

EMTA Board Meeting

EMTA's Board of Directors held its first regular meeting for 1998 on March 11 at the offices of Chase Manhattan in New York City, with a videolink to London. In addition to reviewing EMTA's budget, finances and on-going projects (in particular, EMCC's start-up plans and various issues relating to the orderly development of the market for Russian debt instruments), the Board elected its 1998 officers.

Jorge Jasson (Chase Securities) and Rick Haller (Deutsche Bank) were re-elected as EMTA's 1998 Co-Chairs, with Mr. Haller assuming principal responsibility for the first half of 1998. Guido Mosca (J.P. Morgan), Paul Masco (Salomon Smith Barney) and Daniel Canel (UBS Securities) were all re-elected as EMTA Vice Chairs.

The next EMTA Board Meeting is scheduled for Wednesday, July 1, 1998.

Emerging Markets Clearing Corporation (EMCC)

Following SEC approval in February, EMCC began operations on April 6, 1998. EMCC is initially providing clearing services for U.S.\$-denominated Brady Bonds. Subsequent instruments will include Emerging Markets Eurobonds as well as some Local Markets instruments.

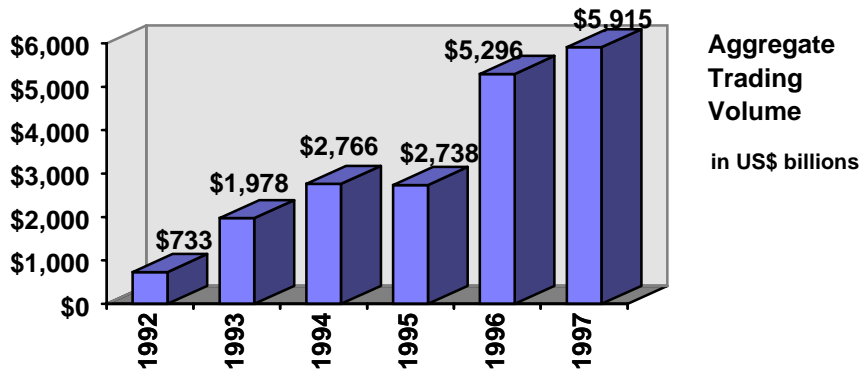
EMCC was developed by the Emerging Markets trading industry under EMTA's sponsorship to reduce counterparty and settlement risk for Emerging Markets debt trading.

For further information, please contact Keith Kanaga (EMCC) at (212) 558-2779, Joe Willing (J.P. Morgan) at (212) 648-3564 or Michael M. Chamberlin (EMTA) at (212) 908-5000.

1997 Annual Survey Shows Debt Trading Volume at Nearly U.S.\$6 Trillion

EMTA's 1997 Annual and Fourth Quarter 1997 Debt Trading Volume Surveys were completed and distributed to participants on February 25, 1998.

Trading volume in Emerging Markets debt instruments totaled nearly U.S.\$6 trillion in 1997 compared to U.S.\$5.3 trillion in 1996. Reported trading in the final quarter of 1997 stood at over U.S.\$1.5 trillion, an 18% increase in volume compared to the U.S.\$1.3 trillion recorded by EMTA Survey participants in the previous quarter.



EM Factoid

Most Commonly Traded

1997	versus	1996
1. Brazil		1.
2. Argentina		2.
3. Mexico		3.
4. Russia		5.
5. Venezuela		4.
6. South Africa		6.
7. Ecuador		7.
8. Bulgaria		8.
9. Poland		9.
10. Turkey		18.

EMTA collected data from major financial institutions worldwide, reflecting trading of instruments originating in 90 countries. Trading volumes were measured in five major categories: Brady Bonds, Eurobonds (sovereign and corporate), loans, Local Markets instruments (local currency and U.S.\$-denominated), and debt options and warrants. EMTA thanks the many institutions that participated in the 1997 Surveys.

The First Quarter 1998 Survey will be available in mid-May.

For more information, please call Jonathan Murno at (212) 908-5022.

