

Citi to Host EMTA's 2012 Annual Meeting on December 6th in New York

Citi will host EMTA's 2012 Annual Meeting, slated for December 6, 2012, at its offices at 399 Park Avenue (at 53rd Street), on the 12th floor.

This event will include two panels of speakers, one moderated by Citi's Guillermo Mondino of investors, with JP Morgan's Joyce Chang leading a sell-side analyst discussion. Joining both Mondino and Chang on the podium will be Dave Rolley (Loomis Sayles), Tulio Vera (Millennium Partners), Hari Hariharan (NWI Management), Jim Barrineau (Schroders), Alberto Ades (Bank of America Merrill Lynch), Piero Ghezzi (Barclays), Drausio Giacomelli (Deutsche Bank) and Alberto Ramos (Goldman Sachs).

Invitations have been sent to EMTA members, who may attend at no cost. There is an attendance fee of \$1000 for representatives of non-member firms. For more information, please contact Jonathan Murno of EMTA at jmurno@emta.org.

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EMTA Roundtable on January 7 to Review Argentina Litigation

Following important legal developments in this continuing saga, EMTA is sponsoring a special seminar to review the status of the litigation against Argentina and its implications for the marketplace. Bank of America Merrill Lynch will host the event on Monday, January 7, 2013, at their midtown offices in New York City. Speakers include Anna Gelpert (American University), Alberto Ades (Bank of America Merrill Lynch), Sebastian Vargas (Barclays), Timothy DeSieno (Bingham McCutchen), James Kerr (Davis Polk & Wardwell), Ben Heller (Hutchinson Hill), Vladimir Werning (JP Morgan) and Henry Weisburg (Shearman & Sterling). There will be a discounted fee for EMTA members, and a \$495 registration fee for non-members. CLE credit will be available for New York attorneys.

Since EMTA's prior Roundtable discussion on April 18, 2012 ([see EMTA's 2nd Quarter Bulletin](#)), the markets have been closely following the case of *NML Capital (and others) v. Argentina*, the legal action brought by certain "hold-out" creditors that has been pending before Judge Griesa in the US District Court for the Southern District of New York dating back to 2003. At the Roundtable on April 18, 2012, panelists and other attendees discussed Judge Griesa's December 2011 and February 2012 orders, which had

(continued on [page 2](#))

Argentina Litigation (continued)

interpreted the pari passu clause in plaintiffs' bonds as requiring that Argentina pay plaintiffs pro rata with the holders of bonds issued in its 2005 and 2010 debt exchanges. At the time, the case was on appeal to the US Court of Appeals for the 2nd Circuit.

On October 26, 2012, a three-judge 2nd Circuit panel (1) affirmed Judge Griesa's prior decision and order regarding Argentina's breach of the pari passu clause in its pre-default sovereign bonds but (2) remanded the case back to Judge Griesa to clarify how the remedy of pro rata payment was to be applied. The 2nd Circuit panel accepted the lower court's determination that a combination of Argentina's "Lock Law" (which prevented Argentina from paying or otherwise settling with "holdout" creditors such as NML Capital), together with Argentina's continuing failure to pay them, had effectively reduced the ranking of their bonds in violation of the pari passu clause.

On November 21, 2012, Judge Griesa issued his opinion and amended orders on remand, ruling in effect (among other things) that Argentina must pay plaintiffs all of their outstanding claims for principal and interest under such bonds (estimated at \$1.33 billion) at the same time or before making any interest payment in full under Argentina's new bonds (or other payment on any other obligation) issued in exchange for about 91% of such pre-default sovereign debt in 2005 and 2010) and that his remedial order was intended to apply to Argentina, its agents and other persons in active concert or participation with them, with effect as of the payment due on December 15, 2012 (estimated at about \$3 billion). Pending final review by the 2nd Circuit, the payment to plaintiffs is to be made into an escrow account. Judge Griesa's rulings are automatically subject to further consideration by the 2nd Circuit, and on November 28, they were stayed pending further order of the 2nd Circuit panel.

This litigation against Argentina raises important issues regarding the interpretation of the pari passu clause and the application of the pro rata remedy to third parties. As discussed in greater detail at the April 18, 2012 Roundtable ([see Michael Chamberlin, "Argentina and its Pari Passu Clause—An Introduction"](#)), these issues also arise in a unique factual context (Judge Griesa concluded his discussion of the pari passu clause by noting that "After ten years of litigation this is a just result", a view that has been contested by Argentine officials). While the 2nd Circuit has not finally spoken, and Argentina's actions regarding its payments are not yet known, many believe that the case may have significant implications for EM finance going forward, particularly on future sovereign debt restructurings (please [see Michael Chamberlin, "Argentina—Implications for the Marketplace?"](#)).

EMTA members may visit the [Litigation](#) area of EMTA's website for the recent materials in the on-going litigation against Argentina. As a reminder, EMTA continues to collect and post legal materials regarding EM sovereigns involved in disputes with creditors.

For more information, please contact Aviva Werner at awerner@emta.org or Jonathan Murno at jmurno@emta.org.

Treasury Determination on NDFs

The United States Treasury issued its Final Determination on November 16, 2012 clarifying that foreign exchange swaps and foreign exchange forwards should not be regulated as "swaps" under the Commodity Exchange Act. Among the factors cited by Treasury for its determination include the characteristics that distinguish foreign exchange swaps and forwards from other types of swaps, that foreign exchange swaps and forwards are not structured to evade the regulatory requirements applicable to other types of swaps, that the foreign exchange market is already subject to extensive supervision and oversight and that these instruments trade in a market that is highly liquid and transparent.

Unfortunately (but as expected), Treasury was unable to come to a similar conclusion with regard to non-deliverable foreign exchange forwards in that non-deliverable forwards fail to satisfy the statutory definition of a "foreign exchange forward" or a "foreign exchange swap." The Secretary of the Treasury noted that foreign exchange swaps and forwards involve "an exchange of currencies" as per the statutory definition and that, since non-deliverable forwards do not involve an exchange of currencies, they cannot be thusly treated. As a consequence, non-deliverable forwards will be fully regulated as swaps under the CEA subject to central clearing, exchange-trading and other requirements.

EMTA Seminar: Developments in Mexican Insolvency Law, Recent Cases and Implications for EM Corporate Bonds in New York

Due to the effects of Hurricane Sandy, EMTA had to postpone its November 1, 2012 Seminar on Mexican Insolvency Law to November 30. The Seminar was held at EMTA's offices in midtown New York.

The Panel discussion focused on the latest developments in the Vitro litigation and Cemex refinancing under Mexico's *Ley de Concursos Mercantiles* (the Business Reorganization Act of 2000).

The Panel was composed of:

Paul Kirby (IFR – Thomson Reuters) – Moderator
Arturo Porzecanski (American University)
Howard Kleinman (Dechert)
Jonathan Prin (J.P. Morgan Asset Management)

Mr. Porzecanski provided some background on the Mexican bankruptcy regime, Mr. Kleinman summarized the recent developments in the Vitro litigation (especially with respect to the recent 5th Circuit ruling), Mr. Prin explained how Cemex “got it right” and Mr. Kirby led the panelist discussion on the following areas of interest:

- How much in additional spreads must issuers pay to compensate investors for unclear recoveries?
- What are the costs to the Mexican economy of the uncertainty of Mexican bankruptcy procedures?
- How have the Vitro and Cemex experiences affected new issuance documentation - do bond covenants matter?
- Why is the Vitro ruling important to foreign creditors and how important are guarantees in the wake of such ruling?
- Are there other Mexican credits that could face refinancing issues?
- Contrast Elektra with SanLuis, and discuss Durango, Iusacel and Metrofinanciera.
- What is the role of the conciliator in Mexican bankruptcy proceedings? How did this play out in Vitro's case and have other issuers used similar tactics?
- Is there a regulatory framework for DIP financing in Mexico? If not, how does this impact restructurings in that country?
- Is the law likely to be amended to prevent the use of inter-company claims to cram down restructuring plans proposed by shareholders?
- What else can creditors do to protect themselves?

