prime crisis would usher in a permanent "repricing of risk," Wood believed the sub prime turbulence would have no long-term effects, while Hohensee predicted that the Asian markets would prove more resilient than others.

As for the future of corporate bond issuance, Wood voiced optimism that the new issues market would re-open gradually, and be in full swing by the first quarter of 2008. Compared to their US counterparts, Asian corporates are more attractive and more likely to be upgraded because of their stage in the credit cycle, he reasoned.

Asked how far de-coupling could go, Piron opined that it would be "foolish" to assume that the People's Republic of China could overtake the US as the leader in global growth. At the same time, Piron observed that there is a de-coupling in Central Bank policies, with Asian central banks hiking rates.

What is the best way to make money in EM debt? Stuermer took several opportunities during the session to underscore his bullish view on Pakistani sovereign debt. Piron spoke positively on Indonesia.

The event ended with an investor panel discussion, moderated by Aaron Low of Lumen Advisors. Low initiated the session by inviting speakers to comment on the macro-economic outlook.

Liew Tzu Mi (Government of Singapore Investment Corporation) reasoned that with the upside on EM sovereign debt so limited, it was no longer logical to take the risk with so little potential reward. On the other hand, "long-term emerging equities make sense," she affirmed. She noted that a lot of money has been parked on the sidelines since market turbulence began.

Goetz Eggelhoeffer (Rohatyn Group) was certain that liquidity would take a meaningful hit during the current crisis. "Good corporate issuers will be ok, though they will have to pay a higher price to issue debt, while the poorer-quality corporates will have to struggle," he stated. Steve Evans (ING Private Banking) expected that the sub-prime crisis would take "weeks, if not longer, to work its way through."

As for favored investment plays, Liew found Brazilian and Turkish local instruments more interesting than sovereign debt, an opinion seconded by Barry Field of Ashmore Investment Management. Evans spoke positively on local currencies including the Turkish lira, Argentine peso, Russian ruble and the Ukrainian hryvnia. He added that Venezuela appears to be oversold. The trend to local markets is "irreversible," Eggelhoeffer noted, and seconded Stuermer's optimism on Pakistani debt.

Special Events (continued)

EMTA Special Presentation "Committee on the Global Financial System (CGFS) Report: Financial Stability and Local Currency Bond Markets"

Michael Pomerleano, a staff member of the Committee on the Global Financial System (CGFS) and secretary to the CGFS Working Group on Financial Stability and Local Currency Bond Markets that produced the Report "Financial Stability and Local Currency Bond Markets", provided an illuminating presentation to a roundtable of participants in NYC on October 1, 2007. CGFS is a central bank forum established by the Governors of the G10 central banks to monitor and examine broad issues relating to financial markets and financial stability.

The Report highlights how the rapid development of local currency bond markets over the past five years has strengthened the financial systems of many Emerging Market economies. Currency mismatches, the cause of so many earlier crises, have been virtually eliminated or substantially reduced. Foreign financial institutions are channeling increasing volumes of funds into these markets. Many countries have, therefore, overcome "original sin" - the inability to repay indebtedness denominated in foreign currencies. They have succeeded in attracting foreign investors to their local currency bond markets by adopting better macroeconomic policies, more prudent debt management strategies and significant financial sector reform.

Also discussed was the relationship between NDF's and onshore investments and their affect on the local economy, as well as the possible contagion effect of investments in local currency bonds.

Click Here for the full text of the Report.
Click Here for the PowerPoint Presentation.

Special Events (continued)

EMTA Special Presentation "World Bank 2007 Report on Global Development Finance"

Mansoor Dailami, the lead author of the "World Bank 2007 Report on Global Development Finance": "The Globalization of Corporate Finance in Developing Countries", and a Manager in the World Bank's Prospects Group, provided an illuminating presentation to a roundtable of participants in NYC on October 18, 2007.

The following are some highlights from the Report:

International private capital flows to developing countries reached a record net level of $647 billion in 2006, as a wave of cross-border mergers and acquisitions boosted foreign direct investment (FDI) flows and much-improved domestic policies and favorable international economic conditions enhanced the ability of corporations based in developing countries to raise unprecedented sums of capital on global debt markets. Equity flows totaled $419 billion accounting for almost three-quarters of capital flows, up from two-thirds in 2004, with strong gains in both portfolio equity and foreign direct investment (FDI). Worldwide FDI inflows reached $1.2 trillion in 2006, with about one-quarter of the total ($325 billion) going to developing countries. Net lending from the international financial institutions and other official sources in the Paris Club of creditors dropped starkly over the past two years, while private lending surged.

In the making for many years, the globalization of corporate finance in the developing world has accelerated since 2002, as governments have liberalized capital controls and international portfolio managers have enhanced returns by diversifying into emerging corporate securities. With these changes, more companies based in developing countries have entered world capital markets to broaden their funding sources, borrowing at longer maturities and improving risk management through the use of sophisticated financing instruments. For international investors investing in emerging-market corporate debt and equity, success will depend on sound risk management and greater attention to transparency and quality of accounting standards, credibility of financial reporting and, integrity of corporate governance.