1998 FX Currency and Options Definitions Now Available

On Friday, March 20, the Foreign Exchange Committee, EMTA and ISDA co-sponsored a seminar to introduce the 1998 FX Currency and Options Definitions to market participants. The Definitions, a broad revision of ISDA's 1992 FX and Currency Options Definitions, are for use in documenting deliverable and non-deliverable currency forward and option transactions, with special attention to Emerging Markets currencies. The revisions were specifically requested by market participants in the Emerging Markets to address needs in the marketplace that had become increasingly apparent in the wake of the Mexican Peso devaluation in December 1994.

1998 FX Currency and Options Definitions (continued)

The 1998 Definitions cover a much wider range of currencies and transactions than the 1992 Definitions and introduce several new concepts, including Disruption Events and Disruption Fallbacks. These concepts, which may be useful for certain currency transactions, particularly those involving Emerging Markets currencies, permit parties to a trade to allocate event risks by providing alternative means of settling a transaction in the event of a market disruption. Annex A to the Definitions, which is published in a separate loose-leaf format, includes many currency spot rate definitions for use in settling non-deliverable transactions.

Copies of the full document are available to Members of EMTA, ISDA and the FX Committee for U.S.\$100 (non-Members U.S.\$200). Annex A is available to Members for U.S.\$50 (non-Members U.S.\$100) To receive an order form, please contact Starla Cohen at (212) 908-5021.

Eastern Europe

Derivatives & FX

Continuing the work of the EMTA/ISDA Derivatives Task Force established last year to examine derivatives-related issues in the region, EMTA and ISDA recently visited Prague to meet with local regulators at the Central Bank and Ministry of Finance. The development of derivatives in the Czech Republic and other related issues, including netting, bankruptcy and collateral legislation, were discussed. EMTA also met with local market participants and local associations to discuss recent changes in the Czech capital markets, the establishment of the Czech Securities Commission and developments in repo and securities financing.

For further information, please contact Starla Cohen at (212) 908-5021 or Mandy Sleigh at (44171) 767-8528.

Poland

As of April 6, title to Securities will pass on the settlement date of a transaction, rather than on the trade date as was previously the case. This development is seen as an important one in the overall regulatory scheme in Poland as it brings the Polish market more in line with developed markets. Specific ordinances addressing settlement and other issues under the New Securities Act in Poland are expected in the next few months.

For further information, please contact Starla Cohen at (212) 908-5021.

Russia

Loan Trading Working Group

Various subcommittees of this Group have recently developed proposals on issues concerning Russian VEB Restructured Loans. Proposals include recommending twice-a-month batch settlements, developing additional Market Practices for the Restructured Loans, developing buy-in and sell-out procedures for failed trades, reviewing issues surrounding repos on loan assets, working with Bank of America, as the Restructuring Agent, to develop better reconciliation procedures, and proposing amendments to the Restructuring Agreement.

For more information, please contact Aviva Werner at (212) 908-5003, Brian Morrisroe at (212) 908-5025 or Mandy Sleigh at (44171) 767-8528.

Local Equity Documentation

A revised Standard Terms for Purchase/Sales of Russian Equities (with Market Practice Guide) was distributed to the London- and Moscow-based Working Groups on March 17.

For more information, please contact Starla Cohen at (212) 908-5021 or Mandy Sleigh at (44171) 767-8528.

Local Fixed-Income

The EMTA Clarification Statement on S-Accounts and GKO Trading was approved by MICEX officials and is now available.

For more information, please contact Starla Cohen at (212) 908-5021 or Mandy Sleigh at (44171) 767-8528.

MinFins

A comprehensive proposal for introducing MinFins into Euroclear is expected to be distributed to EMTA Members shortly, together with draft Recommended Market Practices for late delivery compensation and buy-ins.

For more information, please contact Starla Cohen at (212) 908-5021 or Mandy Sleigh at (44171) 767-8528.

Promissory Notes

Confirmation forms for use in confirming when-issued trades in Russian promissory notes to be issued in connection with the restructuring of trade indebtedness of the former USSR are now available.

For more information, please contact Starla Cohen at (212) 908-5021.