This Seminar was part of a continuing series of panels and presentations that EMTA was pleased to sponsor on various topics of interest to Emerging Markets investors and other market participants, and is part of EMTA's Legal & Compliance Seminars. CLE credit is available for NY attorneys.

Support for this event was provided by Dechert.

EMTA Fall Forum

UBS hosted EMTA's Fall Forum on Thursday, September 27, 2012, at its midtown Manhattan offices. Over 125 market participants attended. Speakers at the event agreed that despite their low expectations for the global economy, value could still be found in EM debt.

Javier Kulesz (UBS) moderated the event's panel discussion. Kulesz started the event by inviting panelists to offer their thoughts on the global economic outlook, while also addressing the state of major Latin American economies.

Morgan Stanley's Gray Newman described US growth as "clearly weak," noting his firm's 1.4% growth forecast for 2013. He didn't expect any growth in Europe next year; nor could China be expected to provide significant stimulus to the international economy. In contrast to a gloomy global scenario, Newman was cautiously upbeat for Latin America. He specified that Brazil was one country where he had recently adopted a constructive outlook. Newman specified that his optimism was based not on the business cycle in 2013--which he was concerned would be "challenging"--but instead on prospects that both Brazil and Mexico might soon embark on major reform agendas.

Joaquin Cottani of Citi contrasted the current environment to 2010, when the second round of quantitative easing was launched. Cottani believed that the recovery this time would be weaker, agreeing that Asia was unlikely to provide economic stimulus. In Latin America, Central Banks' over-zealous anti-inflationary rate hikes have led to appreciated currencies, which will dampen growth.

Huge inflows into the asset class have pushed many EM sovereign spreads to levels which offer little value, according to Marco Santamaria (AllianceBernstein). With Mexican and Brazilian sovereigns trading at less than 100 bps over US Treasuries, he viewed EM corporates as a more attractive investment.

Short-term, the greatest risk to the market emanates from the US, asserted Marco Santamaria of AllianceBernstein. Failure to avoid the US "fiscal cliff" could lead to a sell-off, although the market could rally if Congressional action prevents automatic tax increases and spending cuts. Monetary policy would not change in an Obama re-election, while a Romney victory would likely result in a less dovish FOMC, especially after Chairman Bernanke's expected retirement in 2014. As for Latin markets, Santamaria believed commodity pricing would generally remain "range-bound at current strong levels" and thus would offer support to Latin debt pricing.

On the high-beta credits, Santamaria found it difficult to take a long-term view; "we just trade Argentina and Venezuela, and are quick to pull on the parachute in periods of volatility," he stated. Cottani observed that the market was pricing in a narrow Chavez victory, while a super-tight margin would boost Venezuelan pricing. Silvani added that even a tight victory for Chavez would help keep the opposition united.

The outlook for Argentina was slightly rosier than that for Venezuela, with Cottani expecting high soy prices and a good harvest. The possibility of a constitutional change (allowing President Kirchner to run for a third consecutive term) had diminished, he believed. Silvani concurred, and wasn't questioning Argentina's willingness to pay its debt in the short-term... "but 2014-15 is too far on the horizon to make calls."

Fall Forum (continued)

Despite record low unemployment and record high consumer confidence, Brazil would be lucky to eek out 1.6% growth this year according to Newman, although he sensed important changes in government thinking. Santamaria reasoned that investment and infrastructure spending need to replace a consumption boom.

As for Mexico's new presidential team, "the markets are rightfully skeptical of any meaningful policy change in the new Mexican administration," Santamaria asserted. His base case assumption was that reforms were unlikely to be passed.

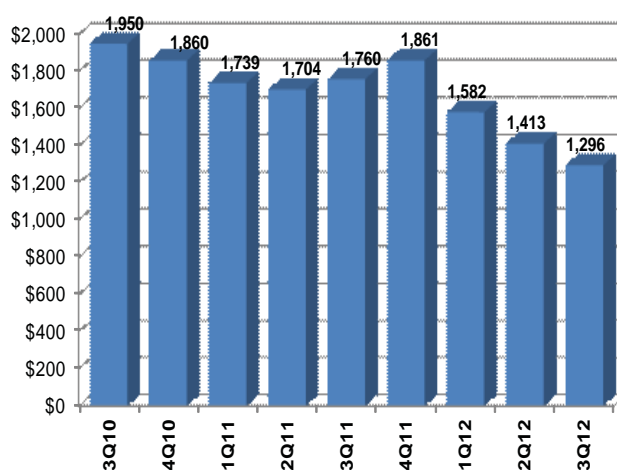
The panel concluded with investor recommendations. Cottani and Silvani viewed Venezuela and Argentina as short-term plays, while Newman would sell Venezuela at current levels ("it may be getting ahead of itself.") Silvani also favored the MXP (seconded by Newman) and Cemex (seconded by Santamaria) and saw value in Vietnam and Sri Lanka. Santamaria spoke positively on the Ivory Coast ("credit quality seems to be improving") and local Dominican Republic and Nigerian bonds.

EMTA Survey: Third Quarter Emerging Markets Debt Trading At US\$1.296 Trillion

Emerging Markets debt trading volumes stood at US\$1.296 trillion in the third quarter of 2012, according to a report released on December 4, 2012 by EMTA. This compares with US\$1.760 trillion in the third quarter of 2011, a 26% decrease, and US\$1.413 trillion in the second quarter, an 8% decrease. EMTA noted that this was the lowest quarterly volume in three years.

“The fact that secondary market volumes declined despite a robust primary market, where new issuance totaled US\$113 billion, which was up 297% year-on-year, raises concerns about EM bond trading,” commented H. David Spiegel, Global Head of Emerging Markets Strategy for ING Wholesale Banking. Spiegel attributed this to a “the scaling back of position limits by most dealers, and exiting the market by others, as banks have reorganized ahead of substantial changes in the regulatory environment.” Finally, Spiegel asserted that “EM bond-buyers must accept the fact that we are increasingly turning into a buy-and-hold market.”

Figures in Millions of US Dollars



Local Market Instruments at 68% of Volume

Turnover in local market instruments stood at US\$882 billion in the third quarter, accounting for 68% of total reported volume. This compares to US\$1.337 trillion in the third quarter of 2011 (down 34%) and US\$987 billion in the second quarter (down 11%).

Brazilian instruments were the most frequently traded local markets debt, at US\$197 billion. Other frequently-traded local instruments were those from Mexico (US\$128 billion), and Turkey (US\$81 billion).

Eurobond Volumes at US\$407 Billion

Eurobond trading stood at US\$407 billion in the third quarter. This compares to US\$414 billion in the third quarter of 2011 (down 2%) and US\$419 billion in the second quarter (down 3%).

52% of Eurobond activity involved sovereign debt issues in the third quarter, with Survey participants reporting US\$211 billion in sovereign Eurobond turnover. This compares to a 57% share of Eurobond activity in the previous quarter, when such volumes stood at US\$240 billion.

Third Quarter Debt Survey (continued)

Corporate Eurobond trading stood at US\$188 billion in the third quarter, accounting for 46% of total Eurobond activity (compared to 38% in the previous quarter). Sovereign Eurobond activity accounted for 16% of overall Survey volumes, with corporate trading at 14% of total turnover.

The most frequently traded individual EM Eurobonds during the quarter included Russia's 2030 bond (US\$13 billion in turnover), Brazil's 2021 bond (US\$5 billion), Mexico's 2022 bond (US\$3 billion), Russia's 2042 bond (US\$3 billion) and Petrobras' 2021 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\$6 billion in warrant and option trades, US\$500 million in loan assignments and a mere US\$29 million in Brady bond trades. These categories combined represented less than one percent of total volume.