Emerging Markets were affected by the financial turmoil caused by the U.S. Sub-prime mortgage market meltdown, although the effects so far have been minor compared to previous episodes in which the Emerging Market economies themselves were the primary source of concern.

Click Here for a copy of the PowerPoint Presentation.

Special Events (continued)

EMTA Africa Workshop: Financing African Development Post-HIPC: What Role for the Private Sector?

EMTA sponsored an Africa Workshop to explore "Financing African Development Post-HIPC: What Role for the Private Sector?" at UBS's offices in London on November 5, 2007. The Workshop brought together traders, investors and other Africa experts in the private sector financial community, including sovereign advisors, rating agency and trade association representatives; members from the donor community from both international financial institutions (IFIs) such as the IMF, World Bank and the African Development Bank and from G7 Finance Ministries, including the U.S. Treasury; and representatives of key African central banks, including Nigeria, Kenya, Zambia and Ghana, for a broad-based discussion about how African governments can best tap foreign sources of funding so badly needed for development and not end up with an unsustainable debt build-up.

The objectives of the Workshop were several-fold. In the first instance, EMTA provided a forum for an exchange of views among the official sector, private sector and African governments, on a variety of issues affecting government access to private sector financing. Next, the Workshop was an opportunity to change perceptions and build confidence between the private and official sectors generally, or at a minimum promote a clearer understanding of who stands where on the issues. And finally, the Workshop was organized so that participants could make recommendations for re-defining roles and aligning incentives of sector participants in recognition of each sectors comparative advantage and goals with respect to their engagement in Africa.

Workshop participants had all been invited to attend due to their unique expertise and interest in the issues, and the meeting took place under the Chatham House Rule. A summary of the discussion and the conclusions of the meeting is being drafted by Clifford Chance, LLP, under the supervision of Andrew Yianni. This report will be widely circulated amongst African governments and the donor community and be made available to EMTA members as soon as it is available.

The meeting consisted of two plenary discussions to address issues of common concern among the constituents, followed by break-out sessions to discuss specific issues, ending with a final plenary session where the group received reports from the break-out sessions.

Clay Lowery, Assistant Secretary for International Affairs of the U.S. Treasury, who has spent much of his career looking at issues affecting Africa, delivered the opening remarks, in which he broadly outlined the greatly improved economic performance of many African economies and highlighted the U.S. government's support for increased private sector financing in Africa as a necessary driver of continued growth.

The first two plenary sessions were moderated by Martin Wolf, Chief Economics Commentator for the Financial Times. Mr. Wolf ably led a refreshing and very frank exchange among the 70+ participants during these plenary sessions by combining wit, authority and expertise.

Special Events (continued)

The first Plenary Session considered the following issue and questions:

> "Post-HIPC Africa presents unique challenges for both development and finance. At a moment in which many funding models, old and new, are being explored, what are the optimal financing strategies for African countries with specific basic infrastructural needs? How can African economies benefit from the diverse financing options presented by donors, the market and other players, such as China? What are the most pressing issues which must be addressed before African economies can take advantage of increased market finance? How do African governments and those representing their interests; the private sector (international bankers and fund managers); and the official sector policy community, see the issues?"

The discussion began with short presentations on the perspectives of the various constituents. For the African perspective, we heard from Francois Ekam-Dick of Iroko Securities, supported by comments from the African central bank representatives; for the private sector perspective, Richard Segal of Renaissance Capital and Alex Garrard of UBS commenced the discussion, supported by other representatives of the private sector, notably Jan Dehn of Ashmore Investment Management and Moctor Fall and Graham Stock of JP Morgan; and for the official sector perspective, Charles Blitzer and Benedicte Christensen led the debate. A general discussion followed, which was designed to bring the positions of the various participants closer together.

In Plenary Session 2, participants were asked to consider how to make the markets work for Africa. Specifically, the group was given this issue and set of questions:

> "Now is a moment of transition and opportunity for African governments, official sector policy makers and private sector investors. Although much progress has been made to improve debt management and governance, address corruption and develop regulatory frameworks in many African countries, major challenges remain. African economies must engage the markets to meet development financing needs but can only do so effectively if continuing weaknesses and accompanying negative perceptions are addressed. How can incentives be aligned and roles re-thought to make the most of this unique moment? Where do responsibilities fall between the African governments, private investors and official sectors to address these challenges and how can the burdens of risk be shared? What innovative mechanisms, models and policies can be brought to bear on these challenges?"

The objective of Plenary 2 was to assign specific issues for the subsequent break-out sessions to discuss in more detail. Much of the discussion centered on the changing roles of the IFIs, and ways they might promote an increased role for the private sector in Africa, with specific discussion on the World Bank's GEMLOC initiative and queries about how the African Development Bank might direct some of its local currency financing back to the local markets.

Special Events (continued)

The break-out sessions then covered four topics:

A large number of participants, including representatives from the Zambian and Nigerian Central Banks and several fund managers, exchanged concerns in the session on Improving Local Markets. This session was tasked with addressing how to improve the breadth, depth and liquidity of the African local markets; prioritizing actions for development and reform; and applying lessons from other EM markets to promote development of African markets. Discussion included the disincentivizing role of taxes and the thresholds of returns required to maintain market interest.

