EMTA

Bulletin

25th Anniversary
1990-2015

4th Quarter 2015 Volume 2015: No. 4

EMTA's Newest Members

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EMTA's 25th Anniversary

After a year or more of informal meetings (mostly organized by Peter Geraghty) to discuss the impending restructurings by first Mexico and then Venezuela under the Brady Plan (which culminated in the development of confirmation forms for spot trades), the traders of what was then known as LDC debt, with some encouragement from banking regulators (notably Gerry Corrigan), decided to organize themselves as a trade association to promote greater efficiency, transparency and professionalism in their trading market. The resulting LDC Debt Traders Association was formed by

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EMTA Annual Meeting Set for December 3, 2015

Capping off another turbulent year for EM debt –a Chinese slowdown, low commodity prices, a lack of US FOMC action and Brazil's Petrobras scandal – EMTA's Annual Meeting will be hosted by Citi, at its 399 Park Avenue office in New York City. The Meeting will take place on Thursday, December 3, 2015 with 300 EM professionals expected to attend.

As in prior years, the event will include two panels of speakers, one moderated by Citi's David Lubin and composed of investors, with JPMorgan's Joyce Chang again leading a sell-side analyst discussion.

Joining both Lubin and Chang on the dais will be Alberto Ades (Bank of America Merrill Lynch), Christian Keller (Barclays), Pablo Goldberg (Blackrock), Drausio Giacomelli (Deutsche Bank), Alberto Ramos (Goldman Sachs), Dave Rolley (Loomis Sayles), Hari Hariharan (NWI Management) and Jim Barrineau (Schroders Investment Management).

Invitations have now been sent to EMTA members, who may attend gratis. There is an attendance fee of $1000 for employees of non-member firms. For more information, please contact Jonathan Murno of EMTA at jmurno@emta.org.

EMTA's 25th Anniversary (continued)

representatives of eleven firms on December 11, 1990 (within two years its name was changed to the much hipper Emerging Markets Traders Association). The new Association's first Board of Directors (chaired by Nick Rohatyn) was composed of the following:

Nicolas Rohatyn (Morgan Guaranty Trust)
Peter Geraghty (NMB Bank)
Kathy Galbraith (Chase Manhattan)
Stephen Dizard (Salomon Brothers)
Alex Rodzianko (Manufacturers Hanover Trust)
Peter Drittel (Bear Stearns)
Manuel Mejia-Aoun (Merrill Lynch)
Rick Haller (Morgan Grenfell)
Hugo Verdegaal (Citibank)
Neil Allen (Bankers Trust)
Robert Trisciuzzi (Bank of Tokyo)

Just a quick glance at their firm affiliations gives a good indication of some of the many changes that have occurred in the financial industry over the past 25 years.

By 1993, EMTA's Volume Survey showed that market trading volumes had increased over ten-fold, NAFTA had been signed and EMTA had issued its Code of Conduct and first when-issued trading forms (for Brazil).

The first decade of EMTA's existence was characterized by the development of many market practices (who can forget Kathy Galbraith's definitive declarations that consensus had been reached?), standard documentation for trading loans, bonds and options, and trading infrastructure (including a matching service and clearing corporation) to keep pace with the rapid growth of the trading markets, followed by the speed bump of the Tequila Crisis and then a severe contraction in the EM debt industry in the wake of the Asian and Russian debt crises of 1997-98.

From a market standpoint, EMTA's second decade was much less of a roller-coaster and, despite notable defaults (and restructurings) in Ecuador and Argentina, saw Mexico, Brazil and Russia (among others) achieve investment grade ratings. Official reserves waxed and original sin waned. Much about the Emerging Markets debt trading industry mainstreamed, and if EMTA had been formed in 2010, its name might be the even hipper Frontier Markets Traders Association. Trading volumes recovered strongly, and the influence of credit and FX derivatives grew, throughout the early years of the 21st Century. Then, in what might have been unthinkable a decade earlier, contagion washed across Europe, much in the way it did across LatAm in the 1980's and 1990's, and EM eventually became, at least for a time, a global safe haven for capital.

The last few years have seen reduced market liquidity, accompanied by increased volatility throughout the trading markets (not just in EM), continued drama regarding Argentina, Venezuela and Russia, conflict in the Middle East and concerns about the role of China in the world economy. The Emerging Markets have seen great progress in so many respects, have been buoyed by quantitative easing and massive capital flows, and more recently have been whipsawed by the effects of falling commodity prices, tapering and impending tightening.

EMTA's 25th Anniversary (continued)

As good as the past 15 years or so have been in so many respects, few will ever forget the painful memories of September 2001, and EMTA joins the EM marketplace in mourning the loss of colleagues then, and some more recently.

A list of Significant Market Events and EMTA Projects from 1990 to date is available here.

To help mark EMTA's 25th anniversary year, prior issues of this year's Bulletin have featured a series of articles on the early periods of EMTA's history. The market developments and related EMTA activities in the period 1990-2007 were summarized in the following four articles:

(1) "EMTA's Beginnings" by Bruce Wolfson, a long-time EMTA Director representing several firms (including Bear Stearns and The Rohatyn Group) and currently General Counsel and CCO of Jaguar Growth Partners;

(2) "EMTA's Early Years (1992 and 1993): EMTA Emerges as an Independent Trade Association for the Emerging Markets Trading Industry" by Thomas Winslade, EMTA's Executive Director from 1991-93;

(3) "EMTA 1994-98: The Golden Years of EM Debt Trading?" by Michael M. Chamberlin, EMTA's current Executive Director; and

(4) "EMTA 1999-2007: EM Debt Trading and Investment Matures and Mainstreams," also by Michael Chamberlin.

The series continues this Quarter with a group of three articles recording the evolution of the EM trading and investment markets and EMTA's corresponding agenda of activities, roughly from the onset of the subprime mortgage crisis and global recession in 2007-08, in the areas of FX Derivatives, Industry Gatherings and Fixed Income Debt Trading and Investment by Leslie Payton Jacobs, Jonathan Murno and Aviva Werner, respectively, accompanied by a short, introductory overview by Michael Chamberlin.

EMTA 2008-2012—AN OVERVIEW—From Cowboy Market to Safe Haven?

Michael M. Chamberlin[1]

Executive Director

Ever since its formation in late 1990, EMTA has been the forum of the Emerging Markets trading and investment community for the orderly development of EM debt trading. In its earliest years, as several of the preceding articles in this series have illustrated, EMTA was originally the forum that helped the industry to navigate, through the development of market practices and trading documentation, the successful transition of EM fixed income from sporadic loan trading, mostly in NYC and London, into a large scale global bond origination and trading business. Later advances in efficiency and reduced credit risk were made as a result of EMTA's work in building industry infrastructure such as bilateral and multilateral netting facilities and the Emerging Markets Clearing Corporation. By 2007, thanks in large part to the rebuilding and steady development of the EM marketplace following the market crisis of 1998, EMTA had largely met its goals of bringing greater efficiency and professionalism to the trading of EM fixed income instruments, through various mechanisms addressing pricing, confirmations, clearance and settlement. More recently, of course, many individuals have moved from the sellside to the buyside and most aspects of EM fixed income trading (the exception relating to some local market instruments) have integrated almost seamlessly into the architecture of the global and US domestic debt markets. Systems and standards in the global EM debt marketplace are as strong as any in the world (with those in local markets generally defying generalization, but becoming on the whole much stronger), and it says something about how far EM debt trading has come from the days when banking regulators openly referred to it as a "cowboy market" that, by the time of the dark days of the recent global recession and resulting European credit crisis, EM was being described as a "safe haven" for investors.

[1] Michael Chamberlin was formerly a Partner at Shearman & Sterling with a law practice focused on public and private sector Latin American debt restructurings and capital market transactions. Among other things, he led Shearman & Sterling's representation of the international banking community in Mexico's pioneering debt exchange under the Brady Plan and in the design and implementation of the FICORCA Facility Agreement, represented PDVSA in connection with many of its public financings, helped World Wildlife Fund US develop the debt-for-nature swap and worked on many financings, refinancings and debt-for-debt and debt/equity swaps for Citicorp/Citibank in the 1980's and early 1990's before becoming EMTA's Executive Director in 1994. He received his AB degree in Economics (cum laude) in 1972 from Princeton University and his JD degree (also cum laude) in 1975 from George Washington Law School, where he was Notes Editor of the Law Review.

Click Here for the complete article.

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EMTA at Work in the FX Space 2008-2012

Leslie Payton Jacobs[1]

Senior Legal Counsel and Managing Director

2008-2012 was a productive time for EMTA in the FX space, as the industry worked to round out the tool box available to market practitioners, adding width and depth to the infrastructure it had been working to put in place since 1995. Specifically, EMTA (i) continued its original scope of work in establishing agreed terms and market practices for non-deliverable FX forward transactions (NDFs) by increasing the roster

[1] Leslie Payton Jacobs is an EMTA Senior Legal Counsel and Managing Director with primary responsibility in the area of FX Derivatives, having served in that capacity since 2002. She received her BA in Anthropology from Wellesley College (where she was elected to Phi Beta Kappa and graduated as a Durant Scholar) and her JD from Columbia Law School, and has previously worked at Shearman & Sterling, Merrill Lynch and Bear Stearns.

of standardized currency pairs by another seven currencies, (ii) expanded its reach into variants of the non-deliverable FX product, (iii) helped develop tools to increase the efficiencies in documenting transactions, ultimately helping to pave the way toward more automated processing of these products, (iv) continued to support the industry in its efforts to find credible ways to develop valuation constructs in certain Emerging Markets where alternatives were inadequate, and then, (v) toward the end of this time period, began to re-examine some of that infrastructure in the face of the demands of a radically changing legal and regulatory environment.

I. Rounding Out the Documentation Toolbox and Building Infrastructure.

Up until 2007, EMTA's FX-related work was largely (but not exclusively) centered on the production of specific terms for use in trade confirmations (and related documentation) for US$-settled NDF and NDO (non-deliverable currency option) products, and by the beginning of 2008, EMTA had published Template Terms for 13 currency pairs. Over the next few years, these activities continued, and EMTA, through existing or newly constituted subgroups of its primary FX and Currency Derivative working group, completed projects to standardize NDF and NDO documentation and market practices for US$-settled VND, PKR, UAH, KZT, EGP, NGN and GHS NDFs and NDOs, bringing the number of currencies under the EMTA NDF architecture umbrella to 20 by the end of 2012 (which included those for Asian currencies co-sponsored with the Singapore Foreign Exchange Market Committee and the Foreign Exchange Committee of New York (FXC)). This early emphasis on basic documentation began to change over the next several years, as market participants increasingly sought to supplement the existing infrastructure with products and practices that addressed perceived impediments to trading or settlement in various Emerging Markets.

Click Here for the complete article.

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EMTA 2008 to 2012: As the EM Fixed Income Debt Trading and Investment Market Continues to Mature and Mainstream, EMTA's Role Focuses on New Topics (and a Few Older Ones)

Aviva Werner[1]

General Counsel

EMTA's "core" area of Emerging Markets fixed income trading and investment was generally characterized by the following trends and/or special situations during the period 2008-12:

(1) Continued mainstreaming of the EM asset class into the global debt markets, particularly, for debt denominated in US dollars or in other hard currencies, in respect of industry architecture in areas such as research, trading, clearance and settlement;

(2) Continued evolution of investor appetite for EM assets away from sovereign debt to corporate debt, and from dollar-denominated assets to those denominated in local currency;

(3) Onset of a global financial crisis and recession in 2007-8, leading to aggressive reform of the financial sector in Europe and the US and a continuation (and deepening) of the prevailing low-interest environment (with resulting strong inflows into most EM countries);

1 Aviva Werner is EMTA's General Counsel, having joined EMTA in 1996. She received her BA (magna cum laude) from Brandeis University (where she was elected to Phi Beta Kappa and majored in American Studies) and her JD from Columbia Law School and previously worked at Rogers & Wells (now part of Clifford Chance) and The Chase Manhattan Bank.

EMTA's 25th Anniversary (continued)

(4) Credit deterioration in a number of European countries, while credit quality was generally perceived to have improved throughout much of the Emerging Markets;

(5) A variety of academic and official sector proposals to reform the international financial architecture for restructuring sovereign bonds and other credits, mostly resulting from concerns about Argentina and the EuroZone; and

(6) Episodic market concern over a series of specific EM country situations (namely Ecuador, Ivory Coast and especially Argentina) and several more general debt market concerns (clearing a backlog of failed warrant settlements and addressing the question, in an EM context, of when to trade a defaulted (or near-defaulted) asset "flat").

