E M T A

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

+1 (646) 289 5410

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

For Immediate Release

EMTA SURVEY:
EMERGING MARKETS CDS TRADES
AT US$234 BILLION IN FOURTH QUARTER

Annual Volume Down 28% Compared to 2010 Levels

NEW YORK, February 9, 2012—Trading in Emerging Markets Credit Default Swaps (CDS) stood at US$234 billion in the fourth 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$207 billion in Emerging Markets CDS contract volume in the fourth quarter of 2010 (representing a 13% increase), and US$274 billion in third quarter 2011 volumes (a 15% decrease).

However, on an annual basis, the 13 participants in the Survey, all EMTA Board firms, reported a sharp decrease in EM CDS trading to US$1.053 trillion in 2011, down 28% compared to US$1.452 trillion in 2010.

"The annual EMTA volume numbers confirm the collapse of secondary market liquidity we are seeing across all credit products as broker-dealers slash limits in preparation for the implementation of the new Basel III and Dodd-Frank regulations," stated David Spegel, Global Head of Emerging Markets Strategy for ING Wholesale Banking. He added that, "the decline in 2011 volume compared to 2010 might also reflect the loss of market faith in CDS thanks to the manner in which Greek debt is being restructured, whereby some market participants are questioning the value of CDS protection in the case of sovereign restructurings."

The largest CDS volumes in the Survey during the quarter were those on Brazil, at US$43 billion. EMTA Survey participants also reported US$25 billion each in Mexican, Turkish and Russian sovereign CDS.

The highest reported volumes of nine corporate CDS contracts included in the Survey were those on Gazprom (over US$7 billion). Participants also reported US$3 billion in Pemex CDS trades during the quarter.

For a copy of EMTA's Fourth Quarter 2011 CDS 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 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.