EMTA

Bulletin

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EMTA London Summer Forum Speakers Attribute Correction to Liquidity Contraction Rather than Fundamentals

Inside

(click on topic for link to page):

EMTA's Ninth Annual Summer Forum in London was held on July 6, 2006. Merrill Lynch hosted the event, which drew 130 Emerging Markets professionals. Despite the market sell-off that had occurred in May and June, panelists were relatively confident about the long-term prospects for the Emerging Markets debt asset class.

Global Outlook Remains Positive

Ashmore Investment Management's Jerome Booth led the event's panel of sell-side analysts, opening the meeting with the "inevitable" discussion of US rates and the other risks to the market. Phil Poole (HSBC) noted that the market's recent downturn had to be understood in the context of the strong performance of Emerging Markets in general since the 1998 Russian crisis. Poole attributed the market's spring correction to global monetary tightening rather than deterioration in Emerging Market economic fundamentals, and other panelists generally concurred.

Arnab Das (Dresdner Kleinwort) predicted that the US Federal Reserve would raise rates one more time before pausing, and that the US economy would achieve a soft landing before the Fed entered a rate-easing cycle. Das expects volatility in the near-term until the market sees a clear end to the Fed's rate-hiking mode, with investors discriminating between countries based on their external financing needs.

JP Morgan's Will Oswald asserted that, as the EM debt asset class becomes further integrated with those in developed markets, there will continue to be vulnerability in local markets during times of generalized risk aversion. Francis Beddington (Standard Bank) observed that, not only were investors discriminating

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EMTA London Summer Forum (continued)

among markets, but in many cases stock markets were hit but not currencies. For Beddington, this proved that the market's performance in mid-spring was a removal of excess liquidity. It would take unexpected news, such as a more aggressive Fed stance, for the situation to deteriorate.

Booth chimed in with his own bullish assessment, commenting, "I find it very difficult to believe that we are *not* going to be in a low-inflation world for a long time." He added, "It is very hard to think bearish thoughts when we have the amount of technical support that we do—there's so much money just desperate to get into the asset class." Booth reiterated comments he had made at previous EMTA forums on the support that pension funds, which are just starting to get exposure to EM debt, will provide to the asset class.

African Emergence?

Turning to the African markets, Beddington noted that the post-HIPC environment offers new opportunities for investors. He pointed out that, while some African nations are considering external debt issues, many sovereigns are trying to develop their local debt markets and their domestic savings base. When Booth interjected to express concerns about liquidity in nascent African markets, Beddington countered that some might actually be more liquid than one would expect.

Booth also opined that a dialogue with the public sector was needed, as many in the official sector see African markets as inappropriate for private sector finance. "Africa has to be taken off welfare," he stressed. Beddington argued that global portfolio managers are underweight Africa, and asserted that the economic situations in some African and Latin nations were not dissimilar. He added that headline risks about kidnappings in oil-exporting nations such as Nigeria often mask underlying improving economic fundamentals.

Sell-Siders Discuss Mexico, Turkey

With the Forum occurring just days after Mexico's contested presidential election, Booth asked panelists for their reactions. Poole acknowledged that there might be downside if the election's results lead to social instability in Mexico. "However, the issue here is that the reform process has been stalled under the Fox administration," he declared, and the new government will have that challenge even if Rafael Calderon is certified as the eventual winner; Poole also suggested that the market might not be fully factoring in governability issues in a divided Congress.

Turkey also featured on the agenda. "The problem is that more than half of the current account is being financed by short-term capital flows," stated Das, who did not rule out an eventual IMF loan package being offered to Ankara. The transfer of the governorship of the Central Bank was "an extremely noisy process that sent a signal that the Bank is *not*, in fact, independent," he added, calling into question the credibility of the disinflation process. The EU process has become even more problematic than most analysts had forecast, with the risk of Ankara's candidacy being suspended higher than it was in the past, according to Das.

Investors Agree Fundamentals Remain Strong

The Forum's investor panel was moderated by Merrill Lynch's Tulio Vera, who began the panel by asking speakers for their take on recent markets. Susanne Gahler (F&C Asset Management) expressed her opinion that actual market losses were moderate and had been expected, and called the sell-off a "small correction." She does not expect substantial spread tightening for the rest of the year. On the other hand, Gahler maintained that local currency markets remain vulnerable to further corrections.

EMTA London Summer Forum (continued)

BlueBay Asset Management's Simon Treacher underscored the market's differentiation between credits during recent volatility. He strongly criticized European Central Bank President Jean-Claude Trichet, predicting that he would "lead Europe into another recession," and pointed to Hungary and Slovakia as countries that would have difficulty in locating financing. Treacher alluded to his recommendation to avoid Turkey at EMTA's Winter Forum in February and admitted its performance has been better than he had expected. "I've covered all my shorts, and I'm not going long, but their performance has been better than I had anticipated," he acknowledged. He also expressed concern at some of the "disgraceful" new issues coming to market, and criticized dealers who, once having placed an initial offering, "two weeks later act as if they had never heard of the bond."

Amer Bisat (Rubicon Fund Management) concurred that recent activity was "nothing more than an overdue correction from very stretched valuations and extremely crowded positions." Risky assets have been over-owned and thus "ridiculously expensive," he declared, and were vulnerable when the market was hit with a number of uncertainties including the future direction of US Fed interest rate policy. Bisat believes that "an enormous amount of value has been created by the sell-off; there are a number of assets that are now cheap," while conceding that the EM asset class would be "toast" if his assumption that the global economy was heading towards a mid-cycle slowdown rather than a recession proves incorrect.

ING Investment Group's Rob Drijkoningen stressed the recent growth of local pension funds, mutual funds and the insurance business in Central Europe and Latin America. "This will create an environment which is much more stable, and that is where Turkey will have to go—it will need to build a domestic client base to diversify its sources of funding," he affirmed.

Vera polled panelists for their views on how portfolios might change in the next couple of years. Treacher voiced his enthusiasm for the many new types of instruments one could invest in, although he cautioned buyers to understand their products. "You need to get paid to take the extra risk of 'special situations' because of their illiquidity," he added.

Gahler sees EM becoming increasingly integrated into the High Yield world, although she doesn't anticipate a full integration of the local markets, which should remain a segment with specialist managers due to their higher risk. Gahler also believes that real money accounts which are benchmarked should be replaced by absolute-return targets, and called on EM research to focus on finding the most profitable instrument across the whole EM universe.

Panelists Divided on Prognosis for Turkey

Bisat spoke positively on Turkey. "Despite an initial weakness of communication, the Central Bank has shown us with 400 bps in interest hikes and strong language that they are really inflation hawks," he proclaimed. In contrast to Treacher, Bisat asserted he would be long Turkish debt rather than watch from the sidelines.

Gahler commented that the "virtuous cycle" in Turkey had come to a halt because of uncertainty over the government's commitment to macroeconomic and political reforms. "The jury is still out whether the government is still committed to these, and I have my doubts," she remarked.