I. EM Asset Class Mainstreams

The overall period from 2008 through 2012 was generally characterized by a continued mainstreaming of the EM debt markets; in many respects (for investors, sellside personnel, lawyers and regulators) into the broader capital marketplace, a process that had been well underway for many years. Of course, trends in the marketplace, greater investor interest in local market instruments and corporate bonds, for example, opened up new opportunities at EMTA to assist the marketplace as it evolved. Generally, however, the mainstreaming of EM meant less need for (and, therefore, less focus on) market practices, trading docu mentation and infrastructure (traditionally, the type of projects EMTA focused on in its core fixed income area), and greater emphasis within EMTA on special situations and specific problem areas (like Argentina, Warrants and flat trading), on monitoring the steady stream of so-called market reform proposals from academics and policymakers and on designing and presenting forums and other events to help provide greater transparency and promote the EM asset class.

Click Here for the complete article.

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EMTA 2008-2012 – Promoting the EM Asset Class and Market Transparency

Jonathan R. Murno[1]

Managing Director

From its earliest days, one of EMTA's principal missions has been to promote greater market transparency, in part by providing a forum for market participants to discuss issues of common interest.

Various EMTA working groups held regular "open meetings" in the early to mid -1990's to provide EMTA members (then primarily the investment banking affiliates of banks and other sell-side market participants) to exchange information about the terms of the various country debt restructurings, and to develop standard documentation and market practices for trading the original instruments of the EM asset class - the mix of defaulted sovereign loans and unpaid interest claims (which were neither securitized, nor intended to be tradeable instruments) and the growing supply of highly tradeable, but unusually complex, Brady bonds that were issued as a result of these restructurings. In addition to helping the marketplace to prepare for these debt restructurings,

[1] Jonathan Murno is an EMTA Managing Director, with primary responsibility in the areas of Events and Research. He received his BA in International Relations and French Literature from Boston University and his Masters in Economic and Political Development from Columbia University's School of International Public Affairs, previously worked at Merrill Lynch and Harbor Capital Management and joined EMTA in 1994.

and then to trade the new (and somewhat novel) instruments that resulted from them, these early “open meetings” soon evolved into discussions of how to make the EM marketplace generally more efficient through mechanisms commonplace in more established and mature asset classes such as trade matching services, netting facilities and, eventually, a clearing house.

In short, EMTA-sponsored meetings helped transform the marketplace from one in which trading transactions involved one-off negotiations of trade terms and documentation to a more liquid marketplace where trades were made and settled on the basis of more common terms, market practices and trading documentation.

As the industry matured and achieved greater efficiency, EMTA transformed itself from a host of working group meetings focused on the development of trading documentation and market practices to a sponsor of events intended to increase marketplace transparency. EMTA Forums and seminars were born, and have since been used to educate market participants on various legal and economic issues, to provide for debate on market issues and to foster a greater sense of community in the ever-expanding asset class.

Click Here for the complete article.

EMTA’s 25th Anniversary Panels

EMTA’s 25th Anniversary Panels “Emerging Markets - Then and Now” will take place on December 7 at EMTA’s NYC offices. Martin Schubert (European InterAmerican Finance Corp.) will moderate at least one of the panels, and at press time the following speakers have been confirmed: Daniel Canel (AdCap), Arturo Porzecanski (American University), Charles Blitzer (Blitzer Consulting), William Rhodes (former Vice Chairman at Citicorp), Lee Buchheit (Cleary Gottlieb Steen & Hamilton), Susan Segal (Council of the Americas), David Mulford (Credit Suisse), Jay Newman (Elliott Management Corporation), Martin Schubert (European InterAmerican Finance Corp.), Hans Humes (Greylock Capital Management), Guillermo Ortiz (Grupo Financiero Banorte, former Finance Minister and Central Bank Governor of Mexico), Bruce Wolfson (Jaguar Growth Partners), Mark Walker (Millstein & Co. LLC), Daniel Marx (Quantum Finanzas) and Terrence Checki (formerly at the U.S. Federal Reserve Bank). There will also be a Special Video Message from Angel Gurria, former Finance Minister of Mexico and Secretary General of the Organisation for Economic Co-operation and Development (OECD).

Expert panelists from EMTA’s founding days to the present will discuss the following:

- Origins of EM debt trading in the early ‘80’s (and the impact of the Brady plan) to its current evolutionary state - is there just too much debt and how do we get to “life after debt”?
- How has the EM investor base changed, and how is the asset class now being viewed?
- The evolving role of the major banks, and the changing role of the rating agencies.
- The crises of the past vs more recent ones and how globalization and/or contagion has affected the market, including the Eurozone crisis and what can be learned from EM.
- Creditors’ rights and rule of law/enforceability of contracts – how have recent cases changed the way we look at this topic?
- Tools of crisis resolution in sovereign debt restructurings through international financial architecture, including CACs and the *pari passu* and creditor engagement clauses.
- The Argentina saga; the Eastern Europe impact; the Mexico upgrade vs Brazil downgrade and other LatAm countries; foray into frontier markets.
- The Asian debt crisis of 1998 and the impact of recent Chinese measures on Asia today.
- Increased volumes in local markets instruments, EM corporates and CDS on EM names…and more.

EMTA is very pleased to be presenting these panels, and we hope you join us in our celebration!

FX Currency & Derivatives

Updates to Annex A

Annex A was amended, effective September 14, 2015, to delete two long-standing rate source definitions: the SFEMC PKR Indicative Survey Rate and the SFEMC VND Indicative Survey Rate. In each case, the Singapore Foreign Exchange Market Committee (SFEMC) indicated that it was no longer in a position to support the back-up (Indicative) survey and accordingly, requested that the definitions be withdrawn from Annex A.

The amendment to remove the rate source definition for the SFEMC VND Indicative Survey from Annex A for this currency pair is in the category of a "clean-up" amendment to Annex A following the 2013 adjustments made to a number of the Asian Currency benchmarks. In the case of the Vietnamese Dong, a determination was made that there was inadequate interest in the trading of the VND/USD Currency Pair to support the continued recommended documentation. The VND/USD Template Terms were removed from the Co-Sponsors' websites at that time and, at the present, there are no current recommended Template Terms for this Currency Pair.

The amendment to remove the rate source definition for the SFEMC PKR Indicative Survey Rate followed a more recent determination by the SFEMC that trading in the PKR/USD Currency Pair is not strongly supported in the Asian markets and that, as a consequence, its sponsorship of the PKR/USD back-up survey was not well-placed.

As a consequence, EMTA removed the SFEMC/EMTA/FXC Template Terms for PKR/USD Non-Deliverable FX and Currency Option Transactions from its website but has recently contacted its membership to determine if there is Membership support for revising the PKR/USD Template Terms as an EMTA-only sponsored document. EMTA Members wishing to weigh in on this project should contact Leslie Payton Jacobs (lpjacobs@emta.org).

EMTA Members may Click Here to view the amendment.

Barrier Options Market Practice Finalized

EMTA published Recommended FX and Currency Derivatives Market Practice No. 76 on November 24, 2015. This Market Practice addresses conventions in monitoring semi-continuous barrier and binary options for certain emerging market currencies. The market practice began as an effort to produce a list of recommended observation hours for barrier options in certain Asian currencies but developed into a project to develop clarity and consensus around both observation hours and fixings for trading semi-continuous barrier options for emerging market currencies generally. The Market Practice references and coordinates with two Market Practice statements (on BRL and RUB options) on barrier options previously published by EMTA.

Members may Click Here to view this Market Practice.

New PKR/USD Template Terms Needed?

EMTA recently contacted its membership to determine if there is Membership support for revising and re-issuing the PKR/USD Template Terms for Non-Deliverable FX Transactions as an EMTA-only sponsored document. EMTA Members wishing to weigh in on this project should contact Leslie Payton Jacobs (lpjacobs@emta.org).

FX Currency & Derivatives (continued)

The CME-EMTA Russian Ruble Reference Rate Transition

The EMTA Ruble Traders Working Group continues to debate the transition away from the CME EMTA Russian Ruble Reference Rate Survey (the "Survey") as the primary settlement rate option for the valuation of Ruble Dollar Non-Deliverable Forward FX Transactions. The Survey, developed and instituted in 1998 following the suspension by MICEX of its fixing rate in connection with the Russian financial crisis at that time, is derived from a poll of onshore banks that deal spot in the Moscow marketplace. The Working Group is looking at possible alternatives to the Survey as the primary rate-source option for these contracts and has been investigating various alternatives with a view to ensuring continuity and minimizing the potential for market disruption during the transition. No consensus has yet been reached by the Working Group as to a new recommended primary settlement rate option.

EMTA "Meet and Greet" Sessions in Asia

In October, EMTA staff organized an informal get together in each of Hong Kong and Singapore and invited the legal teams of its Members who are involved in fx and currency derivatives matters to attend. This was an opportunity for EMTA staff to get further acquainted with these legal communities in Hong Kong and Singapore as well as an opportunity to discuss recent and ongoing EMTA initiatives. Many thanks to the offices of EMTA Member Clifford Chance for hosting the event in Singapore on October 21st and to the legal department of EMTA Member Goldman Sachs for hosting the event in Hong Kong on October 23rd.

FMLC Consults with EMTA on Letter to European Commission

The Financial Markets Law Committee (the "FMLC") recently undertook to provide the European Commission with comments on the (revised) regulatory proposal dated May 20, 2105 by the European Commission on indices used as benchmarks in financial instruments and financial contracts. The focus of the recent FMLC letter was the potential legal uncertainly of the proposed regulation in the context of foreign exchange rate sources, particularly, NDFs. To assist the FMLC in this endeavor, EMTA provided the FMLC with information about NDFs and the various provisions of the EMTA Template Terms.

EMTA Members may Click Here to view a copy of the FMLC letter to the Commission. The FMLC website can be accessed by clicking here.

Bond & Warrant Trading & Settlement

Market Practice Recommendation for Ukraine Bonds

Following consultations with major market participants EMTA recommended that, for all trades entered into on or after September 25, 2015, Bonds issued by Ukraine should, unless otherwise agreed, trade "flat". Members only may access this Market Practice recommendation by Clicking Here.

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

ISDA Determines Ukraine Credit Event Triggered

On October 5, 2015, ISDA's EMEA Credit Derivatives Determinations Committee determined that a Repudiation/Moratorium Credit Event and a Failure to Pay Credit Event have occurred in respect of the Republic of Ukraine, and that an auction will be held in respect of outstanding credit default swap (CDS) transactions on October 6, 2015. Click Here for the ISDA Press Release.

EMTA Notifies Members of Warrant Payments

For many years, EMTA has routinely monitored information on various warrants issued in Brady bond exchanges.

During the fourth quarter, EMTA notified its Members of the payment amount and record date of September 30, ex-dividend date of September 28 and payment date of October 15, 2015 in respect of Venezuela warrants, as well as the payment amount and payment date of November 16, 2015 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.

EMTA Survey: Emerging Markets CDS Trades at US$376 Billion in the Third Quarter

Reported Volumes Flat Compared to 3Q 2014

Emerging Markets CDS trading stood at US$376 billion in the third quarter of 2015, according to a Survey of 13 major dealers released by EMTA on November 23, 2015. This was almost identical to the amount reported to EMTA in the third quarter of 2014, and represents a 37% increase in volume compared to the US$275 billion in reported transactions in the second quarter of 2015.

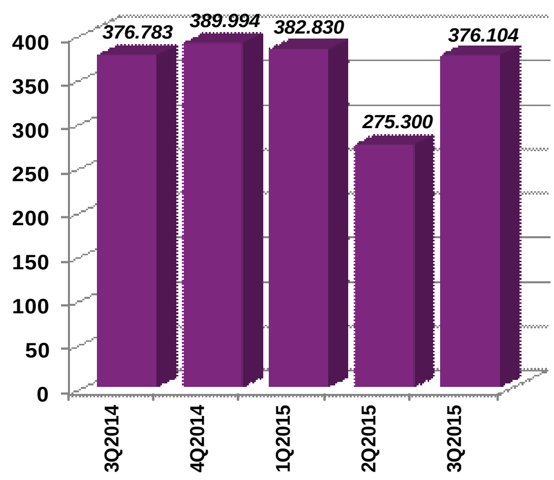
Reported volumes had remained somewhat steady at approximately US$380 billion per quarter for the past year, with the exception of the second quarter of 2015 (when one dealer did not report volumes).

The largest CDS volumes in the Survey during the quarter were those on Brazil, at US$65 billion. EMTA Survey participants also reported US$46 billion in Turkish CDS; Russian volumes followed at US$35 billion.

The EMTA Survey also included volumes on nine corporate CDS contracts, with the highest reported quarterly volume on Pemex (US$4 billion). Participants also reported US$2.6 billion in Gazprom contracts and US$2.4 billion in Petrobras CDS.

For a copy of EMTA's Third Quarter 2015 CDS Trading Volume Survey, please contact Jonathan Murno at jmurno@emta.org or + (1) 646 289-5413.

