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For Immediate Release

EMTA SURVEY: EMERGING MARKETS NDF TRADING AT US$1.021 TRILLION IN 2003

Korean Won NDFs 30% of Volumes

NEW YORK, April 14, 2004—Reported annual trading volumes in Emerging Markets Non-Deliverable Forward (NDF) contracts totaled US$1.021 trillion in 2003, according to a Survey released today by EMTA, the industry trade association for traders and investors in the Emerging Markets.

EMTA, which has been regularly publishing its Volume Survey for Emerging Market debt instruments since 1992, began compiling NDF data in the first quarter of 2003, and 25 financial institutions, including major dealers and investment firms, participated in the Annual Survey. Nevertheless, EMTA noted that, because several significant market participants had not contributed to this Survey, it should not be interpreted as accurately representing actual industry-wide trading volumes in NDFs, but rather as a general reflection of overall industry trends.

“We are very pleased to be able to collect and release NDF volume information,” EMTA Executive Director Michael M. Chamberlin stated, “as it furthers EMTA's goal of contributing to the transparency of the marketplace.” Chamberlin added that, “although the participation in this Survey is not yet on par with our Debt Trading Volume Survey, we are confident that over time, participation will improve as NDF traders and investors gain more experience with it, giving greater validity and significance to the collected data.”

In the Survey, Korean won NDF transactions accounted for 30% of the total reported to EMTA, at US$307 billion. Juan Barranco, Head of Emerging Markets Foreign Exchange Trading at Bank of America, noting that market share decreased compared to Surveys published by EMTA in the first two quarters of 2003, commented that, “market share for the

Korean won decreased over the year due to increased Central Bank intervention in the spot market, speculation whether restrictions would be placed on the currency which began last summer, and the restrictions actually announced at year-end."

Chilean peso NDF volumes stood in second place at US$180 billion in volumes in 2003. Chilean NDFs accounted for 18% of total volume. Brazilian real NDFs were a close third at US$179 billion respectively (and an 18% share). Taiwanese dollar NDFs accounted for US$163 billion in volumes and a 17% share.

Barranco predicted that volumes in Chinese yuan NDFs (which stood in fifth place in 2003 a US$68 billion in volume) currently show the largest growth potential, describing trading in the yuan as "far from an open, deliverable market." He also named the Malaysian ringgit and Russian ruble as two NDF currencies in which trading could grow substantially, adding that he expects gradual liberalization of the Malaysian currency market.

The Survey covered 13 NDF markets from Latin America and Asia, as well as Russia. NDFs are synthetic forward contracts for currencies that foreign investors are not able to settle in local forward markets due to illiquidity or regulatory, transferability or other restrictions. Unlike a conventional forward, an NDF is normally settled in US dollars, based on the difference between the contracted NDF forward rate and the prevailing spot rate, and involves no physical exchange of the underlying currency at maturity.

For a copy of EMTA's 2003 NDF Annual Volume Survey, please contact Jonathan Murno at jmurno@emta.org or at +(646) 637-9105.

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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.