Brazil, Mexico and Turkey Instruments Most Frequently Traded

Brazilian instruments were the most frequently traded instruments overall according to Survey participants, with US\$248 billion in turnover. This compares with US\$196 billion in the third quarter of 2011 (a 26% increase) and US\$298 billion in the second quarter (down 17%). Brazil volumes accounted for 19% of total Survey trading.

Mexican instruments were the second most frequently traded instruments in the EMTA report, at US\$158 billion, according to Survey participants. This represents a 51% decrease on the US\$322 billion reported in the third quarter of 2011 and a 35% decrease over second quarter volumes of US\$243 billion. Mexican volumes accounted for 12% of total reported volume.

Third were Turkish assets, at US\$108 billion in turnover. This compares to US\$89 billion in the third quarter of 2011, a 21% increase and a 51% increase on second quarter's US\$71 billion. Turkish instrument trading accounted for 8% of Survey volume.

Other frequently traded instruments were securities from Russia (US\$96 billion) and South Africa (US\$87 billion).

EMTA's Survey includes trading volumes in debt instruments from over 90 Emerging Market countries, as reported by 53 leading investment and commercial banks, asset management firms and hedge funds.

For a copy of EMTA's Third Quarter 2012 Debt Trading Volume Survey, please contact Jonathan Murno at jmurno@emta.org or +1 (646) 289-5413.

EMTA Survey: Emerging Markets CDS Trades At US\$213 Billion In Third Quarter

Trading in Emerging Markets Credit Default Swaps (CDS) stood at US\$213 billion in the third quarter of 2012, according to a report released by EMTA on November 26, 2012.

This compares to US\$274 billion in Emerging Markets CDS contract volume in the third quarter of 2011 (representing a 22% decrease), and US\$218 billion in second quarter 2012 volumes (a 2% decrease).

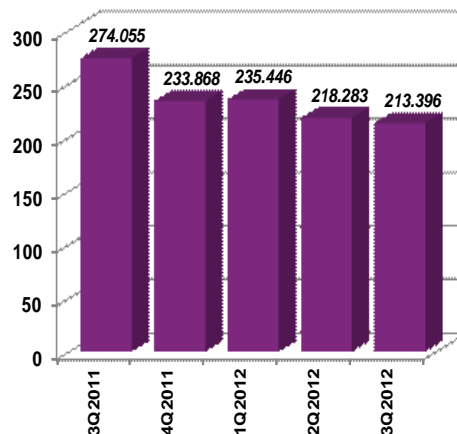
“CDS traded volumes continue to drop,” noted Regis Chatellier, Senior EM sovereign strategist at Morgan Stanley. He added that, “beyond the constraints of new regulations, such as the ban of uncovered short selling using sovereign CDS contracts, the high level of liquidity in the market has been favoring bond investments at the expense of credit default swaps.”

The largest CDS volumes in the Survey during the quarter were those on Brazil, at US\$31 billion. EMTA Survey participants also reported US\$25 billion in Turkish CDS and US\$23 billion in Mexican CDS.

The highest reported volumes of nine corporate CDS contracts included in the Survey were those on Gazprom (US\$2 billion). Participants also reported over US\$1 billion in PDVSA and Petrobras CDS trades during the quarter.

For a copy of EMTA’s Third Quarter 2012 CDS Trading Volume Survey, please contact Jonathan Murno at jmurno@emta.org or +1 (646) 289-5413.

Figures in Billions of US Dollars



BRL Options Market Practice Published

On November 6, 2012, EMTA published its REVISED Recommended FX and Currency Derivatives Market Practice No. 45 on Determining Breaches in BRL Continuous Barrier Option Transactions. This represents the third set of amendments to this Market Practice since its original publication in 2009, reflecting not only the evolution and development in the trading market for this product, but importantly a continued commitment by the EMTA membership to ensuring the continue relevance and utility of its Market Practices to the marketplace.

The revisions were occasioned by the change in the summer of 2011 of the publication time by the Central Bank of Brazil of the BRL PTAX rate. Previously, and for many years, the PTAX rate publication time had been approximately 6:00 pm, Sao Paulo time. In July 2011, this was moved up to a mid-day time of approximately 1:00 pm, Sao Paulo time. The definition for the BRL PTAX rate (BRL PTAX or BRL09) was amended on August 17, 2011 to reflect a cut-off time of 1:15 pm, Sao Paulo time for the rate. [See Annex A to the 1998 FX and Currency Option Definitions](#) for the revised definition.

The change in publication time also affected the practices of trading desks in monitoring breaches in barrier option transactions. Whereas the previous publication time permitted monitoring though the end of the trading day, the mid-day publication time created market disparities in the treatment of Event Determination Times and Expiration Times. In addition, the intervening publication in May 2011 by EMTA of practices in the non-deliverable cross currency (i.e., non-dollar settled) product made consideration of both dollar settled and non-dollar settled barrier options necessary.

These issues were considered at length by a working group of options traders, many of whom have continuously been involved with the discussion of this Market Practice since its original publication in 2009, this bringing not only the product knowledge to the table but a deep understanding of the Market Practice itself and its changes over time.

To avoid economic disparities in, and administrative difficulties with, transactions outstanding at the time the Market Practice was published and transactions entered into on or after the date the Market Practice was published, EMTA has recommended that parties observe these new practices for both outstanding and new transactions but cautioned that parties may need to amend existing contracts in some cases, to clearly implement the recommendations. An industry-wide amendment process was not deemed desirable.

Members may [CLICK HERE](#) to view updated Market Practice No. 45.

EMTA BRL/USD Industry Survey Needs Attention

The change in the quotation of the PTAX rate discussed in the above paragraphs may also raise another question for the existing EMTA BRL NDF architecture. The question is whether the PTAX methodology itself may also have changed and if so, whether the industry needs to examine the effects of this on the first fallback in EMTA Template Terms for BRL Non-Deliverable FX Transactions (May 2006), which is the EMTA BRL Industry Survey. The methodology for this survey was designed in 2004 to mimic the BRL PTAX rate as it then existed. To accomplish this, dual-polling and weighting concepts were built into the methodology. The question to be looked at is whether these procedures still serve to produce a rate that is satisfactory to market participants under the present circumstances. If not, the EMTA BRL Industry Survey Methodology may need to be retooled to ensure that it is designed to produce a rate the market is comfortable settling to. Alternatively, other rate sources could be investigated to fill this place on the waterfall of contractual disruption events.

EMTA Members with an interest in this topic are invited to contact Leslie Payton Jacobs (lpjacobs@emta.org).

ARS/USD Special Circumstances Fixings

Since 2003, EMTA has been administering a daily ARS/USD exchange rate quote. This is administered through the internet with results that are published on EMTA's website. From time to time, market or other events have made administration of the survey through the internet impossible on a given day. In this case, EMTA defaults to an emergency polling procedure for that day, which is fully in accordance with the EMTA ARS Industry Survey Methodology. The results of these particular fixings, depending upon the circumstances, may not be susceptible of being captured in the automated ARS system and so EMTA has developed a specific place on its website to publish the results of the surveys and the survey participants' individual data in order to fully serve the stated interests of transparency and accountability, taking into account the constraints of the emergency procedures under which EMTA may be operating.

[CLICK HERE](#) to see the relevant page on EMTA's website.

EMTA KRW FX Working Group Formed

EMTA has invited market participants to take part in a working group to examine the continuing utility of KFTC18 as the primary settlement rate option recommended for KRW non-deliverable forward and currency option transactions. EMTA has received comments from a few market participants that EMTA should consider revising its recommendation in this regard and instead use KFTC30 as the recommended fixing rate. A working group has thus been constituted to clearly identify the differences between these two rates, to examine the relative merits of each in the context of both forwards and options and then, if needed, to make a revised recommendation. Any change in recommendation, if made, would affect the relevant EMTA Template Terms for NDFs. NDOs, cross-currency NDFs and NDOs and perhaps require amendments to some of the corollary documentation. However, no determinations, one way or the other, have been made, as the group is in the process of examining the issues.