Figures in Billions of US Dollars



Energy Panel

This Special Seminar "The Future of Energy in the Asian Markets" took place on November 6, 2015 at EMTA's NYC offices. Clara Gillispie (The National Bureau of Asian Research) moderated the panel, with the following panelists: George David Banks (American Council for Capital Formation), Li Bin (Chinese Embassy) and Tony Nash (Complete Intelligence). Relevant documents addressed during the panel discussion can be accessed by Clicking Here.

Demand for energy in Asian markets is strong and projected to grow. And, with entities like the U.S. Energy Information Administration forecasting that resources such as coal will serve as the primary energy source for many countries for years to come, discussions of what these energy mixes will look like and what is at stake for various market participants has never been more relevant.

This panel discussed the projected physical reality of various energy sources in the global energy market, especially as it relates to Asian demand. The panel also examined both the challenges and the opportunities that face controversial resources that can act as a necessary tool in the development and economic growth of Asian economies over the next few decades.

Clara Gillispie provided some background on the context for why Asia was the subject of the panel discussion. She examined the major trends in Asia's energy outlook, and the continuing role of coal in the region's energy demand outlooks. She posited that energy is central to economic growth, health and global prosperity, and this was particularly true in Asia. Lifting the population out of poverty through better and more reliable access to energy for transportation, schools, hospitals, etc. was a goal (although not without its challenges). The scale of demand, and how this compares to other regions (65% of projected future demand growth is in Asia, four times the demand in Latin America and Africa combined), as well as what is at stake in addressing energy security (that incorporates concerns for environmental security, geopolitical security and price security) were some of her themes. Promoting energy mixes that are "affordable, available, acceptable, accessible and sustainable" was key, in her view. She stated that Asia needs more supply of energy and greater opportunities to develop geopolitics in the area.

In addition to looking at where the supply of energy was coming from, Gillispie asked the panelists: What might we look for in the future of energy in Asia-Pacific markets, and how might stakeholders work together to strengthen energy outlooks? In contextualizing Asian energy trade flows, how are countries thinking about their partnerships for securing supplies – both on who/where supplies are coming from, as well some of the trends on purchasing arrangements with Japan-Korea, etc.

Energy Panel (continued)

Tony Nash spoke about the overall longer term energy demand forecast and energy security strategies in Asia and the differences across sub-regions, such as China, India, Southeast Asia and Japan/Korea. Specifically, he discussed up-streaming sourcing activities as pivoting from the Mid-East to Asia, with the U.S. increasingly obtaining energy from Asia, coupled with a growing demand from China, Japan and India. Tangentially, Iran was also becoming a legitimate source of energy. With oil prices depressed, bargain investors were buying empty fields. While Asia was not quite at a "capitulation point", the question of who will build Asia's infrastructure loomed.

He predicted that, by 2019, Asia will have trillions more in wealth, surpassing US and Europe. The Asian governments will raise more taxes based on this wealth and will spend more on power generation and distribution. Asia has grown past the post-Colonialism era of old infrastructure and was ready to accommodate investors in such power generation. The Western influence in Asia is waning, and, once power is taken by the region, it will be less beholden to the World Bank. In fact, he thinks that China will outshine the US at the Paris Conference in December, and Asia generally, with its demand, will make markets. China's rise is not at the expense of the U.S.'s (it's not a zero-sum game), while Europe will be the loser in terms of economic power. China uses coal, but has also spent money on alternative energies, and India is likewise wrestling with similar issues as to how to best service its population. The U.S. should enable China to make a peaceful transition, and help it use its newly gained power effectively and efficiently.

Li Bin discussed how China is trying to accomplish its energy transformation and the policy decisions behind it. Given the energy transformation underway in China and the shift to strengthening its energy mix through both cleaner fuels and cleaner technologies, China has made substantial investments in its coal infrastructure, given that it still has a long-term demand for coal. Specifically, in response to Gillispie's questions on how China could increase its efforts to manage emissions, while continuing to engage on cleaner coal technologies, he discussed China's energy consumption that has shown modest increases over the last year in conjunction with slower GDP growth. Coal still accounts for 66% of consumption (with oil at 17%), but a bigger increase in nuclear energy is expected. On the production side, while energy was also being imported from other countries, coal still accounts for 74% of supplied energy (with oil at 8.4%).

Rather than substantially reducing coal consumption (since a move toward the more non-traditional energy sources, such as oil, natural or shale gas and nuclear power will take time to develop), Bin suggested changing the way it's being used and improving the way it's being burned. He also suggested that the government punish the pollution producers (which were industrial pollutants, like cars and construction sites, not necessarily power plants). He was not as concerned with energy security in an environment of low energy prices (which he remarked were set more by traders of the commodity than its producers) where the current supply levels were adequate. With respect to the climate change initiative, he was in favor of utilizing new technologies and thought China would substantially reduce coal consumption over time, and that presently it was more expensive to buy coal within China (due to corruption) than from Australia. He implored the U.S. to supply China with energy through long-term contracts, despite the political climate, so China does not obtain its supply from nearby Russia with plenty in reserves. And, with respect to the TPP (trade agreement), he hoped China would join, not because the U.S. wanted it to, but rather because it was in China's interest to do so. Reforms are needed within China, with or without the TPP.

Energy Panel (continued)

George David Banks discussed the status of U.S.'s shifting global energy market and, more specifically, the benefits of U.S. energy exports to U.S. foreign policy and national security. Free flowing trade of resources, technologies and services between market participants will maximize efficiency, achieve global climate change goals and stabilize the market against rogue actors. In response to Gillispie's questions on the outlook and policy needs for strengthening North America/U.S.-Asia energy ties in respect of natural gas and crude oil exports and coal trade infrastructure, Banks spoke of the U.S. obstacles to plentiful supply in the region. He explained that the roots of energy insecurity and scarcity in the U.S. harkened back to the 1970's when the U.S. was more interested in protecting and conserving its own energy supplies and resources. This "resource nationalism" policy prohibited the U.S. from even thinking about exporting as it deemed it more important to keep a competitive advantage for its own energy industry. However, it could, in fact, export energy if it wanted, and the U.S. could play a role in increasing security in the region by supplying it with various forms of energy (for example, Japan, South Korea and Taiwan were 90% dependent on energy imports). U.S. policy, in its energy restrictions, helped undermine the foreign trade regime.

And, the bigger issue, in his view, was that the current policy was shaped by environmental and climate concerns. This polarized non-bipartisan approach would have significant negative implications for the U.S. in the future. The current emerging gap between the supply needs of other nations and what the U.S. could provide impacts the U.S.'s ability to shape trade and finance policy. The Keystone pipeline topic is an example of how President Obama declined its development because he perceived the U.S. as having to be the leader in the environmental debate. In Bank's view, the U.S. needs to reform its energy policy, consistent with a free trade approach, allowing continued access to reliable energy sources.

EMTA Corporate Bond Forum Series Expands to Boston

Following a decade of EMTA corporate bond-specific events in New York and London, EMTA held its first corporate-focused Forum in Boston on Tuesday, November 3, 2015. MarketAxess sponsored the event, with additional support from Bank of America Merrill Lynch, JPMorgan and Santander. Over 60 market participants attended the event.

"It has been a rough year for EM, with many tribulations," noted moderator Anne Milne (Bank of America Merrill Lynch) in introductory remarks. Although outstanding EM corporate debt had surpassed the $1 trillion mark, and in recent years issuance had surpassed $300 billion annually, the overall EM environment, as well as events such as the Petrobras scandal, had depressed recent EM issuance.

Milne asked speakers if the recent corporate issuance pull-back augured a more permanent development, or if it were a temporary lull. Jacob Steinfeld (JPMorgan) acknowledged that issuance would be lower in 2015 and 2016 compared to prior years. He further specified that only the Emerging Europe corporate asset class would grow in 2016, while Asian corporate issuance could decline by 15-20%. However, Steinfeld stressed the resilience of the corporate market as an asset class, highlighting that EM corporate debt had still outperformed EM sovereigns and US high yield.

Dave Cole (MFS) noted that, from his stance as a crossover portfolio manager, EM corporate debt was a relatively interesting opportunity. He assessed spreads as more attractive than asset classes, such as European high-yield.

"Any Latin company that has any business issuing USD external debt has likely already done so," affirmed Aaron Holsberg (Santander). He argued that smaller companies and lower-tier credits will have to rely more on the syndicated bank loan and private placement markets for the foreseeable future.

Sam Epee-Bounya (Wellington Management) agreed with the panel that "EM corporate debt is here to stay…but our stress levels are higher!" China remained a wild card, and Brazilian companies should have a contingency plan if they were closed out of the market for 18-24 months in the event of further Petrobras scandal news, he advised.

Milne requested panelist suggestions on what could be done to attract IG accounts which had sold EM corporates in the aftermath of the downgrades of Petrobras and various Russian issuers. Epee-Bounya stressed that, without a confidence shock to Brazil including a political stabilization, crossover accounts were likely to remain on the sidelines. Steinfeld noted that US distressed funds have seen EM corporate opportunities, and have been rewarded in some cases (e.g., Mexican homebuilders) although the track record overall was mixed. Cole reminded the audience that crossovers continue to own select credits such as Cemex.

The decline in commodity pricing would continue to affect the EM corporate market according to the panel. Holsberg expected slowing commodity demand to remain a factor for EM corporates in 2016 and possibly 2017 as well. The oil and gas sector, as well as metals and mining, have been the worst performers ytd noted Steinfeld, who specified that commodity-issuers accounted for 27% of the CEMBI Index. Asian corporates, as net commodity importers, could continue to benefit.

Boston Corporate Bond Forum (continued)

Milne observed that Chinese corporate Eurobond issuance now surpassed all other corporates, although in Reg S form primarily, and paled to Chinese domestic issuance. How did China figure in EM corporate portfolios?, she asked. Epee-Bounya recommended caution when perusing the Chinese property sector, while noting an inclination to buy on weakness. He argued that Chinese companies were not as leveraged as Mexican homebuilders, although the latter offered more recovery value in the case of a bad investment.

On the other hand, “China is just not an area we go into,” stated Cole. Chinese corporates accounted for only a small percentage of the benchmark, and were concentrated in the property sector. Governance issues were a concern, although reforms could lead to greater interest. For now, however, it was “hard to see sustainable cash flows if the music stops,” he advised. Both Steinfeld and Milne concurred that the Chinese property sec tor remained the most vulnerable sector in an EM corporate sell-off.

The issue of liquidity was also debated. “From a HY perspective, this is not anything new,” stated Cole. An investor could address it by lengthening one’s time horizon, demanding higher spreads upfront, and reassessing how comfortable one was with the management team and balance sheet. In Cole’s view, the contraction in liquidity post-2008 seemed much more pronounced in the US IG asset class.

Epee-Bounya expressed concern over “liquidity herding.” The tendency for investors to focus on more liquid names, such as Cemex and Digicel, ironically made them more vulnerable; if the herd moved simultaneously, bond prices could drop significantly.

As for opportunities, Holsberg favored Mexican corporates with strong exposure to the US economy, and Cole favored Latin America generally (“getting the commodity call right will be important”).

In terms of trends, Steinfeld and Milne expected Argentine corporates to take advantage of a potential post-election “honeymoon” period, while noting that the hold-out issue will remain a stumbling block. Epee-Bounya added that Argentine leverage may be increasing, and future shock therapy could cause potential casualties. “These factors should give investors some reason to pause,” he stated.

EMTA Roundtable on US Sanctions

EMTA presented a roundtable discussion “US Sanctions - A Dialogue Between the Official and Private Sectors” on October 28, 2015 in Shearman & Sterling’s (its sponsor’s) London offices. Danforth Newcomb and Barney Reynolds from Shearman & Sterling led the discussion with Andrew Keller, State Department Deputy Assistant Secretary for Sanctions and Illicit Finance, as he addressed the market on how financial markets sanctions related to Cuba, Iran and Russia are targeted, structured and enforced.

Arbitration in the Emerging Markets Panel

EMTA presented a panel of legal experts on the differing contexts in which arbitration arises in the Emerging Markets on October 26, 2015 at its NYC offices. Whitney Debevoise (Arnold & Porter) moderated the panel, with the following panelists: Jeffrey Sullivan (Allen & Overy), Mark Cymrot (BakerHostetler) and Alexandre de Gramont (Dechert). The event was sponsored by Allen & Overy, BakerHostetler and Dechert. Click Here for relevant documents addressed during the panel discussion, Click Here for Mr. Sullivan’s presentation and Click Here for Mr. de Gramont’s presentation.

Whitney Debevoise provided some background information on arbitration generally, describing it as an alternative to going to international or local courts. Understanding the appropriate dispute settlement mechanism and its advantages and limitations is vital. Recognizing the role that arbitration plays in restructuring techniques, and adding arbitration to one’s due diligence toolkit to evaluate sovereign risk (i.e., what judgments are outstanding on a sovereign, what are the amount of the claims and are they collectible and what are the threats to disbursement under a bond) is also crucial.

