EMTA Bulletin

3rd Quarter 2001 Volume 2001: No. 3

10 Years

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Our Market Mourns and Responds

While mourning the unimaginable, the marketplace for Emerging Markets debt instruments showed great resilience as it re-opened quickly and functioned remarkably smoothly in the aftermath of the tragic attack on the World Trade Center. Back-up systems and locations worked well, and for several days (longer in some cases), much trading activity and processing was re-directed to London, thus taking some pressure off of New York's capacity to handle transaction flows. By the end of September, trading had returned to pre-September 11 levels and was being processed without incident, though no one in New York was able to describe anything as being 'normal'.

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 markets and to ensure that temporary contact information was available throughout the marketplace. EMTA's offices at 63 Wall Street re-opened on September 17, as did much, but sadly not all, of lower Manhattan.

In an effort to respond to this tragedy, EMTA has asked EMPower, the grassroots charity established and supported by many Emerging Markets trading professionals, to consider working with us to form and administer a special fund for the benefit of families of those members of the EM trading and investment community who have been lost.

The longer term implications of September 11 on our marketplace will only be understood with the passage of time. In this regard, if you have thoughts you wish to share, please do not hesitate to contact us.

Finally, with great sadness, EMTA mourns the loss of its director from Cantor Fitzgerald, Francis N. McGuinn.

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www.emta.org

Trade Association for the Emerging Markets

Cautious Optimism Expressed at EMTA's Summer Forum in London

Approximately 150 Emerging Markets professionals gathered on June 28, 2001 for EMTA's Fourth Annual Summer Forum in London. The event, which was again hosted by Deutsche Bank, included two wide-ranging panel discussions that addressed such issues as the financial crises in Argentina and Turkey, the effects of the US economic slowdown, Bush administration policy vis-à-vis the multilaterals, burden-sharing, oil pricing, capital flows as well as predictions for most EM countries. Jerome Booth (Ashmore Investment Management) led the discussion of sell-side experts while Citigroup Investments' Mark Franklin again chaired EMTA's investor panel.

Sell-Side Panel Adopts Cautious Tone

Eric Fine (Morgan Stanley) summarized the comments of many of the panelists when, noting his cautiousness towards the EMs in general, he commented "we're in a phase of the market that's a pretty risky one…it's being led primarily by inflows, not by improving fundamentals, a very different situation from 1999 and 2000 when we'd be writing pieces and saying here are six good pieces of news."

David Sekiguchi (Deutsche Bank) stated that, because of past and potential tax reforms as well as oil pricing, the outlook on Russia looks as bright as it ever has since the dissolution of the USSR. While some panelists noted the potential risk in owning Russian debt should oil pricing drop, Philip Poole (ING Barings) stressed that this was somewhat mitigated by the broadening of the Russian tax base and reduced tax evasion. Poole warned however that "President Putin has to push forward with a fairly broad range of reforms," if Russia is to continue to grow, and added that the sustainability of growth is also an important risk factor.

Asked about the prognosis for Argentina, Robin Hubbard (J.P. Morgan) noted that despite the time Buenos Aires had bought by completing a $29.5 billion mega-swap, "in the long term, they're still between a rock and a hard place, in terms of the policy options they have to get the economy growing. You can argue that they need to do more fiscal adjustment, but clearly, fiscal adjustment in a time of no growth is very politically difficult."

Sekiguchi commented that, despite years of reforms, Latin America remains highly dependent on commodity exports—even Chile, he noted, undoubtedly the star of Latin America with 25 years of reform progress and an open economy, still depends largely on copper exports. Such dependency makes Latin countries extremely vulnerable to global slowdowns. While EMTA's panel of Sell-Side experts remained concerned by the implications of the economic slowdown in the US, speakers generally concurred that a potential credit event in Argentina posed a greater risk to EM debt.

London Forum (continued)

Investor Panel Picks Russia and Ecuador as Favorites

Russian and Ecuadorian debt instruments were the most frequently mentioned countries with significant upside potential, according to EMTA's investor panel. Amit Gupta (MN Services) stated he believed that Ecuador was a candidate for tightening by a couple of hundred basis points, while Tom Fallon (Fortis Investment Management) expressed satisfaction that the country's currency board seems to have taken root. Maryam Ettehadieh (Credit Suisse Asset Management) called Russia a "compelling story," but cautioned against "euphoria" while panel moderator Mark Franklin (Citigroup Investments) opined that Russian equities and Soviet assets which have not yet been restructured are of the greatest interest to him. Paul Murray-John (Zurich Scudder) offered Venezuela as a country with possible downside risk, based on declining official reserves and capital flows out of the country.

