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For Immediate Release

EMTA SURVEY: EMERGING MARKETS CDS TRADING AT US$306 BILLION IN FIRST QUARTER

NEW YORK, May 23, 2011—Trading in Emerging Markets Credit Default Swaps (CDS) stood at US$306 billion in the first quarter of 2011, according to a report released today by EMTA, the trade association for the Emerging Markets debt trading and investment industry.

This compares to US$397 billion in Emerging Markets CDS contract volume in the first quarter of 2010 (representing a 23% decrease), and US$208 billion in fourth quarter 2010 volumes (a 47% increase).

Jeff Williams, Director in Emerging Markets Strategy at Citi, commented that "Volumes recovered significantly compared to the end of 2010, but they are still down relative to early last year, with Asia the only region where volume has picked up year-on-year."

The most frequently traded sovereign contract in the Survey was Brazilian CDS, at US$48 billion. Survey participants also reported trading US$36 billion in Turkish sovereign CDS contracts and US$32 billion in Mexican sovereign CDS.

The most frequently traded corporate CDS contracts included in the Survey were those on Gazprom (US$8 billion). Participants also reported volumes of US$2 billion in Pemex CDS and US$1 billion in Petrobras CDS trades.

A comparatively less volatile first quarter has had its effects on CDS trading, Williams noted. "Low market volatility combined with relatively high spreads on CDS compared to similar bonds has made CDS somewhat less popular as a hedging instrument compared to last year, and this has been especially true with most of the potential market risks in the near term coming from sources outside the Emerging Markets," he stated.

For a copy of EMTA's First Quarter 2011 CDS Trading Volume Survey, please contact Jonathan Murno at jmurno@emta.org or +1 (646) 289-5413.

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NOTE TO EDITORS:
Founded in 1990, EMTA (formerly the Emerging Markets Traders Association) is a not-for-profit corporation dedicated to promoting the orderly development of fair, efficient and transparent trading markets for Emerging Markets instruments, and the integration of the Emerging Markets into the global financial marketplace. EMTA, with over 160 member firms worldwide, has published its Annual Volume Surveys of Debt Trading since 1992. EMTA begin publishing CDS volumes in 2009.

For its survey, EMTA collected data from 12 major international banks and broker-dealers on Emerging Market CDS contracts. Participants were asked to report their CDS volumes on 19 Emerging Markets countries and 10 EM corporate issuers. The survey is based on notional value of CDS trades and includes rollovers but not netting trades or internal transfers.