EMTA members with an interest in this product are invited to participate in the working group. Please contact Leslie Payton Jacobs (lpjacobs@emta.org) if you have any questions or if you are interested in being involved in these discussions.

CME/EMTA Russian Ruble Reference Survey – Polling Days Calendar Updated

[CLICK HERE](#) for recent updates made to the polling calendar (i.e. the non-polling day) in 2013 for the CME/EMTA Russian Ruble Reference Rate Survey. Please also be aware of the non-polling days around the end of the year in the New Year – in particular, December 26th as a non-polling day.

Speakers at EMTA Hong Kong Forum Discuss US and Chinese Political Effects on Asian Markets

EMTA's Seventh Annual Hong Kong Forum was held on Wednesday, October 17. ING sponsored the event, which included a luncheon and which took place at the J.W. Marriott Hotel. 100 market participants attended.

Tim Condon of ING returned once again as the event's moderator, and requested that speakers provide an overview of global economic conditions. Michele Barlow (Bank of America Merrill Lynch) acknowledged that her firm's view of 2% US growth in 2012, and 1.4% in 2013, was below market consensus. The US "fiscal cliff" issue was reason for concern for the global economy, and there might not be resolved until the last minute. As for Europe, Barlow noted her firm's negative 0.6% forecast for 2012, with a continued recession into 2013 (at negative 0.4% growth). "Overall, we are pretty cautious on the global backdrop," she admitted.

JPMorgan's Dave Fernandez didn't expect strong growth in 2013, "but as long as we get 'good enough' growth, we can expect EM debt to perform," he commented. Asset class inflows continued to be strong, and EM managers would continue to get new allocations.

Stephen Chang (JPMorgan Asset Management) predicted a "muddle through" scenario, pointing out that US economic data appeared to be on a positive trend. A quick resolution of the fiscal cliff issue could, in fact, serve to potentially bolster the market, he surmised.

State Street Global Advisor's Hon Cheung went further, predicting that the fiscal cliff would quickly be averted because "no one benefits politically from allowing it to occur." Cheung was much more concerned about the Eurozone's drag on EM, arguing that "there are confidence issues that need to be addressed; and ultimately Germans will need to decide if they are willing to make transfer payments to non-Germans, that is the essence of it." On the other hand, Cheung believed that "US numbers look impressive."

Condon noted that China's political transition had not "even been on the screen" last year, although was now a key market focus. Fernandez acknowledged that JPMorgan was not the only firm to cut their Chinese growth estimates, and was predicting sub-7% growth. He offered that recent downgrades made it less likely that actual growth would disappoint the market. Chang noted he was more bearish than consensus estimates, which had average growth at about 7% for the next couple of years.

The CNH market included much "froth" for the first 9 months of 2011, Barlow recognized, and there had been a period when investors could "simply close their eyes and buy." Investors now realized that this was a maturing, growing market, "although there will be hiccups along the way," she affirmed. Cheung agreed, and saw generally improved liquidity after a period of contraction. Chang noted that, during the initial CNH boom, liquidity was strong while covenants were weak. "Yields are now at attractive levels," he continued, assuming currency stability. Fernandez spoke enthusiastically about CNH market potential, while noting that it remained subject to evolving market regulations.

Condon asked if investors should take profits in EM fixed income. For Barlow, EM credit was "the place to be," and she expected continued strong supply. Chang concurred, and reasoned that QE3 would push investors further out the risk curve. Fernandez saw greater, and sticky, flows into local markets.

Forum in Hong Kong (continued)

Condon also asked if the “days of buying any Asian currency” were over. “It has been impossible to get all the currency swings right in 2012, and we expect similar volatility in 2013,” replied Fernandez, who believed that “choppiness” would dominate the market. He did expect moderate appreciation of the yuan, however. Other panelists largely concurred, with Cheung arguing that, long-term, Asian currencies would appreciate because of balance of payment and current account surpluses, as well as large Central Bank reserves.

As per tradition, Condon ended the panel by requesting investment recommendations. Barlow championed investment grade credit on a risk-adjusted return basis, and BB credits for yield-seeking investors. Chang suggested shorting the Australian dollar as a play on a Chinese economic slowdown.

Fernandez recommended India (despite concerns it was becoming a consensus view) or Indonesia (unless “new irresponsible policies are enacted”), while Cheung spoke enthusiastically on the Asian local currency-denominated bond market.

LCH Clearnet provided additional support for EMTA’s Hong Kong event.

Global Growth, Asian Markets Discussed at EMTA Singapore Forum

ING hosted EMTA’s Seventh Annual Forum in Singapore on Monday, October 15, 2012. A capacity crowd of 150 EM professionals attended the lunch-time event, where panelists focused largely on prospects for Asian financial markets with a spotlight on China.

Tim Condon of ING began the session by requesting that panelists discuss the overall external environment. Igor Arsenin of Barclays confirmed his firm’s 3.5% global growth estimate for 2013, with EM credited for all of the improvement from 2012. Royal Bank of Scotland’s Woon Khien Chia saw more downside surprises possible in Europe, and expected two more quarters of sub 2% growth in the US. Will Oswald (Standard Chartered) reasoned that the challenge remains to get growth rates up in the developed economies, and expected weak growth for the near term. Dave Fernandez of JPMorgan had a relatively benign outlook, arguing that many tail risks seemed to have decreased.

On China, Arsenin commented that the country was benefiting from reasonable employment numbers and a decision by policy makers to “stay the course.” Fernandez took an opposing view point, saying markets have consistently been “disappointed” by China’s policy response on growth. Oswald was constructive on Chinese prospects, all while stressing the need for deeper structural reform.

The future of the CNH market was debated, following a drop-off in enthusiasm for the offshore Chinese currency. Arsenin noted that initial flows into the CNH market had included speculative flows, viewing it as a one-way currency bet. Going forward, the market will continue to develop, albeit at a slower speed, he concluded. Oswald argued that the CNH gambit had been successful because it had achieved Beijing’s primary goal of becoming a settlement currency. “It’s a petri dish,” which served to allow for the internationalization of the CNY, he stated.

Condon questioned whether his panelists were concerned by “hot money” inflows into Asia originating in the US. Arsenin reasoned that equity investors had been so badly hurt by the 2008 financial collapse that they remained averse to returning to stocks. He believed that these investors would thus prefer to remain in fixed income assets, “to eke out every iota of spread compression still possible.” Fernandez expected inflows to EM to continue, with more inflows into hard currency –denominated bonds.

Forum in Singapore (continued)

The panel concluded with analyst recommendations. Several speakers favored Indian bonds. Fernandez expected general FX appreciation for Asian currencies in 2013, but warned it would be “choppy, with a lot of swings.” Chia was bullish on the CNY, Sing \$ and Philippine peso and seconded an INR underweight. Oswald recommended the Thai baht near-term, as well as the BBB corporate sector. Arsenin also spoke positively on the MYR and would underweight INR.

Don Hanna of Fortress Investment Management led the event’s panel of investment managers. Hanna reviewed developments in Europe, stating that officials were “sticking band aids to problems as they develop, bumbling on a winding road that will eventually lead to greater integration.” How were EU issues affecting Asia, he asked.

Anthony Michael of Aberdeen Asset Management was more concerned by US risk than any Eurozone concerns, because of the possible “fiscal cliff.” The EU had done enough to backstop Spain for the near-term, he argued. On the other hand, Michael expected that the high levels of unemployment in many EU countries would affect growth for the next decade. Schroder’s Rajeev DeMello concurred that the fiscal cliff was a serious concern, while hypothesizing that politicians would reach some agreement once the US elections were over.

Goetz Eggelhoeffer (Rohatyn Group) saw potentially positive signs in the US, with the cost of land, labor and capital being relatively cheap to other regions, and affirmed that the EU was a greater risk to Asian markets than the US. Stephen Jen (SLJ Macro Partners) criticized the US Treasury for doing little since 2008, while the EU and China had worked on structural reforms.