Panelists concurred that it was too early to determine the new US administration policy concerning the international financial institutions, with Franklin commenting "…My instinct is not only will [the new administration's policy] be reactionary to a crisis, I'm not convinced it will necessarily be positive for the markets." Fallon added that despite the rhetoric, policy would likely continue to be made on a case-by-case basis.

Investor panelists suggested that the extreme market negativity towards Argentina might be over-done; Gupta commented that, despite some investors' belief that a default is inevitable, "in reality, this is something, where if you think in terms of a chess game, could be a potential outcome six or seven or eight steps down the road." Murray-John cited support from local investors, and Ettehadieh noted she was "perhaps on the more optimistic side of the entire spectrum of views…because I think that there will be something engineered." Ettehadieh added that it is the portfolio manager's job to constantly be accessing whether the returns on a country's debt is adequate payment for assuming a country's default risk, and suggested that spreads might justify long positions in Argentine debt.

Finally, investors were concerned about possible derailments in emerging European countries joining the EU, and believed that this had not been factored into debt pricing. Fallon was concerned that a delay in Polish accession may force a change in the calendar for other countries such as Hungary. However, Ettehadieh and Murray-John echoed Sell-Side analyst Poole's choice of Bulgaria as one of the most promising credits in the region, while Gupta chose Ukraine as a potential out-performer.

Transcripts

Sell-Side Buy-Side

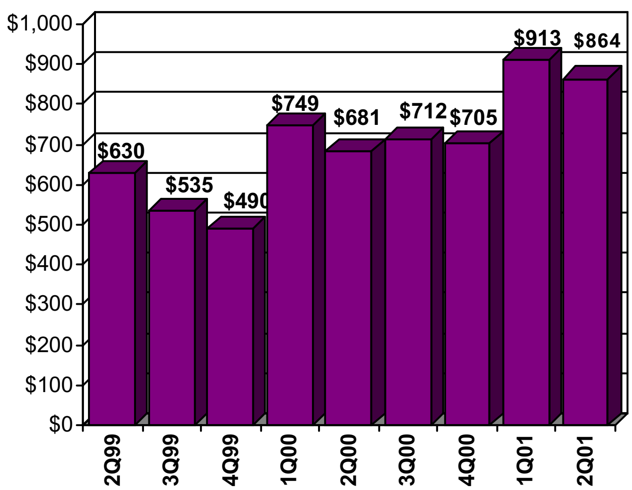
EMTA Survey: Second Quarter 2001 Emerging Markets Debt Trading at US$864 Billion

Market Volatility Keeps Volumes at High Levels

Trading in Emerging Markets debt instruments stood at US$864 billion in the second quarter of 2001, according to EMTA's Second Quarter 2001 Debt Trading Volume Survey. This represents a 5% decrease from the US$913 billion Survey participants reported in the first quarter of 2001, but was 27% higher than the US$681 billion reported in the second quarter of 2000.

Aggregate Trading Volume

(in US$billions)



Trading in the first half of 2001 thus stood at US$1.776 trillion, up 24% from US$1.429 trillion in the first half of 2000. EMTA Survey participants reported annual trading volume of US$2.846 trillion in Emerging Markets debt last year.

Tulio Vera, Managing Director and Head of Emerging Markets Debt Research at Merrill Lynch, pointed to several reasons for the high level of trading volumes, most of which related to recent market turbulence rather than any new appetite for Emerging Markets paper. Vera noted that increased volatility due to concerns over the Argentine and Turkish economies has led to instances of illiquidity and dislocations which "have offered up more relative-value and arbitrage situations," while some market participants have attempted to take advantage of the volatility and "trade the ranges." Furthermore, Vera commented that local investors "have been active traders of the market and taken less of a buy-and-hold attitude," while "the volatility and uncertainty resulting from problematic fundamental conditions in some countries have led to more activity on the part of hedge funds."

