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For Immediate Release

EMTA SURVEY:
SECOND QUARTER EMERGING MARKETS DEBT TRADING TICKS UP TO US$1.668 TRILLION

Volumes Up 5% Compared to Second Quarter 2013

NEW YORK, September 5, 2014—Emerging Markets debt trading volumes increased to US$1.668 trillion in the second quarter of 2014, according to a report released today by EMTA, the trade association for the Emerging Markets debt trading industry. This compares with US$1.587 trillion reported for the second quarter of 2013 (a 5% increase) and a similar US$1.589 trillion for the first quarter of 2014 (also a 5% increase).

"It's not surprising to see higher EM trading volumes in the second quarter, as market participants have become more attuned to risks in EM and are willing to weather volatility-inducing situations such as the ongoing Russia-Ukraine crisis," stated Robert Abad, Portfolio Manager at Western Asset Management Company in Pasadena, CA. "EM resiliency remains intact despite erratic news flow; rather than seeing flows moving out of EM debt toward other asset classes, we continue to see flow rotation *intra-EM*. Market participants now have more country and corporate alternatives from which to choose when higher-beta countries such as Argentina and Venezuela become unhinged," he added.

Local Markets Instruments at 62% of Volume

Turnover in local markets instruments stood at US$1.033 trillion in the second quarter, accounting for 62% of total reported volume. This compares to US$1.036 trillion in the second quarter of 2013, a less than 1% decrease, and US$984 billion in the first quarter, representing a 5% increase.

Mexican instruments were the most frequently traded local markets debt in the second quarter, at US$217 billion. Other frequently-traded local instruments were those

from Brazil (US$189 billion), India (US$109 billion), Singapore (US$61 billion) and South Africa (US$57 billion).

Eurobond Volumes at US$632 Billion

Eurobond trading stood at US$632 billion in the second quarter, up 16% compared with second quarter 2013's US$544 billion and up 6% vs. US$596 billion in the first quarter.

Corporate Eurobond trading surpassed sovereign volumes for the first time in the Survey's history. Reported corporate transactions totaled US$323 billion in the second quarter, accounting for 51% of total Eurobond activity (compared to 42% in the previous quarter). Corporate Eurobond activity accounted for 19% of overall Survey volumes.

46% of Eurobond activity involved sovereign debt issues in the second quarter of 2014, with Survey participants reporting US$291 billion in sovereign Eurobond turnover. This compares to a 51% share of Eurobond activity in the previous quarter, when such volumes stood at US$302 billion. Sovereign Eurobond trading represented 18% of total turnover.

The most frequently traded individual EM Eurobonds in the second quarter included Russia's 2030 bond (US$20 billion in turnover), Argentina's US-dollar Discount bond (US$10 billion), Argentina's US-dollar Par bond (US$6 billion), Brazil's 2025 bond (US$4 billion) and PDVSA's 2026 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 over US$3 billion in warrant and option trades during the quarter, US$300 million in loan assignments and—for only the second time in the Survey's 17-year history—no trading of the few remaining Brady bonds, instruments that played a crucial role in the EM industry's birth two decades ago.

Mexico, Brazil and Russia Instruments Most Frequently Traded

Mexican instruments were the most frequently traded instruments overall, according to Survey participants, with US$258 billion in turnover. This compares with US$195 billion in the second quarter of 2013 (a 32% increase) and down 6% vs. first quarter volumes of US$274 billion. Mexican volumes accounted for 15% of total Survey trading, compared to 17% in the previous quarter.

Brazilian instruments were the second most frequently traded instruments in the EMTA report, at US$248 billion, according to Survey participants. This represents a 10% increase on the US$225 billion reported in the second quarter last year, and a 68% increase on first quarter volumes of US$148 billion. Brazilian volumes accounted for 15% of total reported volume (up from 9% in the prior quarter).

Third were Russian assets, at US$126 billion in turnover. This compares to US$177 billion in the second quarter of 2013, a 28% decrease, and a 7% decrease on first quarter volume of $137 billion. Russian instrument trading accounted for 8% of Survey volume.

Other frequently traded instruments were securities from India (US$122 billion) and Turkey (US$83 billion).

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

EMTA recently reported that participants in a similar survey for the CDS markets (although limited in scope to 13 EMTA Board firms) had reported increases in trading. The CDS Survey's participants reported US$389 billion in EM CDS volumes in the second quarter of 2014. This compared to US$279 billion in EM CDS contract volume in the same quarter in 2013 (representing a 40% increase).

For a copy of EMTA's Second Quarter 2014 Debt Trading Volume Survey, please contact Jonathan Murno at jmurno@emta.org or +1 646 289 5413.

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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 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.