On a Chinese slowdown, Eggelhoeffer emphasized that decreased growth was deliberate, and officials did not wish to return to 9 or 10% growth. Jen countered that, in fact, real GDP growth in China was more in the 3.5 to 4% range, and represented a cyclical decline rather than a planned slowdown. However, Beijing will not allow a hard landing this year because of the upcoming leadership transformation, he added.

Speakers described how regulatory changes were altering the market. Michael noted that, despite “voracious” investor appetite for new deals, secondary trading markets remained illiquid. He warned that asset management firms would be the next subject of regulatory changes; “we are all seeing increased costs in being in this business.” Agreeing, DeMello added that trading costs had risen and predicted industry consolidation, as banks were being pushed to divest of asset management arms.

Getting high-yielders Indonesia and Philippines “right” would be critical to future performance, in Michael’s opinion. He favored the Sing \$ and BB or BBB Asian corporates. Eggelhoeffer favored equities, and believed the integration of Laos, Cambodia and Myanmar into the global economy would be an interesting theme to follow. Changes in Philippine birth control laws could lead to a more sustainable growth rate, he added.

DeMello spoke positively on the INR, while Jen wouldn’t be surprised by an equity sell off (though he specified he wouldn’t short stocks either). Moderator Hanna offered his own praise of the Philippines, while expressing concern on Indonesia and its three presidential candidates.

In addition to ING’s sponsorship, LCH Clearent provided additional support for the program.

Cote d'Ivoire Announces Issuance of New Bonds; EMTA Market Practice Recommendation

In its November 12 and 13 Communiqués (which have been forwarded by EMTA to its Members), the Finance Ministry of the Cote d'Ivoire announced the signing of the Supplemental Indenture and the Exchange Agreements and the issuance of new bonds in an aggregate principal amount of \$186,755,000, as permitted by the recent amendment to the Indenture governing these bonds. [Click Here](#) for the full text of the November 12 Communiqué and [Click Here](#) for the full text of the November 13 Communiqué.

This bond issuance is the latest step in a long process that began after a missed interest payment in December 2010, within the same year as Ivory Coast restructured its 2032 bonds the previous March. Bondholders were asked to consent to the repayment of the missed coupons of December 2010, June and December 2011 in five payments (the first payment at the end of December 2012 and the other four at the end of June and December of 2013 and 2014), in each case together with the contractual coupon payments. Holders have also consented to waive their rights to declare a default in respect of the missed coupons for as long as Ivory Coast remains current on this repayment schedule.

When the first interest payment was not made on December 31, 2010, EMTA, upon the expiration of the 30-day grace period, issued a recommendation for flat trading of the bonds, beginning on February 1, 2011. [Click Here](#) for the full text of this Market Practice recommendation, which remains in effect (subject to the following). In view of the exchange offer and proposed upcoming partial interest payments for past due but unpaid interest, EMTA recommended on November 20, 2012 that, unless otherwise agreed, all trades of Ivory Coast 2032 Bonds made on or after January 1, 2013 should be made "with accrued interest", taking into account the interest paid in respect of the relevant interest period, as well as the extra interest payments to be made in respect of past due but unpaid interest. [Click Here](#) for this new Market Practice recommendation.

EMTA has previously circulated other memoranda to its Members at the request of the Cote d'Ivoire government on [January 10](#), [April 29](#), [June 1](#), [July 8](#) and [November 21, 2011](#), and on [January 13](#), [June 14](#), [July 5](#), [September 21](#), [October 15](#), [October 18](#), [October 25](#) and [November 6, 2012](#). From time to time, EMTA has also been requested to circulate communiqués from other EM governments, detailing information about restructurings or other information of interest to the investment community.

For more information on Ivory Coast and other African countries, please visit our Africa Portal at <http://www.emta.org/africafocus/>.

For further information, please contact Aviva Werner at awerner@emta.org.

Belize Confirms to EMTA Members That It Has Made a Partial Payment and Provides an Update on Its Restructuring

Belize announced its partial payment of \$11.7 million, which amounts to approximately 50% of the interest payment due to the holders of 2029 bonds. Belize has been engaged in discussions with the Coordinating Committee of Belize Bondholders in an effort to reach an understanding regarding a restructuring consistent with Belize's debt servicing capacity. [Click Here](#) for the full text of Belize's Press Release and [Click Here](#) for the full text of Belize's Coordinating Committee Press Release.

Bank of New York, as Trustee, notified holders that the payment was made on September 20, 2012, with a record date of September 24 and payment date of September 25. [Click Here](#) for the full text of the Trustee's notice.

On October 2, Belize announced the commencement of debt negotiations with the Coordinating Committee. [Click Here](#) for the full text of the Press Release.

On November 29, Belize updated bondholders on its proposed restructuring progress. [Click Here](#) for the full text of the Press Release.

EMTA has recommended flat trading for the 2029 bonds as of August 21, 2012 when Belize announced that it will not make its August 20 payment. [Click Here](#) for the full text of this Market Practice recommendation.

For further information, please contact Aviva Werner at awerner@emta.org.

BTA Bank Announces Restructuring

BTA Bank JSC is in the final stages of discussing with the Steering Committee of its creditors a plan for restructuring its financial indebtedness. The restructuring plan will require the BTA to convene meetings of its creditors and shareholders, including the holders of the BTA's GDRs and Recovery Units. To that end, BTA is requesting that all holders who have not heretofore disclosed their identity and holdings do so expeditiously. [Click Here](#) for the full text of the Press Release.

For further information, please contact Aviva Werner at awerner@emta.org.

EMTA Notifies Members of Warrant Payments

EMTA routinely monitors information on various warrants issued in Brady bond exchanges.

During the fourth quarter, EMTA notified its members of the payment amount and effective record date of September 28, ex-dividend date of September 26 and payment date of October 15, 2012 in respect of Venezuela warrants, as well as the payment amount and November 15, 2012 payment date in respect of Nigeria warrants.

This information can be found on EMTA's website in the New Developments area (<http://www.emta.org/newdev.aspx>), as well as in the individual relevant countries' Market pages (<http://www.emta.org/markets.aspx>).

For further information, please contact Aviva Werner at awerner@emta.org.

“Night of the Dragon,” London Charity Ball Raises Funds for EM Charities

The annual EM charity ball in London raised over GBP 250,000 for non-profit groups working to improve health and education in emerging countries. The event, “Night of the Dragon,” was held on Friday, September 21, 2012 at the Grosvenor House Hotel in central London. Since 2004, this event has raised over GBP 2.6 million for EM charities.

This event was made possible by the generous support of BGC Partners. Additional support was provided by MarketAxess and TPCG Group.



Proceeds from “Night of the Dragon” will soon be disbursed to:

- **Children of the Andes**, www.childrenoftheandes.org, which supports street children in Colombia;
- **Cotlands**, www.cotlands.org, which provides support for children affected by the HIV/AIDS pandemic in South Africa;
- **Downside Up**, www.downsideup.org, which provides support and education for children in Russia with Downs Syndrome;
- **EMpower**, www.empowerweb.org, a grant-making foundation which connects the Emerging Markets community with innovative grassroots organizations enabling young people to lead healthy, productive lives; and
- **Health Poverty Action**, www.healthunlimited.org, which provides basic health care to rural communities around the globe.



Guests were welcomed by an army of 99 terra cotta warriors. The black-tie event also featured a champagne reception, a seated dinner, traditional Chinese dancers with a dragon, and a live band. A live and silent auction were held, with market participants bidding for the use of a private plane for a day trip to Northern France; an exclusive preview for 70 to see the Liam Neeson thriller “Taken 2” before its general release; the opportunity to record a track at the home studio of Roxy Music’s lead guitarist Phil Manzanera; holiday homes in Sardinia, Spain, St. Vincent, Argentina and Uruguay;

15 seats to Andre Bocelli’s 02 concert; sailing on the Aegean on a fully-crewed yacht; and dinner with the FT’s Martin Wolf.

