EMTA

Bulletin

4th Quarter 2001 Volume 2001: No. 4

10 Years and counting

In this Issue

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EMTA Calls for More Constructive Dialogue to Catalyze Private Capital Flows

EMTA has called for a more constructive dialogue between official sector policymakers and private sector representatives about how best to catalyze stable flows of private sector capital into the Emerging Markets in support of sound economic progress and long-term development. The recent burden-sharing debate, and its emphasis on restructuring bonds, has helped drive investors away from the Emerging Markets.

Specifically, in discussing crisis resolution, notes EMTA Executive Director Michael M. Chamberlin, "we must move beyond talking solely about moral hazard and how to restructure bonds to more positive discussions. Moral hazard should not be exaggerated to the point where eliminating it becomes the paramount objective. There is virtue in increasing the investor pool, not merely locking it in at its current level."

Since the burden-sharing debate began, private sector flows to the Emerging Markets have fallen off sharply. Financial support packages are routinely referred to as 'bail-outs' and never as 'rescues'. Locked into the lexicon and framework of this debate, the main dialogue between the official and private sectors has revolved around how to restructure bonds more easily, a naturally divisive and contentious topic that tends to discourage stable private sector involvement at a time when it has shrunk and needs to be encouraged. "The time spent thinking and talking about restructuring bonds has distracted us from the larger picture of how best to meet the financing needs of developing economies," added Chamberlin.

In the year ahead, expect to see EMTA working harder, and in closer collaboration with other private sector groups, to engage policymakers in a more constructive dialogue.

A Bleak September

In addition to devastating losses at several brokers located in the WTC, the terrorist attack on September 11 created widespread dislocations for firms located in lower Manhattan and severely disrupted EM trading. The NYC market was effectively closed on the following Wednesday, but reopened, along with the U.S. domestic fixed income markets, on Thursday, September 13. The NYC market observed early closings until the middle of the following week.

A Bleak September (continued)

During this time, many firms used back-up offices and systems, and much trading and/or processing activity was re-directed to London, thus taking some pressure off NYC trading infrastructure. Many firms were restored to their offices in lower Manhattan by the following Monday, but communications disruptions and office dislocations persisted for most of September (and have continued for a number of firms located closest to Ground Zero).

EMTA offices at 63 Wall were evacuated on Tuesday afternoon and reopened on the following Monday, along with a large part of lower Manhattan.

In the days immediately following the attack, EMTA worked in collaboration with the Bond Market Association and other industry groups to review systems readiness, to advise market participants daily of the status of the market and to ensure that temporary contact information was available throughout the marketplace. We participated in daily conference calls and communicated information to the marketplace by e-mail, telephone and through our website daily for nearly two weeks following the attack. During this time, we also stepped up our contacts with the EM press, particularly at Reuters and Dow Jones, in an effort to get the word out about the industry's response to the market disruption.

As might have been expected, due to the concentration of offices in lower Manhattan, the weakest link in the NYC's EM trading infrastructure was the availability of broker screens and the processing of screen trades. It became apparent early on that, despite sharply reduced screen capacity in NYC and occasional outages in London, most dealer firms no longer consider "face-to-face" trading to be a viable alternative. Remarkable efforts by dealers, brokers and clearing firms substantially restored screen availability and processing capacity in NYC by late September.

EMTA's 2001 Annual Meeting Features Mexico's Finance Minister Francisco Gil Diaz

EMTA's Annual Meeting, which will be held on Wednesday, December 5, 2001, will feature keynote remarks by Mexico's Finance Minister Francisco Gil Diaz. The event will be hosted by Salomon Smith Barney at 388 Greenwich Street in New York City, beginning at 2:00 p.m. Minister Gil Diaz will discuss recent economic progress in Mexico, including fiscal reform. Following his presentation, the Minister will take questions from the audience.