Other Project Reports

Derivatives

On February 18, the New York- and London-based participants in EMTA's Lawyer/Broker-Dealer Compliance Working Group met to discuss issues affecting the documentation of Emerging Markets derivatives transactions. In particular, the Group discussed whether options on Emerging Markets fixed income instruments should be documented by incorporating ISDA's 1997 Government Bond Options Definitions (the "Bond Options Definitions") (intended for options on European Treasuries). The Group suggested that a joint EMTA/ISDA sub-committee be formed to analyze the applicability of the Bond Options Definitions and other existing ISDA documentation to Emerging Markets derivatives transactions. The objective of the sub-committee would be to recommend to ISDA how to supplement existing Definitions booklets, in particular the Bond Options Definitions, in order to address important Emerging Markets issues. ISDA has confirmed that Emerging Markets issues will be given appropriate attention in the drafting of ISDA's Credit Derivatives Definitions.

For more information, please contact Starla Cohen at (212) 908-5021.

Korea

Forms for confirming trades of Korea's New Loans are under development and expected to be available shortly. For more information, please contact Aviva Werner at (212) 908-5003.

Ivory Coast & Vietnam

Confirmations for trading Ivory Coast Bonds and Vietnam Bonds are now available by contacting Felita Tate (212) 908-5026 (phone), (212) 908-5039 (fax) or emtafyt@aol.com (e-mail).

For information concerning the bond issuance, contact Jonathan Murno at (212) 908-5022.

New Market Practice for Loans

In the interest of treating the settlement of certain loans similar to the settlement of bonds and Russian VEB Restructured Loans, EMTA has recommended a Market Practice, effective March 24, that eliminates Seller fees for late delivery.

To receive a copy of this Market Practice, please contact Brian Morrisroe at (212) 908-5025.

Repos

The NY/London Repo Working Group is currently working on developing standard documentation for Repo trading of Russia VEB Restructured Loans. Working Group Meetings were held in New York and London on March 12 and March 13, respectively, to discuss a variety of open repo issues and to propose additional repo Market Practices.

For more information, please contact Brian Morrisroe at (212) 908-5025.

Membership Update

EMTA's newest members include **AIG Trading Group, Barclays Bank plc, Infinity Financial Technology** and **MCM-McCarthy, Cristanti, Maffei**.

If you know of any other prospective Members, please contact Tiffany Cothran at (212) 908-5017.

Open Meeting

EMTA held an Open Meeting for Members at the London offices of ING Barings on March 10, 1998. The primary focus of the meeting were various issues affecting fixed income and equities trading in the Russian Markets. Presentations were given by Mikhail Leliavski, President of the Moscow-based Depository Clearing Company, and Roger Jones, Managing Director of the Chicago Mercantile Exchange. A cocktail reception hosted by the Chicago Mercantile Exchange followed the meeting.

Website (www.emta.org)

A new user ID and password is enclosed with this issue of the *Bulletin*. Last quarter's user ID and password will not be valid after April 30. For more information about the website or to suggest additional content, please contact Tiffany Cothran at (212) 908-5017.

Emerging Markets Traders Association

Bulletin

Hotlines

<u>Topic</u>	<u>EMTA Contact Person</u>	<u>Telephone</u>
Accounting/Finance	Don Goecks/Lisa Palazzola	(212) 908-5010/5019
Argentina	Brian Morrisroe	(212) 908-5025
Africa/Asia	Brian Morrisroe/Mandy Sleigh	(212) 908-5025/0171-767-8528
Brazil	Brian Morrisroe	(212) 908-5025
Central/Eastern Europe	Mandy Sleigh	0171-767-8528/9
Clearing Corporation (EMCC)	Keith Kanaga (EMCC)	(212) 558-2779
Code of Conduct	Michael Chamberlin	(212) 908-5000
Conferences	Jonathan Murno	(212) 908-5022
Daily Market Price/Volume Data	Jonathan Murno/Lisa Palazzola	(212) 908-5022/5019
European Working Group	Mandy Sleigh	(44-171) 767-8529
Exotics/Loan Trading	Brian Morrisroe/Aviva Werner	(212) 908-5025/5003
Foreign Exchange	Starla Cohen	(212) 908-5021
Global Equities Regulation	Bruce Wolfson (Bear Stearns)	(212) 272-2571
Legal/Compliance	Aviva Werner	(212) 908-5003
Local Markets	Starla Cohen/Brian Morrisroe	(212) 908-5021/5025
Market Practices	Brian Morrisroe/Aviva Werner	(212) 908-5025/5003
Match-EM	Don Goecks	(212) 908-5010
Membership	Tiffany Cothran	(212) 908-5017
Mexico	Brian Morrisroe	(212) 908-5025
Month-End Pricing	Jonathan Murno/Lisa Palazzola	(212) 908-5022/5019
Multilateral Netting	Aviva Werner/Don Goecks/Lisa Palazzola	(212) 908-5000
Options/Derivatives	Brian Morrisroe/Starla Cohen	(212) 908-5025/5021
Poland	Starla Cohen	(212) 908-5021
Repos/Securities Lending	Brian Morrisroe/Aviva Werner	(212) 908-5025/5003
Research	Jonathan Murno	(212) 908-5022
Russia	Starla Cohen	(212) 908-5021
Volume Survey	Jonathan Murno	(212) 908-5022
Warrants	Brian Morrisroe	(212) 908-5025
Website	Tiffany Cothran	(212) 908-5017