A large group of participants, including a number of key traders and investors, IFI and G7 Finance Ministry representatives participated in the session on Financing Development: Private Sector – Public Sector financing. This group considered issues associated with African governments accessing international markets, including addressing concerns of the IFIs about avoiding a new debt bubble and ensuring effective use of funds, and exploring innovative private sector-public sector structures and mechanisms to encourage private sector flows (e.g. GEMLOC Fund and OPIC Africa Bond Fund). This discussion exposed a number of differences between the various constituents in both defining the issues of concern and addressing them. Surely this topic will be addressed again in future encounters between the private and official sectors.

A smaller group of experts discussed Market Sustainability: Creating conditions for increasing private sector investment in the private sector. This session looked to the future to identify policies to promote private to private investment, which all agreed is the real path for effective and sustained economic growth in Africa. Topics the group addressed included looking at the role of sovereign benchmarks and corporate ratings to encourage private to private investment, and promoting international standards in governance, accounting and disclosure amongst African corporates.

Finally, the smallest, but by no-means least important group, looked at Official Sector -Private Sector Communication and Cooperation to discuss how the sectors can better share information that reflects each sector's expertise, and whether more formalized, or at least more regular opportunities to communicate and coordinate could be instituted.

The group then reconvened in Plenary 3, which was chaired by Andrew Yianni of Clifford Chance, to hear reports from the break-out sessions.

The day wrapped up with Moctar Fall of JP Morgan, who delivered very inspiring closing remarks with a plea to the group to begin to put into practice some of the recommendations and suggestions that were developed throughout the day.

By all accounts, the Workshop achieved its objectives, and EMTA looks forward to working with the Workshop participants and others to continue to provide a forum for the discussion and resolution of issues related to financing African development. These issues are important for Africa, but are also important for EMTA and the Emerging Markets industry as a whole, as more and more EMTA members seek opportunities in this new credit frontier.

For questions about the Workshop, please contact Starla Griffin at sgriffin@emta.org.

Special Events (continued)

EM Benefit London Shatters Previous Records

Although exact numbers have yet to be tallied, the EM Benefit held in London on October 26, 2007 is expected to have raised over £330,000 (US$693,000). The event was held at the Old Billingsgate Market on the River Thames, and sold out all 960 seats within 36 hours of going on sale in late June.

The theme of this year's event was "Russia: Fire and Ice." To get the crowd in the appropriate mood, guests were greeted at the door by Russian soldiers restraining wolves, and then entered into a Siberian forest. Eight-foot tall portraits of Tsarist generals hung from the Billingsgate ceilings while an ice sculpture of St. Basil's Cathedral made sure no one missed the bar.

Channel Five sportscaster Jonny Gould, having the night off from his World Series commentary duties, returned as the evening's auctioneer. Previous auction records were shattered as a week at a villa in Spain fetched a staggering £28,000 ($58,800), while a week's rental of a luxury villa in St Lucia was sold at £17,000 (US$35,700) and dinner with Cherie Blair raised £14,000 (US$29,400). Other items which went on the block included tickets to Led Zeppelin's sold-out reunion concert, the use of a villa in St. Vincent and an assortment of fine French wine.

Guests were entertained by Cossack dancers, a live band (Rain, returning for the fourth year by popular demand), and a d.j. Two aerial artists also performed, as audience members held their breaths and event organizers clutched their insurance policies to their chests. Gamblers were also able to try their hand at the event's casino tables.

Funds from the event will be disbursed to Cotlands, which works with children affected by the HIV/AIDS pandemic in South Africa; Downside Up, which provides support and education for children in Russia with Downs Syndrome; Health Unlimited, which provides health-care to rural populations in a number of emerging countries, and Task Brasil, which offers shelter and vocational training to street children in Rio de Janeiro.

The Benefit was generously sponsored by Dresdner Kleinwort, MarketAxess, RBS Renaissance and Standard Bank. Additional support was provided by RBC Capital Markets, UBS and Santander and chaired by Emma McClintock (Barclays Capital), Mike Cook, Judith Wheelan (Barclays Capital) and Jonathan Murno (EMTA).

Special Events (continued)

New York Charity Benefit Set for December 5, 2007

Emerging Markets Charity Benefit (EMCB) Committee Members worked on the final details of the annual fundraising gala at meetings in October and November. This year's event will be held on Wednesday, December 5, 2007 at the Sheraton Hotel's Metropolitan Ballroom on West 53rd Street in New York City. The new venue will accommodate more attendees, following last year's sell-out of all 520 tickets.

EMCB Committee members gathered a number of items to be auctioned off at the event, including two-weeks at a resort in Thailand, a Kawasaki motorcycle, a walking safari in South Africa, a week in the Hamptons, seats for all New York professional sports teams, golf outings, fishing trips, and much more.