Salomon's Tom Trebat will kick off the event with a panel discussion, including Emerging Markets investors David Rolley (Loomis Sayles), Mark Dow (MFS), Amer Bisat (Morgan Stanley Investment Management), and Hari N. Hariharan (NWI Management). Among the topics the panel is expected to address is the effect that official sector policies can have on the level of private capital flows to Emerging Market countries.

Following the investor panel, Jose Luis Daza (Deutsche Bank) will moderate a discussion of leading Emerging Markets analysts, including Arturo Porzecanski (ABN Amro), Paulo Leme (Goldman Sachs), Joyce Chang (J.P. Morgan Chase) and Tulio Vera (Merrill Lynch). The panel will discuss specific country forecasts, as well as the general outlook for the Emerging Markets debt asset class.

The Annual Meeting will conclude with a holiday cocktail reception.

As a large turnout is expected (350 market participants attended in 1999 and 2000), members are urged to Register Online as soon as possible. Please contact Jonathan Murno at jmurno@emta.org or (212) 908-5022 if you have further questions.

EMTA Board Meeting on October 25

EMTA's Board of Directors met by video-conference on October 25 at the offices of J.P. Morgan Chase in both New York City and London.

In addition to reviewing EMTA's finances and various activities during the month of September (see "A Bleak September" on page 1), the Board elected Vincent Priolo (ING), Redwan Merouani (Credit Agricole Indosuez) and Michael Krumenacker (Euro Brokers) as replacement Directors for their institutions. Alexis Habib, formerly Director on behalf of Credit Agricole Indosuez, was elected to represent Spinnaker Capital. The vacancy caused by the tragic loss on September 11 of Frank McGuinn, EMTA's Director from Cantor Fitzgerald, was left unfilled.

Among other things, the Board also briefly reviewed the proposed EMCC integration and EMTA's collaborations with other financial trade groups in view of a recent request made by the heads of Fixed Income at 21 major financial institutions that, as a result of the increasing integration of financial products within individual firms, the industry's major trade associations strive to work together more effectively and seek greater organizational and operating efficiencies. In response to this request, the heads of various financial trade associations (including TBMA, ISDA, ISMA, LSTA, IPMA and FIA) have begun meeting to ensure that they are appropriately responsive to the industry's needs.

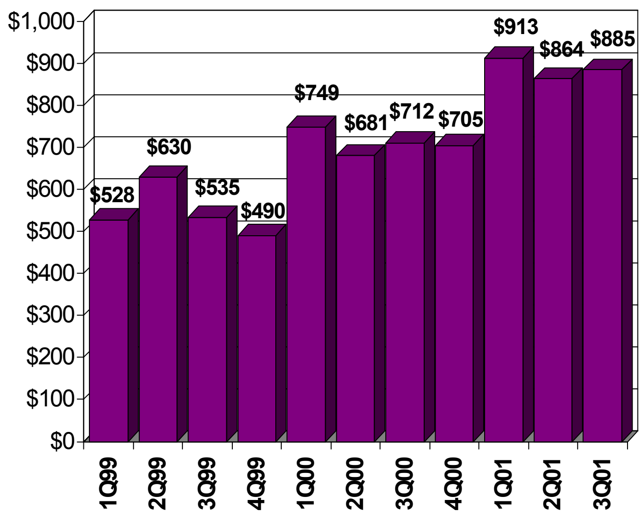
Finally, the Board discussed EMTA's decision to withdraw its support from this year's EM Benefit and the need to improve the Benefit's decision-making so that it can be as successful as possible in the future.

EMTA Volume Survey: Third Quarter 2001
Emerging Markets Debt Trading Up to US$885 Billion
Nine-Month Level Exceeds US$2.6 Trillion

Speculation on Argentina Fuels Volume

Trading in Emerging Markets debt instruments reached its second highest quarterly level in three years in the third quarter of 2001, at US$885 billion, according to EMTA's Third Quarter 2001 Debt Trading Volume Survey. This represents a 2% increase from the US$864 billion reported in the second quarter of 2001, and a 24% increase from third quarter 2000 trading of US$712 billion.