All EMTA staff can be reached through the general reception number (212) 908-5000.

EMTA staff can also be reached at the following e-mail addresses or by visiting EMTA's website at www.emta.org.

Michael Chamberlin	emtammc@aol.com	Suzette Ortiz	emtaso@aol.com
Starla Cohen	emtasvc@aol.com	Lisa Palazzola	emtalmp@aol.com
Tiffany Cothran	emtatmc@aol.com	Evelyn Ramirez	emtaeve@aol.com
Donald Goecks	emtadon@aol.com	Mandy Sleigh	Mandy.Sleigh@ing-barings.com
Gina Marroco	emtagm@aol.com	Felita Tate	emtafyt@aol.com
Brian Morrisroe	emtabjm@aol.com	Aviva Werner	emtaawa@aol.com
Jonathan Murno	emtajrm@aol.com		

EMTA Calendar

Mon., Apr. 6	<u>EMCC Start-Up</u>
Thu., Apr. 9	Recommended 2:00 p.m. (NYC time) Market Close (NYC) Easter Holidays
Fri., Apr. 10	Recommended Market Close (NYC & London) Good Friday
Mon., Apr. 13	Recommended Market Close (London) Easter Monday
Tue., Apr. 21	<u>EMCC Board Meeting</u>
Wed., Apr. 22	<u>EMCC Risk Advisory Committee Meetings</u>
Mon., May 4	Recommended Market Close (London), May Bank Day Holiday
Wed., May 6	<u>Lawyer/Broker-Dealer Compliance Working Group</u> Breakfast Meeting at Shearman & Sterling, 599 Lexington Avenue (Conference Center), New York City 8:00 a.m. <i>To be confirmed.</i>
Tue., May 19	<u>EMCC Board Meeting</u>
Wed., May 20	<u>EMCC Risk Advisory Committee Meetings</u>
Fri., May 22	Recommended 2pm (NYC time) Market Close (New York), Memorial Day
Mon., May 25	Recommended Market Close (New York/London), Memorial Day/Spring Bank Holiday
Wed., June 3	<u>Lawyer/Broker-Dealer Compliance Working Group</u> Breakfast Meeting at Shearman & Sterling, 599 Lexington Avenue (Conference Center), New York City 8:00 a.m. <i>To be confirmed.</i>
Tue., June 16	<u>EMCC Board Meeting</u>
Wed., June 17	<u>EMCC Risk Advisory Committee Meetings</u>
Wed., July 1	<u>Lawyer/Broker-Dealer Compliance Working Group</u> Breakfast Meeting at Shearman & Sterling, 599 Lexington Avenue (Conference Center), New York City 8:00 a.m. <i>To be confirmed.</i>
Wed., July 1	<u>EMTA Board Meeting</u>
Thu., July 2	Recommended 2pm (NYC time) Market Close (New York), Independence Day
Fri., July 3	Recommended Market Close (New York), Independence Day
Tue., July 21	<u>EMCC Board Meeting</u>
Tue., Dec. 8	<u>EMTA Annual Meeting</u>