Alexandre de Gramont provided an introduction to international commercial and investor-state arbitration. He explained that the primary purpose of international arbitration is to act as a neutral forum for the resolution of disputes between persons of different nationalities, with the added benefits of speed, cost, party autonomy and specialized expertise. Recognition and enforcement of an arbitral award (where court judgments are not always enforceable abroad) was another advantage, as was the ability to choose the language, choice of law and other procedural matters. There was some historical skepticism of banks and financial institutions against international arbitration because of the concern that arbitrators decided cases based on the equities, there was a lack of appellate review and collateral security and high interest rates made arbitration seem unnecessary. Such commercial arbitration arose in its modern form in the wake of WWI, and was viewed as an instrument of peace and a creature of consent, almost always arising from a pre-existing contract. The rise of this form of arbitration is evidenced by the currently over 120 international arbitration institutions around the world, 70% of them having been created in the past 30 years. Its particular rise in the financial services sector was the result of numerous factors, including the financial crisis of 2008, recession in major economies, increasingly complex cross-border transactions, increased regulation in the financial sector, increased investment in developing countries and unpredictability/bias/extreme delays in local courts. De Gramont also listed the recent developments in this area, which included specialized arbitration rules for banking and finance disputes, the 2013 ISDA Arbitration Guide, with model arbitration clauses, and the creation of specialized arbitral institutions for financial disputes.

Arbitration Panel (continued)

While the line is increasingly blurred, international commercial arbitration generally is between private parties (including state-owned enterprises), and arises from a contract between the parties, and investor-state arbitration privity is between an investor and the State (though state-owned enterprises are often involved), and arises from an investment treaty or local investment law (but also from contract).

De Gramont then turned to an investor-state arbitration overview. The old rule was that one could not sue States because of sovereign immunity. However, under the new regime, private persons or entities could bring arbitration against States for a variety of claims if the State has consented through a treaty, contract or domestic statute. These instruments provide an advance waiver of sovereign immunity. He pointed to the massive growth in the last 15-20 years, with over 3200 investment treaties and over 600 known cases, which are typically high-value, alleging hundreds of millions and even billions of dollars. Typical fora for investor-state arbitration include International Centre for Settlement of Investment Disputes ("ICSID"), ad hoc arbitration under the United Nations Commission on International Trade Law (UNCITRAL Rules), International Court of Arbitration of the International Chamber of Commerce ("ICC") and Arbitration of the Stockholm Chamber of Commerce ("SCC"). Most modern investment treaties define "investment" broadly, with the typical substantive protections of expropriation (whereby there is no expropriation (direct or indirect) unless it is non-discriminatory, carried out with due process, for a public purpose and accompanied by fair compensation). Other typical protections include "fair and equitable Treatment" (often applied to changes in regulatory schemes, such as tax codes), "full protection and security", treatment no less favorable than other domestic or foreign investors ("MFN") and an "umbrella clause", which brings other obligations undertaken by the State (e.g., by contract or a statute) within the protection of the treaty. He referred to the somewhat controversial test as whether investors' legitimate expectations were frustrated vs. whether these types of protections were interfering with the States' ability to regulate.

He also addressed "treaty shopping" or prudent investment planning (often for tax purposes) as ways to characterize why parties choose international commercial or investor-state arbitration for their disputes. And, finally, he discussed the recent sovereign debt arbitrations, *Abaclat v. Argentina (2011) and Poštová Banka v. Greece (2015)*.

Mark Cymrot discussed the traditional rules that sovereigns couldn't be sued without their consent. Promissory notes had limited or no waivers of sovereign immunity, while most bonds issued recently have such waivers, which include waivers for enforcement of judgments and awards against a sovereign's commercial property. An arbitral claim is a waiver of sovereign immunity, with a waiver against execution (but does not broaden the assets that could be collected). Investment arbitration broadened the range of remedies (although it is controversial), and some deem breaches of contracts not to fall within the purview of investment treaties. He echoed de Gramont's claim that there was a greater possibility that arbitration awards were recognized in more countries than legal suits, that they were quicker and that there were more opportunities for mass claims in the arbitration context vs. class actions that usually require the consent of class litigants. Also, the arbitration route is often more attractive to parties that want to designate which law applies to their dispute, and what the seat of the arbitration should be, which may have a big impact on the procedures used. Cymrot also briefly mentioned Article 54 of the ICSID Convention relating to recognition and enforcement, where in the dispute with Argentina a different interpretation may prevail than the customary one.

Arbitration Panel (continued)

Jeffrey Sullivan presented his summary on investment arbitration and sovereign debt disputes. He discussed ICSID arbitration (as just one of particular forums, but the most common), with its recognition and record of enforceability (with States volunteering to pay their arbitration awards (Argentina being the obvious exception)), as ICSID is part of the World Bank (who can put pressure on the States), with a public and high-profile bargaining chip of threatening a reduction in States' funding. All ICSID cases are listed on its website, providing greater global transparency. He explained how cases are typically brought under a treaty, and whether "investments" are deemed "qualifying" under the "double keyhole approach", namely under the ICSID Convention and the relevant Bilateral Investment Treaty ("BIT"), is not always crystal clear. For example, tribunals ruled in favor of bondholders in the Argentine case, and in favor of Greece in another case. While States are becoming more specific in their treaties that bonds are qualifying investments, the States also seek to limit protections in those same treaties. Sullivan remarked that, after the Argentine case, some States are excluding bonds as qualifying investments from their treaties.

He questioned whether a sovereign debt restructuring could violate an international investment agreement, and posited that, as a holdout, one would want the ability to threaten arbitration under such investment treaties. He also briefly discussed the practical enforcement alternatives of a secondary market for awards; diplomatic protection and use of the awards for potential settlements; the rise of litigation funding (funds that pay the legal fees for the commencement of arbitral proceedings); and the increase in the amount of insurers that are subrogated and provide insurance for the failure of States to honor their awards – all pointing to the ease and increase in arbitral claims being brought.

Debevoise then asked the panelists for their views on a series of questions, including whether the Executive Branch could request the Legislature to bring these kind of arbitral awards into its budget; if treaties track CACs, what is the likelihood that claims can be made under such treaties; while the secondary market in awards may make them more marketable, if awards are not precedential (though they may be influential for the next tribunal), what is the likelihood that parties will choose arbitration over litigation; and how does Article 54 work – is the ICSID award the final judgment or not, and who interprets a treaty (another country or the International Court of Justice).

EMTA Celebrates Tenth Year of Forums in Asia with Singapore Panel

EMTA celebrated the tenth anniversary of its Asian outreach when it held its Singapore Forum on Wednesday, October 21, 2015. In introductory remarks, EMTA's Senior Legal Counsel Leslie Payton-Jacobs thanked ING for its decade-long support of the event, and noted how the Forum had consistently gathered momentum, growing to a standing-room only crowd of 150 attendees.

Tim Condon of ING moderated the Forum's sell-side panel. Condon reviewed market performance since last year's event and asked speakers why investors had been disappointed.

Will Oswald (Standard Chartered) responded that the market had erred in its forecast of an "oil dividend" boosting consumer spending because it had forgotten that the main driver of lower commodity prices was decreased aggregate demand.

David Fernandez (Barclays) recalled that, last year, sell-side firms had been criticized for not raising their growth forecasts for Asian oil-importers; but that economists' belief in a continued Chinese slow down, which was the basis for maintaining lower growth expectations, had proven correct. Nizram Idris (Macquarie Bank) identified US consumers as the only bright spot in terms of their reactions to lower oil prices. Asian economies had witnessed the biggest downside surprises on inflation, commented Claudio Piron (Bank of America Merrill Lynch).

Speakers discussed their expectations for US rate hikes. Following mostly disappointing economic data, and prior to November US jobs numbers released several weeks later, most noted their lack of strong conviction on when the Fed would act (although house forecasts largely called for a December hike). Idris added that inflation-targeting regimes are relatively new, and "are still in a way an experiment." A Fed focused on nominal GDP figures would have already hiked rates, he stated.

On China, Piron expressed surprise by 3Q annualized growth figures of 6.9%, having expected stock market turbulence to depress growth. However, he noted that Bank of America Merrill Lynch's 6.8% growth forecast for 2016 put the firm squarely in the more constructive camp, where he was joined by Standard Chartered. Fernandez noted that unofficial estimates of 3Q Chinese growth had ranged from 5½ to 6%; Barclays estimated Chinese growth next year would be 6%, although that was likely to be upgraded as more official economic numbers were released.

Idris feared that real interest rates were too high, and that Chinese officials might be falling behind the curve. Chinese leaders still had options, which they had not yet exhausted, to ensure a soft landing, but Idris questioned who was actually in charge of the economy. "It feels like Prime Minister Li is the weakest leader in years—it feels like he has been pushed to the periphery," he stated.

On the renminbi, twelve-month forecasts ranged from 6.9 per USD (Barclays) to 6.5 per USD (ING). "This is still breathtaking how things are changing," observed Fernandez. Oswald stressed that changes in the fx regime should not be interpreted as an attempt to spur growth via a devaluation; it appeared to him that China was responding to the laundry list in the IMF's SDR inclusion report.

The panel concluded with a discussion of the move to "risk-on" following several months of "risk-off" behavior. If no disappointing news emerged from China, the "risk-on" state could last until the end of 2015 in Fernandez's opinion; however, with the potential for an upside surprise to 2016 Chinese growth limited, "risk-off" would probably return next year. Piron and Idris also voiced concern. Oswald observed that there was not a lot of conviction in trades, though he voiced greater optimism for 2016.

Singapore Forum (continued)

EMTA Board Director Liew TzuMi (GIC Private Ltd) led the Forum's second panel, composed mostly of EM investors. Did recent EM debt outflows signal an end to the fairy tale, she asked, following general frustration on the pace of EM reforms, the downturn in commodity pricing and disappointments in countries such as Brazil, Turkey, South Africa and Indonesia.

Panelists affirmed the rationale for investing in EM debt on at least a long-term basis. Adam McCabe (Aberdeen Asset Management) reminded attendees that the appeal of EM has always been its relatively lucrative yields. In certain parts of EM fundamentals remain sound, with large pools of domestic savings providing some capacity for policy makers to respond to challenges. Desmond Soon (Western Asset Management) pointed out that technical factors (such as under-representation in benchmark indices and under-allocation by US institutional investors) also support EM. Don Hanna (Roubini Global Economics) questioned whether EM countries should be lumped together in one asset class, and stressed that small open EM economies were much more vulnerable to external factors.

On the much-anticipated US rate hike, McCabe argued that a Fed move would be a positive development, demonstrating confidence in future growth. Hanna agreed, while warning that, short-term, it could aggravate EM capital outflows. No more than 3 Fed hikes were likely in 2016, he added.

Blackrock's Joel Kim commented that, on China, "everyone agrees that economic growth will decelerate. It doesn't appear to me that growth is falling off a cliff, or that there will be a complete collapse." Soon expressed his concern that officials could make "a serious policy mistake," in liberalizing the capital account prematurely in their attempt to fast track IMF's SDR inclusion.

Hanna did not expect China to liberate its capital account in the near future. A switch to linking the renminbi to a basket of currencies was possible, but Beijing "likes discretion too much to allow for much transparency." In sum, analysts had no real idea of who was currently deciding economic policies and what was driving them, he argued. Although he did not believe it was the motivation of Chinese officials, McCabe reasoned that a fall in the renminbi vis-à-vis the dollar could be seen as a competitive devaluation by some emerging country policy-makers, and believed they would react accordingly.

Liew noted that in an era of unprecedented global liquidity, sell-side liquidity had contracted, while the amount of assets held by the buy-side had increased. Soon noted that enhanced peer-to-peer platforms, consolidating trades in centers of liquidity, greater analysis by the buy-side of its own clients profile, and better understanding of the market segmentation (e.g. captive vs. cross over investors) could be part of the solution, "but there is no silver bullet," he concluded.

EMTA Hong Kong Forum Panelists Discuss Chinese Growth and Renminbi

EMTA's 10th Annual Hong Kong Forum was held on Friday, October 23, 2015. ING hosted the event once again, with 100 market participants in attendance.

Repeating his moderating duties from EMTA's Singapore Forum two days prior, Tim Condon of ING asked Hong Kong speakers to discuss their thoughts on the global economy. Condon noted that, since the Forum last year, the much-discussed oil price dividend had failed to materialize, and US rate hikes had been repeatedly postponed.

Brad Gibson (AB) agreed that much of the optimism for 2015 had proven wrong, and noted that his firm was likely to downgrade 2016 growth forecasts as well. Adarsh Sinha (Bank of America Merrill Lynch) concurred that the global slowdown had been more persistent than expected. The commodity dividend, which many economists had hoped would provide momentum, was in fact probably offset by muted wage growth. Sinha believed that Central Banks would have to continue to provide liquidity to counter the persistence of the weak global economy, and specified that he expected the ECB to increase bond-buying and weaken the euro, although he expressed skepticism that these actions would benefit EM local markets, as the US' QE policy had.

