

1997 EMTA Annual Meeting

Approximately 400 guests attended EMTA's Annual Meeting on December 9, 1997 at the offices of Salomon Brothers in New York City. The 1997 Annual Meeting featured presentations by keynote speakers Dr. Mikhail Kasyanov, Deputy Finance Minister of Russia, and Dr. Francisco Lopes, Director of Monetary Policy at the Central Bank of Brazil, who spoke about the current and future state of their respective economies.

Kasyanov States VEB Restructuring Paves the Way for Investor Confidence

Addressing the investor community only one week after the completion of the long-awaited Russian VEB loan restructuring, Dr. Kasyanov stated "the closing of this agreement represents an important milestone and now enables us to focus on the future. It has put our relationship with the international financial community on a new footing and paves the way for investor confidence in Russia."

Lopes Declares Fighting Inflation Brazil's #1 Priority

Dr. Lopes stressed that a low inflation environment with price stability was essential to a healthy Brazilian economy and that the government would defend the current low inflation scenario "with all its strength, as if it were a life or death struggle."

EMTA Co-Chair Calls for Greater Development of Asian Capital Markets

EMTA Co-Chair Jorge Jasson touched upon recent developments in the Emerging Markets, noting the recent market conditions in Asia and their effect on the international marketplace. "In today's world of interconnected global capital markets," he said, "the first commandment [for the multilateral financial institutions] is to provide a stable anchor for market expectations or, in other words, a basis for confidence." Jasson also stressed the need for Asia to develop a "deep and broad capital market."

EMTA's Direction

In his remarks, EMTA Executive Director Michael Chamberlin stated that "looking ahead to 1998 and beyond, it seems clear that, while EMTA's general mission will not change, EMTA's decision-making and consensus-building process must evolve to meet the changing demands of a more diverse and complex Emerging Markets trading industry." He added that he expects "EMTA will be more tightly focused on global issues in 1998."

To receive a copy of the transcript of the meeting, please call Tiffany Cothran at (212) 908-5017.

1997 EMTA Annual Meeting (continued)

1998 Board of Directors Elected

EMTA announced election results for its 1998 Board of Directors. The following 12 individuals were elected to the Board:

Wayne D. Lyski (Alliance Capital)	Felix E. A. Robyns (Credit Suisse First Boston)
Gail Segal (Bank of America)	Jose Berenguer (ING Barings)
Bruce A. Wolfson (Bear Stearns)	Guido A. Mosca (J.P. Morgan)
Jorge V. Jasson (Chase Securities Inc.)	Juan del Azar (Merrill Lynch)
Francisco Ybarra (Citicorp Securities)	Paul A. Masco (Salomon Brothers)
Alexis F. Habib (Credit Agricole Indosuez)	Daniel J. Canel (UBS Securities)

The 12 Directors join six Directors whose terms did not expire this year:

Mark L. Coombs (ANZ Investment Bank)	Michael Pins (Euro Brokers Maxcor Inc.)
Ignacio E. Sosa (BankBoston)	Charles B. Seelig, Jr. (Goldman Sachs)
Frederic Z. Haller (Deutsche Morgan Grenfell)	Eric P. Hime (Garantia Banking Limited)

Panel Discussions

The Meeting was preceded by two panel discussions on the Economic Outlook and Investor Perspectives in the Emerging Markets in 1998. Research panelists included Richard Gray (Bank of America), Lawrence Brainard (Chase Securities Inc.), Paulo Leme (Goldman Sachs), Arturo Porzecanski (ING Barings), Jose Luis Daza (J.P. Morgan) and Joyce Chang (Merrill Lynch); investor panelists included Wayne Lyski (Alliance Capital), Mark Siegel (Darby Overseas), Ashwin Vassan (Oppenheimer Management Corporation), Mark Franklin (Salomon Smith Barney) and Luis R. Luis (Scudder, Stevens & Clark).

EMTA Supports Russian VEB Restructuring

Multilateral Net Delivery Facilities

Following the rescheduling of the commercial bank debt of the Russian Federation on December 2, EMTA completed its Multilateral Net Delivery Facilities for Russian VEB Loan Participations, 'when-restructured' trades of Restructured Loans and 'when-issued' trades of Interest Notes. The Facilities included 161 participants and settled an aggregate of approximately US\$7.3 billion face amount of bilateral net trade positions reported to EMTA.

Russian VEB Restructuring (continued)

New Market Practices for Russia VEB Restructured Loans

EMTA has circulated a recommended Market Practice for the pricing of Russian VEB Restructured Loan trades entered into on and after December 2, 1997.