The 2007 event will benefit seven organizations:

- **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;
- **NESST,** which provides financial and capacity-building support to social enterprises in Central Europe and Latin America www.nesst.org;
- **The Resource Foundation,** which cultivates relationships between private development organizations worldwide by leveraging capital and information resources to increase the self-reliance and living standards of the disadvantaged www.resourcefnd.org;
- **Sri Lanka Cares,** which rebuilds and restores homes lost and damaged by the Asian Tsunami www.srilankacare.org;
- **Trickle Up**, which works to alleviate poverty by providing seed capital for people in EM countries to start small businesses www.trickleup.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. These funds were distributed earlier this year to organizations working to improve health and education in EM countries, as well as to fund micro grants for entrepreneurs. In both 2004 and 2005, the annual New York benefit raised $340,000.

The EMCB continues to welcome new members interested in planning for the 2008 Benefit event. If you are interested in joining the Planning Committee, please contact Jonathan Murno of EMTA at jmurno@emta.org.

Bond & Warrant Trading & Settlement

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

During the course of collecting data for its multilateral facilities (which have proven difficult to complete), EMTA has become aware of many opportunities for firms to reduce risk and facilitate settlement by entering into trilateral arrangements that should prove much easier to complete due to their relative simplicity. Accordingly, EMTA is actively encouraging market participants to assist in identifying such trilateral opportunities.

Over the Summer and Fall, EMTA sponsored a Multilateral Netting Facility for Nigeria Payment Adjustment Rights (together with the warrant cash payments related thereto), two Trilateral Offset Facilities for Venezuela Oil Obligations (together with the warrant cash payments related thereto), a Trilateral Netting and a four-party Offset Facility for Nigeria Payment Adjustment Rights (together with the warrant cash payments related thereto). Taken together, 9 market participants successfully completed the netting and offset of deliveries and payments with an aggregate gross value (net of residual unsettled positions) of approximately US$63.5 million, which represents significant progress in the EM trading industry's ongoing effort to clear the longstanding settlement backlog for Nigeria's and Venezuela's Warrants.

The five facilities, which are part of what is expected to be an on-going series of bilateral and trilateral nettings, follow several years of intensive activity by the dealer community to reconcile their trading records internally, with the industry clearing systems and with each other. EMTA invites all market participants with outstanding positions in these instruments to join in this effort to reconcile trading positions and address outstanding settlement backlogs that date back to the early 1990's.

An Offset Facility is designed for use in situations where each of the three parties was submitting the same amount of Warrant deliveries (including the related warrant cash payments) against each other in a three-party circle, so that the effect of the Facility is to offset the circle of deliveries against each other, thus leaving no residual positions among the three parties with respect to the deliveries submitted (it being understood that parties may have unsubmitted Warrant deliveries between them that would be unaffected). As a result of the mutual offsetting, no deliveries are actually required to effect settlement.

A Netting Facility is designed for use in situations where the three parties comprise an ABC chain and wish to "step out" the intermediary party (party B in the ABC chain), with the result that party A's former delivery to B (and party B's delivery to C) is replaced by A's delivery directly to C. The resulting delivery may be made contemporaneously or deferred, as parties A and C prefer.

In addition to its bilateral and multilateral documentation, EMTA is also pleased to offer documentation providing for trilateral position reduction and settlement for both Venezuela and Nigeria Warrants. In each case, documentation for multilateral netting, trilat offset or trilat step-out is accompanied by a Summary and User's Guide that has been prepared by EMTA in an effort to ensure that such documentation is easily understood by parties, potential parties and by others. In particular, the Summary and User's Guide should be helpful in avoiding potential misunderstandings by non-parties by clearly stating that transactions not submitted into the Facilities are unaffected.

Market participants interested in pursuing this opportunity to enter into Trilateral or multiple party arrangements should contact Aviva Werner (awerner@emta.org) with the specific information regarding the three parties that would benefit from the arrangement.

Bond & Warrant Trading & Settlement (continued)

Nigeria Payment Adjustment Rights

Since January 2007, EMTA has hosted weekly conference calls (and, before January, monthly calls) to encourage reconciliation and netting among the participants on the calls (including custodians and buy-side clients), and has distributed a suggested form of Bilateral Netting Agreement (together with a User's Guide). Suggested forms of Trilateral Netting Agreement for offset or step-out (together with Users' Guides) are also available upon request.

EMTA has encouraged firms to identify counterparties with whom they can enter into Trilateral Netting and Offset Agreements. If any firm needs any help in doing so, please contact Aviva Werner at awerner@emta.org to discuss netting opportunities.

In the interests of an orderly settlement of any netting arrangements between counterparties relating to the Rights, EMTA proposed an updated Market Advisory on November 20, 2007, which includes the following calculation:

For trades entered into before November 1, 2002:

- For those trades entered into with a contractual settlement date on or before October 31, 2000, the total dividend payments to date on each related Payment Adjustment Right are $108.934706.
- For those trades with a contractual settlement date on or after November 1, 2000, parties should consult the Record Dates in the Market Advisory for guidance as to what payments should be included.

For the full text of this Market Advisory, which sets forth the basis for such calculated amounts, Click Here.