During his remarks to the crowd, EMTA’s Jonathan Murno spoke of his short visit to a project in Laos funded by the EM Ball. Photos showing Lao children receiving basic healthcare were also projected.



The committee continues to welcome new members interested in planning the 2013 event. For further information please contact Clare Turnbull of Nomura at clare.turnbull@nomura.com, Seniha Omer at JPMorgan at seniha.c.omer@jpmorgan.com or Jonathan Murno of EMTA at jmurno@emta.org.

Emerging Markets Benefit NYC Tables Going Quickly

A very limited number of tickets for the 2012 Emerging Markets Charity Benefit (EMCB) in New York were still available at press time. The event, which brings together members of the EM community to raise funds for emerging country health and education projects, distributed \$585,000 to charities from the 2011 ball. Tickets for the fundraiser are priced at \$1500, with over 500 market participants are expected to attend.

This year's event will be held on Thursday, December 6, 2012, at the Marriott Marquis Hotel in midtown Manhattan. It will immediately follow the EMTA Annual Meeting.

For the eighth consecutive year, MarketAxess will sponsor the Benefit with proceeds from its annual Charity Trading Day. MarketAxess' Annual Charity Trading Day has raised over \$500,000 for the annual New York and London Charity Balls since its inception in 2004.

The Planning Committee held a series of meetings in the spring to determine 2012 EMCB beneficiaries. After carefully reviewing candidates' financial statements, annual reports and proposals, it selected:

- **Children of Peru Foundation**, which makes grants to selected not-for-profit organizations to provide better healthcare and education for disadvantaged children in Peru www.childrenofperu.org;
- **Containers 2 Clinics**, which provides containerized maternal and child health clinics in Haiti and Namibia to provide long-term, sustainable health service www.containers2clinics.org;
- **NESST**, which provides financial and capacity-building support to social enterprises in Central Europe and Latin America www.nesst.org;
- **Orphaned Starfish Foundation**, which works with orphans and disadvantaged children throughout Latin America and Ethiopia www.orphanedstarfish.com
- **Shared Interest**, which mobilizes resources for South Africa's economically disenfranchised communities to sustain themselves www.sharedinterest.org.
- **Sri Lanka Care Foundation**, which rebuilds and restores homes lost and damaged by the Asian Tsunami www.srilankacare.org and
- **WorldFund**, which promotes education in Latin America www.worldfund.org.

The event will include a silent auction, with holiday stays in El Salvador, Uruguay and Argentina on the block. Also for sale will be tickets to sporting events and Broadway shows, fine wine, designer clothing, gym memberships, a special home decorating consultation and much more.

In addition, members of the EM community may support the event by purchasing raffle tickets. Prizes include a week in Playa del Carmen, Mexico as well as fine wine, Dom Perignon champagne and dinner at Bobo restaurant.

The invitation for the 2012 EMCB can be found at <http://www.emta.org/event.aspx?id=7454>. In addition to table sales, the committee continues to collect donations of auction items.

The Planning Committee welcomes new members, and is open to all members of the EM debt trading community. Please contact Jonathan Murno of EMTA at jmurno@emta.org for more information on table sales, auction donations or joining the committee.

ING to Host EMTA Corporate Bond Forum on January 29, 2013 in London

ING will host EMTA's Corporate Bond Forum, slated for January 29, 2013 in London. The event will take place at 60 London Wall, on the 5th floor.

The event will include a panel of speakers moderated by ING's David Spiegel. At press time, confirmed speakers included Esther Chan (Aberdeen Asset Management), Milena Ianeva (Barclays) and Polina Kurdyavko (BlueBay Asset Management).

Additional guest speakers will be announced shortly.

Invitations will be sent to EMTA members, who may attend at no cost. There is an attendance fee of \$495 for employees of non-member firms. For more information, please contact Jonathan Murno of EMTA at jmurno@emta.org.

EMTA to Hold Miami Forum in January 2013

EMTA will hold its second annual Forum in Miami on Tuesday, January 22, 2013. The event will include a panel of speakers moderated by Goldman Sachs' Alberto Ramos. At press time, confirmed speakers included Anne Milne (Bank of America Merrill Lynch), Alberto Bernal (Bulltlick Capital), Tony Volpon (Nomura) and Alejandro Estevez-Breton (Santander).

The event will include a cocktail reception sponsored by MarketAxess. Additional support for the program is being provided by Bank of America Merrill Lynch, Goldman Sachs, Nomura and Santander.

Complimentary invitations to the event will be sent to EMTA members shortly. EMTA encourages its Members to make sure that colleagues in the Miami have signed up to the EMTA database so that they will receive an invitation to the event. Please contact Evelyn Ramirez of EMTA at eramirez@emta.org to sign up colleagues to the EMTA database.

EMTA currently holds Forums in seven other cities around the globe (New York, London, Sao Paulo, Buenos Aires, Hong Kong, Singapore and Dubai) as part of its effort to encourage discussion and debate on issues of interest to the EM community.

EMTA CNH ("Dim Sum") Forums in New York and London to Be Held in 1Q 2013

Due to member demand, EMTA will host seminars on the CNH ("Dim Sum") market in both London and New York again in 2013. These events will focus on the evolving marketplace for the offshore Chinese yuan.

Standard Chartered will host EMTA's CNH Forum in New York on Thursday, February 21, 2013. The CNH Forum in London will be held in March 2013.

Details will be posted on EMTA's website www.emta.org as they become available.

For more information, please contact Jonathan Murno at jmurno@emta.org or Leslie Payton-Jacobs at lpjacobs@emta.org.

Membership Update

EMTA warmly welcomed four new members during the fourth quarter of 2012. EMTA's members now include over 175 banks, broker-dealers, money management firms, hedge firms, and others.

Our most recent new members include:

- **BlueMountain Capital Management, LLC**
- **Canada Pension Plan Investment Board**
- **Emerging Markets Direct**
- **LW Partners**
- **Morrison & Foerster**

EMTA membership benefits include access to the EMTA website and to EMTA's staff, invitations to EMTA's many events around the globe, eligibility to participate in working groups or other EMTA initiatives, and much more.

If you are interested in EMTA membership, or if you know of prospective members, please contact Jonathan Murno at jmurno@emta.org or (646)289-5413 or Suzette Ortiz at sortiz@emta.org or (646)289-5414.

Information on the different categories of membership and annual dues may also be found on the EMTA website at www.emta.org.

EMTA is Your Forum

Questions arise from time to time about EMTA's policies regarding views expressed in items posted on its website or by speakers or panelists at EMTA events.

For the record, EMTA, by long-standing custom, does not necessarily endorse such views. Items posted on EMTA's website and speakers and panelists at EMTA events are selected because EMTA believes that they will be of topical interest to our Members and to the broader market and will contribute to the expression and free exchange of views and information in the marketplace.

EMTA is always interested in getting market feedback on the effectiveness of our website, events and activities generally. Please take the time to let us know whether or not you agree with what you see on our website or hear at one of our events and, most importantly, whether there is something that EMTA should be doing, or doing differently, to better serve the EM marketplace.

EMTA Members:
To obtain a password for the
Members Only area, please
[CLICK HERE](#)

Website Updates and Additions

Key Industry Views

EMTA continues to recognize publications by leading research analysts and others that highlight noteworthy industry topics. In recent weeks, EMTA has made the following additions to the [Key Industry Views](#) area of EMTA's website:

To submit materials for posting to this area, please contact EMTA by email at jmurno@emta.org.