Mexican Instruments Most Frequently Traded

For the third consecutive quarter, Mexican obligations were the most frequently traded debt instruments, accounting for 30% of total volume. Survey participants reported trading US$262 billion in Mexican debt (a 22% decrease vs. US$335 billion in the first quarter but still nearly double the US$138 billion reported in the second quarter of 2000). Many investors have seen Mexico as a "safe haven" recently; in addition, its investment grade rating from Moody's means it has a larger investment base than non-investment grade countries.

Brazilian instruments were the second most frequently traded instruments at US$178 billion, virtually unchanged from the US$180 billion reported in the first quarter (although down 9% from the US$196 billion in the second quarter of 2000.) The third most frequently traded were Argentine instruments, which reached their highest quarterly level in three years, at US$119 billion vs. US$117 billion in the previous quarter (and up 42% vs. US$83 billion in the second quarter of 2000).

Local Markets Volume at US$335 Billion; Eurobond Trading at US$330 Billion

Total reported turnover in local markets instruments and eurobonds were nearly identical, at US$335 billion and US$330 billion, respectively (and 39% and

EMTA Survey (continued)

38% shares of trading, also respectively). Local instrument trading continued to be largely composed of Mexican debt (US$199 billion), which accounted for 59% of all local instrument trading. Other frequently traded local instruments were those issued by South Africa (US$25 billion), Poland (US$16 billion), Brazil (US$16 billion) and Singapore (US$15 billion).

Russian issues were the most frequently traded eurobonds, up 31% to US$66 billion in the second quarter from US$51 billion in the previous quarter. Next were Brazilian eurobonds (US$63 billion) and Argentine eurobonds (US$52 billion). Despite US$1.6 billion in new issuance in Lebanese debt in the first six months of 2001, Survey respondents reported a mere US$479 million in Lebanese eurobond turnover.

The overall market share for Brady Bonds stood at 19%, slightly higher than its 17% share in the first quarter, but well below the 27% share it held in the second quarter of 2000. Brady Bond turnover has generally decreased over time as outstanding Brady debt is exchanged or otherwise retired, but during the quarter, "actual and potential debt exchanges [including Argentina's recent mega-swap] have led to increased volumes in the Bradys," noted Vera.

Survey respondents also reported trading US$26 billion in options and US$7 billion in loans.

Trading More Concentrated in Benchmarks

Brazil's C-Bond remained the leading industry instrument in terms of volume, with US$63 billion in volume. The Argentine FRB accounted for US$47 billion in turnover, and Survey participants traded US$38 billion worth of Russia's 2030 bond. Vera commented that "as market conditions became more uncertain during the quarter, participants lost conviction, and trading volumes became highly concentrated in these more liquid benchmark issues. Investors sought the more liquid instruments as a means of expressing their lack of conviction and in order to be able to trade in and out of the market more easily." Turnover in the top three individual assets accounted for 17% of all volume in the second quarter, vs. 13% of trading in the prior quarter.

Russia and Ecuador Turnover Increases; Turkish Volumes Down 29%

Volume levels rose in Russia and Ecuador, countries which defaulted in 1998 and 1999, respectively, but which have recently been recommended by a number of analysts. Russian volumes rose 27% to US$77 billion from US$61 billion in the first quarter (and up 42% vs. second quarter 2000 volume of US$54 billion). Vera observed that some of the increase in Russian volumes could be attributed to the "increased presence of Europeans in the market."

Ecuadorian trading rose 47% from the previous quarter to US$7.6 billion from US$5.2 billion (and up more than 400% from the US$1.4 billion reported in the second quarter of 2000).

Meanwhile, volumes in Turkish instruments continued to decline to their lowest level in four years in the aftermath of the recent crisis in the Turkish economy. Trading in Turkish local instruments, a former market favorite, declined to US$3.8 billion following the depreciation of the Turkish lira and in anticipation of a local debt restructuring. Overall Turkish volume (US$17 billion) was down 29% vs. the previous quarter.

Survey participants reported trading US$2.3 billion worth of Mexican Value Recovery Rights (based on underlying face value). After lengthy debate, EMTA issued a market practice in February recommending that the Rights, which may entitle the holder to a cash payment based on the price of Mexican oil exports, be traded separately from the Brady Bonds to which they were originally attached.