Aggregate Trading Volume
(in US$billions)



Volume in the first three quarters of 2001 reached US$2.661 trillion, only 6% less than total trading in all of 2000 (US$2.846 trillion). Market participants reported that trading surged in July and August, before dropping dramatically in the aftermath of the September 11 terrorist attacks, when the Emerging Markets debt industry followed other financial markets in closing and subsequently holding shortened trading days.

Jonathan Bayliss, Managing Director and Global Head of Quantitative Strategy at J.P. Morgan in London, noted that third quarter volumes were fueled by the "roller coaster ride in Argentina." Bayliss added, "In July, the Argentine EMBI+ sub-index dived 21% on the flight of 8% of the deposit base, while in August there was panic short-covering following the announcement of a new IMF facility and the prospect of a bond exchange."

Mexico Volumes Remain High

Volumes in Mexican debt instruments continued to be the most frequently traded Emerging Markets debt instruments for the fourth consecutive quarter. Mexican turnover stood at US$298 billion, up 14% vs. US$262 billion in the second quarter of 2001 (and a 74% increase compared to US$171 billion in the third quarter of 2000). Analysts commented that, since market speculation about Argentina's financial health intensified in the final quarter of last year, many dedicated investors have seen Mexican debt as a "safe haven." However, Bayliss noted "there was also a heavy sell-off of Mexican debt by high-grade crossover investors in the third quarter, which we believe was largely due to concerns of Argentine contagion fears." Mexico is one of the most widely held Emerging Markets assets, in part due to its investment grade rating from Moody's, which allows greater numbers of investors to purchase and hold Mexican debt.

Brazilian debt volumes stood at US$172 billion, down modestly from US$178 billion in the previous quarter and US$193 billion (an 11% decrease) in the third quarter of 2000. Bayliss commented that Brazilian volumes may have been boosted not only by investors speculating about the effects of Argentina on

EMTA Volume Survey (continued)

Brazil's financial health, but may also have benefited from buying from dedicated Emerging Markets investors fleeing Argentina. Brazil C-Bond trading, the industry benchmark, totaled US$51 billion (vs. US$63 billion in the second quarter).

Survey participants reported turnover of US$87 billion in Argentine debt instruments, down 27% from the US$119 billion and the US$117 billion in the two previous quarters, but 20% higher than trading in the third quarter of 2000 (US$73 billion). Following Argentina's US$29 billion "mega swap," which offered investors new global bonds in exchange for a variety of Argentine local and external debt, trading in Argentine local instruments was at its lowest level since EMTA began compiling quarterly statistics in 1997, at US$5 billion.

Russian volumes rose to US$82 billion (up 6% from US$77 billion in the second quarter and up 38% from third quarter 2000 volume of US$59 billion) as investor sentiment vis-à-vis Russia continued to improve. Russia's 2030 bond accounted for US$45 billion in trading, surpassed only by Brazilian C-Bond volume, or more than 5% of all Emerging Markets debt trading.

Turkish volumes remained at their lowest levels in recent years at US$14 billion (down 16% from the previous quarter, while dropping 50% from the third quarter of 2000). Turnover in Turkish local debt was less than one-fifth of the levels reported in the same quarter last year.

Local Markets Volume at US$406 Billion; Eurobond Trading at US$324 Billion

Survey participants reported local instrument trading of US$406 billion, or 46% of total volumes (vs. 39% shares in both the previous quarter and the third quarter of 2000). 61% of all local instrument trades involved Mexican instruments (US$246 billion). Market participants also reported trading US$31 billion in South African local debt, turnover of US$21 billion in debt from Poland and Taiwan, and trading US$16 billion in Singapore local debt.