- "Global Economic Outlook and Strategy: Prospects for Economies and Financial Markets in 2013 and Beyond." November 26, 2012 - Willem Buiters, Nathan Sheets, Michael Saunders, Kiichi Murashima, Robert V DiClemente, David Lubin, Johanna Chua and Joaquin A Cottani (Citi).
- "EM Outlook 2013 – Bullish by Default." November 22, 2012 - Benoit Anne, Gaelle Blanchard, Esther Law, Guillaume Salomon, Wee-Khoo Chong, Souheir Asba, Sandrine Ungari, Lorenzo Ravagli and Dobromir Tzotchev (Societe Generale).
- "Argentina: Overview of Recent Court Filings." November 20, 2012 - Di Fu and Casey Reckman (Credit Suisse).
- "LatAm Outlook." November 19, 2012 - Javier Kulesz, Andre Carvalho, Rafael De La Fuente and Gustavo Arteta (UBS).

New Developments

These and other recent news items can be found in the [New Developments](#) area of EMTA's website.

November 28, 2012

- Fifth Circuit Opinion in Vitro Litigation.

November 27, 2012

- 2013 Holiday Schedule.
- 2013 Batch Settlement Schedule for Certain Class I Loan Assets.

November 26, 2012

- EMTA Announces 3Q 2012 EM CDS Volume Stood at US\$213 Billion.
- For Recent Developments in NML Capital and Aurelius Capital v. Argentina Litigation, Visit EMTA's Litigation Area.

November 23, 2012

- Standard & Poor's Downgrades Hungary's Long-Term Foreign Currency Sovereign Credit Rating from BB+ to BB.

November 20, 2012

- EMTA Affirms 'Flat' Trading for Ivory Coast Bonds; 'With Accrued Interest' Trading to Commence on January 1, 2013.
- Fitch Upgrades Kazakhstan's Long-Term Foreign Currency Issuer Default Rating from BBB to BBB+.

November 16, 2012

- FX Swaps and Forwards Exempt From the Provisions of the Dodd Frank Act; NDFs Excluded.

November 14, 2012

- EMTA Special Seminar: Developments in Mexican Insolvency Law, Recent Cases and Implications for EM Corporate Bonds to be Held on November 30, 2012.
- Recent Developments in NML Capital and Aurelius Capital v. Argentina Litigation.

November 13, 2012

- Ivory Coast Announces Close of the Exchange Agreements and Issuance of New Bonds. November 12, 2012
- Ivory Coast Signs Supplemental Indenture.

November 9, 2012

- Standard & Poor's Upgrades Latvia's Long-Term Foreign Currency Rating from BBB- to BBB.

November 7, 2012

- Holiday Schedule for EM Bond Trades for US Thanksgiving Day Holiday.
- Raffle Tickets for EM Charity Benefit NY Now on Sale!
- NML Capital and Aurelius Capital v. Argentina.
- Standard & Poor's Upgrades Nigeria's Long-Term Foreign Currency Sovereign Credit Rating from B+ to BB-.

November 6, 2012

- EMTA Annual Meeting in New York to be Held on December 6, 2012.
- Ivory Coast Receives Requisite Consents.
- EMTA updates its Recommended FX and Currency Derivatives Market Practice No. 45 on Determining Barrier Breaches in BRL Non-Deliverable Continuous Barrier Option Transactions.

November 5, 2012

- Fitch Upgrades Turkey's Long-Term Foreign Currency Issuer Default Rating from BB+ to BBB- (Investment Grade).

November 4, 2012

- Raffle Tickets for EM Charity Benefit NY Now on Sale!

November 2, 2012

- Fiscal Agent Notice Regarding November 15, 2012 Payment on Nigeria Payment Adjustment Rights.

October 30, 2012

- EMTA recommends that EM Markets be Open on Wednesday, October 31, 2012.

October 29, 2012

- Early Market Close, 12:00 Noon, Monday, October 29, 2012 and Full Close on Tuesday, October 30, 2012 due to Hurricane Sandy.

October 26, 2012

- Market Reaction to the United States Second Circuit Court of Appeals' Decision Regarding Argentina – Commentary from Bulltack Capital, Goldman Sachs, Scotia Capital and UBS.

October 25, 2012

- Republic of Cote D'Ivoire Presentations - in English and French.

October 19, 2012

- Calculations for Payments on Venezuela Oil Obligations Announced.
- Sanctions Against Iran - Council Decision 15102012 - Cleary Gottlieb Memo.

October 18, 2012

- Ivory Coast Launches Consent Solicitation.

October 16, 2012

- Standard & Poor's Raises Grenada's Foreign Currency Ratings to CCC+/C.

October 15, 2012

- Communique from the Republic of Côte d'Ivoire to its 2032 Bondholders.

October 10, 2012

- President Chavez Re-elected in Venezuela. Market reaction by Bulltack Capital Markets, Goldman Sachs and UBS.

October 9, 2012

- EMTA Special Seminar: Vitro and Cemex: Developments in Mexican Insolvency Law and Implications for EM Corporate Bonds to be Held on November 1, 2012.

October 8, 2012

- Standard & Poor's Lowers Grenada's Foreign Currency Ratings to Selective Default.

October 4, 2012

- BTA Bank Press Release Regarding its Restructuring.

October 2, 2012

- Press Release from Government of Belize Announcing the Beginning of Debt Negotiations with Bondholders.

September 28, 2012

- Venezuela Oil Obligations Effective Record Date of September 28 and Payment Date of October 15. Trades are "Ex-Dividend" on September 26.

September 21, 2012

- Notice from Bank of New York, Belize Trustee, Regarding Record and Payment Dates.
- Communique from the Republic of Côte d'Ivoire to its 2032 Bondholders.

September 20, 2012

- Press Releases by Belize and Belize Coordinating Committee on a Partial Payment.

September 13, 2012

- Standard & Poor's Upgrades South Korea's Long-Term Foreign Currency Rating from A to A+.

September 10, 2012

- EMTA's Seventh Annual Forum in Hong Kong to be Held on Wednesday, October 17, 2012.

September 6, 2012

- MarketAxess Announces Ninth Annual Charity Trading Day to Benefit EM Charities.
- Fitch Upgrades South Korea's Long-Term Foreign Currency Issuer Default Rating (IDR) from A+ to AA-.

Reminders: Visit the *New Developments, Key Industry Views, Employment, Litigation, Responses to Market Conditions, Documentation and From the Market* areas

EMTA would like to remind its Members to visit the following areas of its website, which are updated frequently: [New Developments](#), [Key Industry Views](#), [Employment](#), [Litigation](#) in the [EM Background](#) area, [Responses to Market Conditions](#) in the [New Developments](#) area, [Documentation](#) and [From the Market](#) in the [Activities & Services](#) area.

In the [New Developments](#) area, EMTA posts current information regarding EMTA projects and other matters deemed of interest to participants in the Emerging Markets trading and investment community. To submit materials for posting to this area, please contact EMTA by email at sortiz@emta.org. EMTA generally disclaims responsibility for the content of materials received for posting from outside sources.

Website (continued)

The [Key Industry Views](#) area contains key industry perspectives and market commentary deemed to be of particular importance or relevance in understanding today's Emerging Markets. EMTA has obtained the information posted in this area from sources it believes to be reliable and credible, but EMTA disclaims any and all responsibility for the content of materials received for posting from outside sources. Neither EMTA nor the author of any publication posted in this area has assumed any obligation to update any materials posted herein, and each item is deemed to be dated the date of its publication as stated therein or, in the absence of a date, the date of its posting. To submit materials for posting to this area, please contact EMTA by email at jmurno@emta.org.

The [Employment](#) area includes industry positions currently available around the globe for members of the EM trading and investment community. Because of the difficult employment environment resulting from the credit crunch, EMTA has revised the [Employment](#) area to include both:

- listings of employment opportunities posted (for a fee) by prospective employers ([CLICK HERE for Job Opportunities](#)); and
- summary resumes posted (free of charge) by individuals seeking employment positions ([CLICK HERE for Jobs Wanted](#)).

Postings may contain as much, or as little, detail as desired, and initial contact between prospective employers and employees may be arranged through EMTA. To post an employment opportunity, please contact EMTA by email at jmurno@emta.org. To post a summary resume, please contact EMTA by email at sortiz@emta.org.