For a copy of EMTA's Second Quarter 2001 Debt Trading Volume Survey, please contact Jonathan Murno at jmurno@emta.org or (212) 908-5000.

Paris Club

Since the April 3 gathering between the Paris Club and private sector creditors in Paris, EMTA has held a series of informal follow-up meetings with various country delegations to the Paris Club, including the U.S., U.K., Germany and France. The purpose of these meetings has been to continue the dialogue on transparency, consultations and issues related to burden-sharing and comparable treatment that began last Spring. The next formal gathering of Paris Club and private sector representatives was tentatively scheduled for mid-October.

In each of these follow-up meetings, EMTA's aim has been to supplement its presentation at the April 3 gathering with a more detailed expression of views by Sell-Side and Buy-Side representatives from the private sector (including representatives from Ashmore, INVESCO, Credit Agricole Indosuez, JP Morgan Chase, DIT, Morgan Stanley, Citigroup and Commerzbank). Specifically, EMTA has presented private sector views on issues such as:

- the need for greater, and more regular, dialogue between the official and private sectors on Paris Club actions,
- recent proposals regarding the so-called 'constructive default' of sovereigns on their indebtedness,
- the adverse effect of debt reschedulings on a debtor country's access to the international capital markets,
- the uncertainty created by the Paris Club's application of comparable treatment, and
- the need to reform the so-called "London Club" in light of increased bond issuance.

For more information on these meetings, please contact Starla Cohen at scohen@emta.org or (331) 4455-0129 or Michael Chamberlin at mchamb@emta.org or (212) 908-5000.

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.

EMTA has also recently met with the clearing systems (Euroclear, Clearstream and DTCC), as well as counsel for various exchange and fiscal agents, to determine what other generic procedural issues relating to future exchange offers may require further attention.

Issues identified by the Working Group include:

- Sensitizing exchange agents, lead managers and issuers (and their legal counsel) to the need for prompt and accurate information to be disseminated to investors and clearing systems regarding reconciliation of bond positions tendered and new bond amounts to be received, as well as the completion of Letters of Transmittal.

- Clarification from the clearing systems on how and when bond positions are blocked and unblocked, and the mechanics of any extensions of an exchange offer or rescheduling.

- Promoting greater investor and clearing system input into new bond documentation (including possible changes in notification requirements (e.g., using EMTA's website as a source for information relating to payments, etc.), shortening of record dates and standardization of Transfer Certificates).

Nuts & Bolts (continued)

In addition, the Working Group is addressing information flow issues relating to existing bonds, including difficulties in obtaining prompt and accurate information, such as rates of interest, amortizations, capitalizations, payment dates and amounts, record dates and any errors in such information previously disclosed.

EMTA has been requested by the Working Group to assume a greater role in receiving such information from agents and posting it on EMTA's website. In some circumstances (e.g., Mexico VRR's), fiscal agents are already providing EMTA with payment information that can be posted on its website simultaneously with customary newspaper publication. EMTA has compiled data in connection with interest rates, amortizations, capitalizations, payment dates and amounts and record dates, and has requested fiscal agents to review such data for future posting on EMTA's website.

Finally, the Working Group is also looking into issues relating to delayed or partial payments (e.g., Peru or Ivory Coast), including the feasibility of obtaining more information on a timely basis from issuers, fiscal agents and clearing systems.

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

Proposed Sovereign Immunities Changes Debated and Delayed

Changes in the U.S. Foreign Sovereign Immunities Act (FSIA), recently proposed by a working group of the International Litigation Committee of the American Bar Association, have been withdrawn pending further review and consideration of concerns expressed by EMTA among others. Among other things, the proposed changes 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.

Although a number of other proposed changes were likely to facilitate the enforcement of creditors rights against sovereigns, EMTA expressed its view that the proposed stay might upset the appropriate balance between debtor's and creditor's rights under the FSIA in the context of sovereign financial crises and, at a minimum, deserved further study. EMTA is working with representatives of the Financial Markets Lawyer's Group and the SIA to ensure that the concerns of the financial markets are properly reflected in the ABA's final proposal.

For more information, please contact either Michael Chamberlin (mchamb@emta.org) or Aviva Werner (awerner@emta.org).