EMTA wishes to remind all market participants that substantial efforts should be made, and sufficient resources should be devoted, to continue to fully reconcile internally and with their counterparties (including with custodians) their individual accumulated failed Nigeria Right transfers, so that net bilateral positions can be ascertained and settled and the reconciliation effort can be completed in a timely manner. In the meantime, in the interests of an orderly market, a certain amount of patience and forbearance in dealing with counterparties is likely to contribute a great deal more to the successful resolution of the overall settlement backlog than the aggressive pursuit of individual payment and settlement claims.

To assist market participants in better understanding the Nigeria Rights, and the background of the settlement and payment backlog, EMTA has prepared a Revised 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 November 15, 2007 payment.

Bond & Warrant Trading & Settlement (continued)

Venezuela Oil Obligations

Similar to the effort in Nigeria, for Venezuela Warrants there has also been an intensive effort by the dealer community to reconcile their warrant positions internally, with the clearing systems and with each other.

Since early 2006, EMTA has hosted weekly conference calls to encourage reconciliation and netting among the participants on the calls (including custodians and buy-side clients), and has distributed a suggested form of Bilateral Netting Agreement (together with a User's Guide). Suggested forms of Trilateral Netting Agreement for offset or step-out (together with Users' Guides) are also available upon request.

EMTA has encouraged firms to identify counterparties with whom they can enter into Trilateral Netting and Offset Agreements. If any firm needs any help in doing so, please contact Aviva Werner at awerner@emta.org to discuss netting opportunities.

In the interests of an orderly settlement of any netting arrangements between counterparties relating to the Warrants, EMTA has calculated that the total dividend payments to date on each Warrant are $18.013356085. For the full text of this Market Advisory, which sets forth the basis for this calculated amount, Click Here.

EMTA wishes to remind all market participants that substantial efforts should be made, and sufficient resources should be devoted, to continue to fully reconcile positions with their counterparties (including with custodians) so that the overall reconciliation effort can be completed in a timely manner. In the meantime, as in the case of Nigeria, in the interests of an orderly market, a certain amount of patience and forbearance in dealing with counterparties is likely to contribute a great deal more to the successful resolution of the overall settlement backlog than the aggressive pursuit of individual payment and settlement claims.

For further information about the Warrants, please Click Here for EMTA's Revised Primer (November 20, 2007), which includes the formula for determining the number of Warrants related to the Bonds and a history of prior payments.

* * * * *

The October 15, 2007 Oil Obligations payment was made to holders of record as of September 28, 2007, and EMTA recommended that trades be "ex-dividend" on September 26. Click Here for the Fiscal Agent's notice regarding the payment's calculation.

Mexico VRR Payment

The September 30, 2007 payment was made on October 1 to Series F VRR holders of record as of September 14, 2007, and EMTA recommended that trades be "ex-dividend" on September 12. Click Here for the Fiscal Agent's notice regarding the VRR payment's calculation.

The December 31, 2007 payment is expected to be made to Series F VRR holders of record as of December 17, 2007, and EMTA recommended that trades be "ex-dividend" on December 13. (A copy of the Fiscal Agent's notice regarding the payment's calculation will be published in the New Developments area of EMTA's website as soon as it is made available.)

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

FX & Currency Derivatives

EMTA Issues 3 New FX and Currency Derivative Market Practices

September 10 , 2007. For the second time in 2007, EMTA Members addressed an unexpected change in the Chilean business day calendar that affected the valuation of certain CLP/USD non-deliverable forward FX contracts. On September 10, 2007, EMTA issued FX and Currency Derivative Market Practice No. 44 recommending consistent Valuation and Settlement Dates for the affected contracts in order to reduce market risk.

November 2, 2007. In late spring, EMTA Members active in the BRL/USD options market identified a need for greater transparency and market consistency in determining when BRL/USD barrier options are breached. As a result, in the late spring, a working group was formed with the purpose of identifying a best practice. On November 2, 2007, based upon a consensus obtained within the EMTA Membership, Market Practice No. 45 was published. This market practice describes procedures for determining breaches in BRL/USD continuous barrier options based upon the Brazil spot and futures markets with suggested language that can be incorporated into individual trade confirmations by market counterparties. EMTA is currently monitoring acceptance of this market practice and feedback from EMTA Members is welcomed.

November 15, 2007. In August 2006, EMTA recommended standard terms for PEN/USD non-deliverable forward FX transactions, including a primary settlement rate option of “PEN WT AVE” (“PEN03”). In summer 2007, EMTA received a communication from the Asociación de Bancos del Peru notifying EMTA of a change in the methodology used by the Peruvian Central Bank to produce the PEN WT AVE rate quote and suggesting that the market would be better served by referring to an interbank rate that is currently quoted by the Banco Central. The EMTA Membership agreed with the proposal, voting to change the current market practice and on November 15, 2007, Market Practice No. 46 was issued along with revised and implementing documentation. The effective date of the change is December 3, 2007. EMTA has agreed to sponsor the signing of a Multilateral Amendment Agreement for those of its Members interested in incorporating the new settlement rate option into their existing trades.