EMTA London Summer Forum (continued)

Ratings agency attendees breathed a sigh of relief when, after lambasting them at previous events, Treacher praised recent downgrades of Hungary as proof of a move away from the time when "anything linked to the EU was investment grade, end of story." Treacher viewed this as a sign that the agencies would emphasize economic fundamentals rather than political factors.

Mexican, Brazilian Economies and Presidential Races Debated

"Chances that Calderon can get reforms through are dim given the political situation in Mexico," Drijkoningen observed as the panel discussed the prospects for Mexico, although it remains a possibility. Thus for him, the outcome of the Mexican election is not a non-event, as under a Calderon presidency there is at least a distant hope of progress.

Bisat reminded the audience that AMLO has a known track record as mayor of Mexico City. "The record there is favorable, and AMLO's advisors are impressive," he remarked. Bisat argued that AMLO's team would, if they were certified as the winners of the election, demonstrate fiscal responsibility and show respect for monetary policy and independence. Second-generation reforms that will take Mexico into higher growth rates and improved social welfare need a political buy-in, and the center right has failed to achieve this with the populace, according to Bisat. In contrast, AMLO might be able to deliver what the establishment has not, he stated, citing examples including President Lula in Brazil.

Gahler concurred that the ideal situation would have been for AMLO to have won and to have made strong statements about fiscal orthodoxy and his willingness to enact reforms. "Short-term, this is a non-event, but long-term, who will mobilize these votes?" she pondered.

Vera guided the panel to a discussion on Brazil, its presidential election and the potential for the country to achieve an investment-grade rating. Treacher attributed much of the speculation about the Brazilian presidential race to consultants and pollsters seeking to generate interest in their work, but after the election, "nothing is going to change." He also offered his assessment that each departing official in the Brazilian debt management team has been replaced by a more competent team member, a good dynamic for the country.

Bisat expressed concern that Brazil would deal with the macro-economy but would be less capable with the micro-economy, a situation he termed "the Mexico syndrome" and defined as being far away from default but unable to achieve high growth, generate employment, raise the country's middle class or train its human capital. Bisat cautioned that, although Brasilia is more sensitive to such needs than most other governments, this remains a potential concern.

Gahler emphasized that "there is too much obsession with Brazil getting an investment-grade rating." She seconded Bisat's view that Brazil has competent macro managers who might be less adept at addressing the micro front. In her opinion, a Lula victory is the most likely result and a non-event.

Drijkoningen highlighted the rigidities in the constitutional system which hinder reforms. He added that high taxes combined with a large amount of short-term sensitive domestic debt will also make an investment-grade rating a challenge.

2Q 2006 Debt Trading Survey: Volume Again at Record Levels

Trading in Emerging Markets debt set another record in the second quarter of 2006, according to EMTA's quarterly Survey, published on August 21, 2006. Participants in the quarterly report traded US$1.659 trillion in Emerging Markets debt during the second quarter, compared with US$1.363 trillion in the second quarter of 2005 (a 22% increase) and US$1.631 trillion in the first quarter of 2006 (a 2% increase).

EMTA noted that this represents the highest volume since it began compiling quarterly reports in 1997. H. David Spegel, Global Head of Strategy at ING Financial Markets LLC, commented that trading was boosted by a market sell-off in May due to increased worries over US Federal Reserve monetary policy and fears of a progressive decline of the US dollar. "It is worth noting that historically, during market crises, volume levels on EM typically declined during periods of high asset price volatility; this was the case in the second quarters of 2005, 2004, etc." However, Spegel stressed that "the situation was different this time around. The rise of volume attests to the greater breadth of our investor base and its familiarity with the underlying issuer risks, and second-quarter 2006 volume demonstrates the greater maturity of the asset class."

Mexico's Instruments Most Frequently Traded, at US$431 Billion

Mexico's debt instruments, boosted by transactions in the country's local treasury instruments, were the most frequently traded assets in the Survey. This is the first time since the fourth quarter of 2004 that Mexico volumes surpassed those of Brazil. Survey participants reported US$431 billion in Mexico trades, more than doubling the US$183 billion reported in the second quarter of 2005 (and up 41% vs. the US$306 billion in Mexico transactions in the first quarter of 2006). Mexico's local instruments accounted for 85% of overall Mexico volumes (at U$364 billion), compared with a 75% share in the same quarter in 2005 and an 82% share in the first quarter of 2006. Mexico transactions accounted for 26% of overall Survey volumes.

Spegel commented that Mexico volumes were boosted by uncertainties related to the Mexican presidential election. "Foreign investors cut exposure in May, and then jumped back in June on optimism for a better election result, before reducing exposure again in the last week of that month as fears for a messy outcome resurfaced," he stated.

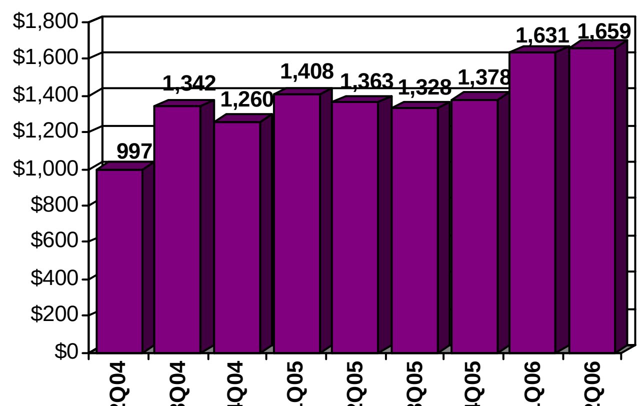
Brazil Volume at US$389 Billion

Brazil's debt instruments were the second most frequently traded instruments in the Survey. Brazil volume stood at US$389 billion, compared with US$432 billion in the second quarter of 2005 (a 10% decrease) and US$444 billion in the first quarter of 2006 (a 12% decrease). Trading in Brazil's 2040 bond, the industry benchmark, stood at US$157 billion, compared with $182 billion in the second quarter of 2005 (a 14% decrease) and US$143 billion in the first quarter of 2006 (a 9% increase). Brazil transactions accounted for 24% of overall volume (vs. 27% in the previous quarter), their lowest share since late 2003.

Argentine assets remained the third most frequently traded instruments, at US$104 billion. This is a 78% increase from US$59 billion in the second quarter of 2005 and a 14% decline from the US$122 billion in first-quarter 2006 trading. Argentina's market share stood at 6%, compared to 4% in the second quarter of 2005 and 8% in the first quarter of 2006.