In the interest of reducing processing work and settlement costs, EMTA has also proposed a recommended Market Practice for Restructured Russian VEB Loans that would replace T + 10 trade-by-trade settlements with 'batch settlements' on the following basis:

TRADE DATE		SETTLEMENT DATE
<u>From</u>	<u>Through</u>	
January 2	January 16	January 23
January 19	January 30	February 6
February 2	February 13	February 20
February 16	February 27	March 6
March 2	March 13	March 20
March 16	March 27	April 3

Members who wish to receive a copy of these recommended Market Practices should contact Felita Tate at (212) 908-5026.

Standard Documentation

The following documents associated with Russia VEB trades are now available:

Russian Annex to the Standard Terms for Assignments of Loan Assets;
Standard Terms for Participations in Russian Restructured Loan Assets;
New Procedures for Restructured Russian Loans; and
Recommended confirmations forms for trading in Russian (VEB) Interest Notes.

Please contact Felita Tate at (212) 908-5026 to obtain these documents.

Any questions or comments regarding the Russian VEB Loan restructuring should be directed to Brian Morrisroe at (212) 908-5025.

Argentina Multilateral Netting Facility

Interest Day of Reckoning -- Argentina

The Argentina Interest Netting Facility closed on December 15, 1997, netting an aggregate amount of approximately US\$5.5 million of past due interest claims by 44 participating institutions.

Emerging Markets Clearing Corporation (EMCC)

It is now expected that all necessary regulatory approvals will be obtained to enable EMCC to begin operation by March 1, 1998. EMCC will initially provide clearing services for US\$-denominated Brady Bonds. Subsequent instruments will include Emerging Markets Eurobonds as well as some Local Markets instruments.

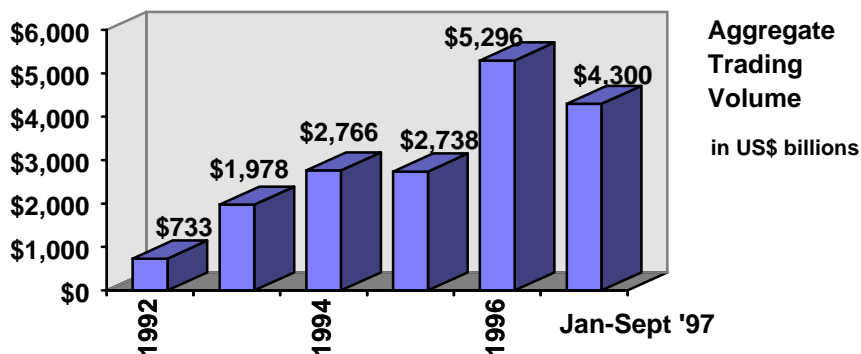
EMCC was developed by the Emerging Markets trading industry to reduce counterparty and settlement risk for Emerging Markets debt trading.

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.

3rd Quarter 1997 Debt Trading Volume Survey Available

EMTA's Third Quarter Debt Trading Volume Survey was completed and distributed to participants on November 20, 1997.

Trading volume in Emerging Markets debt instruments totaled more than US\$1.3 trillion in the third quarter of 1997, bringing total reported trading volume for the *first nine months* of 1997 to US\$4.3 trillion, compared to 1996 *annual* volume of US\$5.3 trillion.



EM Factoid

The Survey suggests the emergence of several countries into the international debt markets: Ukraine (US\$1.5 billion), Kazakhstan (US\$1.2 billion), and Romania (US\$700 million).

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 US\$-denominated), and debt options and warrants. EMTA thanks the many institutions that participated in this Survey.

The Fourth Quarter 1997 Survey and 1997 Annual Survey will be available in mid-February.

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

Proposed Market Practices under Consideration

Settlements of Russian Min-Fin Bonds

Proposed Market Practices previously circulated to the marketplace for review and comment have not yet been adopted pending further discussion of issues raised by various market participants.

For further information, please contact Starla Cohen at (212) 908-5021 or Mandy Sleight at (0171) 767-8529.

Standard Documentation

Russian 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.

Members who wish to receive a copy of this confirmation form should contact Suzette Ortiz at (212) 908-5015. For further information, please contact Mandy Sleight at (0171) 767-8529 or Starla Cohen at (212) 908-5021.

