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<u>For Immediate Release</u>

EMTA SURVEY: EMERGING MARKETS CDS TRADES AT US$240 BILLION IN SECOND QUARTER

Relatively Stable EM Markets Prompt Drop-Off in Demand for EM Protection

NEW YORK, August 3, 2011—Trading in Emerging Markets Credit Default Swaps (CDS) stood at US$240 billion in the second 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$453 billion in Emerging Markets CDS contract volume in the second quarter of 2010 (representing a 47% decrease), and US$306 billion in first quarter 2011 volumes (a 22% decrease).

"The decline in EM CDS trading volume is not a surprise," commented Hongtao Jiang, a Director of Emerging Markets Strategy at Deutsche Bank. Jiang cited the "increasingly lower return volatility in the EM external debt market, with the annualized daily return volatility of DB-EMSI (Deutsche Bank's proprietary liquid sovereign credit index) at less than 2% over the past three months, compared to 14.3% for the Standard & Poor's index, 4.2% for US Treasuries and 2.9% for US High Grade."

The largest CDS volumes in the Survey during the second quarter were those on Brazil, at US$35 billion. EMTA Survey participants also reported US$18 billion in Mexican sovereign CDS contracts and US$16 billion each in Russian and Turkish sovereign CDS.

The highest reported volumes of corporate CDS contracts included in the Survey were those on Pemex (over US$6 billion). Participants also reported US$6 billion in Gazprom CDS contracts and US$1 billion in Petrobras CDS trades during the quarter.

Going forward, Jiang suggested that the relative low volatility in the EM external debt market may continue to dampen investor appetite for CDS protection in the near future. "EM assets have been trading with a lower beta to the assets in the developed markets for a while, and that will likely continue in the foreseeable future," he stated.

For a copy of EMTA's Second Quarter 2011 CDS Trading Volume Survey, please contact Jonathan Murno at jmurno@emta.org or +44 (0) 20 7996-3165.

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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 180 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 13 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.