Aggregate Trading Volume

(in US$billions)



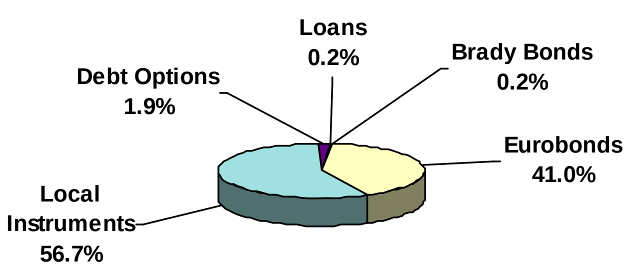
EMTA Volume Survey (continued)

Local Instruments Account For 57% of Survey Volume

A surge in local markets instrument volumes occurred in the second quarter, as local treasury trades rose 44% to US$941 billion, compared with US$653 billion in the same quarter in 2005 (and up 20% compared with US$787 billion in the first quarter of 2006). Local market transactions represented 57% of overall Survey volume, their highest level in an EMTA Survey, and increased from a 48% share in both the previous quarter and the same quarter last year. In addition to the US$364 billion in Mexico local instruments, participants also reported turnover of US$136 billion in Brazilian treasuries, US$85 billion in South African treasuries, US$63 billion in Polish treasuries and US$49 billion in Argentine local instruments.

"The local trading data may be indicative of a horizontal diversification of investor exposure within EM as investors strive to diversify their dollar exposure, as much as it reflects the exiting and re-entry of positions among higher-beta local markets such as Turkey, Brazil and Mexico during the May/June period," Spegel surmised.

Volume by Type of Instrument 2Q 2006



Eurobond volumes were up 6% to US$680 billion, compared with US$638 billion in the second quarter of 2005 (while down 14% vs. US$787 billion in the first quarter of 2006). 84% of Eurobond trading involved sovereign bonds, with 15% in corporate issues and 1% not specified. Following the US$157 billion in the Brazil 2040 bond, the other most frequently traded Eurobonds included the Russia 2030 bond (US$52 billion in trading), Turkey 2030 bond (US$26 billion), Brazil 2018 bond (US$20 billion) and Brazil 2034 bond (US$10 billion). Eurobonds accounted for 41% of Survey volumes, down from 47% in the second quarter of 2005 and 48% in the first quarter of 2006.

Survey participants also reported US$32 billion in options and warrants trading. Brady bond trading plummeted to US$3 billion, as the amount of outstanding Brady debt continues to decline following additional early redemptions this year. Loan assignments stood at US$3 billion.

Looking ahead to the third quarter, Spegel expects that debt turnover will likely show a quarter-on-quarter decline. "This will partly result from the traditional decline of investor trading activity during the summer holiday period and will also reflect both the negative net new issuance seen in July and August, and the sidelined 'wait-and-see' posture adopted by many money managers awaiting key US growth and inflation data," he stated.

EMTA's Survey includes secondary market trading activity in sovereign and corporate Eurobonds, local treasury bonds and other instruments (Brady bonds, debt options, warrants and loans) from over 90 Emerging Markets countries. 66 major dealers, banks and money management firms worldwide participated in the Survey.

For a copy of EMTA's Second Quarter 2006 Debt Trading Volume Survey, please contact Jonathan Murno at jmurno@emta.org or (646) 637-9105.

Venezuela Oil Warrants Reconciliation and Netting

On February 15, EMTA announced that it was proposing to sponsor a Multilateral Netting Facility to address the long-standing backlog in the settlement of transactions in Venezuela Oil Obligations entered into before January 2, 2002 (the "Warrants"). Eventually, the Facility is expected to clear the existing backlog of Warrant settlements, which dates back to the early 1990's.

The first phase of this netting project has been an intensive effort by the dealer community to reconcile their warrant positions internally, with the clearing systems and with each other. The second step (begun at June 30, 2006) was for the major dealers to initiate a series of coordinated bilateral netdowns with each other and with their clients (without settlement). This series of bilateral netdowns is expected to continue, as needed, until the industry is ready and able to complete a multilateral netting later this year.

EMTA has hosted weekly conference calls to encourage such reconciliation and netting among the participants on the calls, and has distributed a suggested form of Bilateral Netting Agreement (together with a User's Guide). A suggested form of Trilateral Netting Agreement (together with a User's Guide) is also available upon request.

To aid the market in calculating, for netting purposes, the dividend payments made on the Warrants thus far, EMTA has recommended that, unless otherwise agreed, the following amount should be attributable to the dividend payments to date on each Warrant: $9.013356085. For the full text of this Market Practice recommendation, which sets forth the basis for this calculated amount, Click Here.

In addition to the effort of the dealer community to reconcile and net down positions, EMTA is also still hosting monthly calls to discuss reconciliation among a broader group of firms that are not participating in weekly netting calls and bi-weekly netdowns.

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 so that 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.

Also, to aid the market in its efforts at reconciliation, EMTA is requesting that firms send EMTA contact information (including telephone number and e-mail address) for their customers and custodians, as well as for the person(s) at their firm responsible for the reconciliation. EMTA's compiled list of such contacts will be distributed to the firms that contribute such information.

For further information about the Warrants, please Click Here for EMTA's Revised Primer (February 22, 2006); questions and comments concerning bilateral netting or the proposed Facility may be directed to Aviva Werner at awerner@emta.org or (646) 637-9110.

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The October 15, 2006 Oil Obligations payment is expected be made on October 16 to holders of record as of September 29, 2006, and EMTA recommended that trades be settled "ex-dividend" on September 27. (A copy of the Fiscal Agent's notice regarding the Warrant payment's calculation will be published in the New Developments area of EMTA's website as soon as it is made available.)

The Oil Obligations came "into the money" for the first time as of October 15, 2004. That payment was made on March 3, 2005 to holders of record as of March 1, 2005. The April 15, 2005, October 15, 2005 and April 15, 2006 payments were made on time.

Bond & Warrant Trading & Settlement

Nigeria Payment Adjustment Warrants

Fails in settlements of Nigeria's Payment Adjustment Warrants ("Warrants") have also been a continuing problem, similar to the VRR fails in Mexico and the Oil Obligations fails in Venezuela. These difficulties have now become more acute with the recent increase in world oil prices, payments made on the Warrants, and increase in their market value, and are unfortunately compounded by the unavailability of some settlement system position reports. Past experience with other instruments (including Venezuela's Oil Obligations) also tends to show that market-wide settlement backlogs often cannot be effectively addressed piecemeal, but instead require market-wide solutions.

As a result, the dealer community, acting through EMTA, is engaged in developing an action plan to reduce these settlement difficulties and to clear the resulting settlement backlog. Adequate and accurate reconciliation among market participants continues to be the key to resolving disputes regarding failed Warrant transfers.

Following the model of Venezuela, the first step in developing this plan for Nigeria is an intensive effort by the dealer community over the next several months to ensure that their trading positions are reconciled internally and with the applicable clearing firms and settlement systems. This reconciliation effort will be reviewed weekly through EMTA-hosted conference calls among firms, with a view to bilateral (and later multilateral) nettings as soon as possible in the Fall.

To aid the market in bilateral netting, EMTA has distributed a suggested form of Bilateral Netting Agreement (together with a User's Guide). A Trilateral Netting Agreement (together with a User's Guide) is also available upon request.