EMCC Integration Moving Ahead

At its July 25 Board meeting, the Board of Directors of the Emerging Markets Clearing Corporation formally approved its integration (along with GSCC and MBSCC) with The Depository Trust & Clearing Corporation (DTCC). Under the integration plan, EMCC will continue to operate as a separate legal entity, but will become a wholly-owned subsidiary of DTCC (perhaps as early as December 31, 2001) and share a common Board of Directors with DTCC, GSCC and MBSCC. The integration plan remains subject to SEC and shareholder approval. A proposed EMCC rule change regarding the integration plan was filed with the SEC on August 20.

As part of the EMCC Board's effort to consider the integration plan, a subcommittee led by Paul Masco (Salomon Smith Barney) worked to address concerns that the integration not weaken the EM industry's control over EMCC's policies or operations. EMTA's representative on the EMCC Board abstained from the vote to approve the integration plan, and upon the plan's completion EMTA's affiliation with EMCC will terminate. For more information, please contact Michael Chamberlin at mchamb@emta.org or (212) 908-5000.

Mexico VRR's

Mexico VRR 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.

New Market Practices

As you may be aware, EMTA's new 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 new 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.

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.

The June 30, 2001 payment on the Series A VRR's was made on July 2, 2001 to VRR holders of record (and holders of Par Bond Units, if any) as of June 15, 2001, and EMTA recommended that trades be settled 'ex-dividend' on June 13. (A copy of the Fiscal Agent's notice regarding the payment's calculation was published in the New Developments area of EMTA's website on June 18.)

The September 30, 2001 payment was made on October 1, 2001 to VRR holders of record (and holders of Par Bond Units, if any) as of September 15, 2001, and EMTA recommended that trades be settled 'ex-dividend' on September 12. (A copy of the Fiscal Agent's notice regarding the payment's calculation was published in the New Developments area of EMTA's website on September 21.)

Numerous claims among market participants for the June and September payments, as well as for previous payments, are expected.

Mexico VRR's (continued)

Buy-Ins

EMTA has urged all market participants to exercise prudent caution in their approach to buy-ins since February, 2001 when the new Market Practices for the separate trading of Mexico Bonds and Series A VRR's became effective. EMTA continues to have serious concerns about the proper administration of a buy-in of Mexico VRR's at this time for at least 2 reasons: (1) The inevitable confusion in the ISMA Buy-In Rules regarding the procedural requirements for passing along pre-advice and buy-in notices for an asset (such as Mexico VRR's) that has been traded over the last decade with long and complex transfer chains and (2) the possible price distortions resulting from the execution of a buy-in.

To avoid any such unintended consequences, EMTA continues to encourage market participants to step up their reconciliation efforts, both internally and externally, so that net bilateral positions (of both VRR's and also of 'dividend' cash payments relating thereto) 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 buy-ins of those failed trades (if indeed any were executed) would be executed in respect of much lower netted VRR trade amounts.

EMTA has also attempted to develop a less drastic approach to buy-ins (which would minimize any price disruptions) by implementing a multilateral netting facility to net and settle past due trades and resulting payment amounts (in respect of the purchase price, dividend payment or otherwise). This approach, of course, presupposes that a threshold level of reconciliation has been completed by the market.

To date, although the market has most recently made great strides in reconciling failed trades, it has not averted a series of buy-ins which were recently initiated. In the last few months, the market has been disrupted as back offices have strived to keep up with the buy-in morass that has ensued. On a positive note, the 'buy-in wake up call' has alerted market participants to the need to reconcile and settle their positions expeditiously. An EMTA Working Group is considering the implications of the most recent series of buy-ins and will, in the near future, be recommending that the market reconsider the less drastic alternative of a multilateral netting facility of VRR positions and payment claims.

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

FX/Derivatives

Latin America NDF's

The Template Terms for ARS/USD Non-Deliverable Forward Transactions, the Recommended NDF Market Practice on Standard Terms for ARS/USD NDF's and the CME/EMTA ARS Industry Survey Rate Methodology have been finalized and effective as of July 10, 2001. Annex A of the 1998 FX and Currency Option Definitions has also been amended to include the revised rate source definition for the ARS Official Rate (the primary Settlement Rate Option and primary rate for Price Materiality purposes in the Template) and to add the new rate source definition for the CME/EMTA ARS Industry Survey Rate (which is the Fallback Reference Price and secondary rate for Price Materiality purposes in the Template).

