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For Immediate Release

EMTA SURVEY: THIRD QUARTER EMERGING MARKETS DEBT TRADING AT US$1.296 TRILLION

NEW YORK, December 4, 2012—Emerging Markets debt trading volumes stood at US$1.296 trillion in the third quarter of 2012, according to a report released today by EMTA, the trade association for the Emerging Markets debt trading industry. This compares with US$1.760 trillion in the third quarter of 2011, a 26% decrease, and US$1.413 trillion in the second quarter, an 8% decrease. EMTA noted that this was the lowest quarterly volume in three years.

"The fact that secondary market volumes declined despite a robust primary market, where new issuance totaled US$113 billion, which was up 297% year-on-year, raises concerns about EM bond trading," commented David Spegel, Global Head of Emerging Markets Strategy for ING Wholesale Banking. Spegel attributed this to a "the scaling back of position limits by most dealers, and exiting the market by others, as banks have reorganized ahead of substantial changes in the regulatory environment." Finally, Spegel asserted that "EM bond-buyers must accept the fact that we are increasingly turning into a buy-and-hold market."

Local Market Instruments at 68% of Volume

Turnover in local market instruments stood at US$882 billion in the third quarter, accounting for 68% of total reported volume. This compares to US$1.337 trillion in the third quarter of 2011 (down 34%) and US$987 billion in the second quarter (down 11%).

Brazilian instruments were the most frequently traded local markets debt, at US$197 billion. Other frequently-traded local instruments were those from Mexico (US$128 billion), and Turkey (US$81 billion).

Eurobond Volumes at US$407 Billion

Eurobond trading stood at US$407 billion in the third quarter. This compares to US$414 billion in the third quarter of 2011 (down 2%) and US$419 billion in the second quarter (down 3%).

52% of Eurobond activity involved sovereign debt issues in the third quarter, with Survey participants reporting US$211 billion in sovereign Eurobond turnover. This compares to a 57% share of Eurobond activity in the previous quarter, when such volumes stood at US$240 billion.

Corporate Eurobond trading stood at US$188 billion in the third quarter, accounting for 46% of total Eurobond activity (compared to 38% in the previous quarter). Sovereign Eurobond activity accounted for 16% of overall Survey volumes, with corporate trading at 14% of total turnover.

The most frequently traded individual EM Eurobonds during the quarter included Russia’s 2030 bond (US$13 billion in turnover), Brazil’s 2021 bond (US$5 billion), Mexico’s 2022 bond (US$3 billion), Russia’s 2042 bond (US$3 billion) and Petrobras’ 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 US$6 billion in warrant and option trades, US$500 million in loan assignments and a mere US$29 million in Brady bond trades. These categories combined represented less than one percent of total volume.

Brazil, Mexico and Turkey Instruments Most Frequently Traded

Brazilian instruments were the most frequently traded instruments overall according to Survey participants, with US$248 billion in turnover. This compares with US$196 billion in the third quarter of 2011 (a 26% increase) and US$298 billion in the second quarter (down 17%). Brazil volumes accounted for 19% of total Survey trading.

Mexican instruments were the second most frequently traded instruments in the EMTA report, at US$158 billion, according to Survey participants. This represents a 51% decrease on the US$322 billion reported in the third quarter of 2011 and a 35% decrease over second quarter volumes of US$243 billion. Mexican volumes accounted for 12% of total reported volume.

Third were Turkish assets, at US$108 billion in turnover. This compares to US$89 billion in the third quarter of 2011, a 21% increase and a 51% increase on second quarter’s US$71 billion. Turkish instrument trading accounted for 8% of Survey volume.

Other frequently traded instruments were securities from Russia (US$96 billion) and South Africa (US$87 billion).

EMTA's Survey includes trading volumes in debt instruments from over 90 Emerging Market countries, as reported by 53 leading investment and commercial banks, asset management firms and hedge funds.

EMTA recently reported that participants in a similar survey (although limited in scope to 12 EMTA Board firms) had reported US$213 billion in EM CDS volumes in the third quarter. This compared to US$274 billion in Emerging Markets CDS contract volume in the third quarter of 2011 (representing a 22% decrease), and US$218 billion in second quarter volumes (a 2% decrease).

For a copy of EMTA's Third Quarter 2012 Debt Trading Volume Survey, 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.