Eurobond volumes stood at US$324 billion (a 37% share of total volume, vs. a 38% share in the second quarter). Russian Eurobonds remained the most frequently traded Eurobonds (US$73 billion), followed by eurobonds from Brazil (US$70 billion), Argentina (US$49 billion), Mexico (US$43 billion) and Turkey (US$11 billion). New Eurobond issuance in the third quarter was limited, at only US$8.3 billion according to J.P. Morgan. Of the few countries to tap the international capital markets during the quarter, volume was strongest in the debut issues from Egypt, whose new 2006 and 2011 Eurobonds accounted for US$5 billion in volume.

Brady Bond volume declined 28% to US$120 billion from US$166 billion in the second quarter, and its market share dropped to 14% from 19% in the previous quarter (and 23% in the third quarter of 2000). Participants reported US$21 billion in option trading and US$14 billion in loan turnover.

Looking forward, Bayliss believes market activity will continue to be strong. "The Argentine situation remains very delicate and we expect volatility and trading volumes to remain high," he stated.

For a copy of EMTA's Third Quarter 2001 Debt Trading Volume Survey, please contact Jonathan Murno at jmurno@emta.org or (212) 908-5022.

Key Sovereign Immunities Change Defeated; Others Delayed

A key change in the U.S. Foreign Sovereign Immunities Act (FSIA), proposed last summer by a working group of the International Litigation Committee of the American Bar Association (ABA), has been withdrawn due primarily to concerns expressed by EMTA and others. The proposed change would have explicitly provided a temporary stay (initially for 6 months, but extendable up to 3 years) of legal actions against a sovereign upon a showing that the legal action would cause extreme hardship. EMTA expressed its view that the proposed stay would upset the appropriate balance between debtor's and creditor's rights under the FSIA in the context of sovereign financial crises and deserved study in a broader context than the FSIA.

While the International Litigation Committee has now sent a revised report to the ABA, EMTA is working with representatives of the Financial Markets Lawyer's Group and the SIA to ensure that other concerns of the financial markets (such as a proposed change that would, in effect, overturn the Supreme Court decision in *Weltover* by requiring a direct and substantial effect in the U.S. for subject matter jurisdiction over a sovereign) are properly reflected in the ABA's final decision regarding recommended changes to the FSIA (now expected in early 2002).

For more information, please contact either Michael Chamberlin at mchamb@emta.org or (212) 908-5000, or Aviva Werner at awerner@emta.org or (212) 908-5003.

Paris Club

EMTA and IIF representatives met with the Paris Club Secretariat on October 17, 2001 to discuss country-specific consultations and other topics. This meeting was held in lieu of a larger gathering of all of the Paris Club creditors and private sector representatives that was postponed due in large part to the September 11 terrorist attacks.

The IIF has recently proposed that country-specific consultations should take place on a regular basis – not just when a crisis is imminent, and should include the IMF, the Paris Club and representatives of the private sector. In response to concerns about sharing confidential information in such a process with bondholders, EMTA urged that more information regarding the Paris Club and its views should be released publicly on a timely basis and suggested that, to the extent more information is not made public earlier, the flow of information should be from bondholders to the official sector in order to ensure that investor perceptions and assessments of risk are factored in any analysis of a country situation.

The private sector dialogue with the Paris Club on this and other issues is expected to continue in the coming months. For more information, please contact Jonathan Murno at jmurno@emta.org or (212) 908-5022, or Michael Chamberlin at mchamb@emta.org or (212) 908-5000.

Bond/Warrant Trading & Settlement

Mexico VRR's Reference Prices

Since March 1, 2001, EMTA has been calculating a composite reference price for Mexico VRR's based upon quotes received from seven Reference Dealers. The methodology used by EMTA in determining such EMTA VRR Reference Price, as well as the most recent weekly EMTA VRR Reference Prices (which are published every Monday for the preceding week) and the historical EMTA VRR Reference Prices to date, can be located on EMTA's website in the Activities & Services, Market Data, Mexico VRR Reference Prices area.