To aid the market in calculating, for netting purposes, the dividend payments made on the Warrants thus far, EMTA has proposed the following draft Market Practice recommendation:

Unless otherwise agreed, for trades entered into before November 1, 2002:

- For those trades with a contractual settlement date on or before October 31, 2000, the following amount should be attributable to the dividend payments to date on each Warrant: $63.932808.

- For those trades with a contractual settlement date on or after November 1, 2000, parties should consult the Record Dates in the Market Practice recommendation for guidance as to what payments should be included.

For the full text of this proposed Market Practice recommendation, which sets forth the basis for such calculated amount, please contact Aviva Werner at awerner@emta.org.

EMTA wishes to remind all market participants that, as in the case of Venezuela, 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 Warrant transfers, so that net bilateral positions can be ascertained and settled and the reconciliation effort can be completed in a timely manner.

This reconciliation process is necessary as a precondition to permit the development and implementation of any comprehensive solution (such as a global multilateral netting facility) to the settlement backlog. Though the ultimate strategy to address the overall settlement and payment backlog has not been finally decided, EMTA expects to operate a multilateral netting facility for the Nigeria Warrants as soon as substantial progress has been made on a comparable netting facility for the Venezuela Warrants.

Bond & Warrant Trading & Settlement (continued)

Also, to aid the market in its efforts at reconciliation, EMTA is requesting that firms send EMTA contact information (including telephone number and e-mail address) for their customers and custodians, as well as for the person(s) at their firm responsible for the reconciliation. EMTA's compiled list of such contacts will be distributed to the firms that contribute such information.

To assist market participants in better understanding the Nigeria Warrants, and the background of the settlement and payment backlog, EMTA has prepared a Revised Primer (February 22, 2006) which includes the formula for determining the number of Warrants related to the Bonds and a history of prior payments.

The Warrants came 'into the money' for the first time on November 15, 2000 and then again on May 15, 2001. The May 15, 2001 payment was made on November 15, 2001 with default interest (no separate payment was due for the November 15, 2001 period). No further payments were due until November 15, 2004. The November 15, 2004 payment was made (with default interest) on April 14, 2005 to Payment Adjustment Warrant holders of record as of March 30, 2005. The May 15, 2005 payment was made on May 16, 2005, the November 15, 2005 payment was made on time and the May 15, 2006 payment was made on May 16, 2006.

Click Here for the Fiscal Agent's notice regarding the May 15, 2006 payment's calculation.

Uruguay VRR Payment

Click Here for the Fiscal Agent's notice regarding the July 3, 2006 VRR payment's calculation of zero. To date, no payments have ever become due on the VRRs.

Mexico VRR Payment

The June 30, 2006 payment was made to Series D VRR holders of record as of June 15, 2006, and EMTA recommended that trades be settled "ex-dividend" on June 13. Click Here for the Fiscal Agent's notice regarding the VRR payment's calculation.

The September 30, 2006 payment is expected to be made on October 2 to Series E VRR holders of record as of September 15, 2006, and EMTA recommended that trades be settled 'ex-dividend' on September 13. (A copy of the Fiscal Agent's notice regarding the VRR payment's calculation will be published in the New Development's area of EMTA's website as soon as it is made available.)

The VRRs have been 'in the money' for the last 16 consecutive quarterly payment periods (the last time no payment was due on the VRRs was September 30, 2002).

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

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For further information, please visit the New Developments area of EMTA's website or contact Aviva Werner at awerner@emta.org or (646) 637-9110.

FX & Currency Derivatives

EMTA Issues FX and Currency Derivatives Market Practice No. 40; Standardized Terms for Three Additional Currencies Included

On July 10, 2006, EMTA issued its FX and Currency Derivatives Market Practice No. 40, which recommended to its Members the use, commencing August 1, 2006, of standard terms for CLP/USD, COP/USD and PEN/USD non-deliverable FX transactions. Click Here for a copy of this Market Practice. The issuance of standard terms for these three currencies is the culmination of a project long in the works for EMTA, starting in 2003 shortly after the ARS Template Terms were issued. Several times since 2003, the work on these three sets of templates was superseded by other projects deemed more pressing at the time by the EMTA membership, notably the Asian Currency NDF Template Terms published in 2004 and the EMTA RUB/USD Template Terms published in the Summer of 2005. Notwithstanding, work on these three templates revived in the Fall of 2005 and by late December 2005, the EMTA NDF Working Group had produced first drafts of each of the templates and accompanying documentation, which were published for review by the EMTA membership. In May 2006, final versions were presented to the Working Group for a consensus vote, and on July 10 the templates were officially published with an effective date of August 1, 2006.

A brief overview of the standard terms for these three currencies shows the inclusion of a 30-day deferral/valuation postponement, Price Source Disruption as the sole Disruption Event and a fallback survey mechanism to be activated in times of long-term market disruption. In the case of these three templates, a decision was made to adopt a relatively abbreviated list of disruption events and fallbacks based on an assessment of the size and liquidity of the individual local markets, the stability of the primary rate quote source in each market and the relatively low level of concern regarding market manipulation issues in these three markets, as well as the administrative burden to EMTA of building and maintaining a more elaborately tiered system.

The documentation package developed by the EMTA Working Group includes the CLP/USD Template Terms, the COP/USD Template Terms, the PEN/USD Template Terms, new and amended rate source definitions for inclusion in Annex A of the 1998 FX and Currency Option Definitions and an Indicative Survey Methodology to support a back-up survey in each of the three Currencies in the event of a long-term market disruption. In addition, a User's Guide was prepared. All of the documentation is posted on EMTA's website at http://www.emta.org/documentation/fxdindex.html.

NDF Master Agreement Work Continues

Following many months of discussions, the Foreign Exchange Committee (guided largely by the Financial Markets Lawyers Group), the Foreign Exchange Joint Standing Committee (FXJSC) and EMTA have circulated a draft of a master agreement for NDF trading for review and comment by their constituencies. This draft, along with draft practice notes, may be found on EMTA's website in the FX and Currency Derivatives Documentation area (see the "Draft Documentation Bulletin Board") or you may Click Here. EMTA Members are invited to review and comment on the draft. To facilitate review, EMTA will host one or more conference calls for Members to raise questions and provide comments. Please contact Leslie Payton Jacobs for more information.

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For further information regarding the above, as well as FX and Derivatives matters generally, please contact Leslie Payton Jacobs at lpjacobs@emta.org or (646) 637-9103.

Special Events

You may have noticed that EMTA is presenting more (and more varied) special events these days, particularly in the area of Local Markets. This is in response to the high level of interest EMTA Members are expressing in Local Markets and other special topics. Recent and future EMTA events are described below.

Local Markets

Consistent with EMTA's mission to promote the development and integration of Emerging Markets economies into the global capital markets, in late 2005 EMTA initiated a series of events aimed at providing the market with a forum to explore various local markets issues. Early presentations included, on October 19, 2005, **"Opportunities and Pitfalls in Emerging Markets Restructurings"** with Steve Kargman as guest speaker; and on January 25, 2006, **"Mexico Mortgage-Backed Securities—Should Mexico Adopt the Danish Model?"** with Alan Boyce of Soros Fund Management and John Rogers of Strasburger & Price as guest speakers.