The [Litigation](#) area contains various court decisions and related litigation materials (including amicus briefs) that may be of interest to the EM trading and investment community. Cases can be viewed alphabetically in the more comprehensive List of Cases, as well as by specific subject matter category, in reverse chronological order. A specific attempt has been made to collect as many cases as possible in the on-going litigation against Argentina so creditors are aware of the enforcement and collection challenges facing them. If you are aware of any pertinent information which would be useful to post here, please contact EMTA by email at awerner@emta.org.

In an inter-connected global economy, the various regulatory proposals to address the market turmoil of 2008/2009 provide important context to the activities of the EM trading and investment community. Because of the diversity of these proposals, and their sheer volume and complexity, EMTA has tried to maintain an area of its website [Responses to Market Conditions](#) that tracks regulatory developments. Included in this area are various items of interest generated by regulatory agencies, law firms and other trade associations, etc. This area will be updated from time to time as new information becomes available, and contains, among other sections, the sub-categories of [Regulation of the Financial Sector](#), [Europe](#), [IMF](#) and [CDS](#) so Members can access those topics more directly. To submit materials for posting to this [Responses](#) area, please contact EMTA by email at awerner@emta.org.

EMTA offers Market Practice recommendations and documentation relating to a range of EM activities as well as to EM generally. In the [Documentation](#) area, EMTA Members have access to EMTA Standard Documentation (including [Bonds and Loans Documentation](#) (which include Primers, When-Issued and Bond Confirmations, Standard Terms for Assignments and Participations and Bilateral Netting Agreements), [FX and Currency Derivatives Documentation](#) (which include Master Confirmation Agreements and Practice Notes, Template Terms for Non-Deliverable Forward FX Transactions, Template Terms for Non-Deliverable Options, Standard Definitions, Survey Methodologies, User's Guides and Multilateral Amendments and Documentation Protocols), [Bond and Loan Market Practices](#), [FX and Currency Derivatives Market Practices](#), [Credit Derivatives and Swaps Market Practices](#), Industry Principles and Guidelines and [EM Sovereign Bond Documentation Charts](#)). Please contact Aviva Werner (awerner@emta.org) or Leslie Payton Jacobs (lpjacobs@emta.org) for any questions you may have regarding the documents in this Documentation area.

[From the Market](#) contains items submitted to EMTA that are deemed of general interest to the Emerging Markets trading and investment community. Decisions to post items are at EMTA's discretion, and the responsibility for content of each posted item lies solely with its author. Items in a variety of formats such as articles, opinions, transcriptions, and graphics, among others, are appropriate for this area. To submit postings to this area, please contact EMTA by email at sortiz@emta.org.

EMTA Hotlines

<u>Topic</u>	<u>Contact</u>	<u>Telephone</u>
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Asia	Jonathan Murno/Leslie Payton Jacobs	(646) 289-5413/(301) 838-4552
Bond/Loan Trading	Aviva Werner	(646) 289-5412
CNH	Leslie Payton Jacobs	(301) 838-4552
Corporate Bonds	Jonathan Murno/Leslie Payton Jacobs/ Aviva Werner	(646) 289-5413/(301) 838-4552/ (646) 289-5412
Credit Derivatives	Leslie Payton Jacobs/Aviva Werner	(301) 838-4552/(646) 289-5412
Dodd-Frank/Volcker Rule	Leslie Payton Jacobs/Aviva Werner	(301) 838-4552/(646) 289-5412
EM Bond Charts	Aviva Werner	(646) 289-5412
EM Charity Benefits	Jonathan Murno	(646) 289-5413
EM Litigation	Aviva Werner	(646) 289-5412
EMTA Annual Meeting/Forums	Jonathan Murno	(646) 289-5413
EMTA Governance/Policy	Michael Chamberlin	(646) 289-5410
EuroZone	Michael Chamberlin/Aviva Werner	(646) 289-5410
FX Derivatives	Leslie Payton Jacobs	(301) 838-4552
International Financial Architecture	Michael Chamberlin	(646) 289-5410
Investor Rights	Michael Chamberlin/Aviva Werner	(646) 289-5410/5412
Legal/Compliance	Aviva Werner	(646) 289-5412
Library and Archive Requests	Evelyn Ramirez	(646) 289-5415
Local Markets	Aviva Werner/Leslie Payton Jacobs	(646) 289-5412/(301) 838-4552
Market Information/Research	Jonathan Murno	(646) 289-5413
Membership	Jonathan Murno/Suzette Ortiz	(646) 289-5413/5414
Netting Facilities	Aviva Werner	(646) 289-5412
Paris Club	Aviva Werner	(646) 289-5412
Repos/Securities Lending	Aviva Werner	(646) 289-5412
Volume Surveys	Jonathan Murno	(646) 289-5413
Warrants/VRR's	Aviva Werner	(646) 289-5412
Website	Suzette Ortiz	(646) 289-5414

EMTA staff can also be reached through the general telephone number (646) 289-5410, at the following email addresses or through EMTA's website (www.emta.org).

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Evelyn Ramirez	eramirez@emta.org
Nadine Simonelli	nsimonelli@emta.org
Aviva Werner	awerner@emta.org

EMTA Calendar 4th Quarter 2012/1st Quarter 2013

Fri., Sept. 21	Emerging Markets Benefit London Grosvenor House Hotel Park Lane
Thurs., Sept. 27	Fall Forum (NYC) Sponsored by UBS 1285 Avenue of the Americas (at 51st Street)
Mon., Oct. 8	Recommended Market Close (NYC) Columbus Day Recommended 12:00 Noon (London) Early Market Close
October 15	EMTA Forum in Singapore Sponsored by ING Commercial Bank Fullerton Hotel, The Straits Room, Level 4 1 Fullerton Square, Singapore
October 17	EMTA Forum in Hong Kong Sponsored by ING Commercial Bank JW Marriott, Pacific Place, 88 Queensway, Salon 5 JW Marriott Ballroom (Level 3), Hong Kong
Mon., Nov. 12	Recommended Market Close (NYC) Veterans' Day Recommended 12:00 Noon (London) Early Market Close
Wed., Nov. 21	Recommended 2:00 p.m. (NYC) Early Market Close
Thurs., Nov. 22	Recommended Market Close (NYC) Thanksgiving Day Recommended 12:00 Noon (London) Early Market Close
Fri., Nov. 23	Recommended Market Close (NYC) Thanksgiving Recommended 12:00 Noon (London) Early Market Close
Fri., Nov. 30	EMTA Special Seminar: Developments in Mexican Insolvency Law (NYC) 360 Madison Avenue, 17th Floor (on 45th St. between Madison and 5th Aves.)
Thurs., Dec. 6	EMTA Annual Meeting (NYC) Hosted by Citi 399 Park Avenue 2012 Emerging Markets Benefit (NYC) New York Marriott Marquis Broadway Lounge, 1535 Broadway
Mon., Dec. 24	Recommended 2:00 p.m. (NYC) Early Market Close
Tues., Dec. 25	Recommended Market Close (NYC/London) Christmas Day
Wed., Dec. 26	Recommended Market Close (London) Boxing Day
Mon., Dec. 31	Recommended 2:00 p.m. (NYC) Early Market Close
Tues., Jan. 1, 2013	Recommended Market Close (NYC/London) New Year's Day (2013)
Mon., Jan. 7	EMTA Special Seminar on Argentina Litigation (NYC) Hosted by Bank of America Merrill Lynch One Bryant Park (42nd St. and 6th Ave.), 2nd Floor
Mon., Jan. 21	Recommended Market Close (NYC) Martin Luther King, Jr. Day Recommended 12:00 Noon (London) Early Market Close
Tues., Jan. 22*	EMTA Forum in Miami
Tues., Jan. 29	EMTA Corporate Bond Forum (London) Hosted by ING Bank NV 60 London Wall
February*	EMTA Special Seminar on The Offshore Renminbi (CNH) Market (London)

*Details TBA