Market Practices

As you may be aware, EMTA's Market Practices for the separate trading of USD Discount and Par Bonds and their related Series A VRR 's became effective on February 1, 2001. The market's reaction to the Market Practices continues to be favorable and the approach taken under the new Market Practices for Mexico USD Bonds is expected to be extended to Venezuela, Nigeria and Uruguay Brady Bonds in the near future.

Bond/Warrant Trading & Settlement (continued)

Reconciliation of Old VRR Transfers

Adequate and accurate reconciliation among market participants continues to be the key to resolving disputes regarding old failed VRR transfers.

Market participants are strongly encouraged to continue their efforts to reconcile internally and with their counterparties their individual accumulated failed VRR transfers, and resulting net VRR and VRR payments positions, so that net bilateral positions can be ascertained and settled. In addition, EMTA encourages EMCC members to work with EMCC in pairing off as many failed trades as possible so that any buy-ins of those failed trades would be executed in respect of much lower netted VRR trade amounts.

The December 31, 2001 payment is expected to be made to VRR holders of record (and holders of Par Bond Units, if any) as of December 15, 2001, and EMTA recommended that trades be settled 'ex-dividend' on December 12. (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 the Fiscal Agent has provided such calculation.)

Numerous claims among market participants for the December payment, as well as for previous payments, are expected.

Venezuela Oil Obligations

Fails in settlements of Venezuela's Oil Obligations, which accompany its Par and Discount Bonds, has been a continuing problem, similar to the VRR fails in Mexico. The problem was initially caused, for the most part, by the inadvertent non-delivery of Oil Obligations in connection with past trades of such Bonds due mainly to the failure to input, or match on, the separate settlement instructions that are needed to effectively transfer the Oil Obligations.

Unfortunately, as far as the old backlog of failed settlements, there does not appear to be a very realistic alternative to the difficult process of trade-by-trade reconciliation, and EMTA encourages market participants to step up their efforts to reconcile internally and with their counterparties their individual accumulated failed Oil Obligation transfers so that net bilateral positions can be ascertained and settled.

As indicated previously, Market Practices for the separate trading of Venezuela's Bonds and Oil Obligations have been proposed and are expected to be implemented shortly.

For a background Primer on Venezuela's Oil Obligations, including the formula for determining the number of Oil Obligations related to USD Par and Discount Bonds, please visit the November 15, 2001 New Developments area of EMTA's website.

Nigeria Payment Adjustment Warrants

The payment on Nigeria's Payment Adjustment Warrants, which was expected to be made on May 15, 2001, was distributed by the Fiscal Agent on November 15, 2001 (see the November 15, 2001 New Developments area of EMTA's website for more information on this payment).

Market Practices for the separate trading of Nigeria's Bonds and Payment Adjustment Warrants, as well as a background Primer on this topic, are expected to be available shortly.

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For further information regarding VRR's, Oil Obligations and Payment Adjustment Warrants, please visit the New Developments area of EMTA's website or contact Aviva Werner at awerner@emta.org or (212) 908-5003.

Yugoslavia Local Markets

The National Bank of Yugoslavia recently proposed a framework for the secondary trading, custody and settlement of the Yugoslav DM-denominated Frozen Foreign Currency Bonds (the "Bonds") issued in connection with the settlement of claims on old Yugoslav foreign currency bank deposits. Materials in connection with the proposed trading framework are located in the October 29, 2001 New Developments area of EMTA's website.

In response, EMTA has developed and published a list of key principles for successful local instrument trading markets, which, if implemented, would foster greater foreign investor confidence and participation by increasing both the number of foreign investors and the resulting level of trading activity.

The EMTA principles, which were set forth in a letter to the Governor of the National Bank of Yugoslavia and can be found in the November 16, 2001 New Developments area of EMTA's website, are as follows:

- **OTC Trading; Pricing Mechanisms.** Market participants must be able to trade Bonds on an over-the-counter (OTC) basis (as opposed to exclusive exchange trading) at mutually agreed prices/volumes between counterparties. Price discovery and determination mechanisms must be transparent and subject to market forces.

