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360 Madison Ave., 17th fl.
New York, NY 10017

+1 (646) 289 5410

Contact: Jonathan Murno
EMTA
+(44) 20 7996-3165
jmurno@emta.org

For Immediate Release

EMTA SURVEY:
EMERGING MARKETS CDS TRADES
AT US$279 BILLION IN SECOND QUARTER

EM CDS Rise 28% Compared to Second Quarter 2012 Volumes

NEW YORK, August 12, 2013--Trading in Emerging Markets Credit Default Swaps (CDS) stood at US$279 billion in the second quarter of 2013, according to a Survey polling 13 major dealers released today by EMTA, the trade association for the Emerging Markets debt trading and investment industry.

This compares to US$218 billion in reported Emerging Markets CDS contract volume in the second quarter of 2012 (representing a 28% increase), and US$212 billion in first quarter 2013 volumes (a 31% increase). EMTA noted that the Second Quarter 2013 report included one new participating firm.

"The total increase in CDS was uneven globally," commented Jane Brauer, Director and Senior Quantitative Strategist at Bank of America Merrill Lynch. "Although volumes were up 28% overall, there has been a dramatic drop in the trading volume of CDS in the Survey's EU countries--*down about 80% compared to a year ago*--because of the EU attempt to ban speculative CDS trading by prohibiting naked sovereign CDS, which came into effect in November 2012." Brauer contrasted this to Asian and Latin American CDS volume growth, which she attributed to "perceptions that EM country risk has increased due to QE tapering fears; this has served to increase demand for CDS from both hedgers and speculators," she stated.

The largest CDS volumes in the Survey during the quarter were those on Brazil, at US$65 billion. EMTA Survey participants also reported US$33 billion in Turkish CDS and US$32 billion in Mexican CDS.

The EMTA Survey also included volumes on nine corporate CDS contracts. Those with the highest reported volume in the Survey were on Gazprom (US$2.7 billion).

Participants also reported over US$2.3 billion in Pemex contracts and US$1.6 billion in Petrobras CDS volume.

For a copy of EMTA's Second Quarter 2013 CDS Trading Volume Survey, please contact Jonathan Murno at jmurno@emta.org or +44 20 7996-3165.

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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 of Debt Trading since 1992. EMTA begin publishing CDS volumes in 2009.

For its survey, EMTA collected data from 13 major international banks and broker-dealers on Emerging Market CDS contracts. Participants were asked to report their CDS volumes on 19 Emerging Markets countries and 9 EM corporate issuers. The survey is based on notional value of CDS trades and includes rollovers, but not netting trades or internal transfers.