

TO: EMTA Members
FROM: Michael Chamberlin
DATE: September 12, 2001
RE: Thursday Markets

As you may be aware, the US domestic bond markets will re-open on Thursday, September 13, but are expected to close early at 2:00 pm (NYC time). Accordingly, EMTA is recommending that the trading market in New York City for Brady bonds and other Emerging Market debt instruments also re-open on Thursday, September 13, and close early at 2:00 pm (NYC time), consistent with the schedule for the domestic markets. The status of the US domestic bond markets for Friday, September 14 will be reviewed during the course of Thursday, and a further EMTA recommendation is likely following such review.

As a cautionary note, it remains too early to determine with any certainty the extent to which the situation in lower Manhattan may restrict trading activity or levels or affect trade processing, clearing and settlement capability. Due to the anticipated unavailability of some broker trading screens, EMTA does recommend, however, that market participants wishing to trade be prepared to do so directly 'face to face' or through voice broking mechanisms. Market participants with concerns in these regards should consult with their intended counterparties and intermediaries.

While counterparties may wish to provide for some flexibility in the settlement of trades(as has been the case in London), market participants should be aware that, at the present time, the Emerging Markets Clearing Corporation (EMCC) is only able to process trades submitted to it on a T+3 basis.

EMTA's offices are likely to remain closed through Friday, but all efforts will be made, through the monitoring of e-mail and telephone messages, to be available as a clearinghouse of information during this somewhat uncertain time. If you wish, please do not hesitate to contact me at 914-693-8939.

Market participants desiring information about the current procedures for obtaining access to their offices in lower Manhattan should visit the Bond Markets website (www.bondmarkets.com).