- **Safe Custody.** Foreign investors, through their global custodians, must be entitled to hold their Bonds with a highly reputable local custodian of high international credit standing that is able to ensure safe custody.

- **DVP.** Each trade must be agreed between the counterparties on a delivery vs. payment (DVP) settlement basis in accordance with internationally recognized standards. This requires the elimination of any "advance deposit" requirement to be paid by buyers on the trade date. The role of the local custodian is to receive and act only upon matching instructions for settlement from buyer and seller. Settlement is by way of internal transfer between the accounts of buyer and seller within the local custodian. The local custodian has no obligation to settle the transaction if buyer's and seller's instructions did not match or either party did not have the necessary amount of Bonds or cash available in its accounts. Even more preferable is settlement in an internationally recognized commercial jurisdiction, or against payment in such a jurisdiction.

- **Good Title.** Buyer's title to the Bonds in the local custodian's securities account must be guaranteed, clearly and unambiguously beyond the possibility of dispute.

- **Tax and Regulatory Treatment.** These regimes must be transparent and non-discriminatory.

EMTA emphasized in its letter that any framework for the trading of the Bonds that does not have the aforementioned key characteristics, or that requires foreign investors to incur significant direct or indirect costs in order to participate in the markets, would negatively affect liquidity and thus impair significant foreign investment in the local market.

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If you would like to participate in this project or require further information, please contact Aviva Werner at awerner@emta.org or (212) 908-5003.

Some Nuts & Bolts of New Financial Architecture

New Financial Architecture means different things to different people, and encompasses a variety of concepts and concerns that range from the profound to the procedural. Many questions and concerns have arisen about various exchange offer procedures, including the relative responsibilities of the exchange agent, lead manager, fiscal agent, issuer and clearing systems, over the past several years for Argentina, Russia, Ecuador, Brazil and Mexico. An EMTA Working Group has been looking into many of these questions, with a view to determining whether these exchange offer procedures can be improved from the standpoint of investors and other holders of sovereign debt instruments.

For more information concerning work in this area, please contact Aviva Werner at awerner@emta.org or (212) 908-5003.

FX/Derivatives

Latin America NDF's

The NDF Argentina Sub-committee has held several conference calls to discuss how outstanding NDF contracts would be treated in the event that Argentina decided to dollarize. It was agreed that the 1998 Definitions, Section 4.3 (penultimate paragraph), would provide the basis for recognizing the US Dollar as the Successor Currency. Therefore, claims of "frustration of purpose" and the like would not be applicable to terminate obligations under outstanding NDF contracts.

The group also discussed how the ensuing USD/USD rate required for valuation of affected NDF contracts would be determined. The group agreed that no CME/EMTA Industry Survey Rate would be published in the event of dollarization. Likewise, it is unlikely that the Argentine authorities would publish any ARS Official Rate in the event of dollarization. Therefore, market participants would be required to apply a Price Source Disruption analysis, which would ultimately require that the Calculation Agent determine the Settlement Rate for these contracts.

EMTA determined that no clarification or recommendation would be issued with respect to these issues unless and until the Argentine authorities issued an official policy statement of their intention to dollarize.

Asia NDF's

EMTA was recently informed by the Hong Kong Foreign Exchange and Money Market Practices Committee (MPC), that it has expressed its support for the use of the EMTA Template Terms for NDF Transactions by market participants in Hong Kong, subject to individual banks' own assessments of their acceptability.

This support was expressed to the MPC member associations, including:

- Hong Kong Financial Markets Association
- Hong Kong Association of Banks
- Hong Kong Association of Restricted License Banks & Deposit-Taking Companies; and
- Hong Kong Foreign Exchange and Deposit Brokers' Association.

