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For Immediate Release

EMTA SURVEY: QUARTERLY EMERGING MARKETS DEBT TRADING AT US$1.379 TRILLION

Volumes Rise 21% on Year-on-Year Basis

NEW YORK, December 19, 2016—Emerging Markets debt trading volumes stood at US$1.379 trillion in the third quarter of 2016, according to a report released today by EMTA, the trade association for the Emerging Markets debt trading and investment industry. This compares with US$1.137 trillion reported for the third quarter of 2015, a 21% increase, while also up 2% from US$1.357 trillion reported in the second quarter of 2016.

"The significant increase in 3Q trading volume vs. the same period last year can be attributed to strong inflows (US$26 billion during the quarter), global factors (the aftermath of Brexit) and a number of idiosyncratic developments," stated Hongtao Jiang, Head of EM Credit Strategy at Deutsche Bank. He added that, "the latter is evidenced in that the largest contributors to the increase are India (the fastest growing local market in EM this year), South Africa, Turkey (the attempted coup d'état), and Argentina (which made a return to the bond market earlier this year)."

Local Markets Instruments at 64% of Volume

Turnover in local markets instruments stood at US$878 billion in the third quarter, accounting for 64% of total reported volume. This compares to US$706 billion in the third quarter of 2015, a 24% increase, and US$848 billion in the second quarter of 2016, representing a 4% percent increase.

Indian instruments were the most frequently traded local markets debt in the third quarter, at US$207 billion. Other frequently-traded local instruments were those from Mexico (US$152 billion), South Africa (US$99 billion), Brazil (US$97 billion) and Poland (US$65 billion).

Eurobond Volumes at US$498 Billion

Eurobond trading stood at US$498 billion in the third quarter, up 16% compared with third quarter 2015's US$430 billion, while flat compared to second quarter 2016 volume.

51% of Eurobond activity involved sovereign debt issues in the third quarter with Survey participants reporting US$254 billion in sovereign Eurobond turnover. This compared to a 52% share of Eurobond activity in the previous quarter, when such volumes stood at US$257 billion.

Corporate Eurobond trading stood at US$231 billion in the third quarter, accounting for 46% of total Eurobond activity (vs. a 47% share in the previous quarter). Sovereign Eurobond activity accounted for 18% of overall Survey volumes, with corporate trading at 17% of total turnover.

The most frequently traded individual Eurobonds were Petrobras's 2021 bond (US$5 billion in turnover) and its 2026 bond (US$3.8 billion), followed by Argentina's bonds due in 2026 (US$3.6 billion) and 2036 (US$3.4 billion). Also in the top five was Turkey's 2045 bond (US$3.2 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$3 billion in warrant and option trades during the quarter, with minimal trading of loans and the industry's few remaining defaulted loans and Brady bonds.

Indian, Mexican and Brazilian Instruments Most Frequently Traded Overall

Indian instruments were the most frequently traded instruments overall, according to Survey participants, with US$216 billion in turnover. This represented a 242% increase from the US$63 billion reported in the third quarter of 2015, and up 15% vs. second quarter volumes of US$188 billion. Indian volumes represented 16% of overall volumes.

Mexican instruments were the second most frequently traded instruments in the EMTA report, at US$203 billion, according to Survey participants. This represents an 18% decrease on the US$248 billion reported in the third quarter last year and a 6% decrease on second quarter volumes of US$216 billion. Mexican volumes accounted for 15% of total reported volumes.

Third were Brazilian assets, whose volume stood at US$153 billion. This equaled volume reported in the third quarter of 2015, and was down 1% from second quarter trading of US$155 billion. Brazilian instrument trading accounted for 11% of Survey volume.

Other frequently traded instruments were securities from South Africa (US$112 billion) and China (US$109 billion).

EMTA's Survey includes trading volumes in debt instruments from over 90 Emerging Market countries, as reported by 46 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$376 billion in EM CDS volumes in the third quarter of 2016, equaling the trading reported in the third quarter of 205, while representing a 31% increase compared to the second quarter's US$286 billion.

For a copy of EMTA's Third Quarter 2016 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.