Master NDF Confirmation Agreement for Service Providers Published

On October 31, 2007, the Foreign Exchange Committee, the Foreign Exchange Joint Standing Committee and EMTA jointly sponsored the publication of a Master Confirmation Agreement for Non-Deliverable Forward Foreign Exchange Transactions. Intended for use by service providers, the form of confirmation is designed to operate multilaterally within the systems of service providers like settlement and clearing systems. Service providers interested in utilizing this form of Master Agreement will need to develop mechanisms appropriate to their institutions to incorporate the terms into their systems. To achieve market consistency, the terms of this form of agreement are substantially similar to the terms of the bilateral Master NDF Confirmation published by the same cosponsors in December 2006. This latter form is intended to be used on a bilateral basis directly between market counterparties.

FX & Currency Derivatives (continued)

Master Confirmation Agreement for NDO's?

EMTA is seeking feedback from its Membership on the need for a form of Master Confirmation Agreement for non-deliverable currency option transactions. EMTA Members are invited to call Leslie Payton Jacobs with their views.

Non-Deliverable Swap Documentation Update

A conference call for the EMTA-ISDA Joint Working Group was held on Thursday, October 25, 2007 to discuss the draft dated July 3, 2007 of the non-deliverable swap agreement. The group debated the form of the agreement extensively, with some banks expressing support for continuing to prepare a single, generic form of agreement and others expressing the concern that, given the proliferation of non-deliverable swap products, a one-size-fits-all approach was not feasible due to the lack of market agreement on key business issues, product to product. Much of the discussion on the call centered on the issue of business day conventions for key dates in the contracts such as Valuation Dates and Settlement Dates. A variety of viewpoints were presented. The call concluded with a request to prepare a form of COL/USD Fixed Floating Cross Currency Swap Agreement for the group to discuss, anticipating that a greater likelihood of isolating and determining market agreement on certain business points in the context of a one particular product. The draft is posted on EMTA's website and may be downloaded by EMTA Members. See the FX and Currency Derivatives Draft Documentation Bulletin Board.

Asia NDF Update

In late September, taking advantage of the timing of the EMTA Forum in Singapore held on September 26, 2007, EMTA was able to convene a small meeting of some of the participants of the Asia NDF Working Group. Hosted by Bank of America at its offices in Singapore, the meeting was a good opportunity for EMTA staff to meet face to face with some of the participants in the Asia NDF Working Group which comprises both traders and lawyers. EMTA personnel were also pleased to be able to meet individually with other EMTA Members to discuss the ways EMTA might be able to be helpful to its membership in Asia. EMTA Members wishing to be included in the EMTA Asia NDF Working Group or to discuss the kinds of activities in Asia it would be useful for EMTA to undertake generally, should contact Leslie Payton Jacobs at lpjacobs@emta.org.

All documentation referred to in the preceding paragraphs may be found on EMTA's website (www.emta.org) at Standard Documentation/FX and Currency Derivative Documentation Index and Standard Documentation / FX and Currency Derivative Market Practices. Questions or comments on any of the foregoing may be directed to Leslie Payton Jacobs at lpjacobs@emta.org.

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:

- "Argentina: Will Cristina Appease Investors?" October 26, 2007 - Gustavo Canonero, Drausio Giacomelli, Hongtao Jiang and Geraint Jones (Deutsche Bank).

New Developments

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

- November 21, 2007 - Standard & Poor's Upgrades Ecuador's Long-Term Sovereign Credit Rating from CCC to B-.
- November 20, 2007- Revised Primers for Venezuela Oil Obligations and Nigeria Payment Adjustment Warrants, and EMTA Advisories Regarding Venezuela Oil Obligations and Their Related Payments and Nigeria Payment Adjustment Warrants and Their Related Payments.
- November 19, 2007 - EMTA Announces 3Q 2007 Debt Trading Stood at US$1.680 Trillion.
- November 16, 2007 - Mexico VRR, Series F, Record Date of December 17 and Payment Date of December 31. Trades are 'Ex-Dividend' on December 13. Calculations for Payments on the VRR's will be Announced by the Fiscal Agent Shortly.
- November 14, 2007 - Agustín Carstens, Minister of Finance and Public Credit, United Mexican States, to Deliver Keynote Address at EMTA's Annual Meeting on Wednesday, December 5, 2007.
- November 6, 2007 - Holiday Schedule for EM Bond Trades for US Thanksgiving Holiday.
- October 31, 2007 - Fiscal Agent Notice Regarding November 15, 2007 Payment on Nigeria Payment Adjustment Rights.
- October 30, 2007 - Holiday Schedule for EM Bond Trades for US Veterans' Day Holiday.
- October 28, 2007 - Cristina Fernandez de Kirchner wins Argentine Presidency in First Round, Market reaction from Goldman Sachs, Lehman Brothers and Merrill Lynch.
- October 19, 2007 - List of Live Auction and Silent Auction Items for EM Benefit to Be Held in London on October 26, 2007 Now Available.
- October 19, 2007 - EMTA Annual Meeting in New York City to be Held on December 5, 2007. Invitations to be distributed shortly.
- October 19, 2007 - Special Presentation "World Bank Global Development Finance Report".
- October 18, 2007 - Moody's Upgrades Indonesia's Foreign-Currency Bond Rating from B1 to Ba3.
- October 16, 2007 - Calculations for Payments on Venezuela Oil Obligations Announced.
- October 11, 2007 - Standard & Poor's Upgrades the Czech Republic's Foreign Currency Sovereign Credit Rating from A- to A.
- October 9, 2007 - Standard & Poor's Downgrades Kazakhstan's Long-Term Foreign Currency Rating from BBB to BBB-.
- October 8, 2007 - Standard & Poor's Upgrades Mexico's Long-Term Foreign-Currency Rating from BBB to BBB+.