EMTA issued revised Template Terms and a revised Market Practice for Taiwan Dollar NDFs on November 1, 2001. The revised Template Terms incorporate the new Taiwan Dollar rate source definition for Reuters Screen TAIFX1 Page. This rate source definition replaces Reuters Screen TFEMA Page, which is being phased out. The TAIFX1 rate source definition will be added to Annex A next time Annex A is amended.

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In the future, questions concerning FX matters should be directed to Aviva Werner at awerner@emta.org or (212) 908-5003.

Website Updates & Additions

Key Industry Views

EMTA continues to recognize publications by leading research analysts that highlight important industry topics. In recent weeks, EMTA has made several important additions to the Key Industry Views area of its website, including:

- "Please, Engage Brains," November 21, 2001 - Walter Molano (BCP Securities)
- "ARS NDFs: How Realistic A Scenario Is Dollarization?" October 2, 2001 - Martin Anidjar (J.P. Morgan)
- "No More Hideouts for Criminal Money." September 28, 2001 - Arminio Fraga (President, Central Bank of Brazil, Republic of Brazil)

Recent Developments

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

- Argentina Economy Minister Domingo Cavallo's November 20 letter to bondholders
- Press release jointly issued by Ivory Coast and its Creditor Advisory Committee regarding Brady principal and interest
- Yugoslavia's announcement regarding the treatment of Excluded Debt and information on trading DM Old Foreign Currency Savings Bonds
- Mexico calls FRF-denominated Par Bonds
- Citibank notice about delayed payment of Nigeria's Oil Warrants

Miscellany

Sadly, Starla Cohen, EMTA's Managing Director in Europe, is leaving EMTA to pursue other interests (which include completing a literary project). Since 1996, Starla has worked with great skill on many FX and Local Markets matters and has recently contributed to EMTA's Paris Club initiative. We are sorry to see Starla go, but wish her continued success in all her future endeavors, artistic or otherwise.

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

Exit Consents

Michael M. Chamberlin, EMTA's Executive Director, discussed Exit Consents at the Bear Stearns & EMCA Sovereign Creditors Rights Conference held on November 8, 2001 in New York City. Click Here for the full text of his remarks.

EMTA is paperless. Visit **www.emta.org** for the latest information.

Miscellany (continued)

EMPower Raises $12,000 at November 27 Event

EMPower, the Emerging Markets Foundation created by professionals in the Emerging Markets financial community, held a Thanksgiving Latin Jazz event on Tuesday, November 27, 2001. The event drew a crowd of over one hundred market participants, who listened to live jazz music provided by Iguazu. Proceeds from the event will be distributed among grassroots organizations in the Emerging Markets.

The event featured a special presentation by Sakeena Yakoobi of the Afghan Institute of Learning, who spoke of her efforts to educate children, especially women, in Afghan refugee camps in Pakistan and home schools in Afghanistan . The speech was notable in that in previous visits to the US, Ms. Yakoobi's identity was closely protected to avoid punishment in Taliban-controlled Afghanistan.

In addition, a live auction raised $12,000, with bidders vying for tickets to a Rangers game (donated by George Grunenbaum), vintage wines (donated by Joyce Chang, Dave Robbins and Paul Masco), a weekend in the Hamptons (donated by Sue Waterbury), artwork (donated by Alicia Duran and Karla Brom) and a mountain biking adventure (donated by Don Leitch) among other items. Tom Trebat, Guido Mosca and Steve Leininger were among the successful bidders.

EMPower is engaged in a major fundraising campaign, seeking an additional $200,000 in donations by year-end, so that new grants can be awarded in the spring. Already, with its first round of grants, EMPower has helped to improve the lives of over 168,000 people in the Emerging Markets.For further information, please contact Marta Cabrera mcabrera@empowerweb.org or Barbara Magnoni at bmagnoni@empowerweb.org or visit www.empowerweb.org.