Johanna Chua of Citi highlighted her bearish stance on "weak and sub-par" global growth. "There are a lot of structural and fiscal policies that would be more appropriate than the current mix, but we all know how difficult politically some of these are to enact," she stated. She concurred that the ECB and BoJ would continue to provide liquidity.

"The message when the largest part of the developed global economy is struggling to hike interest rates 25 bps is that things are pretty bleak," commented Fidelity's Bryan Collins. His personal view was that the US FOMC should have raised rates earlier in the year, and "had missed the opportunity to show leadership and provide confidence."

Condon prompted panelists to share views on China. Chua did not expect a hard landing, although "a soft landing in China is equal to a hard landing in other EMs." 4% to 5% real growth was possible in 2016, and Chinese leaders still had a lot of tools at their disposal. Gibson agreed that a hard landing should not be the base case.

Sinha expected the renminbi fx regime to become more flexible in 2016, with the yuan's inclusion into the IMF's SDR a secondary, not primary, rationale, and that the PBoC would intervene less in the fx market in the future. He forecast 6.50 RMB per dollar by year-end, which he admitted was aggressive. "An artificial peg will no longer work," opined Collins, "the renminbi needs to reflect international trade moves." Panel forecasts for the RMB/$ exchange rate in twelve months ranged from 6.90 (Bank of America) to 6.50 (AB).

Speakers concurred that Asian rate cuts were likely to occur, with South Korea, Taiwan, India, Indonesia, Thailand and Singapore as possible easing candidates. Chua stressed that rate cuts would be a surprise in Malaysia or the Philippines.

Reflecting on recent turmoil, Condon pondered if the EM growth story marketed to investors over the past generation was no longer valid. For Chua, some EM countries have become the victims of their own successes, and now have problems typically associated with developed countries – e.g. aging populations, stagnant incomes, high household debt levels, etc. China in recent years had assisted many EM countries in camouflaging such issues with its strong commodity demand, thereby covering up the need for structural reforms. "EM countries have matured, and they cannot repeat the productivity growth of earlier years," she asserted.

The panel concluded with a discussion of liquidity, with Collins labeling it the biggest challenge for investors. "There is no high yield supply, so no one is selling, and there is limited secondary market trading," he stated. Despite these factors, the risk-adjusted returns continued to outperform, and cycles are normal and healthy if appropriate reforms (such as the reduction of subsidies) were occurring. However, a selective stance in EM investment was necessary. Gibson noted that reduced liquidity also provided potential opportunities for active investors.

Seminar on the Upcoming Argentine Elections

This Special Seminar, "Argentina Elections – What the Future Will Hold", was sponsored by Banco Mariva (with additional support from Jefferies LLC) and took place at EMTA's offices in NYC on October 16, 2015. Arturo Porzecanski (American University) moderated the panel, with the following panelists: Fernando Losada (AllianceBernstein), Patrick Esteruelas (EMSO), Siobhan Morden (Jefferies LLC) and Alejandro Catterberg (Poliarquía Consultores). Relevant documents addressed during the panel discussion, including Mr. Catterberg's PowerPoint presentation, can be accessed by Clicking Here.

Alejandro Catterberg presented his detailed PowerPoint slides on the economic and political indicators, as well as public opinion polling, on the presidency and legislative seats to be renewed.

Arturo Porzecanski asked all the panelists for their most-likely scenarios for the presidential and congressional elections, and what probability they assigned to them, as well as the panelists' thoughts on whether they expected that electoral irregularities (as in the Tucumán provincial elections) would affect the legitimacy of the alleged winner. He also asked how much of a constraint they believed Mrs. Kirchner and her followers (who have infiltrated the entire Executive branch and are present in the national legislature, the judiciary, provincial governments, labor unions, etc.) would impose on a Scioli, Macri or Massa administration.

Catterberg predicted 40/30/20 for Daniel Scioli, Mauricio Macri and Sergio Massa, respectively, plus or minus 2%, without a clear first round victory. If the second round includes Scioli and Macri, Scioli is likely to win, while a Scioli and Macri second round is harder to predict. 2015 was a time of political transition, which won't end after the elections. If Scioli becomes president, the relationship with Cristina Kirchner will be pivotal as all will look to how much power she is willing to concede to her front-runner. With Macri (who has an "open chance to win"), the political transition will take longer as he will have to consolidate his position with the current political party and require some agreement with the Peronists so that he can pass the laws that are necessary. Massa remains the underclass candidate. 2016 will be the year of economic transition (which is impossible to commence without political transition). 45% of those polled approve of the job Kirchner has done and 40% like her. Nevertheless, Catterberg doesn't expect much structural reform in education, tolerance to corruption and checks and balances. The hope is for Argentina to return to its "mean".

Siobhan Morden expressed the frustration of many investors, waiting for an outcome that may be unclear. She was also interested in how the new administration would address the balance of payments stresses. She admitted that polls often dictate outcomes, and said that the market perceived Scioli as the probable outcome. With Scioli winning the first round, changes may be effected sooner, while a second round will postpone any desired changes. Her biggest concern was public opinion in which the expectation was for the situation to remain the same or only moderately better or worse. The country has a huge "entitlement structure". Scioli was campaigning on preserving the status quo and continuity, with the main constraint being a reversal of public opinion.

Patrick Esteruelas thought Macri was trying to appear as the true Peronist, with any candidate in place of the incumbent having a higher probability of success. Esteruelas saw economic and social constraints arising, and some political ones, after Kirchner (the first one to leave office with such a high level of popularity).

Argentine Elections (continued)

Fernando Losada also confirmed that only in minimal polls did Scioli actually win in the first round, while he thought that there's a 50% chance of Scioli winning generally. He also thought that Kirchner would want to return (with the question being when), given that there will be "unavoidable frictions" between her and Scioli. If Kirchner does return, it will be perceived as the result of Scioli or Macri failing the Argentine people. Porzecanski noted that this was the first time a Peronist had to clean up another Peronist's mess (including judicial challenges).

Porzecanski remarked that Argentine society seemed to be sharply divided between those who wanted continuity and those who wanted change. If the popular mandate turned out to be, or is interpreted as, one that favors "gradualism", rather than "shock therapy," he wondered what some of the policy changes that could be made in socially digestible installments would be - tax relief, subsidy reductions or exchange-rate corrections? Can one change only one piece of the puzzle? And would such a gradualist course be sufficient to improve the business climate, spur an economic recovery, reduce inflationary pressures and keep bond investors from selling out?

Losada posited that not all challenges are created equal, with the most important being fixing the fiscal imbalance. Other challenges include an over-valued exchange rate, inflation, depletion of Central Bank reserves and other mismanagement of microeconomic issues. Facing the fiscal issues has a strong political component. He thought that the majority of the population does want change, with the larger part wanting a slower pace to that change.

Esteruelas believed the majority wanted "continuity with change". The candidates are subject to institutional and economic constraints. However, he reminded the audience of the 2002 superpowers introduced when the government needed leeway to spend at its full discretion, which was renewed each year (most recently Kirchner asked for renewal until 2017). He also thought devaluation or capital controls may have to be implemented.

Finally, Porzecanski asked if there were any "low-hanging fruit" areas on which a new administration could or should move expeditiously, without fear of triggering a social backlash, such as removing Camporista (Kirchnerite) appointees from the government, vigorously pursuing corruption investigations, cleaning up INDEC (the official statistical agency) or settling with holdout creditors.

Morden responded that measures were needed to restore investor confidence with the least political costs (although a recession was likely). A low trade surplus (vs. last year's), a cash flow deficit, sluggish growth and no access to capital were problematic. As for the holdout issue, market demand may be so low that capital access may no longer be a viable solution. Cosmetic changes are insufficient. Scioli would need to be proactive (not reactive) from the beginning, addressing the fiscal imbalance, tariff structure and reduction of subsidies; only then could we see an improved market demand for Argentine paper. Muddling through on this basis through gradualism may be the only option.

Seminar on Puerto Rico

This Special Seminar "Puerto Rico at a Crossroads" was supported by Standard & Poor's and took place at EMTA's offices in NYC on September 28, 2015. Arturo Porzecanski (American University) moderated the panel, with the following panelists: Douglas Holtz-Eakin (American Action Forum), Charles Blitzer (Blitzer Consulting), Liam Localio (Greylock Capital Management), John E. Mudd (Law Offices of John E. Mudd) and David Hitchcock (Standard & Poor's). Relevant documents addressed during the panel discussion can be accessed by Clicking Here.

As the Commonwealth of Puerto Rico looks for ways to cope with its debt-payments difficulties by seeking debt relief and reforming its revenues, expenditures, and operations, there have been numerous discussions and proposals put forth by bankruptcy and economic experts on the best path forward for the island's government.

The panel discussed the roots of Puerto Rico's debt problem, reforms that could address these problems, and applicable historical models of change and opportunity established by other over-indebted national, state or local governments. The panel also examined the proposals included in Governor Alejandro Garcia Padilla's recent Fiscal Adjustment Plan, their viability and constitutionality, and alternative or complementary policy measures that should be considered by the authorities in both San Juan and Washington.

Arturo Porzecanski opened the discussion by asking panelists what, in their opinion, are the top two reasons why the government of Puerto Rico finds itself in the current, dire financial circumstances, given that it's facing bankruptcy, admitted it cannot make its current payments and has lost access to the capital markets in an environment of "high sky coupons". As he so astutely states, "having a good diagnosis is important when discussing an appropriate course of therapy".

Douglas Holtz-Eakin responded by pointing to the manufacturers' tax breaks in 1996, the 2000 start of the budget deficit, the decline in real GDP compared to growth and a delayed recognition that the economic decline was, in fact, occurring. However, his top two reasons for Puerto Rico's current position are the economy and high debt and minimum wage levels. John Mudd pointed to the Socialistic mindset of the government, where Capitalism was going to disappear, planned economies would be the norm and the government would be the "generator" for its constituents. Liam Localio spoke to the large deficits as a result of institutional deficiencies, the perennial problem of stopping funding for some services, the fact that the government is already tapped out with the capital markets (which limits their ability to rise above a crisis) and the lack of monetary policy because of the government's association with the US. Charles Blitzer discussed the roots and difficulties (which are fiscal) and the "woefully outdated development model". Porzecanski posited that the triple tax exempt status of Puerto Rico's bonds was a major contributor to the problem, with the government being part of the problem, not the solution. Either the bondholders or the unions (or both) would have to make concessions to bring Puerto Rico back on track.

Puerto Rico Seminar (continued)

Porzecanski then asked, with regard to the government's "Fiscal & Economic Growth Plan" disseminated in September, what some of the revenue, spending and reform proposals the panelists like or dislike the most, and why. Further, he questioned whether, in general, the degree and nature of fiscal effort and structural change envisioned is appropriate to the circumstances, and whether the projected financial gaps are under- or over-estimated. He also asked the panelists to assess the advisability and feasibility of the home-made Control Board with a higher level of authority that the government has proposed. And, finally, he asked for an assessment of the chances that these revenue, spending and reform proposals will actually be passed by the legislature in San Juan, their likely implementation in a timely manner, and about the relevant political realities on the ground.

Holtz-Eakin indicated that he was not a big fan of the Plan, which was heavily dependent on revenue and light on spending cuts. He felt that the government was just too big, and he was skeptical of the Control Board as a necessary step. In any event, the Control Board would need to be sufficiently independent. This encroachment on Puerto Rico's sovereignty (ceding control to the US government is unlikely), coupled with the need for the US to "own" the problem ("owning" DC was different) through this Control Board, makes it unlikely, in his opinion, for the Plan to pass as currently drafted. Blitzer noted that fiscal adjustment to close modest-sized deficits similar to Puerto Rico's (about 1-1.5% of GDP) has frequently occurred in Latin America, and that IMF studies indicate that the confidence-building effects of closing a fiscal gap typically outweigh any associated fiscal drag, resulting in a net positive impact on growth. Given the collapse of private investment by Puerto Rican residents and the associated capital flight, the key to restore growth is to restore confidence, in part through fiscal adjustment and in part through adopting pro-growth structural change policies. As he succinctly put it, "gimmicks [like a weak Control Board lacking real power] never create credibility". Localio's view of the Plan was negative for bondholders because they wouldn't be paid at par, but, looking at the Plan as impartially as possible, he questioned what the government was willing to pay and what the bottom line would be for cash flows and principal and interest payments. Without a meaningful dialogue with creditors, it is difficult to assess whether the deficits are smaller or greater than they need to be. He strongly recommended a significant engagement with all creditors moving forward. David Hitchcock forecasted that it would be difficult to implement the Control Board and that, with differing creditors having varying interests, litigation was inevitable, with a restructuring on a global basis nearly impossible. While the teachers' pension system changes were ruled invalid, it would not be problematic to consolidate schools with a declining population. Mudd deemed the Plan "garbage" and posited that, if Puerto Rico doesn't grow, it won't be able to pay its debts. Even the modest proposed changes in labor law may not be approved, and it is highly unlikely that the US Congress will seek to take this project on, given the myriad of other US issues facing it in the near term. Also, the Puerto Rican constitution requires a republican form of government and that can't be amended; the government can't delegate its powers to the US government. Therefore, the Control Board is "dead on arrival" and, if it passes, will be of dubious constitutionality.