Focus on Brazil

On May 12, in view of Brazil's recent debt reprofiling activities, and increasing investor interest in Brazilian local markets, EMTA hosted a panel presentation entitled **"Brazil's Capital Markets"**, with presenters from ANDIMA (Brazil's National Association of Financial Institutions), EMTA's new Brazilian members—Banco Pactual, Banco Itaú and Banco Votorantim—and CETIP (Brazil's central security depositary).

The panel discussion began with a comprehensive overview of the Brazilian financial markets and led into more specific discussion by the panelists of local instrument liquidity in Brazil, clearing and settlement issues, and legal and tax issues. The presentations were well-received by an overflow audience, and enthusiastic feedback from EMTA Members has led to the scheduling of a follow-up meeting in London.

The second meeting in this Brazil Local Markets Series will be hosted by UBS at their offices in London on October 16, with ANDIMA, Banco Pactual, Banco Itaú, Unibanco and CETIP as panelists, and will address derivatives and futures issues in the Brazil local markets as well. Click Here for details.

Special Events (continued)

Focus on Africa

EMTA is launching its Focus on Africa with an in-depth seminar on Nigeria's Financial Markets on Thursday, November 9, 2006, at the Savoy Hotel in London. This inaugural Africa event will be sponsored by Standard Bank.

The seminar will commence with presentations about different aspects of Nigeria's financial markets by top official sector representatives and regulators from the local market, including Dr. Mansur Muhtar of the Nigerian Office of Debt Management, Dr. Obadiah Mailafia of the Nigerian Central Bank, Mr. Bolaji Shenjobi of the Nigerian Money Market Association, and Mr. Bode Agusto, Budget Advisor in the Nigerian Ministry of Finance. These presentations will be followed by a panel discussion by private practitioners from the local and international markets moderated by Francis Beddington of Standard Bank. Panelists include John Oshilaja of Standard Bank, Vicente Pons of Citigroup, Konrad Reusse of Standard & Poor's, Jan Dehn of Ashmore Investment Management, Daniel Agbor of Udo Udoma & Belo-Osagie, Godwin Obaseki of Afrinvest West Africa Ltd., and Segun Agbaje of Guaranty Trust Bank. The event will conclude with a cocktail reception hosted by Standard Bank.

This event will serve to highlight investment opportunities in Nigeria's financial markets for EMTA Members, and also bring local and international market participants together in a convivial setting to build mutual trust and confidence.

Additional programs focusing on Africa in 2007 are expected to include a roundtable discussion by private sector, public sector and NGO representatives, who will exchange views on how the continent can finance development in a post-HIPC world, and specifically what role the private sector will have; and a seminar looking at investment opportunities in the Gulf States and North Africa. If you would like more information or would like to recommend topics of interest for EMTA's Focus on Africa, please contact Starla Griffin at sgriffin@emta.org or (44-207) 996-3165.

Special Events (continued)

GDP-Linked Securities Roundtable Discussion

On July 12, 2006, EMTA hosted a roundtable discussion which was attended by a small number of EMTA Members with particular interest in GDP-linked securities—a product that is drawing increasing attention in the academic and official sectors. The purpose of the roundtable was to initiate a dialogue within the EMTA community to consider the merits and risks of this type of instrument, and develop constructive input to add to the larger dialogue now going on in other sectors. Participants represented a cross-section of the EM community, and included sell-side, buy-side, rating agency and legal viewpoints, with representatives from Merrill Lynch, JPMorgan Chase, Standard & Poors, Loomis Sayles, the Rohatyn Group and Capital Framework Advisors LLC, and law firms Cleary, Gottlieb, Steen & Hamilton and Bruchou, Fernandez, Lombardi y Mitrani.

In attempting to identify the issues of interest and concern to investors, the group touched upon, among other topics, the historical precursors to the instruments, the types of issuers that might be most likely to issue such instruments, GDP reporting concerns, GDP measurement issues, the context for issuance (new money or restructuring), possible rating agency reactions to various structural aspects of the instruments and the experience of the market in pricing and trading the Argentine warrants. However, the question of greatest interest to the group was whether and to what extent GDP-linked securities are broadly useful to issuers. Initial conclusions of the group suggested utility in a targeted use of the instruments by issuers with limited profiles, but all agreed that additional examination of these securities, and the various issues they raise, was warranted.

EMTA hopes to publish a synopsis of the meeting and, with continuing Member interest, to organize follow-up discussions or other activities.

Other EMTA Members with an interest in this topic should contact Leslie Payton Jacobs at lpjacobs@emta.org or (646) 637-9103 for more information.

Special Events (continued)

EMTA's NYC Fall Forum Slated for October 19

EMTA's NYC Fall Forum will be held on Thursday, October 19, 2006. UBS will host the forum at its office at 1285 Avenue of the Americas in New York City.

Filippo Nencioni of UBS will moderate a panel of industry gurus, including Mike Rashes (Bracebridge), Piero Ghezzi (Deutsche Bank), Guillermo Mondino (Lehman Brothers) and Amer Bisat (Rubicon Fund Management). The panel is expected to discuss recent developments in the Emerging Markets including the direction of US interest rates and the implications of Brazil's presidential election.

Attendance is complimentary for EMTA members, with a $250 registration fee for non-members.

Invitations will be sent by email in late September. For further information, please contact Jonathan Murno of EMTA at jmurno@emta.org or at +646 637-9105.

For further information, please contact Jonathan Murno at jmurno@emta.org or (646) 637-9105.

EMTA Panels Explore Implications of Partial Restructurings

On June 7, EMTA initiated a series of investor-oriented panel presentations designed to explore issues of relevance to investors in today's Emerging Markets and to promote greater transparency and efficiency in the EM trading and investment marketplace. The June 7 panel presentation in New York focused broadly on the Implications of Partial Sovereign Restructurings. A London panel will take up this same broad discussion in mid-October. Other presentations this year and next, in NYC and London, are expected to explore Enforcement Under the FSIA, Does Enforceability Matter?, Whither the Restructuring Process?, and the Role of the Official Sector.

The panel in NYC on October 5, 2006 will focus on Enforcement Under the FSIA. The panelists are expected to include Whitney Debevoise (Arnold & Porter), James Kerr (Davis Polk), Hal Scott (Harvard Law), Michael Straus (Straus & Boies) and Carolyn Lamm (White & Case).