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Although EMTA is not affiliated with, and does not officially support, any particular charitable organization, EMTA does believe in promoting and giving greater visibility to the industry's most worthy efforts to support charitable and other public service activities.

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EMTA Membership Update

EMTA's newest members are **Macquarie Bank Limited** and **BCP Securities**. If you know of other prospective members, please contact either Jonathan Murno at jmurno@emta.org or (212) 908-5022, or Suzette Ortiz at sortiz@emta.org or (212) 908-5015. EMTA's website (www.emta.org) under Membership now offers information about joining our Association.

EMTA Hotlines

Topic	Contact	Telephone
Clearing Corp. (EMCC)	Keith Kanaga (EMCC)	(212) 855-1675
Code of Conduct	Michael Chamberlin	(212) 908-5000
Corporate Governance	Michael Chamberlin	(212) 908-5000
Derivatives/NDF's	Aviva Werner	(212) 908-5003
Electronic Trading	Michael Chamberlin	(212) 908-5000
Foreign Exchange	Aviva Werner	(212) 908-5003
Global Equities	Bruce Wolfson (Bear)	(212) 272-2571
Information/Research	Jonathan Murno	(212) 908-5022
Investor Rights	Michael Chamberlin/Aviva Werner	(212) 908-5000/(212) 908-5003
Legal/Compliance	Aviva Werner	(212) 908-5003
Loan Trading	Aviva Werner	(212) 908-5003
Local Markets	Aviva Werner	(212) 908-5003
Market Practices	Aviva Werner	(212) 908-5003
Market Price & Volume Data	Jonathan Murno/Lisa Palazzola	(212) 908-5022/5019
Membership	Jonathan Murno/Suzette Ortiz	(212) 908-5022/(212) 908-5015
Multilateral Netting	Don Goecks/Suzette Ortiz	(212) 908-5010/5015
Paris Club	Jonathan Murno	(212) 908-5022
Repos/Securities Lending	Aviva Werner	(212) 908-5003
Warrants/VRR's	Aviva Werner	(212) 908-5003
Website	Lisa Palazzola/Eric Brenner	(212) 908-5019/5013

EMTA staff can also be reached through the general telephone number (212) 908-5000, at the following e-mail addresses or by visiting EMTA's website at www.emta.org.

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EMTA Calendar

Fri., Oct. 5	Recommended 2:00 p.m. (NYC) Market Close
Mon., Oct. 8	Recommended Market Close (NYC) Columbus Day Recommended 12:00 noon (London) Market Close
Thurs., Oct. 25	**EMTA Board Meeting (NYC/London)**
Wed., Oct. 31	Legal and Compliance Group Meeting 12:00 noon at Shearman & Sterling (NYC)
Fri., Nov. 9	Recommended 2:00 p.m. (NYC) Market Close
Mon., Nov. 12	Recommended Market Close (NYC) Veterans Day Recommended 12:00 noon (London) Market Close
Wed., Nov. 21	Recommended 2:00 p.m. (NYC) Market Close
Thurs., Nov. 22	Recommended Market Close (NYC) Thanksgiving Day Recommended 12:00 noon (London) Market Close
Fri., Nov. 23	Recommended 2:00 p.m. (NYC) Market Close
Wed., Dec. 5	**EMTA Annual Meeting** **Salomon Smith Barney, 388 Greenwich Street, NYC**
Mon., Dec. 24	Recommended 2:00 p.m. (NYC) 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) Market Close
Tues., Jan. 1, 2002	Recommended Market Close (NYC/London) New Year's Day
January*	**EMTA Board Meeting (NYC/London)**
Fri., Jan. 18	Recommended 2:00 p.m. (NYC) Market Close
Mon., Jan. 21	Recommended Market Close (NYC) Martin Luther King, Jr. Day Recommended 12:00 noon (London) Market Close
Wed., Jan. 30**	Legal and Compliance Group Meeting 12:00 noon at Shearman & Sterling (NYC)

*** Date TBA**
****Tentative Date**