Porzecanski responded to his own series of questions on the Plan by providing some background. He compared the current lack of transparency and accountability in the Puerto Rican government to the Emerging Markets period in the '60s. The business model has to change, especially if one considers that the government and its instrumentalities won't have access to reasonable commercial lending terms. While every crisis has the ability to be solved, he does not believe that the government will use this crisis as an opportunity to make better choices in the future. Running the utilities as a joint venture with private participation or a concession format may be worthwhile to consider and is short of full privatization. The US Senate is conducting a hearing on Puerto Rico on September 29, so there may be some movement on this topic since it has been a long time since the US got involved in any way with Puerto Rico.

Puerto Rico Seminar (continued)

Porzecanski's next series of questions related to the advisability and feasibility of the various measures that the Plan envisages Washington ought to take in order to aid Puerto Rico. He questioned whether there was political room for a "Grand Bargain" in the making, and whether the US leadership has "gone AWOL" with "benign neglect" since, in other cases, it is not unusual for the Administration/Executive Branch to provide Congress with some course of action.

Holtz-Eakin responded with the minimum wage and alternate Medicare and Medicaid programs, but due to the Jones Act and other considerations he thinks it unlikely that the US will do much of anything. Neither the President or Treasury care much about this topic, and they don't want to discuss any bail-out proposals as their domestic priorities would be compromised if they so engage. Blitzer's view is that outsiders shouldn't get involved in dealing with Puerto Rico's debt until Puerto Rico has demonstrated its ability and readiness to make some fundamental changes on its own. Mudd reminded the audience that the Jones Act also applies to Hawaii and Alaska, and that there was a big difference in what goods and services were provided to Puerto Rico and other places, like the Virgin Islands. He wondered whether a "Super Chapter 9" requested by Puerto Rico would ever be implemented, but, in any case, Chapter 9 "does not relieve all problems". Localio thought that Congress could act, but it would not be willing to do so.

Porzecanski's final questions were the following: Do you envision a selective or generalized default in the months ahead, as the government's liquidity dries up? How do you feel about the government's stand that all debts, no matter their seniority, should be on the table for renegotiation purposes? What is your view of the magnitude of needed or likely debt relief, or of bond recovery values?

Hitchcock's view is that it was already in a selective default scenario with the public financing corporate default, but that S&P expects a global default as the government seeks a global solution and is willing to endure many years of litigation. Mudd agreed that it was already in default, with a larger default looming. Localio reviewed the numbers and forecasted a default in the GDP payment in December and other coupon payment in January, which will put the government in a weaker position on any restructuring proposal it suggests. Blitzer posited that there was a high probability that this would be the "first default of choice in recent memory on a massive scale". Reviewing the numbers, this looked like a massive liquidity (not sustainability) problem with a massive loss of creditor confidence as the government keeps insisting that debt restructuring is the only way forward. The government should be able to refinance itself – if it commits to a monitorable program to balance its budget over the next 18 months -– but it doesn't want to. It has refused to work with investors who have indicated a willingness to consider providing necessary bridge financing. The least successful sovereign bond restructurings had a 75% acceptance rate, but this will not be the case here since other countries had much larger amounts of debt relative to their GDPs and fiscal models clearly showing the sustainability problems going well beyond liquidity. With no modern documents, bond contracts that are simply resolutions, no CACs and an inability to walk away from judgments, Puerto Rico had little chance of accomplishing a successful debt restructuring without massive litigation. (Mudd also explained that the civil law jurisdiction pertained to Puerto Rico and that parts of the Civil Code had not been interpreted by any court.) Blitzer concluded that a broad restructuring/default is not the only alternative, and there are disastrous costs and consequences to Puerto Rico, its economy and its citizens of going along the path the governor and his team have set out (namely, big pressure on banks, greater capital flight and more migration).

Rationale for Investment in Sub-Saharan African Markets Remains Strong

Speakers at EMTA's Fifth Annual Sub Saharan African Forum reviewed the effects of the global slump in commodity pricing, as well as the US FOMC postponement of a rate hike, on the continent's debt markets. The event was hosted by ICBC Standard Bank on September 24, 2015, and drew a crowd of 100 market participants.

Moderator Stephen Bailey-Smith (Standard Bank) opened the session by observing that the market had been pummeled earlier in the day in a commodity-related rout. However, "if people are just noticing now that Chinese demand for commodities is declining, they are late to realize," he stated.

Kevin Daly (Aberdeen Asset Management) listed possible reasons behind recent investor selling of African debt. "General lack of confidence in EM, weak commodity pricing, concerns over the Chinese economy and decreased liquidity have all led to a general overall decline in African debt pricing," he summarized. Daly saw opportunities in the carnage, however. "People are lumping in Ethiopia with weak commodity prices – that is wrong…and we see value out there," he concluded.

Andreas Kolbe (Barclays) expressed concern at the overall deterioration in the terms of trade for African countries, and generally for EM countries. He also cautioned that further downside was possible; "we might not yet have seen the worst."

"The tolerance for deteriorating stories has never been lower," commented BTG Pactual Asset Management's Alex Garrard. He pointed out that benchmarked-investors were being forced to sell on weakness. Rand Merchant Bank's Nema Ramkhelewan-Bhana suggested that the market had been overoptimistic in the past, "and we are starting to see debt from Zambia and Ghana trade at levels where they should have been at the time of this conference last year."

Echoing comments made at recent forums, speakers concurred that an eventual Fed hike had been telegraphed sufficiently so as not to provoke market turbulence. "We are not focused so much on timing, but more on the magnitude of the hikes," stated Ramkhelewan-Bhana, who argued that spreads had already widened far enough to absorb a rate increase. Garrard saw a Fed hike as a market positive, "it will show confidence in growth," while conceding that the Fed was correct in punting at its September meeting. Kolbe noted that, as African debt had become more mainstream, it was more correlated to global Fed-related global sell-offs.

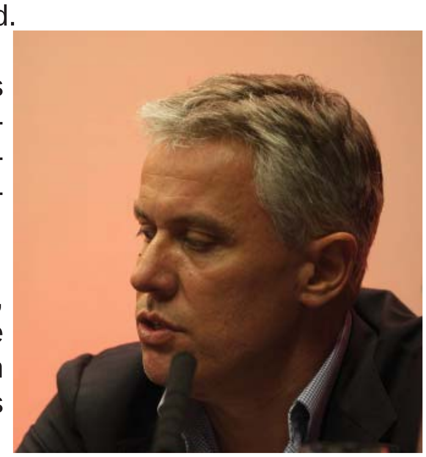
Sub-Saharan Africa Forum (continued)

Discussing specific credits, Daly warned that Zambia's fiscal deficit was "anyone's guess. It could be double digits because of weak copper pricing." He recommended that Zambian officials make a better effort to communicate with investors. "I like Zambia for yield reasons only," stated Garrard, who compared the credit unfavorably to Ukraine. Ramkhelewan-Bhana added that the lack of adequate electricity was a structural constraint to growth and would prove a barrier to greater development. Moderator Bailey-Smith added his own opinion that an IMF agreement, which might be necessary if copper dropped below $5000, could lead to a potential Zambian spread compression of as much as 250 bps.

Acknowledging his past bearishness on Ghana, Daly suggested the market "might not be giving them credit for the small improvements … that they are making." He added that, at current pricing, investors in Ghanaian Eurobonds were being compensated for their risk. "I see real commitment now from the government, and confidence in Ghana from official creditors," seconded Garrard. Bailey-Smith praised Ghana as being one of the few African countries to reduce subsidies.

On the other hand, Ramkhelewan-Bhana expressed a more bearish view. "I'm worried about the pre-electoral effect [on government spending]," although IMF support was a positive factor.

Garrard praised Gabon's policy responses to weak oil pricing, and specifically its quick and transparent communications with investors, highlighting the willingness to slash the government budget. "Ultimately they are very correlated to oil, but one can hedge that risk," he concluded.



Cote d'Ivoire was an improving story in terms of GDP growth in Daly's view, and political risk seemed to be kicked down the road with the likelihood that President Ouattara would be re-elected. Kolbe cited the country's declining debt/GDP ratio and included it among his list of recommended buys.

Several speakers raised concerns on Kenya. "Fiscal discipline is lacking, and they should have benefited from the drop in commodity prices," Kolbe affirmed. Mozambique was also urged to improve its communication with bondholders, with speakers suggesting ways to resolve confusion in its outstanding debt.

Sub-Saharan African Forum (continued)

The panel also addressed local currencies. The naira could be a short-term tactical trade, “but one would be mad to buy it on a fundamental basis,” stressed Daly. Other speakers agreed the naira was overvalued, with Kolbe seeing potential opportunities post-devaluation.

Ramkhelewan-Bhana lamented the “policy paralysis” at the Central Bank and reconfirmed her bearish naira outlook, asserting that the market would ultimately force the thus-far “stubbornly resisted” devaluation. Daly concluded the naira discussion by noting that investors would ultimately return to a weaker naira “because it is the most liquid African currency market.”

As the panel neared its end, Garrard argued that, despite market swings, “my confidence in Africa has not been shaken.” The continent was blessed with natural resources (“for which the current price environment won’t always be as it is today”), as well as young, dynamic populations and relative political stability. “There are a lot of reasons supporting the long-term story; this is just part of the cycle,” he concluded.

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Fed Decision and China Remain Industry Focus, Note Fall Forum Panelists

UBS once again hosted EMTA's Fall Forum on Wednesday September 16, 2015, with a standing room-only crowd of over 125 market participants. The panel was led by UBS' Rafael de la Fuente, who guided the panelists through a series of topics, including the much-anticipated FOMC meeting, which had begun that day.

De la Fuente started the session by asking panelists to discuss what they believed was the greatest risk to the EM markets – the Fed tightening, China—or some other external risk, such as the Eurozone.

"The particular date that the Fed moves on rates is the least of our concerns," declared Gramercy's Gunter Heiland. In his assessment, it was clear that US rates would soon be hiked, and that the Fed's confidence in hiking rates should be interpreted as an indicator of their confidence in US growth. Heiland saw greater risk in the structural changes occurring in the Chinese economy that may in turn cause a further reduction in demand for some commodities.

Other panelists concurred that the eventual Fed hiking was largely priced in. Guillermo Mondino of Citi expressed the greatest concerns on China. "I have no doubt that we have already gone from soft landing to a hard landing…what worries me is what happens if we go from a hard landing to a crash scenario," he stated. Mondino noted that the Chinese economy appeared to be responding less to stimulative measures enacted by Beijing, and "we all know that China will need to do a lot more than 25 bp interest rate cuts." For him, the greatest threat to EM was Chinese growth dropping to 2 to 2.5%, although he also worried about a general slowdown in global trade and the ability of domestic forces to replace external-led growth.

"The Fed is a risk that the market is choosing to focus on…but it has probably been the most-telegraphed rate hike move ever," commented Greylock Capital Management's Chris Tackney. In his view, the EM markets could adjust to slow and steady US rate hikes, and the sooner the process started, the sooner the market could redirect its focus to the more important Fed language. Tackney expressed a more sanguine view on China, citing Chinese financial buffers and successes in rising real wages, employment gains, and the resilience of services. "The transition to consumption-led growth will take a while, but the Chinese consumer is in good shape, so I think the hard-landing scenario is an overpriced risk," he concluded.

Morgan Stanley's Gordian Kemen agreed that China posed a key risk now to emerging economies and that it could exacerbate policy dilemmas for EM policy makers, especially in countries with already-low growth. In addition, China could be a source of future market volatility, although a crash was unlikely.

De la Fuente also asked panelists to discuss inflows into EM. Heiland observed that the market has evolved over almost three decades from a dollar-denominated sovereign-only Brady bond market to the emergence of local market instruments and now corporate issuance. Client inflows are now coming into corporate-bond mandates, and both he and Tackney saw increasing flows into blended products.

Fall Forum (continued)

The recent downgrading of Brazil's credit rating by Standard & Poor's was also a topic for the panel. "The best case scenario is sideways given lack of growth and fiscal challenges," stated Kemen, who hoped that the downgrade had sounded alarm bells in Brasilia. He wondered if the fractured political environment would allow measures to prevent further downgrades, and urged caution.