On Thursday, October 12, 2006, in London, following on from seminars exploring this topic in New York, a panel of Europe-based experts moderated by Andrew Yianni of Clifford Chance will explore some of the implications of these "partial" sovereign debt restructurings from the perspective of affected creditors, sovereign advisors, rating agencies, official sector representatives, and legal advisors working in the traditional courts of the US and UK, as well as international arbitration tribunals. Panelists are expected to include Derrill Allatt, Managing Director, Sovereign Debt Restructuring, Houlihan Lokey Howard & Zukin; David Beers, Head of Global Sovereign Ratings, Standard & Poor's; Gavin Bingham, Head of International Liaison, Bank for International Settlements; Peter Griffin, Partner, International Arbitration, Baker Botts LLP; William Ledward, Fund Manager, Franklin Templeton; and Rae Lindsay, Partner, Litigation & Dispute Resolution, Clifford Chance.

For more information, please contact Starla Griffin at sgriffin@emta.org or (44-207) 996-3165.

Special Events (continued)

EMTA to Hold Forums in Singapore and Hong Kong

EMTA will host inaugural events in Asia in November 2006. These meetings are being held to introduce Asian institutions to the work EMTA has been doing in the Latin American and EMEA markets since its founding in 1990.

EMTA's Singapore Forum will be held at the Raffles The Plaza Hotel on November 1, 2006 at 2 Stamford Street in the Equinox Function Room (Level 69) in Singapore. The event will include panels of investor and sell-side speakers and will conclude with a cocktail reception.

The meeting's keynote addresss will be delivered by Heng Swee Keat, Managing Director of the Monetary Authority of Singapore. Mr. Heng, who assumed his duties in April 2005, has previously served as the Permanent Secretary of the Ministry of Trade and Industry, as well as Chief Executive Officer of Singapore's Trade Development Board and as Deputy Secretary at the Ministry of Trade and Industry.

Tim Condon (ING Financial Markets LLC) will moderate a panel of sell-side experts including John Stuermer (Bear Stearns), David Lynne (Deutsche Bank) and David Fernandez (JP Morgan).

The investor panel will be led by Aaron Low (Lumen Advisors) and will also feature EMTA Board Director Tung Siew Hoong (Government of Singapore Investment Corporation), Soon Gek Chew (ING Private Banking) Goetz Eggelhoefer (Rohatyn Group) and a representative from State Street Global Advisors.

In addition, EMTA will host its Hong Kong Forum at the Ritz-Carlton Hotel in Hong Kong on Friday, November 3, 2006. This lunchtime event will include a panel discussion also moderated by Tim Condon and will feature Qing Q. Wang (Bank of America), Dong Tao (Credit Suisse) and Eugene Kim (Tribridge Capital).

Additional speakers were being confirmed at press time.

Invitations to both events will be sent to EMTA Members shortly. Attendance for both events is complimentary for EMTA Members. There is a US$500 registration fee for the Singapore meeting and US$250 registration fee for the Hong Kong meeting for non-Members. Both events have been made possible by the support of ING Financial Markets LLC.

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

Special Events (continued)

Tango Night at the Annual London Charity Ball

Argentine Tango is the theme of this year's annual benefit ball in London, to be held at the Grosvenor House Hotel on Friday, October 6, 2006. Despite the number of available seats being increased to 1,000, the event sold out for the third consecutive year only days after tickets were made available.

This year's beneficiaries include Cotlands (www.cotlands.co.za), which works with orphans affected by the HIV/AIDS pandemic; Task Brasil (www.taskbrasil.org.uk), which provides shelter and vocational training for street children in Rio de Janeiro; and Health Unlimited (www.healthunlimited.org), which delivers primary health care to remote rural populations in EM countries.

Prizes at the event include a variety of holiday excursions in Argentina, personal training sessions, a week at holiday homes in St Lucia and Grenada, dinner with the BBC's John Simpson, VIP tickets to Iron Maiden's sold out Earl's Court concert, six hospitality tickets to Arsenal vs. Portsmouth, tickets to the Royal Albert Hall tennis championship, passes to a taping of "The Archers" and a chance to meet the cast, a unique educational opportunity to visit a rural health care clinic in the EM world, original artwork by Henrie Haldane, a book signed by Nobel laureate Nelson Mandela, and a tennis racquet signed by three-time Wimbledon champion Boris Becker.

This year's gala event is being sponsored by Barclays Capital, MarketAxess and Standard Bank. Additional underwriting support is being provided by Royal Bank of Scotland and WestLB. Last year's London benefit raised over £260,000 ($494,000), and event organizers hope the 2006 event will surpass the previous year's total.

For further information, please visit the event's website at www.embl.co.uk. You may also contact Elaine Skinner-Reid (Royal Bank of Canada) at Elaine.Skinner-Reid@rbccm.com, Jonathan Murno (EMTA) at jmurno@emta.org or Emma McClintock (BlueBay Asset Management) at emcclintock@bluebayinvest.com.

NYC Industry Benefit set for December 6, 2006 at Capitale

The NYC Emerging Markets Charity Benefit Committee has confirmed that the 2006 fundraiser will be held at Capitale on Wednesday, December 6, 2006. Although the event has traditionally changed venues each year, Capitale received overwhelming praise as the 2005 location, and the Committee decided to return to the site. The event is scheduled to immediately follow EMTA's Annual Meeting.

The event's beneficiaries, selected by a Committee vote in the spring, are:

- EMpower, which connects the Emerging Markets community with innovative grassroots organizations enabling young people to lead healthy, productve lives (www.empowerweb.org);
- NESST, which provides financial and capacity-building support to social enterprises in Central Europe and Latin America (www.nesst.org);
- Trickle Up, which works to alleviate poverty by providing seed capital for people in EM countries to start small businesses (www.trickleup.org);
- and WaterPartners International, which works to promote health in LatAm, Africa and Asia by increasing access to safe drinking water (www.water.org).

The 2006 event will be sponsored by MarketAxess' Charity Trading Day on September 27, 2006 (see story on page 17).

The Committee, which began planning the benefit in May, continues to welcome new members. Please contact Jonathan Murno at jmurno@emta.org if you are interested in helping plan and market the 2006 event.

Special Events (continued)

MarketAxess, in Partnership with EMTA, Announces Third Annual Charity Trading Day

MarketAxess Holdings Inc., the operator of a leading electronic trading platform for U.S. and European high-grade corporate and Emerging Markets bonds has announced that its third annual Charity Trading Day will be held on September 27, 2006. As it has since 2004, MarketAxess, in partnership with EMTA, will donate all Emerging Markets trading revenues from that date to Emerging Markets charities. This year, in addition to client-to-multi dealer trading revenues, MarketAxess will also donate revenues from Emerging Markets trading on DealerAxess, its recently launched interdealer trading platform.

“Emerging Markets Charity Trading Day provides the opportunity to share our firm’s success with young people who are faced with poverty and limited opportunity,” said Richard M. McVey, chairman and chief executive officer of MarketAxess. “One of the most important characteristics of each of these charities is that they don’t simply provide handouts—they help rebuild children’s lives and create better futures through training, education, healthcare and public works.”

