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For Immediate Release

**EMTA SURVEY:
SECOND QUARTER EMERGING MARKETS DEBT TRADING
AT US\$1.413 TRILLION**

NEW YORK, August 20, 2012—Emerging Markets debt trading volumes stood at US\$1.413 trillion in the second quarter of 2012, according to a report released today by EMTA, the association for the Emerging Markets debt trading industry. This compares with US\$1.704 trillion in the second quarter of 2011, a 17% decrease, and US\$1.582 trillion in the first quarter, an 11% decrease.

“Superficially, a decline in trading volume for an asset class that has seen a significant increase in investor interest, is a worrisome combination, as it points to potential volatility,” stated Eric Fine, Managing Director at Van Eck G-175 Strategies. “However, it wouldn’t be a stretch to conclude that lower volumes are partially a reflection of a growing buy-and-hold investor base for the asset class; the big increases in assets under management have gone to long-only strategies, and not to hedge funds, whose trading activity is generally higher,” he concluded.

Local Market Instruments at 70% of Volume

Turnover in local market instruments stood at US\$987 billion in the second quarter, accounting for 70% of total reported volume. This compares to US\$1.213 trillion in the second quarter of 2011 (down 19%) and US\$1.043 trillion in the first quarter (down 5%)

Brazilian instruments were the most frequently traded local markets debt, at US\$246 billion. Other frequently-traded local instruments were those from Mexico (US\$216 billion), and Russia (US\$69 billion).

Eurobond Volumes at US\$419 Billion

Eurobond trading stood at US\$419 billion in the second quarter. This compares to US\$481 billion in the second quarter of 2011 (down 13%) and US\$531 billion in the first quarter (down 21%).

57% of Eurobond activity involved sovereign debt issues in the second quarter, with Survey participants reporting US\$240 billion in sovereign Eurobond turnover. This compares to a 59% share of Eurobond activity in the previous quarter, when such volumes stood at US\$313 billion.

Corporate Eurobond trading stood at US\$158 billion in the second quarter, accounting for 38% of total Eurobond activity. Sovereign Eurobond activity accounted for 17% of overall Survey volumes, with corporate trading at 11% of total turnover.

The most frequently traded individual EM Eurobonds during the first quarter included Russia's 2030 bond (US\$16 billion in turnover), Brazil's 2021 bond (US\$4 billion), Russia's 2042 bond (US\$4 billion), Argentine Pars (US\$4 billion) and Brazil's 2024 bond (US\$3 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\$5 billion in warrant and option trades, US\$600 million in loan assignments and a mere US\$7 million in Brady bond trades. These categories combined represented less than one percent of total volume.

Brazil, Mexico and Russia Instruments Most Frequently Traded

Brazilian instruments were the most frequently traded instruments overall according to Survey participants, with US\$298 billion in turnover. This compares with US\$171 billion in the second quarter of 2011 (a 74% increase) and US\$250 billion in the first quarter (up 19%). Brazil volumes accounted for 21% of total Survey trading.

Mexican instruments were the second most frequently traded instruments in the EMTA report, at US\$243 billion, according to Survey participants. This represents a 1% increase on the US\$242 billion reported in the second quarter of 2011 and a 5% increase over first quarter volumes of \$231 billion. Mexican volumes accounted for 17% of total reported volume.

Third were Russian assets, at US\$137 billion in turnover. This compares to US\$117 billion in the second quarter of 2011, a 17% increase and a 6% increase on first quarter's US\$130 billion. Russian instrument trading accounted for 10% of Survey volume.

Other frequently traded instruments were securities from Turkey (US\$71 billion) and Singapore (US\$61 billion).

EMTA's Survey includes trading volumes in debt instruments from over 90 Emerging Market countries, as reported by 59 leading investment and commercial banks, asset management firms and hedge funds.

EMTA recently reported that participants in a similar survey (although limited in scope to 13 EMTA Board firms) had reported US\$218 billion in EM CDS volumes in the second quarter. This compared to US\$240 billion in Emerging Markets CDS contract volume in the second quarter of 2011 (representing a 9% decrease), and US\$235 billion in first quarter volumes (a 7% decrease).

For a copy of EMTA's Second Quarter 2012 Debt Trading Volume Survey, please contact Jonathan Murno at jmurno@emta.org or +44 (20) 7996-3165.

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 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.