Local Markets

Latin America

In November 1997, EMTA met with Buenos Aires-based Members and the Argentine Securities Exchange Commission (CNV) to discuss the development of derivatives markets and the benefits of the netting legislation currently under consideration. While in Buenos Aires, EMTA and ISDA co-hosted several seminars for local market participants outlining the business, risk management and legal advantages to derivatives. On behalf of the Emerging Markets trading industry, EMTA sent a letter of support to the Argentine CNV urging the adoption of the netting legislation.

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

Russia

During a recent visit to Moscow, EMTA hosted a meeting with Moscow-based market participants to discuss the draft Standard Terms for Purchase & Sales of Russian equities. The third draft of the Standard Terms has been distributed to both the London and Moscow-based Working Groups for their comments and will be forwarded to local counsel for review shortly. EMTA also met with representatives of the Resource Secretariat Russian Securities Commission to discuss the project.

With respect to the local Russian MinFin Repo market, EMTA met with Russian banks to discuss ways to reconcile local practices with the international market.

Local Markets (continued)

With respect to EMTA's Clarification Statement on S-Accounts and GKO trading, EMTA met with representatives at MICEX who had reviewed the document for accuracy. The necessary changes have been made within the document and sent back to MICEX for final approval.

For more information about these and other Local Markets Projects in Russia, please contact Starla Cohen at (212) 908-5021.

Derivatives & FX - Eastern Europe

In early November, EMTA and ISDA held a series of meetings with key regulators in Russia to discuss derivatives regulation and use of the ISDA Master Agreement. There was also a joint EMTA/ISDA market participant meeting to update our Moscow-based members of market developments, to introduce ISDA to the Russian market and to discuss derivatives-related issues. The meeting was followed by a cocktail reception hosted by Salomon Brothers.

For further information about this group, please contact Starla Cohen at (212) 908-5021 or Mandy Sleigh at (0171) 767-8528.

Other Project Reports

NY/London Repo Working Group

The NY/London Repo Working Group is currently working on developing standard documentation for Repo trading of Russian VEB Restructured Loans.

If you would like more information, please contact Brian Morrisroe or Aviva Werner at (212) 908-5000.

Membership Update

EMTA's newest members include **Abbeyfield Asset Management, Bayerische Vereinsbank, CentreInvest Group, Farallon Fixed Income Associates, Infoshare Communications, Primark Holding Corporation** and **Rossiyskiy Kredit Bank**.

If you know of any other prospective Members, please contact Keren Solomon at (212) 908-5020.

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	Keren Solomon	(212) 908-5020
Mexico	Brian Morrisroe	(212) 908-5025
Month-End Pricing	Jonathan Murno/Lisa Palazzola	(212) 908-5022/5019
Multilateral Netting	Don Goecks/Brian Morrisroe/Aviva Werner	(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	Keren Solomon	(212) 908-5020

For general inquiries, please call Jonathan Murno at (212) 908-5000.

EMTA Calendar

Thu., Jan. 1	Recommended Market Close (NYC & London) New Year's Day
Fri., Jan. 2	Recommended 2:00 p.m. (NYC time) Market Close (NYC) New Year's Day
Fri., Jan. 16	Recommended 2:00 p.m. (NYC time) Market Close (NYC) Martin Luther King, Jr. Day
Mon., Jan. 19	Recommended Market Close (NYC) Martin Luther King, Jr. Day
Wed., Feb. 4	<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. Contacts: Aviva Werner or Starla Cohen (212) 908-5000.
Wed., Feb. 11	<u>Third Annual Repo and Securities Lending Conference</u> at the Sheraton New York Hotel, New York City. Sponsored by The Bond Market Association. Contact Julie Stevens at (212) 440-9429.
Fri., Feb. 13	Recommended 2:00 p.m. (NYC time) Market Close (NYC) President's Day
Mon., Feb. 16	Recommended Market Close (NYC) President's Day
Tue., Feb. 17	<u>EMCC Board Meeting</u>
Mon., Mar. 2 - Thu., Mar. 5	<u>Capital Markets</u> A EuroForum sponsored course at which Starla Cohen, EMTA Legal Counsel & Special Projects Coordinator, will present <i>Mitigating Risk in the Emerging Markets</i> . The course will be held at Le Meridien Piccadilly in London. To register, please contact EuroForum at 0171-878-6888.
Wed., Mar. 11	<u>EMTA Board Meeting</u>
Tue., Mar. 17	<u>EMCC Board Meeting</u>
Wed., Apr. 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. Contacts: Aviva Werner or Starla Cohen (212) 908-5000.
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>
Tue., Dec. 8	<u>EMTA Annual Meeting</u>