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For Immediate Release

EMTA SURVEY: THIRD QUARTER EMERGING MARKETS DEBT TRADING AT US$1.454 TRILLION

EM Corporate Volumes Remain Above Sovereign Trades for Second Consecutive Quarter

NEW YORK, December 2, 2014—Emerging Markets debt trading volumes were US$1.454 trillion in the third quarter of 2014, according to a report released today by EMTA, the trade association for the Emerging Markets debt trading industry. This compares with US$1.266 trillion reported for the third quarter of 2013 (a 15% increase) and US$1.668 trillion for the second quarter of 2014 (down 13%).

"The latest EMTA volume survey confirms the rising dominance of corporate bond trading, for the second consecutive quarter," according to David Spegel, Global Head of Emerging Market Credit Research at BNP Paribas in London. "After exceeding the nominal size of the outstanding EM sovereign debt market in 2007, and surpassing EM sovereigns in the primary market nearly 10 years ago, it is high time that corporate bond trading achieves a similar status in the secondary market," he stated.

Local Markets Instruments at 59% of Volume

Turnover in local markets instruments stood at US$852 billion in the third quarter, accounting for 59% of total reported volume. This compares to US$822 billion in the third quarter of 2013, a 4% increase, and US$1.033 trillion in the second quarter, representing an 18% decrease.

Mexican instruments were the most frequently traded local markets debt in the third quarter, at US$183 billion. Other frequently-traded local instruments were those from South Africa (US$91 billion), India (US$79 billion), Brazil (US$76 billion) and Poland (US$56 billion).

Eurobond Volumes at US$597 Billion

Eurobond trading stood at US$597 billion in the third quarter, up 37% compared with third quarter 2013's US$437 billion and down 5% vs. US$631 billion in the second quarter.

EM Corporate Eurobond trading again surpassed sovereign volumes for only the second time in the Survey's history. Reported corporate transactions totaled US$297 billion in the third quarter, accounting for 50% of total Eurobond activity (compared to 51% in the previous quarter). Corporate Eurobond activity accounted for 20% of overall Survey volumes.

48% of Eurobond activity involved sovereign debt issues in the third quarter of 2014, with Survey participants reporting US$288 billion in sovereign Eurobond turnover. This compares to a 46% share of Eurobond activity in the previous quarter, when such volumes stood at US$291 billion. Sovereign Eurobond trading also represented 20% of total turnover.

The most frequently traded individual EM Eurobonds in the third quarter included Russia's 2030 bond (US$19 billion in turnover), Argentina's US-dollar Par bond and US-dollar Discount bond (both US$7 billion), Brazil's 2025 bond (US$5 billion) and Venezuelan oil company PDVA's 2026 bond (US$4 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 over US$3 billion in warrant and option trades during the quarter, with loan and Brady Bond trading combined representing less than US$1 billion in volume.

Mexico, Brazil and Russia Instruments Most Frequently Traded

Mexican instruments were the most frequently traded instruments overall, according to Survey participants, with US$226 billion in turnover. This compares with US$255 billion in the third quarter of 2013 (an 11% decrease) and down 12% vs. second quarter volumes of US$258 billion. Mexican volumes accounted for 16% of total Survey trading, similar to its share the previous quarter.

Brazilian instruments were the second most frequently traded instruments in the EMTA report, at US$155 billion, according to Survey participants. This represents a 23% decrease on the US$201 billion reported in the third quarter last year, and a 38% decrease on second quarter volumes of US$248 billion. Brazilian volumes accounted for 11% of total reported volume (down from 15% in the prior quarter).

Third were Russian assets, at US$119 billion in turnover. This compares to US$106 billion in the third quarter of 2013, a 12% increase, and a 6% decrease on second quarter volume of $126 billion. Russian instrument trading accounted for 8% of Survey volume.

Other frequently traded instruments were securities from South Africa (US$104 billion) and India (US$95 billion).

EMTA's Survey includes trading volumes in debt instruments from over 90 Emerging Market countries, as reported by approximately 50 leading investment and commercial banks, asset management firms and hedge funds.

EMTA recently reported that participants in a similar survey for the CDS markets (although limited in scope to 13 EMTA Board firms) had reported increases in trading. The CDS Survey's participants reported US$377 billion in EM CDS volumes in the third quarter of 2014. This compared to US$297 billion in EM CDS contract volume in the same quarter in 2013 (representing a 27% increase).

For a copy of EMTA's Third Quarter 2014 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.