Website (continued)

- October 1, 2007 - Special Presentation: "Committee on the Global Financial System (CGFS) Report: Financial Stability and Local Currency Bond Markets"
  - Report
  - PowerPoint Presentation
- October 1, 2007 - EM Ltd. and NML Capital v. Argentina Supreme Court Writ of Certiorari Denied.
- September 26, 2007 - "Developing Asia: Stellar Growth Continues." Presentation by Dr. Ifzal Ali (Asian Development Bank) at the EMTA Forum in Singapore, Hosted by ING Wholesale Banking.
- September 26, 2007 - Holiday Schedule for EM Bond Trades for US Columbus Day Holiday.
- September 26, 2007 - Capital Ventures International v. Argentina.
- September 25, 2007 - EMTA's Third Quarter Bulletin is Now Available in our Bulletin Section.
- September 25, 2007 - EMTA Special Presentation "World Bank Global Development Finance Report" in NYC on September 26, 2007 Postponed to October 18.
- September 25, 2007 - EMTA Special Presentation "Committee on the Global Financial System (CGFS) Report: Financial Stability and Local Currency Bond Markets" in NYC on October 1, 2007.
- September 24, 2007 - MarketAxess, in Partnership with EMTA, to Hold Fourth Annual Charity Trading Day on Wednesday September 26, 2007.
- September 24, 2007 - Venezuela Oil Obligations Record Date of September 28 and Payment Date of October 15 Expected. Trades are "Ex-Dividend" on September 26. Calculations for Payments on the Oil Obligations will be Announced by the Fiscal Agent Shortly.
- September 21, 2007 - Ellington v. HSBC.
- September 19, 2007 - EMTA Fall Forum in New York City to Be Held on October 10, 2007.
- September 19, 2007 - Fitch Upgrades Mexico's Long-Term Foreign Currency Issuer Default Rating from BBB to BBB+.
- September 19, 2007 - Calculations for Payments on Mexico VRR's, Series F, Announced.
- September 18, 2007 - US Federal Reserve Cuts Interest Rates by Wider-Than-Expected 50 bps. Market Reaction from Bank of America.

Reminders: Visit the *From the Market*, *Litigation* and *Job Opportunities* areas

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

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 (646) 637-9106.

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 (646) 637-9110.

The Job Opportunities area includes positions currently available around the globe for members of 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. If your firm is interested in posting a job listing on the website, please contact Jonathan Murno at jmurno@emta.org or (646) 637-9105.

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 (646) 637-9105. 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

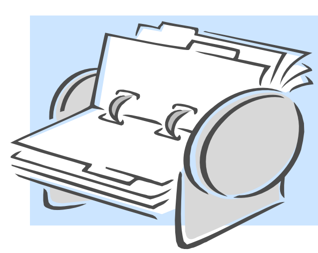
EMTA's newest Members include:

- **Bladex Asset Management**
- **Fortis Merchant Banking**
- **Marco Polo Network**
- **Millennium Global Investments**
- **Northern Trust**
- **Renaissance Capital**

If you are interested in EMTA Membership, or if you know of prospective Members, please contact Michael M. Chamberlin at mchamberlin@emta.org or (646) 637-9101, Starla Griffin at sgriffin@emta.org or (44-207) 996-3165, Jonathan Murno at jmurno@emta.org or (646) 637-9105 or Suzette Ortiz at sortiz@emta.org or (646) 637-9106. 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.

EMTA Telephone Numbers in NYC to Change

EMTA will be changing its NYC telephone numbers sometime in early-December. Once the changes have taken place, we will update our staff listing located on our website in the About EMTA area. Click Here for the staff listing.