The charities that will benefit from this year’s donations, decided by each event’s committee, include:

- EMpower, which connects the Emerging Markets community with innovative grassroots organizations enabling young people to lead healthy, productve lives.
- Cotlands, a long-serving South African non-profit agency that continues to meet the needs of children affected by HIV/AIDS.
- Task Brasil, an organization that funds projects to improve the lives of Brazilian street children and adolescents, allowing them to enter mainstream society.
- Health Unlimited, which works with indigenous communities and communities affected by conflict and political instability to achieve better health.
- NESST, an organization that provides financial and capacity-building support to social enterprises in Central Europe and Latin America.
- Trickle Up, an organization that seeks to alleviate poverty by providing seed capital for people in EM countries to start small businesses.
- WaterPartners International, which promotes health in Latin America, Africa and Asia by increasing access to safe drinking water.

Through the past two Charity Trading Days, MarketAxess has raised a total of $293,075 for Emerging Markets charities. The total amount of this year’s donations will be announced at the Emerging Markets’ debt industry’s annual London and New York benefits, which are scheduled for Friday, October 6, 2006, and Wednesday, December 6, 2006, respectively.

“The Charity Trading Day is a brilliant initiative that deserves the support of the market,” said Guido Mosca, head portfolio manager of The Rohatyn Group, a trading participant for the past two years. Leveraging the trading day is a visionary way of giving back to the emerging countries,” he added.

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:

- "Sailing in Calmer Waters: The Prospects for Domestic Bond Markets in Latin America." August 31, 2006 - Christian Kopf (Published by Deutsche Bank Research).
- "Belize - Update on Our View of the Upcoming Restructuring." August 17, 2006 - Carl Ross (Bear Stearns).
- "Emerging Markets Debt Has Beaten Major Debt Classes Since Inception.'' August 2, 2006 - Jane Brauer and Dany Naierman (Merrill Lynch).
- "Russia: New FTO Debt Swap—at Long Last." August 1, 2006 - Arend Kapteyn and Yaroslav Lissovolik (Deutsche Bank).
- ''EMTA Summer Forum Notes.'' July 11, 2006 - Will Oswald (JP Morgan).
- "East Asian Finance: The Road to Robust [Bond] Markets." June 23, 2006 - Swati Ghosh (The World Bank).
- "Past. Present.....No Future?" June 9, 2006 - Elena Tulloch and Jane Brauer (Merrill Lynch). As Emerging Market countries retire their Brady bonds, the universe of investors has expanded beyond those willing and able to understand their complex cash flows and collateral structures.

New Developments

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

- September 7, 2006 - Standard & Poor's Upgrades Vietnam's Long-Term Foreign Currency Rating to BB.
- September 6, 2006 - EMTA Fall Forum in New York City to Be Held on October 19, 2006.
- September 4, 2006 - Standard & Poor's Upgrades the Russian Federation's Long-Term Foreign Currency Rating to BBB+.
- August 31, 2006 - Fitch Upgrades Peru's Foreign Currency Issuer Default Rating to BB+.
- August 31, 2006 - Fitch Upgrades Romania's Foreign Currency Issuer Default Rating to BBB.
- August 31, 2006 - Moody's Upgrades Brazil Foreign Currency Ceiling to Ba1.
- August 29, 2006 - Fitch Awards B+ Foreign-Currency Issuer Default Rating to Jamaica.
- August 25, 2006 - Second Circuit Decision in Kensington International Limited v. Congo.
- August 24, 2006 - Fifth Circuit Decision in AF-Cap v. Congo.
- August 22, 2006 - Standard & Poor's Upgrades Aries Rating to AAA Following Russian Paris Club Prepayment.
- August 21, 2006 - EMTA Announces 2Q 2006 Debt Trading Volume Stood at US$1.659 Trillion.
- August 21, 2006 - Venezuela Oil Obligations Record Date of September 29 and Payment Date of October 16 Expected. Trades are "Ex-Dividend" on September 27. Calculations for Payments on the Oil Obligations will be Announced by the Fiscal Agent Shortly.
- August 17, 2006 - Fitch Revises Ratings Methodology, Upgrades 40 Countries.

Website (continued)

- August 16, 2006 - Holiday Schedule for EM Bond Trades for UK Summer Bank and US Labor Day Holidays.
- August 15, 2006 - Nigeria Payment Adjustment Warrants Certificate Evidencing Payment Adjustment Rights.
- August 9, 2006 - EMTA Special Seminar on "'Partial' Sovereign Restructurings and their Implications" hosted by Clifford Chance to be held in London on October 12, 2006.
- August 9, 2006 - Switzerland and the U.S. Sign Hague Securities Convention.
- August 9, 2006 - Mexico VRR, Series E, Record Date of September 15 and Payment Date of October 2 Expected. Trades are 'Ex-Dividend' on September 13. Calculations for Payments on the VRR's will be Announced by the Fiscal Agent Shortly.
- August 3, 2006 - FG Hemisphere Associates v. Congo: Amicus Curiae Brief by National Union Fire Insurance Company of Pittsburgh, PA.
- August 2, 2006 - Belize Announces Debt Re-arrangement.
- August 2, 2006 - Letter from Belize's Prime Minister Regarding Formation of Creditors Committee.
- August 1, 2006 - Fitch Upgrades Argentina's Ratings on Performing Foreign Currency Debt Issued Under Foreign Law to B-.
- July 31, 2006 - Russian Ministry of Finance Announces Second Tranche of Former USSR FTO Debt Exchange.
- July 27, 2006 - World Bank Arbitration Tribunal (ICSID) Decision in Azurix Corp. v. Argentina.
- July 27, 2006 - Barboni et al v. Argentina.
- July 27, 2006 - Standard & Poor's Upgrades People's Republic of China Long-Term Rating to A.
- July 26, 2006 - EMTA Market Practice Recommendation Regarding Venezuela Oil Obligations and Their Related Payments.
- July 26, 2006 - Standard & Poor's Upgrades Indonesia's Long-Term Foreign Currency Rating to BB-.
- July 25, 2006 - FG Hemisphere Associates v. Congo Petition for Panel Rehearing and Petition for Rehearing En Banc.
- July 25, 2006 - Fitch Upgrades Russia's Foreign Currency Rating to BBB+.
- July 21, 2006 - Emerging Markets Benefit to Be Held in London on October 6, 2006.
- July 17, 2006 - Standard & Poor's Upgrades Guatemala's Long-Term Foreign Currency Rating to BB.
- July 16, 2006 - Moody's Upgrades Chile's Foreign Currency Rating to Baa1.
- July 14, 2006 - EMTA to Host a Special Seminar on "'Partial' Sovereign Restructurings and Their Implications: Enforcement Under the Foreign Sovereign Immunities Act" in New York City on October 5, 2006.
- July 14, 2006 - Fifth Circuit Decision in FG Hemisphere Associates v. Congo.
- July 10, 2006 - EMTA Issues New Market Practice Recommending Standard Terms for Chilean Peso, Colombian Peso and Peruvian Sol Non-Deliverable FX Transactions.
- July 10, 2006 - EMTA's Special Presentation on "Brazil's Capital Markets" in London on October 16, 2006.
- June 28, 2006 - Fitch Upgrades Brazil's Long-Term Foreign Currency Rating to BB.
- June 21, 2006 - Holiday Schedule for EM Bond Trades for US Independence Day Holiday.
- June 19, 2006 - Calculations for Payments on Mexico VRR's, Series D, Announced.
- June 16, 2006 - Calculations for Payments on Uruguay VRR's Announced.
- June 15, 2006 - Standard & Poor's Lowers Long-Term Rating on Hungary to BBB+.
- June 14, 2006 - EMTA's Second Quarter Bulletin is Now Available in our Bulletin Section.
- June 13, 2006 - EMTA Annual Summer Forum in London to be Held on July 6, 2006.
- June 12, 2006 - UK Court of Appeals Decision in Essar Steel Limited v. The Argo Fund Limited.

