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**TO:** All EMTA Members  
**FROM:** Michael M. Chamberlin  
**DATE:** September 17, 2001  
**RE:** Tuesday's Markets

Consistent with the US domestic bond markets, EMTA is recommending that the trading market in New York City for Brady bonds and other Emerging Market debt instruments be open on Tuesday, September 18, and on Wednesday, September 19, but again close early on both days at 2:00 pm (NYC time). At this time, it is expected that Thursday, September 20, and Friday, September 21, will be full trading days.

Trading activity will obviously continue to be affected by the situation in lower Manhattan, although many firms located east of Broadway have now regained access to their premises. We continue to advise that market participants consult with their proposed counterparties and intermediaries to ensure that they share expectations regarding trade processing, clearance and settlement. Tullett's screen in New York City was operational Monday, and we understand that efforts are underway to restore EuroBroker's New York screen by as early as Tuesday. We further understand that EMCC remains fully operational and that Prudential/Wexford is now back operating from its normal premises.

Some re-direction of trading activity and/or trade processing has continued to take some pressure off of NYC's trading infrastructure. We understand that three brokers were operating in London throughout the Monday trading day (Tradition, GFI and EuroBrokers).

While EMTA will continue to monitor the status of NYC and London trading infrastructure, it appears that, despite terrible losses at some firms, and substantial dislocation at others, remarkable progress has been made in restoring the infrastructure necessary to support normal levels of trading activity.

Since last week, substantial trading activity has apparently contemplated settlement on a T+5 basis, in part to take pressure off of trading infrastructure and in part to make settlement more consistent with the extended terms applicable in the US domestic markets. The Bond Market Association today recommended that secondary market

transactions in US government and agency securities in the US domestic markets continue to settle on a T+5 basis for the remainder of this week. We have been advised, however, that neither EMCC nor Prudential/Wexford is currently able to accept T+5 trades. While EMTA is not making a recommendation at this time, we expect to poll market participants before the opening of the Tuesday trading day in New York City with a view to determining whether a recommendation can be made at that time.

As EMTA becomes aware of further developments relating to the current trading environment, we will continue to make relevant information available to the marketplace in the New Developments area of our website ([www.emta.org](http://www.emta.org)).

EMTA's offices at 63 Wall Street re-opened early this morning.