

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

For Immediate Release

**EMTA SURVEY:
EMERGING MARKETS CDS TRADES
AT US\$377 BILLION IN THIRD QUARTER**

Reported Volumes Up 27% Compared to 3Q 2013

NEW YORK, November 18, 2014—Emerging Markets CDS trading remained at high levels, rising 27% in the third quarter of 2014, according to a Survey of 13 major dealers released today by EMTA, the EM debt trading and investment industry trade association.

EMTA CDS Survey participants reported trading US\$377 billion in the third quarter of 2014. This compares to US\$297 billion in reported Emerging Markets CDS contract volume in the same quarter in 2013 (a 27% increase) and was down slightly (3%) from the US\$389 billion reported in the second quarter of 2014.

"The sharp pick-up in CDS volumes on a year-on-year basis is consistent with patterns of rising volatility, as well as increasing macroeconomic uncertainties for the asset class," commented Gordian Kemen, Head of LatAm Fixed Income Research at HSBC Securities (USA) Inc., in New York. He added that the 3% decline on a quarterly basis was a correction from a much higher level than last year, as the big jump in CDS activity already occurred in the first quarter. "The third quarter 2014 volumes also reflect the rise of idiosyncratic risks in countries such as Argentina, Russia and Venezuela over the summer," Kemen pointed out.

The largest CDS volumes in the Survey during the third quarter were those on Brazil, at US\$69 billion. EMTA Survey participants also reported US\$67 billion in Russian CDS (representing a 119% increase on third quarter 2013 volumes, and up 9% on second quarter 2014 volumes). Turkish volumes were third at US\$51 billion.

The EMTA Survey also included volumes on nine corporate CDS contracts, with the highest reported volume on Gazprom (US\$4.8 billion). Participants also reported over US\$1.7 billion in PDVSA and Petrobras contracts.

For a copy of EMTA's Third Quarter 2014 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 began publishing CDS volumes in 2009.

For its survey, EMTA collected data from 12 major international banks and broker-dealers on Emerging Market CDS contracts. Participants were asked to report their CDS volumes on 20 Emerging Markets countries and 9 EM corporate issuers. The survey is based on notional value of CDS trades and includes rollovers, but not netting trades or internal transfers.