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For Immediate Release

EMTA SURVEY: QUARTERLY EMERGING MARKETS DEBT TRADING AT US$1.323 TRILLION

Volumes Rise 2% on Year-on-Year Basis

NEW YORK, June 20, 2017—Emerging Markets debt trading volumes stood at US$1.323 trillion in the first quarter of 2017, according to a report released today by EMTA, the trade association for the Emerging Markets debt trading and investment industry. This compares with US$1.299 trillion reported for the first quarter of 2016, a 2% increase, while up 17% from US$1.132 trillion reported in the fourth quarter.

Gunter Heiland, Partner at Gramercy Funds Management, noted that, "the total volume numbers up for the quarter, and also on a year-on-year basis, confirm both current client interest, as well as total EM inflows that the market has been receiving."

Local Markets Instruments at 55% of Volume

Turnover in local markets instruments stood at US$722 billion in the first quarter, accounting for 55% of total reported volume. This compares to US$819 billion in the first quarter of 2016, a 12% decrease, and US$664 billion in the fourth quarter, representing a 9% percent increase.

Brazilian instruments were the most frequently traded local markets debt in the first quarter, at US$141 billion. Other frequently-traded local instruments were those from Mexico (US$135 billion), South Africa (US$76 billion), Poland (US$71 billion) and India (US$63 billion).

Eurobond Volumes at US$590 Billion

Eurobond trading stood at US$590 billion in the first quarter, up 25% compared with first quarter 2016's US$471 billion, while up 27% vs. US$466 billion in the fourth quarter.

56% of Eurobond activity involved sovereign debt issues in the first quarter with Survey participants reporting US$331 billion in sovereign Eurobond turnover. This compared to a 57% share of Eurobond activity in the previous quarter, when such volumes stood at US$264 billion.

Corporate Eurobond trading stood at US$218 billion in the first quarter, accounting for 37% of total Eurobond activity (vs. a 40% share in the previous quarter). Sovereign Eurobond activity accounted for 25% of overall Survey volumes, with corporate trading at 16% of total turnover.

The most frequently traded individual EM Eurobonds in the quarter included Turkey's 2027 bond (US$6.9 billion in turnover), Brazil's 2026 bond (US$5.3 billion), Argentina's 2026 bond (US$5 billion), Brazil's 2025 bond (US$5 billion) and Kuwait's new 2027 bond (US$4.6 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$11 billion in warrant and option trades during the quarter and US$260 million in loan assignments. EMTA discontinued tracking of Brady bond trades in 2017, due to their minimal volumes.

Brazilian, Mexican, and Chinese Instruments Most Frequently Traded Overall

Brazilian instruments were, by a very small margin, the most frequently traded instruments overall, according to Survey participants, with US$202 billion in turnover. This represented a 51% increase from the US$134 billion reported in the first quarter of 2016, while up 54% vs. fourth quarter volumes of US$132 billion. Brazilian volumes represented 15% of overall volumes.

Mexican instruments were the second most frequently traded instruments in the EMTA report, also at US$202 billion, according to Survey participants. This represents a 14% decrease on the US$234 billion reported in the first quarter last year and a 9% decrease on fourth quarter volumes of US$222 billion. Mexican volumes also accounted for 15% of total reported volumes.

Third were Chinese assets, whose volume stood at US$95 billion. This compares to US$97 billion in the first quarter of 2016, a 2% decrease, and an18% increase on fourth quarter volume of US$81 billion. Chinese instrument trading accounted for 7% of Survey volume.

Other frequently traded instruments were securities from South Africa (US$89 billion) and Poland (US$85 billion).

EMTA's Survey includes trading volumes in debt instruments from over 90 Emerging Market countries, as reported by 45 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 US$404 billion in EM CDS volumes in the first quarter of 2017, up 11% compared to US$363 billion in CDS volume reported in the first quarter of 2016, while representing a 32% jump compared to fourth quarter's US$306 billion.

For a copy of EMTA's First Quarter 2017 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.