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For Immediate Release

**EMTA SURVEY:
SECOND QUARTER EMERGING MARKETS DEBT TRADING
AT US\$1.704 TRILLION**

Survey Shows Somewhat Mixed Picture

NEW YORK, August 22, 2011—Emerging Markets debt trading volumes stood at US\$1.704 trillion in the second quarter of 2011, according to a report released today by EMTA, the association for the Emerging Markets debt trading industry. This represents a 10% increase from second quarter 2010 volume of US\$1.551 trillion, but a slight decline from the US\$1.739 trillion reported for the first quarter of 2011.

Kasper Bartholdy, Head of Emerging Markets Economics and Strategy at Credit Suisse, commented “It is encouraging but not surprising to see a year-on-year increase in the volume of trading in EM debt in the second quarter. However, the year-on-year numbers for Q2 2011 probably exaggerate the true underlying rate of strengthening in trading activity, because the second quarter in 2010 was a sell-off quarter whereas Q2 2011 was a period with less trauma for the EM debt markets.”

Overall trading volumes in the second quarter of 2011 declined 2% from reported trading in the first quarter. Significant increases in the trading of Mexican and Hong Kong instruments were more than offset by decreased trading volumes in many countries such as Argentina, Brazil, Poland, South Africa, Turkey and Venezuela.

Local Market Instruments at 71% of Volume

Turnover in local market instruments stood at US\$1.213 trillion in the second quarter, representing 71% of total reported volume. This represents a 13% increase compared to trading of US\$1.076 trillion in the second quarter of 2010, and an 8% increase from first quarter volume of US\$1.125 trillion.

Hong Kong instruments were the most frequently traded local markets debt, at US\$328 billion. Other frequently-traded local instruments were those from Mexico (US\$203 billion), Brazil (US\$113 billion), South Africa (US\$80 billion) and Russia (US\$67 billion)

Eurobond Volumes at US\$481 Billion

Eurobond trading stood at US\$481 billion. This compares to US\$465 billion in the second quarter of 2010 (up 3%) and US\$589 billion in the first quarter (down 18%).

47% of Eurobond activity involved sovereign debt issues, with Survey participants reporting US\$228 billion in sovereign Eurobond turnover. This compares with US\$245 billion in the second quarter of 2010, representing a 7% decrease.

Corporate Eurobond trading stood at US\$221 billion for the second quarter, compared to US\$201 billion in the second quarter of 2010, or a 10% increase. Corporate bonds represented 46% of Eurobond trading. Sovereign and corporate Eurobond activity accounted for 13% of overall Survey volumes each.

The most frequently traded individual EM Eurobonds in the second quarter included Russia's 2030 bond (US\$8 billion in turnover), Mexico's 2040 bond (US\$5 billion), Venezuela's 2027 bonds (US\$4 billion), Venezuela's 2022 bond (US\$4 billion) and Brazil's 2037 bond (US\$3 billion).

In addition to local markets bonds, and sovereign and corporate Eurobonds, the Survey also includes turnover in warrants, options, loans and Brady bonds. Survey participants reported US\$10 billion in warrant and option trades, US\$240 million in loan assignments and US\$24 million in trades of outstanding Brady bonds.

Hong Kong, Mexico, Brazil Instruments Most Frequently Traded

Hong Kong instruments were the most frequently traded instruments overall according to Survey participants, with US\$344 billion in turnover. This compares with US\$143 billion in the second quarter of 2010 (a 141% increase) and US\$225 billion in the first quarter of 2011 (a 53% increase). Hong Kong volumes accounted for 20% of total Survey trading.

Mexican instruments were the second most frequently traded instruments in the EMTA report, at US\$242 billion, according to Survey participants. This represents a 30% increase on the US\$186 billion reported in the second quarter of 2010 and a 61% increase vs. \$150 billion in the first quarter of 2011, and, like Hong Kong, driven largely by local instrument trading. Mexican volumes accounted for 14% of total reported volume.

Third were Brazilian assets, at US\$172 billion in turnover. This compares to US\$242 billion in the second quarter of 2010, a 29% decrease and US\$187 billion in the first quarter of 2011 (down 8%). Brazilian instrument trading accounted for 10% of Survey volume.

Other frequently traded instruments were securities from Russia (US\$117 billion) and South Africa (US\$88 billion). Participants reported decreased trading in many Middle Eastern countries in the wake of the Arab Spring, including a 60% decrease in Egyptian trading on both a quarterly and annual basis, and declines also in volumes of other countries such as Bahrain and Qatar.

Earlier this month, EMTA reported that participants in a similar survey--albeit more limited in scope to only EMTA board firms--had reported US\$240 billion in EM CDS volumes in the second quarter of 2011. This represented a decline of 47% from US\$453 billion in CDS transactions reported in the second quarter of 2010.

Bartholdy was less sanguine about the volume prospects for the current quarter. "The numbers for the third quarter will probably end up looking significantly less flattering than those for the second quarter, because market liquidity appears to have dropped substantially since spreads began to spike a few weeks ago," he stated.

The Survey includes trading volumes in debt instruments from over 90 Emerging Market countries. Data was collected from 56 leading investment and commercial banks, asset management firms and hedge funds. For a copy of EMTA's Second Quarter Debt Trading Volume Survey, please contact Jonathan Murno at jmurno@emta.org or +44 (0) 20 7996-3165.

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 150 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.