E
M
T
A

360 Madison Ave., 17th fl.
New York, NY 10017

646 289- 5413

Contact: Jonathan Murno
EMTA
+1 (646) 289-5413
jmurno@emta.org

For Immediate Release

EMTA SURVEY:
FIRST QUARTER EMERGING MARKETS DEBT TRADING AT US$1.739 TRILLION

NEW YORK, June 17, 2011—Emerging Markets debt trading volumes stood at US$1.739 trillion in the first quarter of 2011, according to a report released today by EMTA, the association for the Emerging Markets debt trading industry. This represents a 24% increase from first quarter 2010 volume of US$1.402 trillion and a 7% decline from US$1.862 trillion reported in the fourth quarter of 2010[1].

Jerome Booth, Head of Research and a member of the Investment Committee at Ashmore Investment Management, commented, "The size of emerging debt markets is determined in all but the very short term by demand for paper. We anticipate this demand will continue to grow strongly over the next few years and longer," and added that corporate Eurobonds and local markets debt were likely to "have highly elastic supply."

Local Market Instruments at 65% of Volume

Turnover in local market instruments stood at US$1.125 trillion in the first quarter, representing 65% of total reported volume. This represents a 17% increase compared to trading of US$960 billion in the first quarter of 2010, and a 14% decrease from fourth quarter volume of US$1.302 trillion.

Hong Kong instruments were the most frequently traded local markets debt, at US$210 billion. Other frequently-traded local instruments were those from Brazil (US$122 billion), South Africa (US$118 billion), Mexico (US$102 billion) and Turkey (US$96 billion).

[1] EMTA noted that a major dealer which had traditionally participated in the Survey had informed EMTA that it was unable to participate in the 4Q 2010 survey, but resumed participation in 1Q 2011; thus 4Q 2010 survey volumes are likely to be understated.

Eurobond Volumes at US$589 Billion

Eurobond trading stood at US$589 billion. This compares to US$426 billion in the first quarter of 2010 (up 38%) and US$545 billion in the fourth quarter (an 8% increase). "Over the last few months we have also seen healthy dollar debt issuance," Booth noted.

49% of Eurobond activity involved sovereign debt issues, with Survey participants reporting US$288 billion in sovereign Eurobond turnover. This compares with US$255 billion in the first quarter of 2010, representing a 13% increase.

Corporate Eurobond trading stood at US$269 billion for the first quarter, compared to US$158 billion in the first quarter of 2010, or a 70% increase. Corporate bonds represented 46% of Eurobond trading. Sovereign Eurobond activity accounted for 17% of overall Survey volumes, with corporate trading at 16% of total turnover.

The most frequently traded individual EM Eurobonds in the first quarter included Russia's 2030 bond (US$15 billion in turnover), Mexico's 2020 bond (US$7 billion), Venezuela's 2022 bonds (US$5 billion), Brazil's 2040 bond (US$5 billion) and Venezuela's 2027 bond (US$4 billion).

In addition to local markets bonds, and sovereign and corporate Eurobonds, the Survey also includes turnover in warrants, options, loans and Brady bonds. Survey participants reported US$24 billion in warrant and option trades, US$630 million in loan assignments and US$31 million in trades of outstanding Brady bonds.

Hong Kong, Brazil, Mexico Instruments Most Frequently Traded

Hong Kong instruments were the most frequently traded instruments overall according to Survey participants, with US$225 billion in turnover. This compares with US$73 billion in the first quarter of 2010 (a 207% increase). Hong Kong volumes accounted for 15% of total Survey trading.

Brazilian instruments were the second most frequently traded instruments in the EMTA report, at US$186 billion, according to Survey participants. This represents a 26% decrease on the US$254 billion reported in the first quarter of 2010. Brazilian volumes accounted for 11% of total reported volume.

Third were Mexican assets, at US$150 billion in turnover. This compares to US$181 billion in the first quarter of 2010, a 17% decrease. Mexican instrument trading accounted for 9% of Survey volume.

Other frequently traded instruments were securities from South Africa (US$135 billion) and Turkey (US$120 billion).

Booth concluded that "Emerging debt is not only attractive, but in our view is a way to reduce risk in the very worst US and EU scenarios."

EMTA's Survey includes trading volumes in debt instruments from over 90 Emerging Market countries, as reported by more than 50 leading investment and commercial banks, asset management firms and hedge funds.

EMTA recently reported that participants in a similar survey--albeit more limited in scope to only EMTA board firms--had reported US$306 billion in EM CDS volumes in the first quarter of 2011. This represented a 23% decrease from first quarter 2010 EM CDS trades of US$397 billion.

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

******

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 150 member firms worldwide, has published its Annual Volume Surveys since 1992 and Quarterly Surveys since the first quarter of 1997.

Participants in the EMTA Survey are asked to report trades based on aggregate principal amount (face value) rather than the consideration paid, and no effort is made to adjust for duplicate volumes that may be reported by each side of a trade. In these respects, the Survey's methodology has been the same since its inception.