EMTA Members may obtain copies of these documents on our website in the Standard Documentation area in the FX/Derivatives Documentation Index.

Asia NDF's

A summary of the issues discussed on the Asia NDF Working Group conference call held on May 17, 2001 was distributed on May 24, 2001. On that call, several issues were discussed including development of NDF markets for the Indonesian Rupiah and Thai Baht. Participants on the call agreed that we should finalize the IDR Template that was circulated for review once it is agreed what rate (an on-shore rate or an off-shore rate) would be polled for in the event of a Price Source Disruption. It was agreed that it is premature to develop standard terms for Thai Baht NDF's until the market has had more time to develop.

The KRW rate source definitions in Annex A were amended as of June 20, 2001. Copies of the new definitions are available on our website (Standard Documentation, FX/Derivatives Documentation Index.)

Non-Deliverable Options

A conference call was held on June 13, 2001 to discuss several outstanding issues affecting the way non-deliverable currency options are traded and documented. The main issue concerned the expiration time for NDOs and what happens if, due to a market disruption, a rate is not determined until after the expiration time. There appears to be consensus in favor of the retroactive application of the rate determined after the expiration time (due to a market disruption) in order to determine whether an NDO was in-the-money. A suggested amendment to the Automatic Exercise provision in the 1998 Definitions has been proposed to address this issue. The NDF Lawyers Working Group is still considering this issue.

Questions concerning these FX matters should be directed to Starla Cohen at scohen@emta.org or (331) 4455-0129).

Bond Trading & Settlement

Argentina 2018 and 2031 Bonds

Consistent with other Market Practices for instruments with similar characteristics, a Market Practice for the trading and settlement of capitalizing Argentina 2018 and 2031 Bonds has recently been made available in the Members Only area of EMTA's website (www.emta.org/members/) under Market Practice No. 98. Pursuant to the recommended Market Practice, prices will be quoted and orally agreed on the basis of the original principal amount, while the actual bond amount traded will be the adjusted principal amount (original principal amount plus subsequent capitalizations), and the aggregate purchase price will be calculated based upon the agreed price and the adjusted principal amount. The Market Practice also provides sample calculations for trades that settle before and after the first capitalization on December 19, 2001.

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:

- "How to Keep Developing Countries in their Place: Cut them off from Capital." October 4, 2001 - Jerome Booth (Ashmore Investment Management).
- "Argentina: A Huge Leap for Congress is a Small Step on the Difficult Path to Debt Sustainability." August 1, 2001 - Joyce Chang and Eva Sanchez (J.P. Morgan).
- "Reading the Washington Tea Leaves." July 31, 2001 - Tulio Vera, Felipe Illanes and Yianos Kontopoulos (Merrill Lynch).

- "Auto da Fe." July 25, 2001 - Walter Molano (BCP Securities).
- "Sovereign Risk and Ratings Above the Sovereign." July 23, 2001 - Laura Feinland Katz and David T. Beers (Standard & Poor's).
- "Is the Tango Contagious." July 19, 2001 - Leonardo Leiderman, Marcel Cassard and Michael Spencer (Deutsche Bank).
- "Argentina - Update on Our View." July 12, 2001 - Carl Ross, Paris Karasso, Franco Uccelli and William Heck (Bear Stearns).

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Miscellany

Save the Date...

EMTA's 2001 Annual Meeting will be held on Wednesday, December 5, 2001 in New York City.

Jose Luis Daza (Deutsche Bank) will again moderate EMTA's Sell-Side panel, which will include Arturo Porzecanski (ABN Amro), Paulo Leme (Goldman Sachs), Joyce Chang (J.P. Morgan) and Tulio Vera (Merrill Lynch). In addition, Tom Trebat (Salomon Smith Barney) will moderate EMTA's Buy-Side Panel.

Invitations, including the complete list of speakers, will be sent later in the Fall.