Website (continued)

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

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.

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.

SAVE THE DATE!
Wednesday, December 6, 2006

EMTA Annual Meeting

Annual NYC EM Charity Benefit

EMTA Membership Update

EMTA's newest Members include:

Aberdeen Asset Management
Bank of Ireland
BlueCrest Capital Management, Ltd.
Financial Markets Service Bank GmbH
FrontPoint Partners
ING Investment Management
Leumi Investment Services Inc.
Marathon Asset Management
Moody's Investor Services
Rubicon Fund Management
Stark Investments
T. Rowe Price Associates, Inc.

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 Hotlines

Topic	Contact	Telephone
Argentina	Aviva Werner	(646) 637-9110
Burden-Sharing/CAC's/SDRM	Michael Chamberlin	(646) 637-9100
Clearing Corp. (LCH.Clearnet)	Michael Chamberlin/Starla Griffin	(646) 637-9100/(44-207) 996-3165
EM Benefit Events	Jonathan Murno	(646) 637-9105
EM Bond Charts	Aviva Werner	(646) 637-9110
EM Principles	Michael Chamberlin	(646) 637-9100
EMTA Code of Conduct	Michael Chamberlin	(646) 637-9100
EMTA Membership	Starla Griffin/Jonathan Murno/Suzette Ortiz	(44-207) 996-3165/(646) 637-9105 (646) 637-9106
EMTA Website	Suzette Ortiz/Jonathan Murno	(646) 637-9106/(646) 637-9105
FX/NDF's/Derivatives	Leslie Payton Jacobs/Starla Griffin	(646) 637-9103/(44-207) 996-3165
Global Equities	Bruce Wolfson (Rohatyn Group)/Starla Griffin	(212) 984-2907/(44-207) 996-3165
Investor Rights	Michael Chamberlin	(646) 637-9100
Legal/Compliance	Aviva Werner	(646) 637-9110
Loan Trading	Aviva Werner	(646) 637-9110
Local Markets	Starla Griffin	(44-207) 996-3165
Market Information/Research	Jonathan Murno	(646) 637-9105
Market Practices	Aviva Werner	(646) 637-9110
Market Price & Volume Data	Jonathan Murno	(646) 637-9105
Netting	Aviva Werner	(646) 637-9110
Paris Club	Starla Griffin	(44-207) 996-3165
Repos/Securities Lending	Aviva Werner	(646) 637-9110
Warrants/VRR's	Aviva Werner	(646) 637-9110

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).

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Leslie Payton Jacobs	lpjacobs@emta.org
Aviva Werner	awerner@emta.org

EMTA Calendar

Mon., July 3	Recommended 2:00 p.m. (NYC) Early Market Close
Tues., July 4	Recommended Market Close (NYC) Independence Day Recommended 12:00 Noon (London) Early Market Close
Thurs., July 6	**London Summer Forum** **Merrill Lynch** **2 King Edward Street (London)** **EMTA Board Meeting (NYC/London)**
Wed., July 12	**Investor Seminar - 12:00 Noon** **Roundtable Discussion: GDP-Linked Securities - The Investor Viewpoint** **Global Financial Markets Conference Center** **360 Madison Avenue, 18th Floor (NYC)**
Mon., Aug. 28	Recommended Market Close (London) Summer Bank Holiday
Fri., Sept. 1	Recommended 2:00 p.m. (NYC) Early Market Close
Mon., Sept. 4	Recommended Market Close (NYC) Labor Day Recommended 12:00 Noon (London) Early Market Close
Thurs., Sept. 21	**EMTA Board Meeting (NYC/London)**
Thurs., Oct. 5	**'Partial' Sovereign Restructurings And Their Implications: Enforcement Under the Foreign Sovereign Immunities Act - 12:00 Noon** **Global Financial Markets Conference Center** **360 Madison Avenue, 18th Floor (NYC)**
Fri., Oct., 6	**2006 Emerging Markets Benefit (London)**
Fri., Oct. 6	Recommended 2:00 p.m. (NYC) Early Market Close
Mon., Oct. 9	Recommended Market Close (NYC) Columbus Day Recommended 12:00 Noon (London) Early Market Close
Thurs., Oct. 12	**'Partial' Sovereign Restructurings And Their Implications - 2:00 p.m.** **Clifford Chance** **10 Upper Bank Street (London)**
Mon., Oct. 16	**Brazil's Capital Markets - 2:00 p.m.** **UBS** **One Finsbury Avenue (London)**
Thurs., Oct. 19	**NY Fall Forum** **UBS** **1285 Avenue of the Americas (NYC)**

EMTA Calendar (cont)

Wed., Nov. 1	**EMTA Singapore Forum** **Raffles The Plaza Hotel** **2 Stamford Street (Singapore)** **Equinox Function Room (Level 69)**
Fri., Nov. 3	**EMTA Hong Kong Forum** **Ritz-Carlton Hotel** **3 Connaught Road (Hong Kong)**
Thurs., Nov. 9	**Investor Seminar** **Focus on Africa** **Savoy Hotel (London)**
November/December*	**Legal and Compliance Seminar - 12:00 Noon** **Global Financial Markets Conference Center** **360 Madison Avenue, 18th Floor (NYC)**
Wed., Nov. 22	Recommended 2:00 p.m. (NYC) Early Market Close
Thurs., Nov. 23	Recommended Market Close (NYC) Thanksgiving Day Recommended 12:00 Noon (London) Early Market Close
Fri., Nov. 24	Recommended 2:00 p.m. (NYC) Early Market Close
Wed., Dec. 6	**EMTA Annual Meeting** **Citigroup, 388 Greenwich Street (NYC)** **2006 Emerging Markets Benefit (NYC)**
Fri., Dec. 22	Recommended 2:00 p.m. (NYC) Early Market Close
Mon., Dec. 25	Recommended Market Close (NYC) Christmas Day Recommended 12:00 Noon (London) Early Market Close
Tues., Dec. 26	Recommended Market Close (London) Boxing Day
Fri., Dec. 29	Recommended 2:00 p.m. (NYC) Early Market Close
Mon., Jan. 1, 2007	Recommended Market Close (NYC/London) New Year's Day (2007)

* **Details TBA**