

Contact: Jonathan Murno
jmurno@emta.org

For Immediate Release

EMTA SURVEY: 2019 ANNUAL EMERGING MARKETS DEBT TRADING AT US\$5.341 TRILLION

Fourth Quarter Volume at US\$1.333 Trillion

NEW YORK, March 30, 2020—Emerging Markets debt trading volumes stood at US\$5.341 trillion in 2019, according to a report released today by EMTA, the trade association for the Emerging Markets debt trading and investment industry. This was a 9% increase on the US\$4.879 trillion reported in 2018.

EMTA also announced that Emerging Markets debt trading volumes stood at US\$1.333 trillion in the fourth quarter of 2019. This compares with US\$1.067 trillion reported for the fourth quarter of 2018, a 25% increase, while down 6% from US\$1.416 trillion reported in the third quarter of 2019.

The year was marked by an abrupt turn in US FOMC interest rate policy, with a series of US interest rate cuts following 2018's hikes, with generally strong EM debt performance. Analysts noted that the more recent outbreak of Covid-19 has led to dramatic reductions in both US rates and 2020 EM growth forecasts.

Local Markets Instruments at 57% of Volume

Turnover in local markets instruments stood at US\$3.058 trillion in 2019, accounting for 57% of total reported volume. This compares to US\$2.987 trillion in 2018, a 2% increase.

Mexican instruments were the most frequently traded local markets debt in 2019, at US\$697 billion. Other frequently-traded local instruments were those from Brazil (US\$522 billion), India (US\$464 billion), South Africa (US\$174 billion) and China (US\$167 billion).

Eurobond Volumes at US\$2.275 Trillion

Eurobond trading stood at US\$2.275 trillion in 2019, up 22% compared with 2018's US\$1.871 trillion.

57% of Eurobond activity involved sovereign debt issues in 2019, with Survey participants reporting US\$1.288 trillion in sovereign Eurobond turnover. This compared to a 59% share of Eurobond activity in the previous year, when such volumes stood at US\$1.099 trillion.

Corporate Eurobond trading stood at US\$921 billion in 2019, accounting for 40% of total Eurobond activity (vs. a 39% share in 2018). Sovereign Eurobond activity accounted for 24% of overall Survey volumes, with corporate trading at 17% of total turnover.

The most frequently traded Eurobonds in 2019, according to Survey participants, were Argentina's 2028 bond (US\$16.7 billion), Mexico's 2029 bond (US\$16.5 billion), Petrobras' 2049 bond (at US\$14.5 billion, the most frequently traded EM corporate debt issue), Argentina's 2021 bond (US\$14.4 billion) and Argentina's USD Par bond (US\$14 billion).

In addition to local markets bonds, and sovereign and corporate Eurobonds, the Survey also includes turnover in warrants, options and loans. Survey participants reported US\$6 billion in warrant and option trades during the year and US\$2 billion in loan assignments.

Mexican, Brazilian and Indian Instruments Most Frequently Traded Overall

Mexican instruments were the most frequently traded instruments overall, according to Survey participants, with US\$972 billion in turnover, and compared to US\$826 billion reported in 2018 (up 18%). Mexican volumes represented 18% of overall volumes.

Brazilian instruments were the second most frequently traded instruments in the EMTA report, at US\$781 billion, according to Survey participants. This represents a 26% increase on the US\$621 billion reported in 2018. Brazilian volumes accounted for 15% of total reported volumes.

Third were Indian assets, whose volume stood at US\$514 billion. This compares to US\$365 billion in 2018 (up 41%). Indian instrument trading accounted for 10% of Survey volume.

Other frequently traded instruments were securities from China (US\$352 billion) and Argentina (US\$251 billion).

EMTA's Survey includes trading volumes in debt instruments from over 90 Emerging Market countries, as reported by 44 leading investment and commercial banks, asset management firms and hedge funds.

For a copy of EMTA's Fourth Quarter 2019 or 2019 Annual Debt Trading Volume Surveys, please contact Jonathan Murno at jmurno@emta.org or +1 (646) 676-4293.

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.