New Interns at EMTA

EMTA has two new interns. Denis Bazlov, who is working on various legal matters in New York, is a Russian national who recently received his Master's of Laws from Columbia Law School. He also holds a Master's in Law from the University of Oxford and a Master's in International Economic Law from the Sorbonne. Denis is reachable at dbazlov@emta.org or (212) 908-5026. Virginie Kharouby, who is working in Paris, is a French national who recently received her Master's in International Political Economy and Development from Fordham University. Virginie is working with Starla Cohen on several Europe-based initiatives. She will also be assisting Aviva Werner and Jonathan Murno on research. Virginie is reachable at vkharouby@emta.org or (331) 4455-0129.

Miscellany (continued)

EMPower Awards $75,000 to EM-Focused Charities

EMPower, the foundation created and supported by many prominent members of the Emerging Markets community, has awarded a second round of grants totaling $75,000. This brings the total amount distributed since its creation to US$188,500.

Included in EMPower's latest grant cycle was a $10,000 award to NEPA, a program in northeastern Brazil that educates and trains rural farmers in sustainable techniques of organic farming. Casa Daya, an organization that offers vocational training and local employment networks to street girls and adolescent mothers in Mexico City, received $8,000.

A grant of $5,000 was made to India's Childline, which provides a toll-free number in 50 Indian cities providing street children access to immediate emergency care for medical assistance, shelter and protection from abuse. EMPower's Grants Committee also chose to allocate gifts for the expansion of three innovative programs in South Africa, Ghana and Tanzania that have demonstrated effectiveness in dealing with the HIV/AIDS pandemic in Africa.

EMPower-The Emerging Markets Foundation is a not-for-profit, tax-exempt foundation created to support local community-based social initiatives and social sector organizations that foster healthier civil society in emerging and other developing countries.

For further information, contact Craig Cramer at ccramer@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 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 **Hugh Cartwright & Amin, Standard & Poor's** and **Tozzini, Freire,Teixeira & Silva.** 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 is expanding its membership. In light of EMTA's recent name change to simply "EMTA", and the expansion of EMTA's mission statement to include promoting investor rights across all instrument categories, and generally building, promoting and inspiring greater confidence in the Emerging Markets asset class, EMTA is targeting its membership expansion strategy towards the broader Emerging Markets trading and investment community. Aside from an Introduction to EMTA Membership and a detailed description of EMTA's Membership Structure and Membership Benefits, the new Membership area of the website also includes a new section entitled Buy-Side Participation in EMTA, which details EMTA's Buy-Side -oriented activities. The revised Membership dues structure for Buy-Side institutions is also presented there.

Please visit EMTA's website at www.emta.org and review the new Membership area and let us know what you think. Also, please refer your clients to our website for information generally on EMTA and EM trading and investment. Remember, by pooling the resources of market participants, and reducing duplication of efforts, EMTA is able to accomplish industry goals at significant cost savings for each Member firm. And, the greater market representation in our ranks, the better EMTA can work for you.

EMTA Hotlines

Topic	Contact	Telephone
Clearing Corp. (EMCC)	Keith Kanaga (EMCC)	(212) 855-1675
Code of Conduct	Michael Chamberlin	(212) 908-5000
Corporate Governance	Starla Cohen	(331) 4455-0129
Derivatives/NDF's	Starla Cohen/Aviva Werner	(331) 4455-0129/(212) 908-5003
Electronic Trading	Michael Chamberlin	(212) 908-5000
Foreign Exchange	Starla Cohen/Aviva Werner	(331) 4455-0129/(212) 908-5003
Global Equities	Starla Cohen/Bruce Wolfson (Bear)	(331) 4455-0129/(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	Starla Cohen	(331) 4455-0129
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	Starla Cohen	(331) 4455-0129
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

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EMTA Calendar

Tues., July 3	Recommended 2:00 p.m. (NYC) Market Close
Wed., July 4	Recommended Market Close (NYC) Independence Day Recommended 12:00 noon (London) Market Close
Mon., Aug. 27	Recommended Market Close (London) Summer Bank Holiday
Fri., Aug. 31	Recommended 2:00 p.m. (NYC) Market Close
Mon., Sept. 3	Recommended Market Close (NYC) Labor Day Recommended 12:00 noon (London) Market Close
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
Wed., Oct. 24*	**EMTA Board Meeting (NYC/London)**
Tues., Oct. 30	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 (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

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