Mondino admitted he was no more optimistic. "I doubt we can say we see light at the end of the tunnel, but if they are successful in their economic programs, they might avoid another downgrade and a worse recession," he commented. The political crisis caused him great concern, and the next move in spreads was "probably 100 bps wider, not tighter." Some corporate bond opportunities existed and local-currency bonds could become interesting, but Mondino saw most trades as more tactical.

"Brazil is in a quagmire, and it feels like no one is really motivated to do anything," in Heiland's assessment. Off-benchmark names offered the most value, although there would be "bagels." Heiland stressed that the willingness of investors to roll over debt for issuers facing 2016 or 2017 payment issues should not be overlooked, especially for issues who had demonstrated good faith by paying coupons, and keeping investors up to date on its financial issues. Tackney believed that forced-selling was starting to create some long-term values in Brazilian corporates.

Mondino, a former Argentine Secretary of Finance, was using a first-round victory for presidential candidate Scioli as his base case in that country's elections. "His team appears to be under-estimating the economic issues in Argentina, and over-estimating their abilities to get economic measures passed," he observed. Their gradualist approach to devaluation seemed implausible, but he believed that, in order to establish credibility, a Scioli administration would try to carry out a fiscal adjustment and a partial devaluation, i.e., a "muddle through" approach. "Some issues will be dealt with partially, but there will not be a full resolution," he summarized, while adding that the market would give them the benefit of the doubt and perhaps be more forgiving than justified. Kemen noted that, if the hold-out issue were resolved and Argentina could regain access to international capital markets, its weight in EM debt indices would likely increase significantly and lead to technical buying.

Venezuela's willingness to pay despite a "clearly dysfunctional economy," and an internal analysis that suggested the country faced a liquidity, not solvency, issue made Tackney see value in the country's debt. Investors should monitor the election process carefully. Heiland agreed that the possible transfer of power was something that needed to be analyzed, and that investment managers had to be selective in which accounts could hold the paper, in case of a suspension of coupon payments. Kemen agreed that long-end bonds near, or below, possible recovery values offered value. Mondino was emphatic in advising investors to shun the credit.

The panel concluded with speaker investment recommendations.

New York Corporate Bond Forum Speakers React to Brazil's Sovereign Downgrade

EMTA's first post-summer event was its Corporate Bond Forum, held on Thursday, September 10, 2015 in New York City. BNP Paribas sponsored the event, which was held in midtown and attracted a crowd of 150 attendees.

Mark Howard (BNP Paribas) opened the session by pointing out that, after a month of China focus, the market had spent the prior 23 hours digesting the downgrade of Brazil's sovereign credit rating by Standard & Poor's. Howard invited speakers to give their reactions.

"No one was surprised by the downgrade, but the timing and the agency's maintaining a negative outlook on the rating were unexpected," noted Anne Milne (Bank of America Merrill Lynch). Milne estimated that nearly $80 billion of Brazilian corporates were about to lose investment grade status with S&P as a result. If other agencies take similar actions, then 60% of EM corporates could now be high yield credits, reversing the currently dominant investment grade status. There remained the concern that crossovers would leave the asset class, although Milne observed that selling appeared to be controlled and not panicky – at least so far.

Barclays' Sarah Leshner Carvalho concurred, and said her firm expected Fitch would downgrade Brazil by year-end, with Moody's following in Q1 2016. For now, Brazil remains in investment grade indices, although this was precarious; the loss of either remaining investment grade rating would result in Brazil being cut from such benchmarks, triggering further sales.

Jonathan Prin (Greylock Capital Management) argued that the Brazil downgrade was justified, although agreeing that the market had been surprised by the timing. Finally, TIAA-CREF's Katherine Renfrew stated that Brazil's economic decline, lack of job creation, "abysmal" growth, rising unemployment and lack of leadership made the ratings action appropriate. "Where we go from here is unknown; it is a very challenging environment—will power be transferred in an orderly way, or will it be messy? Credibility needs to be restored for investors." For those who believe that the Rousseff administration can restore some level of investor confidence, debt prices might be cheap, she argued.

Howard then turned to China. Milne noted that lower onshore rates in China appear to be enticing Chinese corporates to raise more funding in the domestic market. The increased opening of bank offices not only in the traditional financial centers of Hong Kong and Singapore but also in mainland China offers anecdotal evidence of increased investor interest for on-the-ground investment intelligence given the large size of the Asia market in general and China in particular.

On EM currency movements, weakened EM FX affects companies differently, Renfrew highlighted. Some EM exporters would benefit (including those who could be hurt by a lowered sovereign ceiling), although perhaps not commodity exporters. For her firm, part of credit analysis work included whether a corporate issuer hedged FX exposure.

As for corporate maturity concerns, "the risk of increased EM corporate defaults is clearly an issue for investors," acknowledged Leshner Carvalho. However, many firms took advantage of conditions in past years to refinance and pre-finance debt, so maturities were manageable at least until 2017. "Valuations may be overdone, as our base case is that there will not be a massive amount of defaults," she concluded.

New York Corporate Bond Forum (continued)

The potential for a cross-over exodus from EM was not an academic discussion, and could have significant impacts, in Prin's view. Internal re-allocations of funds can occur without appearing in outflow statistics, impacting EM pricing, while leaving market participants scratching their heads as to the cause. On the other hand, dedicated investors don't easily walk away from EM even after a bad year, Milne stated, and emphasized that EM corporate returns were still in positive territory ytd, performing better than many categories, including equities and US high yield. "So performance is not that bad in comparison," she underscored.

Panelists saw no urgency to add to Russian corporate exposure. Milne observed that the removal of international sanctions against Russia was a prerequisite for most institutional investors, which she did not envision happening over the next 12 months. Prin maintained a neutral stance, noting the strong technical backdrop for Russian corporates that existed in the past was no longer the case. Renfrew acknowledged exposure to Russian corporates, "but they are not a top 5 overweight for us."

The panel ended with speaker recommendations. Short-end Petrobras paper at 500 bps over the sovereign was "interesting" for Leshner Carvalho. Mexican HY corporates (ex REITS) were overvalued, in Prin's opinion, and investors would one day wake up. In contrast, Renfrew liked Mexican banks, but expressed concern over decreasing liquidity. Short- to mid-term Russian oils could offer opportunities to some investors, stated Milne.

First EMTA Cuba Panels

EMTA will be hosting its first market and legal Cuba Panels "Cuba - The New Frontier?" on December 8, 2015 at its NYC offices. TPCG Group will be sponsoring the event, with additional support from Capital Markets Financial Services, Inc. Fernando Alvarez de la Viesca (TPCG Group) will be moderating the market panel, and panelists will include: Rupert Clifford (Oxford Portfolio Advisors), Sudeep Singh (Redux) and Augusto de la Torre (World Bank). Danforth Newcomb (Shearman & Sterling) will be moderating the legal panel, and panelists will include: Jason Poblete (Poblete Tamargo LLP), Benjamin Barron (US State Department) and James D. Whisenand (Whisenand & Turner P.A.).

Topics addressed will include: the present state of international capital markets transactions in Cuba; important impediments in the US and Cuba to US citizens and entities doing other business with Cuban citizens or entities; the outlook for (i) foreign investment in and (ii) international capital markets transactions with Cuba if existing US government restrictions on the foregoing are removed; the macro situation in Cuba; and, with reference to precedents in the political-economic evolution of Eastern Europe, Nicaragua and other countries, the likely path of transformation of the US-Cuba relationship.

EMTA Argentina Post-Election Update to be Held on Monday, January 11, 2016 in London

Following Argentina's long-awaited elections, EMTA's first 2016 event will be a special seminar focusing on that country's economic prospects, as well as a discussion of current litigation.

Puente will sponsor the seminar, with Allen & Overy hosting at its office at One Bishops Square in London and Shearman & Sterling will provide additional support.

At press time, confirmed panelists include Yannis Manuelidis (Allen & Overy), Edwin Gutierrez (Aberdeen Asset Management), Alejo Costa (Puente) and Antonia Stolper (Shearman & Sterling).

EMTA members can register for the event at EMTA's home page www.emta.org. Non-members may attend at a registration fee of US$695.

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

EMTA's Fifth Miami Forum Scheduled for January 19, 2016

EMTA will hold its Fifth Forum in Miami on Tuesday, January 19, 2016. The event will be held at the Conrad Hotel, 1395 Brickell Avenue in downtown Miami.

At press time, confirmed speakers include Katherine Rooney Vera (Bulltick Capital), Siobhan Morden (Nomura), Nathalie Marshik (Oppenhemier & Co.) and Alberto Bernal (XP Securities). Additional speakers will be announced shortly.

The event will include a cocktail reception sponsored by MarketAxess. Additional support for the program is being provided by Nomura, Oppenheimer & Co. and XP Securities

Complimentary invitations to the event will be sent to EMTA members shortly. EMTA encourages its Members to make sure that colleagues in Miami have signed up to the EMTA database so that they will receive an invitation to the event.

Please contact Suzette Ortiz of EMTA at sortiz@emta.org to sign up colleagues to the EMTA database.

ICBC Standard to Host EMTA Corporate Bond Forum on January 26, 2016 in London

ICBC Standard will host EMTA's Corporate Bond Forum, slated for Tuesday, January 26, 2016 in London. The event will take place at 20 Gresham Street.

The event will include a panel of speakers moderated by ICBC Standard's David Spegel. Additional confirmed speakers include Siddharth Dahiya (Aberdeen Asset Management), Okan Akin (AllianceBernstein), Kay Hope (Bank of America) and Victoria Miles (JPMorgan).

Invitations will be sent to EMTA members, who may attend at no cost. There is an attendance fee of $695 for employees of non-member firms.

For more information, please contact Jonathan Murno of EMTA at jmurno@emta.org.

JPMorgan to Host EMTA's Twelfth Winter Forum in London in February 2016

EMTA's Twelfth Winter Forum will take place in London on Tuesday, February 16, 2016. JPMorgan will host the event at it's office at 60 Victoria Embankment, as it has since the event's inception, with Luis Oganes (JPMorgan) moderating one of the event's two panels.

At press time, confirmed panelists included Kevin Daly (Aberdeen Asset Management), Greg Saichin (Allianz Global Investors), Graham, Stock (Blue Bay Asset Management), Kasper Bartholdy (Credit Suisse), Ben Sarano (EMSO) and Michael Trounce (Standard Chartered). Additional panelists will be announced shortly.

Invitations will be sent to EMTA members in January 2016. Attendance is complimentary for EMTA Members; non-members may register at a fee of US$695.

For more information, please contact Jonathan Murno of EMTA at jmurno@emta.org.

EM Charity Ball in London Raises Over $300,000 for EM Health and Education Projects

Organizers have announced that over $300,000 (GBP 200,000) was raised at the industry's annual industry charity benefit in London, held at the Marriott Grosvenor Square on Friday, October 2, 2015.

For the twelth consecutive year, MarketAxess sponsored the Benefit with proceeds from its annual Charity Trading Day, which was held a week prior to the ball. MarketAxess' Annual Charity Trading Day has now raised almost $1 million for the annual New York and London Charity Balls since its inception in 2004.

Argentine broker TPCG also provided sponsorship support for the ball.

With the 2015 proceeds, the EM Ball London has raised over US $5.2 million (GBP 3.3 million) since 2004 to organizations working to improve health and education in emerging countries. Proceeds from the 2015 event will benefit:

- **Children of the Andes**, which supports street children in Colombia www.childrenoftheandes.org,
- **Cotlands**, which provides support for children affected by the HIV/AIDS pandemic in South Africa www.cotlands.org,
- **EMpower**, a grant-making foundation which connects the Emerging Markets community with innovative grassroots organizations, enabling young people to lead healthy, productive lives www.empowerweb.org,
- **Facing the World**, which provides life-changing craniofacial surgery to some of the world's most disadvantaged and vulnerable children www.facingtheworld.net, and
- **Health Poverty Action**, which provides basic health care to rural communities around the globe www.healthunlimited.org.

The Ball was a black-tie event, and featured a champagne reception, a seated dinner, a wide assortment of entertainment, including a drumming troop and a live band. A live auction was also held; and among the items sold was an autographed 18th hole flag from Rory McIroy's dramatic 2014 PGA championship.

For further information, please contact Clare Turnbull of Nomura at clare.turnbull@nomura.com, or Jonathan Murno of EMTA at jmurno@emta.org.

Emerging Market Benefit NYC Set for December 3, 2015 at Marquee

The EMCB Planning Committee held monthly meetings in the first half of the year to discuss a new venue, and to narrow a list of beneficiaries down to a final selection. At its May 18, 2015 meeting, after meeting with finalists, the committee voted to select four charities as 2015 event beneficiaries:

- **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
- **Miracle Foundation**, which empowers orphans in India to reach their full potential www.miraclefoundation.org, and
- **Orphaned Starfish Foundation**, which works with orphans and disadvantaged children throughout Latin America and Ethiopia www.orphanedstarfish.com.

