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For Immediate Release

**EMTA SURVEY:  
FIRST QUARTER EMERGING MARKETS DEBT TRADING  
AT US\$1.582 TRILLION**

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**NEW YORK, June 14, 2012**—Emerging Markets debt trading volumes stood at US\$1.582 trillion in the first quarter of 2012, according to a report released today by EMTA, the association for the Emerging Markets debt trading industry. This compares with US\$1.739 trillion in the first quarter of 2011, a 9% decrease, and US\$1.302 trillion in the usually more sedate fourth quarter, a 21% increase.

“Risk appetite was strong in the first quarter, driving robust inflows into EM debt compared to the prior quarter,” noted Jeff Williams, Director in Emerging Markets Strategy at Citi.

***Local Market Instruments at 66% of Volume***

Turnover in local market instruments stood at US\$1.043 trillion in the first quarter, accounting for 66% of total reported volume. This compares to US\$1.125 trillion in the first quarter of 2011 (down 7%) and US\$965 billion in the fourth quarter (an 8% increase.)

Brazilian instruments were the most frequently traded local markets debt, at US\$187 billion. Other frequently-traded local instruments were those from Mexico (US\$175 billion), South Africa (US\$83 billion), Russia (US\$69 billion) and China (US\$68 billion).

***Eurobond Volumes at US\$531 Billion***

Eurobond trading stood at US\$531 billion in the first quarter. This compares to US\$589 billion in the first quarter of 2011 (down 10%) and US\$304 billion in the fourth quarter (up 75%).

“The strong primary market, both in the corporate and sovereign Eurobond markets, was one of bigger stories in EM debt in the first quarter,” noted Williams, who stated that the combination of increased risk appetite and record issuance had propelled first quarter volumes. “Trading in these newly-issued bonds, many of them benchmark size, was a large component behind the pick-up in liquidity in the latest quarter,” he added.

59% of Eurobond activity involved sovereign debt issues in the first quarter, with Survey participants reporting US\$313 billion in sovereign Eurobond turnover. This compares to a 61% share of Eurobond activity in the previous quarter, when such volumes stood at US\$187 billion.

Corporate Eurobond trading stood at US\$206 billion in the first quarter, accounting for 39% of total Eurobond activity. Sovereign Eurobond activity accounted for 20% of overall Survey volumes, with corporate trading at 13% of total turnover.

The most frequently traded individual EM Eurobonds during the first quarter included Russia’s 2030 bond (US\$14 billion in turnover), Brazil’s 2021 bond (US\$7 billion), Colombia’s April 2021 bond (US\$6 billion), Turkey’s September 2022 bond (US\$6 billion) and Mexico’s March 2022 bond (US\$5 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\$7 billion in first quarter warrant and option trades, US\$700 million in loan assignments and a mere US\$25 million in Brady bond trades. These categories combined represented less than one percent of total volume.

### ***Brazil, Mexico and Russia Instruments Most Frequently Traded***

Brazilian instruments were the most frequently traded instruments overall according to Survey participants, with US\$250 billion in turnover. This compares with US\$187 billion in the first quarter of 2011 (a 34% increase) and US\$168 billion in the fourth quarter (up 49%). Brazil volumes accounted for 16% of total Survey trading.

Mexican instruments were the second most frequently traded instruments in the EMTA report, at US\$231 billion, according to Survey participants. This represents a 54% increase on the US\$150 billion reported in the first quarter of 2011 and a 50% increase over fourth quarter’s US\$154 billion. Mexican volumes accounted for 15% of total reported volume.

Third were Russian assets, at US\$130 billion in turnover. This compares to US\$113 billion in the first quarter of 2011, a 14% increase and a 65% increase on fourth quarter’s US\$79 billion. Russian instrument trading accounted for 8% of Survey volume.

Other frequently traded instruments were securities from South Africa (US\$94 billion) and Turkey (US\$82 billion).

EMTA's Survey includes trading volumes in debt instruments from over 90 Emerging Market countries, as reported by 60 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 13 EMTA Board firms) had reported US\$235 billion in EM CDS volumes in the first quarter. This compared to US\$306 billion in EM CDS contract volume in the first quarter of 2011 (representing a 23% decrease), and US\$234 billion in fourth quarter volumes (a 1% increase).

For a copy of EMTA's First Quarter 2012 Debt Trading Volume Survey, please contact Jonathan Murno at [jmurno@emta.org](mailto: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.*