EMTA Hotlines

Topic	Contact	Telephone
Asia	Jonathan Murno/Leslie Payton Jacobs	(646) 637-9105/9103
Clearing Corp.	Michael Chamberlin/Starla Griffin	(646) 637-9100/(44-207) 996-3165
Corporate Bonds	Jonathan Murno/Leslie Payton Jacobs/ Aviva Werner	(646) 637-9105/9103/ (646) 637-9110
EM Bond Charts	Aviva Werner	(646) 637-9110
EM Charity Benefits	Jonathan Murno	(646) 637-9105
EM Litigation	Aviva Werner	(646) 637-9110
EMTA Annual Meeting	Jonathan Murno	(646) 637-9105
EMTA Governance	Michael Chamberlin	(646) 637-9100
EMTA Quarterly Forums	Jonathan Murno	(646) 637-9105
EMTA Rate Quotation Services	Leslie Payton Jacobs	(646) 637-9103
FX and Currency Derivatives	Leslie Payton Jacobs	(646) 637-9103
International Financial Architecture	Michael Chamberlin	(646) 637-9100
Investor Issues	Michael Chamberlin/Aviva Werner	(646) 637-9100/9110
Legal/Compliance	Aviva Werner	(646) 637-9110
Library and Archive Requests	Evelyn Ramirez	(646) 637-9108
Loan and Bond Trading	Aviva Werner	(646) 637-9110
Local Markets	Aviva Werner/Leslie Payton Jacobs/ Starla Griffin	(646) 637-9110/9103/ (44-207) 996-3165
Market Information/Research	Jonathan Murno	(646) 637-9105
Membership	Jonathan Murno/Starla Griffin/ Suzette Ortiz	(646) 637-9105/(44-207) 996-3165/ (646) 637-9106
Netting: Multilateral Netting Facilities	Aviva Werner	(646) 637-9110
Paris Club	Starla Griffin	(44-207) 996-3165
Press Inquiries	Jonathan Murno	(646) 637-9105
Repos/Securities Lending	Aviva Werner	(646) 637-9110
Volume Survey	Jonathan Murno	(646) 637-9105
Warrants/VRR's	Aviva Werner	(646) 637-9110
Website	Suzette Ortiz	(646) 637-9106

EMTA staff can also be reached through the general telephone number (646) 637-9100, at the following e-mail addresses or through EMTA's website (www.emta.org).

Michael Chamberlin	mchamberlin@emta.org
Monika Forbes	mforbes@emta.org
Starla Griffin	sgriffin@emta.org
Leo Hsu	lhsu@emta.org
Jonathan Murno	jmurno@emta.org
Suzette Ortiz	sortiz@emta.org
Leslie Payton Jacobs	lpjacobs@emta.org
Evelyn Ramirez	eramirez@emta.org
Aviva Werner	awerner@emta.org

EMTA Calendar

Mon., Oct. 1	**Special Presentation "Committee on the Global Financial System (CGFS) Report: Financial Stability and Local Currency Bond Markets"** **Global Financial Markets Conference Center** **360 Madison Avenue, 17th Floor (NYC)**
Wed., Oct. 3	**Board Meeting (NYC/London)**
Fri., Oct. 5	Recommended 2:00 p.m. (NYC) Early Market Close
Mon., Oct. 8	Recommended Market Close (NYC) Columbus Day Recommended 12:00 Noon (London) Early Market Close
Wed., Oct. 10	**Fall Forum** **Lehman Brothers** **745 Seventh Avenue (NYC)**
Thurs., Oct. 18	**Special Presentation "World Bank Global Development Finance Report"** **Global Financial Markets Conference Center** **360 Madison Avenue, 17th Floor (NYC)**
Fri., Oct. 26	**2007 Emerging Markets Benefit (London)** **Old Billingsgate Market** **London**
Mon., Nov. 5	**Africa Workshop - Financing Development Post-HIPC: What Role for the Private Sector? (London)** **Sponsored by UBS**
Fri., Nov. 9	Recommended 2:00 p.m. (NYC) Early Market Close
Mon., Nov. 12	Recommended Market Close (NYC) Veterans' Day Recommended 12:00 Noon (London) Early Market Close
Wed., Nov. 21	Recommended 2:00 p.m. (NYC) Early Market Close
Thurs., Nov. 22	Recommended Market Close (NYC) Thanksgiving Day Recommended 12:00 Noon (London) Early Market Close
Fri., Nov. 23	Recommended 2:00 p.m. (NYC) Early Market Close

EMTA Calendar (cont)

Wed., Dec. 5	**EMTA Annual Meeting** **Citigroup, 388 Greenwich Street** **NYC** **2007 Emerging Markets Benefit (NYC)** **Metropolitan Ballroom** **Sheraton Hotel, 811 Seventh Avenue** **NYC**
Mon., Dec. 24	Recommended 2:00 p.m. (NYC) Early Market Close
Tues., Dec. 25	Recommended Market Close (NYC/London) Christmas Day
Wed., Dec. 26	Recommended Market Close (London) Boxing Day
Mon., Dec. 31	Recommended 2:00 p.m. (NYC) Early Market Close
January*	**Board Meeting (NYC/London)**
Tues., Jan. 1, 2008	Recommended Market Close (NYC/London) New Year's Day (2008)
Fri., Jan. 18	Recommended 2:00 p.m. (NYC) Early Market Close
Mon., Jan. 21	Recommended Market Close (NYC) Martin Luther King Jr. Day Recommended 12:00 Noon (London) Early Market Close
February*	**Winter Forum (London)**
Fri., Feb. 15	Recommended 2:00 p.m. (NYC) Early Market Close
Mon., Feb. 18	Recommended Market Close (NYC) Presidents' Day Recommended 12:00 Noon (London) Early Market Close