Invitations to buy tickets for the 2015 Charity Benefit have been sent to all EMTA members. Tickets for the event are still available for the event at a cost of $1500 per ticket.

The event is made possible by the generous support of MarketAxess. MarketAxess held its annual charity trading day in September 2015, with all proceeds to be split between the New York and London EM debt industry charity benefits.

The Planning Committee continues to welcome new members, and is open to all members of the EM debt trading community. Please contact Jonathan Murno of EMTA at jmurno@emta.org if you are interested in joining the committee

Membership Update

EMTA warmly welcomed 3 new members during the Fourth quarter of 2015. EMTA's members now include over 175 banks, broker-dealers, money management firms, hedge firms, and others.

Our most recent new members include:

- **Exotix Partners LLP**
- **Patterson Belknap Webb & Tyler LLP**
- **Prudential Financial**

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.

Stay Current to Stay in Touch!

If you have recently changed emails or moved offices, please update your information.

You can update your information at https://netforum.avectra.com/eWeb/DynamicPage.aspx?Site=EMTA.

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.

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.

- "The Evolution of Emerging Market Sovereign Debt: Dramatic Growth in Local Currency Sovereign Debt Is Reducing Emerging Market Financial Vulnerabilities." September 1, 2015 - Elena Duggar (Moody's Investors Service).
- "What a New Argentina Could do for Brazil." August 20, 2015 - Arturo Porzecanski (American University).
- "The Origins of Argentina's Litigation and Arbitration Saga, 2002-2014." May 13, 2015 - Arturo Porzecanski (American University).

New Developments

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

November 30, 2015
- Items Available at EM Charity Benefit NYC for New Chinese Auction

November 24, 2015
- EMTA Publishes Recommended FX and Currency Derivatives Market Practice No. 76 to address certain practices in monitoring non-deliverable barrier and binary options.

November 23, 2015
- EMTA Announces 3Q 2015 EM CDS Volume Stood at US$376 Billion.

November 20, 2015
- Standard & Poor's Downgrades Oman's Long-Term Foreign Currency Sovereign Credit Rating from A- to BBB+.

November 19, 2015
- Moody's Upgrades Ukraine's Government Issuer Rating from Ca to Caa3.

November 10, 2015
- Holiday Schedule for EM Bond Trades for US Thanksgiving Day Holiday.

November 6, 2015
- EMTA Special Seminar: Cuba - The New Frontier?, to be Held in NYC on December 8, 2015.

November 5, 2015
- EMTA's 25th Anniversary Panels: Emerging Markets - Then and Now, to be Held in NYC on December 7, 2015.

November 2, 2015
- EMTA Annual Meeting in New York to be Held on December 3, 2015.
- Holiday Schedule for EM Bond Trades for UK Summer Bank and US Labor Day Holidays.

October 28, 2015
- Holiday Schedule for EM Bond Trades for US Veterans' Day Holiday.

October 26, 2015
- EMTA Special Seminar: Arbitration in the Emerging Markets.
  - Agenda
  - An Introduction to International Commercial and Investor-State Arbitration (Alexandre de Gramont, Dechert).
  - Investment Arbitration and Sovereign Debt Disputes (Jeffrey Sullivan, Allen & Overy).
  - Relevant Links
- Standard & Poor's Downgrades Mozambique's Long-Term Sovereign Rating from B to B-.

October 23, 2015
- EMTA Special Seminar: The Future of Energy in the Asian Markets, to be Held in NYC on November 6, 2015.
- EMTA Roundtable: US Sanctions - A Dialogue Between the Official and Private Sectors, to be Held in London

October 28, 2015.
- IMF Releases Working Paper on Sovereign Debt Crisis.

October 21, 2015
- Adoption Day in Iran Sanctions Deal: US and EU Give Clarification, But No Lifting of Sanctions Yet - Dechert Memo.

Website (continued)

October 16, 2015

- EMTA Special Seminar: Argentina Elections - What the Future Will Hold.
  - Agenda
  - Argentina Elections - What the Future Will Hold (Alejandro Catterberg, Poliarquia Consultores).
  - "The Origins of Argentina's Litigation and Arbitration Saga, 2002-2014." May 13, 2015 - Arturo Porzecanski (American University).

October 15, 2015

- Calculations for Payments on Venezuela Oil Obligations Announced. Warrant Record Date of September 30 and Payment Date of October 15 for Venezuela Oil Obligations. Trades are "Ex-Dividend" on September 28.

October 5, 2015

- EMTA Corporate Bond Forum in Boston to be Held on November 3, 2015.
- ISDA EMEA DC: Republic of Ukraine Repudiation/ Moratorium and Failure to Pay Credit Events.

September 30, 2015

- List of Items to be Auctioned off at Emerging Markets Charity Ball in London on October 2, 2015.

September 29, 2015

- Holiday Schedule for EM Bond Trades for US Columbus Day Holiday.

September 28, 2015

- EMTA Special Seminar: Puerto Rico At A Crossroads.
  - Agenda
  - "Assessment of the Puerto Rico Fiscal and Economic Growth Plan and Recommendations." September 2015 - Jose Fajgenbaum, Jorge Guzman and Claudio Loser (Centennial Group Latin America).
  - "The Senior Cofina Bondholders' Letter." September 25, 2015 - John E. Mudd.
  - "Restructuring Process and Principles." September 24, 2015 - Prepared by the Working Group for the Fiscal and Economic Recovery of Puerto Rico.
  - "The Board Would Watch Over The Pact With Credits ????" September 19, 2015 - John E. Mudd.
  - "Puerto Rico Fiscal and Economic Growth Plan." Prepared by the Working Group for the Fiscal and Economic Recovery of Puerto Rico Pursuant to Executive Order 2015-022 - September 9, 2015.
  - "Governor Garcia Padilla Addresses Public on the Working Group for the Fiscal and Economic Recovery of Puerto Rico's 'Fiscal and Economic Growth Plan'." - September 9, 2015.
  - "Commonwealth of Puerto Rico - Liquidity Update." August 25, 2015 - Conway MacKenzie.
  - "A PR Local Financial Board Would be Unconstitutional." July 28, 2015 - John E. Mudd.
  - "Puerto Rico - A Way Forward." July 13, 2015 - Anne O. Krueger, Ranjit Teja and Andrew Wolfe.
  - "Federal Oversight of Puerto Rico is Necessary (and Legal), OP-ED-The Hill." June 24, 2015 - John E. Mudd.

September 25, 2015

- Market Practice for Ukraine Bonds.
- Standard & Poor's Downgrades Ukraine's Long-Term Foreign Currency Sovereign Credit Rating on Ukraine from CC to SD.
- Moody's Downgrades Zambia's Government Issuer Rating from B1 to B2.

September 24, 2015

- EMTA Special Seminar: Arbitration in the Emerging Markets in New York on October 26, 2015.
- U.S. Government Takes Steps to Further Ease Restrictions on Cuba – Dechert Memorandum.

September 22, 2015

- U.S. Continues Incremental Easing of Cuban Sanctions – Cleary Gottlieb Steen & Hamilton Memorandum.
- OFAC Revises Restrictions on Dealings with Cuba – Cadwalader, Wickersham & Taft Memorandum.

September 21, 2015

- EMTA Special Seminar: Puerto Rico at a Crossroads in New York on September 28, 2015.
- MarketAxess Announces 12th Annual Emerging Market Charity Trading Day to be Held on Thursday September 24, 2015.

September 16, 2015

- EMTA's Tenth Annual Forum in Singapore to be Held on Wednesday, October 21, 2015.
- EMTA's Tenth Annual Forum in Hong Kong to be Held on Friday, October 23, 2015.

September 11, 2015

- Iran Deal "Clears" Congress, But No Sanctions Relief Yet - Dechert Memo.

September 9, 2015

- Standard & Poor's Downgrades Brazil's Long-Term Foreign Currency Rating from BBB- to BB+.

September 3, 2015

- EMTA Special Seminar: Argentina Elections - What The Future Will Hold in New York on October 16, 2015.
- Standard & Poor's Assigns Iraq a Long-Term Foreign Currency Rating of B.

September 1, 2015

- Foreign Sovereign Immunity: Second Circuit Issues New Ruling on Central Bank Immunity Under the Foreign Sovereign Immunities Act – Sullivan & Cromwell Memorandum.

August 27, 2015

- Fact Sheet on Ukraine's Agreement with Ad Hoc Committee of Creditors.
- Ukraine Ministry of Finance Newsletter: Debt Restructuring Agreement Between Ukraine and Ad Hoc Committee of Creditors.

August 19, 2015

- Holiday Schedule for EM Bond Trades for UK Summer Bank and US Labor Day Holidays.

Website (continued)

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.

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.

Website (continued)

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

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Africa	Jonathan Murno/Leslie Payton Jacobs	(646) 289-5413/(301) 838-4552
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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
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/Board/Policy	Michael Chamberlin	(646) 289-5410
EMTA Membership	Jonathan Murno/Suzette Ortiz	(646) 289-5413/5414
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
Netting Facilities	Aviva Werner	(646) 289-5412
OFAC Sanctions	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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EMTA Calendar

Fri., Oct. 2	**EM Benefit - London** **Marriott Grosvenor Square**
Mon., Oct. 12	Recommended Market Close (NYC/London) Columbus Day
Fri., Oct. 16	**EMTA Special Seminar: Argentina Elections (NYC)** **Sponsored by Banco Mariva** **360 Madison Avenue, 17th Floor** **(on 45th St. between Madison and 5th Aves.)**
Wed., Oct. 21	**EMTA Forum in Singapore** **Hosted by ING Bank** **The Fullerton Hotel**
Fri., Oct. 23	**EMTA Forum in Hong Kong** **Hosted by ING Bank** **JW Marriott**
Mon., Oct. 26	**EMTA Arbitration in the Emerging Markets (NYC)** **360 Madison Avenue, 17th Floor** **(on 45th St. between Madison and 5th Aves.)**
Wed., Oct. 28	**EMTA Roundtable: US Sanctions - A Dialogue Between the Official and Private Sectors** **360 Madison Avenue, 17th Floor** **(on 45th St. between Madison and 5th Aves.)**
Tues., Nov. 3	**Corporate Bond Forum (Boston)** **Sponsored by MarketAxess** **The Langham Hotel - Chase Room** **250 Franklin Street**
Fri., Nov. 6	**EMTA Special Seminar: The Future of Energy in the Asian Markets (NYC)** **360 Madison Avenue, 17th Floor** **(on 45th St. between Madison and 5th Aves.)**
Mon., Nov. 11	Recommended Market Close (NYC/London) Veterans’ Day
Wed., Nov. 25	Recommended 2:00 p.m. (NYC) Early Market Close
Thurs., Nov. 26	Recommended Market Close (NYC/London) Thanksgiving Day
Fri., Nov. 27	Recommended 2:00 p.m. (NYC) Early Market Close
Thurs., Dec. 3	**EMTA Annual Meeting (NYC)** **Hosted by Citi** **399 Park Avenue** **Emerging Markets Benefit (NYC)** **Marquee** **289 Tenth Avenue**

EMTA Calendar (continued)

Mon., Dec. 7	**EMTA's 25th Anniversary Panels: The Emerging Markets - Then and Now (NYC) 360 Madison Avenue, 17th Floor (on 45th St. between Madison and 5th Aves.)**
Tues., Dec. 8	**EMTA Special Seminar: Cuba - The New Frontier? (NYC) 360 Madison Avenue, 17th Floor (on 45th St. between Madison and 5th Aves.)**
Thurs., Dec. 24	Recommended 2:00 p.m. (NYC) Early Market Close
Fri., Dec. 25	Recommended Market Close (NYC/London) Christmas Day
Mon., Dec. 28	Recommended Market Close (London) Boxing Day
Thurs., Dec. 31	Recommended 2:00 p.m. (NYC) Early Market Close
Fri., Jan. 1, 2016	Recommended Market Close (NYC/London) New Year's Day (2016)
Mon., Jan. 11	**EMTA Special Seminar: Argentina Post-Elections Update (London) Sponsored by Puente Hosted by Allen & Overy One Bishops Square E1 6AD**
Mon., Jan. 18	Recommended Market Close (NYC/London) Martin Luther King Jr. Day
Tues., Jan. 19	**EMTA Forum in Miami Conrad Hotel 1395 Brickell Avenue**
Tues., Jan. 26	**EMTA Corporate Bond Forum (London) Hosted by ICBC Standard Bank 20 Gresham Street**
Mon., Feb. 15	Recommended Market Close (NYC/London) Presidents' Day
Tues., Feb. 16	**EMTA Winter Forum (London) Hosted by JPMorgan 60 Victoria Embankment**