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For Immediate Release

EMTA SURVEY:
QUARTERLY EMERGING MARKETS DEBT TRADING DROPS TO SIX-YEAR LOW AT US$1.137 TRILLION

Lowest Quarterly Volumes Since 3Q 2009

NEW YORK, December 14, 2015—Emerging Markets debt trading volumes stood at US$1.137 trillion in the third quarter of 2015, according to a report released today by EMTA, the trade association for the Emerging Markets debt trading and investment industry. This compares with US$1.453 trillion reported for the third quarter of 2014, a 22% decrease, and down six per cent from US$1.211 trillion reported in the second quarter. EMTA noted that reported EM debt volumes reached their lowest levels in six years in the third quarter.

"Weakness in commodities and the political pressure on countries like Brazil have led to wider spreads, lower issuance and lower secondary trading volumes," stated Finbar Cooke, Head of Latin American Credit Trading at Barclays. Cooke added that volumes shouldn't necessarily be seen as weak in light of market volatility, pointing out for example that spreads on 5-year Brazilian CDS had doubled since third quarter 2014.

Local Markets Instruments at 62% of Volume

Turnover in local markets instruments stood at US$706 billion in the third quarter, accounting for 62% of total reported volume. This compares to US$852 billion in the third quarter of 2014, a 17% decrease, and US$721 billion in the second quarter, representing a two per cent decrease.

Mexican instruments were the most frequently traded local markets debt in the third quarter, at US$210 billion. Other frequently-traded local instruments were those from Brazil (US$87 billion), China (US$82 billion), India (US$56 billion) and South Africa (US$44 billion).

Eurobond Volumes at US$430 Billion

Eurobond trading stood at US$430 billion in the third quarter, down 28% compared with third quarter 2014's US$598 billion, and down 12% vs. US$487 billion in the second quarter.

51% of Eurobond activity involved sovereign debt issues in the third quarter of 2015, with Survey participants reporting US$221 billion in sovereign Eurobond turnover. This equaled a 51% share of Eurobond activity in the previous quarter, when such volumes stood at US$249 billion.

Corporate Eurobond trading stood at US$197 billion in the third quarter, accounting for 46% of total Eurobond activity (also equivalent to its share in the previous quarter). Sovereign Eurobond activity accounted for 20% of overall Survey volumes, with corporate trading at 17% of total turnover.

The most frequently traded individual EM Eurobonds in the quarter included Brazil's 2025 bond (US$8 billion in turnover), Brazil's 2045 bond (US$5 billion), Mexico's 2025 bond (US$3 billion), Kazakhstan's new 2025 bond (US$3 billion) and Brazil's 2021 bond (US$3 billion).

In addition to local markets bonds, and sovereign and corporate Eurobonds, the Survey also includes turnover in warrants, options, loans and Brady bonds. Survey participants reported over US$1 billion in warrant and option trades during the quarter, US$178 million in loan assignments and no trading of the industry's few remaining Brady bonds.

Mexican, Brazilian and Chinese Instruments Most Frequently Traded Overall

Mexican instruments were the most frequently traded instruments overall, according to Survey participants, with US$248 billion in turnover. This compares with US$226 billion in the third quarter of 2014 (a ten per cent increase and against the larger trend), while down seven per cent vs. second quarter volumes of US$266 billion. Mexican volumes represented 22% of overall volumes.

Brazilian instruments were the second most frequently traded instruments in the EMTA report, at US$153 billion, according to Survey participants. This represents a one per cent decrease on the US$155 billion reported in the third quarter last year and a four per cent decrease on second quarter volumes of US$159 billion. Brazilian volumes accounted for 13% of total reported volumes.

Third were Chinese assets, whose volume, like Mexico, also defied the general downturn trend, at US$118 billion in turnover. This compares to US$58 billion in the third quarter of 2014, a 104% increase, and a 141% increase on second quarter volume of US$49 billion. Chinese instrument trading accounted for 10% of Survey volume.

Other frequently traded instruments were securities from India (US$63 billion) and South Africa (US$54 billion).

EMTA's Survey includes trading volumes in debt instruments from over 90 Emerging Market countries, as reported by 51 leading investment and commercial banks, asset management firms and hedge funds.

EMTA recently reported that participants in a similar survey for the CDS markets (although limited in scope to 13 EMTA Board firms) had reported US$376 billion in EM CDS volumes in the third quarter of 2015, equal to the CDS volume reported in the third quarter of 2014, and a 37% increase compared to second quarter's US$275 billion.

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

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NOTE TO EDITORS:
Founded in 1990, EMTA (formerly the Emerging Markets Traders Association) is a not-for-profit corporation dedicated to promoting the orderly development of fair, efficient and transparent trading markets for Emerging Markets instruments, and the integration of the Emerging Markets into the global financial marketplace. EMTA, with over 180 member firms worldwide, has published its Annual Volume Surveys since 1992 and Quarterly Surveys since the first quarter of 1997.

Participants in the EMTA Survey are asked to report trades based on aggregate principal amount (face value), rather than the consideration paid, and no effort is made to adjust for duplicate volumes that may be reported by each side of a trade. In these respects, the Survey's methodology has been the same since its inception.